

## **CONSTITUTIONAL COURT HEARS CASE SEEKING TO HALT THE UGX1.4 TRILLION PUBLIC PRIVATE PARTNERSHIP LUBOWA INTERNATIONAL SPECIALIZED HOSPITAL**

### **Press Statement**

(Kampala, 14 October 2022)

Today, a five-judge panel of the Constitutional Court of Uganda heard the high-stakes case, *The Initiative for Social and Economic Rights Vs. the Attorney General, Petition no. 007/2019*. The panel was led by Justice Fredrick Egonda-Ntende, and included Justices; Elizabeth Musoke, Christopher Madrama, Monica Mugenyi and Christopher Gashirabake.

The Initiative for Social and Economic Rights (ISER) sued the Attorney General in 2019 arguing that the process of approving the proposed UGX1.4 trillion Public Private Partnership Lubowa-International Specialized Hospital Uganda's (ISHU) development was irregular and contravened the Constitution. ISER is calling on the Constitutional Court to declare these agreements null and void.

Before executing any of the ISHU agreements, Parliament approval should have been sought pursuant to Article 159 of the Constitution. Instead, government rushed to Parliament for approval when the first promissory note was due.

*“Everything about this process was flawed and ignored the Constitution. We should not operate outside the ambit of the law. The Constitution is clear about what needs to be done before government takes or guarantees a loan. It also enshrines the right of citizens to participate”* said Elizabeth Atori, Legal Officer, ISER.

To develop, build, and run ISHU, the government and FINASI/ROKO entered into several agreements between 2014 and 2018 where government was to issue promissory notes worth USD379.71 million. FINASI had to construct ISHU in two years, run it for six years and then hand it over to the government. The government also provided free land and tax holidays.

Subsequently, in 2019, Parliament approved promissory notes of USD379.71 million (about UGX1.4 trillion) to Finasi/Roko SPV Ltd. This arrangement means that over 8 years, the Ministry of Health is to pay a total of USD557 million from its budget.

*“This was a flawed process and Court’s delay to halt it hurts tax payers. Government continues to inject money into this illegal project. The money spent on this project so far could have constructed public health facilities like district hospitals. All it does is increase our debt burden.”* Allana Kembabazi, Program Manager, ISER

Civil society has cautioned Government not to engage in health Public Private Partnerships (PPPs). *“The question is who do these health public private partnership projects truly serve. Findings published in ISER’s research, [Achieving equity in health reveal that](#) many people cannot afford private healthcare due to high costs.. The Lubowa PPP hospital will not deliver accessible healthcare. Government should invest in public health facilities.”* Ms. Labila Sumayah Musoke, Program Officer Right to Health, ISER.

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