



Chapter 6

Monetised Electoral College System

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MONETISED ELECTORAL COLLEGE SYSTEM

NEXUS BETWEEN CAMPAIGN FINANCING AND MONEY LAUNDERING

Nexus

The study established a correlation between campaign financing and money laundering in Uganda. The highly commercialised campaign period provided a favorable ground for cleaning up dirty money obtained from predicate financial crimes including syndicated corruption, fraud, trafficking in illegal wildlife products, illegal drug smuggling and terrorist activities among others. In an interaction with ACFIM, the Executive Director Financial Intelligence Authority (FIA), Sydney Asubo, agreed to possibility that campaign financing may have been used as an avenue to launder money.

The lack of openness and transparency in sourcing for campaign funds by political parties and candidates, created a dark cloud that may have allowed the proceeds from international predicate offences to be laundered through financing election campaigns and acquisition of luxurious real estate properties as well as purchase of luxurious automobiles. During the past eight years, Uganda has seen a spontaneous rise in construction of expensive apartments sprouting at an unprecedented speed and sold off at a relatively high price, thus begging the question, who are the buyers and where does the money come from?

The mad rush and confusion that comes with election campaigns created a murky situation that money launderers from Uganda and neighboring countries could have taken advantage of. There is a possibility that a significant percentage of the benefactors that sponsored political candidates often for quid pro quo reasons, used dirty money to do so. Dirty money could further have been channeled through international companies that have running government contracts or those that are vying to bid on public procurement, who donated it handsomely to the parties and candidates that are believed to have the potential to win.

It is noteworthy that Uganda is one of the countries that are stuck on the grey-list of the Financial Action Task-Force (FATF) and could easily slip into blacklist, as a potential destination/safe haven for money laundering. By the time of writing this report, the grey-list had 23 countries namely; Uganda, Mali, Morocco, Senegal, South Sudan, Albania, Barbados, Burkina-Faso, Cambodia, the Cayman Islands, Gibraltar, Haiti, Jamaica, Jordan, Myanmar, Nicaragua, Pakistan, Panama, Philippines, Syria, Turkey, the United Arab Emirates (UAE), and Yemen.

Government of Uganda is hellbent on attracting foreign investors in any form, size or shape with reluctance to ask where investor's money is coming from. If you reject the money, these guys go to another country where they will be accepted. Thus, Uganda has many risks of dirty money either emanating from within or going outside or coming into the country.



There is anecdotal information leading to the possibility that crooks may have bankrolled political parties and/or candidates that participated in the 2021 general elections so that upon assuming political office, they can protect their illegal businesses. Indeed, it is not uncommon for crooks to use campaign finance donations to capture the state and exert influence on the legislature with a view to sabotage or avoid investigations into their illegal activities.

Discrete interviews with purposively selected real estate agents in Kampala revealed that there was a spike in demand for acquisition of high-end apartments throughout the campaign period. Was this a coincidence, or there is a causative explanation to it? The secret known is that, world over, investment in real estate has been used as a way of laundering dirty money. When it comes to laundering money, prices do not matter, therefore the launderer can buy a property at any price. In the same vein, if a real estate agent sold off his newly constructed luxurious apartment to a person whose cardinal objective is to clean up dirty money, and a sale agreement is developed in that regard, such money can easily be accepted in any of the commercial banks in Uganda upon presentation of a sale agreement. Beyond the sale agreement, it is uncommon that the bank enquires about where the buyer sourced his/her money from in the first place. And there is no ban on cash payments in real estate transactions.

Political parties and candidates are by default, categorized as Politically Exposed Persons (PEP). A politically exposed person generally presents a higher risk for potential involvement in bribery, and corruption by virtue of their position and influence they may hold in the corridors of power. It is possible that the ruling NRM party and its candidates were targeted by money launderers during the campaign period. Discreet interviews with some of the top spending candidates revealed that in many cases, these candidates did not have much money to spend at the onset of campaigns but “found it” during the course of the campaigns. The question is: where did they find it from? This is where national financial intelligence institutions should take keen interest.

Opacity in Campaign Financing poses a threat to National Security

The study established that ACFIM with the exception of central region, the leading spending candidate also went on to win the election in over 75 percent of the cases. This means that a wealthy individual (a drug lord or terrorist boss) from any part of the world, can chose to invest \$30 million and with it can bankroll up to 200 candidates (including flagbearers of the ruling NRM party) who will go on to win and serve the selfish interests of the campaign financier. Often politicians pay more allegiance to their financiers than to the electorate. They use their financial contribution as leverage to hold the political leader captive to the whims of the benefactor, and will do exactly as told by their financier. The interests of the financier could be political or economic or religious or otherwise. When this happens, the sovereignty of the country will inevitably be threatened, if not grossly undermined. This is where the lack of openness and transparency in sourcing campaign money should be a matter of concern to political leaders and the rest of the citizenry.



Money in Youth College Elections

In 2021, general elections saw a large number of young people offering themselves and getting nominated as political candidates. But there were also several that failed to get nominated due to failure to raise the nomination fees of UGX 3 million (\$820). The emergence of the National Unity Platform (NUP), with its slogan “people power – our power,” mantra, added impetus and spurred many youths especially in central region, to offer themselves for election. According to the Electoral Commission, youth account for nearly half of the 17.6 million registered voters, with approximately 6.4 million under the age of 30.

In the Central Region, the youth were instrumental in the electoral victory of the NUP party, which took leadership of the opposition in the 11th Parliament. The NUP sparked a wave that, to a large extent, neutralized the influence of money on electoral outcomes in the central region. In other regions, where candidates with deeper pockets largely won the election, NUP’s neutralizing effect was less effective.

Monetised Youth Electoral College System

The youth are voted through an affirmative action electoral college system and the national Youth Council structure. Unfortunately, the electoral college system is highly monetised, and it is increasingly becoming a preserve of only those candidates with well-heeled campaign financiers. The youths interviewed for this study were unequivocal in their revelation that they always nurse an inferior feeling of lacking the requisite campaign funds to participate in politics as candidates. Without financial support to back up their often-insignificant political credentials, it has become nearly impossible for them to capture the attention of the electorate and win votes. It’s no longer about the quality of one’s ideas but rather about how well one can buy electoral college voters or use money to protect votes during elections. This challenge applies in almost equal measure to all college elections and direct constituency elections in Uganda.

The candidates who contested for the five slots of youth representative in Parliament needed to have a campaign war chest of over UGX 500 million (US \$0.14 million) to be able to win the elections. This amount is beyond what an ordinary youth leader can gain access to. Experience from the two past electoral cycles has proved that the electoral college system in Uganda – whether it be for youth or the elderly – is replete with so much money that candidates who are able and willing to outspend other contestants, carry the day. In other words, the impact of money on electoral outcomes is more pronounced in the electoral college than it is in the direct elections. This culture of transactional politics that is ingrained in Uganda’s electoral politics, stands out as a major barrier for participation of youth.

The Youth Rise to the Challenge

Campaign finance reports show that young people are becoming more interested in running for office, compared to the 2016 general election, when they were mostly campaign agents and cheerleaders for older political candidates. In comparison to previous election cycles, the number of young people running for office has increased. According to the analysis, 28.5



percent of the 2,664 aspirants in the direct Member of Parliament constituencies were under the age of 35. At the parliamentary level, there were more young candidates than at the Local Government level. In 2015 however, less than 10 percent of the aspirants were below 35 years.

The views shared during post-election focus group discussions point to a growing lack of trust among youths in the “old guard” to bring about the much-needed change that the country’s burgeoning young population desires. It is the general feeling of young people in Uganda that the “old guard” have failed to represent their best interests. Because of their numerical strength, youths have demonstrated a strong desire to be brought closer to the altar of political decision-making, particularly on how the national cake is shared, and policy discussions. Over 65% of Uganda’s population is aged 35 years and below.

Table 23: Comparative Figures of Aspirants below and Above 35 Years of Age

Positions	No. of Aspirants	%age (18-35)	Above 35
Direct MP Aspirants	615	28.5	71.5
District/City Woman Rep.	151	17.5	82.5
LC V Chairpersons	116	11	89
Mayors of Cities & Mun.	57	5	95

Source: ACFIM Data Sets (2021)

How many political parties fielded candidates for Youth Parliamentary Representatives?

Thirty-six (36) candidates were nominated for the 5 positions of Youth Parliamentary Representatives that were available. Of these, 15 were female while 21 were male. Twelve (12) of the thirty-six (36) candidates were backed by political parties, while twenty-four (24) ran as independents.

Only four (04) political parties sponsored candidates to compete for the five slots of youth representatives in Parliament out of Uganda’s twenty-six (26) registered political parties. The NRM fielded 5 candidates, NUP (3), FDC (3), and ANT (3). Political parties exist to participate and compete in elections but it’s unclear why only four out of the 26 registered parties were able to front candidates for youth representatives to Parliament.

Key Drivers for Campaign Spending in Youth College Elections?

The youth college elections are held at the regional level, which necessitates delegates traveling from their districts to participate in elections. This involves costs like transport, accommodation, and meal facilitation for the delegates. The Electoral Commission is responsible for covering these costs, but there are loopholes that have always been manipulated by the political parties and/or candidates that use money to sway the election in their favor. Notably, the facilitation from the Electoral Commission comes at the tail end thus placing delegates in a situation where they must rely on candidates for survival until the EC cashes in.



Thus, moneyed candidates manipulate this situation by transporting delegates to the electoral college venue, providing them with the best hospitality possible in terms of accommodation, meals and some out-of-pocket allowance. Regardless of his or her qualifications, the candidate who transports and entertains the greatest number of delegates wins the day. Political participation is largely motivated by financial gain in the context of highly commercialized electoral politics. As a result, the delegates who make up the electoral college, are more than happy to double-dip from both the candidate and the electoral management body. Furthermore, because the electoral college has a small number of voters, the cost of a vote is high, and the impetus for vote buying is strong.

The following are the drivers for campaign spending in youth college elections.

- a. Vastness of the region as a constituency:** This required the candidate to travel through 27 districts and over 700 counties in the central region, making their campaigns expensive, exhausting, and challenging. One of the youth candidates informed ACFIM that a minimum of UGX 600 million (\$162,162) was required to traverse the districts and meet delegates in their areas of jurisdiction or hotels. The vastness of the constituency of approximately 27 districts in the central region increased the cost of campaigns particularly campaign administrative costs such as fuel, feeding the campaign team, and accommodation.
- b. Money-hungry Delegates:** Money appears to be the primary motivator for youth to join the electoral college and aspire to become delegates. Delegates who are the voters in the college election, understandably expect candidates particularly parliamentary contestants, to cover the cost of their transport to electoral college venue, pay for accommodation, provide for them with unlimited hospitality and on top of that, an allowance. Nonetheless, the Electoral Commission (EC) meets the cost of accommodation for all delegates and provides a facilitation allowance to cover transport, food and incidentals. In these electoral colleges, the delegates to haggle with the electoral management body officers demanding more money than what was being provided. They threatened to boycott the college election if their demands for more money were not met. As a result, electoral colleges have ceased to be platforms for the youths to elect the most capable leaders for their interests, and have instead become grounds for money making. During a post-election Focus Group Discussion, it was revealed that each delegate in the electoral college aims to get at least UGX 2.5 million (\$714) at the end of the college election process.
- c. Electoral Commission Policy of paying delegates at the tail-end:** The EC chooses a venue in any region of Uganda and advises delegates to travel from their respective districts to the chosen venue. Delegates stay at the venue for three days and the EC pays their facilitation to refund delegates' transport, meals and incidentals on the third day. It is understood that some delegates must borrow money to finance their transport, and upon arrival, they are unable to purchase incidentals. This creates a shortage which



is then passed on to the candidate to make up for. Some candidates, however, see this as a blessing in disguise because it allows them to manipulate the money-hungry and sometimes stranded delegates, by buying their votes. It was also reported that the NRM party also capitalized by accommodating delegates in hotels where they were treated with good meals and drinks. Each delegate was also reportedly offered transport refund ranging from UGX 100,000 to 150,000 (\$28 – \$42) depending on the distance traveled. This strategy gave NRM candidates an advantage over others and it may explain why NRM flagbearers were declared winner of all the five available youth college election slots.

The highly commercialized nature of the college elections in which candidates with the “deepest pockets” (money) carry the day regardless of their leadership capabilities to represent the best interests of the youth, leaves the country with a few things to ponder and raises several questions. Haven’t the youth electoral colleges not outlived their usefulness? What effect will the highly commercialized youth college elections have on the future of Uganda’s democracy? Isn’t it time for Uganda to reconsider holding electoral colleges?

The majority of the youth candidates interviewed by ACFIM during the campaign period revealed that they raised campaign funds from a variety of sources, including contributions from family and friends, personal savings, loans, and contributions from political parties. In Uganda’s electoral politics, concealing campaign funding sources has become the norm.



MONEY IN ELDERLY COLLEGE ELECTIONS

In August 2020, Government amended the Parliamentary Elections Act to provide for the inclusion of five representatives of older persons as a special interest group in Parliament. Subsequently, five new seats for representatives of the elderly, were created in Parliament. The Act defines elderly as men and women aged 60 years and above, and the spirit of the amendment was to ostensibly to give them a voice at that level. The five representatives would be elected through electoral college, with a representative from each of the main geographical regions namely; East, West, North and Central. The fifth position was for affirmative action and thus reserved for female candidates.

Losing candidates including Hon. Miria Matembe revealed that money was a major factor in ensuring that all the five flagbearers of the NRM party go through as winners from the elderly's electoral college. These were:

1. Ms. Peninah Kabingani, a retired civil servant representing central region,
2. Mr. Dominic Mafwabi Gidudu representing Eastern region and also former member of NRM Central Executive Committee (CEC) and the national chairperson of NRM Elders League.
3. Ms. Catherine Akumu Mavengina – former minister of state for Public Service, representing Northern region
4. Mr. Joram Ruranga Tibasiimwa, a retired head teacher representing Western region.
5. Peggy Waako won the affirmative seat that was ring-fenced for women.

To win the affirmative seat, Peggy Waako defeated former Ethics and Integrity Minister Hon. Miria Koburunga Matembe. In an interview with ACFIM, Hon. Matembe decried the scale of voter bribery that characterized the college elections she participated in as a candidate. According to Matembe, she joined the race with the assumption that when one becomes of age to be referred to as elderly, he/she should have a degree of integrity. “But what I saw was that at a price of UGX 200,000 (\$57) per voter, my fellow elders sold the souls and voted for the less technically competent NRM candidate”, said Matembe. The NRM flagbearer Ms Waako won the election with 690 votes against Matembe's 56 votes.



MONEY IN PWD COLLEGE ELECTIONS

The college elections for parliamentary representatives of People With Disabilities (PWD) were held in Jinja district. A total of 730 delegates from the 146 districts of Uganda convened at the venue managed by the Electoral Commission. Every district was represented by 5 delegates comprised of a Chairperson, Vice Chairperson, Secretary, Treasurer and Publicity Secretary. These elections were costly to the candidates as electoral victory was determined by the size of candidate's pockets.

Key drivers of Campaign spending and cost areas in college elections of Persons with Disabilities

- a. **Vote canvassing.** PWD political candidates decried campaign costs incurred while traversing the 146 districts during campaigns canvassing votes. Electoral committees of five members in districts did not only eat but financially malnourished candidates as one of the contenders shared his displeasures during campaigns. This information was corroborated by ACFIM monitors who reported that candidates spent massively on strategic meetings with delegates in their respective districts including payment of transport facilitation, accommodation, feeding and out of pocket allowances for delegates. One of the contestants revealed to ACFIM that:

"I spent roughly UGX 300,000 in each district on facilitation of delegates in the districts I visited. These costs were on transport refund, refreshments (eats and drinks) and accommodation of some delegates excluding my personal expenses and my team."

The findings show that during campaigns, a candidate would spend UGX 1,000,000 (\$278) on fuel, personal aides, driver, food and accommodation in each district travelled. Hiring people who served as guides/aides, required them to travel with the candidate as he/she traversed the districts canvassing for votes. Observer reports indicate that candidates facilitated guides/aides with daily allowances in a range of UGX 50,000-100,000 throughout the campaigns.

Influence of Money on PWD Electoral Outcomes

Money did not only influence but was the yardstick for winning the college election as member of Parliament representing PWD. Observer reports point to a common conclusion that the victories in the PWD college elections were procured. On the eve of the polling day, candidates spent on buying delegates in a range of UGX 500,000-1,000,000 (\$138-278) in exchange for their votes. Moneyed candidates booked and paid for hotels for delegates provided other forms of hospitality. It is estimated, that winning candidates spend upwards of UGX 500 million (\$138,888) to win the college election.



Sources of campaign finance of Candidates for Persons with Disabilities

Candidates raised finances from private sources including personal savings and contributions from family and well-wishers. Political parties paid for the nomination fees of the flagbearers. NRM party flagbearers received a campaign war chest of UGX 60 million (\$16,667) while their FDC counterparts received UGX 2 million (\$555).

Why does Vote-buying Persist in Electoral College Elections?

Electoral colleges have for so long been associated with vote bribery and more recently gained traction with petitions that they are not only democratically unfair but also very costly. It is very evident now that the college system serves to encourage voter bribery because voters are few and stakes are very high allowing voter bribery to thrive. Here's how:

Reluctance in enforcement

Voter bribery remains one of the most common electoral offences in Uganda's elections. According to the Uganda Presidential and Parliamentary Elections (Amendment) Act, 2010, on Bribery

1. *Any person who, either before or during an election with intent, either directly or indirectly to influence another person to vote or to refrain from voting for any candidate, gives or provides or causes to be given or provided any money, gift or other consideration to that other person, commits the offence of bribery and is liable on conviction to a fine not exceeding ninety currency points or imprisonment not exceeding three years or both.*

This raises questions on the reluctance of the police to take action rather than pretend as if they are not aware. The Electoral Commission should be put on the spot because it is the body in charge of elections and must ensure that the whole notion of voter bribery is weeded out but have unfortunately remained by-standers.

For the elderly elections, one of the sources interviewed revealed that on the eve of the election, the current MP for older persons, Hon. Joy Peggy Waako during the registration of delegates at the Electoral Commission office, in the presence of Electoral Commission officers and the police gave out gifts, masks and brown envelopes right before they were directed to their buses to be driven to the venue of accommodation. On arrival they were treated to a sumptuous dinner, alcohol, sauna and massages. The candidate believes that this definitely swayed the delegate's decision to her opponent.

Greedy delegates

Despite the Electoral Commission's mandate to facilitate the delegates with transport and accommodation, voters still stubbornly demand for facilitation and yes, this has an influence on electoral outcomes. ACFIM was reliably informed by some former contestants that delegates at every interaction demanded for money claiming that it was their "time to eat."



One of the candidates for the older person's election revealed that she was unbelievably awakened by phone calls from delegates on the Election Day like: "Honorable, are you also giving us something?" This behavior was very disturbing especially coming from the elderly.

Willingness by Candidates to donate Cash and in-kind gifts to the Electorate

National Resistance Movement's Peggy Joy Waako posted a landslide victory in the race for National Woman MP for elders Elect landslide victory, thanks to the conquering power of the banknote. It was learnt that she allegedly induced voters with a standard cash donation of UGX.40,000 (\$11) per delegate. Ms Waako, a retired social worker garnered 640 votes where as her only opponent Miria Matembe (Independent), former minister of state for ethics and integrity only secured 56 votes out of at least 703 delegates.

The delegates volunteered information that at the venue of the college election, they were clustered into districts where each of them was given UGX 200,000 (\$53) for the five executive members who form the Electoral College.

The blatant bribery on show by candidates, who have shamelessly made it the norm to openly bribe voters in full glare of everyone, is one of the subtle ways that are being used to kill Uganda's democracy. Voters in this case chose money over ideas and have lost five years of able and ideological leadership in exchange of peanut funds.

Bureaucracy and delays of Electoral commission in giving delegates the allowances

The delegates justified the bribes given by the candidates claiming that it was meant to cater for their accommodation and meals since the Electoral Commission delayed to disburse these allowances. The Electoral Commission was mandated to give each delegate an allowance of UGX.400,000 (\$113) in addition to the transport depending on the distance from their respective home district.

The delegates however reported that they received the money after the election. So, prior to the election, they had to source funds by themselves to cater for their transport and accommodation. Since most of the candidates were offering them cash, they took it in order to cover their costs. Some of the candidates accused the Electoral Commission of facilitating vote bribery because if voters had been facilitated on time and not after the elections, they probably wouldn't be prone to bribery.