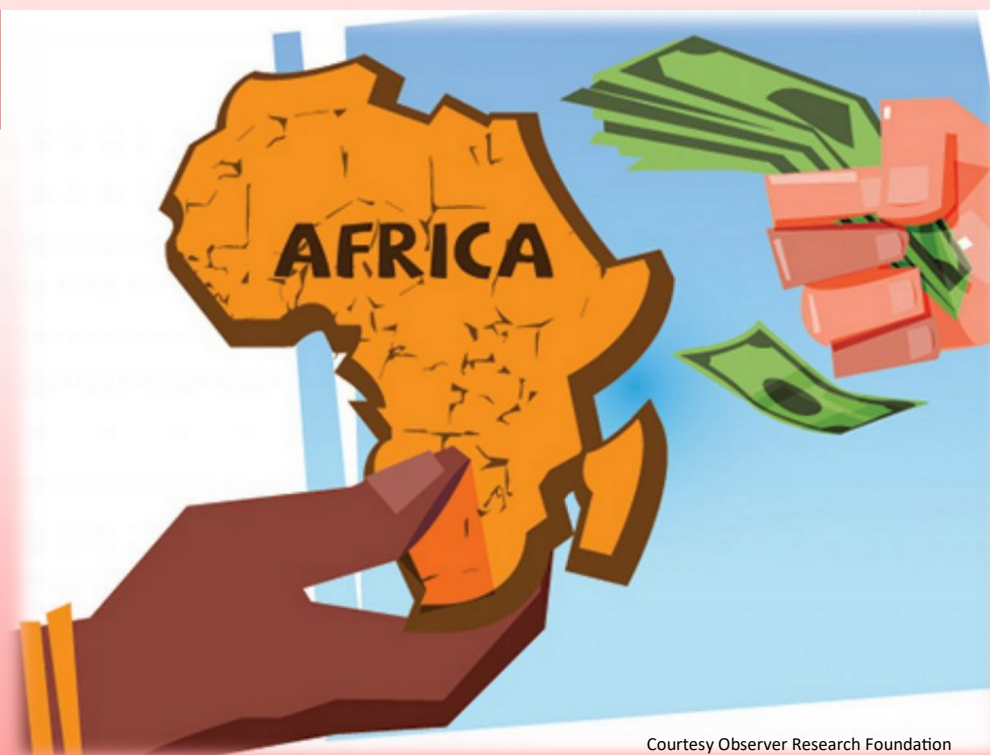


PROTRACTED STRUGGLE FOR SOCIAL JUSTICE AND DEBT CANCELLATION

1. INTRODUCTION

Like in previous years, Uganda Debt Network (UDN) in April 2020 joined over 250 other Civil Society Organizations (CSOs) globally towards : ***“The renewed Call for debt cancellation”, for mainly the Low income Countries such as Uganda to ably support their economic, social protection and healthcare interventions that mitigate the contagion effects of COVID-19.***



Courtesy Observer Research Foundation

The CSOs call for debt cancellation was directed to the developed economies and their attendant multilateral and bilateral financial institutions.

2. SOME ACHIEVEMENT, MORE TO ACHIEVE

The CSOs efforts since April 2020 to-date, complemented the African Finance Ministers’ call for \$100 billion stimulus and suspension of debt servicing in March 2020, plus voices of sections of global citizens including those who live in low-income brackets and vulnerable populations.

(e.g. see: <https://www.reuters.com/article/us-health-coronavirus-africa/african-finance-ministers-call-for-100-billion-stimulus-debt-holiday-idUSKBN21A2GK>.) Indeed, by May 2020, the G.20 had committed up to \$44 billion in form of 6-month till December 2020 debt service suspension (debt moratorium).

The action by G.20 is mere postponement of the apparently heavy debt-burden onto Low Income Countries (LICs). In the LIC example of Uganda, the country for years has spent more on debt servicing than on critical livelihood and social justice areas under Healthcare, Social Development and Agricultural sectors as highlighted in the Table 1:

TABLE 1: FISCAL SAMPLE OF DEBT SERVICING VERSUS OTHER SECTOR APPROVED ALLOCATIONS IN UGANDA.

Sector/ category	FY 2017/18 (UGX)	FY 2018/19 (UGX)	FY 2019/20 (UGX)	FY 2020/21 (UGX)
Debt servicing	8.58 trillion	8.68 trillion	1.03 trillion	12.43 Trillion
Health	1.88 trillion	2.36 trillion	2.59 trillion	2.73 Trillion
Social development	177.81 Billion	218.22 Billion	221.35 Billion	172.50 Billion
Agriculture	866.76 Billion	944.71 Billion	1.05 Trillion	1.30 Trillion

Source: Ministry of Finance, selected Annual Budgets

3. CALL BY UDN AND OTHER CSOS FOR MORE REAL ACTION

1) To allow economic recovery, UDN and other CSOs call upon the G.20 to total debt cancellation than a 6-month debt moratorium, given the erosion of economic functions of the LICs like Uganda in context of COVID-19 situation that has worsened the prior livelihood, social justice and fiscal constraint conditions.

2) There has been a pedigree of debt-burden meted onto LICs like Uganda when some loans are shrouded in elements of short-circuiting legal and policy standards by both Lenders and Borrowers, coupled with non-transparency and accountable performance results. Alas, some of the world's richest lenders including Private banks, Hedge funds, bilateral (e.g. under Paris Club), London Club of creditors, syndicated commercial banks and Public-Private-Partnership mechanisms have been part of financial and impact deficit to intended recipients in LICs.

Given the state of affairs, UDN and other CSOs call upon these actors to commit debt cancelation of outstanding debts; and no-interest on new debts for LICs, for 10 years commencing 2020.

3) In the spirit of protecting livelihood of the poor, vulnerable populations and fragile economic functions worsened by COVID-19, UDN and other CSOs call upon the auspices of G.7, G.20 Finance Ministers (July 2020), UN General Assembly (September 2020), Annual IMF and World Bank Group forum (October 2020) to immediate total debt cancellation for LICs and no-interest on new debts for LICs, for 10 years commencing 2020.

4) UDN, other CSOs and all global citizens are invited to stand for protection of livelihoods and social justice, for a better world.

UDN appreciates support by: UDN Membership; [DCA](#); [Save the Children in Uganda](#); [OSIEA](#), [Inspectorate of Government](#); [IBP](#), [Trocaire](#) and [DGF](#).

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FIGHT CORONAVIRUS

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