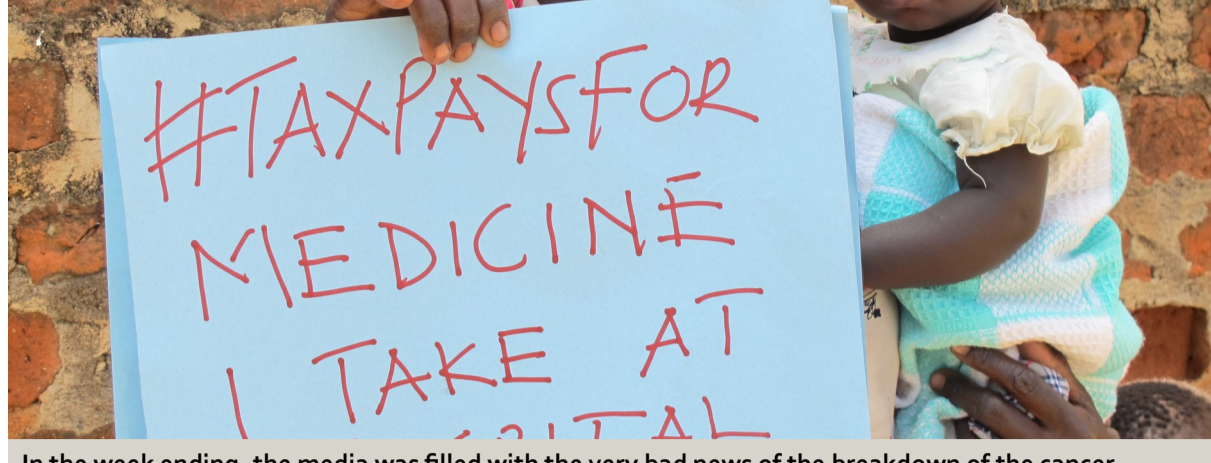


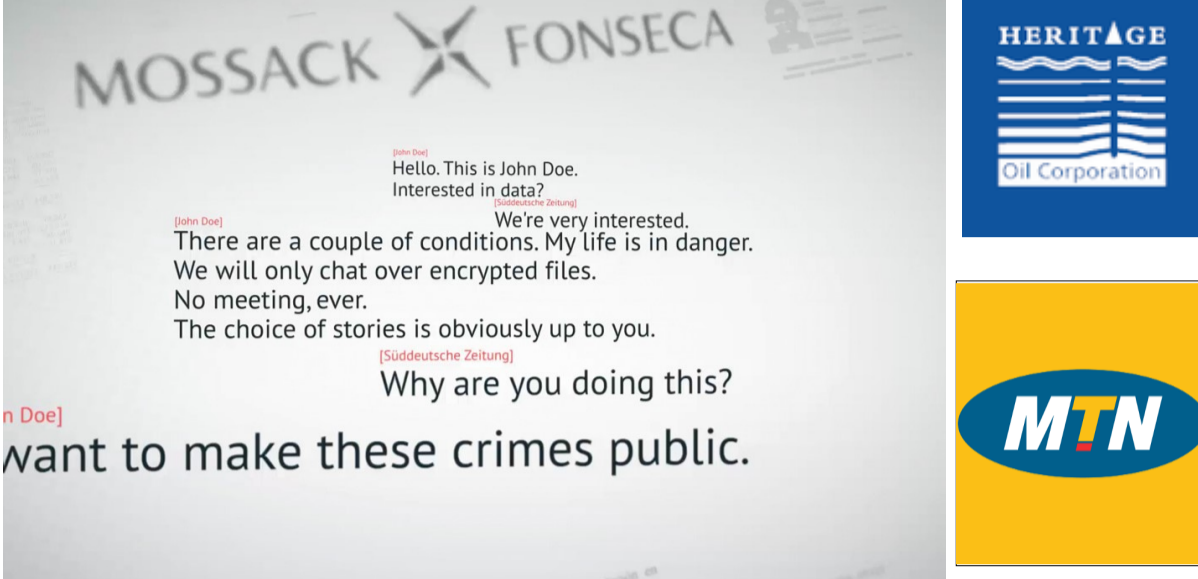
Weekly

April 4 – 10



In the week ending, the media was filled with the very bad news of the breakdown of the cancer machine at the Uganda Cancer institute. The Ministry later stated that Government had procured another machine but was waiting for construction of its shelter. That, amidst the global Panama papers that reveal how Uganda loses billions in Tax deals! Oh Uganda!

Uganda lost US\$404million in Tax evasion-Panama Leaks



(Left) The photo shows an electronic conversation on how the Panama papers leaked. Right is Heritage oil and MTN Uganda. Both companies have been involved in tax evasion. The papers reveal that For several years, these companies and many more have been getting away with this secrecy. Its also seen in the documents that every time the governments and the authorities try to crack them down, they find new ways to get around.

The International consortium of investigative journalists broke the news of how Ugandans are being robbed of Billions of revenue in offshore tax deals. The world woke up to the very unfortunate details of the Panama leaks where Uganda, a country struggling to raise funds to improve the quality and quantity of social services was robbed off tax revenue. Available evidence reveals that Heritage Oil, an Oil company operating in Uganda urgently transferred its corporate registration from Bahamas to Mauritius, permitting it to evade hundreds of millions of pounds owned to Uganda in taxes. This happened after Heritage was faced with a large tax bill in Uganda over the sale of an oil field.

Email evidence shows Heritage Oil's attempt to use a tax loophole to avoid a huge capital gains tax bill. One employee described changing the company's domicile as of "primordial importance" to Heritage Oil. Heritage Oil insists this issue has yet to be resolved. Under a "double taxation" treaty between Uganda and Mauritius, Heritage Oil planned to avoid paying tax in Uganda by paying a much smaller sum to Mauritius.

In an email in February 2010, Heritage's administration office in Guernsey sets out the basis of the transfer.

"We are emailing you both because we urgently need to re-domicile Heritage Oil to Mauritius primarily due to the double tax agreement between Uganda and Mauritius," wrote the employee. He further warned that the energy asset in Uganda was due to be sold within "the next 11 days."

Uganda's Response!

ActionAid Uganda together with the tax justice network partners convened on Friday at SEATINI to speak about these very unfortunate revelations. While speaking to the press, the CSO leaders noted that while it's a well-known story that Heritage oil attempted to avoid paying capital gains tax in Uganda, The Panama papers leak reveals a new angle – that multinational corporations can switch ownership of their holding to a tax haven or double tax treaty jurisdiction to avoid paying taxes in a host country.

"This is a wake-up call for multinational company host countries to be vigilant in exposing, with the help of lawyers and professional accountants, such acts and gaps in the double tax treaties that the countries have signed"-read part of the statement.

AAU's Policy and Campaigns Manager added that in October 2015, a joint investigation by The Observer and Finance Uncovered, a global investigative journalism network, unearthed how between 2003 and 2009 MTN Uganda had shifted three per cent of its revenue every year to MTN International in Mauritius in the name of 'management services' even when the company itself [MTN] confirmed that the Mauritian company employs no staff at all.

Regina Navuga of SEATINI added that while these are the few documented cases, the tax Justice Network is aware that many international corporations are taking advantage of the Double Taxation treaties and weak provisions in our tax agreements like on management fees to dodge paying their taxes.

The CSO leaders agreed to a number of engagements to push the government of Uganda to establish a mechanism for implementing the recommendations from the High level Mbeki Panel Report that was adopted by African Union in January 2015 to curb illicit financial flows among others. [Click Here for full press statement.](#)

What are Panama Papers?

The Panama Papers are a leaked set of 11.5 million confidential documents that provide detailed information about more than 214,000 offshore companies listed by the Panamanian corporate service provider Mossack Fonseca. The documents show how wealthy individuals, including public officials, hide their money from public scrutiny. The documents, which date back four decades are called Panama papers because they are allegedly connected to Panama law firm, Mossack Fonseca. ICIJ reports that the firm helped establish secret shell companies and offshore accounts for global power players. The investigation was conducted by the International Consortium of Investigative Journalists (ICIJ)

Cluster coordinators strategize to deliver



The International CSPV consultants interacted with the community as part of taking stock and strategizing for the next five years.



The cluster coordinators took time off to assess the operationalization of the cluster system and reviewed the past quarter.

Following the Organizational Efficiency and Country Strategic Paper (CSPIV) review last year, AAU implemented the change management plan that saw the configuration of five Local Rights programs(LRP) clusters of Katakwi, Gulu, Nebbi, Pallisa and Kapchorwa from the originally ten LRPs.

Last week, the maiden Cluster Coordinators meeting was held in Kapchorwa. The meeting aimed at reviewing the first quarter cluster progress, building inter-unit synergies, reflecting on the operationalization of the clusters among others.

The meeting was attended by two consultants from UK and South Africa on the International Strategy development (CSP V) process. Others were the five Cluster Coordinators, Manager-Policy Advocacy and Campaigns, Manager- IASL, Manager-Partnerships and Capacity Building and the Finance Director (on skype).

After a learning visit to Masasha in Bukwo, the team generated actions to rejuvenate Reflect Action participatory methodologies groups. The team among others agreed to conduct Reflect Action(RA) Census and regional based refresher training for RA Facilitators, generation of a management communique on a tested RA Model as best practice (a case of MASASHA Cooperative Society), completion of performance target setting for all new staff among others.

The team also developed a community consultations schedule for each cluster to guide the CSPV development process. This will be shared with all staff and partners for proper planning to attain meaningful engagements with the CSPV development process by all stakeholders.

Story of change for the week



ActionAid believes that one of the catalysts to restoring dignity is improving livelihoods. In pader, ActionAid embarked on this project by constructing a community seed store and giving out improved plant inputs to boost agricultural productivity.

Great emphasis was placed on value addition so that the farmers can get better prices for their processed foods as you will watch in [this video](#); seeds of gold.

Get inspired!

WEEK AHEAD:

- ActionAid Katakwi cluster is currently holding a Rural Women Framers Forum. The event is a climax of a consultation drive to generate issues of Women's rights to land and other productive resources. ActionAid will also hold a similar forum in Northern Uganda and at later at the National level. All events are a build up to the Kilimanjaro project. We shall bring to you details on the Kirimanjaro project in our next editions.
- Find out what transpired in the ActionAid Africa Country Directors Forum held in Nairobi last week in our next weekly edition.
- The Policy and Campaigns unit will conduct a series of activities in response to the Panama leaks. Follow these closely through all our online communications platforms.