

HOLDING REGULATORS ACCOUNTABLE FOR DATA PRIVACY AND PROTECTION IN UGANDA'S NGO SECTOR

The release of sensitive financial statements from Non-Governmental Organizations (NGOs) in Uganda can have profound political, economic, and social consequences, especially in the lead-up to pivotal events like the 2026 elections.

While transparency is the cornerstone of accountability, the indiscriminate release of such information poses substantial risks to NGOs, exposing them to political manipulation, economic harm, and social distrust. This paper critically analyzes the implications of such leaks, underscoring the urgent need to hold regulators accountable for privacy and data protection.

Implications

The recent leak of Agora Center for Research and Chapter Four Uganda's financial statements on the X platform amidst anti-corruption protests (#March2Parliament) exemplifies how such data can be used to fuel politically motivated attacks.

Politically Motivated Attacks and Discrediting NGOs

In Uganda's politically sensitive environment, the unauthorized disclosure of financial information can be a potent weapon against NGOs, especially those perceived as critical of the government.

The breach not only cast doubt on the organization's funding sources but was also exploited to fuel the pervasive "Foreign Agents" narrative, which has been unjustly used to discredit NGOs as undermining Uganda's sovereignty and serving foreign interests. The leak's timing appeared to be a calculated effort to damage the organization's credibility ahead of the upcoming elections.



WHAT ARE THE POTENTIAL CONSEQUENCES OF THESE ACTIONS?



Increased Government Scrutiny and Heightened Due Diligence

The data leak could lead to intensified government scrutiny of NGOs, resulting in legal challenges, increased regulatory hurdles, or even forced closures. These actions threaten the very existence of these organizations, undermining their ability to operate effectively and advocate for human rights.

Loss of Funding

The economic and social repercussions of leaking sensitive financial data are equally significant. NGOs rely heavily on donor funding, and any perception of financial mismanagement or involvement in politically sensitive activities can lead to a loss of donor trust. International donors, in particular, may become reluctant to support organizations that appear to be entangled in political controversies, leading to reduced funding or blacklisting.

Erosion of Public Trust: The Court of Public Opinion

Furthermore, the public's trust in NGOs, already fragile in Uganda's polarized environment, can be further eroded if financial disclosures are misinterpreted or manipulated to suggest complicity in violence or unrest.

The failure of regulatory bodies to protect such data exacerbates these risks, highlighting the need for stricter enforcement of data protection laws to prevent the misuse of sensitive information for political gain and to preserve the vital work of NGOs in a highly challenging context.

Call to Action

To mitigate the consequences of data leaks, the government, civil society, and international partners must advocate for stronger accountability measures for regulators responsible for safeguarding sensitive information.





Existing Legal Framework

Several laws currently exist to protect the financial systems of organizations:

The Financial Institutions Act, 2004 (as amended): Section 52 of this Act mandates financial institutions to maintain customer confidentiality.

It prohibits the disclosure of customer information except with the customer's consent, by court order, or under specific circumstances outlined in the law (such as compliance with anti-money laundering regulations).

The National Payment Systems Act, 2020 includes provisions requiring service providers to maintain the confidentiality and security of payment data, including financial documents, and comply with data protection standards.

The Electronic Transactions Act, 2011 includes provisions to ensure the confidentiality, integrity, and security of electronic financial documents and transactions.

Need for Legislative Amendment

While these laws collectively provide a framework for protecting the privacy of financial documents in Uganda, there is a need to amend the Data Protection and Privacy Act.

The current provisions primarily cater to natural persons, and amendments are needed to extend protection to entities such as institutions.

Conclusion

Enhancing the legal framework to comprehensively cover both individuals and institutions is crucial to safeguarding sensitive financial information in Uganda. By strengthening these laws and ensuring they are enforced, Uganda can better protect its financial systems, maintain public trust, and align with international standards for data privacy and security.

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