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A Critical Analysis of China's Infrastructure Assistance To Uganda.

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Abstract: This paper analyses China's development engagement with Uganda focusing on China's Infrastructure assistance in transport and energy sectors presenting six cases of China's development assistance to Uganda in the above sectors. The paper further highlights common features of China's development assistance, its contribution towards Uganda's economic growth and why authorities in Uganda prefer China's assistance. The author concludes that, by and large, China is playing a pivotal role towards improving Uganda's infrastructure sector – the engine of social - economic growth. However, the author points at three key issues Ugandan policy makers must address if China's development assistance is to leave sustainable positive impact. Firstly, Uganda must devise other ways of funding her infrastructure than entirely relying on China's concessional loans to avoid high debt challenge, Secondary, there is need to address lack transparency in China's development assistance to Uganda, and thirdly, both Uganda and China must give attention to environment.

Key Words: Economic Growth, Development assistance, Infrastructure, China-Uganda Relations.

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I. INTRODUCTION

Like it is with other many African countries, China – Uganda relations has been improved in the current times. The relations range from political, economic and social aspects. Since 2010, China has been Uganda's top source of Foreign Direct Investments (FDI) and single largest trading partner replacing the long traditional source of FDI. According to Uganda Investments Authority (UIA) annual investment report[3] for 2015/2016, China toped Uganda's source of FDI with 27.6 % followed by India at 13.9%. (UIA, 2016). The same report indicated China toped foreign employment sources for Uganda in 2015/2016, followed by India.

It is important to note that; China's investments and economic relations with Uganda are not new. The two countries have enjoyed these relations for decades. After Uganda gained her independence from Britain in 1962, just few days later, was recognized by China as an independent country. The two countries have since then enjoyed good diplomatic relations including high level diplomatic exchange visits on both sides (Shinn and Eisenman, 2012). Indeed, like some other African countries, Uganda also supported China's bid to regain its seat in United Nations (UN) during UN's 26th Genera assembly in 1971, and also stood by China at a time when China was under international pressure and Isolation after the infamous June 4th1989 Tiananmen square incident, (Taylor, 2006).

One can argue that in a reciprocal manner, China backing Uganda in a number of ways is paying her loyalty. Since her independence, China has played pivotal role towards Uganda's economic growth by providing her assistance within a framework of bilateral cooperation where several sectors such as Infrastructure, Education, Agriculture, Health, and Sports have benefited. It can be argued that, if ideological factors drove China's interests in Uganda in the 1960s and 1970s, today, economic factors such as trade, access to Uganda's mineral and political factor top other factors shaping China - Uganda relations. Other scholars argue that

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3 See, UIA, (2016), "Annual Investment Abstract", available: <https://www.ugandainvest.go.ug/wp-content/uploads/2016/06/Uia-Annual-Investment-Abstract-for-FY-2015-2016-.pdf> (accessed 20 August 2017)

China's engagements with African countries, both short and long-term interests rotate around economic and need to access raw materials, (Alden, 2007; Ampratwum et al., 2009; Friedman, 2009; Cramody, 2011).
UIA notes that China's investments in Uganda especially in infrastructure sector are not only a boost to the country's economic development but also a contribution to social, economic development of the country and a major source of employment opportunity for Ugandans, (UIA, 2016). That notwithstanding, the question is, should China's relations with Uganda be described as a cuddly bear or a dangerous beast?

1.1 Historical Background and literature of China – Uganda Relations

China–Africa Relations dates back to 1950s before African Countries independence[4]. Indeed, while many African countries were still under colonial rule, Chinese leadership under Mao, offered moral support to African countries and called for decolonization of African countries, (Larkin, 1971). It can be argued that, China's support towards African countries such as Ghana in many ways inspired many African countries including Uganda to rise against colonial rule, imperialism and demanded for their independence, (Li, 2007; Yu, 1988). China gave moral support to colonized countries from Asia to Africa, and amplified her anti-colonial voice during Bandung conference in Indonesia in 1955.

Indeed, when Uganda gained her independence on 09th October 1962, it took China only nine days to recognize Uganda as an independent country on October18th 1962; the two countries officially established diplomatic relations. Despite regime changes in Uganda between 1962 and 1985, the two countries maintained cordial relations (Shinn and Eisenman, 2012).

In 1964, several Ugandan youth were invited to China where they were trained in leadership. In the same year, Uganda's state minister in the office of Prime minister one Grace Ibiringira followed their visit. In 1965, Uganda's premier then Milton Obote on official invitation visited China and held talks with Chinese leadership where Beijing announced a $3 Million grant to Uganda and $12 million loan[5] to help Uganda.

As China under went its Cultural Revolution that was later to be described as a vehicle that transformed China to modernity route, though it was not officially announced, China's assistance to African countries Uganda inclusive stagnated as PRC reserved all its energies to modernizing itself and one can say that China's engagements with Africa through 1980s were put on halt as Chinese leader Deng Xiaoping undertook several steps of modernizing and developing China. Indeed, International Relations commentators and thinkers such as Gerald Segal noted "Africa will remain the least important area for Chinese Foreign Policy", (Segal, 1992:126).

At this time, though China was not actively involved in Africa, it continued to offer some support to African countries like Uganda. The two countries continued working together with China supporting Uganda in sectors such as agriculture, education, sports, and security among others. In 1974, Chinese government supported the government of Uganda and established Kibimba rice scheme[6] – the biggest rice scheme in the country to-date. The scheme helped Uganda to produce enough rice for home consumption and also for market and Uganda is now one of rice exporting countries in Africa.

In 1994, China set up China Development Bank (CDB), arguably to mainly meet its needs. In 2006, CDB set up China-Africa Development Fund, which it used to fund its active companies overseas, and to venture in more investments in African countries. In 2000, China initiated the famous Forum on China-Africa Cooperation, primarily to strengthen China's regional ties with African countries positioning itself as a partner to African countries in their road to development; after all, China considers itself a developing country (Brunell, 2014; Todaro et al., 2011). Uganda is a beneficiary of such arrangements, for example, China funded Uganda's anti-Malarial research, and every year, China sends teams of medical experts and doctors to offer medical services to Ugandans in different hospitals. China has funded and constructed hospitals in Uganda like Naguru Hospital, trained medical personnel there and also to-date, China stocks this hospital with medicines[7]. (Shinn

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[4]Interactions between African countries and China begun late 1950s before many gained their independence. Chinese officials started their relations with Ghana's Kwame Nkrumah before Ghana's independence in 1957, See Chau, Donovan. *Exploiting Africa: The Influence of Maoist China in Algeria, Ghana, and Tanzania*. Naval Institute Press, 2014

[5]Legum, 472-28.Dutt, China and the World, New York: Praeger, 1966, 293; CIA, "Chinese Communist Activities in Africa" 12.

[6] See, Jaramogi, (2014), "Highlights of China-Uganda Relations", 5March, New Vision, available: <https://www.newvision.co.ug/new_vision/news/1338375/highlights-china-uganda-relations> (accessed 17 August 2017)

[7] See, Agnes Kyotalengerire, 2017, "Nagulu Hospital boosted with Personnel, Equipment", New Vision, 14 September, available: <https://www.newvision.co.ug/new_vision/news/1461602/china-uganda-friendship-hospital-naguru-boosted-medical-team> (accessed 20 October 2017)

and Eisennman, 2012; Kyotalengerire, 2017).

In 2001, China's Hu Jintao then a member of Standing Committee of the Political Bureau of the Central Committee of China's ruling party CPC and vice president visited Uganda and several trade agreements between the two countries were signed, (FOCAC[8], 2009). In 2006, China's Premier Wen Jiabao visited Uganda, a sign of good relations of the two countries. A year after Jiabao's visit, China cancelled Uganda's debt amounting to $17 Million.

It can be argued that, the first decades of China – Uganda relations focused more on trade, agriculture and diplomatic relations and from 2010, China effectively ventured into Uganda's construction and infrastructure sector where billions of USD has been spent. For example, China funded the construction of Uganda's national stadium, gave Uganda a $7 million grant and in turn Uganda contracted Chinese companies to construct[9] buildings housing the ministry of foreign affairs, office of Prime minister and office of the president, (Namutebi and Musoke, 2008). China also funded the ongoing construction of the new Parliamentary[10] chambers and New State house (Karugaba, 2010). This correlates well with Chris Alden's views in his book "China in Africa"; *"In exchange for their countries' riches, African politicians have acquired dozens of new parliament buildings, presidential palaces and sports stadiums, all build virtually overnight by Chinese construction companies…" (*Alden, 2007:3)

In trade, for a decade now, China is among top five foreign inventors in Uganda. However, China's critics say the trade only favors China than Uganda. In 2010, for example, Uganda imported $248 Million from China while China only imported 27 Million USD from Uganda. However, China notes that this is not a deliberate move and China aims at reversing this to have both countries gain equally from their trade (Shinn, Eisenman, 2012). In terms of investments, official statistics shows Chinese investments in Uganda increasing; The Fiscal Year 2013/14 Chinese investments in Uganda grew by 13 percent and in the same year, China[11] alone accounted for 38 percent of the total licensed investments projects in Uganda, while locally owned investments[12] 24 percent (UIA, 2013/14). Considering the fact that increased FDI contribute greatly towards economic development of the host country, (Dickens, 2015, Kishoshita, 1999) conclusion can be made that China plays an important role towards Uganda's economic growth. However, analysts claim China's investments portfolios in Uganda are a disadvantage to the country's home based industries that collapse as a result of failing to stand Chinese companies competition (Karyegira, 2015).

2. Some features of China's approach to infrastructure investment in Uganda, Africa in general.

It is important to note that, in the last one and a half decade, China alone has invested in African countries infrastructure sector especially road construction more than any other country and the known traditional funders such as World Bank and IMF, (Foster et al., 2009). For example, between 2000 and 2011, Chinese government through her various state owned and private companies funded more than 1,700 projects[13] in at least 50 African countries at a staggering $75 billion, (Morlin-Yron, 2011). Indeed, China on annual basis is spending over $50 billion dollars in construction project in African countries constructing buildings, roads, railway lines, bridges, and hydro electricity dams among others.

It should also be noted that, this is not the first time China to invest in Africa's infrastructure sector. In early 1960's China funded the construction of the famous Tan-Zam Railway in Zambia, (Monson, 2009; Snow, 1988; Yu, 1971). What is not disputed is that, currently, the level at which China is investing in African countries infrastructure is undoubtedly going high with Chinese both state owned companies and private investing in construction of Roads, Stadiums, parliamentary buildings, state houses, electricity dams, bridges,

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[8] See, FACAC, 2008, "Uganda" 27 January, available: <http://www.focac.org/eng/ltda/ltjj/ms2009/t607354.htm>(accessed 23 October 2017)

[9] J. Namutebi, C. Musoke, (2008), "Chinese to build new presidential office" New Vision 14 August, available: <https://www.newvision.co.ug/new_vision/news/1183306/chinese-build-presidential-office> (accessed 10 September 2017)

[10] See, Mary Karugaba, (2010), "Parliament to get new Chambers" New Vision, 18 April, 2010: available <https://www.newvision.co.ug/new_vision/news/1291995/parliament-chambers> (accessed 29 October 2017)

[11] Investments projects registered as owned by Chinese investors. These included private Chinese with support of Chinese government and Chinese government owned projects.

[12] Registered investments projects owned by Ugandans government included.

[13] See, Rich Harris, (2013) "China commits billions in aid to Africa as part of charm offensive – interactive", The Guardian, 29 April 2013 <available at https://www.theguardian.com/global-development/interactive/2013/apr/29/china-commits-billions-aid-africa-interactive> (accessed 17 October 2017)

among others, (Alden, 2007). Uganda is one of the countries that have gained from such investments, (Namutebi and Musoke, 2008; Shinn, Eisenman, 2012,)

While some scholars argue that China's engagement in Africa is largely driven by China's interests such as economics and political which are similar to other actors in African countries particularly the West, (Shinn, Eisenman, 2012;Brautigam, 2009; Jiang, 2009), it also important to note that, China's approach and terms employed, and the mode used to ensure her influence in African countries becomes effective at the same time well received by these countries, the approach and tools are so different from those employed by other foreign actors. Indeed, several scholars contend that, China understands well Africa, as a continent with many countries rich with minerals such as oil, diamond, gold, bauxite and at the same time these countries are faced with a challenge of infrastructure development in sectors such as roads and energy. On the other hand, China has one of the world's a well-developed infrastructure system supported by its several state and private owned companies. China therefore sees this as a leverage over African countries by offering them infrastructural assistance and in return African countries to allow Chinese companies access to their minerals such as oil, diamond, steel, bauxite, gold among others which China needs much to support her growing industry back home, (Habiyaremye, 2013; Jiang, 2009).

This way, unlike western actors, China offers her African development partners a package like integrated by offering trade and investments in Africa opposed to Western actors who choose to engage African countries by offering aid, (Moyo, 2009). By offering this kind of package – investments and trade, China provides its home companies with credit, engages African countries governments and signs agreements with them to allow its companies access their resources as Chinese companies trade and invest in such countries offering some times long low interest loans by constructing roads, highways, railways among other infrastructure investments. This arrangement has also been termed as 'Angola Mode' or Infrastructure for Resources' (Brautigam, 2011; Corkin, 2013; Foster et al., 2009).

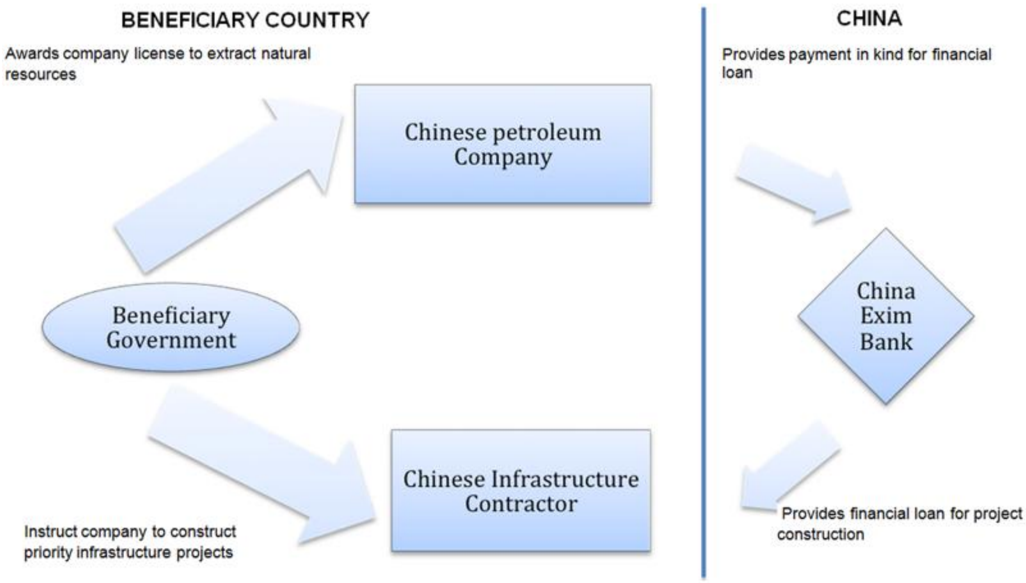
In her scholarly work, Deborah Brautigam, (2011) notes that it is not a new phenomenon China to engage her development partners using this method of payment. Brautigan argues that while dealing with Japan in 1970s, this very approach was used adopted by Japan, and China believes that since it was a win-win strategy for both Japan and China, she believes it will be the same with African countries, (Brautigam, 2011: 5).

Under this arrangement, there are several carrots or inducements for the two partners undertaking the development since all countries involved have security about the investment they are undertaking, as Brautigan notes, "securing the investment with a resource flow reduces the risk and allows the interest rate to be lower, and the loan to be cheaper", (Brautigam, 2011:5). Often, when such arrangement is undertaken, money needed for such projects despite being signed for by the recipient country, are not directly transferred to the benefiting government but rather the funding government in this case Chinese government signs an agreement with the recipient country to fund a particular infrastructure project agreed upon and the recipient country to pay back with natural resources such as oil, or other natural resources. The recipient country contracts a Chinese firm to undertake the project and China through EXIM bank funds the project directly through the contracted Chinese firm. Under this arrangements, the loan given to African country is secured or guaranteed since payment is done in form of oil or any other resource being produced by the Chinese company contracted to do production work, (Foster et al., 2009). China used this strategy to construct Uganda's Standard Gauge Railway[14] (SGR) the biggest single infrastructure investment in Uganda's history (Musisi, 2017). Uganda's president – Yoweri Museveni committed the standard gauge railway contract to China insisting that China would source funding[15] for the project. This very mode of financing infrastructure development has been used in different African countries. In Ethiopia, China provided funds and Ethiopia paid with her the Sesame, In Zimbabawe Tobacco, While Congo Brazzaville repaid the loan with oil, (Brautigam, 2011)

Figure 1.I llustration of 'Angola mode' or 'Infrastructure for resources'

[14]See, Fredrick Musisi, (2017), "Uganda mortgages oil to China to get Standard Gauge Railway", Daily Monitor, 05 February, available: <http://www.monitor.co.ug/News/National/Uganda-mortgages-oil--China--Standard-Gauge-Railway/688334-3799678-g9x1xpz/index.html> (accessed 19 September 2017)

[15]Another example of Angola mode deal where a Chinese company is given contract without competition to do activity in another state and payment is made in an agreement of awarding same company or its sister company contract to extract minerals such as oil.



Source: Adapted from Foster et al., 2009.

As discussed above, China's economic development engagement with most of African countries Uganda inclusive is quite different compared to the West's approach. In his scholarly work "*Africa's Infrastructure: A Time for Transformation",* published for World Bank in 2009 under their program Africa Development Forum Series, Foster V and Briceno-Garmendia (2009) explains that China's development assistance to African countries is different in both norms and practice with common characteristics such as mutual benefit for both countries, the Chinese development assistance is appreciated in form of batter trade or interexchange as China provides funding the recipient country pays back using her minerals such as oil or gold. Under this arrangement, agreements and terms of payment often are negotiated and signed between the two states (China and the country receiving development assistance, (Foster et al., 2009).

Another notable difference between China and western form of development aid to African countries is that while western countries development support and aid to African countries is often sent to recipient countries through development agencies, China's aid is often negotiated between two states and after funds are channeled through a Chinese state owned institutions especially Exim Bank then to the project being funded, (Foster et al., 2009).

Arguably, at the requests of recipient countries, Chinese economic cooperation and assistance programs to African countries have come at a time when African countries are faced with shortage of funding in infrastructure sector especially in sub-Saharan Africa and therefore, China is heavily investing in this sector which the other traditional development partners had not given much attention despite being crucial for economic growth. Indeed, studies indicate that sub-Saharan African region is lagging behind as far as indicators of infrastructure development are concerned, (Foster et al., 2009).

Indeed, China's investments in Africa's infrastructure sector cannot be matched with any other development partners, (Morlin-Yron, 2011). In his paper "Is China actually helping improve debt sustainability in Africa?" Reisen H (2007) notes that, 'there rarely has been such rapid and intense investment in African infrastructure as is going on today' (Reisen, 2007: 8), thanks to Chinese investments in Africa's infrastructure sector.

While critics of western aid have often accused them of attaching strings to their aid, Chinese development aid too come without strings attached to it. In most cases, Chinese development aid especially in infrastructure sector is tied with a condition of contracting Chinese firms to do the construction of the funded project. Some times materials to be used on the project are also imported from China and sometimes local labor is limited as Chinese firms import their employees from back home – China, (Alden 2007, Brautigam, 2009) This probably explains the reasoning advanced by China's critics who argue that China's mode of investment in

Africa is similar to that of former African countries colonialists[16].

Despite what seems to be a great contribution of China towards improvement of African countries infrastructure sector, it should be noted that it is not easy to get correct facts about effectiveness of Chinese investments and engagement in Africa. Different scholars have argued that, the amount of Chinese aid reported some times is inaccurate or inflated which makes it difficulty one to come to the most accurate figure, (Brautigam, 2009). Indeed, in their book "China and Africa", David H. Shinn and Joshua Eisenman noted that, it is not easy to measure China's FDI in Africa due to lack of transparency on China's side (Shinn and Eisenman, 2012: 131-132).

However, this lack of transparency in China's infrastructure investment in Africa does not in anyway cast doubt the fact that Chinese investments in African countries infrastructure sector has played and continue to play a pivotal role towards Infrastructure development which is a pillar for both Economic and Social development for Africa, (Shinn, Eisenman, 2012). World Bank indicates that, Sub-Saharan Africa lags behind other developing regions on most standard indicators of infrastructure development[17] adding that, this infrastructure funding gap is estimated at about 10 billion USDa year for minimum investment needs (Bosshard, 2007; Foster et al., 2009). Hence, China's role in filling such gaps cannot be just swept under carpet!

As Reisen H, (2007) noted that China has massively invested in African countries infrastructure. By 2021, under China's preferred payment arrangement - "Angola Mode"[18], China will have constructed 600KM of roads in Uganda at $909.8 million concession loan through EXIM bank and Uganda will pay back with her oil. Indeed, as of December 2017, China alone through Exim Bank was funding over sixteen roads construction projects in different parts of Uganda, (UNRA, 2017) at the same time over twenty Chinese Construction companies were working on different infrastructure projects all worth billions of US dollars. Notable among these companies are; 111KM road Hoima – Butiaba – Wanseko funded by Exim Bank, 107 kilometers road of Mubende – Kakumiro – Kagadi road funded by Exim Bank with China Communications Construction Company (CCCC) doing the construction work, 104KM road of Musita – Lumino – Busia/Majanji road with China Railway 18th Bureau (Group) Co. Ltd doing the construction work. All these roads being funded by China's Exim bank are known as Oil Roads[19].

There is no doubt that China's heavy investments in Uganda's infrastructure sector will spur Uganda's economic growth. Indeed, in his article "Rethinking China's 'exploitation' of Africa – China Hands", William, J (2014) empathizes the importance of good transport system towards any country's economic development noting that, without good road network and energy, it would remain hard to do developmental work in Africa which would retard economic growth and development, (Williams, 2014;Wyatt, 2015). It is important also to note that China's infrastructure assistance to Uganda came at a time when Uganda and many other African countries are faced with shortage of funding in infrastructure - a sector, which is vital for economic growth. "Some times you cannot trust or rely on other funders like World Bank for infrastructure loans…but Chinese are reliable", John Byabagambi Uganda's former Minister of Works told me in an interview[20], adding that getting loans from China is not "stressful" compared to World Bank's, which he observed, often has many conditions difficult to fulfil. Uganda like other countries in Sub Sahara Africa still have infrastructure deficits that China's help is very vital. (See table 1 and 2 highlighting core infrastructure fields that require funding). Foester et al., (2009) observes that many of Sub-Saharan African countries are faced with a challenge of funding in infrastructure a concern shared by World Bank noting that the region is faced with a deficit of about $10 billion annually, (Foster et al., 2009).

Table 1. Shows Infrastructure financing needs of sub-Sahara Africa

[16] Fformer Central Bank Governor of Nigeria described China – Africa relationship as "a new form of imperialism" See Walli, W., "Africa warned of China exploitation", Business Day. Available: <http://www.bdlive.co.za> (accessed November 22, 2017)

[17]Uganda is one of those countries with poorest infrastructure developments in Sub Saharan Africa. See, appendix 1 and 2

[18]Mbaga, (2017), "Chinese to construct "Oil Roads" at their own cost", The Observer, December 17 available: <http://www.observer.ug/business/56393-chinese-to-construct-oil-roads-at-their-own-cost.html> (accessed 20 January, 2018)

[19]Funded with oil monies to easy transportation of oil, Interview with Minister of works.

[20]Interview with John Byabagambi - Uganda's former minister of Works and transport.

Infrastructure	Capital Expenditure	Operation & Maintenance	Total spending
ICT	7.0	2.0	9.0
Irrigation	2.9	0.6	3.5
Power/Electricity	**26.7**	**14.1**	**40.8**
Transport	**8.8**	**9.4**	**18.2**
Water supply and sanitation	14.9	7.0	21.9
Total	60.3	33.1	93.4

Source: Adopted from;Foster and Briceno-Garmendia, 2009.

Table 2, Shows infrastructure financing gap in Sub-Saharan Africa.

Item in USD Billion annually	**Power/electricity**	ICT	Irrigation	**Transport**	Water	Total
Infrastructure funding needs	-40.8	-9.0	-34	-18.2	-21.9	-93.4
Existing funding	11.6	9.0	0.9	16.2	7.6	45.3
Infrastructure funding gap	29.2	00	2.5	2.0	14.3	48.1
Efficiency gap	6.0	1.3	0.1	3.8	2.9	17.4
Funding gap	23.2	1.3	2.4	-1.9	11.4	30.7

Source: Adopted from;Foster and Briceno-Garmendia, (2009).

Going by Foster et, al (2009) work, like many other Sub Saharan countries, Uganda has very poor infrastructure system from roads to energy infrastructure. In 1962 when Uganda gained her independence, it only had 844KM of paved roads. This left many parts of the country not well connected since transport was not easy given the small road coverage of the country. By 2012, the country had registered some progress with about 4000KM of paved roads, (Arinaitwe, 2013).

Uganda being an agricultural country, the problem of poor infrastructure in road sector continues to affect economic growth in different parts of the country in many ways. Farmers cannot transport their harvests to the market easily as a result of poor roads and in some rural areas, despite working hard, people cannot benefit from agriculture because they sell their produce cheaply as a result of failing to access market which is attributed to poor infrastructure. Uganda's president Yoweri Museveni says one of major bottlenecks of development is poor infrastructure noting that good infrastructure such as reliable electricity, and effective modes of transport like good roads enable entrepreneurs to move goods to market in a timely manner as well as easily mobility of people, (Tralac, 2016). Ugandan parliamentarians hold the same view that poor road network is trapping Ugandans in poverty. "Our local farmers are always cheated in villages by traders and middlemen, this is largely due to poor roads in our areas. Our people cannot easily transport their produces to towns where the market price ismuch higher[21]" Charles Ngabirano – a Member of Parliament for Rwampara County in Mbarara district noted during an interview.

The poor state of roads/infrastructure has resulted into several angry protests including blocking government minister's[22] convoy as citizens oppose government's failure to improve road network, which they say is retarding their development efforts (Wandera, 2017). In 2012 for example, Vincent Bagiire a member of parliament in Mayuge district joined his constituents to protest[23] against the poor state of roads in the district stressing that, the roads had become impassable and affected service delivery in the area. Protests and

[21] Four different members of Member of Parliament in separate interviews noted that it is always hard local farmers to find good market as a result of poor roads which bar traders from going to their areas. The MP noted that as a result, farmers sell their would be expensive produces cheaply to middle men who in turn transport them through hardships to towns where they are paid good prices. The three MPs are, Charles Ngabirano of Rwampara county, Mwijukye Francis of Buweju County, Theodore Ssekikubo of Rwemiyaga county and Katwesigye Olive Woman MP Buhweju district.

[22] Dan Wandera, 2017, "Residents block minister's convoy over bad road" Daily Monitor, 2 July 2017, available: <http://www.monitor.co.ug/News/National/Residents-block-minister-s-convoy-over-bad-road/688334-3995870-mkypv/index.html> (accessed 02 December 2017).

[23] See Uganda Radio Network, (2012), "MP to lead Demo over Poor Roads" 30 October 2012, available: https://ugandaradionetwork.com/story/mp-to-lead-demo-over-poor-roads (accessed 20 October 2017).

demonstrations against poor roads in Uganda continued in several parts of the country, in 2013 residents of Kyabakuza Division in Masaka municipality also protested[24] what they called poor roads there. Some of these roads are in poor situation that since they were opened in 1960s, by 2013 they had not been rehabilitated, (Uganda Radio Network, 2013). In the same year, a highway[25] road linking Uganda and Democratic Republic of Congo was blocked by Ugandan residents decrying it had become impassable. The same road links different parts of Uganda to the country's biggest national park – Queen Elizabeth National Park, (RJR, 2013)

Out of the country's 144,785KM of public roads network, as of July 2017, only 5,100KM were paved, and the remaining 138,685KM are gravel or earth roads many which are impassable and in depilated situation, while several districts don't have not even a single kilometer of paved road (See map bellow). As of July 2017, in East African region, Uganda still lagged behind other partner states on paved road coverage. Uganda is in 4th position at 3.52% of its national roads paved, Rwanda is leading at 19.00%, Tanzania second at 8.20%, while Kenya is third with 6.95% paved roads[26], (UNRA, 2017)

Figure 2. Map of Uganda showing National Road Network**.**

Source: UNRA.

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[24]See, Uganda Radio Network, (2013) "Masaka Residents Protest Poor State of Roads", 31 January 2013, available: https://ugandaradionetwork.com/story/masaka-residents-protest-poor-state-of-roads (accessed 20 October 2017)

[25] See, RJR, (2013), " Residents protest poor Road Conditions", 18 February 2013, available: http://rjrnewsonline.com/local/residents-protest-poor-road-conditions (accessed 20 October 2017)

[26]UNRA, (2017), Presentation paper by Uganda National Roads Authority Executive Director, 20 July, Available:<https://www.icpau.co.ug/assets/pdf/EconomicForumPresentation/Economic%20Forum%20Presentations/Infrastructure%20Development-Bottlenecks%20and%20Solutions%20-%20UNRA.pdf> (accessed 27 October 2017)

On electricity or energy infrastructure, Uganda is not any better compared to road infrastructure; actually, unreliable electricity is one of major infrastructural challenges Uganda is facing (Tralac, 2016). In 2015, during 25th summit heads of states and governments that participated in African Peer Review mechanism, Uganda's president Yoweri Museveni presented a paper "The 11 bottlenecks facing Africa[27]" and stressed that electricity is another infrastructural challenge hindering African's social and economic growth and noted that Uganda was faced with a challenge of electricity which affects development efforts, "It is evident that a country cannot develop without electricity, …it is very clear we still have a lot to do to compete in the world"[28].

According to Uganda's 2014 Population census report, access to electricity is still low with only 20%[29] of Uganda's total population having access to electricity, many use candles and kerosene candles, (Yasiin and ladu, 2016), which health experts say, are dangerous to health due to their smoke they produce. In 2014, UWEZO Uganda a non-government organization released their 2013 Learning assessment and attributed to poor academic performances[30] in Uganda's schools located in rural areas to lack of electricity, which leaves children in schools of rural areas with limited time for revision.

In some areas, Electricity infrastructure deficit has crippled services in Uganda forcing local leaders to join citizens demanding for more funding in electricity infrastructure such that all Ugandans can have access to electricity. In 2009 for example, hundreds[31] of Ugandans in Arua town protested against continued power blackout in their area, and in 2012 Bukamansimbi a member of parliament joined locals to protest electricity blackout in the area demanding that national government should consider uninterrupted[32] electricity services to citizens, while in 2014 the residents of Masaka town also protested over similar issues of unreliable electricity[33] in the town, (Aliga, 2014).

3. Solving Uganda's infrastructure (Road network) deficit, China's Assistance.

In effort to solve the challenge of poor transport and improve on the country's road infrastructure, the government of Uganda through bilateral relations engaged the government of China[34] to address this challenge. Consequently, the government of Uganda worked with the government of China and funded several infrastructure projects targeting improved road network as discussed bellow;

[27] See Tralac, 2016, "The 11 bottlenecks facing Africa: Discussion paper by Ugandan President Yoweri Museveni", 30 August 2016, available: <https://www.tralac.org/news/article/10377-the-11-bottlenecks-facing-africa-discussion-paper-by-ugandan-president-yoweri-museveni.html> (Accessed 03 September 2017)

[28] See Tralac, 2016.

[29] See, Yasiin Mugerwa& Ismail Musa Ladu, 2016 "Big population good for devt – Museveni", 25 March 2016, Daily Monitor, available: <http://mobile.monitor.co.ug/News/Big-population-good-for-devt---Museveni/2466686-3132894-format-xhtml-14p449q/index.html> (accessed 27 October 2017)

[30] Ronald Musoke, 2014, "Why Ugandan Pupils Don't Learn", 25 May 2014, All Africa, available: <http://allafrica.com/stories/201405260448.html> (accessed 03 September 2017).

[31] Uganda radio Network, "Hundreds of Arua Residents Demonstrate against Power Blackout", 7 October 2009 available: https://ugandaradionetwork.com/story/hundreds-of-arua-residents-demonstrate-against-power-blackout (accessed 20 October 2017)

[32] Uganda Radio Network "Bukomansimbi MP, Residents Protest Power Blackout", 8 March 2012 available: <http://direct.ugandaradionetwork.com/story/bukomansimbi-mp-residents-protest-power-blackout > (accessed 20 October 2017)

[33] IssaAliga, "Masaka residents protest over blackouts" 04 March 2014 available: <http://www.monitor.co.ug/News/National/Masaka-residents-protest-over-blackouts/688334-2229182-7m2mvx/index.html Daily Monitor> (21 October 2017).

[34] It is important to note that China is Uganda's only developing partner in infrastructure assistance, there are other partners such as World bank, countries like Japan, Turkey and India but China's role cannot be underestimated since it is the largest funder in terms of giving aid, and concessional loans for Uganda's infrastructure both Roads and energy.

Case 1: Road Construction Equipment Project.

In 2012, the government of Uganda negotiated a $106 Million soft loan the first of its kind with the government of China to supply Uganda's 121 districts and 22 municipalities with brand new road construction equipments to help in working on the country's earth roads which make the largest percentage of undeveloped roads which often become impassable especially during the rainy season (explain). Under the agreement, China granted Uganda a grace period of ten years to repay the loan in the next 40 years and to always have services of the supplied units from China. The road units included 159 graders, 257 tipper trucks, wheel loaders, excavators and low loaders. (Mugira, 2013; Ghana, 2012).

Uganda's state minister of works where road maintenance and construction falls John Byabagambi hailed China for the loan stressing these road Units boasted Uganda's road networks, and that the loan was easy, with a grace period before serving the loan. "The money from China is easy to obtain. It has no a lot of conditionality,"[35] (Mugira, 2013). The above correlates well with some scholars who argue that China is always ready to invest in African countries infrastructure sector than other western countries. "*It is much easier to convince nations or non-profits to give money to prevent deadly diseases like Ebola or Malaria than to build a 100 kilometre road that connects two towns. However, China has increasingly shown an interest in working with Africa to construct ...*", (Natalie Wyatt, 2015)[36]

China on the other believes this project will help Uganda to develop itself. Indeed, at when China delivered the said road construction equipment, Chinese ambassador to Uganda Zhao Yali noted that, "According to a Chinese saying, people who want to be rich should build a road first. Chinese companies are playing an important role in the infrastructural development of Uganda,"[37]

All Uganda's121 districts and 22 municipalities received these road construction machines which helped local governments at the district level to maintain and open new local roads without necessarily waiting for the national government. Indeed, despite a few complaints and claims that Chinese road units were of poor quality[38] and often broke down, there is an agreement from leaders in those districts that they helped several districts to improve road network there with many which had turned impassable, as well as opening some new ones. "Chinese machines helped us a lot, we have managed to maintain village roads and opened some new roads even where they did not exist deep in villages" (See figure 3bellow), David Kamukama Kasikuru Former Chairperson Sheema District Works Committee told me in an interview[39].

[35]See, Fredrick Mugira, "Infrastructure: Uganda's great Chinese Expectations", The Africa Report, 22 October 2013, available: <http://www.theafricareport.com/East-Horn-Africa/infrastructure-ugandas-great-chinese-expectations.html>(accessed 18 September 2017).

[36]See, Natalie Wyatt, 2015, "China's involvement in the Entebbe-Kampala Expressway", The Yale Globalist, 08 Apirl, 2015 available: <http://tyglobalist.org/onlinecontent/blogs/the-globalist-notebook/chinas-involvement-in-the-entebbe-kampala-expressway/>(accessed 20 September 2017).

[37] See, Ghana 2012, "China to Build Kampala-Entebbe Express Way" 30 September, 2012 available: <https://news.ghanamma.com/2012/09/30/uganda-china-to-build-kampala-entebbe-express-way/>(accessed 22 September 2017)

[38] See, Daily monitor, 2017, "Fears as government supplies new district road units" 20 July 2017, available: <http://www.monitor.co.ug/SpecialReports/government-district-road-units--Museveni-Japan-trucks-/688342-4023292-r3s6siz/index.html> (accessed 20 September 2017)

[39] David Kamukama was chairperson of the district works committee, (at the time when China delivered these units to Uganda) which is concerned with maintaining and opening up new roads in the district.

Figure 3, A Chinese Road construction Unit for Sheema district working on rural road in Kyabandara, Kibingo Town Council

Source: Credit to Fredrick Mugira.

"This project made China a house hold name in my constituency, all villages that never had roads at least have one now because the district has its own road constriction machine which we use", professor Ephraim Kamuntu the Member of parliament Sheema South and minister of Tourism, Wild Life and Antiquities observed in an interview[40] and affirmed that the locals call these road construction units "Chinese Machine"

Case 2. Entebbe Express High way project.

Entebbe Expressway also known as Kampala – Entebbe high way is a multimillion dollar road project that the government of Uganda undertook with help of a loan of $476 Million from China's government through China's Export Import Bank (EXIM Bank). The contract of the 51 Kilometer road project was awarded to a Chinese construction Company - China Communications Construction Company Ltd (CCCC). China's condition of this loan was that after China approving the loan, Uganda had to give a Chinese company contract to work on the project, (Wesonga, 2016). The four-lane road – the first of its kind in Uganda is widely expected to reduce Uganda's Capital city traffic that always slows traffic from the country's main International airport to the central business district of Kampala, (Yale Global Star, 2015).

This project is currently Uganda's single most expensive[41] road constructed in Uganda's history (as of December 2017). Ugandan analysts described the project as the most expensive[42] road project in the world with

[40] On September 09th 2017, I had an interview with Professor Ephraim Kamuntu Member of the MP Sheema South and minister of Tourism, he observed that in before districts got their own road construction Units, it would take them too long to have their roads fixed since they had to relay on Regional's Uganda National Roads Authority equipments which were on high demand hence delaying the services whenever they needed them. He also observed each district having its own road machines makes the cost of maintaining roads cheap since they don't have to move long distance and are easily monitored by district authorities.

[41]Joachim Buwembo, 2016 "Uganda now has a genuine marvel for tourists to gape at: A $500m road", The East African, 04 November 2016 available <http://www.theeastafrican.co.ke/oped/comment/Uganda-USD500m-Entebbe-Highway-most-expensive-road/434750-3463078-bcync6/index.html>(accessed 21 September 2017).

claims and allegations that there were connivances and Ugandan engineers bribed Chinese constructors to inflate the cost for kickbacks from constructors. Consequently, in November 2016, the parliament of Uganda ordered for investigations to establish facts of bribery allegations and Parliament's committee – Commissions, Statutory Authority and State Enterprises committee discovered that the cost of the road was inflated by over $16 million[43], instead of the average[44] cost for one kilometer of the road, which is $2million, the cost of one kilometer for Entebbe expressway road was inflated to $9.2million. The auditor[45] general's office also confirmed that the cost for this project were inflated (Buwembo, 2016: Wesonga, 2016; Egessa, 2016).

Analysts believe the road will unlock Uganda's economic potential[46] considering the fact that in Uganda, 95% of passengers and travelers use road transport which by all means make it the most used means of transport, this road will help Ugandans and the country in general not only in movement of people but also goods and services which is key factor for trade and economy. Despite national roads being only 20%, they attract over 80% of traffic, (UNRA, 2017, Ghana, 2012). Kampala expressway will also make Uganda more and easily accessible to visitors and investors as well as help Ugandans to travel with easiness to and from the capital. Above that, Entebbe expressway will not only make Uganda more assessable by road but will also make it easy to access Uganda's neighboring countries such as Rwanda and Democratic Republic of Congo since Uganda provides alternative road transport corridors to these landlocked countries.

Case 3. Standard Gauge Railway Project.

The standard Gauge Railway (SGR) is Uganda's first of the kind, which Uganda government undertook in a bid to boast the country's infrastructure sector. The 1,614 Kilometre SGR with four major[47] routes will connect Uganda different parts of the country and also link Uganda with the rest of East African countries. The project's first phase is fully funded with a Chinese loan amounting to $2.8 billion is already under construction by Chinese construction firm - China Harbour Engineering Corporation (CHEC). The remaining three phases are expected to be completed by end of 2020. CHEC will do the entire project at $12.8 billion. China is funding all the four phases through China's EXIM Bank, (Musisi, 2017).

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[42] All Africa, 2016, "Uganda: Kampala-Entebbe Expressway, World's Most Expensive Road?", available: <http://allafrica.com/view/group/main/main/id/00048296.html>(accessed 21 September 2017)

[43] Nelson Wesonga, 2016, "Entebbe Expressway cost inflated by Shs55b", Daily Monitor, 04 November 2016 available: <http://www.monitor.co.ug/News/National/-Entebbe-Expressway-cost-inflated-by-Shs55b-/688334-3440480-nf4oc8/index.html>(accessed 22 September 2017)

[44] Henry D. Egessa, 2016, "Uganda: We Must Be Told the Truth About Kampala - Entebbe Expressway" 30 December, 2016, Daily Monitor, available: <http://www.monitor.co.ug/OpEd/Commentary/We-must-be-told-the-truth-about-Kampala--Entebbe-Expressway/689364-3501556-15mw4d4z/index.html>(accessed 22 September 2017)

[45] See, Sadab K. Kaaya, 2016, "Entebbe Highway cost was inflated – Auditor General", The Observer, 19 August 2016, available: <http://observer.ug/news-headlines/46002-entebbe-highway-cost-was-inflated-auditor-general> (accessed 22 September 2017)

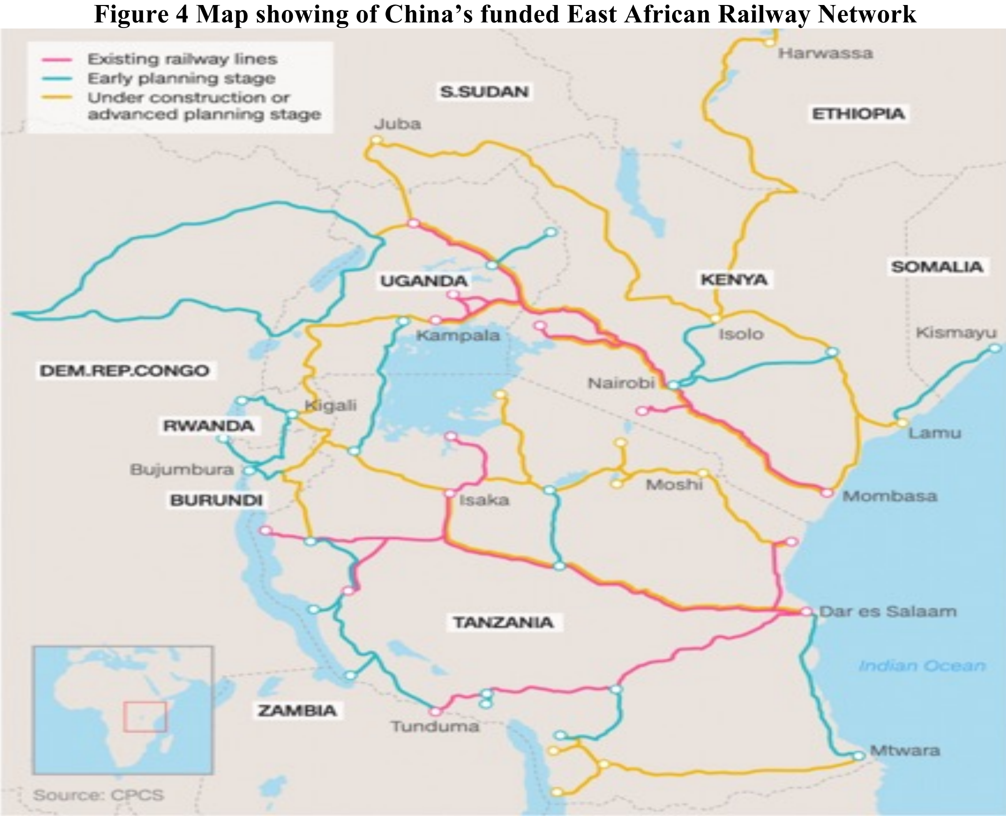
[46] See, Ghana 2012,"China to Build Kampala-Entebbe Express Way" 30 September, 2012 available: <https://news.ghanamma.com/2012/09/30/uganda-china-to-build-kampala-entebbe-express-way/>(accessed 22 September 2017)

[47] The four different routes will ease transport of people and transportation of goods and services from connecting the entire country. It will also ease transport in the region from Uganda to Kenya, Uganda to South Sudan, and Uganda to Rwanda and Uganda to Democratic Republic of Congo. See map in figure 4.

The SGR Uganda is a dual-purpose carrier designed for cargo and passengers. It is widely expected to tremendously improve Uganda's transport sector, and connect different parts of the country. The Eastern Route will provide Eastern Ugandan districts quick means of transport from Eastern to Uganda's capital - Kampala. The western route will connect several districts with other parts of Uganda including to Uganda's neighbouring country like Democratic Republic of Congo specifically at Mpondwe station. The Northern Route will provide easy and quick transport services to people traveling to and from North Uganda and as well as those traveling to South Sudan via Juba station in South Sudan.

Regionally, Uganda is the Geographical centre of East African countries and therefore, SGR Uganda will help to easy transport of goods and services in the entire region of East Africa[48]. It is part of the East African Railway network, (See figure 4 bellow) funded by China in East African countries of Uganda, Kenya, Tanzania, Rwanda, Ethiopia and South Sudan. As a land locked country, Uganda, and Rwanda receive their imported goods through Kenya's port of Mombasa. With Uganda's SGR, it means Uganda's goods and services will easily be transported from Port Mombasa in Kenya through Nairobi station (Kenya's SGR) to Kenya - Uganda border at Maraba station (SGR Uganda) and then transported to other parts of the country and those of Rwanda to Kigali station, while those of South Sudan will go through Uganda's Northern Route at Gulu Station to South Sudan's Juba Station in a shortest period of time compared to when goods would go by road. The SGR is designed to run speed of up to 120Km/h, (Morlin-Yron, 2017)

Figure 4 Map showing of China's funded East African Railway Network



Source: CNN[49]

3.1 Solving Uganda's energy infrastructure deficit: China's[50] assistance.

[48] East African countries presidents of Rwanda, South Sudan joined Uganda's president and attended the launch of the construction of SGR Uganda, a sign they all hope their countries to gain out of it. See Photo 3 in appendix.

[49] See, Sophie Morlin-Yron, (2017) "All abroad! The Chinese-funded railways linking east Africa", CNN, 17 January 2017, available: <https://edition.cnn.com/2016/11/21/africa/chinese-funded-railways-in-africa/index.html>(accessed 20 October 2017)

[50]It is important to note that China is not the only country helping Uganda in improving electricity infrastructure development, there are other development pastern countries such as France, Turkey, Germany, USA, Norway, Japan, World bank among others but China tops the list when it comes to funding

As discussed earlier, energy is another major infrastructure challenge Uganda has been battling. In January 2017, IMF noted that infrastructure development - both electricity and road were some of bottlenecks affecting Uganda's development efforts. Addressing Uganda leaders, IMF Managing director Christine Lagarde noted that, "Under-developed infrastructure is a permanent brake on growth. It prevents businesses from connecting to local, regional, and global markets, and limits their willingness to invest. Ultimately, infrastructure bottlenecks will slow the structural transformation and industrialization that Uganda aspires to"[51].

Currently, Uganda's national access to electricity stands at 14% with rural areas at a mere 7%, (ADB[52], 2015). This deficit of electricity coupled with high cost and its unreliability has resulted into high cost of running business in the country affecting local investments and scaring away regional and international investors. Consequently, Uganda government came up with both long term (2040 Vision) and medium program to end the challenge. The long term strategy under vision 2040 aims at increasing the country's electricity to 80% while the short term under Rural Electrification strategy and plan (2013-2022) aims at improving rural electricity access from 7% to 26%, (ADB, 2015).

To fulfil the above programs, the government of Uganda decided to increase on her energy by constructing more new hydro electricity dams and China has been the main funder of all the new hydropower dams projects under construction.

Case 1. Karuma Hydropower

Karuma Hydropower project is Uganda's biggest power project and one of the biggest[53] power dams funded and constructed by China in the East, west and Central Africa. Construction work for the 600MW project started in August 2013 after the government of Uganda secured loan from Chinese government to fund the project. The project will cost $1.4billion, which Chinese government channelled through EXIM bank. The government of Uganda contracted a Chinese Company Sinohydro Group Ltd to construct the dam. This was after negotiations between high government officials of both countries - China and Uganda where Chinese president Xi Jinping met Uganda's Yoweri Museveni during 2013 BRICS summit in Durban - South Africa where the two leaders agreed on several terms of the project, and decided that Uganda and China pursue bilateral cooperation on this project thereby deciding to award[54] the contract to Sinohydro Group Ltd. The project had failed to kickoff for nearly two years as several Chinese companies fought over the contract through court. Karuma dam is an underground power plant, which is the first of its kind in the entire East African region (Mark K. Muhumuza, 2016).

The government of Uganda said the decision to borrow from China funds for Karuma Hydro dam was reached at after realizing China's offer had lower interest[55] rate at 3%. The permanent secretary ministry of energy engineer Kabagambe Karisa said low interest rate on loan would result into lower tariffs once the project is completed. Currently, according to Uganda Electricity Generation Company (UEGCL), the cost of one kilowatt is at 12 US cents, and UEGCL says once Karuma dam is completed, the cost will per kilowatt will reduce to 5 US cent. The government hopes this will result into reduced cost of production and also increase production at the same time act as an incentive to investors.

As of December 2017, construction work for Karuma Dam was 71% and the entire project is expected to end by December 2018. The Chairperson UEGCL board of director Proscovia Njuki believes once the project

[51] See, IMF Managing Director Speech to Ugandan leaders in Kampala Uganda on 27 January 2017, "Becoming the Champion: Uganda's Development Challenge", Available: <http://www.imf.org/en/News/Articles/2017/01/27/sp01272016-Becoming-the-Champion-Ugandas-Development-Challenge> (accessed 01 January 2018)

[52] African Development Bank, (2015), Uganda Rural Electricity Access Project", available: < https://www.afdb.org/fileadmin/uploads/afdb/Documents/Boards-Documents/Uganda-_AR-_Uganda_Rural_Electricity_Access_Project_-_09_2015.pdf> (accessed 17 August 2017).

[53] See, New China, "China powers Africa to narrow energy deficit" 27 December 2017, available: <http://www.xinhuanet.com/english/2017-12/27/c_136855640.htm> (accessed 28 September 2017)

[54] See, Ibrahim Kasita, (2013), "China firm wins Karuma deal", The New Vision, 22 June 2013, available: <https://www.newvision.co.ug/new_vision/news/1323796/china-firm-wins-karuma-deal> (accessed 20 September 2013)

[55] See, Mark K. Muhumuza, (2016), "Karuma Dam Construction on schedule – Energy Ministry", Daily Monitor, 25 February 2016 available: <http://www.monitor.co.ug/Business/Commodities/Karuma-dam-construction-schedule-Energy-ministry/688610-3091166-telmne/index.html>(accessed 20 September 2017).

is completed, it will help reduce the challenge of put shortage and also contribute to realization of Uganda government's 2040 Vision[56] of ensuring access to electricity increase from 7% in rural areas to 26%.

Case 2. Isimba Power Plant Project, Uganda

Isimba Hydro power dam power is Uganda's two ambitious energy infrastructure project Uganda hopes will help it to move to middle income status[57] by 2020. Once completed, the project will generate 188Megawatts of electricity a significant number to reduce on the country's demand for energy. The ministry of energy says Isimba dam, which is expected to be completed in December 2018, will increase the country's electricity output.

The government of Uganda awarded Isimba dam project to a Chinese Company China International Water and Electric Corporation (CWE) under bilateral arrangement between China and Uganda. EXIM bank funded the project with a concession loan of $500million. Uganda's minister of state for Energy Simon D'Ujanga says of all Uganda's development partners, only China had the best alternative with no tough conditions attached to the loan, "We're looking for cheap money to develop our infrastructure projects and China has that money"[58] the minister told Reuter.

China's decision to fund Isimba hydropower project through a soft loan to Uganda also proves that Uganda is slowly moving away from her traditional development partners such as World Bank, European Union and IMF. Indeed, World Bank was objected to the idea of Uganda having another dam at Isimba yet in the same area there is another dam – Bujagali. World Bank reasoned that there was an indemnity agreement signed in 2007 through International Development Association where Uganda government agreed to keep the remaining area for tourism purposes (rafting and picnic at Kalagali falls), not adding there any dam as fearing bringing floods in the area as it was during Bujagali dam construction which affected the locals there[59]. Therefore World Bank remained opposed to construction of another project in area, which prompted the government of Uganda to approach China for funding.

Case 3. Ayago hydropower project.

Ayago hydropower project will be Uganda's second largest electricity generating dam, producing 600MW. This project will be developed in two simultaneous phases; firstly, Ayago North producing 350MW while Ayago South will produce 250MW, (Onyalla, 2007). A Chinese firm China Gezhouba Group (CGGC) was a warded the contract to run the $1.9billion after the government of Uganda cancelled the first contract which they had given a Turkish firm – mapa Construction Company.

CGGC was given contract without going through a competitive bidding. This was after Japan's International Cooperation Agency (JICA), which was conducting the feasibility study of Ayago hydropower dam pulled out due to concerns that the project would have far reaching negative permanent effects to environment and affect the lives of hippopotami in Murchison Falls National park. Construction work will be starting in 2020 along River Ayago whose parts stretch to Murchison Fall National Park, (Wesonga, 2013).

4. Roaming High Debit Crisis?

For close to a decade, Uganda has embarked on various infrastructure development programs, which has seen the country borrow more from external partners especially China, enable her fund these projects. Indeed, China continues to fund a number of Uganda's infrastructure projects ranging from roads, expressways and hydropower plants to airport expansion and recently the standard Gauge Railway (Biryabarema, 2017; Nganda 2015). However, there are concerns among some Ugandan leaders, economists and analysts who argue that because China's loans have fewer conditions, Uganda is borrowing without limit, which may see the country's debt burden too high to maintain. Kiira Municipality Member of parliament Ssemuju Ibrahim Nganda observes that, China's conditions of borrowing are not so strict like most Western donor countries which has left Uganda borrowing even when the country has not planned on how to spend or use it and government simply

[56] Julius Businge, (2016), "Karuma Dam construction reaches 71%", The Independent, 10 December 2017, available: <https://www.independent.co.ug/karuma-dam-construction-reaches-71/>(accessed 21 September 2017)

[57] See, Mark K. Muhumuza, (2016), "Who will consume Uganda's surplus electricity?", Daily Monitor, 7 December 2016, available : <http://www.monitor.co.ug/Business/Prosper/Who-will-consume-Uganda-s-surplus-electricity-/688616-3477420-13wcpyf/index.html> (accessed 21 December 2017)

[58] See, Biryabarema (2013), "Uganda awards another hydro-electric project to Chinese firm", Reuters, 29 July 2013, available: < https://www.reuters.com/article/uganda-electricity/uganda-awards-another-hydro-electric-project-to-chinese-firm-idUSL6N0FZ19F20130729> (accessed 25 September 2017).

[59] Interview with a Ugandan senior government official who preferred to remain anonymous, Kampala, Uganda November 2017.

keep it on account and start servicing the loan with interests. As of 2011, China had bypassed[60] all Uganda's bilateral creditors. For the financial year 2018/19, Loan payment will take the second biggest portion[61] of Uganda's budget spending taking 12.3% of this total budget which analysts and economists say will have long effects on Uganda's economic development, (Ssempala, 2018; Nganda, 2015; Martin L. Oketch; 2016)

In 2017, International Monitory Fund (IMF) warned Uganda against over borrowing stressing that such would result into a high debt burden thereby affecting other development efforts in the country. While on a visit to Uganda in January 2017, the IMF Managing Director Christine Lagarde hailed Uganda for investing heavily in infrastructure sector stressing that such investments were projected to spur Uganda's growth to above 5% where it has stagnated for long. Lagarde however observed that Uganda must be cautions and reduce on borrowing funds to support infrastructure else the country will find itself with a high debt difficult to manage and continue supporting other developmental programs.

"*Relying on borrowing alone to finance infrastructure will not cut the bill in and of itself, and it will be unworkable because debt will become too high…Finance must come also from the mobilization of domestic revenue."*[62], (Biryabarema, 2017).

II. CONCLUSION

China prefers Angola mode approach while extending her infrastructure assistance to African countries Uganda in particular. This is where by China signs an agreement with loan recipient country, agreeing to pay back the loan with agreed natural resource and the recipient country awards construction contract to a Chinese firm, then through her EXIM Bank, China and releases funds (loan) direct to the contracted firm to do the work, (Brautigam, 2009; Foster et al., 2009). China considers this this arrangement a win-win deal, for China wants resources to feed her growing industries while Uganda and some other African countries in general want infrastructure development but cannot pay cash. The arrangement allows such countries to access China's funds with their resources as a kind of guarantee, allowing them to payback with their resources which is not common with other development partners and western companies prefer to be paid back with cash, (Sieber-Gasser, 2011; Teunissen, 2005)

Like Uganda, this arrangement enables African countries to undertake huge infrastructure projects since payment is always after some time with their resources. Uganda used the same arrangement to start the construction of a multibillion SGR project, which is under construction by a Chinese firm after securing a $2.8billion loan from China's EXIM Bank, Uganda will pay the loan using oil, (Musisi, 2017). Critics of this arrangement argue that there is lack of transparency during the process of awarding contracts and also signing agreements.

China's infrastructural development assistance to Uganda and other African countries such as Ghana also raises the question of debt sustainability. China's concessional loans continue to encourage African countries to undertake ambitious projects, which may in the end result into high debt[63] burden, which may affect other developmental programs in such countries (Muhumuza, 2016; Biryabarema, 2017). Another key concern is China's less attention to environment while funding Africa's infrastructure development which maybe dangerous for sustainable development, Bosshard (2008). In Uganda's case, there were concerns over Karuma and Ayago hydropower dams citing its possible negative impact to environment but this did not stop China from funding the project, (Wesonga, 2013)

Despite all the above, there is no way China's infrastructural development assistance to in Uganda and Africa in general can be undermined. In Uganda, from all the country's major (national) roads to rural roads; from SGR (Railway) to hydropower dam project, the footprints of China are visible. China's infrastructure assistance in Uganda is also visible in health sector by constructing hospitals, schools, and stadium that China is

[60] See, Ssemujju I. Nganda, 2015 "Mzee has sold our country to China" The Observer, 1st April, 2015, available: <http://www.observer.ug/viewpoint/37100-mzee-has-sold-our-country-to-china>(accessed 26 September 2017)

[61]See, Richard Ssempala, 2018, "Why financing Uganda's budget remains a far-fetched dream", The New Vision, 24 January 2018, available: <https://www.newvision.co.ug/new_vision/news/1469683/financing-uganda-budget-remains-fetched-dream> (accessed 24 January 2018).

[62] Elias Biryabarema, 2017, "IMF's Lagarde says Uganda needs to rely less on credit for infrastructure" Reuters, 28 January 2017, available: <https://www.reuters.com/article/us-uganda-imf/imfs-lagarde-says-uganda-needs-to-rely-less-on-credit-for-infrastructure-idUSKBN15B1V3?il=0> (accessed 27 September 2017).

[63]See, Muhumuza, (2016), "Debt: Has Uganda mortgaged its oil with increased borrowing?" Daily Monitor, 28 June, available: <http://www.monitor.co.ug/Business/Prosper/Debt-Uganda-mortgaged-oil-increased-borrowing/688616-3270086-ae8d3dz/index.html> (accessed 21 October 2017)

a household name[64] in Uganda today. China continues to play a pivotal role in supporting African countries infrastructure development, which in many ways will spur social economic development, (William, 2014) and in Uganda, China's investment in the country's infrastructure sector, their role is an engine towards Uganda's economic growth and therefore, one is right to say that China's investment in Uganda's infrastructure sector presents Uganda an opportunity to economically grow but, Uganda must reduce her thirsty for China's loans and mobilize funds locally, else the country will be plunged in a heavy debt as a result of China's heavy investments concession loans to Uganda.

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Appendix 1. A man on motorcycle in a poor road in Kyabugimbi, Bushenyi district

Source: Credit to Fredrick Mugira

Appendix 2.A vehicle stuck in an impassable road Moroto-Lokeriat Main Road

Source: Own Photo

Appendix 3. South Sudan president SalvaKiir (3rd left), Rwanda's Paul Kagame (2nd right) and President Museveni (right) and other officials at the launch the SGR project in Kampala- Uganda

Source: Daily Monitor.

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