UGANDA DEBT NETWORK — DEBT IS SLAVERY

# Weekly Edition

Vol: 378 3rd September 2021

## A RENEWED AFRICAN DEBT MOVEMENT

### 1. Preamble

As part of a concerted African approach to address the current debt crisis and enhance debt transparency, accountability & governance, African Forum on Debt and Development (AFRODAD) organized an African wide Conference on Debt and Development (AfCoDD). In partnership with AFRODAD, UDN in collaboration with SEATINI-Uganda organized the Uganda In-Country Session at Hotel Africana on 26th August 2021.

The conference brought together Ugandan, Regional and International political, technical and civic actors to mobilize and strengthen a concerted African approach to address the current debt crisis and enhance debt transparency, accountability and governance. This conference was informed by the accelerated African debt crisis fueled by the global health pandemic which is leading to a reversal in social development and exacerbating inequality.

**Above**; UDN's Board Chair, Hon Fred Jachan Omach gives opening remarks during the AfCoDD conference.

**Click on links below for Proceedings of the African Conference on Debt and Development (Uganda);**

***1) African Conference on Debt and Development AfCoDD Part one;*** https://youtu.be/Fo5zSNF14NY

***2) African Conference on Debt and Development AfCoDD Part Two;*** https://youtu.be/a-oiVVl37j0

### 2. Financing Conditions, and Debt Management Strategies


**Above**; UDN's Board Member, Prof. Ezra Suruma delivered the keynote address at the Hybrid AfCoDD, Uganda in-session.

Delivering the keynote address at the conference, Prof. Ezra Suruma advised government to increase employment opportunities & create an enabling environment for entrepreneurship so as to increase the national revenue instead of relying on foreign borrowings whose loan terms we never understand but when time comes to meet those terms we are not ready. He also cautioned that accountability goes beyond numbers of how much has been borrowed, instead Government should also disclose the conditionality's attached to these loans acquired over time.

Hon. Stephen Mukitale, the Former Buliisa County Member Of Parliament said; "The cost of Public-Private Partnerships , the conditional liabilities that come with it should be understood further if we are going to discuss the debt because there are guarantees government make for such projects and they come at cost. There should be further training in public debt management for Government officials & staff along with simple debt rules to regulate how much we borrow."

Dr Fred Muhumuza, a senior economist warned that borrowing outside the formal sector needs to stop because it's unprofessional and that debt will always be paid by the citizens.

### 3. Uganda's Debt Reality

Dr. Adam Mugume, the Director Research at Bank of Uganda added that government needs to look at borrowing for projects that bring GDP for the country otherwise borrowing is unnecessary for such projects and to finance our debt we need to collect more taxes but one big element affecting the tax base is tax exception.

The IMF Resident Representative for Uganda, Ms Izabela Karpowicz while delivering her remarks, called for fair tax regimes adding that revenue is mobilized when everyone contributes but it's better raised when those that have more, pay their fair share.


**Above**; Ms. Izabela Karpowicz, IMF Resident Representative for Uganda giving the closing remarks at the AfCoDD.

Studies have shown that Uganda could save up to an excess of Shs 2trillion annually by fixing revenue loopholes that contribute to Illicit financial flows. At least $1.5bn (convert to Shs 5.3trillion) has so far been dished out in form of tax incentives/exemption which is eroding the country's tax base yet it should be about ease of doing business in the country and not generosity, noted Ismail Ladu, a senior journalist with Nation Media who was among the panelists.


**Above**; Ms. Joy Gesa, principal economist at , Ministry of Finance, Planning and Economic Development delivering a presentation on Strengthening Public Debt Accountability in Uganda at the AfCoDD.

Ms. Joy Gesa, a principal economist at the Ministry of Finance, said despite the country's debt burden there is still hope to ease the debt pressure owing to the projected economic growth and oil production. She also said that strengthening the accountability of Public Debt will require a multi -approach and the will by Government and all Stakeholders through regular reporting and stakeholder engagements and public debt audits including sanctions in the event of fraud related to public debt.

While addressing the media, the UDN ED, Mr Patrick Tumwebaze called upon Global institutions such as IMF to stand with Low Income Countries and ensure that the Debt Service Suspension Initiative (DDSI) doesn't end in December 2021, but rather up to about Dec. 2025 so as to give African countries like Uganda ample time to re-organize their economic stance and get back to the path of debt repayment.


**L-R**; Senior Journalist Ismail Ladu (Nation media), Ms. Joy Gesa, principal economist (MoFPED), Former MP Bulisa, Hon Steven Mukitale and Senior Economist Dr. Fred Muhumuza constituted the panel discussion at the AfCoDD Uganda country -session at Hotel Africana.

**UDN appreciates support by:** UDN Membership; DCA; Save the Children in Uganda; OSIEA, Inspectorate of Government; IBP, Trocaire.

**EDITORIAL TEAM:**

*Gilbert Musinguzi- gmusinguzi@udn.or.ug ; Priscilla Naisanga- communications@udn.or.ug; Opio Jacob– jopio@udn.or.ug;*

*Please visit/ talk to us at;* Uganda Debt Nework , P.O. Box 21509, Kampala -Uganda, Plot 153/155 Ntinda—Nakawa Road , Tel +256-414-533840/543974

CANCEL THE DEBT
FIGHT CORONAVIRUS
Save lives.