

Public Debt Integrity Series

# Legislative oversight of public debt as a mechanism of promoting human rights in Uganda: A critical appraisal

Uganda

09

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Foreign, Commonwealth  
& Development Office

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# Executive summary

This study, using a descriptive qualitative design, explored the legislative oversight of public debt in Uganda by examining the extent the oversight was based on human rights principles enshrined under international human rights law. The study found that the Parliament of Uganda has sufficient legal tools to use to ensure effective oversight of public debt. It also has a detailed committee system and legislative support staff at its disposal. Evidence of interrogation of the economic variables of public debt was found.

But the overall finding was that legislative oversight was largely rubber-stamping the interests of the lenders and the executive branch. The political incentive structure, which pushes legislators to take on the role of service provision rather than that of oversight, was a major hindrance to legislative influence of public debt for human rights promotion. Due to this incentive structure, loan projects were regarded by legislators as sources of funds for use for political objectives. In addition, the legislative oversight architecture did not confront the hand of global capitalism in pushing dubious loans for own interests.

The study recommends that a new legislative oversight system that is transformative and disruptive should be created. The new oversight system should leverage human rights-based approach in its work and fearlessly demand debt justice. The new system should build alliances with the marginalised communities and human rights defenders.

**KEYWORDS: LEGISLATURE, OVERSIGHT, PUBLIC DEBT, HUMAN RIGHTS, INTERESTS**

# 1. Introduction

Despite more than three decades of public debt management and legislative oversight in Uganda, public debt remains a dilemma. Uganda has been borrowing to finance its budget deficit since it acquired political independence in 1962. In the 1980s and 1990s, its debt burden became unsustainable. In 1998, it received debt relief worth USD 347 million under the Heavily Indebted Poor Countries (HIPC) Initiative. In spite of the relief, its budget deficit continued to increase, leading to new external borrowing. In 2000, it applied for another relief under the enhanced HIPC Initiative. The relief was given on condition that the savings from the forgiven debt payment should be invested in anti-poverty reduction programmes. The relief did not reduce the debt burden of Uganda. Uganda continued to approach the lenders for further help. In 2006, Uganda's debt to all the multilateral lenders was forgiven under the Multilateral Debt Relief Initiative (MDRI). As a result, Uganda's debt stock was reduced from USD 4.5 billion to USD 1.3 billion. The remaining debt was owed mainly to the bilateral lenders.

However, since then, more debt was acquired from the multilateral lenders, bilateral lenders, commercial banks, and domestic market. The government has also taken on goods and services from domestic suppliers on credit. Over time, it has accumulated huge domestic arrears. As of June 2021, Uganda's domestic arrears was about UGX 4.65 trillion, with annual government allocation of UGX 697.97 billion (Committee on National Economy, 2022). This money is owed to companies that supplied goods and services to government and to citizens in terms of pensions, salaries, wages, and court awards. In 2022-23, the Uganda government planned to borrow UGX 55 billion per day to finance its budget (Initiative for Social and Economic Rights, 2022, 1). According to the 2023 report by the Auditor General of Uganda, by June 2023, Uganda's public debt was UGX 96.1 trillion (equivalent to USD 25.3 billion), which constitutes 52% of Uganda's gross domestic product (GDP). External debt servicing is projected to account for 35% of GDP in 2024-25.

Article 159 of the Constitution of Uganda granted parliament the duty of a gatekeeper of external borrowing. With the legislature having the final say of how much was borrowed, from who and for what purposes, it was hoped that public borrowing would be undertaken for the purpose of advancing the wellbeing of the citizens. However, this study will argue that legislative oversight of public debt alone will not lead to debt sustainability. The legacies of colonialism and the current predatory global credit system are enduring conditions for developing countries' debt unsustainability, and these structural problems need to be addressed first before attention is directed to the role and effectiveness of national legislatures of borrowing countries.

The objective of this study was to assess the extent Uganda's parliament utilised human rights principles and standards in scrutinising public debt. The study hypothesised as follows: Global capitalism and its overriding interest in extending credit to borrowing countries is primarily for profit maximisation, exploitation and control rather than human rights advancement. The executive authority in Uganda does not borrow resources to primarily invest in human rights programmes in fulfilment of its human rights obligations under international human rights law. The Parliament of

Uganda has not used its oversight mechanisms to champion human rights advancement using the instrument of public borrowing.

The premise of this paper is that legislative oversight of public debt is not an end in itself, but rather, a means to the realisation and fulfilment of human rights of the citizens in the borrowing country. Thus, this study explored how the legislative oversight of public debt was structured and conducted in Uganda with a view to identifying the laws, processes, institutions, and actors that Uganda's parliament relies on to advance human rights through the vehicle of public borrowing. This study argued that effective oversight of external debt relies on human rights law to ensure that human rights values and principles underpin loan agreements and loan project design, formulation, implementation, and audit. In addition, the oversight should go beyond focusing attention on the national actors to include international duty bearers, especially the lending powers who determine the price, conditions and volumes of what is lent (Cormier, 2021) and ultimately how the borrowed funds are used.<sup>1</sup>

The study adopted human rights principles<sup>2</sup> as the evaluative normative standards against which legislative oversight of public debt was assessed. This study adopts the IPU and UNDP (2017) definition of oversight to refer to the parliamentary activities of 'questioning', 'challenging', 'scrutinising', 'holding inquiries', 'making recommendations', 'holding government to account', and 'promoting solutions' favourable to the needs of the citizens.

## Structure of the paper

The paper has five sections. The first part introduces the enduring problem of public debt in Uganda. The second part reviews theoretical debates about debt and legislative oversight, and outlines the human rights-based approach that underpins the study. The third section describes the laws and parliamentary oversight mechanisms and processes used to oversee public debt. The fourth section discusses the findings, and the fifth section concludes with recommendations.

This study used a descriptive qualitative research design to describe the laws, structures and processes of legislative oversight of public debt in Uganda. The study used a combination of desk review of official records of parliament and key informant interviews to gather relevant data.

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<sup>1</sup> See Ben Cormier (2021). He argues that international political interests shape developing countries' access to and terms of official multilateral and bilateral credit.

<sup>2</sup> The principle that the state has a duty to take measures to ensure that human rights are fulfilled and the measures do not adversely affect the enjoyment of human rights. The measures should not discriminate negatively against the vulnerable groups and should not be retrogressive. The process of designing and implementing the measures should be transparent, participatory, inclusive, accountable, and non-discriminatory. See 'Guiding principles on foreign debt and human rights', UN Document A/HRC/40/57. <https://www.ohchr.org/en/documents/thematic-reports/ahrc4057-guiding-principles-human-rights-impact-assessments-economic>

## 2. The theoretical framework: literature review

### 2.1. Debt and imperialism

Many commentators argue that debt crisis in Africa is not an accident or a result of lack of effective legislative oversight. They locate the main problem of Africa's debt crisis in the logic of global capitalism. To this end, Opa Kapijimpanga (2023) persuasively argues that unless Africa exits the dependency and underdevelopment mode in which it has been trapped since colonialism, it will remain in perpetual debt crises. To Ronald Mangani (2022, 11), "debt is a key instrument for the perpetuation of colonisation in Africa." Debt is a vehicle used by the lenders to control, exploit and direct the affairs of the borrowing countries for the benefit of the former (Chaker, 2021). The Initiative for Economic and Social Rights (2022) and Center for Social and Economic Rights (2022) argue that debt is a ploy to reconquer Africa and subjugate its growth and development. Innocent Chinazaekpere UwakweJ and Jude I. Onebunne (2022) opine that at the heart of international lending and indebtedness is imperialism. Thus, debt crisis in Africa should be understood within the Western-led neoliberal hegemony (Gort and Brooks, 2023). Hannah Ryder and Yike Fu (2021) note that the current global debt system is opaque and problematic, and is incredibly skewed towards meeting the immediate needs of the creditors. As Stuart Corbridge (1993:197, cited in Gort and Brooks, 2023), says a case-by-case approach to debt management misleads insofar as it fixes upon one symptom of a deeper malaise.

Ronald Mangani (2022) argues that the perpetuity of Africa's rising debt challenge will persist until the current global financial architecture is replaced with an alternative continental financial architecture that cares about Africa. To this end, Ryder and Fu (2021), argue that Africa's crisis is lack of access to cheap finance, hence Africa needs to form a borrower's club to apply for financing together as a group using as collateral each other's growth prospects alongside accountability to each other and each other's citizens. They argue this would reduce the vulnerability of individual country borrowers in the current debt system where lenders are united under frameworks like Paris Club or multilateral lending. They also propose that Africa should establish the African Monetary Fund (AMF), to serve as a pool for African Central Bank reserves as well as national currencies for African Union (AU) member states. The AMF would serve as lender of last resort and conduct macroeconomic surveillance of AU member states and thus promote a more integrated, sustainable and equitable African economy that benefits the continent. From the foregoing account, it appears the tragedy of African indebtedness cannot be fully combated without addressing Western capitalists and Chinese interests in Africa. This study aims to unravel the strategies Ugandan legislators were advancing to forestall the predatory lending practices at the heart of global capitalism that fuel debt crisis in Uganda and Africa in general.

However, some commentators also argue that international financial institutions (IFIs) are trying to push for democratic governance in developing countries using the democratising conditions

attached to external lending. This explains why autocratic regimes are abandoning concessional lending by the IFIs and rushing for bilateral (especially Chinese) loans and commercial lending from commercial banks and Eurobonds (Cormier, 2021). The validity of this assertion would be partly established if loans from IFIs were subjected to a human rights impact assessment by parliaments through oversight.

## 2.2. Debt crisis as a bad governance issue

Other commentators opine that debt has no inherent problems. Countries have historically borrowed funds from external sources or internally to finance their development agendas (Ssempala Richard and others, 2020). Gregory Smith (2021) argues that when borrowed funds are prudently invested in projects that have the potential to unlock productivity challenges, they produce economic returns from which the debt is repaid. Under this school of thought, debt crisis in Africa is attributed to “misfortune or mismanagement” (Smith, 2021). Misfortune is linked to the volatile prices of unprocessed commodities that African countries export in the international markets, which fetch low prices. However, some critical scholars like Fantu Cheru (2017) and Charles Chukwuma Soleda (1998) vigorously reject this line of argument. To them, the deindustrialisation of Africa is a tool that has been consciously used by Western capitalism and imperialism to exploit and control Africa since colonial times to date. Shinyekwa and others (2016) indicate that Uganda has, due to neoliberal structural adjustment policy promoted by the international financial institutions on behalf of Western capitalism, adopted a laissez-faire approach to industrialisation since the late 1980s, with depressive levels of industrial transformation.

Cheru (2017) contends that African governments are not without blame in the debt drama. Most African countries acquire loans to benefit the ruling elites and their supporters. Other scholars such as Pantaleo Rwelamila and Neha Purushottam (2012) and Lavagnon Iki (2012) contend that the failure of loan projects to deliver to citizens is due to bureaucratic incompetence or inadequate project management knowledge base in Africa.

### A) Theoretical debates on legislative oversight of public borrowing

Some commentators regard legislative oversight as an integral part of the system of checks and balances to prevent abuses by the executive branch through dishonesty, waste, arbitrariness, unresponsiveness or deviation from legislative intent (Adina Maricut-Akbik, 2021). Legislative oversight of public debt can prevent both the reckless borrowing and future excessive taxation of the citizens, and the creation of a fiscal illusion (James M Buchanan and Richard E Wagner, 1977). Ugo Panizza (2008) gives guidance that excessive borrowing can be tamed through the legislatures setting: specified debt ceilings; borrowing objectives; carrying out oversight of government finances; and conducting post-debt disbursement audits. The principal-agency theorists such as Jonathan Bendor, Amihai Glazer and Thomas H Hammond (2001) and Terry M Moe (1984) would contend that government is an agent of the principals, doing delegated work and supervised by the legislature.

Other theorists approach legislative oversight from a partisan political theoretical perspective. Oversight, due to divergent interests, involves oscillation between agreement and disagreement, cooperation and conflict (IPU and UNDP, 2017, 20). The partisan political interests will affect

consensus building and decision making (MacGregor, 2021). On the other hand, public choice theorists like James M Buchanan and Gordon Tullock (1962) and William A Niskanen (1971) would opine that oversight is affected by personal political interests. Here, legislators as self-interested individual actors take decisions during public borrowing discussions depending on their individual political calculations. Institutional theorists such as Douglas C. North (1990) and Kenneth Shepsle and Barry R Weingast (1987) focus on institutional structures, such as committees, rules of procedures, and legal mandates, and how these shape legislative oversight processes and outcomes. Some authors suggest that committees are the single most significant and agile instrument of parliamentary oversight (IPU and UNDP, 2017), and key determinants for the efficacy of a parliament (Sarangan, 2020). Committees are essential tools to enforce accountability and foster a strong public financial accountability culture (Alowolo, 2010). The broad objective of parliamentary oversight through committees is to enhance the quality of government through evidence gathered in inquiries from which appropriate conclusions and recommendations are drawn and presented to Parliament (IPU and UNDP, 2017). However, the literature about the adoption by the parliamentary plenaries of committee recommendations is scanty. This study will partly address this gap.

Neo-institutionalism looks at the informal or hidden structures and underground rules and negotiations that go on behind the curtains. To this end, Phillips Lucie and Seck Diery (2004:5) aver that, “in the formal institutional conduits for policy making, there are informal and formal processes and private or group interests that compete over policy.” Other commentators, such as Greg Power (2021, 8), contend that it is not structures and institutions that only matter, but also the behaviour of actors as a result of the existing political incentive structure.

Others approach legislative oversight of public debt from the analytical economic tools that should be used. Legislators are urged to deploy economic frameworks, tools and guides to promote debt sustainability. Dubrow (2020, 16) demystified public debt for parliamentarians by underlining key indicators that legislators should prioritise in their public debt oversight. Uganda’s public debt management strategy (2023) identifies key economic risks that need to be focused on as: Rollover/refinancing risks; interest rate risk; foreign exchange rate risk; contingent risks; operational risks; compliance and legal risks; and IT risks.

One of the weaknesses of the economic and institutionalist approaches is to uncritically depoliticise and de-historicise public borrowing, and abstract it from everyday struggles of the oppressed people. These approaches ignore or hide the global dimension to public borrowing and cover up the role and interests of lenders in the crippling debts in borrowing countries.

## **B) Human rights-based approach to public debt oversight**

This study is grounded on the human rights-based approach to development. Under this approach, the realisation of human rights must be the fundamental objective of fiscal policy and public

borrowing.<sup>3</sup> Under this approach, the legislature has a duty to ascertain whether the public borrowing is undertaken to advance human rights, and whether projects to be financed by public borrowing are to fulfil, not violate, human rights. In addition, parliament has a duty to ascertain whether the process of project formulation, loan negotiations, project implementation and oversight are done with human rights principles of inclusivity, participation, transparency, non-discrimination and accountability. Both lending entities and borrowing governments have an obligation, arising from international human rights law, to respect, protect and fulfil all human rights at all times in their fiscal policies, and are legally obliged to conduct human rights impact assessment of borrowing and lending to prevent harm to social, economic, political and civil rights of the citizens (see, UN ‘Guiding principles on human rights impact assessment of economic reforms’, A/HRC/40/57)<sup>4</sup>. Under the human rights-based approach to public borrowing, “The burden of proof is on the government and its economic partners [the lenders] to demonstrate that the proposed economic measure will help realise and not undermine the human rights of the state’s population.”<sup>5</sup>

## 2.3. Results and discussions

This study was to establish whether the Parliament of Uganda has laws and mechanisms and, if so, employs them to scrutinise public debt to ensure that its acquisition and utilisation advance human rights. Below are the findings.

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<sup>3</sup> See Center for Economic and Social Rights, ‘Principles of human rights in fiscal policy’ (2021). <https://www.cesr.org/principles-human-rights-fiscal-policy/>

<sup>4</sup> [https://www.ohchr.org/sites/default/files/GuidePrinciples\\_EN.pdf](https://www.ohchr.org/sites/default/files/GuidePrinciples_EN.pdf)

<sup>5</sup> See Guiding principle 3 on foreign debt and human rights by the UN independent expert on the effects of foreign aid, found in UN document A/HRC/40/57.

# 3. The enabling legal framework for legislative oversight of public debt

## 3.1. Power of legislative authorisation of public borrowing

The power to raise a loan or issue a guarantee is solely vested in the Minister of Finance (section 36 (1) of the PFMA). However, parliament is the gatekeeper of all public borrowing with two exceptions.<sup>6</sup> To this end, it enjoys the following powers:

- Power to authorise all borrowing and guarantees as per article 159 (2) of the Constitution of Uganda.
- Power to authorise borrowing for public private partnership projects (section 12 (3) of the Public Partnership Act 2015).
- Power to authorise domestic borrowing except for a loan raised for purposes of monetary policy (section 36 (5) of PFMA) and a loan raised through issuance of securities.

## 3.2. Purpose of borrowing or guarantee

The law limits public borrowing to the following purposes: Financing budget deficit, managing monetary policy, obtaining foreign currency, on-lending to other entities, and defraying an expenditure which must lawfully be defrayed (Section 36 (2)).

For guarantees, the beneficiary entity should demonstrate that the intended purpose of the loan is consistent with government policy and in public interest; and the borrowing entity should demonstrate capability of servicing the loan (Section 39 (2)). The guarantee should not exceed the amount approved by parliament in the Appropriation Act or Supplementary Appropriation Act of the financial year or exceed the targets for guarantee specified in the Charter for Fiscal Responsibility (Section 39 (3)).

## 3.3 Annual reporting to parliament on public debt, guarantees and any other financial liabilities, such as domestic arrears

Parliament receives annual reports from the Minister of Finance on debt stock – total indebtedness by way of principal and accumulated interest, the provisions made for repayment of the loan, utilisation and performance of the loan (Article 159 (4), and Section 40 of PFMA), and on existing

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<sup>6</sup> A loan raised for purpose of management of monetary policy and loans raised through issuance of securities are exempted from scrutiny of Parliament. See Section 36 (5) of the Public Finance Management Act 2015. [PUBLIC FINANCE MANAGEMENT ACT 2015 | Ministry of Finance, Planning and Economic Development](#)

guarantees (Section 39 (4) of PFMA) and on the status of public private partnership (PPP) projects funded by public debt (section 26 of PPP Act).<sup>7</sup>

### 3.4. Monitoring the debt investment and audit of public debt

Parliament has the duty to monitor utilisation of all public funds (Article 164 (3) of the Constitution of Uganda) and to scrutinise reports by the Auditor General on the public accounts of Uganda including public debt (Article 163 (2)), and on public private partnership projects (see Section 30 of the PPP Act) and take appropriate actions.<sup>8</sup>

### 3.5. Public debt management strategy

The Minister of Finance is enjoined to manage the public debt, develop a medium-term debt management strategy, and to report on the management of debt annually against the national development plan, charter of fiscal responsibility and the medium term debt management strategy (Section 40, PFMA).

### 3.6. Annual borrowing plan

The annual borrowing plans are disclosed in the annual budget estimates (Section 13 (10) (a) (ii) and (ii)). However, the prospective creditors and the terms and conditions of the planned borrowings are not disclosed in the estimates (Report of the Committee on National Economy, 2022).<sup>9</sup>

### 3.7. Annual borrowing limits

Annual borrowing limits are contained in the Charter of Fiscal Responsibility made by Minister of Finance after a general election. The 2022 Charter of Fiscal Responsibility<sup>10</sup> sets the following limits:

- Reduce public debt in nominal terms to below 50% of the GDP by the 2025-26 financial year.
- Reduce total domestic debt interest payment to total revenues excluding grants to 12.5%; to maintain the nominal public guaranteed debt to GDP to below 5%.
- Ensure that government borrows from Bank of Uganda only in accordance with the law. The charter was approved by parliament.

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<sup>7</sup> The annual report does not include an analysis of the government's debt management performance for the past year (Dubrow, 2024, 15).

<sup>8</sup> See Article 163 (5) of the Constitution of Uganda.

<sup>9</sup> <https://parliamentwatch.ug/committee-reports/report-of-the-committee-of-national-economy-on-the-performance-of-the-economy-as-at-june-2022/>

<sup>10</sup> [CHARTER FOR FISCAL RESPONSIBILITY UGANDA FY 2021/22 – FY 2025/26 | Ministry of Finance, Planning and Economic Development](#)

However, the borrowing limits have not been respected. No sanctions exist for non-adherence.

### 3.8. Enabling rules of procedure of parliament

The Uganda constitution<sup>11</sup> and parliamentary rules of procedure<sup>12</sup> create committees and give them powers to oversee the ministries and departments, and powers to enforce the attendance of any person and compel the production of documents and examine witnesses. A committee, called the Committee on National Economy, was created to specifically scrutinise draft loan agreements and examine the terms and conditions of the loans introduced by the executive in parliament for ratification and to advise parliament.<sup>13</sup> A human rights committee was also established to track and report on human rights concerns in every business, including the business of public borrowing, handled by parliament.<sup>14</sup> Furthermore, a committee on equal opportunities was also created to examine and make recommendations on bills and other matters to ensure compliance with the relevant constitutional provisions and international covenants on human rights and favourable responsiveness to gender, and other marginalised groups.<sup>15</sup> Through reforming the rules in 2022, the executive was compelled to always provide detailed information on the terms and conditions of the proposed loans and project readiness for implementation so that borrowed money does not lie idle and attract penalties.

Rule 155 (5) and (7) obliges the executive, when submitting a loan request to parliament for approval, to accompany the request with:

- Draft financing agreement;
- List of financing options considered when identifying the lender;
- Loan disbursement and repayment schedule;
- Letter from the National Planning Authority<sup>16</sup> clearing the project;
- Social-economic impact assessment report;
- Performance report for all the projects being implemented by the sector;
- Evidence of consistency with the National Development Plan and sector strategy;
- Evidence of availability of counterpart funds in the budget;
- Project appraisal document;
- Project procurement plan;

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<sup>11</sup> See Article 90 of the Uganda constitution.

<sup>12</sup> Rule 208 of the Rules of Procedure of Parliament (2022).

<sup>13</sup> See Rule 178 of the Rules of Procedure of Parliament (2022).

<sup>14</sup> Rule 185 of the Rules of Procedure of Parliament (2022).

<sup>15</sup> Rule 183 of the Rules of Procedure of Parliament (2022).

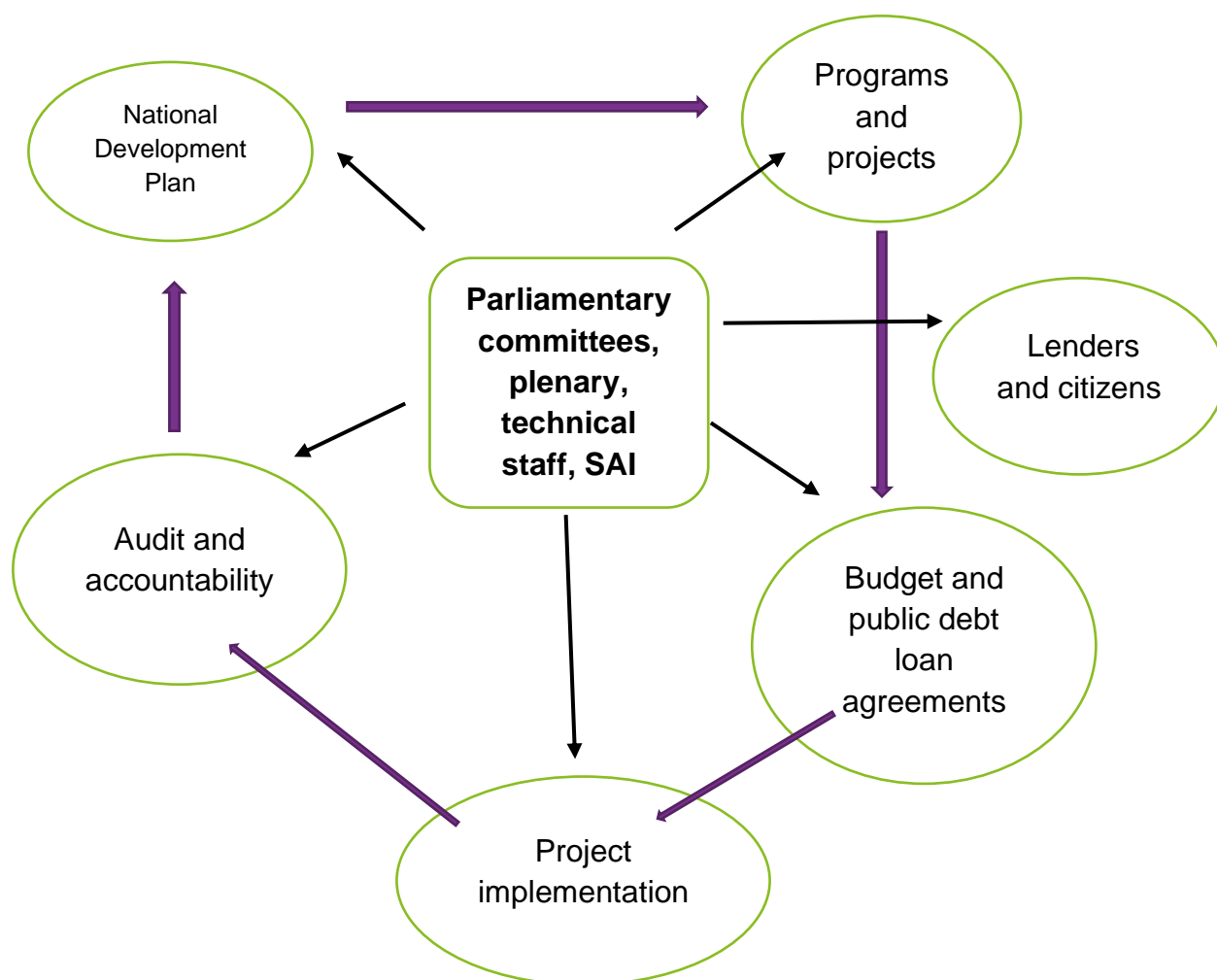
<sup>16</sup> <https://npa.go.ug/>

- Project implementation plan;
- Project management structure;
- Resettlement action where applicable;
- Environmental impact assessment report;
- Performance of past loans; and
- Any other document considered necessary by parliament.

From the foregoing account, it is clear that the Parliament of Uganda has got sufficient legal mandate to provide effective oversight of public debt in Uganda to ensure that loan acquisition and utilization are undertaken to advance human rights. However, these pieces of legislation are scattered. In the succeeding section, we examine whether the enabling laws and rules and legislative oversight mechanisms have been purposively employed to champion human rights realisation using the measure of public borrowing.

### 3.9. Other mechanisms for legislative oversight of public debt value chain

The figure below is a conceptual framework that demonstrates parliamentary oversight of public debt



*Graph by the author of this paper*

Accordingly, effective legislative oversight of public debt can be realised when parliament engages at six levels: 1) National development planning; 2) project implementation management (appraisal, selection, costing, implementation and audit); 3) budget and loan agreement scrutiny; 4) interaction with the lenders and the citizens; 5) implementation of projects; 6) audit and accountability. At the heart of legislative oversight are the committees, presiding officers, technical staff, supreme audit institutions, and the public and plenary debates and decision-making. Lenders and the citizens should be engaged in the public debt discussions.

## 3.10. Committees

Committees are the principal mechanism of public debt oversight in Uganda. There are more than 10 parliamentary committees that have an oversight role to play at different stages of public debt management oversight. These committees are supposed to ensure that borrowed funds are invested in projects that will contribute to the betterment of the lives of the citizens. Committees scrutinise draft loan agreements and supporting documents and make recommendations on the suitability or otherwise of the proposed borrowing.<sup>17</sup>

## 3.11. Other oversight mechanisms of parliament

Plenary debates constitute another mechanism for public debt oversight. It is at the plenary level that loan agreements are ratified, after debate, and after a committee that studied the loan agreement and loan implementation framework has reported its findings and recommendations. Parliamentary staff are also an important mechanism for public debt oversight. They are supposed to analyse the draft loan agreements and loan utilisation or implementation framework from different perspectives including economic, legal, environmental, and human rights, and advise the politicians. Scrutiny of the budget estimates presented by the executive to parliament is another important opportunity and mechanism of legislative oversight of the public debt. This is because borrowing proposals originate from the fiscal policy of government (Cormier, 2021). In addition, supreme audit institutions such as the Office of the Auditor General,<sup>18</sup> the Human Rights Commission<sup>19</sup>, the Equal Opportunity Commission,<sup>20</sup> the National Planning Authority<sup>21</sup> and the Inspectorate of Government <sup>22</sup>are important mechanisms of legislative oversight of public debt.

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<sup>17</sup> The relevant committees are: the Committee on National Economy, which has a mandate to scrutinise loans for their economic suitability; the human rights committee; the Committee on Budget; the Committee on Equal Opportunities; the Committee on Climate Change; the Public Accounts Committee; the legal and parliamentary affairs committee; and other relevant committees depending on which sector is going to implement the loan project.

<sup>18</sup> <https://www.oag.go.ug/welcome>

<sup>19</sup> <https://uhrc.ug/>

<sup>20</sup> <https://www.eoc.go.ug/>

<sup>21</sup> <https://npa.go.ug/>

<sup>22</sup> <https://www.igg.go.ug/>

## 4. Findings

Have these mechanisms been leveraged together with the enabling legal framework to scrutinise public debt with a view to advancing human rights? Does Uganda parliamentary plenary always heed the recommendations of its committees on public debt? Below, we address these questions.

### 4.1. National Development Plans and public debt

In Uganda, public borrowing emanates from the country's National Development Plans, developed by the National Planning Authority (NPA). The plans are expected to be the national human rights plan of action. The plans are approved by parliament before they are rolled out for implementation (Section 8 (6) NPA Act). The plans recommend sources of funding. The Third National Development Plan 2020/21-2024/5 was passed by parliament without any changes on the same day it was introduced by the executive due to time constraint. This means the plan was just rubber-stamped. In July 2022, parliament amended its rules to provide for clearance of all project loans and to ensure that there is evidence of consistency of proposed loan projects with the National Development Plan and sector strategies.<sup>23</sup> However, this provision is not always strictly enforced. For example, on 8 August 2024, the Committee on National Economy appealed to the house to desist from approving a loan until the minister responsible for finance presented clearance from the National Planning Authority. The appeal was not heeded and the loan was approved without clearance by the National Planning Authority.<sup>24</sup>

### 4.2. Budget oversight and public debt scrutiny

One of the legislative and oversight functions of parliament is to scrutinise the national budget in which public borrowing is indicated. Parliament has got six months within which to scrutinise the budget. In the budget approval process, parliament through its committees on finance, budget and national economy has an opportunity to scrutinise the medium term debt management strategy and debt sustainability analysis. It also has a mandate to assess whether the budget deficit is realistic, and cannot be financed by other means, other than by borrowing.

Committees have no opportunity to examine proposed loan figures, costs, terms and creditors during the scrutiny of the national budget. In this regard, the Committee on National Economy (2022, 25) reported how parliament was rubber-stamping budget support loans thus:

*“The budgets are approved with a resource envelope, however, during implementation of the budget, the creditors are identified, and their loan terms submitted to parliament later for approval*

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<sup>23</sup> See Rule 155 (5) (d) and (7) (c), of the Rules of Procedure of Parliament (2022), which provide that a loan request submitted before parliament for approval shall be accompanied by.... (5) (d) a letter from National Planning Authority clearing the project, and (7) (c) evidence of consistency with the National Development Plan.

<sup>24</sup> See Hansard, 8 August 2024, page 13,840.

*sometimes as late as third quarter. Many times, the terms are unfavourable.....but then the budget would have already been approved, leading to approval of the loans at expensive terms given the absence of timely alternatives, and a rejection would imply failure to finance the already approved budget...*"

In addition, in the annual budget, new borrowing required and total debt outstanding are disclosed but not interest payments on the debt for the budget year (Dubrow Geof, 2024, 20). Sectoral committees which oversee ministries and departments on an ongoing basis are mandated to scrutinise the loan projects to be implemented by their respective ministries and agencies to ascertain coherence of loan projects with the sector development strategies and human rights (Rule 155 (2)). But this is not done. And no sanctions are imposed on reneging committees.

### 4.3. Parliamentary engagement with international financial institutions in loan pre-ratification process

Uganda has been acquiring loans from the IFIs such as the World Bank. The funds and advice provided by international financial institutions constitute an important tool of government policy. Parliaments are expected to scrutinise loans and advice from IFIs due to their potential environmental and social consequences (IPU, 2013). Although parliaments can only rubber-stamp the general provisions of World Bank loans,<sup>25</sup> they can influence the content of IFIs loans by participating in policy discussions held between World Bank officials and the government prior of the actual loan negotiations, or through informal meetings, briefings or consultations.<sup>26</sup> These opportunities have not been exploited by parliament to ensure IFIs loans support human rights. The Parliament of Uganda lacks authority to conduct early oversight of borrowing decisions as parliament gets involved when a loan agreement is brought before it not before (Dubrow, 2024, 18). This denies parliament an opportunity to ensure loan agreements align with national interests (ibid). The parliamentary Public Accounts Committee (PAC) tried to engage with the World Bank on a loan project that the committee felt was not being implemented well, and the implementing agencies were pushing the blame to the lender's conditionality. However, the leadership of parliament directed the PAC to cancel the plans because of diplomatic reasons.

### 4.4. Legislative interrogation of the draft loan agreements at committee and plenary levels

Under a human rights-based approach, lending and borrowing practices should conform to the international human rights law as well as to the responsible lending principles. UNCTAD (2012) outlined principles for promoting responsible lending and borrowing. Both the lender and the borrower must commit to the promotion of human rights and elimination of harm. This commitment

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<sup>25</sup> See IPU (2013). The general provisions of the World Bank loan agreements cannot be negotiated even by government, as these have already been agreed to by the member countries in the Board.

<sup>26</sup> IPU (2013).

should be at the centre of the loan agreements. Christian Barry (2006) pointed to ethical concerns in international lending, where lenders will always push for a great return on their investment irrespective of the impact on the lives of the borrowing countries. It is the duty of parliament to identify pernicious provisions in loan agreements and request amendments.

Through committee scrutiny, in some cases, pernicious provisions have been found in draft loan agreements, relating to high interest rates, high insurance costs, threats to sovereignty, non-disclosures of certain conditions. However, sometimes the executive resists changes to the draft agreement arguing that lengthy and stringent negotiations with the lender were already concluded.<sup>27</sup>

The plenary debates and decision making have not helped in addressing the problem of rubber-stamping the loans. As one respondent mentioned, sometimes, the committee insists to bring unfavourable terms in the draft loan agreement to the attention of the parliament, by recommending that the draft loan be adopted subject to the proposed amendments. But these amendments are never adopted by way of question put on them or inserted in the texts of final loan agreements.

Sometimes, even a parliamentary committee recommends to parliament to rubber-stamp loans irregularly procured. For instance, a government entity entered into public debt commitment without prior approval of parliament and in contravention of the law. However, the committee recommended that:

*“Uganda National Roads Authority, should in future, desist from contravening Section 23 of the Public Finance Management Act, which states that no entity shall enter into a multi-year commitment without prior approval of parliament...”<sup>28</sup>*

Also, a review of the Hansard shows that during the decision-making process on loans by parliament the question put to members to decide is always on the adoption of loan amounts not on the loan terms and conditions. A question is never put on whether the draft loan agreement, which contains both the amounts being borrowed and the terms and conditions of the loan, should be adopted or rejected. Consequently, the legislative loan approval process is essentially a rubber-stamping exercise. One legislator referred to the legislative loan approval process as a ritual.<sup>29</sup>

In one loan transaction we examined, the agreement provided that the borrower pays: Consultancy fee for the deal, lender supervising engineer, lenders environmental and social consultant, lender’s legal counsel, administrative costs to the mandated lead arranger, transaction support fees, and

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<sup>27</sup> See Hansard, 8 August 2024, page 13,848, where the committee reports thus: “The minister further informed the committee that the option to go for commercial loans is attributed to lengthy and stringent conditions set by multilateral lenders, which in most cases, resulted into project delays.”

<sup>28</sup> See Hansard, 8 August 2024, page 13,841.

<sup>29</sup> See Hansard, 6 December 2023, page 11,284, during the debate on approval of a loan worth USD 325 million from the World Bank. Hon Patrick Oshabe submitted: “I thank the chairperson and his committee for doing the ritual of passing and working on loans as they come....”

the borrower to use 76% of the loan to import goods and services domiciled in the lending country (OAG Report, 2023). Ironically, this inimical loan agreement was approved by parliament.

Also, parliament was not much concerned about Uganda's public debt denominated in foreign currencies. A review of the official records of parliament did not find the matter of debt denominated in foreign currency being raised as a matter of concern. Rahman Abdurrahman Arum (2022) warned about international currency as a vehicle for imperialism. However, a review of the proceedings of parliament during public borrowings debate reveals that principles of responsible lending and borrowing were not being invoked in the legislative discussions before decision making. The ritual or rubber-stamping of loans in Uganda can be attributed to "parliament's lack of authority to request amendments to draft loan agreements" (Dubrow, 2024, 18).

## 4.5. Legislative oversight of project appraisal, selection, costing and implementation plan

One of the importance of legislative oversight of public debt is to establish whether there is readiness for project implementation before loans become effective. According to the government of Uganda's National Development Plan (2024), readiness for project implementation involves a combination of capacity, strategic planning, strong institutional frameworks, stakeholder engagement, operational systems, leadership and monitoring and evaluation. Readiness for project implementation is largely a function of the competence and integrity of the bureaucrats in government. One member, the Hon Taaka Agnes, implicated the incompetence of the bureaucrats in the ministries. She opined:

*"In my view, we are being let down by technocrats in the country. This is because, from the time of inception of a project, they plan, negotiate and do everything on our behalf... why can't they come up with something that works for us? Each time, they keep on doing the same thing over and over, even when it does not yield results." (Hansard, 7 August 2024, page 13,764).*

Uganda's Auditor General has consistently reported about the crippling commitment fees charged by the lenders for loans contracted but not yet disbursed. The Auditor General (2023) reported about loan agreements that were signed when the project feasibility studies were not yet done or completed.<sup>30</sup> This suggests that project initiation, appraisal, selection, and costing are not effectively done before acquisition of loans. On lack of readiness for projects, legislator Hon Gorreth Namugga complained:

*"We have undisbursed loans of close to UGX 14.5 trillion. All these loans are borrowed to work on roads. The minister must explain; what strategy do you have to ensure that we reduce the amount of loans that you borrow and fail to utilise.... we pay commitment fees [on undisbursed loans] close*

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<sup>30</sup> The issue of loans brought to parliament for approval without feasibility studies was raised by a committee of parliament on 8 August 2024 during consideration of USD 136.95 million from Citibank for a road project. The committee reported that it was not able to get details of the components of the project from the submitted feasibility 'report.' See Hansard, 8 August 2024, page 13,849.

*to UGX 434 billion.... I agree that we need to borrow money but you must convince this country that you are ready to utilise the money...” (Hansard, 8 August 2024, page 13,852.)*

In 2022, parliament amended its Rules of Procedure to require that each project loan agreement be accompanied by key documents confirming readiness of projects, among which are: evidence of counterpart funding, project appraisal document, procurement plan, project implementation plan, project management structure, and resettlement action plan, where necessary (Rule 155). In spite of this intervention, project implementation remained a nightmare due to challenge with project design, lack of funds to secure right of way, slow land acquisition, poor project management, procurement delays and delays in fulfilling both the disbursement and effectiveness conditions (Report of Auditor General, 2023, 46)<sup>31</sup>. Why would parliament approve loans when the attendant projects were not ready to absorb the funds? One respondent implicated political pressure:

*“Sometimes due to political pressure, some loan requests are passed by parliament without the Minister of Finance submitting the documents ascertaining project readiness. Secondly, when some project sites are located in members’ constituencies, detailed analysis and questioning too much is avoided. To have a project in one’s constituency is a big political score for the affected member.”*

One respondent indicated that corruption was also a contributory factor to the ratification of loans without robust studies. He confided: “The corrupt bureaucrats, who are charged with designing, managing and implementing projects will do whatever it takes to bribe the legislators to approve the loans. Lack of rigorous committee scrutiny was also implicated in the passage of loans that could end up with no positive impact on the lives of the citizens especially the marginalised ones.”<sup>32</sup>

## 4.6. Oversight of the implementation of debt financed projects

Effective legislative oversight of public debt entails periodic monitoring of the projects. In Uganda, mechanisms of parliamentary oversight include committee field visits and public hearings, and questions to ministers and plenary debates on motions and petitions. However, these mechanisms were not effectively deployed. The Committee on National Economy occasionally monitors project financed by loans, but not regularly (Dubrow 2024, 15). Regular monitoring is essential for effective oversight. There are reported cases of abandoned projects financed by borrowed funds, which would have possibly been avoided if there was effective oversight of project implementation. For example, towards the end of a 6-year USD 150 million World Bank loan-funded agriculture project, during a committee field oversight visit,<sup>33</sup> it was established that out of the 276 planned agriculture

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<sup>31</sup> <https://www.oag.go.ug/viewmegareport/33>

<sup>32</sup> Geoff Dubrow (2024) observed that while clear criteria for assessing loans were in place, they were not regularly used during the approval process.

<sup>33</sup> This committee field visit came at the tail end of the 6-year project in 2022 for a project that commenced in 2016. It was a reactive field visit occasioned by complaints and petitions by the citizens. In the introduction part of the report, the committee reports that the oversight was done “following complaints and a petition from members of parliament...” This is evidence that the committee did not proactively undertake this loan implementation assessment.

value additional machinery, of 179 delivered machinery, only 93 were operational and 86 were non-operational, and 97 were yet to be delivered. However, some observers think more needs to be done to improve on periodic and routine oversight of projects. One respondent said:

*“Parliamentary committees have not been effective in implementation oversight to ensure the loan’s intended or promised deliverables are actually delivered. Periodic oversight of loan projects is rarely conducted. In fact, in most cases, there are time and cost overruns. Neither does the National Economy Committee nor the sectoral committees periodically oversee loan utilisation with effectiveness. Each seems to think it is the duty of the other.”*

The Minister of Finance, who is in charge of negotiating loans with lenders, informed parliamentarians that committee inspection of ongoing loan projects was not mandatory or condition precedent to public borrowing.<sup>34</sup>

## 4.7. Scrutiny of audited accounts of the debt funded projects

In 2021, Uganda’s Inspectorate of Government reported that corruption was one of the major obstacles to Uganda’s socioeconomic development. What are the watchdogs doing? According to Dubrow (2020), the Auditor General is supposed to establish whether the project loans that were contracted followed the prescribed project development and financing process, whether borrowing was based on sound estimation, and whether the principle of economy, namely the minimisation of cost and risk was considered when borrowing, and whether government collected and spent the authorised amount for the purposes intended by parliament, and whether implementing agencies of government spent funds with due regard to economy, efficiency and effectiveness.

The public accounts committee scrutinises the reports of the Auditor General and advises parliament whether there was transparency, accountability and value for money. Dubrow (2024, 15) found weaknesses in the work of public accounts committee of the Parliament of Uganda including: lack of witness testimonies; hearings that are limited in scope and infrequent; and lack of robust mechanisms to follow up on parliamentary recommendations on the audit. The Office of the Auditor General does not conduct human rights audits on loan-funded projects, although it has a mandate to do so.<sup>35</sup>

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<sup>34</sup> During the proceedings of 9 January 2025, when parliament was considering additional borrowing for road projects, a member objected to the additional borrowing without a committee report on the performance of previous initial loan. The minister rose up and informed parliament that it was not mandatory for committee inspection of ongoing projects before a new loan was approved (see Hansard, 9 January 2025).

<sup>35</sup> Section 13 (1) (b) of the National Audit Act 2008 empowers the Auditor General to “conduct financial, value for money audits, and other audits, such as gender and environment audits in respect of any project or activity involving public money.” However, a review of the reports produced by the Auditor General found at [www.oag.org](http://www.oag.org) shows no report on human rights audits of loan projects.

## 4.8. Human rights due diligence and human rights impact assessment before ratification of loans

While governments are responsible for ensuring that the rights guaranteed in international human rights commitments are enjoyed by all people, parliaments are responsible for overseeing governments in their fulfilment of this obligation (IPU and UNDP, 2017). Does Uganda borrow to fund human rights projects? Uganda's National Development Plan III (2020/21 to 2024/25, which informed the public borrowing the subject of this study promised "the continued and intensified human rights-based approach (HRBA) to ensure that development policies and processes are people-cantered and sensitive to their needs."<sup>36</sup> To ensure inclusive sustainable development, the NDPIII adopted the HRBA with particular attention to human rights principles of equality and non-discrimination, empowerment and participation and attention to vulnerable groups (NDPIII, page 43). All sectors, ministries, departments, agencies and local governments were expected to adopt HRBA in their respective policies, programmes, legislation and plans (ibid, page 43). Human rights principles were expected to be applied during planning, budgeting and implementation to ensure inclusive sustainable development (NDP III, pages 39-40).

However, Uganda's public debt management framework (2023) seemed to depart from the NDP promise of policies that are people-centred. The framework's focus was on "investing in critical infrastructure, social programmes and other important initiatives that will drive economic growth and development." The public debt management framework's treatment of the equity and vulnerability displayed its bias towards supporting the interests of the lenders rather than the rights of the citizens.<sup>37</sup>

The Parliament of Uganda has two committees charged with scrutinising businesses brought before parliament to ensure they advance human rights. These are: The human rights committee and Committee on equal opportunities. The Gini coefficient<sup>38</sup> in Uganda in 2019 was estimated by the World Bank at 0.427<sup>39</sup> and in 2024, at 0.43<sup>40</sup> suggesting increasing inequality. Aoife (2014) opined that "Budgets are a key sign of a government's values. So, if human rights are not in there, what is being said is that they are not a value worth counting." But these two oversight committees were not doing human rights impact assessments or demanding for them on debt financed projects. As one respondent indicated,

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<sup>36</sup> See Uganda's Third National Development Plan 2020/21 to 2024/25, page 11. <https://budget.finance.go.ug/sites/default/files/NDPIII.pdf>

<sup>37</sup> Under the equity principle for acquisition and utilisation of public debt in Uganda's national debt management framework (2023), it is provided that "all creditors shall receive equal tax treatment, with no discriminatory tax liabilities or advantages provided to any specific lender." One would have expected the framework to provide that public debt would be invested in affirmative action programmes targeting the vulnerable groups or communities.

<sup>38</sup> The Gini coefficient is a statistical measure of income inequality or wealth distribution within a population or economy. It ranges from 0 to 1, where 0 represents perfect equality and 1 perfect inequality.

<sup>39</sup> See World Bank data, Gini index, Uganda. data.worldbank.org at <https://data.worldbank.org/indicator/SI.POV.GINI?locations=UG>

<sup>40</sup> See, socioeconomic indicator, Uganda. <https://www.statista.com/outlook/co/socioeconomic-indicators/uganda>

*“Some loan projects include supporting refugees, persons with disabilities, mitigation of climate change, but there is no robust legislative interrogation of loan and public hearings to ensure the vulnerable people are the targeted beneficiaries of public borrowing. Reference to the vulnerable groups in project loan documents is mere propaganda. A loan was acquired to build a Maternity Hospital, but the majority of the women cannot access the services in this women’s hospital because of the exorbitant costs.”*

Human rights-based approach to development focuses both on content and the process. This study found that parliamentary committees were not conducting public hearings on public borrowing in a transparent, non-discriminatory, inclusive manner, including listening to the vulnerable people to understand the needs of the people? A review of the committee reports on public borrowing revealed that committees did not conduct public hearings during the scrutiny of draft loan agreements. Only the duty bearers (the Minister of Finance, ministry officials charged with implementation of the loan projects) were listened to. The voices of the citizens on draft loan agreements were never heard.

## 4.9. Climate smart investment

Much of Uganda’s public debt is invested in infrastructure development. Climate smart investment is key to sustainable development. World Bank (2022, 1) indicated that climate change, poverty and inequality are intertwined. However, due to capacity constraints, the Committee on Climate Change<sup>41</sup> was not actively scrutinising public borrowing with a view to mitigate poor climate-smart investments. For instance, in one loan of USD 350 million from the World Bank ostensibly procured for climate change, one member raised concern about lack of clarity or relevance of the loan to the rural farmers:

*“The purpose of the loan is not clear. It is going to be a meal for the elites. There is no indication of how the rural farmers are going to benefit from this loan... The report is using jargons which make no sense to an ordinary person” (Hansard, 6 December 2023).*

Had the Committee on Climate Change studied this loan request, and conducted public hearings and received diverse perspectives from climate change activists, civil society organisations, academics, and vulnerable communities, the language of the report and the purpose of the loan would have been clearly understood by legislators.

## 4.10. Role of parliamentary staff in supporting scrutiny of proposed public borrowings

There is general consensus that effective parliamentary oversight is largely dependent on professional parliamentary staff (IPU and UNDP, 2017). These people are able to interpret and apply the rules of oversight, process and analyse information from oversight inquiries, and assist in

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<sup>41</sup> <https://www.parliament.go.ug/committee/3468/committee-climate-change>

drafting corrective legislation. (IPU and UNDP, 2017, 32). Ideally, they are indispensable in effective legislative oversight of public debt.

Uganda parliament has got a number of professional staff who support committees in analysis. However, some still lack capacity, especially in conducting human rights analyses. The other challenge relates with human resource management. Human resource function is politically manipulated. One respondent put it thus:

*“For parliamentary staff to be effective and render useful and dependable analysis, they must be recruited and promoted through a transparent and meritocratic process. However, what I see now is that recruitment and promotion of staff is not based on merit but political connections.”*<sup>42</sup>

## 4.11. Measures to curb corruption among parliamentarians

Corruption robs governments of the resources required to fulfil their human rights obligations, deliver services and improve the living standards of the citizens. Effective oversight of public expenditure is a decisive factor in fighting corruption (Rick Staphenurst and others, 2020). An increase in corruption leads to an increase in public debt (Arusha Cooray and others, 2017). Debt sustainability is only possible in countries where corruption is curbed (ibid). The Parliament of Uganda is an anti-corruption agency of the government. The Parliament of Uganda is an agent of corruption control. But it has not used its oversight tools to fight corruption to their full extent due to lack of political will, and consequently, this is contributing to Uganda’s worsening systemic corruption (Tritiku, 2020).

Instead, parliament has been accused of engaging in corruption. One respondent revealed, “Money exchanges hands during loan approval process. The bureaucrats will do all it takes to secure the support of the key parliamentary actors in the loan approval process.”<sup>43</sup> The Parliament of Uganda has been labelled a “House of deals” (Monitor, 13 July 2024).<sup>44</sup> The president has openly accused parliament of perpetrating graft in the country (Observer, 6 June 2024).<sup>45</sup> In July 2024, 8 MPs were being prosecuted in court on corruption charges. On 23 July 2024, the youth marched to occupy parliament but were scattered by the security forces. Specific measures to prevent and penalise corruption among parliamentarians are lacking.

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<sup>42</sup> Respondent staff of Parliament of Uganda who preferred to remain anonymous.

<sup>43</sup> Respondent staff of Parliament of Uganda who preferred to remain anonymous.

<sup>44</sup> [https://www.monitor.co.ug/House of deals: Parliament faces withering accusations of rampant corruption | Monitor](https://www.monitor.co.ug/House%20of%20deals%3A%20Parliament%20faces%20withering%20accusations%20of%20rampant%20corruption%20%7C%20Monitor)

<sup>45</sup> [http://www.observer.ug/news/Museveni: I have evidence of parliament, Finance corruption - The Observer](http://www.observer.ug/news/Museveni%3A%20I%20have%20evidence%20of%20parliament%20Finance%20corruption%20-%20The%20Observer)

## 5. Conclusion and recommendations

The Parliament of Uganda has sufficient laws regulating legislative intervention in public debt, but these are scattered. However, the existing legal framework does not empower parliament to participate in the economic discussions and borrowing decisions preceding the negotiation of a draft loan agreement. But, crucially, the Parliament of Uganda does not have authority to request amendments to draft loan agreements even if pernicious provisions are identified. In addition, loan agreements between Uganda and international financial institutions are not subject to change. This clearly indicates that the parliament merely rubber-stamps loan agreements.

While Parliament of Uganda has committees and technical support staff, and clear criteria provided in the rules of procedure of parliament, these do not change the draft loan agreements. The committees do not conduct rigorous scrutiny of loan agreements. They do not conduct public hearings on loan projects. They do not regularly use the criteria for assessing the suitability of loans. They do not conduct human rights impact assessments of loan projects or even use human rights standards to audit the suitability and acceptability of draft loan agreements and investment projects. This is in agreement with Sabiti Makara and Vibeke Wang (2023) who argue that the ruling elites in Uganda have opportunistically used the law to preserve the political status quo instead of deepening democratisation and enjoyment of human rights. The emphasis of legislative oversight is on whether the loan agreements and projects promote economic growth and deliver advantages of political office control. Human rights, equity and justice are not analytical points of references.

The main oversight mechanism of parliament are the committees, which have mandate to scrutinise debt-related matters and to carry out public hearings. These committees, relying on technical staff, carry out economic analyses on public borrowing and make recommendations on draft loan agreements. However, the committees' recommendations do not affect the structure and contents of the loan agreements. The Parliament of Uganda does not vote on the committee recommendations on the draft loan agreements. Ugandan parliamentary committees are not necessarily the engine rooms of parliament's oversight<sup>46</sup> of public debt. Sometimes, they are used as rubber-stamps or for public relations purposes. There are occasions during the ratification of loan agreements when committee input has been totally dispensed with.<sup>47</sup>

This weak legislative oversight of public debt seems to be associated with the political culture of voter bribery that is rampant. Public loans are construed as funds for political patronage. As Power

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<sup>46</sup> Van Rensburg and others (2020) indicate that committees are commonly regarded as engine rooms of parliament and contribute substantially to its effectiveness.

<sup>47</sup> During the ratification of borrowing of EU 110,543,947 from Standard Chartered to upgrade a 115km Kitgum to Kidepo road project on 30 April 2024, the motion was brought for debate before the expiry of 45 days given to committees within which to conclude their scrutiny of the draft loan agreement and report to the parliament. The speaker guided: "By the way, this is a committee of the House. Other committees work for and on behalf of this House.... The House will not be delayed from working because we do not have very active committee members." (See Hansard, 30 April 2024, page 13,151). Author has copy of the

(2014) observes, the challenge to effective parliamentary oversight can be best understood from the political, social and economic context.

In Uganda, political power is attained and maintained through political patronage and bribery. This affects the rigor of legislative oversight of executive interventions. The current political culture in Uganda is systematically replacing legislative oversight of the executive with legislative cooperation with and subservience to the executive. Until this culture is radically destabilised, effective legislative oversight of public debt will remain a mirage.

## Recommendations

Parliament should adopt a human rights-based approach to its legislative oversight of public debt. To this end, public borrowing will be approached as mechanism by the state to promote the enjoyment of rights by the citizens. Economic analysis of public debt will be a mechanism for ensuring that the economic aspects of the loan agreements and public debt generally do not impact on the realisation of the human rights of the citizens. Capacity building of legislators and staff in the area of human rights-based oversight of public debt management and budgeting is key.

The political culture that induces legislators to take on the role of government to provide public goods and services should be combated. Legislators should revert to their traditional role of oversight to stem embezzlement of public funds.

Parliament must work hard to regain public trust by enacting anti-corruption measures in parliament and to faithfully enforce the measures. In its oversight role, parliament must demonstrate the highest ethical standards. The Commonwealth Parliamentary Association's 'Standards of conduct for members of parliament' 2024 edition<sup>48</sup> could be a good starting point for designing an integrity reform agenda.

Parliament should champion the UN responsible borrowing and lending principles and leverage its international collaboration engagements to build solidarity with other debt burdened countries to demand for debt justice and reparations and to advocate for human rights-based lending.

Parliament should adopt a transformative and disruptive stance in its oversight by building alliance with the marginalised communities and human rights defenders in Uganda and Africa at large and support a continental approach to sustainable financing of development.

A single integrated public debt management legislation should be enacted to guide and provide strategic direction to borrowing decision making. This legislation should provide parliament with the authority to: review draft loan agreements before they are introduced in parliament and request amendments to draft loan agreements.

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<sup>48</sup> [https://www.cpahq.org/media/k4bhbzvd/codes-of-conduct-2024\\_final.pdf](https://www.cpahq.org/media/k4bhbzvd/codes-of-conduct-2024_final.pdf)

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## Annex 2: about the author

Robert Tumukwasibwe is a senior staff with the Parliament of Uganda, where he advises on parliamentary procedure. He is a part-time lecturer at Uganda Management Institute, Kampala, where he teaches public policy analysis. He has research interest in human rights, parliamentary procedure and peace. He holds a PhD in human rights from Makerere University.

# Annex 3: Public Debt Integrity series

## 2025

The role of parliaments in public debt oversight in Africa

This paper is published as part of the “Public Debt Integrity Series”, a joint knowledge building initiative of AFRODAD, the African Forum and Network on Debt and Development, and WFD. The papers in this series research different aspects of the role of parliaments in public debt oversight in Africa. The full list of papers is:

1. Bernard Njiri, Ruth Kendagor, Veronicah Ndegwa, Martin Kabaya, Charles Gichu, Davis Wachira: **Outcomes, constraints and examples in parliament’s role in debt oversight during the different phases of the budget cycle.**
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8. Tesfaye Merra and Danny Cassimon: **The Political Economy of debt in Ethiopia: Assessing the Role of Parliaments in Public Debt oversight**
9. Robert Tumukwasibwe: **Legislative oversight of public debt in Uganda: a critical appraisal**
10. Grieve Chelwa, Paolo de Renzio, Ntazana Kaulule: **Accountability Failures: Investigating the origins of Zambia’s 2020 debt crisis**
11. Sally Torbert, Elena Mondo, Jean-Pierre Degue, Ivy Kihara: **Parliaments’ engagement with civil society, and the public more generally, in public debt management**
12. Jaime Guiliche: **The Role of Parliament in Overseeing Public Debt Management in Mozambique**
13. Abdul-Gafar Tobi Oshodi: **Parliamentary oversight and Chinese loans in Africa: The case of Ghana and Nigeria**

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