

BTI 2014 | Uganda Country Report

Status Index	1-10	6.27	# 46 of 129	
Political Transformation	1-10	6.90	# 39 of 129	➔
Economic Transformation	1-10	5.64	# 64 of 129	➔
Management Index	1-10	5.86	# 38 of 129	
	scale	score	rank	trend

This report is part of the Bertelsmann Stiftung's Transformation Index (BTI) 2014. It covers the period from 31 January 2011 to 31 January 2013. The BTI assesses the transformation toward democracy and a market economy as well as the quality of political management in 129 countries. More on the BTI at <http://www.bti-project.org>.

Please cite as follows: Bertelsmann Stiftung, BTI 2014 – Uganda Country Report. Gütersloh: Bertelsmann Stiftung, 2014.

This work is licensed under a [Creative Commons Attribution 4.0 International License](https://creativecommons.org/licenses/by/4.0/).

Key Indicators

Population	M	36.3	HDI	0.456	GDP p.c.	\$	1351.7
Pop. growth ¹	% p.a.	3.4	HDI rank of 187	161	Gini Index		44.3
Life expectancy	years	58.0	UN Education Index	0.482	Poverty ³	%	64.7
Urban population	%	16.0	Gender inequality ²	0.517	Aid per capita	\$	33.2

Sources: The World Bank, World Development Indicators 2013 | UNDP, Human Development Report 2013. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$2 a day.

Executive Summary

Contradictory developments remain the hallmark of Uganda's transformation process. During the review period, 2011 unexpectedly was one of the most unsettled years for Uganda since President Yoweri Kaguta Museveni and his guerrilla force gained control of the country 25 years earlier. In the February 2011 presidential and parliamentary elections, Museveni and his National Resistance Movement (NRM) carried the day, even though the country's deteriorating standard of living resulted in social protests and to some extent, a reinforced opposition that had performed poorly in the polls. The high-handed reaction to the protests by the government made it lose much of its reputation in the eyes of the populace.

The divide between the NRM and opposition parties, mainly the Forum for Democratic Change (FDC), widened and the political atmosphere became even tenser. Though parliament at times took a self-confident attitude and some ruling-party members of parliament turned out to be critical of the government, it was the president who remained the dominating figure. Nevertheless, Museveni had to balance the aspirations of different interest groups, including the army leadership. The political system continued to be characterized by an ambivalent mixture of democratic processes and authoritarian interventions. A new cabinet was appointed, including a new vice president; it does not carry much weight, however, except in numbers (81 members, consisting of the president, the vice president and 30 ministers plus 49 ministers of state).

The government continued to exercise full control over the whole country, while the notorious Lord's Resistance Army (LRA) still disturbed the peace in other regions, particularly in the Central African Republic, yet was still being pursued there by Ugandan armed forces with the assistance of the U.S. army. Uganda continued its leading role in peacekeeping in Somalia, providing the bulk of African Union forces there and at long last, recording some military successes. Despite allegations that some high-ranking Ugandan officials were supportive of Congolese anti-government forces fighting in the east of the Democratic Republic of the Congo, Uganda on the whole played a positive and widely acknowledged role in East African and African affairs, as well as in international cooperation.

As a result of external effects plus internal aberrations, for a period the economy slowed; this gave rise to urban social protests fomented by the opposition. The economic downturn was accompanied by a stint of rampant inflation, reaching with a height of 30.4% in October 2011. The situation eased later thanks to improving external conditions and a return to a tight fiscal policy and emphasis on macroeconomic stability. The government stuck to its market-oriented policies. There was heated debate over the exploitation of the country's oil deposits, oil legislation and the use of the expected financial returns. Concerns over widespread corruption became an important topic and were expressed on national and international levels.

Some progress was recorded toward the attainment of part of the Millennium Development Goals. Yet the gap between the rich and poor still finds its expression in the uneven access to health care and education. The high rate of population growth threatens to consume the effects of economic growth, yet so far this is a problem with which only experts are concerned.

At the end of 2012, the year of the country's independence golden jubilee, the preconditions and tenets of further transformation in the fields of political and economic governance in general persisted. But with respect to democratic development, such bedrock conditions cannot be taken for granted.

History and Characteristics of Transformation

Uganda's first experience with multiparty democracy ended seven years after independence. At the close of 1969, President Apolo 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 rule. Obote and the government of his Uganda People's Congress (UPC) in January 1971 were overthrown by a military coup, 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, under the leadership of Mwalimu Nyerere, Tanzania's forces 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 in the left wing of the UPC and among intellectuals.

Civilian politicians, somewhat at variance with the fighting forces, had met in the Tanzanian town of Moshi and prepared for a new beginning. After the fall of Kampala, the different armed and civilian actors took over government under the auspices of the Tanzanian army. Lasting stability was not achieved; eventually a military commission took power. Museveni became vice chairman of the commission, which prepared the multiparty elections of December 1980. Drawing on FRONASA and intellectuals longing for new perspectives beyond the ethnic and religious orientation of the old forces and parties, he formed the Uganda Patriotic Movement (UPM). But he threatened to “go back to the bush” if the elections were manipulated by UPC followers, who dominated the commission.

The elections, though supervised by Commonwealth observers, 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) was the true victor of the elections; 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. Much of the guerilla war took place in the Luwero triangle, situated some 50 kilometers north of Kampala. In mid-1985, Obote for the second time was toppled by his own army. 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 26 January 1986.

Given the limited strength of NRA and NRM and to prove that real change, not just “a change of guard” had occurred, 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. The political parties, including UPC and DP, were not banned but in practice they could not carry out any activities. The concept was to establish a “no-party democracy” with strong participatory elements. It became known as the “movement system.” In 1994, elections to the Constituent Assembly took place, resulting in the drafting of a new constitution which entered into force in 1995. It made provision for the people to choose between the movement system and other systems, including the multiparty arrangement. Elections during those years were based on personalities, not parties, though usually the political allegiance of candidates was known to the voters. In the 1991 and 1996 parliamentary and presidential elections, Museveni and his followers could count on strong popular support.

In 2005, the NRM government was firmly entrenched and closely interwoven with the state structure, and Museveni called for the people to approve a return to the multiparty dispensation. Presidential and parliamentary elections in 2006 and 2011 again endorsed Museveni and the NRM (formally competing as a party with other parties). But now, though small in numbers, opposition forces – notably the Forum for Democratic Change (FDC), formed by NRA/NRM dissenters – were able to enter the political arena and to make their voices heard even if there was (and still is) no level playing-ground.

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 international financial institutions. This policy, though having its reverse side, led to a long sequence of growth rates rarely observed in other African countries. Uganda was the first country to benefit from the Highly Indebted Poor Country (HIPC) initiative and for a long time, it was treated as the “darling” of the donor community. Recent appraisals are more reserved, pointing to the inhibiting effects of widespread corruption. Despite its notable record with regard to market-oriented reforms and the preservation of macroeconomic stability, there was not much structural transformation of the economy itself.

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 exercises full control over its territory and does exert a monopoly on the use of force. There have been, however, occasional local challenges to its authority.

On the whole, the situation improved continuously and markedly during the review period, especially after the Lord's Resistance Army (LRA) left Ugandan soil. Having tormented mainly the Acholi people in northern Uganda with murder, maiming, torture, rape and kidnapping, the LRA, under the leadership of its founder, Joseph Kony, who is wanted by the International Criminal Court, in the middle of last decade established its base in the Democratic Republic of the Congo's northeast corner. Its nefarious activities continued there as well as in the neighboring parts of then Sudan and Central African Republic (CAR). At the time of writing, CAR is mainly the theatre of confrontation with the LRA. About 2,000 soldiers of the Uganda Peoples' Defense Forces (UPDF), backed by U.S. logistical and intelligence support, are attempting to destroy the remnants of the LRA. Thus the LRA problem is still relevant for Uganda, though not on its territory.

Karamoja, the arid region in the northeast, for years had been the scene of violent conflict between the state and parts of the local society. It as well saw interethnic and intraethnic clashes sometimes involving nomads from the Kenyan side of the border. Karamoja is the least developed part of Uganda, stemming from neglect and lack of understanding of its socioeconomic framework by successive postcolonial administrations. The aridity of the region presents major disadvantages to food production, with a resultant persistence of famine. Customary cattle raids, unlike in former times, for many years took a heavy toll due to the easy availability of firearms ever since Idi Amin's army evaporated in 1979. Eventually the attempts to disarm the Karamajong warriors and to offer alternative sources of livelihood started to register noticeable success, although in certain instances the national army has faced criticism

Question
Score

Monopoly on the
use of force

8

over harsh approaches in the disarmament process. At the same time, the food situation has improved, on the whole leading to a much calmer situation.

In the western part of the country, the threat posed by the Allied Democratic Forces (ADF) re-emerged, though it was confined to the Democratic Republic of the Congo side of the Rwenzori range. The ADF had been active on the Ugandan side of the mountains until the middle of the last decade, and subsequently seemed to have faded into oblivion. The ADF originally was an assortment of various anti-government groups, including adherents of the Tabliq faction of Ugandan Muslims; eventually the Islamist orientation came to the fore. By now the ADF are believed to cooperate with the extremist militia al-Shabaab. The UPDF at times do carry out reconnaissance and pursuit actions in the Democratic Republic of the Congo, though without the permission of its authorities.

Other events in the Democratic Republic of the Congo had problematical effects on Uganda as well. The militia activity in the east of that country, directed against the government in Kinshasa, led to an influx of Congolese refugees.

The events unfolding in 2012 not only in the Democratic Republic of the Congo but also with regard to the unsettled issues between newly independent South Sudan and Sudan as well as in South Sudan itself, led to concerns with regard to the security situation in the whole Great Lakes region.

Conventional border disputes involving Uganda and its neighbors are of limited relevance, but they do exist. South Sudan claims a stretch of land on the Ugandan side of the boundary. The tiny islands, Rukwanzi in Lake Albert and Misingo in Lake Victoria, are a bone of contention between Uganda and the Democratic Republic of the Congo and Kenya, respectively.

The notion of the nation-state as well as the legitimacy of the Ugandan state is generally acknowledged. Political actors of any persuasion usually aim at gaining control of the whole country instead of claiming for independence of a particular area. There are, however, some outright, albeit seldom, calls made for separation of Buganda or the north from the rest of Uganda.

The diversity of languages, ethnic groups, traditional sociopolitical organization and religious affiliation is a marked characteristic of Uganda. It, however, presents a lasting challenge to national cohesion. Certain actors tend to hold a stronger identity within their ethnic groups than they do for the nation-state. In pre-colonial times, there were powerful empires such as Bunyoro-Kitara and Buganda. In 1967, following the violent dethronement of Buganda's ruler in 1966 by the Obote government, all kingdoms were abolished. They were however reintroduced in 1993. Other societies had no kings or rulers but were based on a segmented pattern; for

State identity
8

example, ethnic groups in the north and the Bakiga of the southwest were organized along clan and lineage structures.

At that time, President Museveni's declared intention was to preserve cultural heritage and foster social cohesion. He also wanted to add legitimacy to his own government. Kings and other cultural leaders were strictly confined to a cultural role and barred from participating in politics.

The neo-traditionalists of the Ugandan heartland are assembled under the banner of "federo," which at least to some of them is not to be translated as federalism. Instead it appears to be a cipher for regaining the once-dominant position of Buganda. While the debate over federo takes place within the framework of the republican constitution, it looks as if some discussants pay only lip service to this concept, knowing full well that the comprehensive autonomy demanded would impair any Ugandan central government. After all, most economic and administrative activities take place in this part of the country.

Occasionally politicians at different levels choose to play the ethnicity card. Discussions regarding the distribution of positions in government, the armed forces and other prominent state institutions always consider a so-called regional balance, which is de facto ethnic representation (which rules out equal opportunity and also does not lead to achievement of the ultimate goal, which is balance, as only a few ethnic groups are represented). In Bunyoro, a conflict between ethnic Banyoro and immigrant Bakiga – Ugandans as well – occurred over access to land. There is also a tendency to create new districts along ethnic lines.

Ugandan citizenship is regulated by the constitution (Chapter 3) and pertinent laws. Entitled to citizenship are individuals for whom one parent or grandparent was a citizen of Uganda. Generally the authorities are reluctant to grant asylum or naturalize refugees, though this legally is possible. The Immigration Department is of particularly plagued with inefficiency and corruption; a large number of Rwandan refugees apparently were repatriated against their will.

Concluding the preamble of the 1995 constitution, the national motto (also forming the bottom in the country's coat of arms) is "For God and My Country." This indicates the strong attachment to religion introduced since the second half of the 19th century, including Anglican, Roman Catholic and Islamic faiths (the traditional cults to which for some time a majority of the people adhered are usually not considered religions). The constitution, however, accords no special status to religious communities, and the adoption of "a state religion" is explicitly ruled out (Article 7). Freedom of religion is laid down as a right along with the protection of freedom of conscience, expression, movement, assembly and association (Article 29).

No interference of
religious dogmas

8

Yet in society religious orientation plays a significant role, and all political actors take this into account. In December 2012, the president pointed out “that the government is to find a way of supporting churches in the country to supplement their roles of attending to both spiritual and human needs.” With improvements to the national budget, the government would “find a way of assisting the churches.”

On the Christian side, Evangelical and Pentecostal groups have emerged as strong competitors to Catholics and Anglicans; they have risen to prominence and hold considerable political influence. Muslims are divided by factionalism, with the Old Kampala faction, which dominates the Uganda Muslim Supreme Council (in charge of the capital’s Gaddafi Mosque) rivaling the Kibuli faction, with its strong Buganda background. Although fundamentalist Tabliqs once contributed to the ranks of the Allied Democratic Forces (ADF), Ugandan Muslims in general do not show signs of extremist leanings.

Political parties in Uganda originally were formed with a religious background, the Democratic Party (DP) being seen as the expression of Catholicism and the Uganda People’s Congress (UPC) as the party of Anglicans. This largely is a historic now, as the only party with an identifiable denominational orientation is the Justice Forum (JEEMA) which appeals to Muslims but has not found a large following among them.

Christians and Muslims live together peacefully. They also share a common position on some social issues, like homosexuality. The ordination of an openly gay bishop in the Episcopal Church of the United States in 2003 led to a cleavage in the international Anglican Communion, with mainly African bishops opposing the present mainstream Western position. In Uganda the debate culminated in 2009 in the introduction of a bill in parliament (Anti-Homosexuality Bill). An offense of “aggravated homosexuality” was to carry a sentence of capital punishment, but this provision was later removed from the draft. To a considerable extent the issue reflects a culture clash, between the fundamentalists of both the U.S. Evangelical and more moderate ways of thinking, since both support their Ugandan counterparts ideologically and materially. However, in Uganda the moderate influence remains rather weak, since the perception of homosexuality as taboo persists and receives strong support among all strata of society.

As if to demonstrate that religious dogmas influence the state and not vice-versa, parliament Speaker Rebecca Kadaga in 2012 promised the passing of the Anti-Homosexuality Bill 2009 as a “Christmas gift.” This did not materialize. It is worth noting that the unremitting campaign of Western governments and NGOs against the bill backfired since it led to the resolve of the speaker to put it on the agenda again; in October 2012 she was given a dressing-down over the matter by the Canadian foreign minister during an international conference.

The basic administrative structure of the state is in place and is supposed to provide basic public services; these are more efficiently administered in the center of the country and in some of the towns that host district government headquarters.

Basic
administration
7

The administration of the capital was restructured in 2011 as part of the Kampala Capital City Authority (KCCA) Act of 2010, establishing the control of KCCA activities by the central government. In 2011, Jennifer Semakula Musisi became the authority's first executive director and took visible steps to improve the quality of life in the city, although with questionable methods that were strongly disputed in public.

Access to courts and law enforcement is present in all districts, but access to courts and corresponding judicial services diminishes considerably at the local level, mainly due to limited awareness and long distances. The judicial system also suffers major human resource gaps and is therefore unable to guarantee the timely delivery of its mandate. At times cases relating to land, family conflicts (including domestic violence), and major offenses such as rape are handled by lower council courts, which do not have the jurisdiction or competence to do so. Additionally, the lower courts and the police are frequently considered to be corrupt.

Government health services cover the whole country, but mostly under deplorable conditions. About 40% of posts are not filled due to poor remuneration. Health centers frequently do not have required medication or hand it out only after a bribe is offered. For those who can afford it, private clinics are available.

Maternal and child health indicators made some advances during the review period. Access to improved sanitation facilities is limited, and the figures have shown no noticeable improvement over the past years; in 2010, only 34% of the population had suitable access to sanitation facilities, with the worldwide average at 65%. Access to adequate water sources improved at a slightly quicker pace, reaching 72% in 2010, which is behind the international average of 83%.

Modern communication systems developed quickly, not least as a result of a liberalization of the market. The Ministry of Information and Communications Technology, established in 2006, was given the mandate to provide strategic and technical leadership for the sector, aiming at the utilization of communications technology also for the achievement of national development goals. About two-fifths of the population was mobile phone subscribers in 2010, whereas 12.5% were Internet users.

2 | Political Participation

Elections are regularly held on the national level as well as for the lower levels of government. There is, however, a fast decline of confidence in the electoral process among several stakeholders. At the center of this drop is the country's electoral body,

Free and fair
elections
6

the Electoral Commission (EC), which is appointed by the president after parliamentary approval. President Yoweri Museveni, the incumbent, used this to appoint to the EC individuals in support of his policies he also holds powers to retire EC commissioners. It is widely held that the president and the ruling party exert considerable influence over the EC, and that they have persistently ignored reform proposals which would have provided for objective procedures in the formation of the EC.

Universal suffrage is guaranteed. According to the constitution (Article 59), every Ugandan citizen 18 years old or older has the right to vote. The citizen's "duty...to register as a voter for public elections and referenda" is established as well, but that does not amount to compulsory voting. Voting is secret, with people being able to choose among a number of clearly identifiable different political parties, since the return to multiparty politics in 2005. Elections to parliament are based on a majority voting system in the 238 constituencies (2011). Voters also choose a female representative for each district (112 in 2011). In separate procedures, representatives for Ugandan youth, the disabled and workers – five each – as well as 10 soldiers representing the army, are chosen.

The president is elected "by universal adult suffrage through a secret ballot" (Article 103). The most recent at the time of writing nationwide elections for the office of president as well as for parliament took place concurrently in February 2011. Voter turnout, with 8.3 million (59.3%) of 13.9 million registered voters, was far from impressive, about 10% less than in 2006. Incumbent President Museveni received 68.4% of the vote, a larger share than in 2006 (59.3%) and similar to 2001 (69.4%). His main challenger, Kizza Besigye, head of the Forum for Democratic Change (FDC), received 26% of the vote (2006: 37.4%). Out of 375 seats in parliament, the ruling National Resistance Movement (NRM) held 262 (69.9%), but its majority reaches well beyond that number, given that most "independent" members of parliament are government-leaning, and that this is to be expected from all the soldier parliamentary members, though (unlike members of parliament from other special interest groups) they have no formal party affiliation. Thus the NRM camp controls essentially more than three-quarters of legislators.

Though there were some incidents of violence and intimidation, in 2011 the campaign and election day generally were peaceful, and there was marked improvement compared to the 2006 elections. International observers showed dissatisfaction with the performance of the electoral commission and the police. The EU Election Observation Mission (EU EOM) left no doubt that there was no "level playing field" in the contest, as it was "difficult to draw a line between government and the ruling party at the local level." Observers were particularly struck by the "monetization" of the election: "The distribution of money and gifts by candidates, especially from the

ruling party...was widely observed by EU EOM observers.” Excessive deployment of the military was also perceived to cause intimidation among voters.

Democratically elected legislators and office holders have to a large extent the effective power to govern. Nonetheless, Uganda’s political reality is a mixture of democratic processes and authoritarian interventions. Power is very much concentrated with the president. Yet President Museveni is obliged to ensure that the wishes of different interest groups that support the ruling party are brought into balance. The major veto holder is the army, its top leadership still consisting of Museveni’s comrades-in-arms from the guerrilla war. As Museveni is essentially in control of the army, conflicts between the military and the executive are not openly visible; often the army has declared its loyalty to the National Resistance Movement (NRM) and the president. This relation tends to overstep the constitutional order. In January 2013, for example, there was talk, including by senior army officers, of a possible coup d’état; the background was a conflict between parliament and the executive. The leverage the military has over decisions by elected officials was also demonstrated during the second half of 2012, when it was at the center of a difference between the executive and the legislature. Parliamentarians suggested reductions in the military budget in favor of increased allocations for the health sector. The executive – in particular the president – could not heed this proposal, citing quite openly that this would be at the displeasure of the soldiers.

Effective power to govern

7

Other groups, such as religious and cultural institutions, operate well under the authority of the elected leadership. Certain cultural institutions (particularly the kingdom of Buganda) are, however, observed to exercise a certain level of influence over the decisions of elected representatives, mainly in parliament and in local government.

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). In practice, authorities do not attach much importance to these principles when faced with social and political unrest, inspired by a deterioration in living conditions. In 2011, different social groups took to the streets or attended boycotts, including lawyers, market vendors, taxi drivers and university students. A strike by teachers after a number of weeks was ended by the government, which ordering them to return to class.

Association / assembly rights

5

Though verbally the right to assemble and demonstrate was upheld, in practice protests in 2011 and to a certain extent in 2012 were thwarted by the security agencies, using a blend of chicanery and brutal force; through the end of April 2011, nine people (six in the capital) died due to the actions of security forces. The ranks of

demonstrators do not always include non-violent participants, however, with the September 2009 riots in Buganda being a case in point.

There were increased attempts to thwart the freedoms of assembly and of demonstrations. Among them was the introduction of a requirement for organizers of public meetings and demonstrations to secure “police permission,” as opposed to the legally stated requirement of “notifying the police.” Under this pretext, public meetings mainly by the political opposition were often blocked or forcedly dispersed by security agencies. Along the same lines, civil society organizations (particularly those that attempted to hold demonstrations on topics that were considered political or had the potential to cast the government in a bad light) could not do so without difficulty, and they sometime faced an outright denial to do so by the police. Arbitrary arrests of demonstrators seem to have increased.

A Public Order Management Bill tabled before parliament in 2011 would if passed significantly curtail the freedoms of assembly and demonstration. In its initial draft, the bill set a requirement for organizers of public meetings involving three or more persons to seek approval of the highest-ranking police officer, the Inspector General of Police. It also sets numerous restrictions on media engagement and the content of public assemblies. The bill is still under parliamentary consideration, although some changes have been made to it.

A large variety of NGOs exists. In general they can work freely and cooperate with foreign partners, who usually provide notable financial assistance. At the local level, however, NGOs tend to shy away from political topics for fear of crossing lines with the political establishment.

The Ugandan media scene is quite lively. The liberalization in the field of broadcasting led to the creation of many private FM stations, sometimes owned by politicians, and one being controlled by the Buganda kingdom. Although in urban areas TV has a strong role, the vast majority of Ugandans access news and other information via the radio.

Traditional print media in English and in various Ugandan languages thrive as well. They range from papers offering in-depth analyses to tabloids. The major English-language papers are the Monitor and the New Vision. The former, which usually covers government actions critically, belongs to the East African Nation Media Group owned by the Aga Khan. The latter was founded by the government but is far from being just an official bulletin. The 2013 World Press Freedom Index of Reporters Without Borders ranked Uganda at 104, an increase of 35 places from the previous year.

Freedom of expression is generally exhibited in the media, and reporting is surprisingly open and critical. There is, however, evidence of strong state observation over the media. The president continues to make threats to close media houses that

Freedom of
expression
6

he claims broadcast or publish information detrimental to Uganda's development. Given experiences in the past, this threat is taken as real by media owners and operators. They therefore generally attempt to be less critical of the government and its programs. Until 2010, journalists could be prosecuted under a charge of sedition, when the constitutional court nullified the law. The Human Rights Network for Journalists (HRNJ) quite often runs reports about harassment, torture and attacks on journalists. These acts, however, are not entirely perpetrated by the government, although the state – mainly the police – remains the main culprit in such claims.

Media houses generally struggle to keep good relations with the state. As most outlets are privately held, they want to safeguard their business interests in an environment where the government still leads the advertising clientele. Media owners generally enforce limits to journalists who are critical of government sometimes by firing the offending employee. This is in part because most private media house owners are politicians who lean toward the ruling National Resistance Movement (NRM). In consequence, journalists admit to exercising a certain level of self-censorship. The plurality of opinions becomes – although still evident and in place – disadvantaged. The freedom enjoyed, however, does not necessarily correspond to responsible reporting or the application of quality criteria and ethical standards, especially in the case of FM stations and tabloids.

Government attitude toward the media is ambiguous. In 2005 the president decided to set up the Uganda Media Center under the president's office with the purpose "to introduce professional management of government media relations." Intermittently journalists are made aware of their limits when being taken to court under flimsy pretenses.

3 | Rule of Law

The institutional differentiation of the organs of the state, their division of labor that guides their functioning and the provision of checks and balances are constitutionally provided for but quite often overstepped, usually by the president. The legislature, the executive and the judiciary are defined in separate chapters of the constitution. The separation of powers is accepted as a principle. The cabinet consists of the president together with the vice president and the ministers appointed by the president with the approval of parliament; the office of prime minister was introduced together with other constitutional amendments in 2005.

The constitution gives wide powers to the president; it also provides legal procedures for his or her removal (Article 107). In day-to-day practice, the powers of the president are frequently overstepped with impunity.

Separation of
powers

6

Parliament, though overwhelmingly dominated by the ruling party, does not necessarily work in a rubber-stamp fashion. The ninth parliament has, in comparison to previous legislatures, turned out to be more confident and increasingly critical of government failures and acts of proven or perceived corruption. Nevertheless, the executive's control over the legislature remains pronounced, not only because the ruling party holds a vast majority but also because the president more often than not overrides parliamentary resolutions with impunity. In 2012, at year's end, a trial of wills developed between the president and parliament over the death of a parliamentary member, allegedly due to poisoning. Attempts to recall parliament to discuss the issue were foiled by the president. He not only expressed contempt of critical members of parliament but also threatened the introduction of "legal" measures to discipline members.

The higher courts, frequently to the chagrin of those in power, use their legal powers to rein in government when, for example, the opposition presents a valid case.

Independence of the judiciary is guaranteed by the constitution (Article 128) and the structure of the judicial system is well defined. In a number of prominent cases, the higher courts proved their independence beyond doubt (e.g., in clearing opposition presidential candidate Besigye from trumped-up charges). There are, however, incidences where the independence of the judiciary has been challenged.

Independent
judiciary

7

The faculty of law at Makerere University, the Law Development Center and professional associations like the Uganda Law Society have a tradition to enhance professionalism. Initiated in 1999, the Justice Law and Order Sector, a sector-wide approach, comprises 17 institutions in the fields of administration of justice, law and order, and human rights.

Administration of justice is hampered by inadequate funding and staffing. The lower courts are widely believed to be susceptible to bribery.

At face value, Uganda is well-equipped with institutions meant to ensure the proper running of public institutions and to control actions or performance of civil servants and office bearers. In line with the provisions of the constitution, the Inspectorate of Government (Chapter 13), the Leadership Code of Conduct (Chapter 14) and the office of the Auditor-General (Article 163) were established. Constitutional amendments enacted in 2005 provided for the independence of the Auditor-General, the creation of special courts to deal with corruption-related offenses and the establishment of a Leadership Code Tribunal.

Prosecution of
office abuse

5

Corruption allegations publicly were leveled against stalwarts of the ruling party. Scandals over the misappropriation of funds meant for combating AIDS and other diseases or over irregularities connected with tenders ahead of the 2007 Commonwealth Heads of Government Meeting (CHOGM) led to the at least temporary suspension of prominent politicians like former Minister of Health Jim

Muhwezi or Foreign Minister Sam Kutesa (who eventually was re-appointed). Some court cases are still continuing, being so far inconclusive. In 2012, the Auditor-General uncovered massive corruption in the Office of the Prime Minister (OPM) and of the pension fund under the public service ministry. The widely publicized cases attracted much public attention and led to a suspension of budget aid by some development partners. Some of the implicated civil servants are undergoing prosecution in relation to the alleged abuse of office.

The highest-ranking person formally charged with corruption was former Vice President Gilbert Bukenya. In October 2011 he was detained in Luzira prison for a week, though being acquitted of CHOGM-related charges in December. It is widely believed that top actors accused of corruption still enjoy impunity.

The constitution devotes its fourth chapter to the “protection and promotion of fundamental and other human rights and freedoms” and spells out the human rights in some detail. Besides civil rights, the chapter includes economic, social and cultural rights. As supervisory body the Uganda Human Rights Commission (UHRC) is charged among other things with the investigation of complaints concerning human rights violations, visiting jails and monitoring “the government’s compliance with international treaty and convention obligations on human rights.” It submits yearly reports to parliament. The provisions it makes for the redress of human rights violations brought before it are not always honored by other authorities. Though hampered by lack of funds and sometimes criticized by civil society actors for lack of efficiency, in 2012 the UHRC was rated Africa’s best human rights institution by the African Commission on Human and Peoples’ Rights.

At the social level, women in many fields still are disadvantaged, despite efforts by government (including positive discrimination, such as by the rules on the representation of women in elected bodies) to counter negative attitudes. In 2010 Uganda ratified the Protocol to the African Charter on Human and Peoples’ Rights of Women in Africa (Maputo Protocol).

There is no systematic discrimination against any ethnic or religious group. When delineating protected areas, however, Batwa hunters and gatherers were deprived of their traditional environment without appropriate remedy. Members of the Asian minority, quite influential in business, risk being attacked amid urban popular protests. Sexual minorities are not recognized as such.

From the outset, Uganda has taken part in the African Peer Review Mechanism (APRM) which reaches beyond human rights issues; the final APRM document was published in 2009. In 2011 Uganda presented its fourth periodic report to the African Commission on Human and Peoples’ Rights in Banjul. The country, being party to all core human rights instruments concluded under the auspices of the United Nations,

Civil rights

7

in 2011 as well was subject to the Universal Periodic Review (UPR) in the field of human rights in Geneva; the proceedings were concluded in March 2012.

4 | Stability of Democratic Institutions

Democratic institutions exist from the village up to the national level. By and large they perform as designed as well as in accordance with constitutional and other legal regulations.

Yet the peculiarities of the Ugandan political set-up lead to a certain degree of friction. The fact that President Museveni and the ruling party have been in power since 1986 has led to the intertwining of the party and state apparatus. Moreover, the president does not always pay due attention to the proper channels when pushing through his decisions.

The structures of governance do overlap in some areas. Reminiscent of the colonial “bwana disi,” or District Commissioner, in each district a Resident District Commissioner (RDC) is appointed by the president and represents 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.” Potential conflict with local elected bodies is almost predetermined, especially if such bodies are controlled by members of opposition parties. On the national level, the inspectorate of government, the Auditor-General, the parliament’s public accounts committee and other institutions partly cover the same field.

The parliament and higher courts repeatedly have asserted their independence and provide for the presence of checks and balances in a system dominated by a strong executive.

Democratic institutions created under the 1995 constitution are accepted by the relevant political actors. The same holds true for the multiparty system, even though many leaders and members of the ruling party consider their “vision” of a future prosperous middle-income country to be their unique selling point, with the “old” parties just being a nuisance. The president at times shows contempt for independent-minded members of parliament, particularly those belonging to his own party. Former opposition presidential candidate Besigye at times also showed a tendency to talk loosely with regard to democratic procedures. The existing institutions, nevertheless, are seen as the framework in which the political will of the people can find its expression.

A major potential veto holder is the army leadership. It has been stated a number of times that the armed forces will accept and work with any elected government, but for some time to come it will remain unclear whether such statements are simply lip

Performance of
democratic
institutions

7

Commitment to
democratic
institutions

8

service. There is speculation that the election of a retired former army chief as head of the main opposition party might make the army more amenable to change.

5 | Political and Social Integration

Toward the end of the colonial era in Uganda, a number of political parties took shape. The main contenders were the Democratic Party (DP), having its origins in political Catholicism, and the Uganda People's Congress (UPC), seen as the party of Protestants, but at the same time strongly oriented toward contemporary African nationalism. Both parties sought a nationwide following. The third party (if considered a party at all) was the Kabaka Yekka (KY), which organized for the king and neo-traditional institutions in Buganda. Contrary to many expectations, allegiance to DP and UPC as well as to the monarchy in Buganda proved to be deeply rooted. DP and UPC still exist, and loyalty to the king is still present among the Baganda peoples.

Nonetheless, Museveni's National Resistance Movement (NRM) during its long period in power was fairly successful in portraying the old parties as not contemporary, sectarian and as culprits for the post-independence malaise. DP and UPC have not completely disappeared, but the major challenge to Museveni's rule has come from within, the Forum for Democratic Change (FDC) originally being composed of former close followers. The FDC has emerged as the strongest and most serious force in the opposition camp, though presently it is riddled by internal strife. The NRM, outwardly ideologically based on Museveni's ideas and vision, 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 state institutions. Museveni's style of leadership follows more a patrimonial pattern than grassroots democracy.

Voters, if not directly bribed, tend to lean toward the ruling party, expecting improvements on the local level. Political polarization is high at election time, but in 2011 the situation proved to be calmer than in 2006.

Even if civil society, largely due to the turmoil of the 1970s and 1980s, developed late and might not have the same strength as its counterparts in neighboring countries, its presence cannot be overlooked. There are industry associations, business community groups, professional and cooperative organizations. Moreover, many NGOs have emerged in the fields of development, human rights and charity work. Many are financially backed from abroad, and some may be completely dependent on foreign funding.

The more traditional associations which still play a powerful role in society are the various religious (Christian and Islamic) organizations. The Uganda Joint Christian

Party system
7

Interest groups
7

Council (UJCC) and religious leaders in general in times of political conflict tend to take a mediating or moderation role.

The Bugandan kingdom 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. Those demands at times have proven to be a challenge for national cohesion. Other kingdoms and traditional rulers are in a much weaker position, though they still can make their voices heard.

NGOs active in the field of human rights, gender issues, or combating corruption have become vocal and continue even in the face of chicanery by the state and its numerous security agencies.

Organized labor was existent during the colonial period. Yet trade unions during the time of writing are in a weak bargaining position, and despite having specific representation in parliament, are hardly relevant.

In general, the different interest groups lack the coherence and organizational capacity necessary to exert much influence on the political process. Political lobbying of individuals, informal groups and interests is most effective when directed toward political leaders of the ruling party.

Ugandans widely accept the notion that democracy is the best way to govern a country (80%), according to an Afrobarometer opinion poll conducted between December 2011 and February 2012. They believe in democratic elections as the proper method to select their leaders (89%) and disapprove of a one-party system (84%).

Approval of
democracy
8

Slightly more than half the population (52%) considers Uganda to be “a full democracy or a democracy with minor problems”; this assessment, however, was more positive (at 63%) a year before, ahead of the 2011 elections. The gap between the ideal of democracy and the conduct of the political process is expressed by the view held by 74% of the population “that the country was headed in the wrong direction”. Given the period when the poll was conducted, that is following the 2011 wave of social and political protest, to a certain extent this attitude may reflect simply a snapshot of feelings at the time.

It should be noted that Ugandan society still harbors some confusion and a lack of knowledge about the term “democracy” and the role and functions of different stakeholders in a democratic state. Therefore, such polls cannot entirely be taken at face value.

Traditional community-based institutions still exist and do contribute significantly to social cohesion at the local level. They include for example credit and saving societies, burial funding associations or lay committees in the church. Those

Social capital
6

institutions work on the basis of mutual trust and reciprocal support. Customary law is still obeyed in large parts of rural Uganda; local self-help schemes are in place and clan elders settle inheritance cases or neighborhood issues. The idealization of these features of social life though should be avoided, given the many village or family struggles over land and property, sometimes which turn violent. Modern associations such as NGOs active in the field of advocacy are thriving. They are not based on traditional allegiances but on common objectives and appeal to the educated and relatively well-to-do sections of the population.

II. Economic Transformation

6 | Level of Socioeconomic Development

Question
Score

Taking the Millennium Development Goals (MDGs) of the United Nations as benchmark, Uganda made progress toward the accomplishments (working through 2015) on a number of the objectives. According to UNDP, it has “achieved, among others, the target of cutting by half...the incidence of absolute poverty in the country, currently at 24.5%, down from the levels prevailing in the early 1990s.” The country as well is “on track to eliminate gender disparities in education” and to “reduce the prevalence of underweight children under the age of five.” Achievement of the goals pertaining to the reduction of child mortality and the improvement of maternal health, however, is seen as “uncertain.” The last of three national MDG progress reports was published in 2010; the 2013 progress report is under way and is supposed to be launched at the end of July 2013.

Socioeconomic
barriers
3

The UNDP’s Human Development Index (HDI) puts Uganda in the category of “low human development” (0.446) with HDI rank 161, well behind Kenya and Tanzania. In 2009, 64.7% of the population lived on less than \$2 a day (35% being the international average). Also for 2009, the Gini Index which tracks inequality (100 amounting to absolute inequality) for Uganda was 44.3, not too far from the worldwide average of 40.6. Evidence nevertheless suggests that there is a deepening of the gap between a very small, exceedingly rich section of the population and the many poor. The Gender Inequality Index, measuring disparities with regard to reproductive health, empowerment and the labor market, lists Uganda at 0.577, worse than the international average (0.451) but better than Tanzania (0.590) or Kenya (0.627).

There is no specific exclusion on the basis of religion or ethnicity, but strong regional disparities developed at the beginning of the last century still persist.

Uganda's urban population in 2011 amounted to 15.6% of the total. Thus the vast majority of Uganda's population lives in the countryside, largely depending on subsistence farming. But with a few temporary and local exceptions, the country is not only able to feed itself but also to export agricultural products.

Economic indicators		2009	2010	2011	2012
GDP	\$ M	15803.5	17197.1	16822.4	19881.4
GDP growth	%	7.3	5.9	6.6	3.4
Inflation (CPI)	%	13.0	4.0	18.7	14.0
Unemployment	%	4.2	-	-	-
Foreign direct investment	% of GDP	5.3	3.2	5.3	8.7
Export growth	%	16.2	5.6	13.2	-
Import growth	%	25.2	7.8	5.9	-
Current account balance	\$ M	-1138.6	-1752.3	-2160.3	-2221.7
Public debt	% of GDP	22.2	27.0	32.2	34.5
External debt	\$ M	2736.5	3260.4	3858.2	-
Total debt service	\$ M	71.7	65.0	68.8	-
Cash surplus or deficit	% of GDP	-0.9	-3.9	-3.9	-
Tax revenue	% of GDP	12.2	12.0	16.1	-
Government consumption	% of GDP	11.6	11.7	11.3	-
Public expnd. on edu.	% of GDP	3.3	2.6	3.2	3.3
Public expnd. on health	% of GDP	2.1	2.1	2.5	-
R&D expenditure	% of GDP	0.41	-	-	-
Military expenditure	% of GDP	2.0	3.8	3.7	1.4

Sources: The World Bank, World Development Indicators 2013 | International Monetary Fund (IMF), World Economic Outlook 2013 | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database 2013.

7 | Organization of the Market and Competition

At a very early stage, after the originally left-wing revolutionary Yoweri Museveni assumed power, Uganda made vigorous steps to liberalize its economy. In 1987 it agreed with international financial institutions to carry out a structural adjustment program aimed to restore fiscal discipline as well as to loosen the constraints on trade and the exchange rate. In 1990 “forex bureaus” were allowed to operate, and three years later, the foreign exchange market was completely freed. The Uganda shilling was among the first African currencies to become freely convertible.

The Doing Business 2013 report, released by World Bank and International Finance Council (IFC) in October 2012, ranked Uganda 120 out of 185 economies, just a step down from the year before (119), but overtaking Kenya (121) and ahead of Tanzania (134). Looking at individual indicators, the ease of getting credit index ranked Uganda 40; the poorest rank (159) referred to trading across borders. The country’s extensive informal trade with South Sudan, however, does not honor official regulations. Improvements were introduced with respect to the insolvency process, defining more clearly the roles of mortgagors, mortgagees and receivers.

The degree of administered pricing is low, and internal markets largely follow the law of supply and demand. Entry and exit barriers and regulations on investment are in place, but on the whole they play no negative role. It is stated policy to present Uganda internationally as an attractive destination for foreign direct investment; in 1991 the Uganda Investment Authority was set up as a semi-autonomous government agency. Despite some limitations, climate and (to some extent) the legal framework are favorable toward foreign direct investment, more and more originating in Asia.

Imperfections affecting the markets are caused by a partial weakness of the institutional structure, occasional obscure political interventions and the presence of pervasive corruption as well as by a sprawling bureaucracy.

A large informal sector is well established as part of the Ugandan economy, reflecting not so much the constraints of regulated markets but the fact that it provides avenues for income-generating activities which the relatively small formal sector (and the “white collar” oriented educational system) so far is unable to provide.

The government has been firm in safeguarding market operations, even when under pressure in 2011 to resort to price fixing and to ban the export of foodstuffs to neighboring countries when inflation pressures and popular unrest were rampant. There is tight competition among powerful economic actors such as providers of mobile phone services, and this has had a positive effect on retail pricing. On the other hand, consolidation processes are underway such as in the beverages industry (beer and soda). Fuel suppliers are occasionally blamed for predatory pricing, but this

Market-based
competition

6

Anti-monopoly
policy

6

sector too allows easy entry of competitors. Oligopolies or limited monopolies are not always curtailed by the authorities.

Like Kenya and Tanzania, Uganda is among one of the original members of the WTO, which started operation on 1 January 1995. It had signed the General Agreement on Tariffs and Trade (GATT) just after independence, on 23 October 1962. Being a member of the East African Community (EAC) since 2005, Uganda has as its major trade policy instrument the EAC common external tariff (CET), though still being allowed to collect export duties on a number of goods until 2013. The EAC countries belonging to the Common Market for Eastern and Southern Africa (COMESA; Tanzania not being a member) apply a preferential tariff on imports from other COMESA countries. In November 2012 Uganda joined the COMESA Free Trade Area. COMESA and EU countries are major exporting destinations.

According to the WTO Secretariat's Trade Policy Review Report of October 2012, "regulatory constraints, and trade taxes (import tariffs and export taxes) that promote non-competitive industries" still constitute an impediment to exports. Uganda's most tariff-protected sector is agriculture, "tariff bindings cover(ing) 15.9% of all its tariff lines, i.e., all tariff lines for agricultural products...and 2.9% of total lines for non-agricultural products." The least-tariff-protected sector is mining and quarry activities, including petroleum products.

Export subsidies are not provided and there is no anti-dumping, countervailing or safeguard legislation. For contingency measures, the legal basis is COMESA and EAC regulations, but such measures have not been taken recently.

Uganda's banking sector is well developed with a number of mainly foreign actors. Ugandan banks work accordingly to international standards. Out of the 25 commercial banks operating in 2012, only seven were in local ownership. Supervision of the financial sector is in place and the country's central bank, the Bank of Uganda (BoU), exercises its role with a high degree of independence, though not completely free from interference by the head of state. Strict monetary policies and considerate interventions by the BoU helped the economy to pass relatively well through the global financial crisis.

Effective 1 June 2011, the BoU Financial Consumer Protection Guidelines 2011 apply to all "financial services providers" (banks, credit institutions, microfinance deposit taking institutions, foreign exchange bureaus, money remittance companies) and cover, albeit incomplete, consumer protection measures. All financial services providers have to submit six monthly reports to the BoU. Among financial institutions are 23 insurance companies, the National Social Security Fund, the Uganda Securities Exchange, and the Savings and Credit Cooperative Organizations (SACCOs), which allow the rural population access to financial services.

Liberalization of
foreign trade
7

Banking system
7

In 2011 the ratio of bank capital and reserves to total assets stood at 14.6%, comparing favorably to the average of 11% of countries covered by the World Development Indicators 2012. Also the proportion of bank nonperforming loans to total gross loans at 2.5% (average, 6.9%) indicates the strength of the banking system.

8 | Currency and Price Stability

In October 2011, Uganda's inflation reached a peak of 30.4%, a manifestation of the effects of the international financial crisis but also in part the result of excess government expenditures ahead of the February 2011 elections. This was the highest inflation rate experienced since January 1993. Headline inflation was about the same rate as underlying (core) inflation, which excludes food crops, fuel and electricity. The rise in the cost of living including food and transport had stimulated public protests since April 2011.

Anti-inflation /
forex policy

8

Uganda, until then a beneficiary of regularly positive assessments by the international financial institutions, was the first country to fail an IMF Policy Support Instrument (PSI) review. In February 2011, the IMF Executive Board decided not to complete its first review under the new three-year PSI, which concentrates on advice and monitoring. The reason was the supplementary budget of about \$260 million that was hastily passed by the outgoing parliament in January; in the view of the IMF, it put program objectives at risk. Later in 2011, however, the IMF again commended Uganda "for adhering to a market-oriented approach to economic policymaking, including by resisting the temptation to restrict exports of food products."

Substantial non-budgeted expenses were incurred in 2011 with a \$740 million arms deal that involved the purchase of six sophisticated fighter planes and other military hardware from Russia, with the justification of protecting the country's oil resources. This strain on foreign currency reserves was publicly criticized by Bank of Uganda Governor Professor Emmanuel Tumusiime-Mutebile. In formal terms, the central bank is largely independent, but de facto it is not free from influence from the head of state. Mutebile stood for the disinflation effort and for a tight fiscal policy. After the October 2011 zenith, inflation figures came down. Whereas the composite consumer price index (base: 2005 – 2006=100) for the 2011 calendar year was 18.7%, it was 14% in 2012.

Between mid-January 2011 and mid-January 2013, the Uganda shilling lost some ground against the U.S. dollar; at the beginning of the period \$1 would buy UGX 2,311, on 15 January 2013, UGX 2,638 (while in September 2011 the rate was UGX 2,778). In international comparison, Uganda still occupied a relatively comfortable place. Its real effective exchange rate index (2005=100) for 2011 was 106.3, below

the 113.5 average for countries covered by the World Development Indicators 2012, and showed little deviation from previous years.

Uganda was one of the first African countries to adopt economic liberalization and market-friendly policies toward the end of the 1980s. Its government implemented a consistent stability policy. The World Bank testified that the country “established a strong record of prudent macroeconomic management and structural reform.” A “stable macroeconomic environment and sustained private sector-oriented reforms led to Uganda’s graduation into a mature reformer in 2006.”

Macrostability

7

Poorer performance especially in 2011 has not erased completely the generally positive picture of economic development held by the country’s lead donor, the World Bank, and others. But in association with the social and political unrest during 2011, the country has demonstrated a degree of fragility not witnessed for a long time. Nevertheless, there was less need of donor financing of the budget than before. For the fiscal year 2012 – 2013, donor financing totaled 25% of the budget, while in fiscal year 2011 – 2012, 29% of the budget was projected to be financed by development partners. The budget deficit (excluding grants) stood at 7.2% of GDP for fiscal year 2011 – 2012.

The current account deficit increased to \$2.3 billion in 2011, from \$1.9 billion in 2010 and \$1.3 billion in 2009. Public debt amounted to 25.4% of GDP in 2010, down from 26.3% in 2009 and 28% in 2008, whereas the total external debt was \$3 billion in 2010 (up from \$2.5 billion in 2009 and \$2.2 billion in 2008). Total debt service payments were \$64.2 million in 2010, down from \$71.1 million (2009) and \$73.7 million (2008), comparing favorably with the payments Kenya or Tanzania had to make in 2010 (\$398.8 million and \$198.7 million, respectively). Cash deficit increased to 3.9% of GDP in 2010, previously 0.9% in 2009 and 1.4% in 2008. General government final consumption expenditures in 2011 was 11.3% of GDP, despite the year’s problems, a solid performance compared with 11.7% in 2010 and 11.6 % in 2009. Total reserves in 2011 had dwindled slightly to \$2.6 billion in 2011 from \$2.7 billion in 2010 and \$3 billion in 2009.

Taken as a whole, the indicators point to continuous solid macroeconomic management and policy pursued by the government and the central bank, even amid strained situations. Unexpected political interventions from the top, however, could constitute a risk.

9 | Private Property

The “right to own property either individually or in association with others” is laid down in the constitution (Article 26) and in relevant laws. Courts and procedures are well established though frequently not very effective. In 2005, a constitutional

Property rights

5

amendment stipulated 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.”

There is no discrimination against foreign nationals, except with some restrictions concerning the ownership of land. The World Bank standard measurement of “doing business” (procedures and time involved in registering real estate property) totaled 52 days for Uganda, and corresponds to the average (51 days) of the countries covered by the survey. But the number of procedures to be carried out (12) is double the average (6), indicating that bureaucratic traditions still persist.

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, but implementation remains weak. An updated Trademarks Act, replacing the one of 1964, has been in force since September 2010.

Land disputes are fairly common in Uganda and reflect legal inconsistencies as well as different local concepts of landownership. The Land Amendment Act of 2010 is supposed to give more security to tenants and also to safeguard the interest of owners; so far it has proved to be a limited success.

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. The privatization of most parastatals was effected, though at times under opaque circumstances and largely without visible contribution to the creation of new employment opportunities. Administrative hurdles an entrepreneur must navigate when registering a new firm involve 15 different procedures (more than double the average number of seven, according to the World Bank’s Doing Business 2012 report). The 33 days involved also surpass clearly the survey average of 27 days. The government is aware that a number of laws and regulations are outdated and that they might inhibit the creation of new ventures. In March 2012 a reform committee appointed by the Minister of Finance, Planning and Economic Development, after consultations with private sector associations and businesses, delivered an analysis of business licenses. It included an inventory of almost 800 such licenses, slightly more than half of them issued by central government institutions, the remainder being authored by local governments. Also identified were 87 laws and 174 regulations, the majority of which had been in place before the 1991 liberalization of the economy.

Private enterprise
8

10 | Welfare Regime

The government claims that the provision of quality nationwide health services is a major objective. Free of charge, health services are seen as the basis for the wellbeing of individuals and for the nation as a whole. In fact, the case of the health system may serve as the most striking illustration of the gap between official language and reality. Rural health centers are commonly understaffed and either do not have or do not dispense the proper medication. People must seek out church-run clinics, private practitioners or visit traditional herbalists, even sometimes so-called witchdoctors. The provision of antiretroviral (ARV) drugs for people living with AIDS is not very reliable; ARV programs almost in their entirety are left to funding by donors.

Public health expenditure in 2010 amounted to a meager 2% of GDP (with average for countries surveyed by the World Development Indicators 2012 at 3.3%), after 1.8% in 2009 and 1.5% in 2008. Life expectancy at birth is 53.6 years (2010; development indicator average is 67 years). So far, the government has not been able to establish a viable health financing system, and attempts to construct a health insurance scheme have been largely unsuccessful.

Modern social safety networks are able to reach only a small fraction of the population. Most people still have to rely on traditional structures, mainly their extended family and the community. With traditional systems increasingly becoming unable to cover the needs of the elderly, new avenues are being explored. In 2011, a pilot transfer program (Social Assistance Grants for Empowerment, SAGE) was started in 14 districts, under which cash grants are given to the elderly and other particularly vulnerable groups.

Civil servants receive pensions, whereas private sector employees (together with their employers) mandatorily contribute to the National Social Security Fund (NSSF) for their retirement pay. The NSSF however has been rife with corruption scandals, and for that matter does not maintain the confidence of its contributors. Attempts to liberalize the pension sector have until 2012 been unsuccessful.

“Equality and freedom from discrimination” are guaranteed by the constitution (Article 21) which even provides for positive discrimination (enabling parliament in “implementing policies and programs aimed at redressing social, economic, educational or other imbalance in society”). 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. Parliament has 35% female members, and the house speaker is a woman at the time of writing. But most female members of parliament were elected to seats especially reserved for women (one per district), with only few female candidates actually winning in the constituencies. A number of women occupy prominent positions in

Social safety nets
4

Equal opportunity
6

government (such as heading the finance ministry and the ministry of energy and minerals), in the civil service and in business. Rural women, however, in practice still are discriminated against when it comes to property or land rights. Domestic violence for some time was not seen as a problem deserving much attention, but in 2010 the Domestic Violence Act and the Prohibition of Female Genital Mutilation Act entered into force. A Domestic Relations Bill faced stiff opposition from the Muslim community; now a Marriage and Divorce Bill (for non-Muslims) is under discussion in parliament.

There are venues for advancement through education, and the ethnic and religious background of the individual is not necessarily a hindrance. But historically grown disparities between regions and social groups are strong enough to influence an individual's life chances, to some extent. The introduction of free primary and secondary education has allowed the participation of hitherto neglected large sections of the population. Nevertheless, access to higher education and eventually job opportunities might become more difficult due to the poor quality of government schools, allocating leadership opportunities to pupils whose parents can afford to pay for private educational institutions. Thus, with the growth of the relatively prosperous urban middle class over the last two decades, tendencies to social exclusion and to self-recruitment of the classes might increase.

11 | Economic Performance

Uganda has benefitted from the macroeconomic policies carried out by the government during the review period, with the assistance of multilateral donors and other development partners. For some time, Uganda's GDP grew continuously by rates above average figures for Sub-Saharan Africa. In the 1990s, GDP grew by an average 6.5% per year, reaching more than 7% in the following decade. Resilience was shown even "in the face of consecutive exogenous shocks, including the secondary effects of the global economic crisis, bad weather and surges in international commodity prices," as pointed out by the World Bank. But in 2011 and 2012, growth rates slumped. From the 6.7% increase achieved in fiscal year 2010 – 2011, GDP growth fell to 3.2% in fiscal year 2011 – 2012.

Since this period the situation has improved and the prospects are brighter, as the World Bank's Global Economic Prospects in January 2013 predicted a growth rate of 6.2% and 6.9% respectively for calendar years 2013 and 2014. The 2011 inflation pressure subsided; quarterly inflation "which had reached more than 40% in late 2011 turned negative in the third quarter of 2012."

GDP at purchasing power parity in 2011 stood at \$16.8 billion, down from \$17.2 billion in 2010. Foreign direct investment in 2010 came to 3.2% of GDP, down from 5.3% (2009), 5% (2008) and 6.6% (2007). Collection of tax revenue in 2010 at 12%

Output strength

6

of GDP not only lagged behind neighboring Kenya (19.5%) but also performed poorer than in the two preceding years (12.2% in 2009 and 12.9% in 2008). Gross capital formation was more impressive, reaching 24.6% of GDP in 2011 (23.5% in 2010 and 24.1% in 2009).

12 | Sustainability

Uganda has a tradition of protecting distinctive parts of its natural environment, with national parks (Murchison Falls, Queen Elizabeth National Park, Lake Mburo National Park and Mgahinga Gorilla National Park) constituting a valuable asset for the tourism industry. Forest reserves were also proposed. The government has supported a number of environmental regulations, and there is a growing degree of environmental consciousness to be observed in parts of civil society and within the media. At the same time, local populations frequently question the reason for keeping lands under protection when they are also seen as suitable for cultivation or animal husbandry (often local populations are not always addressed in a way that would make them favorably inclined to join and benefit from protection efforts). In general, the government tends to prioritize perceived economic needs over environmental concerns.

In only 15 years, Uganda lost 36% of its forest land – from 4.9 million hectares in 1990, only 3.6 million hectares remained in 2005. In 2005, forests covered only 15% of the country's total land area. The total deforestation rate per year equals 1.8%. Former forestland has been put to other uses, largely agricultural; charcoal and firewood consumption has also taken its toll on the environment.

The country is affected by unpredictable weather phenomena (often considered as part of climate change) in the form of irregular rainfall (resulting either in drought or in flooding accompanied by landslides) especially in Karamoja or 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 gave rise to serious environmental concerns that have not been taken seriously by the authorities.

Ugandans in general hold formal education in high esteem, seeing it as the avenue for personal advancement (and largely associate education with white-collar jobs). Primary and secondary education is free, which in principle is a major, even historic achievement by the National Resistance Movement (NRM) government. But the expansion of the education sector took place at the expense of quality insofar as infrastructure and manpower are concerned, apart from the fact that parents are still responsible for other costs, such as teaching materials or school uniforms. The dropout rate of pupils is high; absenteeism among teachers is frequent. Parents, who have the financial capacity to do so, prefer to send their children to private schools,

Environmental
policy
5

Education policy /
R&D
5

even at the primary level. Public expenditure on education in 2009 amounted to 3.2% of GDP, but figures are scant.

The literacy rate stands at 73.2%, with 82.6% for females significantly better than for males at 64.6%, though the ratio of female-to-male enrolment in schools is 84.7% at the secondary and 78.8% at the tertiary level. Primary education reaches all girls and boys. Enrollment figures, however, must not be taken at face value, given the deficiencies mentioned.

The former Makerere College, founded in 1922, once was the center of higher learning for the whole of British-controlled East Africa. There is at the time of writing a wide variety of tertiary educational institutions registered by the National Council for Higher Education (NCHE). Apart from five public universities (three of which are located in the west, the north and the east, respectively), the NCHE lists 34 private institutions, from the Islamic University in Mbale to the Virtual University of Uganda, established in 2011 and describing itself as “the first on-line university in the region.” Furthermore, there is a variety of agricultural, business and technical training institutions. (Although many are expensive, less respected and therefore less frequented than other higher education institutions.) The quality of some of the private universities and other bodies is doubtful, since their material and staff foundations are weak. A significant lack is noticeable in the field of blue-collar education and vocational training, due to the tendency toward higher education and lack of respect for manual work. Despite much talk, investment in this field remains limited.

Expenditures for research and development in 2009 amounted to 0.41% of GDP (0.33% in 2008 and 0.39% in 2007), well below the 0.66% average for the 48 countries for which figures are available (according to calculations based on the World Development Indicators 2013. Modern research and development facilities are scarce.

Transformation Management

I. Level of Difficulty

Uganda is classified as one of the world's least developed countries. It is landlocked, and its remoteness makes it dependent on transit routes either through Kenya or Tanzania for trade. Though "gifted by nature" (as marketers assess) and pursuing the reduction of absolute poverty, the largely rural population still depends on subsistence or semi-subsistence agriculture. The formalized industrial sector is small; vocational training is not treated as a priority. Four-fifths of the working population aged between 14 and 64 are described as "self-employed."

Structural
constraints

7

It is unlikely that these proportions will change soon in view of the high rate of population growth (3.1% per year). Uganda, together with Niger, has the youngest population worldwide; this also results in a high dependency rate. The total fertility rate is also among the highest internationally, with different statistics quoting 6.2 or 5.9 children per woman. After the internationally applauded, exemplary successes Uganda made in its fight against the AIDS pandemic, HIV prevalence has again increased. The rate, which had peaked at 18% in the beginning of the 1990s, fell to 6.4% (2004 – 2005). Yet in 2011 the rate rose again in the age group 15 to 49, at 7.3% (women 8.3%, men 6.1%; urban dwellers 8.7%, rural population 7.0%). As a cause of mortality, however, AIDS by far is surpassed by malaria; the tropical disease poses dangers especially for children under five years old.

Infrastructure deficiencies are gradually, yet very slowly, being overcome. The road network has slightly improved. Electricity generation necessary for industry and favorable to relatively affluent urban life has returned to an almost regular (though still often interrupted and therefore unreliable) pattern of supply, since the Bujagali hydropower plant went into operation.

There is a multitude of conventional civil society traditions, if one takes customary self-help schemes or church activities into account. In the more modern sense of the term, civic engagement is a relatively new and mainly urban phenomenon. There is a multitude of NGOs dealing with various developmental, humanitarian, environmental or human rights issues; much of this commitment appears to have a background in foreign funding.

Civil society
traditions

5

From 2011 onward, an organized campaign of public protest over social and political issues took shape. It was, if not inspired, certainly used by the main opposition party to promote its agenda. The government ruthlessly suppressed street protests and banned the “Walk to Work” (W2W) activities, as well as their surrogate in the form of the “For God and My Country” (4GC) group.

Different forms of action have been taken by a number of NGOs, reflecting the growing dissatisfaction particularly among the country’s educated and professional groups with the pervasive corruption and the secrecy surrounding the country’s oil policy. These groups have come up with new forms of action, calling for black clothing every Monday (called Black Monday) to mourn the theft of public funds, or engaging in information campaigns, awareness drives and public debates.

More traditional forms of mobilization are to be found as well. This social capital bears fruit in local neighborhood activities or in assertions of group identity. For instance, the king of Buganda still to a certain degree is able to foster social cohesion in his ethnic group, though at the same time this might antagonize other Ugandans.

Uganda had been plagued by violent conflict for a long time. The lingering threat posed by the Lord’s Resistance Army (LRA) now is a matter of the past, and at present there seems to be no nascent armed insurrection in the territory. There is, though, the external menace of terrorism inspired by the al-Shabaab network.

Conflict intensity

6

Despite confrontation between government and various opposition groups, occasional loose talk from both sides notwithstanding, all the political relevant groups accept the framework provided by the constitution and the institutions it created, notably parliament and the judiciary. The parties, though each encompasses a specific background, are not primarily nor explicitly based on ethnicity or religion. All strive to find nationwide acceptance.

In 2011, following the presidential and parliamentary elections but fuelled mainly by dissatisfaction over inflation and a general deterioration of living conditions, a wave of public protest took a violent turn, resulting in a number of deaths following security force crackdowns. Since then, occasional demonstrations and the state’s high-handed approach have not disappeared but have relented to a certain extent. If the socioeconomic situation continues to improve, political protests are likely to remain confined to small groups.

Ethnic tensions are present, but are mostly limited to local issues. To some extent they reflect cleavages between the center and periphery and conflicts over resources. One instance is the conflict in Bunyoro, between ethnic Banyoro and cultivators (bafuruki, or Bakiga from Kigezi in southwestern Uganda) or herdsmen (balaalo) who are seen as encroaching on the land. In the Rwenzori mountains, the Rwenzururu kingdom (recognized by the state in October 2009) of the Bakonzo attempted to make

the leaderless Baamba pay allegiance to it. As a result, in 2012 the groups fought, leading to the displacement of several hundred people.

Of lasting national importance is the relation between Buganda and the other parts of the country. So far the necessary balance between justified local demands and the needs of the state as a whole has not been reached, mainly due the insistence of the king to wield political power.

II. Management Performance

14 | Steering Capability

Question
Score

President Museveni claims to be determined to bring his vision for the country – to change Uganda from a peasant society to a middle-income country within 30 years – to fruition. This vision is spelled out in the national development plan (NDP), covering fiscal years 2010 – 2011 to 2014 – 2015 and launched in April 2010. The NDP succeeded the series of Poverty Eradication Action Plans (PEAPs), the third of which expired in June 2010. The PEAP's focus of poverty reduction was extended to the even more ambitious goal of structural transformation. The NDP is a well-prepared and comprehensive document.

Prioritization
7

The mechanisms for the formulation and application of appropriate policies – including the National Planning Authority, an autonomous agency under the umbrella of the Ministry of Finance, Planning and Economic Development – exist and are operational. Though the NDP goals occasionally are put in jeopardy by the de facto short-term orientation of many policy measures, the costs of corruption might prove to be a bigger hindrance to achieving objectives. Roadblocks occur not only in the shape of the diversion of funds but also as aid cuts by foreign donors in response.

The president continues to emphasize his economic modernization policies; regarding the export of raw materials as a cause and a symptom of Uganda's lack of development, the president for instance pushes for the establishment of a refinery to be used for at least part of the future crude oil extraction.

Economic strategic priorities and their implementation by the government and auxiliary bodies mostly are in line with market-oriented policies, but the progress toward fully democratic structures is more in doubt.

By and large the government is able to implement established policies. A contributing factor is that Uganda, despite the decay experienced for many years, still maintains a

Implementation
7

professional civil service. The main limitation, however, remains pervasive corruption. Politically, the major reform driver is the president himself. Yet in certain respects the president puts stumbling blocks in the way of progress. Despite his focus on modernization, his political style frequently reveals rather traditional authoritarian attitudes. The government's perception (reflected in many documents and substantiated with the assistance of the United Nations Population Fund) that the rate of population increase could lead to the dismantlement of all economic progress is not however shared by the president, and thus lacks support.

The government and the ruling party are extremely pragmatic when it comes to economic and fiscal policy. The party's original ideological orientation and policy ("building an independent, integrated and self-sustaining national economy" and "following an economic strategy of mixed economy" as enshrined in the National Resistance Movement (NRM) Ten-point Program), including an initial focus on barter trade arrangements, quickly gave way to heeding the advice of international financial institutions and other development partners. The measures they recommended were usually implemented in a competent way. Independent consultancy by academic experts and those in the field was not heeded. In politics, advice from international donors or national academia was less valued. The NRM party for some time followed the path of establishing a "no-party democracy" in the form of the "movement system"; and indeed, this policy brought back stability. But internal demands and donor pressure eventually led to the return of a multiparty democracy. However, its acceptance (despite lip service) by the NRM remains low, and leanings toward a patrimonial system are strong.

Policy learning
7

15 | Resource Efficiency

The strategy employed by President Museveni when he came to power in 1986 to integrate other guerilla forces into his army and to form a "broad-based government," including other political groups, was necessary to make up for the weakness of his own military and political basis. It largely was successful and can be seen as a precondition for the transformation processes which followed. It was a way of buying and sustaining support which, in various fields, was followed and refined later. At the beginning of 2013, the cabinet was made up of 81 members: the president, the vice president, 30 ministers (including the prime minister and his three deputies) and 49 ministers of state. In addition, there is an ever-growing list of paid presidential advisors whose functions remain obscure. Furthermore, the president appoints Resident District Commissioners (RDCs) to represent him in all districts. Heavy overstaffing in politically oriented departments thus constitutes a considerable strain on the financial resources of the state. Yet essential sectors like health care, education and the courts remain significantly understaffed.

Efficient use of
assets
5

In what can be seen as a populist response to local demands, further planning is underway for the creation of even more, new districts. The total number of districts is 111 (the capital having a special status), up from 33 in 1986, when Museveni assumed power. New districts are supposed to bring services closer to the people, a claim that is still not proven.

Financial discipline at times takes a back seat to political considerations, the passing of supplementary budget allocations at the beginning of 2011 and non-budgeted expenses (such as military expenditures) are a case in point, even though budget planning and implementation as such appear to be transparent and control mechanisms are in place.

The still-existing professionalism of the civil service to a certain extent is compromised by political interference at various levels and by the presence of corruption.

Ugandan politics are characterized by a strong president who, however, has to balance the different 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 and suppress dissenting opinions. The vice president and the cabinet do not 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, including some of Museveni's comrades-in-arms from his guerilla days.

Policy
coordination
7

The powerful role the constitution accords to the president and the way the incumbent exercises 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. It is finally the president who finally silences opposing voices and decides which course to take, though the criteria for his conclusions are not always obvious.

For the day-to-day running of public affairs, in their fields of competence the finance ministry including the National Planning Authority and the Bank of Uganda play a useful coordinating role.

The constitution stipulates that one of the "duties of a citizen" (Article 17) is "to combat corruption and misuse or wastage of public property." The Auditor-General (Article 163) is charged with auditing and reporting "on the public accounts of Uganda and of all public offices." A separate Inspectorate of Government is given wide powers "in respect of cases involving corruption, abuse of authority or of public office" (Article 230). It also enforces the code under the Leadership Code Act, in force since 2002. The parliament's Public Accounts Committee, headed by an opposition member of parliament, has the mandate to examine the government's public expenditures. Public procurement is regulated. Adequate legal and

Anti-corruption
policy
4

institutional instruments to deal with fraud in its different forms are available and corruption is a major topic of public debate.

The Political Parties and Organizations Act of 2005 sets rules for party financing and marks limits on donations as well as on party expenditures. This is of limited relevance, however, given the close intertwining between the state and the ruling party witnessed in the 2011 election campaign.

In daily life, ordinary Ugandans often have to pay bribes even to see the completion of simple administrative acts. The more prominent corruption cases make national and even international headlines. In the aftermath of the 2007 Commonwealth Heads of Government Meeting (CHOGM) in Kampala, charges mainly related to procurement irregularities were brought against some ministers, leading to (temporary) resignations; former Vice President Gilbert Bukenya in 2011 was detained for a week in prison. In 2012, investigations by the Auditor-General led to the unearthing of a major scam in the office of the prime minister, involving donor funds earmarked for the rehabilitation of northern Uganda. This led to the suspension of budget support by some development partners and the need to refund money to donors such as the Irish government. In one prominent corruption case that has dragged on for years, in January 2013 Michael Mukula, member of parliament, National Resistance Movement (NRM) national vice chairman for the eastern region and state minister for health from 2001 to 2006, was found guilty by the anti-corruption court of embezzling Global Alliance for Vaccines and Immunization (GAVI) funds and sent to jail for four years.

Ugandans are weary of corruption, yet there is a tendency to rally around those found guilty, claiming that the particular person was victimized. Though many observers agree that justice in corruption cases might be meted out selectively, the solidarity shown by local people in the cases of former minister of health (2001 – 2006) Jim Muhwezi, member of parliament, and his minister of state, Michael Mukula, indicates that the attitude toward corruption is a societal problem.

16 | Consensus-Building

There is broad 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. Yet there is some nostalgia in particular in opposition quarters for elements of the former mixed economy, with its important parastatals. In fact, some privatization measures led to the deterioration of public services, such as the decline of public transport facilities in the capital.

Multiparty democracy has again taken root in Uganda. In principle there is overall consensus on the value of democracy and democratic procedures. How deeply these

Consensus on goals

7

are entrenched sometimes is open to doubt. At times there is a tendency by those in power to show disrespect for parliamentary proceedings when the results expected are not easily forthcoming. This was demonstrated in January 2013 by thinly veiled threats of a military takeover by leading National Resistance Movement (NRM) personalities, including the president.

A good number of at least potentially anti-democratic actors had been absorbed into the broad-based government after the National Resistance Movement (NRM) took power in 1986. Some armed opposition groups who subsequently fought against the government eventually were co-opted into the national army or benefitted from amnesty arrangements. Others were eliminated or driven from Ugandan soil, such as the Lord's Resistance Army (LRA) or the Allied Democratic Forces (ADF).

Anti-democratic
actors

6

Though not in the legal sense, the most important holder of veto power is the army. It exerts its influence through the 10 specially elected army members of parliament, but also – and more so – in informal ways. The president's political re-insurance are the 50,000-strong armed forces, of which he is the commander-in-chief. He demonstrates this role again and again by donning a military uniform or even combat fatigues during public functions.

Outside government, but with some influence in society in the country's central region, are the potentially anti-democratic forces centered with the king of Buganda. While demands for more decentralization are legitimate, attempts to accord the king a political role run counter to further democratization.

Given the cultural and religious variety of the country and the multitude of conflicts it has experienced, Uganda in recent years was successful in containing the effects of societal cleavages. The end of the threat of the Lord's Resistance Army (LRA) in the north led to a lessening of internal tensions and allowed the president to make political headway even there; in the 2011 presidential elections, President Museveni for the first time obtained more than half of the votes in all regions. The government has attempted, albeit with varying sincerity and mixed success, to take measures for the rehabilitation of the formerly violence-ridden areas, including Karamoja. Tensions with the traditionalist elements in Buganda are not yet overcome, but the clout of these elements is limited.

Cleavage /
conflict
management

7

Ethnic conflicts (frequently clashes over resources) mostly are defused by government interventions which achieve sometimes a fragile compromise. The government however is not always consistent in the approach it takes. Different religions do not only co-exist but even cooperate: the Inter-Religious Council of Uganda, established in 2001, embraces the major churches (Catholic, Anglican, Orthodox, Seventh-Day Adventist) and the Uganda Muslim Supreme Council.

There is some minimum political exchange, supported by international donors, between Ugandan political parties over electoral reforms and practical issues. A

National Consultative Forum on these topics is headed by widely respected minister Ruhakana Rugunda.

The president holds a traditional understanding of non-state actors in society. He consults with businesspeople, religious or cultural leaders and interacts 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.

Civil society
participation
6

Agenda-setting and decision-making over major issues at least in the initial stages is done in the inner circles of power, which includes the army and the National Resistance Movement (NRM) leadership, without much attention to the views of NGOs, academia or media. Government, however, is keen to involve various civil society actors in development issues, inviting their commitment and participation, yet is less prone to heed civil society advice on human rights or political topics.

Ugandans maintain conflicting and simultaneously selective memories of the past. These include the atrocities committed against the local population by the Obote II government army, which included many Acholi soldiers, in the Luwero triangle north of Kampala, when pursuing the guerilla movement led by Museveni. These also include crimes perpetrated against the Acholi by the state army in the course of action against the Lord's Resistance Army (LRA). The activities of the LRA itself cut deep wounds into Acholi society, which will take some time to heal. One method is the use of traditional reconciliation efforts (the mato oput ceremony). Peace-building efforts have been relentlessly carried forward by the Acholi Religious Leaders Peace Initiative (ARLPI), active since 1997. The amnesty granted by the Amnesty Act since 2000 to all rebels who since 1986 had taken up weapons against the government was successful. More than 26,000 people were granted amnesty. While the Amnesty Act and non-governmental initiatives like the ARLPI have played a positive role, there has been no effort that approximates a truth and reconciliation commission.

Reconciliation
5

17 | International Cooperation

Donor density is high in Uganda. 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 has adopted many policy measures as prescribed by international financial institutions. The national development plan that aims to raise Uganda to the level of a middle-income country in three decades is only a roadmap. The input required is agreed upon with donors. The IMF has provided advice and monitoring and carries out reviews regularly. About a quarter of the national budget still is financed by development partners. Relations with donors have

Effective use of
support
7

become strained since 2011, as the government's priority to short-term policy considerations and its poor record in combating corruption was at issue.

Uganda has been for some time considered a trustworthy, serious partner as far as its policies in the pursuit of economic transformation and reform are concerned. This image has been tarnished by corruption scandals which have led to a partial suspension of aid. In January 2013, the IMF Executive Board stated "the need for a more radical fight against corruption" and welcomed the government's intention "to strengthen public financial management in order to reinforce controls and increase transparency of public sector operations." On the positive side, it should be noted that the discovery of the theft of donor funds which occurred in the prime minister's office was the result of an Auditor-General investigation. International confidence in Uganda's democratization process appears to be on the decline, in view of diminishing credibility in the election process, infringements on the freedom of assembly and reflections on a possible military takeover.

Credibility

6

Uganda's pursues intense cooperation with most of its direct neighbors and despite occasional disputes, relations are good. This applies to its fellow East African Community (EAC) members Rwanda, Tanzania and Kenya, as well as to South Sudan. The relations with the Democratic Republic of the Congo are more problematic, and a number of Ugandan actors were named in a 2012 U.N. report to have abetted rebel forces active in the east of the country. Nevertheless, President Museveni early in 2013 was set to perform a mediating role between Kinshasa and the rebel groups.

Regional
cooperation

8

On 1 January 2013, President Museveni concurrently served as the chairman of the EAC Summit, the Common Market for Eastern and Southern Africa (COMESA) and the International Conference on the Great Lakes Region of Africa (ICGLR).

The emphasis the National Resistance Movement (NRM) party from its beginnings had put on Pan-Africanism, regional integration and international cooperation has not completely been discarded. Uganda is a respected member of the Intergovernmental Authority on Development (IGAD), the African Union (AU), the non-aligned movement and the United Nations. It as well is a member of the Commonwealth and the Organization of Islamic Cooperation (the former Organization of the Islamic Conference, having started its membership in 1974 during the rule of Idi Amin). Uganda intends to nominate its foreign minister as president of the 69th session of the U.N. General Assembly in 2014.

In international peacekeeping efforts, Uganda has taken the lead in Somalia, the AU Mission (AMISOM) being commanded by a general of the Uganda Peoples' Defense Forces (UPDF) and a UPDF contingent providing the bulk of the force. The Bihanga Military Training School in Kamwenge district serves to prepare Somali soldiers for service under the Federal Government of Somalia, with the EU Somalia Training

Mission (EUTM) carrying out the training in cooperation with the UPDF. The Ugandan involvement with AMISOM demonstrates the country's close political and military links with the United States.

Strategic Outlook

Uganda has seen substantial transformation in recent years. The legal framework needed to strengthen and consolidate democracy and a market economy is in place; it might require occasional reforms, but neither an overhaul nor a new beginning. The problem lies with implementation and the lacking congruency of words and deeds.

The political system is defined by the constitution and pertinent laws; on the face of it, there is a clear separation of powers. In practice, the president assumes a role occasionally elongating the confines of his mandate. This partly is due to the still prominent role of the armed forces of which he is the commander-in-chief, and not only in name. Without prejudice to the necessity for Uganda to maintain a viable defense posture it is high time to introduce effective parliamentary control of the country's security agencies and to do away with the special representation of the army in parliament. Credible disentanglement of the close relationship between the ruling party and the state administration is a precondition for the development of a viable multiparty democracy. It has to be noted that the opposition as well is not made up only of flawless democrats.

Ways of balancing the powers of central and local governments still deserve to be scrutinized as long as the political dominance of one part of the country is precluded. Debates have started on the use of (future) income originating from oil extraction. The Petroleum (Exploration, Development and Production) Bill was passed at the end of 2012. It established the Petroleum Authority of Uganda and inter alia gave the minister responsible the power of "granting and revoking licenses" and of "negotiating and endorsing petroleum agreements." Initially parliament opposed such a wide range of influence for the minister, but eventually approved the clause (though in absence of half of all members of parliament). The mystery shrouding government oil policy is widely criticized. Estimates of crude oil reserves run to 3.5 billion barrels, but the start of large-scale production is not imminent. To avoid the "resource curse," international advice might prove helpful.

In the field of human rights, Uganda's necessary laws and relevant supervisory organs are in place. Yet pseudo-legal arguments frequently are used to quell political or social protest or to hamper the work of the media. The legitimacy of peaceful demonstrations ought to be accepted and the police may need more training to deal appropriately with protesters while fulfilling its duty to keep public order. More attention ought to be given to economic rights also enshrined in the constitution, aiming among other things for "safe and healthy conditions" for laborers.

There are enough legal instruments to deal with corruption, but there is no coherent approach to stem it effectively. Its prevalence has undermined the trust of the donor community; even more importantly, ordinary Ugandans take corruption for granted (and have to pay its price in terms of cash and poor public services). Apart from necessary enforcement at all levels, anti-corruption measures ought to as well address the problem of capital flight and tax evasion.

To overcome cleavages in society, more effort is needed. This in particular applies to the structural disparities between, broadly speaking, the north and the south of the country. The rebuilding of Acholiland and the needs of returned internally displaced persons (IDPs) still deserve special attention. The situation of youth (in particular unemployment and the underemployment rate) all over the country, deplorable as it is, requires a creative approach by government and development partners.

Ugandan politicians subscribe to international and national development goals. There are lacunae which need to be filled in the fields of promotion and modernization of smallholder and medium-sized agriculture, vocational training and rebuilding of a structure of health services. Addressing the unmet demand for reproductive health services and the further promotion of gender equality would help to achieve more sustainable population growth.

Uganda in general interacts in a productive way with its neighbors and the international community. This should facilitate the dialogue even over sensitive issues.