

Everyone has a plan until they are punched in the mouth. Can we grin and bear the funding cuts?*

Government officials have responded bullishly to the World Bank's announcement suspending discussions on new loans and grants due to concerns over the Anti-Homosexuality Act. The President, ministers, MPs and other officials have all lined up to reassure the public that we can do without money from pesky foreigners.

Let's run some cold numbers. The total World Bank portfolio being put on the backburner amounts to \$1.8 billion, about Shs6.6 trillion. This is equivalent to the combined total amount of money allocated in this financial year budget for electricity (Shs1.6 trillion), oil and gas (Shs447b), tourism (Shs249b) and the Shs4.5 trillion allocated to roads, railways and all other transport sector projects.

Or consider, instead, the President's Emergency Plan for Aids Relief (Pepfar). Dating back to the Bush regime in America at the turn of the millennium, Pepfar supplies medicines to nine out of 10 Ugandans among the 1.4 million living with HIV, the virus that causes Aids. These drugs keep these Ugandans alive and reduce the risk of spreading the virus to their unborn babies, or their partners. Discussions to extend Pepfar were suspended earlier in the year over concerns about the law. It remains unclear if it will be renewed, and for how long.

The numbers are varied and complicated, but various studies put the average cost of treating someone with HIV in sub-Saharan Africa at about \$500 per year. Without Pepfar's cash and the purchasing power of Unuids and related entities, this would require at least another \$700m every year – or Shs2.6 trillion in Museveni's money.

A billion is a lot of money in any currency – and we are talking about a funding gap of almost 10 trillion, or a fifth of our annual budget. How about we side-step the arguments about the World Bank's double-standards, and those of the West general-

Those with just warm porridge pushing back against their skulls would be escorted outside and sent to join our armed forces to defend us from foreign enemies.

Daniel K. Kalinaki
In My View



ly, on cherry-picking human rights issues and take up our politicians on their offer to make sacrifices, weather the storm, and wean us off the dependence on foreign aid?

Your columnist has a few cost-cutting ideas which, in typical generosity and in light of the austere times, are offered free. Some are low-hanging fruit, like all government cars, except those of the military, being put up for auction to the highest bidder, with the proceeds invested in rebuilding urban roads.

As the Fountain of Honour, the President can keep a third of his convoy, or 20 cars, whichever is lower, and share them with the Vice President, the Chief Justice and the Speaker. Other things like foreign travel, bodyguards, beef samosas and groundnuts (*ebinyeibwa, amaaidho*) in meeting rooms would have long been scrapped.

Slashing salaries is against the law, but restructuring positions isn't. To reduce the size of government, therefore, your columnist proposes two rules for Cabinet and for Parliament. In the case of cabinet ministers, they should be paraded out, one-by-one, in front of a live television panel of citizens randomly selected. As each one steps forward, a citizen is chosen to guess the minis-

ter's name and what they do; if they get it wrong, they both go home and the ministry is scrapped.

A similar arrangement could be considered for MPs with a slight variation. First, given their numbers, it should be held in Namboole Stadium. Second, each MP should have 30 seconds to propose a concrete measure that would save at least Shs10 billion per year, with the crowd allowed to vote instantly by mobile phone on its viability. It would be a win-win: MPs whose ideas make sense would get to stay in Parliament and oversee the implementation of their cost-saving plan; if we can save Shs5 trillion, we can keep everyone and stay the course. Those with just warm porridge pushing back against their skulls would be escorted outside and sent to join our armed forces to defend us from foreign enemies.

The size of Parliament would be determined by the number of MPs who remain. These would then be randomly allocated constituencies to represent, as part of our effort to promote Pan-Africanism and non-sectarianism.

MPs and some members of the Executive had done a thankless job protecting our traditional values from outside attack. Now that our enemies are unrelenting, they should step forward and protect us from these austerity measures by sacrificing for our country. I am sure that there was always a plan to guard against these counter-revolutionary moves and that plan took into consideration the possibility of being punched in the mouth. Let aaath ththeat thha blood and exchequte!

*With apologies to Mike 'Iron Mike' Tyson

Mr Kalinaki is a journalist and poor man's freedom fighter.
write2kalinaki@gmail.com; @Kalinaki

On lack of contract transparency in the extractives industry

The Extractive Industries Transparency Initiative (EITI) Global Conference held in Dakar, Senegal, on June 13 and 14, under the theme "Transparency in transition" gathered more than 1,000 stakeholders from around the world. This was building on the gains achieved in the extractive sector transparency in light of evolving energy transition. Most importantly, the new 2023 EITI standard, which integrates energy transition for the first time and responds to need for good governance in natural resources, was launched as a successor to the 2019 EITI standard.

Contract transparency in extractives refers to the openness of the process by which information on rights awarded is shared with stakeholders. This covers the entire value chain from planning, discovery, bidding, negotiation, contracting and implementation, including the revenues generated from extractive operations. Transparency of information empowers citizens and civil society groups to hold their governments accountable for responsible stew-

ness of the contract terms improves trust between society, government, and companies around agreements.

Contract disclosure has become more common, for instance, according to a study by Oxfam, 2023, the percentage of EITI-implementing countries that have deliberately disclosed at least one contract increased from 57 percent in 2017 to 70 percent in 2020. Thirty-seven countries (65 percent) disclose only partially or not at all. Only 10 countries (about 18 percent) disclose well in both the mining sector and the oil and gas sector (though a few countries operate in only one of these sectors). EITI-implementing countries that have succeeded in disclosing their contracts include Albania, Armenia, Dominican Republic, Guinea, Niger, Peru, the Republic of the Congo, Senegal and Sierra Leone. However, some countries disclose partially. In contrast, a good number of countries, including Uganda, are still not able to disclose their extractive contracts.

Despite good developments on contract transparency and the benefits thereof, UGETI has finalised and launched its second EITI report FY2020/2021 without having contracts disclosed.

Whereas there is no law compelling the two constituencies to disclose the contracts entered into on behalf of Ugandans, the EITI guiding principles that make contract disclosure mandatory should be respected. Indeed, choosing to delay transparency undermines the very cause as to why Uganda joined EITI in the first place, and casts doubt on whether Government of Uganda (GoU) and IOCs are committed to upholding EITI rules.

This notwithstanding, the UGETI MSG has taken a number of steps to facilitate contract disclosure, given the mandatory requirement to disclose all contracts that came into force on January 1, 2021, including the setting up of a committee comprised of MSG members to lead the work on contract disclosure. The remaining task is to have IOCs and GoU provide the roadmap for contract disclosure.

It is important to note that EITI is premised on four key areas, including data, disclosure, dissemination, and debate, so that citizens and CSOs can ask questions on how their resources are being managed and seek relevant answers. Failure to provide required data to citizens impedes their participation, retards accountability, and undermines effective implementation of EITI in Uganda.

Disclosure of contracts helps to manage expectations held by communities, governments, and companies.



Magara S. Luyima
Transparency

ardship of national resources and reduces opportunities for corruption among public officials. The EITI standard places emphasis not only on disclosures – transparency being necessary, but also on participation and accountability. Disclosure of contracts helps to manage expectations held by communities, governments, and companies. Community monitoring of implementation helps companies reduce local conflict with stakeholders. For instance, in DR Congo, Civil Society Organisations (CSOs) provided information on the use of social development funds at the Tenke Fungurume copper and cobalt mine, thus improving relations between the company and local communities. Also, aware-

Mr Magara Siraji Luyima, Energy and Extractive Industries Coordinator, Oxfam-Uganda. Siraji.magaraluyima@oxfam.org

Role of technology in anti-money laundering

The state of technology is constantly evolving and undoubtedly for good. For any industry to survive, modern technological suits are an integral requirement. It is simply because all the industries are now focusing on minimizing the manual efforts and incorporating automation and Artificial Intelligence (AI) into their systems. Financial industry or institutions are more prone to risks, and hence, giving space to manual steps calls for unwanted circumstances that might result in irreversible qualitative, as well as quantitative damages.

Anti-money laundering (AML) includes regulations and laws that are aimed at preventing any sort of financial crimes. Every country has a differentiated and clearly established set of AML regulations or rules. For Uganda's case, we have Anti-Money Laundering Act, 2013, as amended and its respective regulations.

It's a regulatory requirement for every identified reporting entity to put in place mechanisms to know its customers. Knowing your customer (KYC) is just a part of the steps undertaken by reporting entities' accountable persons for AML/CFT purposes to prevent any sort of money laundering activities. In summary, KYC is a procedure in which financial institutions (FIs) and Designated Non-Financial Businesses and Professions (DNFBPs) gather information related to their potential customers. This information includes name, name of the business, address, age, legal identity card, nationality, among others. All business enterpris-

Every transaction that your business encounters on a daily basis involves some sort or level of risk.

Cyrus Barigye
Money laundering



es that are prone to money laundering activities should have AML compliance strategies in place. However, complying with all such methods might not be easy at first because it incorporates a lot of tedious paperwork and asks for your undivided attention to understand the gist and make all your staff aware of the same in the most effective and efficient manner. In addition, these strategies are updated at regular intervals, and this is the point where the need for and importance of technological aid come into the picture. Technological evolution supported by AI, machine learning, and big data can exponentially reduce the risk of money laundering.

It is worth noting that reporting entities, especially FIs and DNFBPs are now replacing the good old black and white rules approach with something more focused on the technology

front, holistic, and flexible programme.

The emerging technologies, especially those with AI capabilities can identify patterns of transactions, anomalies and behaviour rapidly, allowing the AML compliance professionals to invest their time better analysing the results, collaborating the findings with other financial institutions, and investigating root causes and valuable time.

The new technologies in form of new AML solutions supported by AI have enabled reporting entities to easily comply with all the AML laws and regulations along with the scope of minimising your financial risk. Here are a few solutions that will allow reporting entities to comply with all AML and KYC processes and strategies:

Every transaction that your business encounters on a daily basis involves some sort or level of risk. Hence, transaction monitoring software is the essential requirement for reporting entities under AML obligations. Reporting entities can create their own set of rules without having any prior coding knowledge in order to detect suspicious and high-risk economic activities automatically. AML name screening software can help reporting entities effectively meet all their basic requirements of sanctions. Politically Exposed Persons screening services, risk-based approach, and can also meet local and global AML compliance policies and keep your business safe from any negatives.

Mr Cyrus Barigye is the director of ICT systems and security at the Financial Intelligence Authority of Uganda