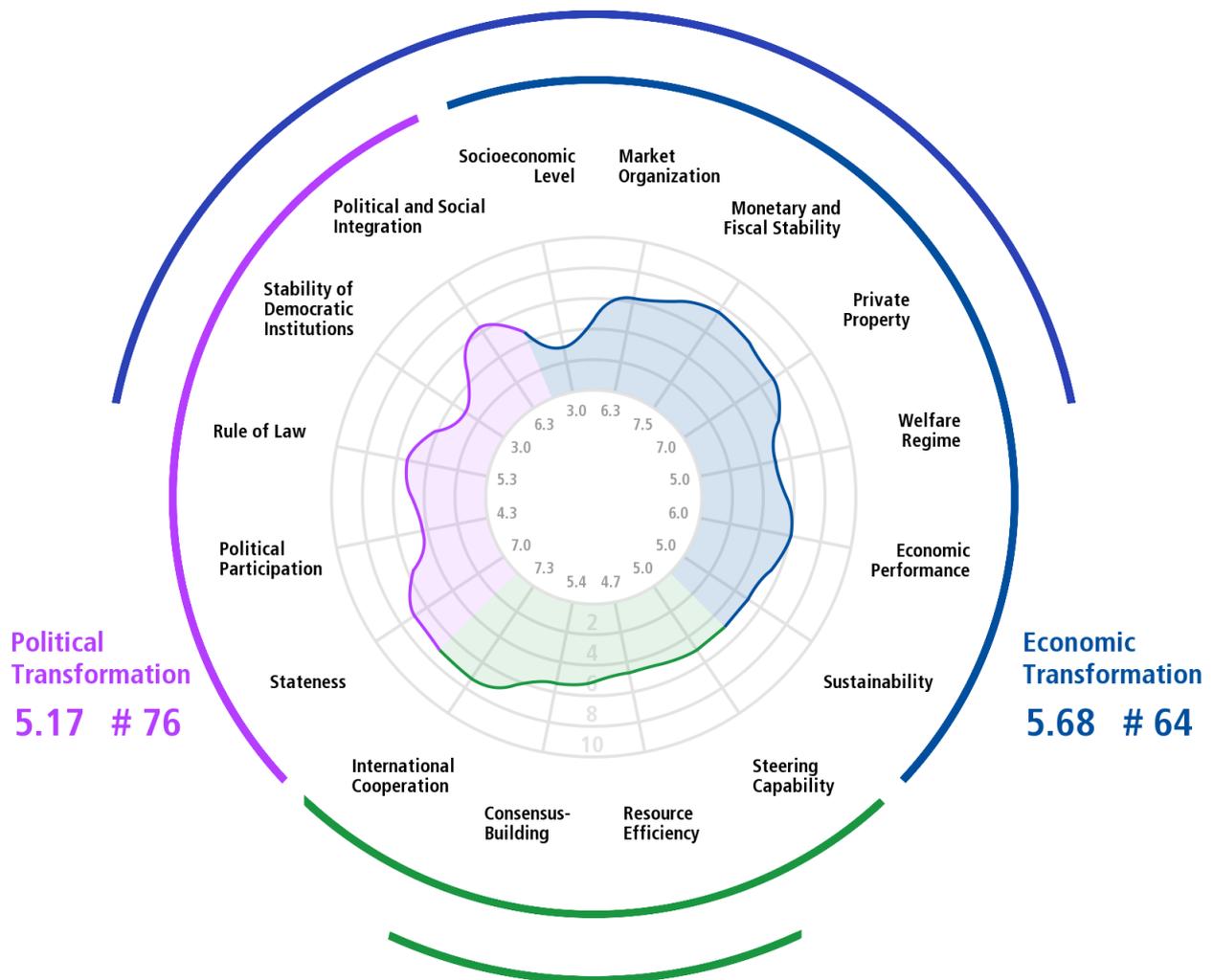


# Uganda

## Status Index

**5.42 # 66**

on 1-10 scale out of 137



**Political Transformation**  
**5.17 # 76**

**Economic Transformation**  
**5.68 # 64**

## Governance Index

**5.14 # 63**

on 1-10 scale out of 137

This report is part of the **Bertelsmann Stiftung's Transformation Index (BTI) 2020**. It covers the period from February 1, 2017 to January 31, 2019. The BTI assesses the transformation toward democracy and a market economy as well as the quality of governance in 137 countries. More on the BTI at <https://www.bti-project.org>.

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**Key Indicators**

Population	M	<b>42.7</b>	HDI	<b>0.528</b>	GDP p.c., PPP \$	<b>2033</b>
Pop. growth <sup>1</sup>	% p.a.	<b>3.7</b>	HDI rank of 189	<b>159</b>	Gini Index	<b>42.8</b>
Life expectancy	years	<b>62.5</b>	UN Education Index	<b>0.515</b>	Poverty <sup>3</sup>	% <b>69.9</b>
Urban population	%	<b>23.8</b>	Gender inequality <sup>2</sup>	<b>0.531</b>	Aid per capita \$	<b>48.8</b>

Sources (as of December 2019): The World Bank, World Development Indicators 2019 | UNDP, Human Development Report 2019. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.20 a day at 2011 international prices.

## Executive Summary

In the period under review, after more than 30 years in power, the ruling National Resistance Movement (NRM), appeared determined to not allow any serious challenges to the continuation of President Museveni's leadership. A constitutional amendment to drop the presidential age limit paved way for Museveni to run in the next elections. While Museveni and the NRM have long been commended for taking Uganda on a path of peace and stability, both confidence among Ugandans in their government, as well as its international reputation, have suffered significantly in recent years. Though opposition political parties have remained weak due to internal challenges and an unfair playing field, the Ugandan government feels increasingly challenged. Popular criticism intensified during the review period, and so have incidents of public protests, some of them channeled through a loose movement of followers of musician-turned-politician Robert Kyagulanyi Ssentamu (better known as Bobi Wine) under the slogan of "People Power." As the politics of regime survival have become the all-dominant logic, democratic institutions and processes have been increasingly undermined, turning some of them into a mere façade. Authoritarian tendencies appear to be on the rise and the space for unsuppressed opposition, civil society and independent media is shrinking. The political landscape has become more and more polarized, while trust in electoral processes has declined. Most Ugandans have lost faith in elections and no longer believe that a peaceful democratic transfer of power is possible.

Despite the growing tensions and discontent, Uganda has remained relatively stable. There were no major internal (violent) conflicts and the economy performed reasonably well. After a temporary slowdown, economic growth is back on course. The IMF continues to attribute to Uganda "sound macroeconomic performance." However, with one of the youngest and most rapidly growing populations in the world, the country's growth rates have remained insufficient to achieve further reductions in poverty and make progress towards Uganda Vision 2040 to become an upper middle-income country. As things stand, the economy does not appear to be on track towards providing inclusive economic perspectives for young people. Significant challenges remain regarding the improvement of public services. Public sector performance continues to be

undermined by inefficient and bloated bureaucracies and endemic corruption. This also affects the implementation of Uganda's otherwise well-designed development plans. While the discovery of significant oil reserves was believed by some to be the answer to all economic problems, progress towards actual production has been slow and revenue projections already had to be adjusted downwards significantly.

Externally, unstable conditions in parts of the Great Lakes region, especially the persistent instability in Eastern Congo and the conflict and resulting humanitarian crisis in South Sudan, affected Uganda. The resulting influx of refugees led to Uganda becoming the African country hosting the highest number of refugees, reaching over 1.1 million in 2018. Uganda's progressive refugee policy has contributed positively to its international reputation. The country is acknowledged for its role as an active member of international and African organizations and an effective regional power; sometimes, it is even seen as an anchor of stability. It is among the first 12 countries to have ratified the African Continental Free Trade Area established in March 2018. In principle, it is also considered a trustworthy and committed partner as far as its pursuit of economic transformation and reforms is concerned. However, this image has been tarnished by recurrent corruption scandals. The violent crackdown on opposition protesters, including the arrest and torture of prominent politicians, has led to international condemnation and raised doubts about Uganda's democratic trajectory.

## History and Characteristics of Transformation

Uganda's first experience with multiparty democracy ended seven years after independence. At the end of 1969, President Apollo Milton Obote, very much in line with contemporary African political thinking, enforced a one-party state. The brief multiparty era had been ushered in by the British just before the end of their colonial rule. Obote and his Uganda People's Congress (UPC) government were overthrown by a military coup in January 1971, followed by eight years of Idi Amin's tyranny, the misdemeanors of which earned the country international stigma. When Uganda's military clashed with Tanzania, this neighboring country under the leadership of Mwalimu Julius Nyerere defeated Amin (later to die in comfortable exile in Saudi Arabia). Nyerere's troops received some assistance from Ugandan forces formed in Tanzanian exile – from soldiers loyal to Obote as well as from guerilla fighters of the Front for National Salvation (FRONASA) created by Yoweri Kaguta Museveni. FRONASA had its origins in Pan-Africanist and anti-imperialist thinking popular among intellectuals.

Following the fall of Kampala in April 1979, various armed and civilian actors returning from exile took over the government under the auspices of the Tanzanian army. In a situation of instability, multiparty elections were held in December 1980. Among the parties contesting the ballot was the Uganda Patriotic Movement (UPM) formed by Museveni, drawing on FRONASA and offering new perspectives beyond the ethnic and religious orientation of the old political

forces. Museveni threatened to “go back to the bush” if the elections were skewed by UPC followers, who dominated the administration.

The elections, though observed by the Commonwealth, indeed were manipulated to the extent that ensured a majority for UPC and for Obote again becoming president (Obote II, 1980–1985). It is widely held that the Democratic Party (DP) led by Paul Kawanga Ssemogere was the true winner of the vote; nevertheless, DP took up the few seats in parliament it had been allocated. Barely two months after the perceived election fraud, Museveni started a guerilla campaign against the Obote government; other groups took up arms as well. In mid-1985, Obote was toppled by his own army for the second time. After a half-year interregnum, the National Resistance Army (NRA) and the National Resistance Movement (NRM) led by Museveni took power and he was sworn in as president on January 29, 1986. He co-opted other guerilla forces and political groups to form a “broad-based government.” The state structure was modeled along the lines of the local “resistance councils,” a sort of grassroots and bottom-up approach, which left no room for activities by political parties. The concept was to establish a “no-party democracy” with strong participatory elements (“movement system”). After elections of the Constituent Assembly in 1994, a new constitution was drafted and entered into force in 1995. The movement system was still in operation, with elections being based on personalities.

In 2005, the NRM, now firmly entrenched and closely interwoven with the state structure, accepted the return to the multiparty dispensation, which was confirmed by a referendum. Opposition forces were able to enter the political arena, even if the playing ground was (and still is) not level and accusations of election rigging continue to be raised.

Meaningful economic transformation started in the early 1990s, as formerly cherished left-wing ideas about the economy faded away. Museveni’s government followed the prescriptions meted out by the international financial institutions. Despite a notable record with regard to market-oriented reforms and the preservation of macroeconomic stability, there has not been much structural transformation of the economy itself. The discovery of massive crude oil and natural gas deposits in 2006 raised expectations of a significant economic boost. These expectations have however been lowered over time, as actual exploitation is continuously delayed and calculations of expected revenues had to be adjusted downwards.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 1 (worst) to 10 (best).

## Transformation Status

### I. Political Transformation

#### 1 | Stateness

The state, in principle, wields a monopoly on the use of force and exercises full control over the entire territory.

The perception of security among the population has significantly declined in the recent past. While violent crime is on the rise, trust in the state security institutions has been weakened. The legitimacy of the police is undermined by allegations of criminal activity within the force and increasingly blurred lines in police cooperation with informal security groups. The lack of trust has further fueled local incidences of mob justice, which sporadically challenges the state's monopoly on the use of force.

While internal armed conflicts have long been contained, Uganda remains affected by security crises within the region. The number of refugees hosted in the country exceeded one million by the end of 2018. This was mostly due to the unprecedented influx of refugees from South Sudan, as well as from the Democratic Republic of the Congo (DRC). Prior to the peace agreement of September 2018, the security of the border with South Sudan could not always be guaranteed and there were occasional reports of raids by South Sudanese militias on Ugandan territory.

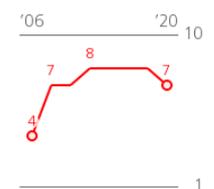
Tensions in the border region with Eastern Congo increased in the course of 2018 and led to a number of casualties in the area of Lake Edward. These were the result of skirmishes between Ugandan and Congolese navy forces and clashes between security forces and local rebels and militia fighters. Notable among these are the Allied Democratic Forces (ADF), an assortment of various anti-government groups, including adherents of the fundamentalist Tabliq faction of Ugandan Muslims, once active in the western part of the country. This group eventually established itself outside Uganda and reemerged as a player in the violent culture in the east of the DRC. The ADF is described by the Ugandan authorities as having links to Islamists and as a potential threat to the country's west.

The threat posed by international terrorism remains a major countrywide challenge. Uganda still is seen as a target due to its role as a key contributor of troops to the African Union Mission in Somalia (AMISOM).

Question  
Score

Monopoly on the  
use of force

7



The concept of the nation-state and the legitimacy of the state are generally accepted. All political actors usually aim at gaining control of the whole country instead of claiming for independence of a particular area. Calls for secession by the central region of Buganda or the north are occasionally made, but are usually not taken as a serious threat in mainstream political discourse. However, with growing political polarization and the repeated extension of President Museveni's rule, some few individual leaders, including members of parliament, are presenting the idea of an independent "Nile Republic" in the north of the country. Meanwhile in Buganda, Uganda's heartland, some neo-traditionalists campaign for a "federo" (federal) system of government. The term appears to be a cipher for regaining a once-dominant position.

Diversity of languages, ethnic groups, traditional sociopolitical organization and religious affiliation is a marked characteristic of Uganda. This poses challenges to national cohesion, since politicians frequently tend to give priority to the perceived interest of their group, playing the ethnic card.

In pre-colonial times, powerful empires such as Bunyoro-Kitara and Buganda existed. Following the violent dethronement of Buganda's ruler by the government in 1966, all kingdoms were abolished in 1967. However, they were reinstated in 1993. By doing so, President Museveni intended to preserve the cultural heritage, foster social cohesion and add legitimacy to his rule. Kings and other cultural leaders were strictly confined to a cultural role and barred from participating in partisan politics. All the same, they are de facto political players.

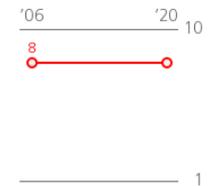
Citizenship is regulated by the constitution (Chapter 3) and pertinent laws. It is reserved for individuals with a parent or grandparent who was a citizen of Uganda. Usually the authorities are quite hesitant to naturalize refugees, though this is legally possible.

The national motto "For God and My Country" indicates a strong attachment to religion and contemporary political rhetoric frequently draws on the Bible. Nonetheless, the constitution accords no special status to religious communities, and the adoption of "a state religion" is explicitly ruled out (Article 7). Yet in society, religious orientation plays a highly significant role, and all political actors take this into account. Freedom of religion is a protected right along with the freedoms of conscience, expression, movement, assembly and association (Article 29).

Among the Christians, evangelical and Pentecostal groups have emerged as serious competitors to Catholics and Anglicans. They have in the recent past significantly gained prominence and wield considerable political influence. Parts of the government and especially the so-called first family maintain close links to evangelical circles, internationally as well as domestically.

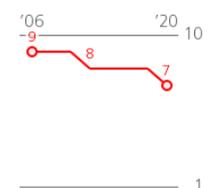
#### State identity

8



#### No interference of religious dogmas

7



The Muslims are divided by factionalism. In general, they have no extremist leanings, but fundamentalist Tabliqs once contributed to the ranks of the ADF. Christians and Muslims mostly live together peacefully and share a common position on some social issues, such as homosexuality. Attempts to sharpen existing colonial legislation penalizing same-sex relationships with imprisonment to allow for the death penalty were applauded by religious leaders but eventually proved futile.

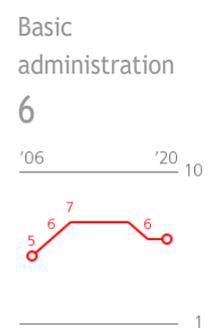
The significant profits recorded by many churches – and especially the lavish lifestyles of a number of Pentecostal preachers - have given rise to a controversial discussion about the question whether to tax churches. A recently proposed national policy to strengthen the regulation of faith-based organizations has met with strong resistance from religious leaders.

The basic administrative structure of the state is in place and is supposed to provide essential public services. There is a significant discrepancy regarding the availability and quality of public services between urban and rural areas. The decentralized state structures, especially at the district level, are supposed to play a key role in administration and service delivery. However, their performance is hampered by inadequate revenues and resource allocations, a lack of technical capacity, and high levels of corruption. In an attempt to enhance efficiency and reduce costs in the bloated public service sector, the government in 2018 announced plans to scrap or merge numerous agencies.

Government health services cover the whole country, but only 5% of Ugandans are covered by health insurance, and health care providers operate under deplorable conditions. Understaffing, lack of equipment, poor qualifications, training and pay undermine the performance of health workers and there is a high incidence of absenteeism. The same can be said for teachers, especially in rural areas. Universal primary education is guaranteed, but there is an extremely high dropout rate. The gross enrolment rate for secondary education is at a low 23.9% (2017).

Access to suitable sanitation facilities remains limited and access rates have stagnated over the past years. According to latest data from 2015, the percentage of the population with access to improved sanitation stood at only 19%. At 79%, access to adequate water sources was close to the international average of 85%.

Modern communication systems have developed quickly. Cell phones are ubiquitous and are commonly used for financial transactions via mobile money. Internet penetration had grown to above 17 million users in 2017, according to the Uganda Communications Commission, making up more than 40% of the population. The introduction of additional taxes in 2018 on mobile money services and so-called OTT services commonly used for social media apps attracted massive criticism and led to a slight drop in internet subscription rates.



Access to courts and corresponding judicial services is in theory present everywhere, but in practice diminishes considerably at the local level. The judicial system still suffers from major human resource gaps, and case handling is slow. Cases relating to land, family conflicts (including domestic violence), and major offenses, such as rape, are handled at low levels such as Local Councils that lack the jurisdiction and competence to do so. Moreover, the lower courts and the police are often accused of corruption.

## 2 | Political Participation

Elections are regularly held at the national level as well as at the different levels of local government. Universal suffrage is guaranteed. Elections to parliament are based on first-past-the-post majority voting in the 290 constituencies (2016). Voters also choose a female representative for each district (112). In separate procedures for each of the groups concerned, five representatives are elected to represent youth, persons with disabilities and workers, along with 10 soldiers to represent the army. This representation of “special interests” tends to compromise the equipollency of votes.

Since the re-introduction of multiparty politics in 2005, voters are able to choose among different, clearly identifiable political parties. However, the party system is characterized by the de facto hegemony of the ruling party.

The last nationwide elections for the office of president as well as for parliament took place concurrently in February 2016, with the ruling NRM and incumbent Museveni winning as expected. In July 2018, after years of postponements, the first multiparty elections took place at the village level, the lowest local government level (Local Council 1). The ruling NRM won over 90% of the leadership positions in the over 60,000 villages that took part in the polls. The election process was highly criticized as chaotic. The electoral commission (EC) ignored protests from local and international observers about the polling method used, with villagers lining up behind their preferred candidate.

In general, confidence in the electoral process continues to steadily decline. The EC is appointed by the president pending parliamentary (i.e., majority party) approval, leading to doubts concerning its independence. Civil society and the opposition continue to demand electoral reforms and the appointment of a credible EC. As political polarization continues to escalate, nearly half of Ugandans fear becoming victims of political intimidation or violence during election campaigns, according to Afrobarometer (2017).

Free and fair elections

5

'06 '20 10



1

Democratically elected representatives and office holders have to a large extent the effective power to govern. Uganda's political reality is a blend of democratic processes and outright authoritarian interventions. Loyalty to the NRM and government is assured through political patronage and dissidence is dealt with using violence or the threat of it. Democratic institutions are a mere facade and decision-making de facto does not follow democratic procedures.

The major veto holder is the army. For a long time, its top leadership consisted of Museveni's comrades-in-arms from the guerrilla wars. Gradually, and to the chagrin of some of the old guard, a shift took place to younger military leaders, often associated with Museveni's 44-year-old son, Muhoozi Kainerugaba, who has had a meteoric rise through the ranks and is now a major general serving as senior presidential adviser for special operations.

In a sign of realignments within the security sector, Museveni's much-trusted and feared former Inspector General of Police, General Kale Kayihura, was relieved of his duties on March 4, 2018, together with the then Minister of National Security Lieutenant General Henry Tumukunde. General Kayihura was later arrested and charged in a court martial in Makindye, Kampala for alleged crimes committed while in office.

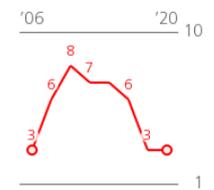
Religious and cultural institutions operate well under the authority of the elected leadership. However, in November 2016, the UPDF raided the office of the prime minister of Rwenzururu Kingdom and the palace of the king in Kasese. Omusinga Mumbere, the king, was able to secure bail under very strict terms.

The constitution guarantees the "freedom to assemble and to demonstrate together with others peacefully and unarmed" and the "freedom of association which shall include the freedom to form and join associations or unions, including trade unions and political and other civic organizations" (Article 29). However, freedom of assembly is severely restricted by the 2013 Public Order Management Act (POMA), and the police have the authority to deny approval for such meetings if they are considered to be against public interest or a risk to public order. In practice, the regulation is often misinterpreted and applied as a requirement to secure "police permission." It has been consistently used as a justification for security agencies to block or dissolve public meetings by the opposition and critical members of civil society and to arbitrarily arrest demonstrators, often while applying excessive use of force.

Since 2017, with rising protests against removing the presidential upper age limit from the constitution, authorities have applied increased pressure on opposition politicians and civil society activists. The crackdown reached a climax in August 2018 with the arrest and torture of opposition activists during a by election in the district of Arua, among them the prominent artist and member of parliament, Bobi Wine. The events led to massive international condemnation, but this did not deter

Effective power to govern

3



Association / assembly rights

4



the government from continuously trying to silence critical voices, especially those linked to the loose People Power protest movement Demonstrations and even artists' performances are increasingly banned and violently dispersed, with demonstrators arbitrarily arrested, sometimes for just wearing the color red – the symbol of protest.

A large variety of NGOs exists. In most cases, they can work freely and cooperate with foreign partners. At the local level, however, NGOs tend to shy away from political topics for fear of crossing lines with the political establishment. The 2016 Non-Governmental Organizations Act imposes “special obligations” on NGOs, for example to “not engage in any act that is prejudicial to the interests of Uganda and the dignity of the people of Uganda.” NGOs that express criticism of the government risk politically motivated charges, and NGOs promoting the rights of LGBTI communities are severely at risk of being banned for allegedly failing to comply with these obligations.

Freedom of expression and freedom of the press are provided for in the Ugandan constitution, but are at times significantly undermined in practice.

A lively and diverse media scene provides a platform for a plurality of opinions and there is a strong culture of open debate, including on controversial topics. However, the depth and diversity of reporting is compromised by weak professional and ethical standards, and tendencies for self-censorship due to the business interests of media houses. Media ownership tends to create an imbalance, especially as many of the numerous private FM stations (still the main source of information for most Ugandans) are owned by individual politicians with links to the government.

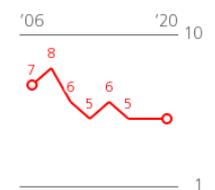
Uganda continues to drop significantly in the World Press Freedom Index of Reporters Without Borders. In the 2018 ranking, Uganda came in at 117 out of 180 countries, down five places compared to 2017 and 15 places compared to 2016.

The main reasons for the decline in press freedom are the increased government interference with media outlets and the growing prevalence of bribery in the media sector. The police and other security organs remain the most significant violators of the rights of journalists. Reported cases of harassment and beatings, arbitrary arrests, abductions, and trumped up charges (including treason) are increasing.

The Ugandan government has stepped up its efforts to monitor the media closely through various bodies, with an increasing focus on social media activities. A tax on over-the-top (OTT) services was introduced in July 2018, effectively a taxation of social media access. The government claims the measure is aimed at increasing much-needed revenue for the development of the country, while President Museveni was quoted as saying it would reduce online “gossip.” Critics also see a number of new cyber laws as a threat to freedom of expression and privacy online. A prominent case in point is the arrest of academic Stella Nyanzi, who had gained popularity on Facebook for her strong criticism of President Museveni.

Freedom of expression

5



In January 2019, the Ministry of Gender, Labor and Social Development sought to introduce new regulations that contain restrictions on artists and entertainers, who would now be required to be registered and have their work vetted by authorities. The proposal is widely viewed as a means to regulate concerts and music releases by popular opposition member of parliament and musician Robert Kyagulanyi (Bobi Wine).

### 3 | Rule of Law

The Ugandan constitution provides for institutional differentiation of the organs of the state, their division of labor in accordance with their functions, as well as checks and balances. However, these are often overstepped, usually by the president, and separation of powers has been largely undermined by major political actors.

The legislature, the executive and the judiciary are defined in separate chapters of the constitution. The cabinet consists of the president together with the vice-president and the ministers appointed by the president with the approval of parliament.

The constitution accords wide powers to the president; it also provides legal procedures for his removal (Article 107). Yet, in day-to-day practice, the president frequently exceeds his constitutional powers with impunity. Since most substantial public positions are subject to presidential appointment, there are limits to the independent exercise of such offices.

Independence of the judiciary is guaranteed by the constitution (Article 128) and the structure of the judicial system is well defined. The judiciary is mandated to uphold and interpret the constitution and the laws. Judges are appointed by the president on the recommendation of the Judicial Service Commission, and with the approval of parliament.

Corruption undermines particularly the performance of the lower courts that are believed to be disposed to bribe-taking. Trials are easily politicized in the lower courts as well, with judges yielding to political influence. In rural areas, citizens often perceive judicial institutions as treating people according to their social status or political affiliations. The judges at the higher levels of jurisdiction most times appear to be able to use their legal powers to rein in the government. Nevertheless, some judges may be susceptible to pressure from the president, who has repeatedly attacked the judiciary in public when disagreeing with its judgments. In a number of incidents, courts have been raided by armed security forces and suspects were (re-)arrested in the precincts of courts.

Administration of justice is significantly hampered by inadequate funding and staffing. Lawyers and judges, including the chief justice, have repeatedly expressed dissatisfaction with continuous cuts in the already-inadequate resources availed to the judiciary, stating that these cuts rendering it unable to dispense justice in a fair and

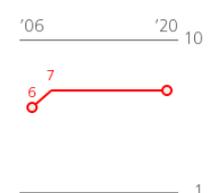
Separation of powers

4



Independent judiciary

7



timely manner. After several years of lobbying by the Uganda Law Society, the cabinet in January 2018 tabled the Judiciary Administration Bill before parliament. The bill seeks to operationalize provisions of the constitution relating to the judiciary, its autonomy and effectiveness. If passed into law, the bill will finally give the judiciary effective self-accountability. In the current practice, and in contravention to the constitution, the judiciary's annual budget approval has to be first subjected to adjustments by the Ministry of Justice, instead of being handled independently.

In theory, Uganda is well-equipped with institutions designed to ensure the proper functioning of public institutions and oversee civil servants and office-holders.

Corruption allegations have been publicly leveled against numerous stalwarts of the ruling party, over the years ranging from cabinet ministers and a former vice-president to civil servants and army officers. Corruption cases have typically centered on diversion of government funds, often at a considerable level. Though some people relatively high in the public-service hierarchy have been convicted, there is a widely held belief that the top actors accused of corruption enjoy impunity.

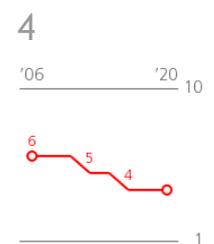
While prominent cases do lead to public outcry, the day-to-day corruption encountered rarely triggers consequences. Even major corruption scandals quickly disappear from media headlines, and the social stigma of being involved in a corruption scandal is rather weak and inconsistent.

Though the police forces and parts of the judiciary are seen to be among the most corrupt institutions, they are rarely subject to investigation. This also applies to public servants such as medical personnel, who make their services – intended to be accessible to everybody – dependent on bribery or the receipt of favors in return. Ugandans suffer individually and collectively under these conditions, yet concrete occurrences are rarely reported. Ugandans are resigned to petty corruption, be it in traffic control or whenever a certain service is needed.

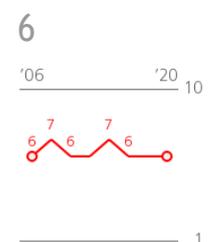
Uganda is a signatory to numerous international human rights treaties. Chapter Four of its 1995 constitution guarantees the protection of human rights and fundamental freedoms and several statutes, as well as case law, further strengthen their protection. The Uganda Human Rights Commission (UHRC) established under the constitution, is empowered to monitor the implementation of human rights and investigate complaints concerning human rights violations. The commission has powers similar to a court of law and is empowered to provide various remedies, including compensation, in cases where human rights violations have been established. However, the commission submits an annual report to parliament and its recommendations are not always honored.

The human rights situation in the country continues to become more challenging in the face of perceived threats to Museveni's hold on power. The last few years have seen the passage of laws that negatively impact on human rights and fundamental

#### Prosecution of office abuse



#### Civil rights



freedoms, among them the 2013 Public Order Management Act and the 2015 Non-Governmental Organizations Act.

There has also been a marked upward trend of police brutality, arbitrary arrests, illegal detention and lack of due process rights. For example, opposition candidates and their supporters were brutally beaten by security forces and detained on treason and other charges following the Arua by-election in 2018. Attempts were made to charge Member of Parliament Robert Kyagulanyi in a court martial, even though he is a civilian. Journalists covering the by election and subsequent protests were brutally beaten; at least six civilians were killed by police and the military in those protests.

In a positive move, the notorious Nalufenya detention facility, which was well known for extrajudicial killings and torture of suspects, was redesignated as a police station, and the flying squad that had been implicated in cases of torture was disbanded by the new Inspector General of Police Okoth Ochola. Cases of extrajudicial killings and torture however persist.

Gender equality is guaranteed in the constitution and positive discrimination measures have been adopted, including designated seats for women representatives in parliament. In practice, women continue to be disadvantaged. Gender-based violence remains an issue and is rarely prosecuted.

Sexual minorities continue to face discrimination in the country and homosexual acts remain criminalized by a statute passed down from colonial times. Attempts to further criminalize homosexual acts failed, when the Constitutional Court of Uganda annulled the Anti-Homosexuality Act that had been passed into law in early 2014.

Citizens are able to seek redress through the Ugandan judicial system. Yet, the judiciary's independence is under pressure from the executive and cases are often inefficiently processed due to limited staffing and an enormous caseload.

#### 4 | Stability of Democratic Institutions

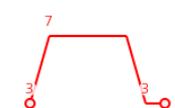
Democratic institutions exist from the village up to the national level. Yet, the peculiarities of the Ugandan political set-up led to a certain degree of friction. The fact that President Museveni and the NRM have been in power since 1986 has resulted in the intertwining of the ruling party with the state apparatus. The structures of governance do overlap in some areas.

In each district, a resident district commissioner (RDC) is appointed by the president to represent the central government. The functions of the RDC, as redefined in a 2005 constitutional amendment, are mainly “to monitor the implementation of central and local government services in the district” and “to act as chairperson of the district security committee.”

Performance of democratic institutions

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At the local level, interference by RDCs is not the only challenge. Though decentralization is one of the major features of the country's system of governance, local institutions are financially dependent on the central government. Authoritarian tendencies are even stronger on the local than on the national level; opposition parties often do not get the opportunity to engage effectively in local governance. Many elected leaders on the local level demonstrate some lack of understanding of their roles and responsibilities, and many lack both knowledge of procurement rules and the capability to draft or read a budget effectively.

Parliament and the judiciary are not entirely free from interference by the executive, especially from the president in person. He has repeatedly lashed out against court decisions that he considered too "political." Parliament's business is dominated by the NRM majority and decisions are effectively made within the NRM caucus. Divergent views of caucus decisions are rarely tolerated and NRM parliamentarians who openly criticize decisions are branded as "rebels."

Democratic institutions created under the 1995 constitution continue to enjoy a certain level of acceptance by the relevant political actors. On the surface, the multiparty system is supported as the appropriate framework for organizing political competition. However, the rules of the game are often contested and the playing field is tilted in favor of the ruling party. Though people regard elections as the proper way to choose their leaders at all levels, trust in the actual working of the electoral process is low. Election results have repeatedly been contested in the past.

Many NRM members and heavyweights treat other parties with disrespect and constantly dispute the relevance of their contribution to democratic discourse. Opposition activities are considered to be a nuisance by many government actors. Tolerance of divergent political views is often lacking, especially in the rural areas.

The effective veto holder remains the army leadership, which is closely entangled with the (democratic) institutions of political leadership.

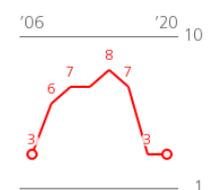
## 5 | Political and Social Integration

Since the end of the colonial era, the biggest parties have been the Democratic Party (DP) and Uganda People's Congress (UPC). The DP and UPC still exist, though their clout has diminished considerably. During its decades in power, the NRM was able to entrench itself as a dominant, even hegemonic force with strong roots in society, and with organizational structures present at all levels. The opposition parties are characterized by a low degree of institutionalization and coherence.

The biggest challenge to Museveni's rule emerged from within in the form of the Forum for Democratic Change (FDC), which was originally composed of former close associates. The FDC consolidated as the strongest force in the opposition camp. The opposition parties have in the past suffered from numerous internal conflicts, and

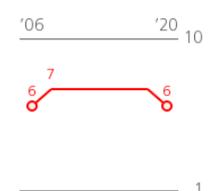
Commitment to democratic institutions

3



Party system

6



efforts to form a united opposition front prior to elections failed repeatedly. In the course of the reporting period, a rift emerged within the FDC about its strategic direction, which led to a number of prominent members leaving it in order to form a new party.

While on the surface the NRM ideologically is based on Museveni's ideas and "vision," it comprises an assortment of political tendencies, economic interests and personalities. It is knit together by a common interest to maintain power and to remain part of the clientelistic network closely connected to the state and its resources. Museveni's style of leadership follows a patrimonial pattern more than one of grassroots democracy. Since the last presidential elections, but especially since the 2018 site elections, Uganda has become a de facto one-party state.

Voters, if not directly bribed, tend to lean toward the ruling party, expecting tangible local improvements, especially in rural areas. The success of parties depends on their effective power as perceived by the voters. Overall, parties rely more heavily on personalities than on programs or ideologies.

Due to the turbulent political history of the country, civil society developed late, but nevertheless has reached a fair level of vibrancy and diversity. There are industry associations, business community groups, professional and cooperative organizations, and NGOs. NGOs active in the field of human rights, gender issues, or combatting corruption have become vocal and continue even in the face of chicanery by government and its numerous security agencies. The state increased its regulatory powers with passage of the 2016 Non-Governmental Organizations Act. Most NGOs are largely dependent on foreign funding. The dominance of large, well-funded NGOs over other more community-rooted organizations and the increasing commercialization of the NGO landscape has raised concerns about the mandate and legitimacy of those NGOs. This is further fueled by an observed lack of accountability and increasing corruption within NGOs.

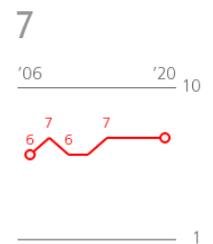
More conventional associations include the various still-powerful religious (Christian and Islamic) organizations. The Inter-Religious Council of Uganda (IRCU), the Uganda Joint Christian Council (UJCC) and religious leaders in general tend to take a mediating or moderation role in times of political conflict.

The kingdom of Buganda is able to rely to a certain extent on deep-rooted structures and to generate public support for its demands in its part of the country.

Contemporary trade unions are poorly organized and in a weak bargaining position. The majority of the workforce is employed in the informal sector and has no political representation. Workers employed in the formal sector have a dedicated representation in parliament, but are of little political relevance.

In general, the different interest groups lack the coherence and organizational capacity necessary to exert much influence on the political process.

Interest groups



Popular support for democracy has steadily increased over the years. According to Afrobarometer (2017), 81% of Ugandans prefer democracy to any other form of government. However, there is a strong satisfaction gap, due to a growing frustration with the poor performance of democratic institutions and a perceived disrespect for democratic principles on the side of some government actors. Similarly, support for the multiparty system has strongly increased since its reintroduction in 2005, but many Ugandans are not satisfied with the way multiparty politics actually work in the country. This is mostly a result of negative experiences with elections and campaigns and fears of violence due to political competition and polarization. A majority of Ugandans do not see any prospects for democratic change and do not believe that a peaceful transition of power is possible. At the same time, opposition parties are among the least-trusted institutions in the democratic system and are mostly not seen as providing viable alternatives.

Traditional community-based institutions still exist and contribute to social cohesion at the local level, based on mutual trust and reciprocal support. These include credit and saving societies, burial-funding associations or church lay committees. However, voluntary work outside a religious framework has become rare, reflecting social change.

Customary law is still obeyed in large parts of rural Uganda; local self-help schemes are in place and clan elders may settle inheritance cases or neighborhood issues. However, this is not always successful, given the many neighborhood or family struggles over land and property that occasionally turn violent.

Modern associations such as NGOs active in the field of advocacy are thriving. They are commonly based on objectives shared by the growing population sector of educated and relatively well-to-do people.

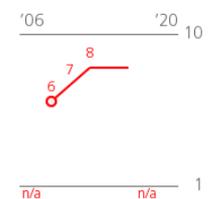
Solidarity within extended families has decreased as economic and educational gaps within families have deepened. Members of the rising middle class often perceive the expectations of less-privileged as a one-sided dependency that works against their own advancement. Increasing urbanization and steady population growth generally tend to throw traditional social systems off balance.

In the north, social capital had been eroded by decades of violence, particularly among the many people living in IDP camps, but significant progress has been registered in the last decade.

The northeastern region of Karamoja is lagging far behind the rest of the country in terms of social capital as a result of a long history of marginalization and conflict.

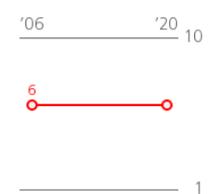
Approval of democracy

n/a



Social capital

6



## II. Economic Transformation

### 6 | Level of Socioeconomic Development

The UNDP's 2017 Human Development Index (HDI) places Uganda in the category of low human development. With a score of 0.516 Uganda ranks 162nd worldwide, behind its neighbors.

Despite improvements, poverty levels in the country remain high. According to the National Household Survey Report in 2018, the proportion of people living below the national poverty line has increased from 19.7% (2013) to 21.4% in 2017. The key reason is assumed to be the high population growth, which has been disproportionate to GDP growth in recent years. The concentration of poverty is still higher in northern and eastern Uganda and especially in the marginalized region of Karamoja.

Income inequality has been rising in the recent past. With a score of 42.8 on the Gini Index (2016), Uganda shows a higher degree of inequality than Tanzania and Burundi, but less than Kenya and Rwanda. The gap between a tiny, exceedingly rich segment of the population and the many poor and extremely poor is deepening. At the same time, there is also a small but growing middle class in the urban areas, especially in Kampala. The UNDP puts the overall loss in the HDI due to inequality for Uganda at 28.3% (2017).

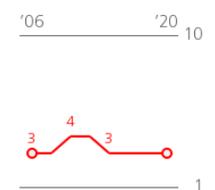
The 2014 Gender Inequality Index, which measures disparities with regard to reproductive health, empowerment and the labor market, gives Uganda a score of 0.523, compared to an international average of 0.441.

Uganda is one of the youngest countries in the world, with over 78% of the population below the age of 30. Youth are particularly affected by inequalities in access to education and other services and suffer from a lack of employment and other economic opportunities.

Uganda's urban population rose to 17.1% in 2018, but the vast majority of the population continues to live in the countryside, largely depending on subsistence agriculture. The latter constitutes the major source of income for at least 43% of households in Uganda according to a 2016/17 survey. A large portion of the population is excluded from the formal labor market and related social security mechanisms.

Question  
Score

Socioeconomic  
barriers  
3



Economic indicators		2015	2016	2017	2018
GDP	\$ M	27102.7	24133.7	25995.0	<b>27476.9</b>
GDP growth	%	5.2	4.8	3.9	<b>6.1</b>
Inflation (CPI)	%	5.6	5.7	5.2	<b>2.6</b>
Unemployment	%	1.9	1.8	1.7	<b>1.7</b>
Foreign direct investment	% of GDP	2.7	2.6	3.1	<b>4.9</b>
Export growth	%	-2.4	2.9	-3.3	<b>17.8</b>
Import growth	%	14.2	-9.3	-14.5	<b>9.2</b>
Current account balance	\$ M	-1671.3	-830.8	-1491.2	<b>-2564.7</b>
Public debt	% of GDP	34.3	37.1	39.7	<b>41.4</b>
External debt	\$ M	9573.7	10090.5	11688.5	<b>12330.5</b>
Total debt service	\$ M	95.1	844.7	189.0	<b>692.0</b>
Net lending/borrowing	% of GDP	-2.5	-2.7	-2.9	-
Tax revenue	% of GDP	12.9	13.5	13.7	-
Government consumption	% of GDP	9.3	7.5	8.0	<b>7.0</b>
Public education spending	% of GDP	2.8	2.6	2.6	-
Public health spending	% of GDP	1	1	-	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	1.2	1.3	1.3	<b>1.4</b>

Sources (as of December 2019): The World Bank, World Development Indicators | International Monetary Fund (IMF), World Economic Outlook | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database.

## 7 | Organization of the Market and Competition

After assuming power in 1986, President Museveni rather quickly moved away from his initially proclaimed revolutionary, Marxist-inspired ideas to a pragmatic and liberal approach to managing the economy. Uganda agreed with the international financial institutions on structural adjustments aiming to restore fiscal discipline and loosen constraints on trade and the exchange rate.

Internal markets largely follow the law of supply and demand. Entry and exit barriers and regulations on investment are in place, but overall, they do not interfere negatively. It is a stated policy objective to attract foreign direct investment (FDI). Despite some limitations, the climate and the legal framework are favorable toward FDI.

The World Bank's Doing Business report 2019 ranks Uganda at 127 out of 190 countries, a slight drop from 122 in the previous report. Despite some reforms, for example, to ease the processing of tax payments, Uganda continues to perform rather poorly with regard to the ease of doing business. The average number of procedures required to start a business is high, at 13, compared to five and seven procedures respectively in neighboring Rwanda and Kenya. With an average number of 24 days and costs amounting to 33.6% of GNI per capita to establish a business, the country is ranked low at 164 out of 190 countries in the Doing Business subindex, Starting a Business.

Imperfections affecting the markets are caused by a partial weakness of the institutional structure, especially limited capacities to provide advisory and regulatory services and to adopt competition-enhancing policies. Moreover, the pervasive corruption and inadequate operation of the state bureaucracy pose serious obstacles to an environment for private competition.

Much of Uganda's economy is driven by the informal sector, estimated to contribute about half of GDP and to involve about three-quarters of the workforce. This sector provides avenues available for income-generating activities that the relatively small formal sector remains unable to offer.



The government has been relatively firm in safeguarding market operations, even when under popular pressure to resort to price fixing. There is heavy competition among powerful economic actors such as providers of mobile phone services. Former monopolies (e.g., in buying cash crops from smallholders) were abolished. However, the evolution of cartels or cartel-like tendencies has in some instances undermined the principles of competition and encouraged price-fixing by major players.

Unlike its neighbors, Kenya and Tanzania, Uganda did not have a competition law as of the beginning of 2019. There has been a repeated delay in the passing of a competition law and a respective bill was undergoing review at the time of writing. Several other commercial bills have been under development for years. As bills are developed, there might be a necessity for harmonization with the regulations of regional bodies. As a member state, Uganda is subject to the competition law regime of the Common Market for Eastern and Southern Africa (COMESA) established in 2014, as well as the East African Community (EAC) Competition Act of 2006. Beyond these regional frameworks, which Uganda has to adhere to, there is currently no legislative regime in force that is specifically designed to govern domestic conduct from an antitrust perspective, and the expected competition law would be the first piece of legislation to exclusively do so.

Uganda's role in international trade is affected strongly by the fact that it is a landlocked country situated far from the ports of the Indian Ocean. Raw materials, coffee, tea and cotton, are still among the country's leading export products.

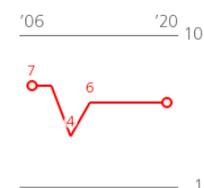
Uganda is an original member of the WTO and signed the General Agreement on Tariffs and Trade (GATT) shortly after independence. As a member of the EAC, Uganda's major trade policy instrument since 2005 has been the EAC common external tariff (CET). The EAC CET in general applies a zero rate to raw materials and capital goods, a rate of 10% for intermediate goods and 25% for finished goods. In addition, there is a list of sensitive products, which has been reduced in recent years to remove barriers to intraregional trade. Uganda's most tariff-protected sector continues to be agriculture, with "tariff bindings cover(ing) 15.9% of all its tariff lines" according to the last WTO Trade Policy Review Report of 2012. The least tariff-protected sector was mining and quarry activities, including petroleum products. COMESA and EU countries are major exporting destinations. EAC countries that belong to COMESA apply a preferential tariff on imports from other COMESA countries.

Regulatory constraints and trade taxes (import tariffs and export taxes) continue to some extent to promote non-competitive industries and constitute an impediment to exports. The simple average MFN applied tariff was 12.7% in 2017.

Export subsidies are not provided. There is no specific anti-dumping, countervailing or safeguard legislation in Uganda, but COMESA and EAC Customs Union regulations cover these issues.

## Competition policy

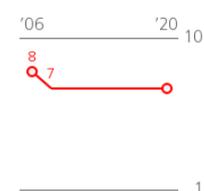
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## Liberalization of foreign trade

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Uganda's banking sector has generally been stable and well capitalized since its restructuring in the 1990s. Uganda's banks work in compliance with the international standards. The 2016 Financial Institutions (Amendment) Act provides for Islamic banking services, and for agent and branchless banking. It also enabled the Bank of Uganda (BoU) to revise minimum capital requirements for commercial banks in line with EAC decisions and to implement Basel III capital buffers.

The banking sector comprises the central bank (BoU), 24 commercial banks (by end of 2018), and many micro deposit institutions, credit deposit institutions, and development banks. Most of the large, well-capitalized commercial banks that dominate the sector are foreign-owned. Financial products offered are mainly short term, and high interest rates are common throughout the banking sector but fell to an average below 20% in 2018. Uganda has a deposit protection fund that is managed by the BoU.

In 2017, the ratio of bank capital and reserves to total assets stood at 13.8%, lower than Kenya's 15.3% and Rwanda's 14.9%, but better than Tanzania's 12.8%. In the same year, nonperforming loans amounted to 5.1% of all loans, demonstrating a better performance than Rwanda (7.7%), Kenya (10.1%) and Tanzania (12.4%).

Supervision of the financial sector is exercised by the BoU with a relatively high degree of independence. The supervised financial establishments are banks as well as non-bank institutions such as foreign-exchange bureaus, money remitters and microfinance deposit-taking institutions. The previously good reputation of the central bank was tainted by severe allegations of underhanded dealings, triggered by a report from the auditor general in 2018. The BoU was undergoing a parliamentary probe for the fraudulent closure and sale of seven commercial banks between 2003 and 2017 without following due process.

Savings and credit cooperative organizations, known as SACCOs, provide the rural population and groups such as soldiers or teachers access to microfinance. The widely used cell-phone-based mobile-money services offer another avenue open to all sections of society.

## 8 | Monetary and fiscal stability

Inflation control and exchange-rate policies pursued by the central bank remained in line with overall government economic policy. In this setting, they were exercised with a comparatively high degree of professionalism and independence. The central bank governor has long enjoyed a good reputation, being widely perceived as standing for a prudent fiscal and economic policy that has continuously been commended by the IMF. But in the course of 2018, local and international confidence in the bank took a hit as a result of multiple scandals being uncovered.

### Banking system

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### Monetary stability

8



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The average annual inflation rate moved down from 5.1% in 2017 to 2.0% in 2018. Uganda's central bank, the Bank of Uganda's (BoU) 5% inflation target therefore remains appropriate and realistic. Inflationary pressures increased towards mid-2018 due to rising fuel prices, the Ugandan shilling's weaker exchange rate and an array of indirect taxes on mobile money transactions and internet OTT services. After a long period of consecutive cuts, the BoU decided to react by raising the interest rate from 9% to 10%, and the inflation rate recovered quickly towards the end of the year.

The exchange rate of the national currency, the Uganda shilling (UGX), is determined by a free-float status in the interbank foreign-exchange market. The BoU intervenes only when short-term fluctuations cause problems. There are no restrictions on making payments or transfers for current international transactions. Between 2017 and 2018, the shilling remained relatively stable against the dollar. The level of international reserves remained adequate during the review period.

Having been one of the first African countries to adopt economic liberalization and market-friendly policies, Uganda has generally implemented a consistent policy, enabling it to maintain fiscal stability. The 2015 Public Finance Management Act reformed fiscal and macroeconomic management and created the Charter for Fiscal Responsibility, to be approved by parliament, which is slated to determine fiscal deficit and public-debt levels consistent with the preservation of macroeconomic stability.

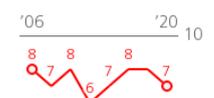
The current account deficit in 2017 was \$1.13 billion, up from \$711 million in 2016. Public debt in 2017 amounted to 38.6% of GDP, up from 37.3% in 2016. It has been consistently on the rise since 2009. External debt in 2017 totaled \$9.95 billion. This is a minor increase from \$9.93 billion the year before. But a steady and significant increase can be observed over a period of five years, compared to \$3.26 billion in 2011. Total debt-service payments in current US dollars in 2016 were \$851 million, compared to \$98.1 million in 2015. The budget deficit, according to the World Bank, was at 2.7% of GDP in 2016, up from 2.5% in 2015. General government final consumption expenditure in 2017 totaled 8% of GDP, compared to 7.5% in 2016. The last available figure for total reserves is from 2015, putting them at \$2.9 billion.

The IMF conducted its eighth review of Uganda's economic performance under the Policy Support Instrument (PSI) in 2017. The Report of the IMF Executive Board stated that "macroeconomic performance in Uganda has been sound" and that "notwithstanding a growth slowdown, the medium-term outlook is favorable with steadfast policy implementation." At the same time, the Ugandan government was cautioned to safeguard debt sustainability, which necessitates continued and enhanced domestic revenue mobilization.

The rising debt level is increasingly raising concerns. A report by the Parliamentary Committee on National Economy for the 2016/17 financial year puts external debt for both the public and private sectors at 41.4% of GDP, up from 40.2% in the

#### Fiscal stability

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previous financial year. The report warns that the risk of Uganda rolling over external debt is increasing, just like the cost of attracting debt, and notes that “if this trend continues then the country’s credit rating may deteriorate, affecting Uganda’s ability to access international financial markets.”

Debt owed to China has been steadily increasing over the last years, from 3.3% of the total in 2011 to 20.3% in 2017.

## 9 | Private Property

The constitution lays down the “right to own property either individually or in association with others” (Article 26). A later constitutional amendment introduced the limitation that, subject to Article 26, “the entire property in, and the control of, all minerals and petroleum in, on or under, any land or waters in Uganda are vested in the government.”

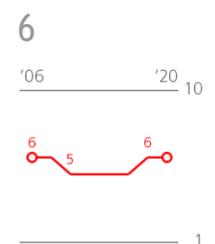
Uganda is a member of the World Intellectual Property Organization (WIPO) and the African Regional Intellectual Property Organization (ARIPO). The standard treaties and regulations covering trademarks, copyrights and patents are in place, though implementation remains weak.

Courts and judicial procedures to ensure property rights are well established, though neither always accessible to all parts of society, nor always very effective. There is no discrimination against foreign nationals, except restrictions concerning the ownership of land.

Disputes over land are common in Uganda. They reflect legal inconsistencies and different local concepts of landownership. The national land policy of 2013 states that the origin of conflict over land was often to be traced to colonial policy, which in effect created “multiple and conflicting tenure rights and interests often overlapping over the same piece of land.” After much controversy, the government in September 2018 withdrew a constitution amendment bill that sought to give it the power to acquire land for development without first compensating the owners. Women in practice do not have equal rights to land, and laws effectively protecting their land rights are lacking.

With the discovery of oil and other natural resources, additional conflicts over land emerged, mostly in Bunyoro. These have centered around the exercise of the right to property and issues of compensation. Though legislation covering the acquisition of property is in place, fraud cases are frequent and often go unpunished due to weaknesses within the judicial system.

Property rights



After economic liberalization, the private sector has become the main driver of the economy; as such it is fully accepted by all political actors. The legal framework for its operation is in place though there are sometimes deficiencies when it comes to its application.

Privatization of most parastatals was effected, though at times under opaque circumstances and largely without contributing to the creation of tangible new employment opportunities. The disposal of some establishments such as Uganda Railways proved ruinous.

A few state-owned enterprises still operate in sectors such as electricity and transport, but do not have a monopoly position; in some cases, the government is just a shareholder. Apart from sensitive industries, mainly ordnance, foreign investment in privatized enterprises has not been restricted. Opportunities offered by the privatization program attracted foreign investors predominantly to the agribusiness, hotel and banking sectors.

According to the Global Entrepreneurship Monitor (GEM) 2015, Uganda is the most entrepreneurial country in the world, with 28% of adults owning or co-owning a new business. However, most businesses are small-scale and informal, with low growth expectations, little employment effect and a high discontinuation rate. Lack of access to financing, avoidance of taxes and registration costs, and the comparative scarcity of initiative for innovation are cited as the main reasons for this.

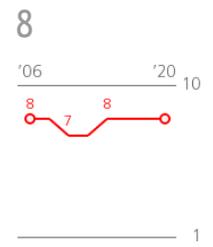
## 10 | Welfare Regime

Life expectancy at birth was at 59.9 years in 2016, a marked improvement from the 53.7 years 10 years earlier, but still about 10 years lower than the average of countries assessed and worse than the neighboring countries of Tanzania (65.7 years), Kenya (67.0) and Rwanda (67.1).

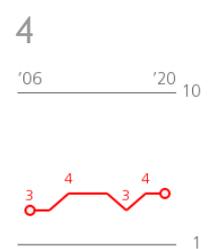
Expenditures on public health have steadily declined since 2010, when they were as high as 3.1% of GDP, to only 1.8% in 2014. This is significantly below the 3.2% global average, and lags behind Kenya (3.5%), Rwanda (2.9%) and Tanzania (2.6%). The state's actual commitment to the provision of free-of-charge nationwide high-quality health services is somewhat at variance with reality on the ground. Hospitals and health centers, especially in the rural areas, often lack qualified staff, equipment and medication. People frequently turn to church-run clinics or private practitioners, or visit traditional herbalists.

The current system of social security does not cater to the working poor. The modern social security networks are able to reach only a fraction of the population, largely civil servants (who receive pensions) and private-sector employees, who (jointly with their employers) are required to contribute to a fund for their retirement.

### Private enterprise



### Social safety nets



Most people still have to rely on traditional structures, mainly their extended families and local communities. But these traditional systems are increasingly losing their ability to cover the needs of all the elderly, being overstretched due to changing life situations and the very high population growth rate. Those who cannot rely on family structures usually have no social security net.

The constitution guarantees equality and freedom from discrimination (Article 21). It even provides for positive discrimination, enabling parliament to implement “policies and programs aimed at redressing social, economic, educational or other imbalance in society.” The reality in Uganda shows gross social differences that have a negative effect, especially on women, youth and the disabled.

The rights of women, enshrined in Article 33, explicitly allow for “affirmative action for the purpose of redressing the imbalances created by history, tradition or custom.” In public life, women are visible. In the 10th parliament elected in 2016, one-third of the members are women. Parliament is headed by a female speaker. Most female members of parliament were elected to seats reserved for women (one per district), and each of the special interest groups (for youth, persons with disabilities, workers and the army) had two women among their representatives. Labor force statistics indicate that women make up close half of the total working population (47.9% in 2017).

The situation of educated urban middle-class women shows marked contrast to that of their rural counterparts. Rural women in practice still face discrimination when it comes to property or land rights. Sexual harassment of women constitutes a major problem in all spheres of society. Violence against women is on the increase, despite the presence of laws and policies to protect victims. More than one in five (22%) of women aged 15 to 49 report that they have experienced sexual violence at some point in their lives.

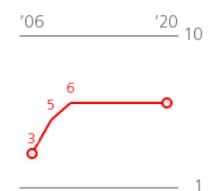
The Gender Parity Index (GPI) indicates that there is parity between girls and boys in primary schools, girls being in a moderately weaker position in secondary and tertiary education (GPI 0.8). It should be noted that the reality is actually worse than the figures suggest. Schooling for girls may end without completion of the full cycle, as the dropout rate is quite significant, with teenage pregnancies being a major contributing factor.

Equality of opportunity may to a certain extent be compromised by political affiliation, leading to disadvantages for supporters of opposition parties. The government has also been accused of giving preferential treatment to certain regions and ethnic groups in recruiting for public service and leadership positions.

Individuals whose sexual orientation is not in line with the “moral values” of the majority of the population face social ostracism, and occasionally threats or violence.

Equal opportunity

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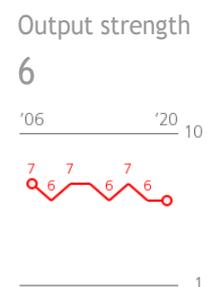
While the introduction of free primary and secondary education has allowed for the participation of hitherto neglected sections of the population, access to higher education and eventually job opportunities tends to become more difficult due to the poor quality of government schools, resulting in the allocation of pupils whose parents can afford to pay for private educational institutions.

## 11 | Economic Performance

After a period of slowdown in growth, which the World Bank attributes mainly to “adverse weather, unrest in South Sudan, private sector credit constraints, and the poor execution of public projects,” the Ugandan economy rebounded towards the second half of 2017. This was mainly driven by favorable weather conditions for the agricultural sector, a recovery in private sector credit, a recovery in FDI, and continued government investment in infrastructure. According to World Bank data, the annual GDP growth in 2017 had slowed to 4%, compared to 4.7% in 2016. The African Development Bank estimated the real GDP growth (adjusted for inflation) in 2018 at 5.3%, up from 5% in 2017. It is projected to improve to 5.7% in 2020.

In 2017, Uganda’s GDP per capita had grown by 0.6% and stood at \$1,864 (based on purchasing power parity). Absolute GDP amounted \$25.9 billion, up from \$24.1 in 2016. FDI inflows stagnated at 2.7% of GDP (2016: 2.6%). Tax revenue stood at a comparatively low 13.5% of GDP in 2016 (latest figure available). Gross capital formation dropped to 24% of GDP in 2017, compared to 25.5% in 2016. The current account deficit was \$1.13 billion in 2017.

Unemployment and underemployment are major features of the labor market. Official unemployment figures are low, but do not correspond with reality, as they do not adequately reflect underemployment and non-participation. Formal employment opportunities are rare, and a large portion of Ugandans work in precarious conditions in the informal sector or in subsistence agriculture. The labor market is not able to absorb the high number of young people entering it every year, leading to high youth unemployment.



## 12 | Sustainability

Uganda's tradition of protecting distinctive features of its natural environment has found expression in the creation and maintenance of its vast national parks and game reserves. These have turned into a valuable asset for the tourism industry and have become a major foreign-exchange earner.

The government committed itself to a 22% reduction of carbon emissions by 2030. The 2015 Paris Agreement was ratified on September 21, 2016. The government has issued a number of environmental regulations, but implementation remains wanting.

In November 2018, parliament passed the National Environment Bill. The bill, among other things, establishes an Environmental Tribunal and dedicates 100% of the environmental levy to a National Environmental Fund. It also creates new special conservation areas and introduces stricter regulations for plastic production and recycling, as well as harsh penalties for pollution of the environment. The government also introduced a ban on polythene bags in 2018.

There is a growing degree of environmental awareness in civil society and the media. At the same time, the local population frequently exerts pressure to use protected land deemed suitable for cultivation or animal husbandry.

Renewable energy provided by hydroelectric installations serves to close much of the electricity supply gap. However, the strong reliance on hydroelectric power entails risk if natural water replenishment is reduced due to climate change. The utilization of solar energy appears to be expandable.

The country is affected by unpredictable weather phenomena in the form of irregular rainfall, resulting either in drought or in flooding accompanied by landslides, for example, in the Mount Elgon area. In view of the biodiversity value of the Albertine Graben, oil exploration and future oil production is not only of political and social relevance but also raises serious environmental concerns.

In general, the government tends to prioritize perceived economic needs over environmental concerns. Examples for this are the reduction of wetlands for building purposes in the capital city, as well as deforestation for large-scale agricultural plantations.

Environmental  
policy

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Ugandans still cherish formal education, seeing it as prerequisite for personal advancement and associating it with white-collar jobs. Primary and secondary education is free, a historic achievement of Museveni's rule. According to the U.N. Education Index, there has been a steady increase in years of education (from 0.461 in 2007 to 0.525 in 2017). Uganda's literacy rate is at 78.4% (2015 est.). In 2017, the gross enrollment ratio in primary education was 99%, and net enrollment was last measured at 91% in 2013. Expansion of the education sector and its accessibility, however, took place at the expense of quality inasmuch as infrastructure and manpower are concerned. The dropout rate is high; absenteeism among teachers is frequent. Parents who have the financial ability to do so prefer to send their children to private schools. Public expenditure on education in 2014 (latest figure available) amounted to 2.3% of GDP, considerably lower than the international average.

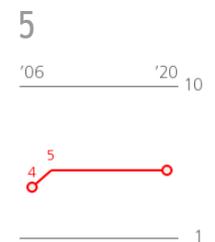
There is a variety of providers at all levels, some faith-based, others solely profit-oriented. At present, the NCHE lists nine public universities, spread around the country. There are also close to 40 private universities, some with a religious affiliation.

Makerere University was ranked fifth among the top African universities by the Times Higher Education World University Rankings, making it the topmost university on the continent outside South Africa. However, the reputation and effective operation of the university continues to be undermined by a heavy politicization of the institution and internal conflicts that trigger strikes by staff and students.

Uganda also possesses a variety of agricultural, business and technical training institutions; however, the quality of some of these other bodies is doubtful, as is that in some private universities, their material and staff foundations being weak. A major deficiency remains the lack of instruction geared toward blue-collar activities, along with a neglect of vocational training, both resulting from a disrespect for manual work that corresponds with a bias in favor of higher learning. The labor market is only able to provide jobs for a small portion of them every year, thus contributing to rising youth unemployment rates.

Expenditures for research and development in 2010 (latest figure available) amounted to 0.5% of GDP, close to the 0.6% average for the countries covered, but below the level of 1% recommended by the African Union.

Education policy /  
R&D



## Governance

### I. Level of Difficulty

Uganda is one of the world's least developed countries according to the United Nations' classification. As a landlocked country, it is dependent on transit routes either through Kenya or Tanzania for most of its trade.

The country has recorded notable progress in reducing poverty and hunger. However, vulnerability to falling back into poverty is very high. Estimates from the Uganda National Household Survey 2016/2017 suggest that the proportion of the population living below the national poverty line rose from 19.7% in 2013 to about 21% 2017. The absolute number of poor persons only diminished in the north, where conflict and marginalization have long been driven by poverty. In all other regions, an increase was registered. The country lags behind in many other areas of human development, beyond material poverty, such as sanitation, health, education, access to electricity and child nutrition. With one-third of children under five stunted in growth, Uganda is among the 20 countries worldwide with the highest prevalence of malnutrition.

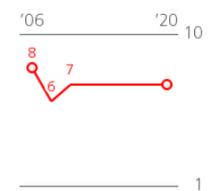
Uganda's rural population, in 2017 comprising 76.8% of the total population, continues to rely largely on subsistence or semi-subsistence agriculture. Uganda has fertile soils and a favorable tropical climate, which is moderated by high altitude and large water bodies, but it also is considered to be highly vulnerable to the effects of climate change.

The formal industrial sector is small. Vocational training is not treated as a priority. Most high school graduates aspire in vain for employment in the modern economy. About 700,000 graduates join the job market every year, but only about 90,000 find formal employment. At the same time, the labor market continues to face a shortage of requisite skills, particularly due to outdated curricula and wrong priorities in education. People have to make ends meet by working in the very large informal sector, which is well established as a de facto part of the Ugandan economy.

In view of population growth, it is unlikely that the basic situation will change soon. At 3%, Uganda's annual population growth rate is among the highest in the world. Uganda's population of 35 million is expected to reach 100 million by 2050 and is one of the youngest worldwide.

Structural constraints

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An additional burden is Uganda's refugee population that almost tripled between 2016 and 2018. By the end of 2018, the number was about 1.2 million refugees, making Uganda the largest refugee host country in Africa and third largest in the world. The continued influx increasingly strains host communities and poses a challenge for delivery of services.

After the internationally applauded, exemplary successes Uganda made in its fight against the AIDS pandemic, HIV prevalence has slightly increased again in recent years. As a cause of mortality, however, AIDS by far is surpassed by malaria, which poses dangers especially for children under five years of age.

Infrastructure deficits are gradually being overcome. The road network, though still inadequate, has improved. The education and health infrastructures, as stated before, do not satisfactorily cover the grassroots level. Electricity supply, a necessity for industry and a welcome boon for a growing number of households, has become somewhat more regular. Serious deficiencies exist with regard to the supply of safe drinking water and the provision of adequate sanitation.

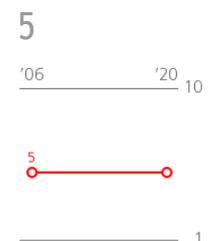
There is an abundance of conventional civil society traditions, if one takes customary self-help schemes or church activities into account. Yet these are slowly receding. In the more modern sense of the term, civic engagement is a relatively new and mainly urban phenomenon, but is spreading. Numerous NGOs deal with various developmental, humanitarian, environmental or human rights issues, though much of this commitment appears to have its substratum in foreign funding.

Dissatisfaction with the present government, partly because of pervasive corruption and nepotism experienced or suspected, has increasingly led to public protest and opposition campaigns in the reporting period, especially among the young and the well-educated, urban population. The likelihood that frustration will translate into alternative political movements and protests appears to be increasing.

More traditional forms of mobilization are present as well. This social capital bears fruit in local neighborhood activities or in assertions of group identity. For instance, the king of Buganda is still to a certain degree able to foster social cohesion in his ethnic group, though this also risks antagonizing other Ugandans.

In general, however, most citizens are not inclined or able to actively participate in the political process through civil society engagement. An apolitical attitude is widespread, particularly among many of the urban poor (who have neither the time nor means to engage) and also the urban middle class (who feel they have too much to lose if they rile the government).

Civil society traditions



The variety of cultures and languages, social traditions and religious affiliations is a marked characteristic of Uganda. Centrifugal forces are potentially significant, but their relevance has varied in different periods of the country's history. After long periods of violent conflicts, the country has not experienced any internal armed conflicts for more than a decade. However, the region as whole remains volatile and the country is not immune to the spillover effects of conflicts in neighboring countries, namely South Sudan and the Democratic Republic of the Congo.

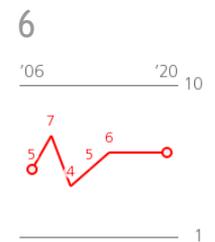
Political polarization has increased in recent years and is particularly strong during election periods. Politics has become more confrontational in nature as the government appears determined to hold on to power by any means and cracks down on any substantial competition from opposition actors. Opposition demonstrations and protests in general tend to meet a heavy-handed approach from security forces and often lead to scenes of violent dispersals and arrests.

The political parties possess a specific historical background with regard to region and religion, but are no longer either primarily or explicitly based on ethnicity or faith. Instead, all strive for nationwide support. In general, all politically relevant actors essentially accept the framework provided by the 1995 constitution. Yet the credibility of the system declined both before and after the 2016 elections, which again demonstrated the lack of a genuinely level playing field.

Observers see potential for unrest and conflict in persisting poverty, unemployment and the disillusionment of large parts of the younger generation due to political exclusion and lack of economic opportunities. This undermines social cohesion and can reinforce radicalization, especially among the urban poor.

Ethnic tensions are present, but are mostly limited to local issues. Despite its vocal fight against any form of sectarianism, the government tends to instrumentalize such tensions at the local level in order to strengthen its own position. The question of land ownership remains highly contentious and has occasionally led to violent clashes at the community level.

Conflict intensity



## II. Governance Performance

### 14 | Steering Capability

The long-term development ambitions for the country are laid out in the Uganda Vision 2040. It projects a transformation of Ugandan society “from a peasant to a modern and prosperous country within 30 years.” The overall vision translates into more concrete implementation designs in the form of National Development Plans (NDPs). The stated objective of the current NDP II is to propel the country toward middle-income status by 2020 through enhancing competitiveness for wealth creation, employment and inclusive growth. As ambitious as the goals may be, the plan again is a well-prepared and comprehensive document and current international development principles and tools are duly incorporated.

The mechanisms for the formulation and application of appropriate policies exist and are operational, including the National Planning Authority. The NDP goals at times are put in jeopardy by the de facto short-term orientation of many policy measures, as government actions often follow a logic of regime survival. The costs of a massive state apparatus and system to ensure political loyalty, and corruption are likely to constitute the main hindrance to the achievement of long-term objectives.

The president continues to emphasize his view of economic modernization, seeing the export of raw materials both as a cause and a symptom of “backwardness.” In recent times, the president has consistently emphasized that major infrastructure projects such as road construction should take priority over all other investments. He argues that human development will follow the infrastructural development, while critics see a neglect of investments in areas such as health and education.

Strategic economic priorities and their implementation are mostly in line with market-oriented policies. The process of deepening and strengthening democratic structures, however, seems to be halting or even regressing.

There is a prevailing perception in Uganda that whereas government has the capacity to formulate adequate policies, their actual implementation is often inadequate. Moreover, in some areas it lacks the political will and commitment to implement. In the civil service, there is substantial knowledge and professionalism. The fundamental limitation, however, remains pervasive corruption at all levels. Another hindrance is the strong factor of patronage practices and the widespread tendency to reward political loyalty rather than performance, both of which frequently undermine official hierarchies and sanction mechanisms. The structures of public administration tend to be bloated and often inefficient.

Question  
Score

Prioritization

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Implementation

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Policy areas in which criticism over poor or inconsistent implementation has been particularly prominent include health, education and agriculture. Examples in the agricultural sector are the National Agricultural Advisory Services (NAADS) and Operation Wealth Creation, comprehensive government programs designed to transform agriculture for rural development. Both have been surrounded by controversy about inefficient and inconsistent implementation, biased awarding procedures and the fact that the national army (UPDF) was assigned the role of lead implementing agency. Similarly, the implementation of the Youth Livelihood Program (YLP), meant to stimulate income-generating activities among young people, was criticized for serious implementation flaws due to a lack of coherence and coordination, corruption and politicized awarding criteria.

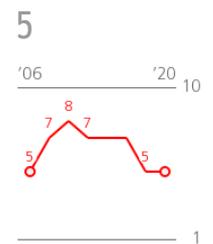
Though depicting himself as the major driver of reform, in certain respects the president puts stumbling blocks in the way of progress. Despite his focus on modernization, his political style frequently resembles old-school authoritarian attitudes.

Museveni's government became exceedingly pragmatic when it comes to economic and fiscal policy. The original intention of "following an economic strategy of mixed economy" as articulated at the beginning of Museveni's tenure, quickly gave way to heeding the advice of the international financial institutions and other development partners. The measures they recommended were usually implemented in a swift and competent way. Independent advice provided by academic experts and others in the field was not given much attention. In the political realm, advice from international donors, national academia or NGOs was rarely welcomed.

While President Museveni has long been hailed for his pragmatism in leadership, he is increasingly perceived as a hindrance to adaptation and learning.

In its first two decades, the NRM followed the path of establishing a no-party democracy. It found expression in the "movement system," an innovation at the time; and indeed, this policy allowed stability to return. But internal demands and donor pressure ultimately led to a return to the multiparty dispensation. Despite lip service being paid to multiparty democracy, the degree of its acceptance by the NRM remains low. Leanings toward a patrimonial system and a winner-takes-all attitude are deeply rooted.

Policy learning



## 15 | Resource Efficiency

The logic of incorporation and co-optation of interests and political groups, buying support and rewarding loyalty with handouts and positions, is deeply entrenched in the leadership approach of Museveni and the NRM and rooted in the historical characteristics of ascension to power. As a result, public administration has become bloated and constitutes a considerable strain on the financial resources of the state. Competitive recruitment and performance-orientation are often undermined by short-term political considerations by the ruling party. One obvious indicator is a grossly oversized cabinet of 82 people (including 49 ministers of state). In addition, there are well over 100 well-paid, mostly functionless presidential advisors.

In a bid to increase efficiency and service delivery and to enhance accountability, Uganda adopted a decentralized system of government, but appears to have completely lost its original course. The local government system has been turned into an ever-expanding network for patronage and clientelism, for example, through the creation of new districts. From 33 districts at the time the NRM took over, the number has risen to 127 districts. Observers criticize this for not contributing to the original goal of strengthening accountability and efficient service delivery. On the contrary, the creation of ever smaller local government units undermines their capacity and resource base and weakens their performance. Furthermore, the president appoints resident district commissioners to represent him in all districts, tending to interfere in what should be the business of elected local governments.

Essential services like health, education and the judiciary remain significantly understaffed and underfinanced. Yet security agencies, namely the military and the various intelligence services, as well as Museveni's state house, enjoy generous funding.

Financial discipline at times takes a back seat to political considerations. Yet national budget planning and implementation as such appear to be transparent and oversight mechanisms are in place, enhanced by the 2015 Public Finance Management Act. On the local level, insight into the budgeting process is very limited. The procedures of awarding tenders and recruiting personnel do not always appear to follow value-for-money considerations, qualifications, effectiveness or efficiency.

Public debt rose in the period under review and is projected to continue rising due to ongoing ambitious infrastructure investments.

Efficient use of assets

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Ugandan politics are characterized by a strong president who has to balance the diverse interests represented within the ruling party. In the end, however, the president is the one who calls the shots and, though sometimes with considerable difficulty, is able to keep the parliament in line. Neither the vice-president nor the cabinet have much of a role of their own. More important is the government's informal hub of power, made up by the top army brass.

The powerful position the constitution accords to the president and the way the incumbent exercises (and frequently oversteps) his role serve as a guarantee that friction within the government is not detrimental and that conflicting lines of action taken by different branches or departments do not become destructive. For the day-to-day running of public affairs, in their fields of competence the finance ministry and the Bank of Uganda are well suited for their tasks and do play a useful coordinating role.

Institutional arrangements for containing corruption exist. The Auditor General is charged with auditing and reporting “on the public accounts of Uganda and of all public offices” (Article 163 of the constitution) and presents annual audit reports to parliament. A separate Inspectorate of Government is given wide powers “in respect of cases involving corruption, abuse of authority or of public office” (Article 230). A division of the high court is operating as the arm of the judiciary for combating corruption. The parliament's Public Accounts Committee, headed by an opposition member, has the mandate to examine government expenditure. Public procurement is regulated. Adequate legal instruments and institutional mechanism to deal with fraud in its different forms are in place, including the Anti-Corruption (Amendment) Act, 2015, which provides for mandatory confiscation of the property of persons convicted of a corruption offense.

Day-to-day reality is a far cry from this legal situation. Anti-corruption institutions are plagued by weak capacity and inefficiency, generally performing poorly. Public perception in Uganda is that corruption is deeply entrenched in society. The Uganda National Governance Baseline Survey of 2014 revealed that 95% of the population felt that corruption was a problem. In daily life, people often have to pay bribes even to see the completion of simple administrative acts. The more prominent corruption cases occasionally make national and even international headlines; the disappearance of donor funds has in the past led to the suspension of budget support by development partners.

In 2018, a major corruption scandal was uncovered in Uganda's refugee management sector. Allegations that senior officials had inflated figures concerning the numbers of refugees and mismanaged the funds meant to support them led to an official inquiry, conducted by the office of the prime minister and UNHCR. The investigation confirmed that the figures had been exaggerated by 300,000 and found that Uganda hosted 1.1 million refugees, rather than 1.4 million.

#### Policy coordination

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#### Anti-corruption policy

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In December 2018, President Museveni launched a new anti-corruption unit placed under the Office of the President. It is designed to directly receive and act on complaints related to corruption. Whistleblowers can pass on information on corruption anonymously. The implementation rate for anti-corruption recommendations and sanctions made by the relevant institutions is low. Many high-level cases of corruption do not lead to prison sentences, creating an impression that there is impunity for those loyal to the president and ruling party.

A general lack of transparency limits the ability of citizens and the media to expose corruption and call for accountability. Even though in 2011 the Ugandan government put in place regulations to implement the Access to Information Act (ATIA), which was passed by parliament in 2005, access to information held by government and other state agencies is still very limited. Especially at the local-government level, compliance with the ATIA is weak and inconsistent.

## 16 | Consensus-Building

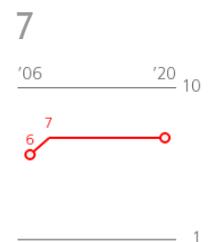
Since its re-introduction, multiparty democracy has again taken root. On the surface, there is overall consensus on the value of democracy and democratic procedures. How deeply these beliefs are entrenched, is sometimes open to doubt. Politicians in government and the ruling party do not always appear to have a deep understanding of the division of powers, and at times there is a tendency by the president to show disrespect for parliamentary proceedings when the expected results are not easily forthcoming. He has also repeatedly lashed out against international voices from “the West,” rejecting what he calls “lectures” on democracy.

There is wide agreement between all relevant actors over the goals of development. At the same time, the market economy and market mechanisms are generally accepted as the avenue to achieve these goals. There is occasional nostalgia for elements of the former mixed economy, with its important parastatals.

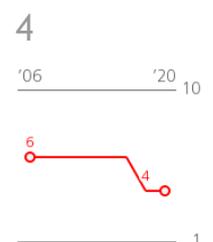
A good number of at least potentially anti-democratic actors were absorbed into the broad-based government installed after the NRM took power. Some armed opposition groups that subsequently fought against the government were eventually co-opted into the national army or benefited from amnesty. Others were eliminated or driven from Ugandan soil.

The most important holder of veto power is the army, though not in the legal sense. It exerts its influence even in the legislature, through the 10 specially elected army members of parliament, but more so in informal ways. President Museveni’s political insurance continues to rest with the armed forces, particularly with the Special Forces Command. The president’s attachment to the army, of which he is the commander-in-chief, is frequently demonstrated.

Consensus on goals



Anti-democratic actors



Despite its cultural and religious diversity and the variety of conflicts experienced in the past, Uganda has in recent years been generally successful in containing societal cleavages. The end of the LRA threat in the north caused a lessening of internal tensions, though a strong feeling of marginalization still persists among northerners.

Ethnic conflicts (often clashes over resources) mostly are defused by government interventions that achieve a sometimes fragile compromise. However, the government is not always consistent in its approach, and is at times criticized for exacerbating ethnic conflicts when it pursues divide-and-rule strategies. In parts of the north, one finds resentment over the arrival of “balaalo,” cattle keepers from western Uganda suspected of enjoying the support of army generals from the same ethnic group.

There is a strong tendency in parts of the country, and especially among opposition supporters, to accuse the government of favoring the western region, the president’s home. This perception is reinforced by the fact that many leadership positions in government and army are indeed held by individuals from there. To date, the potential for anti-western-region sentiment has not manifested politically, partly because both the presidential candidate and the leader of the main opposition party hail from that region as well.

Different religions do not only coexist but even cooperate. The Inter-Religious Council of Uganda, established in 2001, embraces the major Christian churches and the Uganda Muslim Supreme Council.

There is a minimum of political exchange between the political actors of the NRM and the opposition parties through the Inter-Party Organization for Dialog, but this has had little real effect. The Inter-Religious Council, together with other civil society umbrella bodies, launched a national dialogue process that aims at promoting peace and addressing political tensions by seeking consensus on key national goals and values.

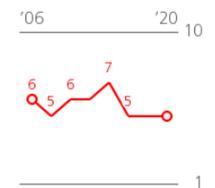
Protests by unemployed youth have indicated widening social cleavages. Industrial action by workers plays no significant role, given the weakness of the unions.

President Museveni demonstrates a fairly traditional understanding of non-state actors in society. He interacts with businesspeople and peasants, listens to religious or cultural leaders and consults with his fellow soldiers. He is less inclined toward an exchange with the more modern elements of society, even though many came into being only as a result of the transformation effected during his tenure.

Agenda-setting and decision-making over major issues at least in the initial stages is done in the inner circles of power, which include the army and the NRM leadership, without much attention to the views of NGOs, academia or media. At the same time, government is keen to involve various civil-society actors in development issues, inviting their commitment and participation, yet is less prone to heed civil-society

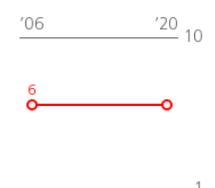
Cleavage /  
conflict  
management

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Civil society  
participation

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concerns over human rights or political topics. In some cases, the government even may ignore requests by civil-society organizations to be included in the agenda-setting and policy-formulation process.

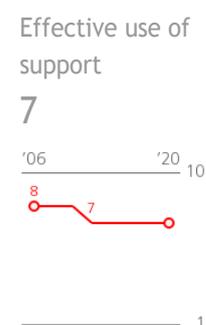
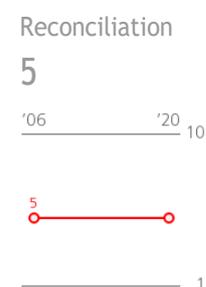
Ugandans preserve conflicting and at the same time selective memories of their past. These include the atrocities committed against the local population by the Obote II government's army, comprising many Acholi soldiers, when pursuing the guerilla force led by Museveni in the Luwero triangle north of Kampala. These also include crimes perpetrated against Acholi by the present government's army in the course of action against the LRA. President Museveni publicly acknowledged that excesses were committed by rogue elements of his army.

The activities of the LRA cut deep wounds into Acholi society, which will take considerably longer to heal. One way of healing was the use of traditional reconciliation efforts in the local community. Peacebuilding efforts have been systematically brought forward by the Acholi Religious Leaders Peace Initiative (ARLPI) since 1997. The pardon granted to all rebels who had taken up weapons against the government since 1986 by the Amnesty Act, which became operational in early 2000, extended to more than 27,000 people, the largest number of whom were former LRA fighters. In 2015, the amnesty clause of the Amnesty Act, reinstated in May 2013 for two years, was extended for two more years. Its purpose is to induce mainly LRA fighters (now chiefly active on the territory of the Central African Republic) to surrender; it does not apply to the top leaders.

While the Amnesty Act and non-governmental initiatives like the ARLPI played a positive role, there was no effort on the side of government to establish a truth and reconciliation commission, despite calls to this effect from civil society actors. Similarly, proposals by some prominent voices from churches and civil society, as well as some politicians, for some form of a national dialog on unity and reconciliation have not to date led to any concrete initiative.

## 17 | International Cooperation

Despite growing apprehension over corruption, donor density remains high and the country is among the top 10 recipients of Official Development Assistance (ODA) in Africa. There are international multilateral and bilateral donors as well as a multitude of NGOs active in the field. The country has been open to suggestions put forward by donors and adopted many policy measures prescribed by the international financial institutions. The IMF continues to provide advice and monitoring. In its eighth review under the Policy Support Instrument in July 2017, the IMF stated that "macroeconomic performance in Uganda has been sound...the medium-term outlook is favorable with steadfast policy implementation. Performance under the Policy Support Instrument has been broadly satisfactory."



The second National Development Plan (NDP II) aims to prepare Uganda's advance to middle-income status by 2020. The inputs required were agreed upon with donors, though NDP II appears highly ambitious and there is doubt among development partners as to whether even the more humble objectives of the plan will be reached.

Uganda has been a pioneer in adopting the Agenda 2030 and developed the current NDP in line with the Sustainable Development Goals (SDGs). According to the Ugandan government, 76% of the SDG targets are reflected in the plan and adapted to the national context. A report on SDG performance by the U.N. Sustainable Development Solutions Network (2018) ranks Uganda 125 out of 156 countries with an SDG index score of 54.9, higher than the regional average of 52.8 for Sub-Saharan Africa.

On the international level, apart from being a United Nations member, Uganda belongs to the Commonwealth and the Organization of Islamic Cooperation (having started its membership in what was then the Organization of the Islamic Conference in 1974, during Amin's rule). The country is party to practically all major human-rights instruments of the United Nations.

Uganda's prominent role with regard to regional security and its constructive involvement in military missions makes it a valued partner in the region. In international peacekeeping efforts, Uganda has taken the lead in Somalia, its military contingent providing the bulk of the AU Mission (AMISOM). Ugandan involvement with AMISOM has also demonstrated the country's close political and military links with the United States.

Though it became party to the Rome Statute of the International Criminal Court (ICC) in 2002 and played host to the ICC Review Conference in 2010, Uganda has become a vocal critic of the ICC due to its alleged preoccupation with Africa and has threatened to quit. Museveni has denigrated the court as "a bunch of useless people." Despite these tendencies and Museveni's occasional public rants about what he considers undue "Western interference," Uganda is respected for a fair degree of credibility and reliability in international cooperation among donors and the international community at large.

From its early days, the NRM put strong emphasis on Pan-Africanism, regional integration and cooperation.

This continues to be reflected in the intense relationships with neighbors and a particularly active role in the East African Community (EAC). Uganda promotes regional integration, for instance through the Northern Corridor Integration Projects Summits. These have aimed at fast-tracking integration and facilitating the global competitiveness of the region, but have been greeted with some reluctance by Burundi and Tanzania.

#### Credibility

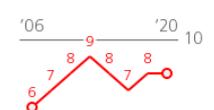
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#### Regional cooperation

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The crisis in South Sudan has brought severe challenges for Uganda. Its support for the government in Juba was met with criticism by other actors and the influx of refugees has become a heavy burden. Museveni's mediation efforts in the Burundi crisis proved futile. Relations with the Democratic Republic of the Congo were at an all-time low in 2018, with President Museveni blaming Uganda's western neighbor for the survival of the Allied Democratic Forces (ADF), a rebel outfit with origins in Uganda and links to Islamic extremists. This accusation has at times been used to justify incursions by the Ugandan military into the DRC to pursue the ADF.

Having changed from a dilapidated, war-torn place into a relevant regional player, Uganda takes its role in the EAC and the greater East African region seriously. It definitely is guided by self-interest, but also demonstrates that it is capable of acting responsibly.

Uganda is also a member of the Common Market for Eastern and Southern Africa (COMESA) and is currently ranked among the top five members regarding the volume of intra-COMESA trade.

Uganda further plays an active role in the Intergovernmental Authority on Development (IGAD), a bloc of eight Northern and Eastern African countries, focusing particularly on issues of regional security and migration. It also engages actively in the partnership of Nile riparian states under the Nile Basin Initiative (NBI).

In 2018, Uganda was the 9th country to ratify the African Continental Free Trade Area (AfCFTA), which was signed by the majority of heads of state and government of the African Union (AU) on March 21, 2018.

## Strategic Outlook

The constantly repeated narrative of how the NRM government brought the country peace and stability seems to be losing its appeal among Ugandans. The constant reminder of a grim past cannot mask current shortcomings. Particularly for the young people, the “steady progress” the government always refers to is just not enough.

More needs to be done for sure – not just because of the impatience of the younger generation, but because a more fundamental and speedier economic transformation is needed to overcome persisting poverty and inequalities and to create economic opportunities. In this respect, Uganda cannot afford to just work around the demographic challenge. It must address the elephant in the room and work towards containing population growth, which has the potential to push the majority of Ugandans into poverty, if action is not taken soon.

The transformation Uganda needs goes way beyond President Museveni’s credo of “infrastructure first.” His narrow understanding of infrastructure, with a focus on roads and transport, undermines a more holistic approach to development. Much more focus is needed on public services and especially health and education. For Uganda to reach the desired level of productivity and competitiveness, more investment is needed in a healthy, educated and well-skilled population. Providing opportunities for the young generation, the millions of young people who will be entering the job market in the coming years will be a key challenge for successful and sustainable economic development. A modernized and strengthened education system that focuses on critical thinking and creativity and gives more value to vocational training and technical skills must be one component of addressing this challenge. It would be naïve, however, to think that education alone can be the solution. The major, uphill task is to grow the economy, enhance productivity and significantly expand the labor market so that it can absorb more young people. Uganda needs a more robust industrialization strategy and a continuous focus on modernizing agriculture towards greater productivity and value-addition.

While the debt level was still considered sustainable in the period under review, there is growing concern about Uganda heading into a new debt crisis. Indeed, one must carefully assess what money is being borrowed for, under what conditions, and from whom. Quick, supposedly unconditional loans from China for prestigious infrastructure projects are certainly not the silver bullet for Uganda’s development. Uganda must find a sustainable strategy for funding its economic transformation. This includes meaningful engagement with development partners in line with the long-term development plans, attracting foreign investment and strengthening domestic revenue generation. This cannot be successful without creating reliable framework conditions, reducing waste and inefficiency in the public sector, and curbing corruption.

Any economic transformation will, in the end, have to go hand in hand with a political transformation. This does not have to mean a regime change, but it must involve some major reforms to the political system and an evolution of the political culture towards a more substantial

concept of democracy. The democratic substance, despite all undemocratic tendencies, is not lost. Institutions, though weakened, are still solid and have the potential to perform far better with more commitment to transparency, accountability and performance orientation. Dialogue among political stakeholders is a precondition, especially to overcome the current political polarization and reduce the potential for (violent) conflict. Concrete reforms need to be undertaken, most urgently with regard to the electoral system and the decentralization process.

Uganda has for the most part been a fairly reliable international partner and is not immune to advice, though constructive dialogue has become more difficult. Multilateral and bilateral donors should continue to take an uncompromising stand on issues such as corruption, rule of law and civic rights. The shrinking democratic space must be defended, so that progressive forces and drivers of reform have the ability to speak out and engage constructively in shaping the agenda – whether from within the government, the opposition, civil society or the media. In dialoguing with the Ugandan government, it will be crucial to emphasize that maintaining democratic freedoms and allowing open and constructive engagement will be key to its own strength and survival. Internal stability cannot rely only on the presence of a strong security apparatus. Neither can it be sustained by silencing dissent. For Uganda's young population not to turn into a risk to stability, actual – or perceived – political (and economic) exclusion must be avoided.