



Dear Hon Member of Parliament,

RE: REJECT GOVERNMENT PROPOSAL TO ISSUE PROMISSORY NOTES USD 379.9M FOR CONSTRUCTION OF INTERNATIONAL SPECIALIZED HOSPITAL IN LUBOWA

Greetings from Uganda Debt Network (UDN)!

UDN would like to commend the Government of Uganda (GoU) on the delivery of public services and also Parliament's effort at large for the oversight role in promoting accountability and transparency in Uganda. While several infrastructural projects across the board have been fronted, their performance in terms of completion and expected returns have so far been received with mixed results by the intended population of Uganda.

GoU through the Ministry of Finance and Ministry of Health, is seeking parliamentary approval and authorization to issue Promissory Notes not exceeding US\$ 379.71 Million to FINASI/ROKO Construction SPV Limited for the financing of the Design, construction and equipping of the international Specialized Hospital of Uganda at Lubowa - Wakiso Uganda.

It is envisaged that the project will reduce the costs of required specialized medical treatment abroad that is not available in Uganda e.g. for cancer, kidney transplant, heart and brain surgery, etc. for sections of Ugandan citizens.

APPRECIATION

UDN appreciates support by: Membership; [DGF](#); [DCA](#); [Save the Children in Uganda](#); [Inspectorate of Government](#); [IBP](#) and [Trocaire](#).

UDN has a few concerns about the manner in which this proposal was laid before Parliament, such as; i) rushed process for Parliamentary approval ii) preferential treatment of a private actor vs public sector institutions iii) discrepancy between the cost of financing and proposed guarantee for the ISHU Lubowa facility (USD 249.9M and USD 379.71M respectively), among others. We are concerned that a Government guarantee to a private investor in such a manner will increase Uganda's liabilities moreover with the current debt stock in excess of shs 41.3 trillion as reported by of Ministry of Finance, January 2019.

If the proposed ISHU- Lubowa project is approved in its current form, it will become one of the most expensive undertakings (loan or guarantee) by Government for the Ugandan tax payers. There are already CSOs broader concerns that any new financing modalities should not cause more liabilities to Ugandans in the foregoing.

We therefore call upon our Members of Parliament to prudently examine this proposal to come to a decision that is worthwhile to taxpayers and the Government of Uganda.

We shall count on your support towards this citizen-centered noble cause

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