

**PARLIAMENT OF UGANDA**

**Tuesday, 14 December 2021**

*Parliament met at 2.05 p.m. in Parliament House, Kampala.*

PRAYERS

*(The Deputy Speaker, Ms Anita Among, in the Chair.)*

*The House was called to order.*

COMMUNICATION FROM THE CHAIR

**THE DEPUTY SPEAKER:** Honourable members, I wish to welcome you to today’s sitting and sincerely thank you for coming. I would also like to, on behalf of Parliament, extend appreciation and congratulations to our Members who went to Arusha. They have done a tremendous job. They have made Uganda proud and we believe they will come with very many medals.

Honourable members, as per Section 9(5) of the Public Finance Management Act, the minister is supposed to lay the Budget Framework Paper, latest 31 December. I urge the Minister of Finance, Planning and Economic Development – it is unfortunate the front bench is -

Honourable minister, I urge you to lay the Budget Framework Paper on the Table before the 31st, mindful that we are going for Christmas recess. You should do that as early as possible.

We have some matters of national importance.

2.08

**Mr solomon silwany (NRM, Bukooli County Central, Bugiri):** Madam Speaker, I rise to thank you for your communication. On the matter you raised that our Members of Parliament are doing great work in sports and performing excellently, I would like to add my voice to thank you for the efforts you put as the leader of this Parliament to see that this comes to happen because we had very many challenges. I urge the Minister of Finance, Planning and Economic Development to continue supporting Parliament, especially with resources, whenever we need it. We appropriate these budgets to do the work for this country.

That excellent performance you are seeing is because of your support, Madam Speaker. I wanted that to be on record. I beg to submit.

**THE DEPUTY SPEAKER:** Thank you, Commissioner –*(Members rose\_)* Matter of national importance? When I communicate, I do not expect a response. I am telling you that I want the Budget Framework Paper to be laid on the Table; I am thanking you for coming and congratulating the team, which is in Arusha.

2.10

**THE Minister, office of the prime minister (GENERAL DUTIES) (Ms Kasule Lumumba):** Madam Speaker, I would like to thank you for reminding us of our obligation. We request for space on Tuesday so that we do the needful. Thank you.

**THE DEPUTY SPEAKER:** Thank you. On Tuesday, we shall have the Budget Framework Paper laid on the Table.

**Mr katusabe:** Thank you, Madam Speaker. I rise on a procedural matter. You have just drawn our attention to an upcoming Christmas season. We have, as a nation, a crisis knocking on our doors. This is a nationwide crisis. The crisis is simply the strike by the interns that were illegally and unfairly fired by the Ministry of Health.

I represent people that are treated from Government hospitals because those are the only places they can afford. Right now, I have constituents that are stuck in Mulago Hospital. They have nowhere to go, are in critical condition and there are no doctors attending to them. Those that were attending to them were the interns –

**THE DEPUTY SPEAKER:** What is the procedural matter? You would have said you wanted to make a statement.

**Mr katusabe:** The procedural matter, Madam Speaker, is that everything else can wait but not the life and health of our fellow citizens. If we cannot stand for those that do not have the opportunity to be heard, then I think, personally, I am losing relevance in nation building.

Would Parliament be procedurally right to continue with business of Parliament when we have a crisis knocking on the door? Right now, the senior health officers – and those are people that are trained at masters’ level; the cardiologists and neurologists – have joined the strike.

We are going into recess. The only person available to help them is you, Madam Speaker, as the leader of this institution. I do not want to think that you are ready to see this happen as your watch. I ask that within two days, you direct the Ministry of Health to rescind the decision and call these fellow citizens back to their work because they are not asking for too much.

What is the country doing?

**THE DEPUTY SPEAKER**: Can you conclude?

**Mr katusabe:** Thank you, Madam Speaker. What we are doing as a country is nothing less than professional terrorism. We are targeting professionals. We are going down in the history of the world as the only country that has ever suspended medical doctors. I do not think that is the history that we would be proud of.

Next, this would be enhanced –

**THE DEPUTY SPEAKER:** There is a point of order.

**Mr silwany:** Madam Speaker, whereas my senior brother, hon. Katusabe, is speaking about a very pertinent issue, the procedure of this House is that when you stand on a point of procedure, you should talk about something that is happening in this House. Would it be in order for a Member to keep raising something that is very important but bringing it as a procedural matter when we are talking about a different matter, yet, he has an opportunity, as a Member of Parliament, to bring a substantial matter?

**The deputy Speaker:** I actually do not know how you smuggled Christmas into what you are saying – that “now that we are going for Christmas”. That is a very important issue that should be brought on its own, not as a matter of procedure. The issue of the doctors is a concern for everybody and it will be handled. You do not have to dwell so much on it.

When you asked if we were proceeding well by having a sitting like there is nothing, I mean, should we stop a sitting? Should we also strike in Parliament? Parliament is a place that makes decisions for this country, good or bad. Therefore, we cannot strike here by not sitting because there is a strike somewhere.

**MR KATUSABE:** Madam Speaker, we really want to-

**THE DEPUTY SPEAKER:** Resume your seat.

**MR KATUSABE:** Thank you very much, Madam Speaker. I hope action can be taken.

**THE DEPUTY SPEAKER:** Honourable members, two minutes, please.

2.17

**MR JONATHAN EBWALU (Independent, Soroti West Division, Soroti City):** Madam Speaker, I rise on a matter of urgent national importance in respect to the fraudulent sale and acquisition of Government land in Soroti District and Soroti City.

Madam Speaker, Uganda Broadcasting Corporation (UBC) has lost several acres of land fraudulently to a private company called Pilgrim Africa.

In April 2011, His Excellency the President, Yoweri Museveni directed that part of the UBC land in Dakabela be given to Teso University, a matter that suffered stillbirth. It is that letter, Madam Speaker, that this group took advantage of and illegally occupied land by duping the President.

We only have Soroti University that is sitting in a different land from that of UBC. I can authoritatively confirm to this Parliament that the UBC land is in the hands of a private firm illegally.

Madam Speaker and colleagues, the UBC land in Dakabela is where the Radio Uganda External Services are; famously known for airing the last communication by President Idi Amin. Therefore, the land in that area was an extension of Radio Uganda.

The second matter in respect to the sale of land in the city is the Soroti Golf Course land that has been fraudulently acquired by the same firm called Pilgrim Africa.

We all know that Soroti Golf Course is one of the courses established by the British colonialists in Uganda. Records in the lands office show that the prime land that is close to 40 acres in the heart of Soroti City is in the names of Pilgrim Africa and Shinda Holdings Limited, both private companies.

Madam Speaker, what disturbs me is that this land is guarded 24/7 by the UPDF. You cannot cross on that land or the Golf Course.

When I inquired from Mzee Ekadu Raymond, the President of the Soroti Golf Club, on how Pilgrim Africa and Shinda Holdings acquired this land, he said that the directors approached them with a view of renovating the swimming pool but only learned that Pilgrim Africa and Shinda Holdings had acquired the land titles and deployed the soldiers in that area.

Madam Speaker, my prayers are:

That the Minister of Lands, Housing and Urban Development makes a statement in this Parliament on the status of Soroti Golf Course land in Soroti City and the UBC land in the Dakabela Soroti.

Secondly, the minister instructs the relevant ministries or departments to declare the transactions null and void and that the minister directs ministry to cancel the purported land titles and gives back this land to Soroti Golf Course and Dakabela.

Madam Speaker, the final prayer is that the minister stops further development in the said land until the matter is resolved. I beg to move.

**THE DEPUTY SPEAKER:** Thank you. Attorney-General, can you take up that issue and check on the legality of the acquisition?

**MR EBWALU:** Actually, Madam Speaker, I had shared this with hon. Cosmas Elotu, who is right there-

**THE DEPUTY SPEAKER:** Hon. Ebwalu, when the Speaker is speaking, you sit. Attorney-General, take it up.

2.21

**THE ATTORNEY-GENERAL (Mr Kiryowa Kiwanuka):** Noted, Madam Speaker.

**THE DEPUTY SPEAKER:** Thank you.

2.21

**THE OPPOSITION CHIEF WHIP (Mr John Baptist Nambeshe):** Madam Speaker, I rise in respect of a matter of urgent public importance. As we talk, in Kayunga, the Police have exerted a lot of brutality, torture and violence on the Opposition supporters. They are actually shooting live bullets.

I have so far heard of many victims. One of them is Hassan Sserwada, who has been rushed to hospital in a terrible condition. Hon. Francis Zaake, was not only tortured but also was roughed up and as we talk, his whereabouts are not known.

Madam Speaker, a few months ago, the President was categorical when he condemned extrajudicial shooting and torture –*(Interjections)-* I do not know whether you are the Holy Ghost to discern his whereabouts but I think you are wrong.

The President was categorical. He condemned torture. And in my brief prayer, the minister ought to come and give us an explanation of this wilful disrespect to the President’s directive; actually, contempt of the President’s directive and also he should tell us the whereabouts of our colleague. Thank you.

**THE DEPUTY SPEAKER:** Leader of the Opposition, it is unfortunate that you just hijacked the opportunity but if you had given me prior information, then we would have asked the minister to be in the House to respond to whatever you are saying. All the same, we can have Government. If it is true that they have been tortured, it is unfortunate.

2.23

**THE GOVERNMENT CHIEF WHIP (Mr Thomas Tayebwa):** Madam Speaker, we do not know anything about that. We are going to investigate the matter and report back.

**THE DEPUTY SPEAKER**: So, you can report on Thursday. You know, we cannot rely on that before somebody goes in the field - not the social media twits.

2.24

**MR ABDULLAH KIWANUKA (NUP, Mukono County North, Mukono):** Thank you, Madam Speaker. I am rising on a matter of urgent public importance involving Ugandans dealing in poultry farming, who cannot export their products to the Republic of Kenya. Given the background of the East African Federation and Open Market Protocol, it is becoming extremely hard. Kenya is now and then banning various products. The other day, it banned maize, milk, and beef.

Currently, traders are crying. They are in losses; these are perishable goods. Eggs can no longer enter Kenya.

My prayer is that the Government should come in and provide urgent attention to the traders to engage the Republic of Kenya to agree on various products, which can enter into the open market protocol. Or in retaliation, we call upon our Government to equally ban *–(Interjections)–* yes, this is continuously going on, brothers and sisters. Our brothers are suffering; they are always importing plastic products. Actually, Kenya exports many chicks to Uganda. However, when it comes to products going to Kenya, they are banning them. So, in retaliation, we can equally identify some products, which can be banned.

I call upon Government to identify some products to be banned and equally or as alternative, to sit down with the Republic of Kenya to see how this can be harmonised immediately. Thank you very much.

**THE DEPUTY SPEAKER:** Thank you, hon. Abdullah Kiwanuka.

2.26

**THE MINISTER, OFFICE OF THE PRIME MINISTER (GENERAL DUTIES) (Ms Kasule Lumumba):** Thank you, Madam Speaker. The issue the Member is raising has been brought to the attention of Government. Right now, a meeting is going on under the chair of Rt Hon. Rebecca Alitwala Kadaga, the First Deputy Prime Minister and Minister in charge of East African Community Affairs, together with the Minister of Agriculture, Animal Industry and Fisheries and also the Minister of Trade, Industry and Cooperatives. Discussions are on-going and we must find a solution because if we are to integrate, we must work together.

We request that the statement is made tomorrow because it is affecting our farmers: 70 per cent of the eggs are exported to Kenya and 80 per cent of the chicks used in this country, are supplied by Kenya and some farmers are also in this House. Therefore, it concerns some of the Members who are here, including me but Government is handling it. We request for time so that tomorrow, a statement is brought and a solution is found - because Members are losing.

I thank you, Madam Speaker.

**THE DEPUTY SPEAKER:** Thank you very much. We expect a response tomorrow.

2.28

**MR LAWRENCE SONGA (NRM, Ora County, Zombo):** Madam Speaker, I rise on a matter of national importance concerning the current electricity situation in West Nile. If there is any subregion that has suffered from inadequate and unreliable electricity, West Nile is one of them.

For the last two weeks, there has been unreliable power supply in West Nile. When we contacted the relevant ministry, the answer we got is that there is not enough fuel to run the generators, which we took there. Furthermore, they said that the Nyagak Power Station, which was built to generate 3.5 megawatts, is only generating 1.5 megawatts. The reason is being because one of those turbines, which was installed, was an old one.

This situation has made West Nile people to lose businesses and hospitals are suffering.

My prayers are:

1. The Minister of Energy and Mineral Development should urgently address that situation to give power to the people of West Nile in the short run.
2. Members of the West Nile Parliamentary Caucus, which I chair, will be meeting on Thursday. Madam Speaker, we pray that you direct the Ministry of Energy and Mineral Development together with the Electricity Regulatory Authority to be in that meeting to brief these Members, who are working together to see that there is power in West Nile and later on, to brief Parliament on the steps they have taken.
3. The Electricity Regulatory Authority has advertised for renewal and modification of licences of WENRECO, which is managing power in West Nile. We need a briefing from the ministry, why they would modify the licence when WENRECO has failed to supply reliable power to West Nile.
4. Finally, together with the West Nile Parliamentary Caucus, we pray that the team working on electricity right from the ministry and the agencies should go to the field so that we can assess some of these situations on the ground.

I beg to submit.

**THE DEPUTY SPEAKER:** Thank you. Hon. Songa, I will not direct but I will request the minister. Thank you.

2.30

**THE MINISTER OF ENERGY AND MINERAL DEVELOPMENT (Ms Ruth Nankabirwa):**Thank you, Madam Speaker. I would like to thank my colleague, with whom we have been discussing, for having raised this matter on the Floor of Parliament.

West Nile is one of the subregions that I visited immediately I took over the office of the Minister of Energy and Mineral Development. I am abreast with the problems in West Nile. Since then, a lot has been done except that, one of it that can excite them will take a bit of time, where we are planning to develop a 10 megawatt solar plant to beef up the intermittent power to that subregion. However, I also informed my colleagues about our plans to extend the national grid; we are constructing a 134 KV line, which will be completed in October next year. What we need is an immediate action to make sure that there is that solution.

First, it is true that Nyagak Hydropower, which was supposed to produce 3.5 megawatts, is under-producing because of the problem of one unit, which is down. Therefore, we have only 1.5 megawatts produced.

The second problem is on Electro-Maxx, who are generating power from fuel. Whenever we have challenges in fuel, that means Electro-Maxx is not going to generate enough power. I have sanctioned the Chief Executive Officer of Electricity Regulatory Authority to call a meeting with Electro-Maxx so that we listen to them; they are supposed to beef up power.

Madam Speaker, I am going to call a meeting and sit down with Electro-Maxx and see how we can help in solving the challenge of getting enough petroleum so that they can beef up the power, which is not sufficient in West Nile.

As far as meeting the Members of Parliament is concerned, you do not have to direct us because we have to give service. I was discussing with them - I received a letter today, calling for a meeting on the 22nd but my team is in the field. Once they come back, I will sit down with my colleagues such that we understand each other and be able to tackle the challenge. I beg submit.

2.34

**MR FERIGO KAMBALE (NRM, Kasese Municipality, Kasese):** Thank you, Madam Speaker. I am rising on a matter of national importance concerning the flooding of River Nyamwamba in Kasese.

Recently, the Ministry of Water and Environment got funding worth Shs 30 billion to address the issue of River Nyamwamba. Surprisingly, the activities supposed to be financed by the Shs 30 billion are software activities. River Nyamwamba has been disturbing the community of Kasese Municipality because the water channels have been blocked. We expect that, that Shs 30 billion when given out, we should buy machines like bulldozers, excavators and other related machines so that these machines are attached to River Nyamwamba for de-silting –

**THE DEPUTY SPEAKER:** Hon. Kambale,what were the terms of the funding?

**MR KAMBALE:** The terms were; Shs 30 billion has been released to the Ministry of Water and Environment by World Bank and they should see how –

**THE DEPUTY SPEAKER:** Bring that document that shows how much money was disbursed and what the terms of the funding were so that we are able to discuss it conclusively.

**MR KAMBALE:** Yes, that is one. Relatedly, Madam Speaker, I am glad to report that the Prime Minister's Office has earmarked Shs 2 billion to build Kilembe Hospital, which was also washed away by River Nyamwamba.

My request is that the Prime Minister's Office should expedite the process. People have been suffering for two years since the hospital was washed away. The hospital needs to be rebuilt because Kilembe Mines Limited has already earmarked land where that hospital can be built.

**THE DEPUTY SPEAKER:** When was the Shs 2 billion given?

**MR KAMBALE:** We got communication from the Prime Minister about two months ago that the money is already marked by the Prime Minister's Office. We are requesting for expediting of the process so that the hospital is constructed. I am getting information from my colleague.

**THE DEPUTY SPEAKER:** I expected it. *(Laughter)*

**MR KATUSABE:** Thank you very much, Madam Speaker. I am here to honour your expectation. *(Laughter)* Thank you, my honourable brother, for giving me this opportunity to give this information.

If this country and Parliament are not careful, Kasese is bound to be used as a business for disaster entrepreneurs. This is for one reason; the money that my honourable brother is talking about is not the only funding that has gone to Kasese. Actually, about eight months ago, that community received Shs 29 billion. I do not know whether people take the money using sacks to Kasese. We have had a chain of disasters. Now again, Shs 30 billion -

Madam Speaker, under your leadership, I remember one of the senior officials or some people in Government saying that they had got Shs 5 billion to go and build a hospital, buy land for those that have been displaced by floods and also put up a school in that community.

When that happened, I went to the community as a responsible citizen and I asked my district CAO and my district chairperson whether the said Shs 5 billion that was purported to put up a school and a hospital – *(Interjections)* – I am giving information.

Madam Speaker, I depend upon your leadership and I do not think that this is something that we can stand. For a community that has lost lives and property under the wrath of disaster to continue being used by disaster entrepreneurs - That is the information that I wanted to give my honourable brother.

Please, disaster entrepreneurs, Kasese is not a place to make your business. That is the point. We need services. The rains are pouring hard and we have lost lives. We cannot continue seeing people losing life, money being injected in Kasese and no work being done. Please, observe the local content. It is not enough to take services to Kasese, please.

**THE DEPUTY SPEAKER:** Hon. Atkins, that is enough information. That information has been in this House for this entire month. Maybe Government, you need to say something.

2.40

**THE GOVERNMENT CHIEF WHIP (Mr Thomas Tayebwa):** Madam Speaker, whereas I heard hon. Ferigo well, I am not sure I heard from hon. Atkins. *(Laughter)* One thing that stood out is disaster entrepreneurship and it is a very unfortunate statement from a leader of an area where Government has been responding to disaster. People have lost lives and when we come in, you say that it is disaster entrepreneurship. That is very unfortunate.

However, the Office of the Prime Minister is taking up this matter of the hospital and the Prime Minister herself committed to this. We have had meetings with the Minister of Health and we are working around the clock to ensure that indeed, the hospital is worked on. Thank you.

**THE DEPUTY SPEAKER:** You need to make sure that what you promised is fulfilled. The people have been suffering for the last two years and so, we need to rescue them.

2.41

**MR ALLAN MAYANJA (NUP, Nakaseke Central County, Nakaseke):** Thank you very much, Madam Speaker. I rise on an urgent matter regarding the people of Mijuma Parish, Kirinda Parish and Kalagala Parish, all located in Wakyati Subcounty, in my constituency of Nakaseke Central. They are suffering from destructive wild animals like wild boars, also known as wild pigs, antelopes, chimpanzees and monkeys for two years now.

There are about 21 villages found in these three parishes, which are being affected. Hectares of crops including banana plantations are being ravaged by these wild animals. Livestock and poultry are being eaten by these animals.

This is an insult added to an injury because on 23 October 2021, these particular parishes suffered from destructive hailstorms that left crops, poultry, livestock and property destroyed. However much I appealed to the Office of the Prime Minister for intervention, all was in vain, yet, a number of farmers had acquired agricultural loans from banks.

My people are worried that if these wild animals are not taken away by the authorities to where they belong, they may start spreading diseases and feeding on humans as soon as crops, which they now feed on, are finished.

Therefore, I pray that the Office of the Prime Minister, together with the Ministry of Tourism, wildlife and Antiquities, intervenes to assess the situation and accordingly, comes to the rescue of my constituents with food, seeds and any other remedies that they may deem necessary from their assessment.

Otherwise, the magnitude of destruction experienced is worrying and it is likely to trigger food shortage and affect livelihood. I beg to submit.

**MR TAYEBWA:** Thank you, Madam Speaker. On this same issue, I remember you directed the minister to go in the field and make field studies and report back. As I speak, he is in Sebei Subregion. Over the weekend, he was in Kween tackling the issue of human-wildlife conflict in general where we said we need a comprehensive report and solutions.

I am going to ensure that I relay to him to go to your constituency. We shall get in touch with you so that he can go with you.

In the meantime, on the component of interventions from the Prime Minister, I request you work with your district authorities to assess the damage under the District Disaster Committee. They submit a report to the Office of the Prime Minister for action. Thank you.

**The Deputy Speaker:** Thank you. Is the Chairman of the Committee on Finance, Planning and Economic Development here?

**Dr keefa kiwanuka:** Yes.

2.45

**Mr Julius emigu (FDC, Ochero County, Kaberamaido):** Thank you, Madam Speaker. I am rising on an issue of urgent national importance. It is true Government of Uganda authorised the construction of a ferry code-named BKK, to connect Bukungu in Buyende to Kaberamaido and Kagwara in Serere and construction started and it is going on seriously.

However, while at Bukungu and Serere sites the construction has gone up to 60 per cent, the construction work in Kaberamaido is only at 20 per cent. The reason is that UNRA up to now has not compensated the land owners and so, the construction cannot move until UNRA acquires that land.

Secondly, the bad road that comes up to the site where the company, Terrain Services Limited, is supposed to pick the materials from - and actually, that access road is called Rt Hon. Kategaya Road because it was him who commissioned it in 1994 – it is so bad that it might be the worst road in the country at the moment.

Even as the contractors try to do some construction on this road, their heavy Sino trucks cannot easily go through it. They have to hire the Forward Isuzu trucks though even these cannot go through this 18-kilometre road to the place where they pick hard core. They have to pass through hon. Olobo’s constituency, which is 40 kilometres to access the site yet they should have been driving only 18 kilometres to the site.

And even when the district applied that UNRA takes over this 18-kilometre road to allow the contractors work on the site with ease, up to now, UNRA has not done anything.

Therefore, my prayer are:

1. That may the minister responsible for this push UNRA to compensate the owners of the land to allow construction go ahead; and
2. Can they take over this road, the Kategaya Road to actually help the completion of this road?

Otherwise, I thank Government for giving us the BKK Ferry although its construction has been delayed by those factors, which is why I moved my prayers. Thank you.

2.48

**The minister of works and transport (Gen. Katumba Wamala):** Thank you, Madam Speaker. I do appreciate the concerns of the honourable member. The point has been taken. I will pick it up and get UNRA to act so that we do not have the ferry ready but with no access road to the landing sites. Thank you very, much for the information.

2.49

**Mr Geoffrey feta (NRM, Ayivu Division East, Arua City):** Thank you, Madam Speaker. I rise on a matter of urgent national importance. Fortunately, my caucus chairperson has raised a number of the issues. However, I bring you a fresh feel from the constituency; I have just returned from there.

The matter is that for the last three weeks, West Nile has been in complete blackout and constant load shedding by WENRECO and ElectroMaxx, particularly in the greater Arua, Nebbi, Pakwach –

**The Deputy Speaker:** Honourable member, you better have that discussed in the meeting.

**Mr feta:** Madam Speaker, there are more pertinent issues that I think should be relayed to the minister.

**The Deputy Speaker:** Okay but regarding electricity, you are going to discuss that in the meeting since the minister is going to be part of it. Please, discuss it on Thursday.

**Mr feta:** Thank you but it should be on record that West Nile has consistently suffered this and the feel of the constituency is not good. Thank you.

Bills

Second reading

the income tax (Amendment)(No.2) Bill, 2021

2.50

**The Minister Of state for Finance, Planning and Economic Development (General Duties)(Mr Henry Musasizi):** Madam Speaker, I beg to move that the Bill entitled, “The Income Tax (Amendment) Bill (No.2), 2021,” be read the second time.

**The Deputy Speaker:** Is the Bill seconded? Okay, it is seconded by hon. Dr Batua, hon. Dr Isingoma, hon. Silwany, the Government Chief Whip – okay, by majority members. Chairperson of the committee, can you, please, present your report.

**Mr musasizi:** Procedure, Madam Speaker. I beg that –

**The Deputy Speaker:** Do you want to speak to your motion?

**Mr musasizi:** Yes, in a sentence.

**The Deputy Speaker:** Okay.

**Mr musasizi:** Madam Speaker, as a matter of justification, this Bill is seeking to amend the Income Tax Act, Cap 334, to provide for a windfall tax and limitation on the deductions on petroleum operations. I am aware that the committee has considered this Bill and is ready to present its report.

2.52

**The chairperson, Committee on Finance, Planning and Economic Development (Dr Keefa Kiwanuka):** Thank you, Madam Speaker. The committee has considered the Bill and we found it straightforward. We are moving no amendments and basically recommend that it is approved as presented by the Executive. Without further ado, I would like to submit.

**The Deputy Speaker:** Thank you. Lay on the Table the report and the minutes. What are you laying?

**Dr KEEFA kiwanuka:** I beg to lay, Madam Speaker.

**The Deputy Speaker:** What have you laid on the Table?

**Dr KEEFA kiwanuka:** I have laid the report of the committee, the minutes of the meetings of the Committee on Finance, Planning and Economic Development. Thank you.

**The Deputy Speaker:** Is it on the Income Tax (Amendment) Bill, 2021?

**Dr kiwanuka:** Yes, it is on the Income Tax (Amendment) Bill.

**THE DEPUTY SPEAKER:** Please, lay it. Thank you, chairperson, for the report. Members, the report is uploaded on your iPads. You should get time and read it. As the chairperson has said, everything was considered in the affirmative.

2.55

**MR MUHAMMAD MUWANGA KIVUMBI (NUP, Butambala County, Butambala):** Thank you, Madam Speaker. On this one, all the provisions are a result of the signed agreements, where the country committed itself. We have little room for addition or deduction and it enjoys our full backing. *(Applause)*

**THE DEPUTY SPEAKER:** Thank you. Honourable members. I put the question that “The Income Tax (Amendment) (No.2) Bill, 2021” be read for the second time.

*(Question put and agreed to.)*

BILLS

COMMITTEE STAGE

THE INCOME TAX (AMENDMENT) (NO.2) BILL, 2021

Clause 1

**THE DEPUTY CHAIRPERSON:** I put the question that clause 1 do stand part of the Bill.

*(Question put and agreed to.)*

*Clause 1, agreed to.*

*Clause 2, agreed to.*

*The title, agreed to.*

MOTION FOR THE HOUSE TO RESUME

2.57

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Chairperson, I beg to move that the House do resume and the Committee of the whole House reports thereto.

**THE DEPUTY CHAIRPERSON:** I put the question that the House do resume and the Committee of the whole House reports thereto.

*(Question put and agreed to.)*

REPORT FROM THE COMMITTEE OF THE WHOLE HOUSE

2.58

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, I beg to report that the Committee of the whole House has considered the Bill entitled, “The Income Tax (Amendment) (No.2) Bill, 2021” and passed it without amendments.

MOTION FOR ADOPTION OF THE REPORT FROM THE COMMITTEE OF THE WHOLE HOUSE

2.58

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, I beg to move that the report from the Committee of the whole House be adopted.

**THE DEPUTY SPEAKER:** I put the question that the report of the Committee of the whole House be adopted.

*(Question put and agreed to.)*

*Report adopted.*

BILLS

THIRD READING

THE INCOME TAX (AMENDMENT) (NO.2) BILL, 2021

2.59

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, I beg to move that the Bill entitled, “The Income Tax (Amendment) (No.2) Bill, 2021” be read for the third time and do pass.

**THE DEPUTY SPEAKER:** Honourable members, I put the question that a Bill entitled, “The Income Tax (Amendment) (No.2), 2021” be read the third time and do pass.

*(Question put and agreed to.)*

A BILL FOR AN ACT ENTITLED, “THE INCOME TAX (AMENDMENT) (NO.2) ACT, 2021”

**THE DEPUTY SPEAKER:** The title is settled and the Bill passes. Congratulations. *(Applause)*

I thank you very much for passing the Bill.

BILLS

SECOND READING

THE PUBLIC FINANCE MANAGEMENT (AMENDMENT) BILL, 2021

**THE DEPUTY SPEAKER:** Honourable minister -

3.00

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, I beg to move that the Bill entitled, “The Public Finance Management (Amendment) Bill, 2021” be read for the second time.

**THE DEPUTY SPEAKER:** Is the motion seconded? It is seconded by hon. Silwany, minister for finance, the Attorney-General, minister of energy, hon. Ebwalu, hon. Isingoma, hon. Emigu and many others. Would you like to speak to your motion?

**MR MUSASIZI:** Madam Speaker, the purpose of this Bill is to amend the Public Finance Management Act, 2015 to allow the Uganda National Oil Company (UNOC) retain a portion of the proceeds from the sale of petroleum accruing from the Government’s State participating interest in the production sharing agreements to meet the Government’s and UNOC’s financial obligations in the tariff and transportation agreement, the production sharing agreements and the joint operating agreements.

Madam Speaker, ever since we moved this Bill for the first time, the Committee on Finance, Planning and Economic Development has been conducting consultations. I am aware they are now able to report.

**THE DEPUTY SPEAKER:** Thank you. Chairperson? Members, we have two reports on this. We have the majority report that is being read by hon. Keefa Kiwanuka – the chairperson – and the minority report that will be read by hon. Kivumbi.

3.02

**THE CHAIRPERSON, COMMITTEE ON FINANCE, PLANNING AND ECONOMIC DEVELOPMENT** (**Dr Keefa Kiwanuka):** Thank you, Madam Speaker. First, I would like to lay the minutes from the proceedings of the Committee on Finance, Planning and Economic Development and then the committee’s report itself.

Having laid the report and minutes of the meetings, I will not be reading the report verbatim. I will try and summarise it from my talking notes. I will try as much as possible to be brief.

First, let me give the background, which is very important in understanding where we are coming from – the report has been uploaded.

Uganda operates a production sharing agreement, where international oil companies come in, invest, explore oil and gas at their own cost. If a discovery is made, then the Government receives various taxes and profit oil after cost. However, on top of that, the Government also has its own participation and this participation is managed by the Uganda National Oil Company. Now, Uganda National Oil Company is 51 per cent owned by the Government with energy and 49 per cent with finance.

However, as oil and gas activities commence in harness, UNOC has no funds to manage and meet Government financial obligations in its joint venture. As it stands, if the Uganda National Oil Company is to meet its financial obligations, it has to be appropriated from the Petroleum Fund. There is also a problem at the moment with the Public Finance Management Act, 2015, which was established and it has nine parts but part eight of those nine parts wholly concentrates on the management of oil revenue.

Section 56 establishes the Petroleum Fund and requires that all petroleum revenue must be deposited in the Petroleum Fund. Section 57 sets stringent measures to ensure that petroleum revenues are deposited in the Petroleum Fund. Section 58 deals with the withdrawals from the Petroleum Fund.

It is against that background that the Bill - and these are the principles more or less, principles of the Bill seeks to amend the Public Finance Management Act, 2015 to allow UNOC retain a certain portion of the proceeds from the sale of petroleum accruing from its 15 per cent participating interest. I think it is very important to point out at this stage that we are only talking about retaining a certain portion of its 15 per cent Government participating interest, proceeds from that to finance and not its operating expenses, things like salaries, among others, and not its investment. We are not making any amendment regarding its investment but to finance its financial obligations based on the several agreements that it has entered.

This is as a result of the increasing oil activities; its financial obligations can no longer be met according to the way that it is set up at the moment. Now, this as it is at the moment, and this is according to what the stakeholders argued first of all, poses a risk that it will not be able to meet its financial obligation. It undermines the confidence of the partners in the joint venture working with UNOC: that UNOC may not be able to meet its financial obligations.

Therefore, what we are talking about is amending the Public Finance Management Act, so that UNOC can access proceeds from the sale of crude oil, meet its financial obligations as per its applicable agreements and then any balances be deposited on the Petroleum Fund. This is deemed as what will give the venture partners confidence that UNOC is a trading partner that can meet their obligation.

Very briefly about methodology, which is outlined in our report. A wide range of stakeholders were consulted, a wide range of documents reviewed and although we were unable to do the benchmarking, we reviewed international practices in a number of countries. In the report, actually, we were giving information on that. I also need to mention the limitations that we have had.

First of all, we have been operating in some sort of straight jacket, trotting a very tight rope. Everything that we had to do was governed by some applicable law somewhere and it is a host of them: production sharing agreements and joint operating agreements, a wide range of them. Therefore, we had to trade very carefully not to offend other laws. Of course, as I mentioned, there has been the challenge that what we report regarding international experience, is based on our review of documents.

Let me just present the stakeholders’ view. Again, I have summarised it. All the stakeholders that we interacted with, including the esteemed Uganda Law Society, with exception of the Civil Society Budget Advocacy Group, supported the Bill. They all supported the amendment.

Generally, we had three or four issues to determine. The first issue is around the definition of petroleum oil. However, the definition of petroleum oil is very much consequential. That is the most important issue that we had to determine; it was issue No.2 about whether or not to allow UNOC to retain money at source without appropriation and then, spend it as they like, and have the balances transferred to the Petroleum Fund.

However, on considering this, we very much appreciated that first, UNOC is now a partner and this is very much advanced by the stakeholders that UNOC is now a partner in upstream projects, and is trading like other international oil companies. The stakeholders that we interviewed presented the persuasive argument that other oil companies have been in the market for a considerable number of years. One of them that was quoted was Total Energies, which has a market capitalisation of $121.74 billion according to the shares on the stock market. They also presented a case of CNOC of China, which has an operating capital of $53.21 billion. They also presented a persuasive argument that what is in our law stiffens and does not allow UNOC to meet its financial obligations, which I highlighted earlier. They highlighted the fear of the process of appropriation, which according to international experience, is risky and does not guarantee that the business venture will receive the money once subjected to appropriation.

There was also an issue that sometimes can lead to unpaid cash, stifled growth of the oil company, and of course, that by its very nature, the appropriation process is sometimes, long.

Now, some of the risks as a result of that, which they identified, one was dilution, where UNOC loses its participating interest to the non-defaulting partner. So, they are together in a business; one defaults, the others continue trading and because this one has lost its position in the partnership - has defaulted - whatever continues thereafter is between those operating partners who have not defaulted.

Then there was the issue of loss of entitlement to oil produced, loss of access to information, loss of voting rights - because the member that has defaulted in the venture is excluded from the meeting.

Then there was another serious issue of timing. Whereas the work plans and budgets of the oil companies, which we are talking about being appropriated for, run from January to December, our budgeting process – and when we implement our budget – is from July to June. So, a misalignment, if UNOC is aligned, is subjected to the budgeting process.

They also argued that there are checks and balances that will continue to be in place. And one of them was that the Petroleum Authority of Uganda will continue approving the work plans and budgets from which cash calls are paid.

Secondly, that Parliament will continue receiving UNOC’s annual work plans and budgets as planned.

And finally, that the Auditor-General will be auditing Uganda National Oil Company’s expenditure.

On the other hand, there were also persuasive arguments from the Civil Society Budget Advocacy Group on behalf of the civil society. They argued that any reform that allows expenditure without public scrutiny by Parliament, especially using oil money, is likely to attract allegations of mismanagement, as Parliament - presenting the people - will not be privy to the claims that they will be making. That what UNOC is seeking offends, the Public Finance Management Act, and that the proposal undermines the principle of physical consolidation.

One of their statements, which I would like to quote here, they argued that “This, in our view, will be the last nail in the coffin of the story of oil in Uganda, because all safeguards and public scrutiny regarding oil revenues will be lost.”

Honourable members, you can see how hard it was reconciling the two views but we also looked at international experience and international practices. I will leave you to look at that.

After many days of sitting down and listening to the various stakeholders, listening to the arguments for and arguments against, somehow, the committee found itself sort of caught between the rock and a hard place.

We had to make a recommendation to you. On one hand, we appreciate that UNOC needs access to money. And we appreciate the problems that – now I am concluding with the committee observation and recommendation.

We appreciate the challenges of subjecting UNOC to appropriation. But we also noted on the other hand, that if these proposed amendments as contained in the Bill are carried in their current form, that they undermine the original intention of the Public Finance Management Act. That they weaken accountability mechanism, yet, oil is an important resource and expenditure should be within our agreed and audit procedures.

We also noted that it would undermine the oversight role and the power of Parliament and its appropriation responsibility. It is against that background, therefore, that we come up with a hybrid. We are not allowing UNOC to pick money at source and spend it as they feel or as they like. On the other hand, we are saying, yes, we should exercise our appropriation responsibility as Parliament. However, we would like to see how those two can be flexibly reconciled, in order to allow UNOC to operate as a business venture, which we should actually be supporting.

It is against that background that we come up with a recommendation that; UNOC be allowed to keep money at source based on their work plans and budgets, which will have been agreed to by the Petroleum Authority, and, of course, as you will see later, appropriated by Parliament. So, they keep the money at source.

That will give their joint venture partners the confidence that they have the money but they will not be able to use it until that money has been approved by Parliament. *(Interjections)* You may say “approved” or you may say “appropriated”, whatever the term might be. Until after it has been appropriated by Parliament. Until after Parliament has given a nod, that yes, they can spend that money.

However, on the other hand, we have to deal with the challenge that we talked about earlier; of the lengthy business processes of Parliament. Where you are dealing with a business company, which needs to spend here and now.

We are saying that we should also, as Parliament, discipline ourselves and make sure that when we get their work plans and the budget, we appropriate it within 15 working days. That one is a given; it is in the agreements. We cannot do much about that. It is in the joint operating agreements.

Having agreed on those key principles, the rest then is consequential. This takes us to the definition of oil, which becomes very consequential. If you are to retain a certain portion and it is not going to the Petroleum Fund, then that somehow affects the definition. So, that is why we are also agreeing to the definition. Then whatever is not spent being sent to the Petroleum Fund is also consequential.

Therefore, Madam Speaker, I think I have tried as much as I can to summarise what we are saying. And hopefully, you find this a very practical way of going forward with this Bill.

I know that my colleagues on the other side have a minority report, which I think they wrote in anticipation, because we have handled all – when they walked away from the meeting, we handled all the issues that they are talking about. Madam Speaker, I beg to move.

**THE DEPUTY SPEAKER:** Thank you, chairperson for that report. Hon. Kivumbi, I am told the issues were answered. *(Interjections)* Hon. Kivumbi is not Dr Batuwa.

2.23

**MR MUWANGA KIVUMBI (NUP, Butambala County, Butambala):** Soon, I will be the real Minister of Finance - *(Laughter) –* so, he has to prepare very well.

**THE DEPUTY SPEAKER:** Good luck. Just give us a summary, like he has done.

**MR MUWANGA KIVUMBI:** Madam Speaker, I will begin where my other colleague – I thank the committee for the tireless effort they put in. I have worked with the members of various committees but I worked with a group dedicated to doing a national service. *(Applause)*

Madam Speaker, I will begin on that point. The matter beforehand transcends everything that defines us. It transcends our political colours and the present generation. It has impacts that are infinite and beyond. It will affect us and our children and our children's children.

If there is a matter we must legislate to in the spirit of the large interest and with a bigger heart, it is this one. That is why we never raised a single issue on the Taxation Bill. We believed it was perfect; it was called for. That is why we stand here to dissent from the majority report.

We dissent on five issues:

1. UNOC spending at source;

2. Redefinition of petroleum revenue to exclude proceeds retained by UNOC;

3. Isolation of Uganda Revenue Authority (URA) as a collector of petroleum revenue;

4. Exclusion of the role of Bank of Uganda and investment advisory committee;

5. Withdrawal of appropriation powers of Parliament.

Madam Speaker, while the majority report observes that retention of revenue at source was altered following public finance management reforms, it still recommends retention of petroleum revenue by the Ugandan National Oil Company. This is a contradiction. The country is moving in a trend of consolidating all revenues to the Consolidated Fund. They have actually recalled many agencies that enjoyed spending at source to consolidate so that expenditure is rationalised. That has been the focus.

This amounts to de-legislating the perfection of the oil curse in Africa. We are not the first country to discover oil and we are not reinventing the wheel. We are legislating in an environment of Africa where we are very clear on what befalls countries that discover oil if they mishandle it. I do not want, for diplomatic relations, to stand on this Floor and mention countries but examples are abound and we know them; Angola - many countries have abundant oil, not even comparable to what we have. However, when you go to those countries, irrespective of the oil, poverty defines those communities.

The question is, what legal framework, what governing arrangements do those countries legislate as to pertain oil? A similar legal framework was applied in Angola that led to unlimited access of petroleum revenue by the National Oil Company in Angola. It led to imprisonment of the former head who Isabela de Santos with the daughter of the former President of Angola.

The company has been marred by corruption, wasteful and fictitious expenditures. Let me bring it home for argument’s purposes. In a country where a president appoints a wife as a minister, a son and brother as the top security advisors and Commander Land Forces, what would stop the President one day from appointing a daughter as the CEO of UNOC?

We live in the reality. I do not want to be theoretical about oil. I will be as brutally honest as it comes. It can come home just the next day.

Let me go to the second issue; redefinition of petroleum revenue to exclude proceeds to be retained by UNOC. The proposed amendment in the majority report seeks to redefine the current definition of petroleum revenue contained in section 3 of the Public Finance Management Act as the following - and I will beg Parliament that I read it:

*“Petroleum revenue means tax paid under the Income Tax Act  
on income derived from petroleum operations, Government share of production, signature bonuses, surface rentals, royalties, proceeds from the sale of Government share of production, any other dividends due to Government, proceeds from the sale of Government’s commercial interests and any other duties or fees payable to Government from contract revenues under a petroleum agreement;”*

But - this is where we have a problem - excludes proceeds retained to meet the national oil obligation arising from petroleum agreement as approved by Parliament. I think I am representing the majority report position very well. The satanic word here is only one; “exclude”.

Honourable colleagues, you are literary legislating to say petroleum revenue shall not include revenue from petroleum. Literally, that is what you mean by “excluding” because the big contention is, who determines the retention and at what stage? It is the sole monopoly of UNOC to say, much of this we will use and at the tail end, a residue or balance will be put into the Petroleum Fund.

Madam Speaker, these revenues are for Uganda. The assumption is that all of us are so incompetent that super human beings will be put in UNOC that have the nation at heart, that they will spend our money so religiously and will give us the balance we need.

Honourable colleagues, last week, we had the corruption week. The theme was, how do we curb corruption in this country? If we legislate this way, you can be sure as day follows night that we have perfected the model of Angola. That is our bone of contention.

I asked the technical officer a question that even if you say you retain, at the end of it –

**The Deputy Speaker:** Hon. Kivumbi, kindly summarise and conclude.

**Mr MUWANGA kivumbi:** Yes. I asked the technical officers a question; at the end of the day, will there be proceeds from petroleum? They said the answer is, “Yes.” I said, “Then, why do you exclude?”

That is why point number three is isolation of URA. The URA is mandated to collect revenue. The petroleum due to the Government shall be collected or received by Uganda Revenue Authority. However, the proposed amendment in the majority report that seeks to amend section 57 of the Public Finance Management Act would enable the Uganda National Oil Company to collect petroleum, retain a portion and deposit the balance into the Petroleum Fund with the receipt submitted - and there is a possibility there will be no balance –*(Laughter)*- Yes, there is a real possibility that at the end of the year, they will say, “There was no balance. We spent everything and we have a debt.” There is that possibility. That is why this summons our best intention for Uganda.

The role of Bank of Uganda

You are talking about oil money. In percentages, they look small but in real terms, you are talking about billions of money that has capacity to cause inflation and risk our exchange rate, if not regulated and monitored by Bank of Uganda. Therefore, you cannot legislate Bank of Uganda away from petroleum because it has to retain its fair share.

Madam Speaker, on investment, the Act speaks clearly on how to invest oil money and we have an investment committee, not UNOC, in the law and you cannot wish it away. That is what the framers of the oil laws made for this country. Good enough, this cocktail is not heavily anchored in the sharing agreement; it is ours to help us run our company.

I agree with the committee and I find a valid discussion where we have agreed on the 15 per cent, on whatever model we follow. Okay, 15 days but to deem that once 15 days are not met, it will be deemed to have been passed, is unconstitutional. It does not amount to appropriation.

Madam Speaker, as I end, let me take you through what we propose as an amendment. In our own view, we propose that the definition of oil be retained as it is, to include petroleum revenue but go ahead and amend Section 58 of the Public Finance Management Act, and expand the agencies that can use petroleum revenue, and say, “National Oil Company shall receive a priority and fast urgent call to the Fund.”

We also associate with a view - because when you read our amendment to be moved at committee stage, you realise that we agree with the 15 days, because they are part of the agreement but we also say that you cannot deem. However, let me also urge Parliament - if you are going to be an efficient oil producing country, not only these laws must change; many of our behaviors must change too. Our democratic credentials must change; the efficiency and we think oil should drag the entire economy into efficiency? Otherwise, for you to imagine that you will be efficient, amidst inefficiency, you are simply a daydreamer. That you are going to create an efficient enterprise, amidst a sea of inefficiency and give it a legal foundation; you are not legislating for posterity.

Madam Speaker, that is why our amendments strongly advocate that we give urgency by retaining the definition but give Petroleum Authority a first call on the Petroleum Fund.

There are avenues in the budget for a supplementary. Secondly, cash calls as so argued are operational details. In the budget estimates of UNOC that they present to Parliament, they can put a contingency position.

**THE DEPUTY SPEAKER:** There is a procedural matter.

**MR TAYEBWA:** Thank you, Madam Speaker. Our colleague has put up a case but now, he has gone into amendments, which should be moved at Committee Stage; he is really presenting the proposed amendments. Therefore, I wonder what we shall do at Committee Stage.

So, are we procedurally moving right, with a colleague bringing amendments, which should be coming at Committee Stage? He has finished amendment number one, gone to amendment number two - are we proceeding well, Madam Speaker?

**THE DEPUTY SPEAKER:** Hon. Kivumbi, kindly, summarise and close.

**MR MUWANGA KIVUMBI:** Madam Speaker, I have made a passionate call to this Parliament. I am as determined as any other Member is, on our side, to make UNOC an efficient and an up-to-date company that runs the oil business on behalf of Uganda.

However, we are advocating that they do so within the framework, as established in our amendments to the Petroleum Fund, where they will have a call, come here for accountability - we have even proposed a progressive amendment on appropriation. We want to move it away from the Appropriation Act, to make it appropriation at any time that they wish to; they come here and we give them the money.

I beg honourable members to reject legislating for the African curse for the good of our country, our children and our children's children. I beg to move.

**THE DEPUTY SPEAKER:** Thank you, hon. Muwanga Kivumbi and the Chairperson of the finance committee. Honourable members, you have heard –*(Members rose\_)* Why are you standing? I am not going to allow debate.

Honourable members, you have heard the majority and minority reports. We are going to debate on the merits and principles of the Bill and being mindful of the agreements that have been in place.

First, I want the Attorney-General to clarify on the areas of dissent to help us guide the debate - not the shadow Attorney-General; I want the Government Attorney-General. (*Laughter*)

3.41

**THE ATTORNEY-GENERAL (Mr Kiryowa Kiwanuka):** Thank you very much, Madam Speaker and Chairperson of the committee. Thank you, hon. Muwanga Kivumbi, for your dissenting views.

Madam Speaker, like both Members have stated, this is a very important Bill for all of us, and so, it is important that we address it, like he said, together for us to find a common solution.

The areas of dissent are really dependent on the first principle of whether or not UNOC should retain money and spend it at source. Really, that has been quite addressed, with our position that UNOC can retain but not spend without Parliament; we agree that Parliament's power to appropriate should be maintained.

Madam Speaker, I just want the House to highlight one fundamental thing. What is being discussed here is the 15 per cent State participation only. In oil and gas - in the PSA, we have four major sources of income; that is royalties, taxes, profit oil, and State participation. State participation represents 15 per cent and that is what UNOC is going to back into these agreements.

In the real scheme of things, it represents 7 per cent of Government take. Therefore, the 93 per cent of Government take is not a subject of this amendment.

The second area of contention was the definition of what amounts to petroleum revenue - not oil but petroleum revenue - if we, and I must -

**THE DEPUTY SPEAKER:** Attorney-General, I just want to understand one thing on your UNOC spending at source. It is an agreed position that well, much as UNOC is going to spend, that spending is subject to approval by Parliament.

**MR KIRYOWA KIWANUKA:** Correct, Madam Speaker.

**THE DEPUTY SPEAKER:** So, you are not removing the appropriation role from Parliament?

**MR KIRYOWA KIWANUKA:** Not at all, Madam Speaker.

**DR BATUWA:** Madam Speaker, I am a new Member to this Parliament. When I joined, I was told about three mandates of a Member of Parliament -

**THE DEPUTY SPEAKER:** I hope we are speaking to part A?

**DR BATUWA:** Yes, I was told of only three mandates of a Member of Parliament - appropriation, legislation and representation. I wonder where approval comes in. Therefore, do we have power to approve or it is just an English word?

**THE DEPUTY SPEAKER:** He is talking about appropriation; you are a veterinary doctor. *(Laughter)*

**DR BATUWA:** I have heard of approval and that is why I stood.

**THE DEPUTY SPEAKER:** Shadow Attorney-General, do you have anything you want to say on 5(a) No, I want clarification on issues of dissent.

3.44

**THE SHADOW ATTORNEY-GENERAL (Mr Wilfred Niwagaba):** Thank you, Madam Speaker. After listening to both the majority and minority reports and bearing in mind the history of the Petroleum Fund – the reasons we created it and the reasons we created the Uganda National Oil Company in the upstream Bill – and bearing in mind that we would need a company that does business without it being unnecessarily hampered and also bearing in mind that the UNOC has not participated fully in the upstream business because it has not been adequately financed – save for this latest resources we have given it – I do want to believe that we may need to have a middle ground that promotes the UNOC to do business while also retaining Parliament’s power to scrutinise whatever revenue is spent.*(Applause)* That would be the middle position.

Whereas we created the Petroleum Fund with stringent conditions – and if you look at the kind of retention the UNOC is seeking, if we made an amendment to the definition section and restricted the retention in respect of the cost oil and the money spent on the tariffs, of course, again, subject to Parliamentary approval afterwards, it should be able to have a cash-on-call basis. To me, we would have a middle ground and move forward. I am speaking this based on my experience because I was part and parcel of these oil Bills – and that is why I was expelled from that side – and also as a businessman.

I want things to move.

**THE DEPUTY SPEAKER:** Thank you, Shadow Attorney-General. Anybody with an issue on 5(a)? We have concluded on that. Go to 5(b).

**MR KIRYOWA KIWANUKA:** Thank you very much, Madam Speaker. Having concluded that part – I thank you very much, shadow Attorney- General. We then come to the point of the definition and that was the other area of contention. We are moving to add just an exclusion to the extent of what the shadow Attorney-General was stating: only for cost oil and the requirements to meet the obligations under the operating agreements. That, also, is subject to the approval of Parliament except for cost oil which, already has its process inbuilt in the agreements, where the costs that are incurred in the process are audited by the Auditor-General, approved by the Uganda Petroleum Authority, handled by Parliament and then, they are paid out.

What happens is that once the cost recovery has been determined – once it gets out of the oil – it is paid directly as cost oil. That is the second area. Therefore, if we define the “petroleum revenue” for the shadow minister of finance, the money that will be going to Uganda Revenue Authority will be all that money, except the one that you are using to pay for your agreement obligation and the cost oil. Everything, except the cost oil and the money to be used to meet UNOC’s obligations in the agreement will go to Uganda Revenue Authority and the Petroleum Fund.

**THE DEPUTY SPEAKER:** Thank you.

3.49

**MR MUWANGA KIVUMBI (NUP, Butambala County, Butambala):** Madam Speaker, that is why we are making a case that we have got to be innovative in the legislative framework and do not exclude. The principle word is “exclude”. We can legislate for retention and we can achieve that. We have suggested ideas on how to legislate for effective retention, leaving out exclusion *–(Interjection)–* First hold on a little bit – and I know the reason why.

As a shadow minister, I guard this interest of finance very carefully. What we want to do under this law is that UNOC should have capacity to do business, undeniably. I am not one of the people who come here and say it should not. I would be extremely stupid. However, I am very careful with giving away proceeds. That is why we are making an amendment at committee stage to the effect that if we amended clause 58 carefully, we can address all that you want: you would spend at source and you would do everything with scrutiny and have your way. If you listen to our view, it is the smartest that you can ever get.

**THE DEPUTY SPEAKER:** Shadow Attorney-General?

**MR NIWAGABA:** When we talked about the cost oil, one of the biggest debates we had in this House was in respect of recoverable costs. To the extent that, yes, they are recoverable costs, they are not revenue as such. Since they are not revenue as such and there is justification for excluding them, we are saying, although these are recoverable costs, which constitute the cost oil for our aspect as a company before you pay them or your share is paid to those who have met these oil companies, let Parliament first approve but you retain.

Even when you look at the current section 57(5) and (6), they still allow UNOC to retain the petroleum, especially in kind, and even allow it to sell and only deposit the proceeds after. I think that retaining the percentage for the cost oil but spending it after Parliamentary approval would not be a problem. I hope you agree with me.

**THE DEPUTY SPEAKER:** Thank you. Can we go to 5(c)? I have seen hon. Enosi Asiimwe standing. Hon. Asiimwe, the Rules of Procedure are that once you are a member of the committee, you are not supposed to debate because you debated in the committee. Please, sit.

3.52

**MR ROBERT MIGADDE (NRM, Buvuma Islands County, Buvuma):** Thank you,Madam Speaker. I am sure you know my training as far as economics is concerned. I know hon. Kivumbi as a good economist.

## When I was the Vice-Chairperson of the Committee on Agriculture, Animal Industry and Fisheries, I visited National Animal Genetic Resources Centre. They look after animals, the data bank and piggery, among others. The law was that they were not supposed to spend at source. They had a group of pigs: some feeding while others breastfeeding. However, they had spent a whole month without food. The director said, “You see, these pigs are hungry but the law does not allow us to spend at source.”

And the previous week, they had sold out a number of piglets to the community, and they had money. They showed me receipts. They said, “Last month, we generated Shs 20 million shillings for Government but the law does not allow us to buy maize bran”.

We asked: “Why are these animals looking like this?” and they said, “Honourable, look at the stores, there is no bran. So, you have to go to Parliament so that they approve money to buy maize bran for these sickening animals”.

I am happy that we are looking for a win-win situation. There are certain critical areas where we must agree to compromise for purposes of those sectors excelling. If we do not do that, we shall be in political economics. We shall not be in financial economics.

My appeal is that let us try to do financial economics and business economics. Then in one way or another, political economics will follow.

Previously, we have approved supplementaries here. And agencies have taken months without accessing those monies. And we have come back here to complain.

Just last month, there was a motion here by local governments. The reason was that garbage is everywhere but the Public Finance Management Act was saying that you must submit all the revenues collected. I heard Members here say – we were proposing that we should compromise so that a certain percentage of revenues collected should be retained for purposes of addressing the critical sectors.

Madam Speaker, that is what I can say. We must find a financial win-win position and not a political one. Thank you.

3.56

**MR ALEX RUHUNDA (NRM, Fort Portal Central Division, Fort Portal City):** Thank you, Madam Speaker. I have very historical memories. I was a member of the Natural Resource Committee when we came up with the petroleum laws. We got time to visit for the best practices around the world.

When we were coming up with UNOC, with our National Oil Company, we looked at other companies. We realised the reason China has advanced very much, is because they have made it very flexible for the government companies to run business and compete internationally. You see, many of these companies from China, actually, belong to government. So, China mastered that art.

When we were coming up with the safeguards, we said we must find resources for our UNOC, such that it does not struggle when it comes to running business. We do not want these other companies to take advantage of it.

I think the concern and the worry here would be that the operations of this company; is the Auditor-General's Office going to be involved to scrutinise what they are doing? If there is a tick, we know that there is a safeguard because the reports from the Auditor-General's Office will finally come to Parliament in case of any abuse or misuse of the Fund.

As Parliament, we still have the checks and balances on how this money will be utilised. So, the fact that these resources are going to be approved, and they have put in a provision of 15 days, to me, I think that calls for the efficiency on the part of Parliament. As Parliament, we do not want to lose our appropriation powers.

I do not see a big problem unless we are so suspicious to the point – because even if you choose – I have seen, you can choose to even have these laws but you still go against them and move on. Things have happened.

When we begin getting worried about who is going to be appointed in which office and so on, that does not make sense. What is important is that these safeguards, which we are proposing; we make sure that our role as Parliament to appropriate is well guarded. For me, that is something I needed us to understand. And then we should be able to create a system that should enable Parliament to play their role.

Finally, Madam Speaker, I was very disappointed with a motion that was moved by hon. Nandala, in the last Parliament where they blocked us. You know, I am on COSASE – we could not go back to scrutinise the former Auditor-General's reports. That was because they had moved a motion here that Parliament should not do so. I could not believe how people can come up with the crazy idea of tying the hands of Parliament. We must have room for Parliament to be able to scrutinise all these companies that the Government is coming up with.

We must also build our capacity because this petroleum is something new, something huge. We need to think through, as Parliament, how we will be handling this sector. We cannot treat it like any other parastatal of Government. I beg to move.

**THE DEPUTY SPEAKER:** Thank you. One thing that we must appreciate is that the professional role is not removed. It is still with us. The 15 days will now check our efficiency as Parliament, not where you give a committee work for 45 days and they are not finishing. Now, we have the 15 days to make sure that we process and decide on what should be done.

It is not that we must approve. You can actually not approve what UNOC has asked for. Attorney-General, can we go to (c)? Let us first reconcile this.

**MR KIRYOWA KIWANUKA:** Thank you very much, Madam Speaker. The last item would be the participation of Bank of Uganda.

**THE DEPUTY SPEAKER:** There is isolation of Uganda Revenue Authority as a collector.

**MR KIRYOWA KIWANUKA:** I had spoken to that but I can speak to it. Isolation of Uganda Revenue Authority is provided for in Section 57(1) of the Public Finance management Act. Section 57(1) is not being amended. After 57(5), we are adding a (5)(a). That is what I was explaining; that once UNOC has received the cost oil and the money for the tariffs, everything else must be appropriated by Parliament.

So, once you have that exclusion, everything else goes to URA and it is handled in the ordinary process -

**THE DEPUTY SPEAKER:** Shadow, 57(1), where it says, “The petroleum revenue due to the Government shall be collected or received by Uganda Revenue Authority”, is not being amended.

**MR NIWAGABA:** Madam Speaker, we have had discussions in order to get a way forward. In principle, we have agreed that in order to allow UNOC to do business, if we exclude in the definition, the revenue related to cost oil and the money for the tariff, then the rest – we actually do not need Parliamentary approval for those two. Then the rest can be subjected to Parliamentary approval and then, we move forward.

**THE DEPUTY SPEAKER:** Can I hear from the Attorney-General?

**MR KIRYOWA KIWANUKA:** Most obliged. Thank you very much, Madam Speaker.

**THE DEPUTY SPEAKER:** So, can I now put the question? Honourable members. I put the question that “The Public Finance Management (Amendment) Bill, 2021”, be read for the second time.

*(Question put and agreed to.)*

bills

committee stage

the public finance management (Amendment) Bill, 2021

Clause 1

4.04

**The chairperson, committee on finance, planning and economic development (Dr Keefa Kiwanuka):** Madam Chairperson, we are slightly amending it to say; “The petroleum revenue means tax paid under the Income Tax Act on income derived from petroleum operations, government share of production, signature bonus, surface rentals, royalties, proceeds from the sale of government share of production, any dividends due to Government, proceeds from the sale of Government commercial interests and any other duties or fees payable to the Government from contract revenues under petroleum agreement; but, excludes proceeds retained to meet the obligations of the UNOC arising from petroleum agreements as approved by Parliament from time to time and cost oil attributable to state participation.”

Justification

To exclude the proceeds retained to meet the National Oil Company obligations arising from petroleum agreements as approved by Parliament from time to time.

**Mr niwagaba:** Madam Chairperson, I thought the exclusion was only restricted to the cost oil and money payable under the Act we passed on tariff. We do not now include “other retentions, by Parliamentary approval…” because that would be bringing more confusion. I thought that was the position. We would only capture the exclusion to reflect the cost oil and the tariff transportation.

**Mr kiryowa kiwanuka:** The drafting may be the issue. If you look further down at (2), that is where you have that. If you look at the “further to” in clause 2, the obligations of EACOP are there. What we are doing here is to allow that to be retained. The retention is specifically stated here. This is just the definition. You need to read them together.

**Mr kivumbi:** Madam Chairperson, I think the shadow minister had conferred - he had a discussion with you and agreed with the Attorney-General that in the definition of “exclusion” for avoidance of doubt, this exclusion is restricted to the tariff and cost oil; straight away from the definition. If that compromise is not taken, our amendment was a deletion.

Therefore, my humble view is that if we are to agree to exclude, we exclude for avoidance of doubt as relates to cost oil and meeting the tariff.

**The deputy chairperson:** Can you frame your amendment the way you want it to be? The chairman has given you his definition. Can I have your amendment?

**Dr keefa kiwanuka:** What I was going to say is that it would be helpful to look at what they are amending and how they want it to look like.

**Mr niwagaba:** We say, “’Petroleum revenue’ means tax paid under the Income Tax Act on income derived from petroleum operations, government share of production, signature bonus, surface rentals, royalties, proceeds from the sale of Government share of production, any dividends due to Government, proceeds from the sale of Government’s commercial interests and any other duties or fees payable to the Government from contract revenues under a petroleum agreement but excludes cost oil and payments under the tariff and transportation agreement under the East African Crude Oil Pipeline Act, 2021.”

**Mr kiryowa kiwanuka:** Can you, please, draft that again.

**Mr niwagaba:** We retain the entire provision but when we reach “but excludes” we say, “but excludes cost oil and tariff payable under the East African Crude Oil Pipeline Act, 2021.”

**Mr kiryowa kiwanuka:** May I propose, shadow Attorney-General, that we add, “And cash calls approved by Parliament from time to time.”

**Mr niwagaba:** That is okay.

**Mr kiryowa kiwanuka:** Thank you. *(Applause)*

**Mr muwanga kivumbi:** Would you have issues if we said, “Cash calls appropriated by Parliament from time to time?”

**Mr kiryowa kiwanuka:** No problem. *(Applause)*

**The deputy chairperson:** *(Member rose\_)* Attorney-General, we need a further clarification from his side. Go ahead. He said you are going to make an amendment.

**Mr kiryowa kiwanuka:** Madam Chairperson, we have pretty much agreed on the definition that is stated but there is another issue that was raised in this Bill, which we need to correct. That is, the East African Crude Oil Pipeline Act has not yet been amended.

**The deputy chairperson:** No.

**Mr kiryowa kiwanuka:** We are proposing that it states that, “Meeting the obligations borne out of the UNOC on its own behalf and on behalf of Government as provided for in the Host Government Agreement and the tariff and transportation agreements and the law in respect to the East African crude oil project.

**THE DEPUTY CHAIRPERSON:** Honourable members, I am putting the question to the amendment by the Attorney-General.

*(Question put and agreed to.)*

*Clause 1, as amended, agreed to.*

Clause 2

**DR KEEFA KIWANUKA:** Madam Chairperson, we propose an amendment to clause 2 of the Bill to substitute it with the following:

2) Amendment of Section 57 of the principal Act. The principal Act is amended in Section 57 by asserting, immediately after subsection 5, the following:

“5(a) Notwithstanding any provision of this Act, the National Oil Company shall retain a portion of the proceeds from the sale of petroleum arising from the state participating interest in applicable petroleum agreements for purposes of:

1. Meeting its financial obligations arising from applicable petroleum agreements and joint operating agreements in each calendar year based on the estimated budgets.
2. Meeting obligations borne by the National Oil Company, on its own behalf and on behalf of the Government as provided for in the host agreements, tariff and transportation agreements and the law relating to the East Africa Crude Oil Pipeline Project.

5(b) The National Oil Company shall present the budget estimates referred to in subsection 5(a)(i) to Parliament and upon approval by Parliament, the National Oil Company shall use the proceeds retained.

5(c) The budget estimates presented under subsection 5(b) shall be processed by Parliament within 15 days from the date of submission and where a decision is not made by Parliament within 15 days, the budget estimate shall be deemed approved.

5(d) The National Oil Company shall deposit the balance of proceeds retained after expending the monies for the purposes of subsection 5(a) into the Petroleum Fund and shall submit a copy of the record of the monies deposited to the Minister, the Uganda Revenue Authority, the Secretary to the Treasury, the Accountant-General and the Auditor-General.”

Justification

1. To enable the National Oil Company retain a portion of the proceeds from the sale of petroleum arising from the state participating interest in applicable petroleum agreements for meeting financial obligations arising from applicable petroleum agreements and joint operating agreements in each calendar year based on the budget estimates.
2. To compel the National Oil Company to present the budget estimate to Parliament for approval and to mandate the National Oil Company use the proceeds retained.
3. To provide timelines within which Parliament is to approve the budget estimates.
4. To mandate the National Oil Company to deposit the balance of the proceeds retained after expending monies for the purposes of subsection 5(a) into the Petroleum Fund.

**THE DEPUTY CHAIRPERSON:** Yes, honourable minister.

**MR MUSASIZI:** Madam Chairperson, I agree with the proposal.

**THE DEPUTY CHAIRPERSON:** I put the question that clause 2 be amended as proposed.

*(Question put and agreed to.)*

*Clause 2, as amended, agreed to.*

Clause 3

**DR KEEFA KIWANUKA:** Madam Chairperson, on clause 3 -

**THE DEPUTY CHAIRPERSON:** There is no clause 3 but rather an insertion. You are proposing a new clause.

**DR KEEFA KIWANUKA:** We are proposing numerous amendments; some are just numbering. On section 58 of the principal Act -

**THE DEPUTY CHAIRPERSON:** It should be, the Bill is amended by inserting a new clause immediately after (2) and you read the clause.

**DR KEEFA KIWANUKA:** Okay. The Bill is amended by inserting a new clause 3 to read as follows:

Clause 3, amendment of section 58 of the principal Act

Section 58 of the principal Act is amended by:

1. Renumbering the current provision as subsection 1.
2. Inserting a new paragraph (c) immediately after paragraph (b) to read as follows - and this is now (c); for approved investments of the National Oil Company.
3. Inserting a new subsection immediately after the proposed paragraph (c) to read as follows: “For the purposes of this section, approved investments means investments approved by the board of directors of the National Oil Company and the Cabinet.”

Justification

1. To allow for withdrawals of money from the Petroleum Fund;
2. For approved investments of the National Oil Company;
3. Define approved investments.

Thank you.

**THE DEPUTY CHAIRPERSON:** Honourable minister -

**MR MUSASIZI:** Madam Chairperson, I agree with the proposal.

**THE DEPUTY CHAIRPERSON:** I put the question that a new clause be inserted immediately after clause 2 as proposed.

*(Question put and agreed to.)*

*New clause, agreed to.*

*The Title, agreed to.*

MOTION FOR THE HOUSE TO RESUME

4.22

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Chairperson, I beg to move that the House do resume and the Committee of the whole House report thereto.

**THE DEPUTY CHAIRPERSON**: I put the question that the House do resume and the Committee of the whole House report thereto.

*(Question put and agreed to.)*

*(The House resumed, the Deputy Speaker presiding\_)*

REPORT FROM THE COMMITTEE OF THE WHOLE HOUSE

4.23

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES)(Mr Henry Musasizi):** Madam Speaker,I beg to report that the House has considered the Bill entitled, “The Public Finance (Amendment) Bill, 2021” and passed it with amendments.

**THE DEPUTY SPEAKER:** Amendments on which clauses?

**MR MUSASIZI:** Madam Speaker, the amendments relate to clauses 1 and 2, and insertion of a new clause, immediately after clause 2, which is clause 3.

**THE DEPUTY SPEAKER:** Okay.

MOTION FOR ADOPTION OF THE REPORT FROM THE COMMITTEE OF THE WHOLE HOUSE

4.24

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES)(Mr Henry Musasizi):** Madam Speaker,I beg to move that the report from the Committee of the whole House be adopted.

**THE DEPUTY SPEAKER:** I put the question that the report of the Committee of the whole House be adopted.

*(Question put and agreed to.)*

*Report adopted.*

BILLS

THIRD READING

THE PUBLIC FINANCE MANAGEMENT BILL, 2021

4.25

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES)(Mr Henry Musasizi):** Madam Speaker,

I beg to move that the Bill entitled, “The Public Finance Management Bill, 2021” be read for the third time and do pass.

**THE DEPUTY SPEAKER:** I put the question that the Bill for an Act entitled, “The Public Finance Management (Amendment) Act, 2021” be read for the third time and do pass.

A BILL FOR AN ACT ENTITLED, “THE PUBLIC FINANCE MANAGEMENT (AMENDMENT) ACT, 2021.”

**THE DEPUTY SPEAKER:** Title settled and the Bill passes. Congratulations. *(Applause)*

**MR MUSASIZI:** Madam Speaker, I want to first appreciate you for supporting us through this process. However, I also wish to inform the House that my senior, hon. Matia Kasaija, is here. *(Applause)*

On behalf of the ministry, he would like to say something in appreciating the House.

4.27

**THE MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Mr Matia Kasaija)**: Madam Speaker, I am very elated. I have been in this House since 1979 but I had never seen Parliament speaking to an issue like this with a common voice. I think the method of work that you have adopted; to always consult each other instead of us coming here to beat and humiliate each other on the Floor of Parliament, I think is a nice method of work. Madam Speaker, I want to congratulate you. *(Applause)*

Like one honourable member, I was very happy when I heard – was it hon. Muwanga Kivumbi or somebody else - say that we are legislating for generations. This resource we are talking about; some of us may not even see much of it, but our children and grandchildren. Honourable Colleagues, I entrust you that in the future, on matters of this nature, let us forget about politics. Let us look at the good of the country*. (Applause)*

I thank you very much and when we proceed like this, we shall achieve more things and the population will be very happy because they will know that we working for them, and we came here to work with them. Thank you very much, Madam Speaker.

**THE DEPUTY SPEAKER**: Thank you very much, honourable minister.

I want to thank the Chairperson of the Committee on Finance, Planning and Economic Development.

I also want to thank the shadow minister of finance. In addition, I want to thank the shadow Attorney-General for his input. Equally, I would like to thank the Attorney-General on this side for the good work they have done.

In a special way, I want to thank the Government Chief Whip. He is very passionate about his work. He is doing a very good job and he has not rested, including the Leader of Government Business today. Thank you very much.

The Minister of Energy and Mineral Development, we have done our work. We leave the rest to you. Thank you, for the passion that you put into these Bills.

Attorney-General, you are such a wonderful person. We have been able to pass the Income Tax (Amendment) (No.2) Act, 2021 and the Public Finance Management Act, 2021.

As we pass these Bills, we now leave it to you, Executive. You must do the work for this country. We have the oil and we have given you the laws. So, we want to see the proceeds of the oil.

Hon. Musasizi, you are a very wonderful person. I want to thank you very much. Chairman, do you want to say something? The House, you are such a wonderful people. You are now counting the number of Bills you are passing; we are now working.

4.31

**THE CHAIRPERSON, COMMITTEE ON FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Dr Keefa Kiwanuka):** Thank you very much, Madam Speaker. First of all, it is my maiden Bill, as the Chairperson of the Committee on Finance, Planning and Economic Development.

Therefore, it has been a pleasure to see it through. However, I would like first of all, thank you very much, for the support you have given us in this process. I would like to thank my colleagues, the Members of the committee who worked very hard around this.

At points in time, it seemed like mission impossible because of the pressures of time that we had. Thank you very much, Members of the Committee on Finance, Planning and Economic Development.

I also would like to thank the Government Chief Whip; you have been very supportive throughout the process. I cannot thank enough, the Attorney-General, who I found very much a man down to earth. At all times, he was available for me to consult him. Even when he was outside the country, he was still accessible and he would come back with a very detailed explanation on issues that we are consulting him on.

Thanks to the House. I am glad that this Bill has been passed unanimously. I am glad that we have found a practical way forward on this. However, I would like to mention that it is very unfortunate that as a committee, we did not have the opportunity to benchmark and to get a good feel of how others have been handling these issues although it has been very much based on our literature review. I think that is an element that we have to consider in the future.

Finally, Madam Speaker, in coming up with the recommendations that we presented, we had lots of anxiety on whether things would work or not. However, what we bore in mind was that if it did not work, then we could always come back and talk about it, again. Thank you very much, Madam Speaker.

4.33

**THE MINISTER OF ENERGY AND MINERAL DEVELOPMENT (Ms Ruth Nankabirwa):** Madam Speaker, UNOC is not here in the House physically. Uganda Petroleum Authority is not in plenary. However, I know their ears have been on the ground and I hope that they have taken note of the concerns of this august House: accountability, transparency, and making sure that the country gets what we are expecting to get out of our petroleum.

Therefore, I am standing here as a shareholder – 51 per cent – and as the minister in charge, to pledge, on behalf of the UNOC and Uganda Petroleum Authority, total commitment to this country and to this august House in making sure that we transact the business for which this particular Bill has been tabled: basically, to enable UNOC transact their business.

I am standing here to thank you, Madam Speaker, the minister of finance– who fronted the Bill – the Attorney-General, the Government Chief Whip – who coordinated us – and, most importantly, those who are carrying out the oversight function: the Leader of the Opposition and his entire team. This was right from the time when we processed the East African Crude Oil Pipeline Bill because the three Bills have been related.

I am very grateful that we are ending the year with this Christmas package to the developers and the shareholders. I pray that the Bills now leave Parliament for State House so that, that ritual is also concluded and then we will see how we begin on the contracting procedure on tier one.

Thank you very much. *(Applause)*

4.36

**THE GOVERNMENT CHIEF WHIP (Mr Thomas Tayebwa):** Thank you, Madam Speaker. I wanted to express thanks from our office to only one person: you. This is because, Madam Speaker, the way you guided us, the way we worked overnight – all this commitment behind the scenes with all these colleagues was because we knew you were behind us, as a team, to come out with an uncompromising position that benefits the country, not our party interests. So, I just want it to go on record that my office is really appreciative of how you coordinated us.

If we continue working like this, colleagues, I am very sure we are going to be a Parliament that will surpass all other parliaments. *(Applause)* Even the sky will not be the limit for us if we continue working this way.

**THE DEPUTY SPEAKER:** Thank you, Government Chief Whip. Let us have the Leader of Government Business and then, we go to the next item.

4.37

**THE MINISTER, OFFICE OF THE PRIME MINISTER (GENERAL DUTIES) (Ms Kasule Lumumba):** Thank you very much, Madam Speaker. On behalf of the NRM Government, I would like to take this opportunity, in a special way, to thank you for the leadership you have manifested, especially for such Bills where we would always take time, have breaks and also go in the Lobby to go and discuss.

I have liked your style, most especially to bring out only the controversial issues or issues, which we have not yet agreed on as teams. You also give us the opportunity to discuss and agree and save time and resources in this country. I want to say: “Thank you.”

I would like to thank the shadow Attorney-General, the shadow minister of finance, plus the leadership of the alternative government in Parliament.

In a special way, I thank the minister of finance and the technical team, the Attorney-General and the technical team, the Minister of Energy and Mineral Development and the technical team, the Government Chief Whip and the technical team, plus the entire structure of the Government Chief Whip in Parliament.

Thank you very much, Members, who have come to attend this Sitting but also most importantly, to make sure we save time and manage business in this country.

I am here, on behalf of the Government, to thank you all. We are proud of you, Parliament. We are ready to continue working and improving every day. Thank you.

**THE DEPUTY SPEAKER:** Thank you – I was about to say Secretary-General because she talks about the NRM all the time. *(Laughter)* Thank you very much, honourable minister.

I would like to thank the whole House and say, “I am grateful. We are grateful, as Parliament, for your commitment.”

We, therefore, adjourn the House to tomorrow at 2.00 p.m.

*(The House rose at 4.39 p.m. and adjourned until Wednesday, 15 December at 2.00 p.m.)*