

AFRICA RISK CONSULTING

Uganda Monthly Briefing November 2020

Uganda Summary 12 November 2020

Chaos mars the nomination exercise for Uganda's 14 January presidential elections. The government suspends a \$10m United States (US) government programme to give cash assistance to Ugandans most affected by the COVID-19 pandemic. Uganda's financial sector leaders vote to strengthen regulation to grow the Uganda Securities Exchange.

Nomination chaos sets stage for turbulent presidential campaign

The chaotic scenes witnessed on 3 November during the nomination exercise for presidential candidates in **Uganda's** presidential election, scheduled for 14 January, have set the stage for a turbulent campaign period.¹ Police appear to have targeted leading opposition presidential hopeful **Robert Kyagulanyi Ssentamu** (also known as **Bobbi Wine**) and opposition party **Forum for Democratic Change (FDC)** presidential candidate **Amuriat Oboi** because of the challenge they present to President **Yoweri Museveni's** (1986-present) 35-year rule.² Police arrested Kyagulanyi at the nomination centre in **Kyambogo University** shortly after the **Electoral Commission** had certified him as a candidate in next year's election.³ The local **NBS Television**, reporting from the nomination scene, said police dragged Kyagulanyi from his car and bundled him into a police van amid violent scuffles between police and Kyagulanyi's supporters.⁴ Kyagulanyi encouraged his supporters not to give up the "liberation struggle":

*"Those who have cameras, use them. Those who have lips, use them. Those who have hands, use them. Those who have legs, use them."*⁵

The **Uganda Police Force (UPF)** claimed it had discovered a ploy by political actors and groups to mobilise *bodaboda* riders and militias onto the streets and ferry supporters from upcountry to join illegal processions and rallies.⁶ UPF director of operations **Edward Ochom** said the police were "well prepared" to counter anyone who defied the government's directives as well as any threat presented by political activists during the nomination exercise, an event it categorised as a high target for violence, civil disobedience and demonstrations.⁷ Museveni, who was nominated as the ruling **National Resistance Movement's (NRM)** candidate on 2 November, said his government would not tolerate the activities of enemies who are allegedly plotting chaos:

*"There's nobody who is going to disturb here. Whoever tries will regret. Because for us, we don't play. "The NRM fought to bring peace in this country. Nobody has more guns than us. But we don't scare people."*⁸

Kyagulanyi and other opposition leaders have faced frequent arrests in recent years, including house arrest by police citing a need to prevent crimes from being committed.⁹ Police actions have reinforced a view among some Ugandans that the police serve at the directive of Museveni, who has rebuffed

¹ AP, 3 Nov 2020

² Source, analyst, Uganda

³ Source Daily Monitor, 3 Nov 2020

⁴ NBS TV, 3 Nov 2020

⁵ NBS TV, 3 Nov 2020

⁶ The Independent, 1 Nov 2020

⁷ The Independent, 2 Nov 2020

⁸ The New Vision 3 Nov 2020

⁹ Source, analyst, Uganda

repeated calls to retire peacefully.¹⁰

Government suspends \$10m US government Covid cash programme

The Ugandan government has forced the **United States (US)** government to halt a \$10m (USh36 billion) programme to give cash assistance to Ugandans most affected by the **Covid-19** pandemic. Observers speculate that the government suspended the programme fearing that it was a US government ploy to fund the opposition candidates during the election campaign (see above).¹¹ The **National Bureau for NGOs (NGO Bureau)** announced the suspension on 9 September of programmes by the programme implementing agency, international non-governmental organisation (NGO) **GiveDirectly**.¹² The NGO Bureau is a semi-autonomous body under the ministry of internal affairs, established by the **NGO Act 2016** which mandates it to register, regulate, coordinate, inspect, monitor and oversee all NGO operations in the country.¹³

The **United States Embassy** in Uganda released a statement on 30 October noting that the **United States Agency for International Development (USAID)** and GiveDirectly had worked closely with government counterparts to successfully vet the programme through the cabinet to ultimately launch the programme publicly as part of the **Lira City (Northern Region)** celebration in August:¹⁴

"Despite the thorough assessment and approval by (US) Cabinet, in September the NGO Bureau announced an additional review of GiveDirectly's activities in Uganda, resulting in the programme's suspension."¹⁵

The embassy noted that the Ugandan government had still not authorised the programme to resume, and had provided no assurance that it would eventually authorise it. Given the indefinite suspension, the programme was unlikely meet its original objective of preventing COVID-related economic backsliding of the most vulnerable Ugandans. The embassy said it was thus contractually obligated to terminate the programme permanently.¹⁶

Under the programme, 120,000 Ugandans across six cities were set to receive cash transfers of USh100,000 (\$27) per month, for three months. The US Embassy reports that 47,128 Ugandans had enrolled in the programme by September.¹⁷

NGO Bureau communications officer **Patrick Onen Ezaga** says GiveDirectly's operations are indefinitely suspended until the NGO Bureau board has finalised its investigations.¹⁸

"We shall be forced to withdraw their licence if that organisation continues to operate illegally as they are doing. They seem to be driven by other motive other than seeking to help the poor."¹⁹

Uganda's financial sector votes to strengthen financial markets

Uganda's financial sector leaders have chosen to strengthen regulation to grow the stock market as opposed to relaxing rules to attract companies to list their shares.²⁰ The leaders say strong regulation of the sector gives confidence to serious investors that their investments will be safe while relaxing regulation would water down the quality of the stock market and discourage strong investors.²¹ **Capital Markets Authority (CMA)** chief executive **Keith Kalyegira** told the local **Independent** newspaper on 5 November that the sector members had voted to maintain the rules:

¹⁰ AP, 2 Nov 2020

¹¹ Source, analyst, Uganda

¹² The Independent

¹³ National NGO Bureau website

¹⁴ US Embassy Uganda

¹⁵ US Embassy press release

¹⁶ US Embassy Uganda

¹⁷ US Embassy Uganda

¹⁸ Source, analyst, Uganda

¹⁹ Source, analyst, Uganda

²⁰ The Independent, 5 Nov 2020

²¹ The Independent, 5 Nov 2020

"We would rather keep the rules tight and preserve the integrity of a small sector, than relaxing to attract more companies at the risk of losing value."²²

Uganda's stock exchange, the **Uganda Securities Exchange**, was founded in June 1997 and operates under the jurisdiction of the CMA, which in turn reports to the **Bank of Uganda** (central bank).²³ Although the exchange opened to trading in January 1998, to date only nine Ugandan registered companies are listed, with another seven having transferred shares from the **Kenya-based Nairobi Securities Exchange** to the USE.²⁴ The low uptake has been attributed to stringent requirements including transparency in financial records, which many companies choose to avoid.²⁵ With current market capitalisation of about US\$21 billion (\$5.5m), the USE is one of the smallest in the region.²⁶

CMA communications and public relations manager **Charles Nsamba**, whose mandate is to promote and regulate the capital markets in Uganda, says lack of information about the capital markets as a source of long-term capital for business ventures and fear of regulatory oversight are among the reasons many businesses do not see the benefits of listing on the stock market.²⁷ Nsamba says many business owners are wary of revealing their financial statements to USE and CMA authorities:

"The lack of good governance structures, which are a prerequisite for listed entities, affects most local businesses. They are family-owned and family-run, and oftentimes, lack proper management. Their record keeping is lacking and financials are not in order."²⁸

However, corporate governance and tax expert **Martin Bakundana** blames the reluctance and inability of Ugandan companies to join the capital markets on the government's rushed privatisation process.²⁹

"From 1997, Uganda went full-scale on privatisation but rather than take these companies through the public listings, the government opted to go 'full private'. Some have described our 'privatisation' process as 'personalisation'."

Bakundana says not only did the public miss the opportunity to participate in "owning" these companies, but the process denied the economy an opportunity to grow by providing a robust stock market that would mobilise huge economic resources for the various companies that needed it to spur economic growth.³⁰

²² The Independent, 5 Nov 2020

²³ Uganda Securities Exchange

²⁴ Uganda Securities Exchange, 5 Nov 2020

²⁵ Source, analyst, Uganda

²⁶ Source, analyst, Uganda

²⁷ The Observer

²⁸ The Observer, 10 Dec 2019

²⁹ Source, analyst, Uganda

³⁰ Source, analyst, Uganda

Planner

24 Nov 2020 **Kampala (Uganda)** International Conference on Sustainable Water Management
 1 Dec 2020 **Kampala (Uganda)** World Congress on Information Technology
 14 Jan 2021 **(Uganda)** Presidential elections

Chronology

12 Nov 2020 **Kampala (Uganda)** *Ministry of Health Uganda*. Results from **COVID-19** tests confirm 185 new cases bringing the cumulative case total to 15,402 and COVID-19 related deaths to 144 with 8,038 recoveries;

11 Nov 2020 **Kampala (Uganda)** *URN*. Police in **Kitgum** block **National Unity Platform (NUP)** party presidential candidate **Robert Ssentamu Kyagulanyi** (also known as **Bobi Wine**) from campaigning in the district;

11 Nov 2020 **Kampala (Uganda)** *The Observer*. **Electoral Commission (EC)** chairman Justice Byabakama meets leading officials from the **National Unity Platform** to forge a way forward following the arrest of presidential candidate **Robert 'Bobi Wine' Kyagulanyi** after nomination as a presidential candidate at **Kyambogo**;

10 Nov 2020 **Kampala (Uganda)** *BBC*. Campaigning officially begins in Uganda's presidential elections scheduled for 21 January 2021;

9 Nov 2020 **Kampala (Uganda)** *The East African*. President **Yoweri Museveni** asks his **Tanzanian** counterpart, President **John Magufuli**, to allow Ugandan milk, maize, sugar, bananas and manufactured goods to be sold in Tanzania because "*the Ugandan market is not big enough*";

9 Nov 2020 **Kampala (Uganda)** *URN*. The health ministry revises its **coronavirus** procedures to allow up to 200 people from the initial 70 to attend mass gatherings including political rallies, prayers, and weddings among others;

7 Nov 2020 **Geneva (Switzerland)** *Press Release*. The **UN General Assembly** has elected **Caroline Nalwanga Magambo** as a member of the Advisory Committee on Administrative and Budgetary Questions (ACABQ);

4 Nov 2020 **Kampala (Uganda)** *Crisis 24 news alerts*. New flash-flooding episodes were reported in **Kasese District** (South West), affecting areas of **Isule** and **Kyabikuha** village in **Maliba** sub-county;

4 Nov 2020 **Kampala (Uganda)** *New Vision*. Electoral Commission acting spokesperson Paul Bukenya confirms that Uganda's presidential election will be held on 14 January 2021;

3 Nov 2020 **Kampala (Uganda)** *AP*. Police arrest independent opposition politician and popular musician Robert Kyagulanyi (also known as Bobi Wine), shortly after his certification as a candidate in the 14 January 2021 elections;

3 Nov 2020 **Kampala (Uganda)** *Press Release*. **United States Embassy in Uganda** advises its citizens to avoid travel in Kampala due to the heightened risk for civil disturbances in relation to the presidential nominations;

1 Nov 2020 **Kampala (Uganda)** *Garda crisis 24 news alerts*. Authorities impose travel restrictions in Kampala during presidential candidate nominations on 2-3 November;

31 Oct 2020 **Kampala (Uganda)** *Daily Monitor*. Engineer **Andrew Kitaka** resigns from **Kampala Capital City Authority (KCCA)**, just months after handing over the office of the executive director to **Dorothy Kisaka**;

30 Oct 2020 **Kampala (Uganda)** *Press Release*. **United States Embassy in Uganda** responds to the termination of the **Covid-19** direct cash transfer programme in Uganda;

29 Oct 2020 **Juba (South Sudan)** *AP*. South Sudan's army spokesman **Lul Ruai Koang** has accused

Uganda's army of making a "major incursion" into its territory, which led to fighting in which two South Sudanese soldiers were killed;

27 Oct 2020 **Kampala (Uganda)** *Daily Monitor*. The ruling **National Resistance Movement (NRM)** describes as a blow to the party the death of Col **Shaban Bantariza**, whom President **Yoweri Museveni** had appointed to help reconcile party members ahead of 2021;

26 Oct 2020 **Kampala (Uganda)** *The New Vision*. Kampala will go without water for three days as **National Water and Sewerage Corporation** carries out major repairs at **Ggaba** water works;

25 Oct 2020 **Kampala (Uganda)** *The Independent*. Mass vaccination against cholera kicks off in **Kasese** district in a five-day exercise jointly rolled out by a team of health ministry officials and the district health team with support from the **World Health Organization**;

24 Oct 2020 **Kampala (Uganda)** *VOA*. Truck drivers in the **East African** region welcome the government's decision to reduce the cost of a **COVID-19** test from \$65 to \$50;

23 Oct 2020 **Kampala (Uganda)** *Daily Monitor*. Government to procure four new trains as state-owned **Uganda Railways Corporation (URC)** aims to increase cargo transportation from 45,000 metric tonnes to 90,000 metric tonnes by the end of 2021;

22 Oct 2020 **Kampala (Uganda)** *Daily Monitor*. Businesses operating at the **Centenary Park** in Kampala to be evicted and their land handed over to government to pave way for construction of the **Jinja Expressway**;

21 Oct 2020 **Kampala (Uganda)** *The New Vision*. Incoming **United States** ambassador to Uganda, **Natalie Brown** has been sworn-in to commence her diplomatic tour of duty;

20 Oct 2020 **Kampala (Uganda)** *Aljazeera*. **French** activist groups **Amis de la Terre France** (Friends of the Earth) and **Survie** (Survival) seek a court order requiring France-based oil company **Total** to Tens of disclose how it is addressing the alleged adverse impact of its activities;

19 Oct 2020 **Kampala (Uganda)** *Press Release*. The **United States Embassy in Uganda** says it has developed a "**COVID-19 Resource Toolkit**" in collaboration with Uganda's health ministry and other partners to expand access to key COVID-19 information and resources across Ugandan society;

18 Oct 2020 **Kampala (Uganda)** *The Independent*. Uganda's biggest power project, the 600MW **Karuma Hydropower Dam on River Nile**, appears to be in trouble amidst allegations of shoddy works, breached contracts, verbal fights, and even accusations of sabotage;

16 Oct 2020 **Kampala (Uganda)** *Daily Monitor*. Police remand 41 supporters of independent opposition politician and popular musician **Robert Kyagulanyi** (also known as **Bobi Wine**) for wearing red berets;

15 Oct 2020 **Kampala (Uganda)** *AA*. Schools re-open throughout Uganda after a seven-month break despite rising coronavirus infections across the country;

14 Oct 2020 **Kampala (Uganda)** *BBC*. Police raid office of independent opposition politician and popular musician **Robert Kyagulanyi** (also known as **Bobi Wine**) and arrested 41 of his supporters;

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.

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