

## AFRICA RISK CONSULTING

### Uganda Monthly Briefing May 2023

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#### Uganda Summary 10 May 2023

*President Yoweri Museveni institute a specialised unit on 6 May to safeguard investors from corruption. fronted by both politicians and technocrats. Speaking during the Labour Day celebrations on 1 May, Museveni says the specialised unit will increase the trust of the investors in the country's systems and attract more parties to harness the country's investment opportunities. There's growing fear in Kampala that the presence of paramilitaries exposes the country to risks similar to the ongoing turmoil in Sudan. Political analysts in Kampala tell ARC Briefing that the numerous paramilitaries created by the Ugandan state could turn against each other and plunge the country into political turmoil, as seen in Sudan. Supporters of the leading opposition political party the National Unity Platform (NUP) and a little-known activist group, Uganda Freedom Activists are prevented from holding demonstrations on 8 May. Following the social media announcement by the parties in April, security agencies swing into action and arrest several supporters of the NUP.*

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#### Museveni names a new unit to protect investors

President **Yoweri Museveni** (1986-present) has instituted a specialised unit to safeguard investors following numerous reports of politicians and technocrats swindling investors by soliciting bribes.<sup>1</sup> Several investors have lost billions of shillings in planned dubious moves that criminal gangs have orchestrated. These gangs also often collude with officials in public offices, including those in courts of law, to frustrate cases that investors report against them.<sup>2</sup>

While some solicit bribes from investors, others take advantage of their ignorance of Ugandan laws to steal their money, especially in land matters.<sup>3</sup> The gangs contact the investors, usually **Chinese**, in the name of helping them overcome government bureaucracy before defrauding them.<sup>4</sup> The issue has led many of these investors to report the shrewd government officials and gangs to Museveni for action.<sup>5</sup> Speaking during the Labour Day celebrations on 1 May, Museveni said the specialised unit will increase the trust of the investors in the country's systems and attract more parties to harness the investment opportunities:

*"I am using this Labour Day to tell everybody that we are going to have a big fight. I am going to set up another small unit in my office where the investors can ring directly if anybody asks them for a bribe or delays decisions."<sup>6</sup>*

Museveni appointed his anti-corruption senior advisor, Colonel **Edith Nakalema** to head the newly created **State House Investors Protectorate Unit** on 6 May.<sup>7</sup> Museveni noted that some members of the political class and technocrats alike in the country con investors in terms of bribes, in the guise of quickening their efforts of setting up factories which he maintains slowing down the country's

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<sup>1</sup> Uganda analyst, 7 May 2023

<sup>2</sup> Uganda analyst, 7 May 2023

<sup>3</sup> Uganda analyst, 7 May 2023

<sup>4</sup> Uganda analyst, 7 May 2023

<sup>5</sup> Uganda analyst, 7 May 2023

<sup>6</sup> Daily Monitor, 6 May 2023

<sup>7</sup> Daily Monitor, 6 May 2023

economic growth.<sup>8</sup> However, some view the new anti-corruption outfit as a desperate attempt by Museveni to reassure investors that his government is trying to do something to protect them.<sup>9</sup>

A business consulting firm owner told **Africa Risk Consulting Briefing (ARC Briefing)** that the people who con money from investors are known and some work within the president's office, but no action has been taken against them.<sup>10</sup> He suspects the move by Museveni to create a unit within statehouse is more of creating jobs as rewards for regime cadres than fighting corruption:

*"All those units are useless and are just mere rewards to get pay cheques for some redundant cadres. The corrupt are known but can't be brought to justice"*<sup>11</sup>

A member of parliament (MP) who subscribes to the ruling **National Resistance Movement (NRM)** from the eastern district of **Soroti** told ARC Briefing that Museveni is increasingly getting frustrated by the constitutional bodies that are charged with fighting corruption and now believes that involvement of the military will frighten the powerful cliques that have been stealing money from investors.<sup>12</sup>

There are at least two similar bodies inside State House involved in the fight against corruption - the **State House Anti-Corruption Unit (SHACU)** and the **Health Monitoring Unit** which monitors public health service delivery. The bodies have carried out numerous arrests of suspected corrupt officials over the past two years, but none have been successfully prosecuted.<sup>13</sup>

The inspector general of government last released a report in December 2021 noting that corruption costs Uganda at least US\$ 9.1 trillion (\$2.4 billion) per year, equal to 7.3% of the country's GDP or 23% of the government's annual budget.<sup>14</sup>

### Analysts fear militias will plunge Uganda into turmoil like Sudan

There's growing fear in Kampala that the presence of paramilitaries exposes the country to risks similar to the ongoing turmoil in **Sudan**.<sup>15</sup> Political analysts in Kampala told ARC Briefing that the numerous paramilitaries created by the Ugandan state could turn against each other and plunge the country into political turmoil, as seen in Sudan.<sup>16</sup> The Sudanese army led by General **Abdelfattah Al-Burhan** is currently battling with the **Rapid Support Forces (RSF)**, a paramilitary force that General **Mohamed Hamdan Dagolo** leads.<sup>17</sup> Former Sudanese president **El-Omar Bashir** (1989-2019) created the RSF in 2013 to fight against militias in the western **Darfur** region of Sudan.<sup>18</sup>

The concern regarding Uganda stems from fears that the **Special Forces Command (SFC)**, which is charged with protecting the first family and other key personnel, could sooner or later face off with Uganda's regular army.<sup>19</sup> Dr **Kizza Besigye**, a four-time presidential contender, claimed in an interview in 2013 that the SFC was created for Museveni's son, General **Muhoozi Kainerugaba**.<sup>20</sup> Muhoozi was commander of the SFC from 2008 to 2017, and again from December 2020 to 2021.

Opposition MP **Ibrahim Ssemujju Nganda** told parliament on 26 April that there is a high risk of the regular army in Uganda clashing with the SFC:

<sup>8</sup> Daily Monitor, 6 May 2023

<sup>9</sup> Uganda analyst, 6 May 2023

<sup>10</sup> ARC Briefing source, Kampala

<sup>11</sup> ARC Briefing source, Kampala

<sup>12</sup> ARC Briefing source, Soroti

<sup>13</sup> Uganda analyst, 6 May 2023

<sup>14</sup> IGG, Dec 2021

<sup>15</sup> Uganda analyst, 6 May 2023

<sup>16</sup> Uganda analyst, 6 May 2023

<sup>17</sup> The Conversation, 7 Apr 2023

<sup>18</sup> The Conversation, 7 Apr 2023

<sup>19</sup> Uganda analyst, 8 May 2023

<sup>20</sup> Daily Monitor, 17 Feb 2023

*"Al-Bashir created the Rapid Support Forces illegally the same way SFC was illegally created here [Uganda]. And I remember a Brigadier from **Bunyoro** who was in charge of professionalization of the army warning President Museveni not to create special forces the way you see **Republican Guards in Iraq** because you are creating an army within an army."<sup>21</sup>*

A veteran crime news reporter told ARC Briefing that too many security agencies have been created outside the constitution, leaving a lack of central command:

*"I once moved with a senior police officer down to **Katwe** slums but I was surprised to see the guy (**District Police Commander**) saluting a civilian who is a member of a paramilitary force and taking orders from him"<sup>22</sup>*

### Opposition supporters fail to hold demonstrations

Supporters of the leading opposition political party the **National Unity Platform (NUP)** and a little-known activist group, **Uganda Freedom Activists** called for nationwide protests in April to denounce corruption and economic hardships. Led by musician turned politician **Robert Sentamu Kyagulanyi** (also known as **Bobi Wine**) the group had announced that they would hold nationwide demonstrations code-named **Kunga Uganda** starting on 8 May.<sup>23</sup> Following the social media announcement, security agencies swung into action and arrested several supporters of the NUP who were linked to the planned demonstrations and confiscated printed t-shirts and posters.<sup>24</sup>

In a further plan of frustrating the demonstration, a joint security task force on 7 May claimed to have recovered bomb-making materials from the house occupied by four people whom they claimed to be among the ringleaders of the planned demonstrations.<sup>25</sup> Police connected the men to online calls for a nationwide anti-government protest.<sup>26</sup>

Former leader of opposition in parliament, **Zaake Francis Zaake Mutebi**, and one of the organisers of the failed protests told ARC Briefing that the government disrupted their plans by deploying heavily throughout Kampala and brutally arresting many of their supporters:

*"Just learnt that **Kaleebu Mariam**, an avid NUP member was abducted by regime operatives believed to be from CMI. They reportedly picked her from **Katwe Market** with an unknown motive and drove off with her"<sup>27</sup>*

Crackdowns on opposition continue to be a common occurrence in Uganda. In December it was reported that there was a wave of security crackdowns on members of opposition political parties, with the security forces targeting NUP members (see *ARC Briefing Uganda Dec 2022*). **United States-based non-profit Human Rights Watch (HRW)** published a report in March 2022 documenting years of arbitrary arrests and detentions, enforced disappearances, and the use of illegal detention centres by Ugandan security officers before presenting the findings personally to Museveni in June 2022. However, it is clear that little has been done to address these underlying issues.

### Planner

13 May 2023	<b>Kampala (Uganda)</b> International Conference on Environment and Life Science (EUCELS)
24 May 2023	<b>Kampala (Uganda)</b> International Conference on Sustainable Water Management (ICSWM)

<sup>21</sup> Parliament, 8 May 2023

<sup>22</sup> ARC Briefing source, Kampala

<sup>23</sup> Uganda analyst, 9 May 2023

<sup>24</sup> Nile Post, 7 May 2023

<sup>25</sup> Uganda analyst, 9 May 2023

<sup>26</sup> Voice of America, 7 May 2023

<sup>27</sup> ARC Briefing source, Kampala

1 Jun 2023 **Kampala (Uganda)** International Congress on Cell Science and Molecular Biology (IC-CSMB)

13 Jun 2023 **Kampala (Uganda)** International Conference on Nano materials and Biomaterials (EUICNB)

### Chronology

9 May 2023 **Abu Dhabi (United Arab Emirates)** *Daily Monitor*. **Uganda** emerges as the best investment destination in East Africa during the **Annual Investment Meeting (AIM)** in Abu Dhabi, winning the gold award for attracting the best investment project in 2022;

7 May 2023 **Kampala (Uganda)** *Nile Post*. Parliament speaker **Anita Among** moves to address abuse of power by house committee chairpersons following an incident on 4 May when the finance committee chair attempted to include a 0.5% excise duty on withdrawal of cash through financial technology services provided via digital and online platforms;

6 May 2023 **Kampala (Uganda)**. President **Yoweri Museveni** condemns the killing of a popular blogger **Ibrahim Tusubira** (also known as **Jajja Iculi**), saying his killers will be traced and punished;

5 May 2023 **Kampala (Uganda)** *Daily Monitor*. Constitutional court repeals the **Narcotic Drugs and Psychotropic Substances (Control) Act 2015** which, among other things, prohibited the sale and use of several narcotic drugs in the country;

5 May 2023 **Kampala (Uganda)** *Parliament*. Parliament passes the **Lotteries and Gaming (Amendment) Bill 2023** which will revise the existing tax of 20% to 30% for gaming activity;

4 May 2023 **Kampala (Uganda)** *Nile post*. Electronic media platforms including **Facebook, Twitter, Google, Netflix, eBay** and **Amazon** are given a non-resident tax of value-added tax of services supplied in Uganda;

3 May 2023 **Kampala (Uganda)** *UNAIDS*. **UNAIDS** warns that passing the **Anti-Homosexuality Bill** law in parliament would undermine Uganda's efforts to end AIDS by 2030, by violating fundamental human rights including the right to health and the very right to life;

2 May 2023 **Kampala (Uganda)** *Washington Post*. Lawmakers pass a new version of the **Anti-Homosexuality Bill**, removing a clause that criminalises identifying as part of the LGBTQ+ community;

31 Apr 2023 **Kampala (Uganda)** *OHCHR*. **United Nations** expert says proceedings carried out against Ugandan supreme court justice **Esther Kisaakye** may amount to retaliation against her for carrying out her judicial functions;

30 Apr 2023 **Kampala (Uganda)** *Africanews*. A contingent of 1000 soldiers departs Uganda for eastern **Democratic Republic of Congo** as part of the regional **East Africa Community** force;

28 Apr 2023 **Kampala (Uganda)** *All Africa*. **United Kingdom**-headquartered **Standard Chartered Plc** says it is no longer involved in the financing of the **East Africa Crude Oil Pipeline** project;

27 Apr 2023 **Kampala (Uganda)** *Aljazeera*. President **Yoweri Museveni** asks legislators to make clear in the proposed **Anti-Homosexuality Bill** that it is not criminal to merely identify as gay as part of an attempt to tone down a bill that has drawn international condemnation;

26 Apr 2023 **Kampala (Uganda)** *Parliament*. Parliament will start an inquiry into the circumstances under which the energy and mineral development ministry waived taxes worth US\$ 616 billion (\$165.6m) on gold exports, following a motion by opposition leader **Mathias Mpuuga** to institute a select committee to inquire into the matter;

25 Apr 2023 **Kampala (Uganda)** *Daily Monitor*. A border dispute between Uganda and the **Democratic Republic of Congo (DRC)** is brewing in the frontier town of **Padea**, after Congolese locals backed by their police crossed into Uganda and laid claim to three villages;

22 Apr 2023 **Kampala (Uganda)** *Daily Monitor*. Government is considering a proposal to allow a US\$ 640 billion (\$171.2m) rice import tax waiver. The proposal to allow duty-free importation of rice from outside **East Africa** has provoked the anger of members of the **Rice Association of Uganda**, and the **Rice Millers Council of Uganda**;

21 Apr 2023 **Kampala (Uganda)** *URN*. Government announces it will conduct an extensive aerial survey of minerals in the **Lake Kyoga** basin as part of a five-year project funded by the government, the **World Bank**, the **African Development Bank**, and the **Nordic Development Fund**; Districts;

20 Apr 2023 **Kampala (Uganda)** *Cips*. The prime minister's office is under investigation over whether officials stuck to rules and personally profited from buying iron sheeting intended for vulnerable people in **Karamoja**;

19 Apr 2023 **Kampala (Uganda)** *Aljazeera*. President **Yoweri Museveni** refuses to sign into law the controversial **Anti-Homosexuality Bill** that prescribes the death penalty in some cases, requesting that it should be amended;

18 Apr 2023 **Kampala (Uganda)** *Relief Web*. **Japan** commits approximately \$ 7.9m to support refugees and host communities as well as vulnerable populations, hard hit by hunger and food insecurity, in **Karamoja** sub-region between April 2023 and March 2023;

17 Apr 2023 **Kampala (Uganda)** *Reuters*. Finance ministry reports that the economy grew 6.8% in the first six months of the 2022/23 fiscal year that runs until the end of June, up from 3.7% in the same period of the previous fiscal year;

16 Apr 2022 **Kampala (Uganda)** *AP*. Prosecutors criminally charge a second government minister with corruption-related offences in a scandal stemming from the diversion of roofing sheets that should have been distributed to vulnerable people in **Karamoja**. At least 22 top officials are implicated in the scandal, including the vice president, the parliamentary speaker, the prime minister and government ministers;

14 Apr 2023 **Kampala (Uganda)** *Energy Capital Power*. Energy and mineral development ministry grants **Australian**-based mineral producer **Ionic Rare Earths** approval for works to commence on the construction of a demonstration plant at the company's **Makuutu Mine**, a rare earths mine located in eastern Uganda;

13 Apr 2023 **Kampala (Uganda)** *Parliament*. Government is set to pay \$215m to acquire majority shares of power distributor, **Umeme**, as Umeme's 20-year contract ends in 2025, giving the government full control of the power distribution system, marking the end of a long-standing private sector arrangement;

12 Apr 2023 **Kinshasa (DRC)** *Independent*. Foreign affairs committee expresses concern over the security of Ugandans and their businesses in the **Democratic Republic of Congo (DRC)** during a meeting with officials from the Ugandan embassy in **Kinshasa (DRC)**;

### About Africa Risk Consulting:

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### Getting in touch

Please contact us by email [info@africariskconsulting.com](mailto:info@africariskconsulting.com) or call + 44 (0) 20 7078 4080

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