

National News

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BY FREDERIC MUSISI

The United Nations (UN) has described sections of the Protection of Sovereignty Bill as inconsistent with various international treaties to which Uganda is signatory, while the Bank of Uganda Governor, Dr Michael Atingi-Ego, warned yesterday of its potential to subvert the country's Balance of Payment (BoP) position.

In the submission addressed to the Clerk to Parliament, Mr Adolf Mwesige on April 24, the UN Resident Coordinator (RC), Mr Leonard Zulu, underlined that certain provisions of the Bill – particularly those relating to definitions, classifications, and disclosure requirements – may warrant careful consideration as to their compatibility with international obligations if interpreted or applied broadly without adequate safeguards.

"Legislation that could restrict international development assistance, technical cooperation, or humanitarian support may raise questions on alignment with Article 2 (1) of the International Covenant on Economic, Social and Cultural Rights (ICESCR) as international cooperation is treated as a duty, not a concession. Any legislative proposal that significantly impedes access to resources, partnerships, data or service delivery mechanisms relevant to health, education, social protection, or humanitarian response requires scrutiny to ensure compatibility with international human rights law and international refugee law," Mr Zulu wrote.

The ICESCR is a multilateral treaty adopted by the UN General Assembly in December 1966, providing a range of protections for civil and political rights.

As the RC, Mr Zulu is the coordinator of all UN agencies in the country. In his submission, he further underlined that the UN Charter, the founding document of the 193-member body signed on June 26, 1945, does not present sovereignty and international cooperation as competing values but as mutually reinforcing principles.

Mr Zulu recommended that Parliament should ensure that the Protection of Sovereignty Bill, among others, clearly differentiates hostile interference from lawful cooperation, preserves space for development, humanitarian, and human rights partnerships, and reflects on Uganda's binding commitments under various articles of the UN Charter; Article 1 on Purpose and Principles, Article 2 on organisational membership, Article 55 on International Economic and Social Cooperation, and Article 56 upon which, "All members pledge themselves to take joint and separate action in cooperation with the Organisation for the achievement of the purposes set forth in Article 55."

Mutually exclusive

Additionally, Mr Zulu reminded Parliament that under the 1969 Vienna Convention on the Law of Treaties,

Go slow on Sovereignty



State minister for Internal Affairs Gen David Muhoozi tables the Bill before the House on April 15. PHOTO/FILE

Uganda is obliged to perform its treaty obligations in good faith.

"While international law recognises that States give effect to treaty obligations through domestic constitutional processes, it also clearly provides that a State may not invoke its internal laws, including constitutional or statutory provisions, as justification for failure to comply with its international obligations," he said.

He added: "It is therefore important that domestic legislation be drafted, enacted, interpreted, and implemented in a manner that gives effect to Uganda's existing international obligations and commitments. Restrictions on funding based solely on foreign origin are presumptively incompatible with international standards. Development cooperation and humanitarian assistance – which to be effective need to be rooted at the grassroots level through partnerships with a vibrant and empowered civil society – are treated as expressions of international solidarity, not interference, when aligned with national priorities or international obligations."

The Protection of Sovereignty Bill, currently before the joint House committees on Defence and Internal Affairs as well as Legal and Parliamentary Affairs, has elicited an avalanche of denunciation from across society, with civil society organisations, political parties, religious leaders, economists, NGOs, and individuals alike calling it economic self-sabotage.

The State minister of Internal Affairs, Gen David Muhoozi, tabled the Bill before Parliament for first reading on April 15, and the general public was given until April 24 to submit comments while the two parliamentary committees consider the comments and make recommendations before Parliament can vote on it.

The current term of the 11th Parliament, whose image is in tatters and credibility has been eroded since mid-2024 due to accusations of corruption and abuse of office, subpar debates, and kowtowing to the Executive, and has



Issue.

This Bill is bringing restrictions into cross-border transactions, meaning that it is bringing restrictions on the inflows to this country, and we run the risk of substantially reducing the inflows into Uganda, which is going to make it very difficult for us to finance the widening finance account balance. So, we are going to have a substantial depreciation of the currency because you need to make imports more expensive in order to equate imports to exports."

– Dr Michael Atingi-Ego, Bank of Uganda Governor

consistently pushed back the narrative as "funded by foreign forces", expires at the end of next month. So, there is a desire to fast-track the legislation.

Several development partners and multilateral missions, according to multiple sources, from the World Bank to the African Development Bank to the UN, among others, have also weighed in on the Bill—highlighting the vagueness and contradictions of the different provisions—adding to the gravity of the matter.

The government, on the other hand, has defended that the legislation is

aimed at curbing foreign influence, securing national interests, and regulating foreign funding for civil society and individuals, framing these actions as "sovereignty protection" against external interference. The Bill targets "agents of foreigners"—broadly defined—by requiring registration and restricting foreign financial, political, or technical support, on the premise of preventing subversion and protecting local autonomy.

Pandora's box of ambiguities

Foreigners, according to the Bill, include non-Ugandan citizens, a Ugandan citizen residing outside Uganda, a foreign government, consulate, high commission, embassy or other diplomatic mission, a corporation, company, non-governmental organisation, a legal entity incorporated, unincorporated or registered outside Uganda, an international or multinational organisation, and any person, institution, or body that the minister may, by statutory instrument, declare to be a foreigner.

Among sections, this categorisation of Ugandans who send money (remittances) from abroad to their relatives for domestic use like paying school fees, education, and health care, among others, or foster relatives who support families on the ground, as "foreigners" has drawn ire about the risk of sabotaging remittances that grew to \$2.5b (Shs9.2 trillion) or 3.8 percent of Gross Domestic Product (GDP) in 2025, according to the Bank of Uganda (BoU).

In the same vein, as per the RCO's submission, legislation, in this case, the Protection of Sovereignty Bill, that disproportionately restricts development partnerships, humanitarian assistance, or civic participation "risks moving from sovereign regulation to treaty inconsistency, contrary to Articles 26 and 27 of the Vienna Convention on the Law of Treaties."

He also raised concern about the ambiguity in the treatment and classification of multinational organisations or their employees as "foreigner", which he said possess the risk of treating le-

gitimate civic participation by citizens abroad as foreign interference, subjecting diaspora engagement in development with sanctions, and indirectly conditioning citizenship rights on physical presence in Uganda.

The World Bank, with a financing portfolio of \$4.74b (Shs17.5 trillion) spread across 18 development programmes run by different ministries, agencies, and departments, has weighed in particularly on this provision in the submissions to the Clerk to Parliament on April 23, arguing the classifications made so far are "narrowly focused."

"The Bill as currently drafted does not distinguish between international organisations operating under treaty-based frameworks and other foreign actors whose activities may warrant the regulatory attention the Bill is designed to provide," the Bank wrote.

Last evening, the World Bank country office declined to be drawn into discussion of their submission to Parliament, but briefly told this newspaper that "Consistent with our standard practice the World Bank Group does not discuss or release the content of official correspondence with member countries and other counterparts, publicly."

However, bank sources intimated that the Bill in its current form is a Pandora's box of ambiguities on many fronts, starting with whether its local staff and those of other multilateral and diplomatic missions need to be registered "as foreigners."

According to Section 13 of the Bill, a person can be accused of economic sabotage after publishing information or participating in any act or activity that weakens or damages the economic system or viability of the country.

The World Bank periodically publishes updates on the economy and other economic sectors. Is publication say on the country's debt-distress compounded by wasteful expenditure and a bloated public administration, worsened by tribalism and a clientele-patronage system, offensive in this case? The processing of the Bill comes at a

Bill, UN tells govt

time when the UN and humanitarian response around the world are grappling with the adverse effects of the realignment of international development financing by the traditional donors.

The Paris-based Organisation for Economic Co-operation and Development (OECD), a forum for evidence-based policy analysis, standard-setting, and economic forecasting, reported a fortnight ago that Germany, the US, UK, Japan, and France (ranked by Official Development Assistance-ODA volume) accounted for 95.7 percent of the total decline in ODA.

On Uganda's macro-economic front, some economists already warned that the Bill risks unsettling the government's lofty dream of increasing GDP tenfold from \$50 billion (2023) to \$500 billion by 2040, since it will affect several economic spheres, from tourism to Foreign Direct Investments (FDI), to worsening the country's already negative foreign reserves.

The BoU Governor, Dr Atingi-Ego, yesterday spelt out to the MPs the Bill's potential to destabilise the country's BoP position. BoP is a comprehensive accounting statement tracking all economic transactions between a country's residents and the rest of the world over a specific period.

"In the FY2024/2025, the overall BoP surplus of \$1.5b (Shs5.5 trillion) was driven by a financial account surplus of \$4.6b (Shs17 trillion); including \$3.4b (Shs12.5 trillion) as Foreign Direct In-



UN Resident Coordinator Leonard Zulu. PHOTO/UN UGANDA FACEBOOK PAGE

vestment, and \$2.1b (Shs7.7 trillion) as portfolio investment."

He added: "This Bill is about

Caution.

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health, education, social protection, or humanitarian response requires scrutiny to ensure compatibility with international human rights law and international refugee law."

— Mr Leonard Zulu, UN Resident Coordinator

cross-border payments, and cross-border payments are about the balance of payments because the balance of payments is a comprehensive record of all economic transactions between a country's residents and the rest of the world over a given period of time. It tracks the inflows and outflows of money from trading goods, services, and financial assets. The balance of payments is divided into current accounts balance and the financial accounts, and of course the capital accounts.

"Now, what is the case of Uganda; the current account balance has always been in the negative because our imports are far much greater than exports. So how do we close this? Through financial flows into the financial accounts, and where these financial flows exceed the deficit in the current account, that is how we build re-

serves.

Now, what is this Bill doing? This Bill is bringing restrictions into cross-border transactions, meaning that it is bringing restrictions on the inflows to this country, and we run the risk of substantially reducing the inflows into Uganda, which is going to make it very difficult for us to finance the widening finance account balance. So, we are going to have a substantial depreciation of the currency because you need to make imports more expensive in order to equate imports to exports."

By press time last evening, technocrats in the Ministry of Foreign Affairs had resolved to cause a meeting with their counterparts in the ministries of Internal Affairs and Defence, as well as the Attorney General, to confer on the "vague-ish" sections of the Bill given its implications on the country's foreign relations.

Diplomats in the Ministry of Foreign Affairs, speaking anonymously to discuss the matter freely, told this newspaper that they have been closely following the matter, including having internal discussions, and the opposition voices against the Bill "appear to have a point."

"It is one thing to regulate, or curtail foreign influence for that matter. It is another thing if your proposed law is this vague, and sooner or later will affect how we transact our foreign relations, economic and commercial diplomacy, investment promotion, and other gains on many fronts," one diplomat said last evening.

Another diplomat, separately, likened the government's communicated intentions behind the Bill as a classic case of "wanting to have your cake and eat it."