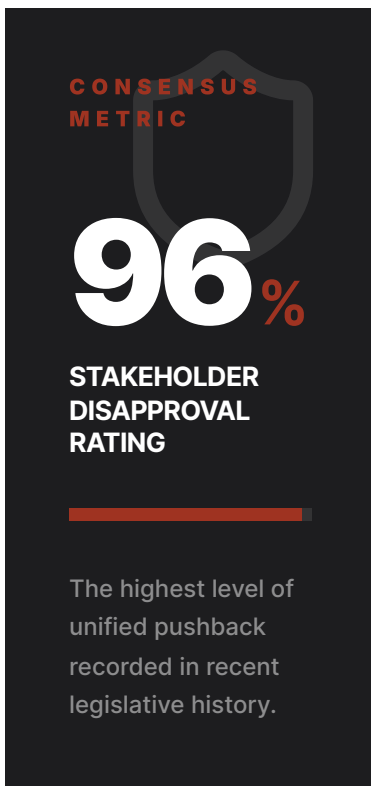


1. ANALYSIS OF STAKEHOLDER SUBMISSIONS ON THE PROTECTION OF SOVEREIGNTY BILL (2026)



 CORE
FRICTION

EXECUTIVE INTELLIGENCE SUMMARY

The consultative process has revealed a profound systemic rift. While the state emphasizes security, the global community warns of total economic isolation.

"Technical evidence from the World Bank and EU suggests that passing this bill in its current form would lead to a significant economic and diplomatic catastrophe."

CRITICAL RISK

UGX 400M CAP TRIGGERS
IMMEDIATE HUMANITARIAN
EXIT PROTOCOL FOR 70% OF
MAJOR NGOS.

BILL STATUS >

**CURRENTLY UNDER
COMMITTEE REVIEW • 2026**

2. Strategic Analysis of International Submissions

Submissions from multilateral and bilateral partners indicate that the bill risks Uganda’s standing in the global financial system and conflicts with established international legal norms.



WORLD BANK GROUP

\$4.57B PORTFOLIO AT RISK

- Broad definitions would criminalize “routine development activities.”
- Creates systemic “operational gridlock” for ongoing projects.



EUROPEAN UNION (EU)

LEGAL BREACH

Violates the *Pacta Sunt Servanda* principle and the *Vienna Convention on Diplomatic Relations*.

Warned that a **UGX 400 million funding cap** would effectively paralyze humanitarian operations nationwide.

"This contradicts the National Development Plan (**NDP IV**) goal of tenfold economic growth by 2030."











3. Sectoral Impact Matrix: Domestic & International Backlash (Part I)

Summary of key sector responses based on submitted forensic evidence.

-  **MULTILATERAL FINANCE — WORLD BANK**
Classification as “foreigners” subjects neutral development partners to ministerial oversight. >
-  **DIPLOMATIC/BILATERAL — EUROPEAN UNION**
Legal incompatibility and conflict with the Vienna Convention. >
-  **NATIONAL FINANCE — CENTRAL BANK / BANKING ASSOCIATION**
Risk to national reserves, credit ratings, and diaspora remittance flows. >
-  **MEDIA & PRESS — JOURNALISTS — NAB**
Restrictions on freedom of the press; risk to media investment and the rule of law. >
-  **POLITICAL OPPOSITION — FDC / NUP / PFF**
Claim that the Bill effectively strips citizens of their constitutional sovereignty. >
-  **REGIONAL CSO NETWORKS — CIVIC & HUMAN RIGHTS COALITIONS**
Labeling diaspora members as “foreigners” stigmatizes a key source of livelihood. >
-  **NATIONAL CSO COALITIONS — GOVERNANCE ALLIANCES**
Duplication of existing laws introduces strict liability crimes and 20-year prison sentences. >

3. Sectoral Impact Matrix (Part II)

Observations on Committee Dynamics & Parliamentary Conduct

 <p>LEGAL PROFESSIONALS Uganda Law Society Undermines EAC reciprocity and cross-border legal practice.</p>	 <p>CLIMATE & GREEN FINANCE Environmental Coalitions 90% of climate adaptation is donor-funded; risk of withdrawal.</p>
 <p>MICROFINANCE Association Liquidity constraints due to funding caps, increasing operational costs.</p>	 <p>CREATIVE INDUSTRIES Arts & Digital Coalition Limits international co-productions and digital revenue streams.</p>
 <p>YOUTH — UNIVERSITIES Student Councils Disruptions to scholarships and impact on access to education.</p>	 <p>CULTURAL INSTITUTIONS Buganda Kingdom Dependence on diaspora funding; risk to cultural preservation.</p>
 <p>RELIGIOUS LEADERS UMSC / IRCU Threat to religious charity operations and risk to expression.</p>	 <p>HEALTHCARE Medical Association Increased cost of equipment and specialized life-saving care.</p>
 <p>PWDS NUDIPU Disruption in access to assistive devices and specialized support.</p>	 <p>WOMEN Women's Movement Reliance on foreign-funded shelters and SME support.</p>



4. OBSERVATIONS ON COMMITTEE DYNAMICS & PARLIAMENTARY CONDUCT

POSTURE & SENTIMENT



Technical sectors (Banking, Legal) received a constructive advisory posture.



CSO Coalitions faced ideological confrontation and scrutiny.

SUBMISSION & OPERATIONS

- Missing core documentation
- Lack of page numbers/indices
- Materially incomplete data

High volume forced sessions to extend into late evenings.





COMPETENCY & TRENDS

Some presenters required significant committee guidance for clarification.

Shift observed: Some stakeholders requested specific exemptions instead of full repeal.

5. Anticipated Executive Strategy and Path Forward.

<p>01</p> <p>IDENTITY REDEFINITION</p> <p>Refining the definition of “Foreigner” to create carve-outs for diaspora and multilateral institutions.</p>	<p>02</p> <p>RISK-BASED MODEL</p> <p>Replacing the fixed cap with a sophisticated, risk-based reporting model for financial transparency.</p>	<p>03</p> <p>SELECTIVE COMPLIANCE</p> <p>Allowing key sectors such as banking and healthcare to function with reduced regulatory friction.</p>
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<p>A. FINANCIAL & ECONOMIC EXCEPTIONS</p> <ul style="list-style-type: none"> • FOREIGN DIRECT INVESTMENT (FDI) • PORTFOLIO INVESTMENT • DIASPORA REMITTANCES • EXPORT PROCEEDS • TRADE FINANCE • COMMERCIAL LOANS • HUMANITARIAN ASSISTANCE • TECHNICAL ASSISTANCE • GRANTS AND CONCESSIONAL BORROWING • DEVELOPMENT ASSISTANCE • OTHER LAWFUL FOREIGN EXCHANGE INFLOWS 	<p>B. LEGAL AMENDMENT</p> <p>Clause 5(4) update</p> <p><i>Adds requirement for criminal intent to trigger enforcement.</i></p>	<p>D. INSTITUTIONAL EXEMPTIONS</p> <p>EXEMPTIONS APPLIED TO:</p> <ul style="list-style-type: none">  Regulated Financial COMMERCIAL BANKS & MICROFINANCE  Academic Institutions UNIVERSITIES & RESEARCH CENTERS  Faith-based Institutions RELIGIOUS CHARITIES  Health Institutions HOSPITALS & FOUNDATIONS
<p>C. DEFINITION CHANGES</p> <p>Redefinition of:</p> <ul style="list-style-type: none"> • “Foreign agent” • Other key legal terms 		

6. Final Legislative Assessment & Risk Outlook

LIKELY LEGISLATIVE OUTCOME



The Protection of Sovereignty Bill is likely to pass before the current Parliament expires. The President is expected to maintain a firm public stance while limiting disruption to essential economic relationships through the strategic exceptions and legal carve-outs identified in the consultative process.

RESIDUAL RISKS

- SELECTIVE ENFORCEMENT
- NGO OPERATIONAL RISK
- SHRINKING CIVIC SPACE

CURRENT MOMENTUM

**LOOMING
PASSAGE**

This report serves as a living document. Parliamentary dynamics are subject to rapid shifts as the committee finalizes its recommendations for the plenary session.