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The ruling National Resistance Movement (NRM) tables the Age Limit Bill, a private member's bill to amend the constitution to remove the presidential age limits that currently prevent President Yoweri Museveni (1986-present) standing in the 2021 presidential election. The bill triggers violent scenes inside and outside parliament. The special forces command enters the parliamentary chamber to arrest members of parliament (MPs) opposed to the bill. Australia-based junior Armour Energy Ltd signs an oil and gas production sharing agreement (PSA) with the Ugandan government for the Kanywataba block. The government prepares to sign a similar PSA with Nigeria-based Oranto Petroleum International Ltd. Uganda will apply to join the Organization of the Petroleum Exporting Countries (OPEC) once commercial production begins in 2020.

NRM introduces Age Limit Bill

Ruling **National Resistance Movement (NRM)** member of parliament (MP) **Raphael Magyezi** introduced a motion to amend the constitution and remove presidential age limits (the so-called **Age Limit Bill**) on 27 September, after two aborted attempts.¹ President **Yoweri Museveni** (1986-present) is looking to quickly secure eligibility to contest the 2021 presidential election. The bill aims to amend Article 102 (b) of the constitution, which restricts the eligibility of presidential candidates, prohibiting those under 35 and those over 75 years old from standing.² Currently, the article precludes Museveni from standing in 2021 when he will be 77.³ MPs opposed to the Age Limit Bill say its intention is not to improve governance but to allow Museveni to remain in office for life.

"The deficit of the value called honesty is the reason we have this entire fracas in the country and in parliament. People do not want to call a thing what it is. They give it a different name or deny that it is not the thing. The conflict is 100% due to dishonesty. Like when you use a Trojan horse to smuggle in the life presidency project. And what the opponents of the amendment are opposing is actually the entrenchment of life presidency."⁴

Magyezi was twice expected to table the motion – on 21 and 26 September – but failed to do so. The reason for the failure to introduce the motion is unclear. Some observers have previously suggested that, despite the public backing of MPs, the NRM is concerned about whether it has the internal discipline and support to pass the Age Limit Bill. On 19 September, 287 of 296 members of the NRM parliamentary caucus backed Magyezi's private member's bill.⁵ On 20 September, cabinet members, including chief whip **Ruth Nankabirwa**, internal affairs state minister **Obiga Kania**, and energy state minister **Simon D'Ujanga**, addressed a press conference, backing Magyezi's bill and calling on parliament to expedite its passage.⁶ Nevertheless, the NRM is far from united on the issue.⁷ On 25 September, 121 members of the NRM's national executive committee – the party's second highest

¹ Daily Monitor, 28 Sept 2017.

² The East African, 21 Sept 2017.

³ The East African, 21 Sept 2017.

⁴ Source, MP, Kampala

⁵ The Independent, 22 Sept 2017.

⁶ Daily Monitor, 21 Sept 2017.

⁷ Source, journalist, Kampala

decision-making body after the central executive committee – announced their opposition to the proposed constitutional amendment.⁸

The NRM may also have feared exacerbating existing tensions amid chaotic scenes in parliament and violent protests outside. Deputy speaker **Jacob Oulanyah** suspended the 21 September parliamentary session that he chaired in the absence of speaker **Rebecca Kadaga**, who was in the **United Kingdom (UK)** at the time, after opposition MPs repeatedly interrupted proceedings in protest at the heavy security presence outside parliament.⁹ Leader of the parliamentary opposition **Winnie Kiiza** described the security presence as a “*siege on parliament*”.¹⁰ The prime minister, **Ruhakana Rugunda**, defended the deployment of security forces at parliament, strategic locations in **Kampala**, and at **Makerere** and **Kyambogo Universities** as necessary and proportionate.¹¹

“This debate has caused some bit of violence, tension and political excitement in some areas which could easily get out of hand. It is absolutely necessary for security organs to be on alert to ensure that preventive measures are taken to safeguard parliament and the country.”¹²

Continuous opposition interjections and disruptions in parliament forced Kadaga, after returning to Kampala, to adjourn the session on 26 September without Magyezi tabling the motion.¹³ Kadaga suspended 25 opposition and independent MPs for their role in the disruption, as well as the state water minister, **Ronald Kibuule**, for allegedly trying to enter parliament with a gun. Some of the suspended MPs refused to leave the parliamentary chamber, with the **Special Forces Command** entering parliament, arresting MPs, and forcibly removing them from the chamber.¹⁴ The detained MPs were not just limited to those Kadaga had suspended but included **Mathias Mpuuga, Theodore Ssekikubo, Monica Amoding, Barnabas Tinkasiimire, William Nzogh, Joy Atim, Jonathan Odur, Peter Okot, Wilfred Niwagaba** and **Betty Nambooze**.¹⁵ The security forces appeared to be unduly heavy-handed in the arrest of the MPs.¹⁶ Security forces allegedly “*seriously beat*” the **Soroti District** MP, and chair of the public accounts committee, **Angelina Osege**.¹⁷ The intervention in parliament appeared symbolically damaging to the legitimacy of the Museveni administration.

“After watching the sanctity of Uganda’s parliament violated so blatantly by Museveni, every Ugandan who loves this country should reflect deeply. The state has now been transformed essentially into a criminal enterprise. And those who respect the law and seek to uphold it are now the criminals. Ugandans must wake up and smell the coffee. Nations bigger, richer and greater than Uganda have collapsed, just because an evil and selfish ruler thought himself indispensable.”¹⁸

The **Uganda Communications Commission (UCC)** issued a directive to the media to stop live coverage of parliamentary proceedings, raising concerns about transparency and accountability for security forces. The inspector general of police, **Kale Kayihura**, confirmed on 28 September that he had personally ordered the arrest of the MPs.¹⁹ Kayihura claimed that he had received intelligence that the MPs were involved in a plot to set fire to parliament and to petrol stations in Kampala.²⁰ Kayihura provided no evidence to substantiate this claim.²¹

⁸ Daily Monitor, 26 Sept 2017.

⁹ Chimp Reports, 21 Sept 2017.

¹⁰ VOA, 21 Sept 2017.

¹¹ Chimp Reports, 21 Sept 2017.

¹² The Independent, 22 Sept 2017.

¹³ Daily Monitor, 27 Sept 2017.

¹⁴ Daily Monitor, 27 Sept 2017.

¹⁵ Daily Monitor, 28 Sept 2017.

¹⁶ Daily Monitor, 28 Sept 2017.

¹⁷ Daily Monitor, 28 Sept 2017.

¹⁸ Source, religious leader, Kampala

¹⁹ Daily Monitor, 28 Sept 2017.

²⁰ Daily Monitor, 28 Sept 2017.

²¹ Daily Monitor, 28 Sept 2017.

There were also violent clashes outside parliament. Makerere University was the site of clashes on 20 September between security forces and students who were protesting the proposed removal of the presidential age limit.²² Security forces used teargas to disperse the protesters, allegedly shot and killed one student, and arrested opposition politicians including Kampala lord mayor **Erias Lukwago** at his personal residence and opposition **Democratic Party (DP)** president **Norbert Mao** outside the party's offices.²³ The protests were in defiance of Kayihura's prohibition of all political demonstrations,²⁴ resulting in security forces preventing planned DP and opposition **Forum for Democratic Change (FDC)** marches on parliament.²⁵ FDC figurehead **Kizza Besigye** described Museveni's administration as a "*military junta*"²⁶ on 22 September in response to the security crackdown. This came days after the opposition interpreted investment state minister **Evelyn Anite's** public claim that the **Uganda People's Defence Force (UPDF)** backs the proposed constitutional amendment as a threat of military intervention.²⁷

International diplomats, including **United States** ambassador **Deborah Malac** and the **European Union** delegation, issued statements criticising the crackdown.²⁸ The statements have had little effect. Security forces detained Besigye in Kampala on 26 September, and the SFC intervened in parliament the following day.²⁹ There has also been violence targeting MPs who are opposed to the Age Limit Bill. On 2 October, unknown individuals threw five grenades at the hands of prominent critics **Allan Ssewanyana** and **Robert Kyagulanyi Ssentamu**.³⁰

There is popular concern that the violence may spread.

*"What is happening in Uganda is similar story to what happened in the **Democratic Republic of the Congo (DRC), Central African Republic, and Somalia**, and more recently in **Egypt and Syria**. The use of force to suppress popular sentiment can work for a while, but not forever. Uganda is not special; we shall reap what we are now sowing. It is bad leadership, poor management, lack of foresight and complete absence of vision, when a man keeps amending a constitution so he can stay in power. That is not how strong nations are built with one man running a country like a home. A nation that allows bad governance to persist and allows a selfish man to usurp the authority of the people and render the Constitution and national institutions meaningless should not hope to be exempt from the inevitable disaster that follows bad governance. Ugandans should not think we are an exception to this rule."*³¹

According to a second source,

*"Contrary to popular sentiment, the Constitution has not yet been touched at all. What Magyezi got was permission to draft his private member's bill. Afterwards, it will undergo the first, second and third readings. In between, the bill may also be sent to a committee for scrutiny. So, while the Opposition MPs and the anti-age limit lobby lost the first battle, the war is far from over. The real war is actually away from parliament, away from constitutional amendments and what-not of that kind; it's across the country, over a long, long time and we are bound to witness civil disobedience across the country."*³²

Museveni has carefully kept his distance from the proposed constitutional amendment. He can portray his remaining in office beyond 2021 as a response to the wishes of the NRM and the Ugandan

²² VOA, 21 Sept 2017.

²³ The Observer, 22 Sept 2017.

²⁴ The Independent, 22 Sept 2017.

²⁵ The Observer, 22 Sept 2017.

²⁶ AFP, 22 Sept 2017.

²⁷ Daily Monitor, 26 Sept 2017.

²⁸ AFP, 22 Sept 2017.

²⁹ Daily Monitor, 27 Sept 2017.

³⁰ Reuters, 3 Oct 2017.

³¹ Source, civil servant, Kampala

³² Source, journalist, Kampala

public rather than the unconstitutional power-grab it is. The greatest obstacle comes from within the NRM rather than the opposition. There is a generation of young NRM leaders who view the extension of Museveni's time in office as detrimental to their own ambitions. Nevertheless, the careful use of patronage – and the absence of any credible leader for international opponents to rally around – should ensure that Museveni musters sufficient parliamentary support to pass the amendment.

Government signs Kanywataba PSA with Armour Energy

Australia-based junior **Armour Energy Ltd** signed an oil and gas production sharing agreement (PSA) with the Ugandan government for the **Kanywataba** block in **Ntoroko District** in the **Albertine Rift** basin near the DRC on 14 September.³³ France-based **Total E&P**, Ireland-based **Tullow Oil Plc** and China state-owned **China National Offshore Oil Corp (CNOOC)** originally owned Kanywataba but relinquished it in 2012 after failing to find oil. The agreement is the first under the competitive round – as opposed to the previous practice of first-come, first-served – launched in February 2015.³⁴ The energy minister, **Irene Muloni**, said low oil prices meant “*protracted negotiations*” with firms that participated in the licensing round.³⁵ Armour will partner with Australia-based **DGR Global Ltd**, which will meet the tenement expenditure and work programme commitments for the first two years of the licence. Under the agreement, Armour will retain a 16.82% stake in the joint venture and DGR 83.18%.³⁶

The PSA, which Muloni awarded under the **Petroleum (Exploration, Development and Production) Act, 2013**, contains a number of significant provisions:

- Four-year exploration licence (a guaranteed initial two years, and two years subject to renewal), for the 344-square kilometre block;
- Minimum work programme covering the acquisition of 100 km line 2D seismic data and the review and reprocessing of existing data during the initial two years, and the drilling of at least one well during the second two-year period.
- An advisory committee chaired by the **Petroleum Authority of Uganda** to review annual exploration work programmes, budgets and production forecasts;
- Royalty payments determined by gross daily production, ranging from 8.5% to 21% depending on barrels per day (bpd) output;
- Cost recovery limit of 65%;
- Payment, already completed, of \$316,000 to the **Uganda Petroleum Fund** to cover the annual acreage rental fee for first exploration period;
- a signature bonus, research and training fees, and a performance guarantee of \$990,000 (50% of minimum exploration expenditure for first exploration period).³⁷

The licensing round originally covered six blocks. The government confirmed in August 2016 that it was in discussions with four successful bidders for four blocks: Armour Energy; Nigeria-based **WalterSmithPetroman Oil Ltd** (the **Turaco Block** in Ntoroko District); Nigeria-based **Oranto Petroleum International Ltd** (**Ngassa Shallow Play** and **Ngassa Deep Play Blocks** located to the south of **Lake Albert**); and **Niger Delta Petroleum Resources Ltd** (the **Ngassa Block** in **Hoima District**).³⁸ At the time, the government did not clarify the status of the **Taitai** and **Karuka Blocks** in **Buliisa District** and the **Mvule Block** in **Yumbe** and **Moyo Districts**, which were also included in the bidding round.

³³ Reuters, 14 Sept 2017.

³⁴ Reuters, 14 Sept 2017.

³⁵ Reuters, 14 Sept 2017.

³⁶ www.ogj.com

³⁷ Sweet Crude Reports, 15 Sept 2017.

³⁸ Daily Monitor, 3 Aug 2016.

Muloni also said that the government will imminently sign a PSA with Oranto Petroleum.³⁹ The government originally reached agreement with Oranto Petroleum in June, but undertook additional due diligence on the company amid reputational concerns (see *ARC Briefing Uganda July 2017*). The chairman of Oranto Petroleum is Nigerian businessman **Prince Arthur Eze**.⁴⁰ In 2002, **Liberia's** auditor general officer accused Eze and Oranto Petroleum of paying bribes to influence the award of contracts.⁴¹

The award of the licences comes after an auditor general report threatened to highlight the challenges facing international oil companies in Uganda. According to a preliminary assessment that the office of the auditor general published on 15 September, Uganda owes international oil companies 3.6 trillion Ugandan shillings (USh) (\$1 billion) in costs incurred in various activities since 2001.⁴² Under the PSAs, oil companies are required to invest in the sector and, once commercial oil production begins, can recover all exploration, development, production and operating costs from the government.⁴³ **Audit for Central Government** director **Joseph Hirya** noted that many of the costs pertaining to the oil and gas industry are unknown due to confidentiality agreements between the government and oil companies, though he did state that some claims were rejected because they appeared inflated.⁴⁴ Hirya noted that

“these figures are ... going to rise especially as the country moves into the [oil] development stage and eventually commercial production.”⁴⁵

Hirya is concerned that as more companies move into the development phase, they will submit larger claims for recoverable costs, particularly since there is no established policy to guide the auditor general in auditing activities in the extractives sector.⁴⁶

The government deal with Armour Energy and DGR Global will act as a reminder to other possible market entrants that, despite infrastructure delays and regulatory uncertainty, the oil sector remains an attractive proposition. However, the future commercial success of the Kanywataba block is uncertain after the international oil companies surrendered it without making a discovery. The financial guarantees placed on Armour Energy and DGR Global suggest financing will not be an issue even if exploration is more difficult than initially projected.

Uganda to join OPEC

Muloni confirmed on 27 September that Uganda will apply to join the **Organization of the Petroleum Exporting Countries (OPEC)** once commercial production begins in 2020.⁴⁷ Museveni has long viewed international blocks and regional activities as a platform to boost his regional profile. Muloni said the decision followed talks with existing OPEC members, including the **Equatorial Guinea** oil minister, **Gabriel Mbaga Obiang Lima**.⁴⁸ Lima is an advocate of strengthening African representation at the OPEC, and has also reportedly petitioned **Cameroon** and **South Sudan** to join existing members (**Algeria, Angola, Equatorial Guinea, Gabon, Libya** and **Nigeria**) to strengthen Africa as a bloc.⁴⁹ Uganda would have little individual influence in the OPEC, as even its optimum projected production levels – 200,000 - 250,000 barrels per day – would be 40 times smaller than

³⁹ New Vision, 24 Sept 2017.

⁴⁰ www.ugandaradionetwork.com

⁴¹ Africa Confidential, 10 Sept 2015.

⁴² Daily Monitor, 18 Sept 2017.

⁴³ Daily Monitor, 18 Sept 2017.

⁴⁴ Daily Monitor, 18 Sept 2017.

⁴⁵ Daily Monitor, 18 Sept 2017.

⁴⁶ Daily Monitor, 18 Sept 2017.

⁴⁷ Platts, 27 Sept 2017.

⁴⁸ Platts, 27 Sept 2017.

⁴⁹ Platts, 27 Sept 2017.

those of **Saudi Arabia**. Nevertheless, there are benefits of OPEC membership for Uganda, notably access to its technical research capabilities.⁵⁰

Membership of OPEC may boost Museveni's international standing more than it will Uganda's oil sector. Infrastructure challenges means Uganda is unlikely to reach its optimum output, further undermining its sway within OPEC and limiting its benefits to OPEC's role in providing technical support rather than influencing the market.

Chronology

2 Oct 2017 **Kampala (Uganda)** *Reuters*. Unknown individuals throw five grenades at the hands of prominent critics **Allan Ssewanyana** and **Robert Kyagulanyi Ssentamu**;

27 Sept 2017 **Kampala (Uganda)** *Daily Monitor*. Ruling **National Resistance Movement** MP **Raphael Magyezi** introduces Age-Limit Bill;

27 Sept 2017 **Kampala (Uganda)** *Daily Monitor*. **Special Forces Command** troops enter parliament and detain opponents of Age-Limit Bill;

27 Sept 2017 **Kampala (Uganda)** *Daily Monitor*. The energy minister, **Irene Muloni**, confirms Uganda plans to join the **Organization of the Petroleum Exporting Countries (OPEC)**;

26 Sept 2017 **Kampala (Uganda)** *The Observer*. Violence in parliament disrupts planned tabling of Age-Limit Bill;

22 Sept 2017 **Kira (Uganda)** *The Observer*. Former aide to President **Yoweri Museveni** (1986-present) **Morrison Rwakakamba** calls on parliament to reject attempts to remove presidential age limit;

21 Sept 2017 **Kampala (Uganda)** *AFP*. Opposition **Forum for Democratic Change (FDC)** figurehead **Kizza Besigye** describes the government as a "military junta";

21 Sept 2017 **Kampala (Uganda)** *Chimp Reports*. Deputy parliamentary speaker **Jacob Oulanya** suspends parliament after MP Magyezi fails to introduce a private member's bill to amend constitution to remove presidential age limits;

21 Sept 2017 **Kampala (Uganda)** *The Observer*. Security forces detain Kampala lord mayor **Erias Lukwago** and 47 other people, and block off opposition party offices, during protests over constitutional amendment;

20 Sept 2017 **Kampala (Uganda)** *Daily Monitor*. Ruling **National Resistance Movement (NRM)** caucus formally approves proposed private member's bill to amend constitution to remove presidential age limits;

19 Sept 2017 **(Uganda)** *The Independent*. **United Kingdom (UK)** trade envoy **Lord Dolar Popat** tells parliamentary speaker **Rebecca Kadaga** that corruption and bureaucratic inefficiencies deter UK investment;

14 Sept 2017 **Kampala (Uganda)** *Energy Monitor Worldwide*. Muloni issues oil exploration licence to **Australia-based Armour Energy Ltd** for **Kanywataba Contract Area** in the **Albertine Graben**;

⁵⁰ Platts, 27 Sept 2017.

14 Sept 2017 **Kampala (Uganda)** *Utilities Monitor Worldwide*. Muloni sets out plan to increase power capacity from 950MW to 1,900MW by 2019;

12 Sept 2017 **Kampala (Uganda)** *The Observer*. **Commercial Court** begins to hear case between **Bank of Uganda** and **Sudhir Ruparelia** over alleged fraud at **Crane Bank**;

12 Sept 2017 **Kampala (Uganda)** *Daily Monitor*. Reportedly 277 NRM MPs at 'consultative meeting' pass resolution to introduce private member's bill to amend the constitution;

5 Sept 2017 **Kampala (Uganda)** *East African*. Government increases size of land required along route of crude oil export pipeline from 30 metres to 133 metres;

5 Sept 2017 **Kampala (Uganda)** *Daily Monitor*. Parliament indefinitely adjourns as government fails to provide information about at least 20 ritualistic murders of women in the **Kampala Metropolitan** area;

2 Sept 2017 **Kampala (Uganda)** *Daily Monitor*. Besigye welcomes **Kenya Supreme Court** decision to annul presidential election win;

1 Sept 2017 **Kampala (Uganda)** *Sub-Sahara Africa Today*. **Uganda Bureau of Statistics (UBOS)** data shows that annual inflation reached 5.2% in August compared to 5.7% in July;

1 Sept 2017 **Kampala (Uganda)** *The Observer*. The **Police Professional Standards Unit** launches anti-corruption investigation in two police departments.

Planner

Dec 2017 **(Uganda)** *Daily Monitor*. **Total E&P** expects to make final investment decision for **East African Crude Oil pipeline (EACOP)**;

20 Dec 2017 **Kampala (Uganda)** *Daily Monitor*. Deadline for finance minister **Matia Kasaija** and public service minister **Muruli Mukasa** to present plan to restructure government ministries, departments and agencies, and state-owned enterprises;

13 Dec 2017 **Kampala (Uganda)** *BoU.org.uk*. **Bank of Uganda (BoU)** (central bank) monetary policy committee meeting;

21 Nov 2017 **Kampala (Uganda)** *Independent*. Opposition **Forum for Democratic Change** election for new party president;

21 Nov 2017 **(Uganda)** *Uganda Radio Network*. Local council 1 elections;

17 Nov 2017 **Kampala (Uganda)** *Independent*. FDC delegates conference due to begin;

9 Oct 2017 **(Uganda)** *MediaCentre.gov.ug*. Independence Day;

6 Oct 2017 **Kampala (Uganda)** *BoU.org.uk*. BoU monetary policy committee meeting;