

AFRICA RISK CONSULTING

Uganda Monthly Briefing March 2024

Uganda Summary 8 March 2024

Divisions emerge in the ruling National Resistance Movement (NRM) as President Yoweri Museveni's (1986-present) son General Muhoozi Kainerugaba is appointed on 7 February to lead a pressure group called the Patriotic League of Uganda (PLU). An online protest campaign dubbed #UgandaParliamentExhibition exposes rampant corruption and misuse of public funds within the parliament. The campaign also alleges that there was a payment to National Unity Platform (NUP) former leader of opposition in parliament (LOP) Mathias Mpuuga, causing tensions among the opposition party.

Cracks emerge in Uganda's ruling party

Divisions have emerged in the ruling **National Resistance Movement (NRM)** party after the formation of the **Patriotic League of Uganda (PLU)** pressure group on 7 February, led by President **Yoweri Museveni's** (1986-present) son, General **Muhoozi Kainerugaba**. The pressure group was launched in **Kampala** by NRM vice chairperson and **Central Executive Committee (CEC)** member **Mike Mukula** and is believed to be a way for Kainerugaba to seize power from his father.¹

Speaking at the launch, which was well attended by three ministers, 68 members of parliament (MPs) and 40 district local governor chairpersons, Mukula said the new political organisation would help foster a smooth transition in Uganda, citing countries like **Cuba** and **North Korea** has examples where these such smooth transitions have happened.²

The launch of the new organisation is causing a rift with party supporters not sure who between Museveni and Kainerugaba will be the party's presidential flagbearer for the 2026 elections. Kainerugaba is a divisive figure in the party where some bush war veterans are opposed to his candidature. Many senior leaders also oppose Kainerugaba replacing his father but fear doing so openly.³

However, internal affairs minister, General **Kahinda Otafiire**, has openly criticised the move over the past two years. Otafiire said in a recent interview on 19 February that if Kainerugaba truly believes that he has what it takes to run a country, he should prove that first to the people of Uganda, rather than taking advantage only of his bloodline:

"Vote for the person who will solve your problems because if you say so and so's son should take over from their father, his son will also want to take over from his grandfather. Then we will have Sultan number one, Sultan number two and so on and then the whole essence of democracy for which we fought will be lost".⁴

A senior member of the ruling NRM told **Africa Risk Consulting Briefing (ARC Briefing)** that he is worried Kainerugaba's candidature will further polarise the country along tribes and ethnicity:

"I represent a pool of NRM cadres, historical and senior mobilisers who vividly keep losing their political space in a struggle they sacrificed their time, resources and opportunities. I wish to read

¹ ARC source, Kampala 5 Mar 2024

² Daily Monitor, Kampala 8 Feb 2024

³ ARC source, Kampala 5 Mar 2024

⁴ NBS, 19 Feb 2024

from PLU its ideology, alternative policies and guarantees for continuity of ongoing programmes and projects.”⁵

A Kampala-based lawyer told ARC Briefing that the CEC is right in asking Museveni to clarify whether it’s him or the first son who will contest in the 2026 elections:

*“The NRM CEC members are 100% right to ask Mr Museveni to decide on who to field in 2026. They are acting smartly and safely. Let State House/first family vote and decide on their preferred NRM candidate. Apparently, Mr Museveni already decided on the candidate but wants to see who is against his plans. NRM is Mr Museveni and Museveni is NRM. What he decides is what carries the day”.*⁶

In a further sign of split, members of the NRM on 6 March called for the resignation of prominent figures aligned to Kainerugaba.⁷ The call for resignation, spearheaded by the office of the NRM national chairman targeted microfinance minister **Haruna Kyeyune Kasolo**, Mukula, and **Kasanda** constituency MP **Daudi Kabanda**.⁸ NRM coordinator in the southern region **Jamiru Kazibwe** added that the PLU has now disrupted cohesion within the NRM, with one group in the NRM campaigning for Museveni and another for his son.⁹ NRM party members have also called upon Museveni to discipline his son for allegedly engaging in political activities while still serving as an officer in the army.¹⁰

An online protest exposes corruption in parliament...

An online protest campaign dubbed **#UgandaParliamentExhibition** launched on 26 February, has exposed rampant corruption and misuse of public funds within Uganda’s parliament. The campaign targeted key figures including speaker **Anita Among** for alleged financial improprieties.

At the heart of the online protest is the accusation Among, also a prominent member of the NRM, has received substantial allowances for foreign travel, some of which reportedly never took place. Claims suggest Among was paid around \$894,500 in per diems and entertainment allowances over six months, amid Uganda’s struggle with budget implementation and revenue shortfalls.¹¹ The campaign also alleges that a parliamentary commission, which Among heads, raised her daily per diem rates from \$990 to \$4,000. The annual per capita income in Uganda was \$850 in 2022.¹²

The controversy extends beyond Among, with the campaign also shedding light on nepotism, abuse of public resources, and questionable connections between civil servants and oversight committee lawmakers.¹³ Parliament’s spokesperson **Chris Obore**, one of those named in the online campaign for abuse of funds and being an alleged beneficiary of nepotism, confirmed that the money was wired into individual accounts of parliamentary staff but insists it was for Corporate Social Responsibility (CSR) purposes.¹⁴ The allegations have also spurred tensions in the opposition party, the **National Unity Platform (NUP)** (see below).

... leading to tensions in the NUP

Tensions are also brewing in the NUP, led by **Robert Kyagulanyi** (also known as **Bobi Wine**), following the exposure corruption in parliament, including a payment to NUP’s former leader of opposition in parliament (LOP) **Mathias Mpuuga**. It is alleged that Mpuuga received Ush 500m (\$127,984) disguised as a service award in parliament.¹⁵

⁵ ARC source, Kampala, 5 Mar 2024

⁶ ARC source, Kampala, 5 Mar 2024

⁷ Nile Post, 6 Mar 2024

⁸ Nile Post, 6 Mar 2024

⁹ Nile Post, 6 Mar 2024

¹⁰ Nile Post, 6 Mar 2024

¹¹ AP, 4 Mar 2024

¹² AP, 4 Mar 2024

¹³ Africanews, 4 Mar 2024

¹⁴ ARC source, Kampala 5 Mar 2024

¹⁵ Nile Post, 6 Mar 2024

In the wake of the accusations, Kyagulanyi convened an urgent meeting comprised of senior members of the party to address the problem.¹⁶ Kyagulanyi posted on **X** on 29 February that the meeting resolved that Mpuuga immediately stepped down from his position of parliamentary commissioner.¹⁷ However, in a press statement issued on 2 March, Mpuuga rubbished a call from the party calling for his resignation:

“To call such payments corruption is the highest level of spite, double standards, and deliberate misrepresentation to the public and membership of the party on a purely selfish and malicious mission. The campaign to character assassinate me is deliberate and I am perfectly aware. It's well-orchestrated and well-funded. I am ready for the worst if it takes this sacrifice to return sanity and common sense to our politics.”¹⁸

Mpuuga's supporters also hit back accusing Wine of running the party irregularly with his wife as a signatory to all the political party's bank accounts.¹⁹ The public accusations and the war of words between Wine and Mpuuga, who is also the vice president in charge of **Buganda** (Uganda's most populous region) threaten the popularity and the unity in the party which has been the biggest threat to Museveni's hold on power.²⁰ Already there are signs of a likely split as supporters of Mpuuga rallied behind his decision to defy the party's position urging him to resign.²¹

Planner

13 Feb 2024 **Kampala (Uganda)** International Conference on Environment and Life Science

24 Mar 2024 **Kampala (Uganda)** World Congress on Industrial Biotechnology

1 Apr 2024 **Kampala (Uganda)** Conference on Business Analytics and Operations Research

Chronology

6 Mar 2024 **Kampala (Uganda)** *IMF. International Monetary Fund (IMF)* completes its fifth review of Uganda's **Extended Credit Facility (ECF)**, allowing for the immediate disbursement of \$120m;

6 Mar 2024 **Kampala (Uganda)** *Reuters. Bank of Uganda* (central bank) raises its key lending rate by 50 basis points to 10%, citing depreciation of the local currency and inflationary pressures;

5 Mar 2024 **Kampala (Uganda)** *Bloomberg. Bank of Uganda* (central bank) says it will hold an unscheduled meeting on 6 March after the Ugandan shilling fell to a record low of 3,957.50 per **United States** dollar;

4 Mar 2024 **Kampala (Kampala)** *Independent. Turkish* real estate firm, **VAAL Real Estate**, enters the Ugandan market with its flagship housing project dubbed **CADENZA** valued at approximately \$30m and construction expected to start in April;

3 Mar 2024 **Kampala (Uganda)** *East African. Standard Gauge Railway* project coordinator **Perez Wamburu** says construction is set to commence before the end of this year with compensation of people affected by the project underway;

29 Feb 2024 **Kampala (Uganda)** *Uganda Business News. Uganda Bureau of Statistics* reports annual inflation reached 3.4% in February, up from 2.8% in January, driven by price increases in education and restaurant and accommodation services;

¹⁶ X (formerly Twitter), 29 Feb 2024

¹⁷ X (formerly Twitter), 29 Feb 2024

¹⁸ Uganda Radio Network, 2 Mar 2024

¹⁹ ARC source, Kampala 5 Mar 2024

²⁰ ARC Uganda analyst

²¹ ARC Uganda analyst

28 Feb 2024 **Kampala (Uganda) NTV**. Members of parliament (MP) unanimously object to plans to merge the **Uganda National Information Technology Authority** with the information ministry;

28 Feb 2024 **Kampala (Uganda) DW**. **International Criminal Court** awards victims of former **Lord's Resistance Army (LRA)** commander **Dominic Ongwen** over \$56m in compensation;

28 Feb 2024 **Kampala (Uganda) Monitor**. Uganda registers the highest trade surplus with DRC, \$53.07m, in the **East African Community (EAC)**;

27 Feb 2024 **Kampala (Uganda) Nile Post**. In a proactive move aimed at fortifying local businesses and amplifying their involvement in the burgeoning oil and gas sector, **TotalEnergies EP Uganda** proudly unveils the **Industry Enhancement Center (IEC Uganda)** which will provide dissemination of sector-specific insights, provision of advisory services, and consultancy on operational best practices, financial management, and diversification strategies;

26 Feb 2024 **Kampala (Uganda) Nile Post**. Cabinet approves the proposal of sites on which to construct a nuclear power plant as government continues to work to plug the electricity deficit in the country;

25 Feb 2024 **Kampala (Uganda) Independent**. **Standard Chartered** launches international banking in Uganda, linking its branches in more than 20 countries, and allowing Ugandans to open, monitor and do their banking transactions in other countries, without having to fly out of country;

24 Feb 2024 **Kampala (Uganda) The East Africa**. Uganda's security apparatus says the renewed fighting in neighbouring **Democratic Republic of Congo (DRC)** has put it on high alert;

24 Feb 2024 **Kampala (Uganda) UJA**. The **European Union (EU)** and Uganda confirm the third **Uganda-EU Business Forum (UEUBF)** will take place on 5 March;

23 Feb 2024 **Kampala (Uganda) Daily Monitor**. Government grants local company **Sunbird Resources** a 21-year mining license in Karamoja sub-region;

22 Feb 2024 **Kampala (Uganda) Business Insider Africa**. **European Union (EU)** head of delegation to Uganda, **Jan Sandek**, reveals that out of the €1.5 billion (\$1.62m) worth of trade between the two markets, Uganda exported €800m (\$866.21m) compared to the EU's €700m (\$757.93m), marking the first time Uganda has exported more to the EU than it has imported;

21 Feb 2023 **Kampala (Uganda) Parliament**. Parliament passes the **Animal Feeds Bill, 2023** creating a committee to regulate production, storage, importation, exportation, and marketing of animal feeds;

20 Feb 2024 **Kampala (Uganda) Nile Post**. Government announces its intentions to establish a **National Minerals Company**, aiming to bolster government control and investment in the country's mining sector. This announcement comes as the government seeks to unlock the full potential of its mineral wealth and contribute more significantly to the national economy;

19 Feb 2024 **Kampala (Uganda) Uganda Business News**. **Uganda Coffee Development Authority** says coffee exports fell for the third consecutive month in January due to a small arabica crop in the **Elgon** region, with exports reaching 481,586 60kg bags of coffee in the month;

16 Feb 2024 **Kampala (Uganda) East African**. Energy minister **Ruth Nankabirwa** signs a joint development agreement with **Kenya's Industrial Promotion Services (IPS)** and **Norway's Westgass International** for a green hydrogen fertiliser plant. The plant will be strategically located at Karuma to leverage its proximity with the 600MW Karuma hydropower plant;

15 Feb 2024 **Kampala (Uganda) Daily Monitor**. Parliament rejects a report from its **Committee on Equal Opportunities** recommending a review of the refugee policy to curtail their inflow to sustainable levels.



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.

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