

AFRICA RISK CONSULTING**Uganda Monthly Briefing August 2021**

Uganda Summary 9 August 2021

National Planning Authority executive director Joseph Muvawala admits the Ugandan government failed to follow a plan in its response to the Covid-19 pandemic. The government is also facing criticism for awarding a 10-year contract to Russia-based Joint Stock Company Global Security to implement a multi-million dollar car tracking system in Ugandan public and private cars as reports surface that the company is facing bankruptcy litigation in Moscow. The environment ministry has reinstated a ban on the manufacturing, use and importation of polythene bags in Uganda.

Government admits shortcomings in its Covid-19 response

National Planning Authority executive director **Joseph Muvawala** has publicly admitted that the **Ugandan** government did not follow any plan in its response to the **Covid-19** pandemic.¹ The admission comes amid news reports on 21 July that parliament released \$30.2m to purchase new vehicles for members of parliament (MPs), allocating each MP USh200m (\$56,500),² while the government claims it is “struggling” to purchase Covid-19 vaccines, as Uganda has been priced out of the market by “richer buyers in the West”.³

Alluding to competing factions within the government, Muvawala told **Africa Risk Consulting (ARC)** that together with a team of planners from his office, he stormed a meeting of high-ranking government officials and health officials on 26 July and advised them to partially open the country, despite rising numbers of Covid-19 cases in Uganda. Muvawala said his team advised the health experts to balance the need to contain the pandemic and allow economic recovery. Muvawala claims this intervention led to partial re-opening of Uganda on 31 July:

“Government planners are not facilitated to do their work and were never involved in planning a response to Covid-19 response.”⁴

Covid-19 cases spiked in May and June, overwhelming hospitals and triggering shortages of oxygen, hospital beds and personal protective equipment such as masks and hazardous material suits.⁵ Uganda had reported a total of 94,537 cases of Covid in its population of roughly 42 million as of 4 August, with 2,725 Covid-19-related deaths and 90,225 recoveries.⁶

Uganda has received vaccine donations through the **United Nations Children's Fund (UNICEF)** and the **French** Embassy under the **World Health Organization (WHO)**-led **COVAX** facility, as well as **Sinovac** COVID-19 vaccines from the **Chinese** government and donations from the **Indian** government.⁷ A total of 1,117,134 vaccine doses had been administered as of 3 August.⁸

¹ Source, Uganda analyst

² Reuters, 23 Jul 2021

³ Reuters, 23 Jul 2021

⁴ Source, Uganda analyst

⁵ Source, Uganda analyst

⁶ WHO Covid-19 report, 3 Aug 2021

⁷ ZINUA 3 Jul 2021

⁸ WHO Covid-19 report, 3 Aug 2021

Controversy over vehicle tracking deal

The government is under pressure to cancel a 10-year contract with a **Russia**-based company to implement a multi-million-dollar car-tracking system in public and private cars in Uganda. Critics claim the deal is illegal and an attack on Ugandans' privacy rights. The government signed an agreement with **Joint Stock Company Global Security (Global Security)** on 23 July for an "intelligent transport monitoring system", which will also see tracking devices installed in water vessels on all the country's bodies of water.⁹

Experts said the contract should be cancelled immediately to protect the country from losing money after it emerged that Global Security is facing bankruptcy litigation in **Moscow**.¹⁰ Ugandan media say classified documents show the company is embroiled in debt-related cases filed between 2019 and 2021 in Russia, raising questions of whether its contract with the Ugandan government is a lifeline to beat off bankruptcy litigation, and whether the government did adequate due diligence before engaging Global Security.¹¹ Uganda's **Daily Monitor** newspaper gained access to court documents indicating that Russia-based **LLC Rus Prom-Technologies** has filed for Global Security to be declared bankrupt for failure to pay 16.6 million rubles (\$220,000).¹²

Global Security is also facing suits by other Russian companies. **Stok-Trading LLC** is claiming repayment of a debt of 1.2 million rubles (\$16,260), while **Jsc Royal Silk Factory** is suing for a debt of 19.9 million rubles (\$270,000); **Turday GS sro Slovak Republic** has sued the company for 6.1 million rubles (\$82,655); **JSC ZVI** is suing for payment of 23 million rubles (\$300,000), 10 million rubles (\$135,500) and 4.6 million rubles (\$62,330).¹³ Global Security also owes **Orken Alem** 8.5 million rubles (\$115,175) and **Gu Main Department of the Pension Fund of the Russian Federation** 10,000 rubles (\$135) and 455,00 rubles (\$600). All cases were filed between 2019 and July 2021.¹⁴

Samantha Mwesigye, a procurement lawyer and lecturer at **Law Development Center Uganda**, told ARC that that **Public Procurement and Disposal of Public Assets Authority (PPDA)** regulations do not allow **Procuring and Disposal Entities (PDEs)** to enter contracts with banks, companies or those facing bankruptcy.¹⁵ Kampala-based lawyer **Male Mabirizi** filed a petition in the **High Court** in Kampala on 26 July, noting in his affidavit that

"... it is procedurally improper and illegal for cabinet to select a service provider without going through the procurement process as laid down under the laws".¹⁶

In addition to questioning the legality of the contract with Global Security, critics claim that mandatory vehicle tracking deprives Ugandans of their right to privacy. Kampala-based lawyer **Onesmus Muwanga** told ARC that the idea is "in bad faith":

"It can lead to persecution of opposition politicians, journalists, government critics and freedom activists, since security agencies can time when journalists and politicians are going home or travelling in isolated places and harm them in disguise of accidents or other ways since they will be following them all the time."¹⁷

Online news website **Chimpreports**, which is closely linked to Uganda's security organisations, reported on 26 July that former security minister General **Henry Tumukunde** was dismissed in 2020 for alleged implication in the car-tracking deal with the Russian company.

⁹ Nile Post, 24 Jul 2021

¹⁰ Chimpreports, 26 Jul 2021

¹¹ Uganda Radio Network, 25 Jul 2021

¹² Daily Monitor, 27 Jul 2021

¹³ Daily Monitor, 27 Jul 2021

¹⁴ Daily Monitor, 27 Jul 2021

¹⁵ Source, Uganda analyst

¹⁶ Source, High court of Uganda records

¹⁷ Source, Uganda analyst

Government re-introduces ban on polythene bags

The Ugandan government has reinstated with immediate effect a ban on the manufacturing, use and importation of polythene bags, commonly known as “*kaveera*”. The trade ministry warns that implementation of the ban is likely to affect investors adversely.¹⁸ In announcing the ban on 30 July, state minister for environment **Beatrice Anywar** said the cabinet resolution was intended to safeguard the integrity of the environment.¹⁹ Businesses have a six-month transition period during which to make arrangements to find environmentally friendly alternative packing materials.²⁰

The ministry of trade, however, has warned that the decision has been rushed and will affect manufacturers who have invested heavily in their businesses.²¹ The trade ministry’s **Jinja** (eastern district) environment officer, **Moses Maganda**, said the disagreement between the ministry of environment and the trade ministry will affect the implementation of the total ban of polythene bags.²² Maganda says the ban will only succeed if there is a letter indicating that the two ministries have harmonised their position since in **East Africa**, only Uganda has been producing polythene bags.

This is the second time the government has banned the use and importation of polythene bags. In July 2009, with the approval of parliament, the government imposed a total ban on plastic bags, and excise duty of 120% on other plastic materials.²³ The government claimed that polythene bags were blocking drainage systems and degrading the soil. However, the ban failed to be implemented and enforced.²⁴

¹⁸ Source, Daily Monitor 29 Jul 2021

¹⁹ Nile Post, 30 Jul 2021

²⁰ Daily Monitor, 30 Jul 2021

²¹ Daily Monitor, 5 Aug 2021

²² Daily Monitor, 5 Aug 2021

²³ Daily Monitor, 30 Jul 2021

²⁴ Daily Monitor, 30 Jul 2021

Planner

- 13 Aug 2021 **Kampala (Uganda)** International Conference on Environment and Life Science;
- 14 Aug 2021 **Kampala (Uganda)** International Conference on Wireless Networks and Mobile Communication (EUIWNMC);
- 16 Aug 2021 **Kampala (Uganda)** Bank of Uganda Monetary Policy Committee meeting
- 24 Aug 2021 **Kampala (Uganda)** International Conference on Sustainable Water Management (ICSWM);
- 1 Sep 2021 **Kampala (Uganda)** International Congress on Cell Science and Molecular Biology (IC-CSMB)

Chronology

- 9 Aug 2021 **Kampala (Uganda)** *Daily Monitor*. The government announces that **Covid-19** vaccination will resume on 10 August and that medical students will be prioritised in this third rollout of vaccines to allow for the reopening of medical schools;
- 9 Aug 2021 **Kampala (Uganda)** *Independent*. **Uganda National Expanded Programme on Immunization** programme manager **Alfred Driwale** says the health ministry is still undecided on which persons will be immunised against **Covid-19** using **China's Sinovac** vaccine;
- 8 Aug 2021 **Kampala (Uganda)** *Daily Monitor*. Looming contract expiries of members of the board of directors of the **National Social Security Fund (NSSF)** stand in the way of effecting mid-term access to savings as endorsed on 4 August by President **Yoweri Museveni**;
- 7 Aug 2021 **Kampala (Uganda)** *Nile Post*. Finance and economic development minister **Matia Kasaija** has advised private school owners to sell school assets and repay bank loans instead of asking for government bailouts;
- 6 Aug 2021 **Kampala (Uganda)** *Nile Post*. The **Stanbic Purchasing Manager's Index (PMI)** slips to 34.6 in July, down from 34.9 recorded in June, with the recently ended nationwide 42-day lockdown contributing to the continued economic slowdown;
- 5 Aug 2021 **Kampala (Uganda)** *KFM Radio News*. President **Yoweri Museveni** agrees to the midterm access of **National Social Security Fund (NSSF)** savings for eligible members, meaning that members aged 45 and above and who have saved with the fund for 10 years will be able to access 20% of their savings;
- 4 Aug 2021 **Dar-es-salaam (Tanzania)** *The East African*. According to latest data from the finance ministry, **Bank of Uganda** (central bank) and **Uganda Bureau of Statistics (UBOS)**, imports from Tanzania have capped a seven-month surge, replacing **Kenya** as **Uganda's** biggest source of imports in the region;
- 4 Aug 2021 **Kampala (Uganda)** *Nile Post*. Ugandan **Facebook** and **YouTube** vlogger **Fred Lumbuye** has reportedly been arrested in **Turkey** and is likely to be extradited to Uganda where he will face charges of inciting violence.
- 3 Aug 2021 **Kampala (Uganda)** *The Independent*. President **Yoweri Museveni** and **Kabaka (King) Ronald Mutebi** hold talks at **State House, Nakasero**, after weeks of debate about a government plan to change the **Mailo Land** tenure system, which the **Kingdom of Buganda** has opposed;
- 3 Aug 2021 **Kampala (Uganda)** *Africanews*. Supporters of **Kenya's** deputy president, **William Ruto**, say his barring on 2 August from flying to neighbouring Uganda is a state-backed campaign to humiliate him;
- 2 Aug 2021 **Kampala (Uganda)** *Observer*. State-owned **Uganda Airlines** acting CEO **Jenifer Bamaturaki** says the airline will commence international flights to **Dubai** in the **United Arab**

Emirates in September;

1 Aug 2021 **Kampala (Uganda)** *URN*. Kampala minister **Hajati Minsa Kabanda** announces that arcades, shopping malls and the **Kikuubo** trading area in **Kampala Central Business District** are to open after a week at the earliest;

31 Jul 2021 **Kampala (Uganda)** *VOA*. Uganda has lifted some **Covid-19** restrictions after 42 days, but schools remain closed until essential workers including health workers, security personnel, teachers, and those over 45 years' old, are vaccinated against Covid-19;

30 Jul 2021 **Kampala (Uganda)** *Nile Post*. State minister for environment **Beatrice Anywar** announces that cabinet has reinstated the ban on manufacturing, use and importation of polythene bags, commonly known as "*kaveera*" with immediate effect;

29 Jul 2021 **Washington (US)** *KFM Radio*. Security minister **Jim Muhwezi** has distanced himself from the deal to award **Russia-based Joint Stock Company Global Security** a contract for installation of digital monitors in cars;

28 Jul 2021 **Kampala (Uganda)** *The Independent*. The **French** government has donated an assortment of personal protective equipment, testing kits and respirators to Uganda to boost its fight against the **COVID-19** pandemic;

27 Jul 2021 **Kampala (Uganda)** *BoU*. **Bank of Uganda** (central bank) says provisional data shows Uganda's public debt as of end of April 2021 stood at 66.1 trillion shillings (\$18.9 billion), up 15.1% from June 2020;

26 Jul 2021 **Kampala (Uganda)** *Daily Monitor*. Government has assured motorists that individual privacy will be respected during the installation of **Global Positioning System (GPS)** trackers in all public and private vehicles, motorcycles and water vessels in the country;

23 Jul 2021 **Kampala (Uganda)** *Reuters*. Critics describe the government's purchase of \$30.2m worth of new vehicles for lawmakers as "*profligacy*" in a country struggling to buy vaccines to stem a second wave of the **Covid-19** pandemic;

22 Jul 2021 **Kampala (Uganda)** *KFM Radio*. Foreign affairs minister Gen. **Jeje Odongo** urges the **Chinese** government to expedite clearance procedures of the **Bilateral Air Services Agreement** for state-owned **Uganda Airlines** to operate direct flights to China;

21 Jul 2021 **Kampala (Uganda)** *BoU*. The **Bank of Uganda (BoU)** (central bank) has lowered the limits on the value for cheque payments in order to promote e-payments; Effective 15 January 2022, cheques for amounts above the new limits will not be honoured;

20 Jul 2021 **Tokyo (Japan)** *Nile Post*. The **National Planning Authority (NPA)** predicts there will not be a third **Coronavirus** wave, according to its weekly projections;

19 Jul 2021 **Kampala (Uganda)** *KFM Radio*. Civic-tech policy advocacy group **Open Forum Initiative** has sued the **Uganda Revenue Authority (URA)** for allegedly not effecting new lower taxes for small and medium enterprises (SMEs) enacted by parliament under the amended **Income Tax Act**, which came into force a year ago;

19 Jul 2021 **Kampala (Uganda)** *Nile Post*. The **Uganda Human Rights Commission** says the idea of giving cash for vulnerable Ugandans was discriminatory, even it was a "*good gesture*";

18 Jul 2021 **Kampala (Uganda)** *Nile Post*. **Uganda Revenue Authority** reports the number of manufacturers to have embraced the **Digital Tax Stamps System**, implemented 1 November 2019 as part of the **Digital Tracking Solution (DTS)** aimed at mitigating revenue losses, has surpassed the estimated target;

16 Jul 2021 **Kampala (Uganda)** *Daily Monitor*. **Uganda Communications Commission (UCC)** reports at least 2.2 million mobile money accounts were removed by telecommunications networks in the first quarter of 2021;

15 Jul 2021 **Kampala (Uganda)** *WHO*. The **Norwegian** government has partnered with the **World Health Organization (WHO)** in a 12-month project worth over 8 billion Uganda shillings (\$2.2m) to improve **Covid-19** vaccine coverage and uptake in Uganda;

14 Jul 2021 **Kampala (Uganda)** *Relief Web*. **United States**-based humanitarian organisation **Relief Web** predicts that three refugee settlements in Uganda will have serious levels of **Acute Malnutrition (IPC Phase 3)**, five settlements will have alert levels of **Acute Malnutrition (IPC Phase 2)**, and six settlements will have acceptable levels of **Acute malnutrition (IPC Phase 1)** during the high acute malnutrition season of 2021, May to September;

13 Jul 2021 **Kampala (Uganda)** *Anadolu Agency*. Ugandan government has ordered retesting of all migrant workers going abroad after discovering some Ugandan migrant workers traveling to the **Middle East** with fake **Covid-19** test certificates;

12 Jul 2021 **Kampala (Uganda)** *Observer*. **International Monetary Fund (IMF)** Uganda country representative **Izabela Karpowicz** says Uganda is still roughly 12 years away from achieving “*middle-income status*” despite borrowing \$1 billion recently from IMF.

11 Jul 2021 **Kampala (Uganda)** *UBOS*. **Uganda Bureau of Statistics (UBOS)** reports headline inflation for Uganda for the 12 months to July 2021 rose by 2.1%, up from 2.0% in June 2021;

10 Jul 2021 **Kampala (Uganda)** *Parliament*. President **Yoweri Museveni** tasks incoming prime minister **Robinah Nabanja** and health minister **Jane Ruth Aceng** to ensure the absorption of doctors in the health sector, saying this will help in the fight against **Covid**;

About Africa Risk Consulting:

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