

Hunger, Foreign Debt and Uganda's Fairytale Budgets

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An abiding image of Uganda in April 2017 is of a group of elderly people squatting around an anthill, men and women, patting it with bunches of greenery to coax the termites out. They then pluck up the termites and eat them, not as the seasonal delicacy usually caught by young people on moonlit nights but as a primary source of nourishment.

Contrast this with the brass band dressed in brand new navy blue and white dress uniform, with silver buttons everywhere, trooping around for over an hour while dignitaries including members of the diplomatic corps arrive in luxury vehicles. They are there for the reading of the Budget for 2017/2018.

Put these images against the backdrop of foreign debt; the public had earlier been given to understand that sixty per cent. of the revenues for 2017/2018 are earmarked for debt repayment.

The diplomatic corps, many of them Uganda's creditors, attend almost like shareholders at an AGM (Annual General Meeting), there to oversee their investment in the country. In 2014 Britain's Department for International Development (DfID), Uganda's second largest donor, pledged aid to Uganda amounting to £101.5 million (US\$ 135 million at today's rates). Of that £22.5 million went straight into the government Treasury; ring-fenced for health, education and civil service reform. DfID have known for decades that ring-fencing does little to stop the government from dubious spending such as invading foreign countries and having bullet-proof convoys and brass bands attending His Excellency.

It has not been conclusively established how much goes into private bank accounts but the country ranks very low on the Corruption Perception Index. Foreign governments are fully aware that loans and aid advanced to the Ugandan government for development are at serious risk of embezzlement. An extensive report on financial scandals current in 2010 was sent from the American Embassy in Kampala to the US Department of Justice and Secretary of State on January 5th 2010. The health and education sectors, both heavily dependent on donor grants featured among the twelve entities and activities named. Total losses, where quantification was possible amounted to US\$112 million. In other words, almost equal to the UK's pledge of aid for 2014 (losses by the Ministry of Education one of the biggest victims of corruption were not quantified).

Among other conclusions the American mission to Uganda stated the following, "Government corruption is a daily theme in Uganda media, and the most corrupt government officials and institutions are well known to the general public. Shining very public and bright lights on these officials' misdeeds, however, seems to have little impact as a deterrent or accountability measure. Many Ugandans believe President Museveni will never hold top NRM officials - like Security Minister Amama Mbabazi, Foreign Minister Sam Kutesa, and Trade Minister Kahinda Otafiire - accountable for corruption, and Uganda's continued failure to seriously investigate and prosecute allegations of corruption involving senior government officials seemingly supports such

conclusions.” [1]

Foreign aid also pays for the means of repression; anti-riot gear, tear-gas and the bullets necessary to silence queries about the weirdness of it all. The [British and Irish governments](#) are the chief enablers of the Uganda Police Force in repressing free speech.

One of Uganda’s main economic challenges is to increase the household incomes of the eighty per cent of the population engaged in smallholder farming and the urban semi- and unemployed. As a result of climate change, drought and famine are no longer rare in Uganda. In 2014 Karamoja’s 1.37 million people were assessed as being at various stages of food insecurity. 18% of the population was in the crisis phase of the Integrated Phase Food Security Classification (IPC). A further fifty eight per cent were at Phase 2, described as being stressed. Households had exhausted their food stocks by March of that year.

Food insecurity in parts of the country is so persistent that the World Food Program’s emergency aid has become a permanent operation in Karamoja and parts of Teso. It is designed to address ‘extreme poverty, chronic food insecurity and poor access to basic social services’ by providing food, a high nutrition compound that sounds like a sort of emergency biscuit, school meals and other aid.

The famine of 2017 set in in 2016, having been forecast by the Famine Early Warning Network early in the year. Yet the Auditor-General’s report states the government, in violation of the Public Finance Management Act, did not transfer any money in to the Contingency Fund which serves as the disaster-preparedness reserve. In a way that was a rational decision, after all why should they provide basic services when the World Food Program and other donors are there to take up the slack? DfID provides cash for distribution to ‘the most vulnerable households.’ They have the money and clearly development workers enjoy the adventure; excellent climate, healthy food, domestic servants, walkie-talkies and off-roaders and massive compensation for the sacrifice. A domestic worker tells the story about her boss who whenever she came back from the market, arranged her fruits and vegetables on a table, photographed them and posted the picture on the internet. ‘I could never afford food like this at home.’ She said.

Today, one fifth of Uganda’s population, eighty per cent of whom are peasant farmers, lives below the poverty line - the budget claims to be addressing that. To increase agricultural production and therefore food security, the plan is to combat famine by introducing irrigation systems. To boost household incomes, seedlings for cash crops are to continue to be distributed.

Machinery to process grains and oilseeds is to be identified and credit made accessible to farmers wishing to buy it. The only trouble is that we have heard it all before. The National Agricultural Advisory Services lost US\$40 million to corruption according to the American cable quoted above.

Irrigation was promised in the 2010 budget and every year since then until 2017. None of this was high-technology, just rehabilitating old colonial valley dams or building new ones using the same rudimentary models.

In 1999 the Minister for Agriculture was engulfed in a valley dam scandal involving 3.4 billion shillings (say two million dollars). On inspection, the dams could not be found. The minister claimed the dams were built but had been covered up by silt. In 2002/2003 UGX 3.86 billion shillings (approximately 2.3 million dollars at the time) was used to build valley dams in the Karamoja area with disastrous results; in many cases the engineering incompetence of three foreign contracting firms resulted in dams not fit for purpose; some were actually washed away when the rains eventually came. Many of those left standing were vandalized owing to absent security measures.

Going further back, the national development plan for the period 1962 to 1966, authored by the International Bank for Reconstruction and Development, talked about introducing irrigation and farm inputs.

Seeds and seedlings have been distributed by the tonne and access to machinery and agro-credit have been announced in every budget for the past seven years (with the exception of 2016 when there were no seeds). Controversies surrounding the quality of the seeds and the percentage of them that germinate have followed.

A national fund to provide micro-finance to support small businesses and producers, the Microfinance Support Centre (MSC) was subject an audit in 2011 which resulted in the suspension of the board, the chairperson of which was an ex-Vice President. The Auditor General had found that the MSC was distributing political patronage by making [interest](#)-free loans above the approved threshold. Some of them were also accused of diverting funds for their personal use.

So in 2017 we are still at the beginning: the government has now pledged to pilot-test solar-powered irrigation before making it available to the population. Two different solar-powered irrigation units were designed by the staff of Makerere College of Engineering, Design, Art and Technology in or around 2011. The units are affordable to smallholder farmers and one type is made from recycled materials. However Ugandans will not be surprised if these innovations are overlooked in favour of a costly foreign supplied solution procured amidst the usual bribery and embezzlement scandals, paid for with a combination of donor and taxpayer's money before disappearing in to the nugatory expenditure statistics.

With education it is the same story of non- or under-performance. While universal primary education (a favourite of DfID's) is now twenty years old, the primary completion rate has only just gone up to sixty-two per cent if government figures are to be believed. (In 2014 Unicef gave the figures as 24.8 per cent. based on administrative data and 71.6 per cent. based on survey data.)

Of those who complete primary school, a significant proportion still have poor numeracy and literacy skills. It is no wonder; not much over half of the funds arrive in school coffers, the rest evaporating en route. In the health sector, the Minister of Finance reported, yet again, the continued problem of drug stock-outs, all the anti-theft and anti-corruption interventions of prior years notwithstanding.

Regardless of all of the above, the government felt sufficiently confident in this year's budget speech, to move the target date for attaining middle-income status forward by two decades: originally planned for 2040, we are now to attain it in 2020 according to the broadcast budget speech.

Agricultural output is going to be increased, educational outcomes improved and corruption eliminated – just like that. That suggests that all the intractable service delivery challenges that have persisted for the duration of the government's thirty-year tenure, shall be solved within the next three years.

If it happens, it will not be the result of productive work. Nor will it be because stolen money has been returned from foreign bank accounts. Rather the income from the newly discovered oil which is due for drilling and its sale in its raw state will boost the arithmetical national average income figure but is unlikely to have an impact on individual poor households. At the risk of sounding lugubrious, it has to be said, the theft of oil revenues signaled in the American mission's report is already underway.

A prime example is the revelation that in 2016, a famine year, His Excellency the President

authorized forty two government officials to pay themselves a gratuity of over six billion shillings (1.4 million Euros) out of income earned from oil concessions. "I reject that I did anything wrong. I am very proud of these young people," he said. [2]

What is guaranteed is that foreign debt will continue to cripple the economy and foreign governments and NGOs shall continue to pour their taxpayers' money in to providing the social services, the provision of which Uganda's government has abdicated responsibility. Foreign corporations and their governments shall continue to be paid interest, fees and commissions while their 'prancing pro-consuls' shall be captured on film, solemnly listening to fictional budget speeches and marveling at the utter gullibility of ordinary people in their countries and ours.

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P.S.

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Footnotes

[1] Source: https://wikileaks.org/plusd/cables/10KAMPALA5_a.html. Foreign Minister Sam Kuteesa was tried and acquitted on the allegations to which the cable refers. At various times ruling party Secretary General, Minister of Security and Attorney General, Amama Mbabazi, is referenced in connection with a multi-million dollar land sale to the National Social Security Fund. Kahinda Otafiire who has served as Minister of Justice among other positions is mentioned in reference to his dissolution of the National Bureau of Standards with whom he was in dispute over the inspection of vehicles he was importing. He has since been linked to separate scandals involving a land give-away and pensions.

[2] President Museveni says Shs. 6 billion 'handshake' was deliberate Tuesday 17th January 2017
PPU, source: State House of Uganda website.
<http://www.statehouse.go.ug/media/news/2017/01/17/president-museveni-says-shs-6-billion-%E2%80%98handshake%E2%80%99-was-deliberate>.