**Tuesday, 25 November 2014**

*Parliament met at 2.49 p.m. in Parliament House, Kampala.*

PRAYERS

*(The Speaker, Ms Rebecca Kadaga in the Chair.)*

*The House was called to order.*

COMMUNICATION FROM THE CHAIR

**THE SPEAKER:** Honourable members, I welcome you to this afternoon’s sitting. I would like you to join me in welcoming a delegation of staff members from the Department of Clerks of the National Assembly of Namibia. They have been here since 16th November, attached to the Parliament of Uganda. I do not know where they are seated- Yes, that is the team from Namibia. You are welcome. *(Applause)*

I also have a lot of pleasure in introducing a parliamentary delegation from the National Assembly of Malawi; I think this is the Parliamentary Commission: Commissioner Sangala, Commissioner Mwale, Commissioner Jouma, Commissioner Abubakar Mbaya, the financial controller, Chikondi Kachinjika, and the secretary to the delegation, Hanna Majamanda. You are welcome. *(Applause)* They are here on a three-day benchmarking visit. We are happy to receive them*.*

Honourable members, I take the opportunity to welcome you to this sitting again. Last week, I was in New York at the Parliamentary Hearing on the proposed SDGs. I was accompanied by hon. Komuhangi, the chair of the Committee on Gender, Labour and Social Development.

I bring you warm greetings from the President of the UN General Assembly, hon. Sam Kutesa. *(Applause)* He invited me to speak at the United Nations on the role of Parliaments in the UN system, and particularly to be part of the designing, formulation and negotiation of the post 2015 SDGs. He will be coming to address this House on the work 0f the General Assembly before we close this Session. About our visit, a full report will be laid here for debate.

Honourable members, on the 2nd of December, we shall have a half-day briefing by the joint venture team of CNOOC, Tullow and Total on the issue of the national content in the oil and gas sector. In particular, they will brief MPs about prospects of employment for the people of Uganda - prospects to participate in the supply of goods, services and materials in the production stage and beyond.

You will recall, honourable members, that you battled very hard to include the issue of national content in the petroleum matter. I therefore urge all of you to attend that meeting. It will take place from 9.00 a.m. to 1.00 p.m. so that we can come back for our sitting. It is so important because if we do not produce the necessary human resource, we shall be faced with a prospect of being spectators in a situation where 13,000 jobs will be created in the next few years. We need the necessary skills to be eligible for those jobs. The meeting will be at Serena Hotel, so please write in your diaries and let us go and listen and see how we can assist our people.

Honourable members, the third matter I would want to talk about is the export of labour from Uganda. As you recall, we received many reports from the Committee on Equal Opportunities and the Committee on Gender, Labour and Social Development about trafficking and abuse of Ugandans working especially in the Arab world. I would now want to urge the Government to expeditiously enter into formal agreement with the receiving countries, so that Government can keep track of the type of employment Ugandans are engaged in.

Honourable members, I want to appeal to the Government to ban the export of domestic workers. This is a category that always ends up in slavery, sexual and physical abuse, non-payment of wages and so on and so forth.

I would also like to inform you that in the Arab world, ownership of slaves is accepted; for them, it is okay to own slaves. What two other governments have done - the Government of Ethiopia and the Government of Philippines - which used to be the main source of domestic workers to the Arab countries, is to ban the export of those workers. Now they have turned to Uganda; we are now the source of domestic workers.

Honourable members, once a maid enters those villas, she is cut off from communication. She may not be paid, she can be abused by any of the members of the family and if you are to get your freedom, you must pay. Obviously, if you are not being paid, you cannot pay for your freedom. So it is very important, and I am glad to see our minister here, I hope that he will handle that issue appropriately.

The fourth matter, honourable members, is about the intolerable traffic jam on Jinja Road. Travelling either from Jinja to Kampala or from Kampala to Jinja is just a nightmare. You need almost seven hours just to get to Kampala, and yet that road is a gateway to Rwanda, Burundi and Congo. Over the last few months, there have been repairs on that road but now it is really horrendous. So, if one does not have enough time, one does not even travel. Sometimes there is a jam on both sides of the road, coming in and going out.

To help the travellers along that road, I want to appeal to the Ministry of Works to expeditiously design a strategy that will not hold the traffic for hours. I think too many economic hours are being lost and continue to be lost. I do not think this is good for the country or for the population. The small people like the *boda boda* riders no longer work because they cannot ride; so we are depriving them from earning a living. Let the Minister of Works help us to sort out that problem. Thank you very much.

Now, there were a few members who had burning issues to raise. Hon. Mwesigye, two minutes; hon. Anywar, two minutes, hon. Mukitale, two minutes; and hon. Aza has something also.

2.58

**MR FRED MWESIGYE (NRM, Nyabushozi County, Kiruhura)**: Thank you, Madam Speaker. I rise to present a matter of national importance.

There is a big challenge facing the people of Nyabushozi, especially the sub-counties of Sanga, Kanyaryeru and Kikatsi. As you know, Lake Mburo is in Nyabushozi and it hosts a variety of animals like zebras, impalas, elands, buffalos, leopards, hippos, hyenas and many others. Animals have caused a lot of untold suffering to the people of Nyabushozi, especially in those sub-counties which I have mentioned. Recently, we have lost several people - about five people have been killed by buffalos and hyenas.

Madam Speaker, I appeal to you and to the House to force the Government to fence Lake Mburo National Park. This discussion has been going on for several years but we see no action, apart from the suffering of the people. They cannot grow food, their animals die of diseases like East Coast Fever, Foot and Mouth Disease and it is a big challenge to our people of Nyabushozi. Therefore, Rt Hon. Speaker and colleagues, I appeal to you to intervene in this matter. I thank you.

3.00

**MS BEATRICE ANYWAR (FDC, Woman Representative, Kitgum):** Thank you very much, Madam Speaker. I rise on a matter of national importance.

With the coming of the rains, my district is virtually cut off; we can no longer access Kitgum District through Gulu-Kitgum Road. You find buses and lorries piled on the way for days because the rain has destroyed the road. Passengers, including women and children, are starving in that area where they are stuck. You really sympathise with us because of the bad roads.

In this coming week, the children are getting holidays and right now, the available buses go through Amuru or the neighbouring district. The cost has doubled and yet these students may have been given a fixed amount. I request the concerned minister to direct the contractor to clear that road to enable our children go back for holidays; otherwise, we shall have so many people stranded, let alone those who are ready stuck on the way. I thank you, Madam Speaker.

3.01

**MR STEVEN MUKITALE (NRM, Buliisa County, Buliisa):** Thank you so much, Madam Speaker. I rise to inform Parliament on a matter of national importance.

I, together with hon. Junjura, hon. Tophace Kaahwa and hon. Helen Kahunde, under the auspices of the Parliamentary Forum on Oil and Gas, on Friday left here to go and see the challenges of fraudulent land acquisitions and wrongful evictions taking place near the refinery land. People who have been waiting for compensations for the last three years have not got money but are being evicted by the consultants.

It was very shocking to find that whereas this Parliament in 2009 and the President directed that issuance of land titles for land in the Albertine stops, we were shocked to find that in 2011 and 2012, titles were issued. This caused the eviction of people who were born there in the 1940’s and who have lived there since the 1950’s. These are about 348 families and they are now living like people used to live in Atiak. The Catholic Church is giving them a place of abode.

Because of corruption in the courts of law, people are using these fraudulent titles to evict locals who are protected by the Constitution and the Land Act. The same absentee landlords/speculators are doing this because we do not have a clear development plan for the Albertine. Another 600 families were evicted in Kigolobya. In my own village, in Buliisa, another nine square miles are being registered by an individual for purposes of central possessing units because of this gap.

My request is that now that we know titles have been issued against the directive, can the Ministry of Lands come and give us the current status of land registration. What they are sending me here is a soft copy of that land title and I promise to print it and lay it on the Table any time after here. Can we also request our committees in charge of land – the infrastructure committee and the lands committee - to get interested in this matter *-(Member timed out\_)*

**THE SPEAKER:** You spent so much time going around instead of going straight to the point.

**MR MUKITALE:** Madam Speaker, my prayer is that Ministry of Lands gives us a report on land acquisition and also our committees on infrastructure and lands get involved in stopping this fraudulent acquisition of land.

This issue also has to do with the challenge of resettlement. People have been compensated with money without being shown where to go and they are becoming slaves in their own land.

3.05

**MR TOM AZA (NRM, West Moyo County, Moyo):** Thank you, Madam Speaker. I rise on a matter of national importance and this is related to the border areas between South Sudan and Uganda.

I would to thank the Government of the Republic of Uganda for the efforts so far made in trying to help the people of Moyo District. There had been chaos, lawlessness, torching of houses, destruction of properties, looting, theft, and so on. So far, 3000 iron sheets have been delivered; tents, foodstuffs, utensils and so on have also been delivered and schools have been reopened. There are now joint border patrols between the soldiers of South Sudan and those of Uganda. I am also very happy that several ministers have visited the areas and have really helped us.

However, Madam Speaker, there is still fear, tension and worry. The situation is so fluid and volatile and it can explode anytime. There are still sporadic attacks; for instance, on 23rd three houses were torched at night in a place called Eria in Moyo Sub County.

The relief items that were given by the Minister for Relief and Disaster Preparedness are not enough; the iron sheets are not enough. Cattle, goats and other things that were stolen were not compensated. All these and others are still issues that are disturbing us in our sub region.

The joint border verification committee has not yet started its work. Our prayer is that this committee comes to the ground and verifies our borders so that we live in harmony, coexist and stay in peace. Thank you very much, Rt Hon. Speaker.

3.07

**MR ALLEN ANDREW (Independent, Bugabula County, Kamuli):** Thank you very much, Madam Speaker. I am standing up to raise an issue of national interest.

The issue I am raising is related to the road of Bukungu-Kamuli. This road has become a deathbed to the people who use it on a daily basis. Very many accidents are taking place on this road. It had been earmarked by the President according to one of his speeches during the Budget, but up to now nothing has been done about it. Today the people of Buyende and Kamuli have protested the condition of the road and are now digging up the road and planting banana suckers in protest and to show their discomfort.

I request the President and the Ministry of Works to please wake up and help the people in this area. This is a very busy road that transports a number of business people in this area and up to now nothing is going on and people continue to suffer. I am requesting Government to come to their rescue. I thank you.

**THE SPEAKER:** Honourable members, I want to request you to join me in welcoming a delegation of district speakers from Soroti, Mubende, Kitgum, Sironko, Amolatar, Kaberamaido, Katakwi, Arua, Jinja, Nakapiripirit, Nebbi, Bulambuli, Namutumba, Lamwo and Kiboga. You are welcome. *(Applause)* I believe there are also some councillors from Moyo as well. *(Applause)*

I do not know whether any of the ministers has something to say about the animals, the fencing of the national park and then the roads. Hon. Byandala, we can no longer travel to our site - the Jinja-Kampala Road from Mbalala. Also, in Kitgum the road has been cut off. Are you ready to say something? Let us start with the Minister for Tourism.

3.11

**THE MINISTER FOR TOURISM AND WILDLIFE (Ms Maria Mutagamba):** Thank you very, much Madam Speaker and honourable colleagues. I thank the honourable member for raising the question.

I think last Wednesday, the same question was raised and I remember I received communication from the office of the Speaker requiring me to make a statement on the 11th December. The statement I have today is different because on the same day, the House requested that I make a statement on ivory; so, that is the statement that I have and I am still preparing the other one for the 11th of December.

**THE SPEAKER:** So you also prepare one and bring them on the same day - the question was from Mburo. Honourable members, we can raise that when the statement comes, then you will be able to tell the minister what you think about her statement.

3.12

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| **THE MINISTER OF WORKS AND TRANSPORT (Mr James Byandala):** Thank you very much, Madam Speaker and dear colleagues. I thank hon. Allen for the information he has brought on the Kamuli-Buyende Road. We are not doing nothing; we are developing the design, and that is part of the process of getting the road worked on. I would urge you, hon. Allen, to talk to your people not to dig up the road because by digging you make it worse. They should try to assist and not make the situation worse.  **THE SPEAKER:** Honourable minister, the construction of that road was promised four years ago. That is why they are putting bananas there. It is not that they do not know; it is in protest because they want their road.  **Mr BYANDALA:** Madam Speaker, I agree with you and on behalf of Government, we apologise for the delayed upgrading of that road. However, Government is putting in all efforts to see that that road is upgraded like many others we are doing in Uganda.  With regards to the Jinja Road, Madam Speaker and dear colleagues, we are at the moment doing some rehabilitation work on that road, to ensure that there is smooth flow of traffic from the eastern part of Uganda to Kampala. Of course, the construction has caused some disruption of traffic flow and I am in discussion with the Police and also advising the public on this.  We have the road from Mukono through Kalagi-Gayaza that would assist especially those with small vehicles. I would not advise the big trucks to use it but for the small vehicles, it would be a very good bypass from Mukono. Also, when you get to­ -*(Interruption*)  **MR AMURIAT:** Thank you, Madam Speaker, and I wish to thank the minister for giving way. The minister should know that the Kalagi bypass that he is describing is in a poor state; not only is the carriageway very narrow but it also has got a number of potholes that need to be filled up.  I think before advising the population to use that road as an alternative road, which is actually even longer than the main road through Mukono, the minister needs to do some remedial work so that we avoid accidents on that road. If you come here and say that you could use that road without making any intervention, then you are leading people to a death trap. That is the information I want to give, Madam Speaker.  **MR BYANDALA:** Thank you very much, the honourable engineer Amuriat. We shall do the necessary repairs, and it appears you agree with me when I said we divert the small vehicles there other than the big ones.  Lastly, on the Jinja Road, we have a programme to develop another alternative route from Jinja to Kampala. As I talk now, we have a transaction advisor who is working on this, advising us on the final design and acceptance of the population to pay, because it is going to be a toll road. I hope to be ready with this consultancy by IFC, the transaction advisor, and then I will call companies interested in handling this road on a PPP basis. I thank you, Madam Speaker.  **THE SPEAKER:** Minister, there is the issue of the Kitgum Road. I understand it has flooded and they cannot travel on the Gulu–Kitgum Road  **MR BYANDALA:** Madam Speaker, we are having heavy rains in this part of the world and many areas, let alone Ntoroko, have flooded *-(Interruption)*  **MS ANWYAR:** Thank you very much, Madam Speaker. My prayers were very short and precise, that Gulu-Kitgum Road is impassable and I requested that the minister helps us direct the contractors to make the road passable, especially given that the children are now breaking up for holidays. Is the honourable minister in order to allude to elsewhere as if it is a general problem yet my prayers were very specific? Is he in order?  **THE SPEAKER:** He was giving a preamble.  **MR BYANDALA:** Thank you very much, Madam Speaker. I was just trying to help my colleague understand that she is not the only one. However, I am going to tell my engineers in UNRA to go and look at that road.  There is even better news for you; we are about to inaugurate the ground-breaking of three contracts from Alwiyo-Anaka-Gulu, Gulu–Acholi-Bur, and Acholi-Bur-Kitgum-Musingo. We are upgrading these roads and as part of this programme we are also going to improve on the drainage system - we are raising the road - to ensure that flooding is catered for. Thank you.  3.19  **THE MINISTER OF STATE FOR LABOUR, EMPLOYMENT AND INDUSTRIAL RELATIONS (Mr Mwesigwa Rukutana):** Madam Speaker, I arise in relation to the matter you raised in your communication from the chair regarding externalisation of labour.  I want to thank you, Madam Speaker, for your observations about the plight of Ugandans who go abroad in search of employment. I want to inform you and the august House that the ministry is not sitting down. First, we have concluded revising the regulations concerning externalisation of labour and soon we shall lay those regulations on the Floor for members of the House to give their input.  Secondly, over the last two or three months, I and my technical people have been traversing the Middle East, going to those countries where Ugandans ordinarily go to seek for opportunities. Our mission has been with the view to conclude bilateral agreements with those countries. We have been to Saudi Arabia, Qatar, United Arab Emirates, Kuwait; and we are scheduled to go to Bahrain, Yemen, Malaysia and China. We go to those countries because even without an arrangement, there are so many Ugandans in those countries.  However, Madam Speaker, I beg to seek your indulgence on your directive; you said that we should ban externalisation of domestic workers. While that may be desirable, it is very difficult to implement. Even without companies or an instrument that authorises that, wherever we go, we find so many Ugandans working as domestic workers. Ugandans will find their way with their own means to those countries. So, the question is: do we sit and purport to ban or do we seek to regulate the prospect so that when Ugandans go, they are not taken advantage of?  Madam Speaker, we may sit here and purport that we have banned, but it will not mean that Ugandans will not go, because those who are there did not go through the channels that we recognised *-(Interruption)*  **MS KAWOOYA:** Thank you so much, Madam Speaker. In your communication, you ably relayed the observations that you have made, which most members, especially those on the committees of equal opportunities and gender, have already made. We have had very extensive reports given on the Floor of this House. You also put forward a concern, which is of national interest, that the ministry, and for that matter Government, must urgently look into that matter.  Is it in order for the honourable minister, who has been globetrotting without coming here with an extensive report concerning the issues that were previously raised on the Floor of this House; without even giving an input to your observation; without even telling this House whether he was also trafficked or he was trafficking others, to continue telling us stories of how he is going to another 10 countries without elaborating extensively on his findings in those countries he travelled to? Is he in order to confuse us more when he is well aware that Ugandans, and for that matter those who work in the Middle East as house maids, have been killed?  Is he in order not to tell us whether he went to those graves where the three Ugandans were buried? Is he in order not to mention the people who were buried in Saudi Arabia and in Dubai? Is he in order not to tell us how many people were sodomised? Is he in order to simply tell us of what he went to do, to spend the taxpayers’ money! *(Laughter)*  **THE SPEAKER:** Honourable minister, I think this is the problem we have when Government does not return to us with treasury memoranda. Both in the last and this Parliament, we have had reports on trafficking of Ugandans; what is a happening? We have had detailed reports debated here.  So, Minister, I think you bring your report on what you are going to do so that we can debate it and then we agree. What is the Government going to do? When are you going to sign agreements, and for what jobs? That is what we want to hear.  **MR RUKUTANA:** Madam Speaker, I am most obliged. However, my response was in connection with your directive that we should conclude bilateral agreements with those countries to which our people go. It is not true that we have been globetrotting; no! We have been going to countries where Ugandans ordinarily go and, Madam Speaker, when we go, we do so many things; we do fact finding *-(Interruption)*  **MS KABAHENDA:** Thank you very much, Madam Speaker. I stand on a point of clarification. When I was sitting on the Committee of Gender, Labour and Social Development, I was part of the oversight team on how women and men were trafficked to different countries and we gave our report here.  During our interaction with people who would give us information, hon. Rukutana’s name was implicated. I would like to be clarified whether he does not have a conflict of interest to investigate when his name was mentioned in this?  **THE SPEAKER:** Clarify; are you related to the company?  **MR RUKUTANA:** Madam Speaker and honourable members, I want to say this: somebody raised something before the committee to the effect that I had a personal interest in the company, that I externalise labour. In the same committee, I made it categorically clear that I do not, whether personally or by proxy *-(Interruption)*  **MS SENINDE:** Thank you very much, Madam Speaker. I rise on a point of order. I do appreciate the fact that you have ably explained to this House the problems we have, where our children are trafficked or sent to do certain jobs in the Asian countries.  Madam Speaker, you have not only explained but you even went ahead to advise the Ministry of Gender to come up with a report so that we comprehensively debate that report. We are parents; we are so hurt by what is going on with our children out there. We can tell stories that can make Ugandans cry and even hate those organisations that are taking our children out there.  At this moment, is the honourable minister in order to keep on dragging this House, trying to explain, telling us many things, when you have ably told us that he will bring a report?  **THE SPEAKER:** No, he is out of order. Hon. Minister, bring a report which we shall discuss extensively.  However, just responding to what you are saying, the ban would send a signal even to those who are trafficking; even the victims will know that we are not allowed to do this kind of work. Nobody is saying anything and that is how they are ending up in those places. So, bring a report quickly.  **MR RUKUTANA:** Much obliged, Madam Speaker. I will bring a report when the report is ready.  However, Madam Speaker, I think it is imperative on me to clear what has been stated, that I, Mwesigwa Rukutana, has an interest in the companies or the business that externalises labour. I want to unequivocally deny that I have any interest. I have denied it before the committee and I have told everybody*-(Interjections)–* Let me educate the Members of Parliament; there is a scientific way of finding out who is a shareholder of a given company. You cannot hold me at ransom; if you think I have an interest, bring the evidence.  I am telling you, and I have done it before, that I do not own any share, whether personally or by proxy, in any of the companies that externalise labour. The only thing I do is that I preside over that sector. That is the only interest I have in the matter. Otherwise, I will bring a report. I rest my case.  **THE SPEAKER:** Okay, honourable members, let us leave that matter. We shall get the report and then we shall debate it. Honourable minister, this Session will close on 18 December 2014; we want the report before we close Parliament. Now, let us go to the next Item.  MINISTERIAL STATEMENT  3.32  **THE MINISTER OF STATE FOR LABOUR, EMPLOYMENT AND INDUSTRY (Mr Mwesigwa Rukutana):** Madam Speaker and honourable Members of Parliament, 25th November of every year is designated as the launch of 16 Days of Activism Against Gender Based Violence.  Twenty years ago, the first Women’s Global Leadership Institute came up with an international campaign coined, the “16 Days of Activism against Gender Based Violence.” The global campaign runs from 25 November, that is, the International Day for the Elimination of Violence against Women, to 10th December, which is the International Human Rights Day.  The campaign is held to raise awareness, influence behavioural change and secure high-level political commitment to end gender-based violence. It draws actors in Government, faith-based organisations, civil society, local communities and development partners together to organise and speak out for increased attention to the prevalence and incidents of gender-based violence.  The campaign is also a call for appropriate action to prevent and respond to gender-based violence incidences. The campaign adopts a collective approach that stems from the multi-sectoral nature of interventions to address gender-based violence, requiring stakeholders to execute various responsibilities within their areas of operations to prevent and respond to gender-based violence.  Madam Speaker and honourable members, each year, the campaign is marked under a theme. The international theme for 2014, which has been running since 2012, is, *“From peace in the home to peace in the world: let’s challenge militarism and end violence against women.”* This year, the national theme is, *“Act now: stop teenage pregnancy, child and forced marriages.”*  The theme is based on the understanding that Uganda is among the 15 African countries with the highest number of child marriages. It is important to note that 57 per cent of girls get married before the legal consent age of 18 years. Statistics for the period 2000 to 2010 indicate that child marriages remain high, with 12 per cent of girls married by age of 15 and 46 per cent by age of 18. In addition, Uganda ranks high - 25 per cent – on the rate of teenage pregnancy in sub-Saharan Africa.  Teenage pregnancy is a term used for adolescents aged 10 to 19 years old that get pregnant before marriage. At the national level, the highest rates of teenage pregnancy are recorded in the east central region as 31.6 per cent, eastern region at 30.1 per cent and West Nile at 29.6 per cent. Nationally, teenage pregnancy and motherhood decreased by one per cent to 24 per cent in 2011 from 25 per cent in 2006, with 18 per cent of the girls having live births and six per cent carrying their first child. However, Madam Speaker and honourable members, this percentage is still very high.  The same statistics indicate higher sexual activity among teenage girls compared to boys, with about 60 per cent of the teenage girls having sex before attaining the age of 18 years. This indicates teenage pregnancy as a major health and social concern to maternal and infant mortality and morbidity as well as girl-child education.  The statistics further indicate that teenage pregnancy contributes to increased maternal mortality, which stands at 435 deaths per 100,000 live births in 2011, from 418 per 100,000 live births in 2006. This phenomenon arises from a multitude of health-related factors and abortions, among others.  In Uganda, about 297,000 women carry out abortions every year and the majority of these are unsafe abortions. Fourteen per cent of the unsafe abortions are among young girls aged between 15 and 19 years old, which explains the 27 per cent of the deaths among teenagers. This is according to the statistics supplied by UBOS for 2006 to 2011.  Madam Speaker and honourable members, it is well within this context that the national campaign this year will aim at:   1. Raising awareness about the prevalence of teenage pregnancy, child and forced marriage.   2. Strengthening networks in the fight against teenage pregnancy, child and forced marriage. |  |

1. Providing a forum for dialogue to share and develop strategies to address teenage pregnancy, child and forced marriage.
2. Advocating for action by Government, local councils, Parliament and other actors.

5. Mobilising resources for action to address the challenge of teenage pregnancy, child and forced marriages in Uganda.

In conclusion, besides the launch, which is taking place today, there will be other activities prior, during and after the 16 days. These include media activities, community dialogue, exhibitions, workshops, and meetings, among others. In this regard, all actors in the various sectorsare expected to observe the 16 days of activism against gender based violence through participating in the activities.

Honourable members, as we talk today, the national launch is taking place in Gulu; that is why most of my colleagues are not around. Some of the honourable Members of Parliament are also attending this launch, according to the information I got. I also urge you to participate in various activities of the campaign that will run from 25 November 2014 to 10 December 2015. I make this statement for God and my country.

**THE SPEAKER:** Thank you very much, minister. Let us just have two comments.

3.42

**MR WILLIAM KWEMARA (NRM, Kyaka County, Kyegegwa):** Thank you so much, Madam Speaker, for giving me this opportunity. Thank you so much, honourable minister, for the statement. I appreciate that you have made a statement and we have marked a beginning because all along, these 16 days of gender activism have passed unnoticed.

I am the one who raised this matter on the Floor of this House and I said that we need to observe these days. However, my concern is: what is activism? From the way we are presenting, it is like something in the past. We need something that is vigorous and serious. When we talk of activism, the action must be direct, noticeable, and vigorous. It must be aimed at achieving some change and hitting a target. What is it that we are aiming to change now?

I would even have expected the minister to tell us what these 16 days of gender activism are. How many people know the history of the Mirabal sisters, the Montreal Massacre, the Vienna Conference, Human Rights Defenders Day, et cetera? We need to know because very few people really know what we are talking about. I also expected a lot of activities using the media, theatre, demonstrations and all that so that we create change.

Lastly, as much as we are talking about the international theme, there is a component which we have glossed over, and that is the intimate partner violence. Remember, sometime in January or February, there was a student called Kobusingye Peninah who was murdered at Makerere University. She was doing biomedical engineering. It was suspected that a jilted lover could have had a hand in murdering this girl but up to now, we have never got a statement from the Police. I think this is the time for us to agitate and say that we want to hold government accountable; we want an answer.

Lastly, you may laugh at this but you remember that Desire Luzinda has been in the media over pornography. Most of us looked at it from the side of pornography; why didn’t we look at it from the side of intimate partner violence? When we do something when we are together in a room, do you need to throw it on social media? Women activists have not come out to defend this woman. Thank you so much.

**THE SPEAKER:** But is it only the work of women? Why have men not come out to defend her as well?

3.45

**MR ALEX NDEEZI (NRM, PWD Representative, Central):** Thank you so much, Madam Speaker. I thank the minister for this very important statement. Madam Speaker, and all members, somewhere *-(Interrupted)*

**MR KASIBANTE:** Order!

**THE SPEAKER:** You do not want hon. Ndeezi to speak?

**MR KASIBANTE:** Thank you very much, Madam Speaker. This Parliament follows the Commonwealth’s practice where Cabinet members on both sides sit at the front.

Madam Speaker, hon. Nambooze here is a shadow cabinet minister and hon. Nantaba is a cabinet minister on the other side; is it in order for members of the Cabinet to sit as backbenchers when they have not resigned? *(Laughter)*

**THE SPEAKER:** Honourable member, they are consulting with their electorate*. (Laughter)*

**MR NDEEZI:** Madam Speaker, the first point I want to make is that we cannot stop gender based violence in a situation where impunity is the order of the day. On page 2 of the minister’s statement, he clearly states that, *“It is important to note that the majority of girls (57 per cent) get married before the legal age of 18 years.”* Madam Speaker, this means that 57 per cent of our sisters are defiled under the cover of what they call marriage.

Defilement under Ugandan law is an offence and we all know the punishment. Now, the Government has managed to get the data indicating 57 per cent of those who have been defiled, but you have not told us about the perpetrators of this crime. So, I want to know where the perpetrators of this crime went. You have identified 57 per cent; who committed these crimes, we want to know?

Lastly, the role of Parliament in taking action was mentioned. We have done enough as Members of Parliament. Our duty is to make good laws and some organs of the state are charged to ensure implementation of these laws. In the case of the 57 per cent, for instance, the law is there and it was made by this Parliament; why have you failed to implement it? If you have failed to implement the law, come back and we review that law. Thank you so much.

**THE SPEAKER:** Thank you. Honourable members, we really have to be brief because we have a lot work on the Order Paper.

3.48

**MS JESCA ABABIKU (Independent, Woman Representative, Adjumani):** Thank you, Madam Speaker, for this opportunity. The minister has said the launch of the 16 days of activism is today, but we have just been informed. As Members of Parliament, we are stakeholders.

Few days ago, we were informed abruptly about the World Toilet Day.Therefore, it raises great concern to me whether the ministers really have calendars of the year that they should follow. When the minister talked about some honourable members being in Gulu and participating in the launch of this activity, I wondered whom he meant; maybe the area Members of Parliament. Madam Speaker, I feel that the minister should tell us why he is informing us today and not earlier than today.

Secondly, based on the statistics that the honourable minister has given, I would like to know from him as to when this survey was carried out. When he said that in the whole of West Nile teenage pregnancy was at 29 per cent, I questioned that because in my district, Adjumani, this is a big issue. So, can he tell us when the data was gathered and who carried out the statistics? I do not know.

Madam Speaker and colleagues, he has highlighted the problems that we are facing but we gave the ministry money. I would request, based on the magnitude of the challenges we are facing, which include in both adults and children as reflected in his data, that he comes here with a comprehensive report telling us the challenges, what they have done and their level of achievement. We need all this to fight the violence that is affecting our communities. Thank you Madam Speaker.

3.51

**MR FOX ODOI-OYWELOWO (Independent, West Budama County North, Tororo):** Thank you very much, Madam Speaker. The honourable minister, the learned Mwesigwa Rukutana, has told a very sad story with a straight face. I have been reading the last paragraph on page 2, and if you permit me I would like to quote it verbatim: *“The statistics further indicate that teenage pregnancy contributes to increased maternal mortality which stands at 435 deaths per 100,000 live births in 2011, from 418 per 100,000 live births in 2006, which arise from a multitude of health related factors, abortion among others. In Uganda, about 297,000 women carry out abortions every year, majority of which are unsafe; 14 per cent of all the unsafe abortions are among young girls aged 15 to 19, which explains 27 per cent of the deaths among teenagers.”*

Madam Speaker, this is a very sad story. You have a country that has by law prohibited abortion, criminalised abortion, but you have a country that loses more than a quarter a million of her citizens to unsafe abortion. The reason people carry out unsafe abortion is because it is criminal to carry out abortion anyway, but then you continue to lose lives because you keep this law in place.

Honourable colleagues, I am certain that this is a very controversial matter but I am saying we cannot continue to bury our heads in the sand. We must face things squarely, and I reckon there is only one option. You cannot stop teenagers from having sex; you have failed, you will never manage to prohibit that. Please, legalise abortion *- (Interjections) -* Honourable colleagues, there is absolutely no way a child can give birth to a child. It is not possible. Hon. Anifa Kawooya, I thought I was only making my opinions known *– (Interruption)*

**MS KAWOOYA:** Thank you. Madam Speaker and honourable members, it is a fact that our colleague, hon. Fox Odoi-Oywelowo is a learned fellow and a well-informed person in legal matters. He is someone who has read our Constitution and understands it very well; somebody who has some bit of gender sensitivity. He is also aware that when this august House passes a law, it focuses on the issues which are very pertinent to our role and our traditional norms and practices.

Whenever there is an issue, even homosexuality which is against our traditions and practices, hon. Fox Odoi supports such acts. Now that he is aware of the dangers of abortion and how it endangers most of our kids, he is promoting it on the Floor of this House. Is it in order for hon. Fox Odoi-Oywelowo to paint his immorality and lack of respect for the human rights of the persons involved and for the Constitution?

**THE SPEAKER:** Honourable members, he has some proposals and he wants to make changes. I think that is all he is doing. Please, conclude.

**MR ODOI-OYWELOWO:** I thank you, Madam Speaker, for your wise ruling. You know, when you have a problem, you need to recognise that you have a problem and you need to look at this squarely.

There are two things: we can pretend and we keep abortion as an illegal practice and we continue losing well over a quarter a million of our citizens, or we deal with it legally and we make abortion safe for circumstances that are permissible at law. We need to protect children from having children. A child of 15 years conceiving is an unwanted pregnancy. What do you expect her to do with it? Help her get rid of it in a safe, secure and healthy environment. That is all I am saying. Madam Speaker, the second issue-

**THE SPEAKER:** But your time should be up. Really, your three minutes are up.

3.57

**MS BETTY AMONGI (UPC, Oyam County South, Oyam):** Thank you, Madam Speaker. I want to thank the minister for the statement. Unfortunately, the minister does not talk about the cause of teenage pregnancy and especially what your ministry is doing and intends to do to stop teenage pregnancy. You only talk about issues around what the 16 days of activism are.

Madam Speaker, about 400,000 girls are defiled by their own teachers annually. I wish the Minister of Education was here – oh, the state minister is around. Minister of Education, I do not know whether you are aware that 400,000 girls are raped and defiled annually by their own teachers. Because of this, defilement now stands as the leading cause of teenage pregnancies followed by rape and incest. It is unfortunate that those girls who are in the custody of their own parents, uncles and fathers are being sexually abused by their own relatives. These are some of the causes of teenage pregnancies, and this is really unfortunate.

If you look at most statistics of teenage pregnancies, it is most prevalent in rural areas compared to urban areas. This is so because in urban areas, most of the girls are exposed to reproductive and sexual education. In most of the schools in urban areas, they have integrated sexual and reproductive health in their curriculum and they have started peer education clubs in most of these schools. However, in the rural areas, this is not being done.

I think we need to know what the ministries of gender and of education are going to do to reduce teenage pregnancies. Introduce reproductive and sex education in the curriculum in schools. How is the Ministry of Justice and Constitutional Affairs going to deal with the issue of defilement? If you look at the statistics on defilement, which is the leading cause of teenage pregnancies, most of the cases are reported and withdrawn and settled out of court, through the clan system. This is due to the cultural belief that the girl should get married to the defiler instead of having him thrown into jail. *(Member timed out.)*

4.01

**MS OLIVIA KAABALE KWAGALA (NRM, Woman Representative, Iganga):** Thank you, Madam Speaker. I thank the minister for presenting what he had under his docket, but we would have still loved to hear how he plans to go across the country sensitising the people.

In rural communities, the school dropout rate is very high, and I would particularly ask you to take note of Busoga region. The teenage pregnancy rate in Busoga region is very high. We would like to call upon you to ensure that at least you team up with the Ministry of Internal Affairs and the Ministry of Education, so that you circulate the Domestic Violence Act and how it can be implemented. We find that most of the matters are settled out of court, as some of the people are not aware of the law.

On a similar note, I would like to inform you that 1.2 million children born in Uganda annually are produced by teenagers. Much as we would like a population bonus, a population bonus which is unproductive will create an unemployed group.

So we call upon you to address the problem, other than wait to celebrate the days of activism. I hope we will not get you annoyed to show that communities are not safe; people staying in homes are defiling children. Uncles are defiling children and when they go to the Police and present a case, they tell you to go back to the place where the defiler stays. These children are vulnerable; they are below 18 years. So, we would like the ministry to create an ad hoc intervention so that the magnitude of these children being defiled is reduced.

As a social worker, I really feel bad because the commissioners in the Ministry of Gender are not doing much regarding sensitisation and networking with the community officers and the Police. We call upon you, as Members of Parliament who represent vulnerable areas, to take action so that the next time we are celebrating, we do not only celebrate figures but we celebrate the reduction of teenage pregnancies. Thank you.

4.04

**MR DAVID MUHUMUZA (NRM, Mwenge County North, Kyenjojo):** Thank you, Madam Speaker. I want to thank the minister for what he has presented to us.

Madam Speaker, I was watching T.V on Saturday - NBS, WBS and NTV – and they relayed the story of a young girl who was intercepted at Entebbe International Airport with a stamp they did not understand in her passport and she was detained. She was made to sleep in a cell with five men. She was put in a room at the airport by the immigration officials and left to sleep with five men in one room. Those of you that have not seen that story should see it.

Today, as we celebrate these days, I want to thank the minister for that activism because he has opened our eyes to the fact that there is such activism. I want to task the Minster of Internal Affairs to go and intervene in that case and bring a report on this Floor. It is inhuman that in Uganda where we celebrate democracy, someone from UK, who does not know most of these things concerning the type of stamps in her passport, can be treated inhumanly. It may have been an illegality for her, but making a child of 17 years old sleep in a room with five men is questionable. People from the immigration department should be held responsible and the minister should give us a report. Thank you

4.06

**THE MINISTER OF STATE FOR LABOUR, EMPLOYMENT AND INDUSTRIAL RELATIONS (Mr Mwesigwa Rukutana):** I thank you, Madam Speaker and honourable members, for the interest you have picked in this very important subject. I just have a few responses to make.

Hon. Kwemara asked what I mean when I say, “activism”. Activism is a bundle of so many activities including awareness raising, networking, dialoguing, lobbying, advocating, not only by the ministry or Government but by all of us as leaders and stakeholders.

Hon. Ababiku questioned the source of the data I quoted. The source is indicated in the body of my statement. Hon. Odoi-Oywelowo said that we should do something to address the current bad situation. That is correct, but as to how we address it, whether by legalising abortion or putting mechanisms in place to ensure that we eliminate it, is a matter we can discuss as a country and as leaders. Is it good to legalise abortion? If we do so, will it result in reduced deaths which occur as a result of abortion? Those are issues which we have to handle together as leaders, and this goes together with the concern of hon. Amongi. *(Interruption)*

**MS CECILIA OGWAL:** Madam Speaker, I would like to seek clarification from the minister. I have seen that his statement is loaded with lamentations, - 25 per cent, 30 per cent of teenage pregnancies - but he has not told us the strategic plan that the Government has as a remedy for teenage pregnancies. You came up with a statement loud and clear saying “act now”; what are you doing; where is the action?

We want a strategic plan giving us indications that in one year, we would have reduced this much, in two or even five years we would have done this much. Where is it? Where can we go? Which ministry will be able to deal with that in as far as policies are concerned?

Even these activities you are talking about - the workshops and things like that - where were they held prior to today’s launch? Where was this done? There are some of us women and even the men here who are very concerned about domestic violence. Where have these workshops taken place and why were we not invited? Also, where will the workshops and activities after today’s launch take place?

Honourable minister, can you at least indicate to us that you are serious about what you are trying to engage us in, because we are very serious? We expected the ministry to come here with a serious plan of what the Government is going to put in place in order to remedy teenage pregnancies. I thank you.

**THE SPEAKER:** I think hon. Ongom had a burning issue and then we shall have a clarification from the minister before we complete this.

**MS ONGOM:** Thank you so much, Madam Speaker, and thank you so much, minster. I just wanted clarification. You have given us so much data and really, we are perturbed by this. It shows a big percentage of our young girls being impregnated and also getting married at an early age.

Madam Speaker, a big number of children are impregnated and many of them, as hon. Amongi has just said, are impregnated by the teachers and sometimes by the children’s age-mates at school. There is also the issue where the girl-child, when pregnant, is sent away from the school and the boy remains at school.

What action are you taking as a ministry to retain the girls in school, much as they are pregnant, so that they also complete the syllabus just like the boy-child, so that they do not lose out? When they are sent out of school, that is the end of them. We want a situation where, much as they are pregnant and they did it out of consent, because they are children they should remain at school just like the boy-child remains at school. This is a disservice to the girl-child. What action are you taking as a ministry because we want to get involved as Parliament in this matter? Thank you.

**MR RUKUTANA:** Madam Speaker and honourable members, in my document, I have highlighted the figures. I have told you of the terrible plight and I must say that one way of solving a problem is identifying it. Government is not sitting down; we have identified the problem as step No. 1. Step No.2, we have prioritised the issue in the second National Development Plan, and we shall focus on addressing all these issues.

The issues are, like hon. Amongi raised - What causes teenage pregnancies? Honourable members, all of us know that teenage pregnancies are caused by teenage sex. *(Laughter*) What brings about that? It is not a laughing matter.

Why do teenagers engage in sex? I must say, there are so many factors; there are push factors that lure teenagers to engage in sex prematurely. These range from poverty, ignorance, moral decadence, dropping out of school, destitution and cultural practices. Now, these are things which we must work together to eradicate and as I said, Government is focusing squarely on ways and means to address those issues.

What are we doing? One, as you all know, we have put in place measures to ensure that all children who reach school-going age do attend school even if they are poor - universal education. Two, we have put in place both policies and legal frameworks to address these issues. The issue now remains amongst us all, as leaders, parents, teachers, employers, to ensure that we use the instruments that we have at our disposal in addressing the issue; we cannot leave it to one ministry *–(Interruption)*

**MR WAMANGA-WAMAI:** Thank you very much, honourable minister. The figures in your statement are alarming. I do not know when these figures were published but they are shocking. I do not think we really have 418,000 young girls dying because of pregnancies and unsecure abortions.

Secondly, I expected the minister to talk about violence against children. I think this country and the whole world has been shocked by what was posted on Facebook and shown on television, where we saw a house keeper kicking and beating up a child. Madam Speaker, let the minister come with a statement on this because it has been a shock to this country. For some of us who saw the pictures of a house keeper, a maid, beating up this child, we expect your ministry to come up with a statement to the nation on this matter. I thank you.

**THE SPEAKER:** Minister, please conclude.

**MR RUKUTANA:** Hon. Wamanga-Wamai, the figures of 418,000 were real figures. We said here in the statement that those were figures of 2006. It is unfortunate that we do not have current figures, but those were real figures got from UBOS.

As for the unfortunate incident, the relevant ministry and authorities are working on a statement. I know so many things have been done ever since that terrible incident. It was a terrible situation and we, as Government, shall bring a statement on what we have done regarding that matter. A number of agencies *–(Interruption)-* Yes, it is in court, but so many other things have been done apart from arraigning the culprit in court. We shall brief Parliament on what has happened. *(Interruption)*

**MR KAWUMA:** Thank you, Madam Speaker. I rise on a procedural matter. I have carefully listened to the statement and the responses made by the minister. The statement at the beginning intended -

**THE SPEAKER:** Just a minute, honourable member. Just hold on a bit, there is a delegation from Busoga *–(Laughter)-* They are people who battled against Lakwena to liberate our country. They stopped her when she was trying to reach Kampala. So they are here and they came to visit us. You are welcome. *(Applause)*

**MR KAWUMA:** Thank you, Madam Speaker. I rise on a procedural matter. The honourable minister intended to make a statement on gender based violence and he has mentioned one of the ingredients of gender based violence, which is teenage pregnancy.

Gender based violence has many other ingredients that I expected the minister to highlight on. The procedural matter is: when the minister is giving further clarification, I think it would be procedurally okay for him to include other ingredients of gender based violence other than only teenage pregnancy.

**THE SPEAKER:** Honourable members, he gave a statement on the 16 days of activism and the theme of this year. That is what he was addressing - the theme for this year. It was not a general thing about violence; it was on the theme for this year on the days of activism. Please, conclude.

**MR RUKUTANA**: Madam Speaker, with your wise ruling, I rest my case and I thank honourable members.

LAYING OF PAPERS

4.20

**MS ROSEMARY SENINDE (NRM, District Woman Representative, Wakiso):** Thank you very much, Madam Speaker. I beg to lay on the Table financial statements for the year ended 30 June 2011 together with the report and opinion thereon by the Auditor-General for the following:

i) Uganda Livestock Industries Ltd.

ii) Uganda Railways Corporation.

iii) National Council of Sports.

iv) National Housing and Construction Company Ltd.

Madam Speaker, I also beg to lay on the Table the financial statements for the year ended 30 June 2012 together with the report and opinion thereon by the Auditor-General for the following:

i) Uganda Livestock Industries Ltd.

ii) The Uganda Printing and Publishing Corporation. iii) Mandela National Stadium Ltd.

iv) Uganda Communications Commission – Energy for Rural Transformation Project II (ERT II).

v) Uganda Post Ltd.

vi) National Housing and Construction Company Ltd.

vii) Uganda Air Cargo Corporation.

viii) National Water and Sewerage Corporation.

ix) Uganda Electricity Generation Company Ltd.

x) Dairy Development Authority.

xi) National Medical Stores.

xii) Management Training and Advisory Centre.

xiii) National Information Technology Authority, Uganda.

xiv) National Social Security Fund.

Madam Speaker, I also beg to lay on the Table financial statements for the year ended 30 June 2013 together with the report and opinion thereon by the Auditor-General for the following:

i) Dairy Development Authority.

ii) Electoral Commission.

iii) National Forestry Authority - Fredskorpset Exchange Project.

iv) Centre for Disease Control - National Medical Stores Grant No. 3u2gps002799-03s1.

v) National Forestry Authority.

vi) Uganda Printing and Publishing Corporation.

vii) Civil Aviation Authority.

viii) National Water and Sewerage Corporation.

ix) Uganda Development Bank Ltd.

x) Bank of Uganda.

Madam Speaker, I beg to lay on the Table financial statements for the year ended 31 December 2013 for the Uganda Electricity Distribution Company Ltd, and the Uganda Development Bank Ltd. I also beg to lay on the Table the annual report of the Bank of Uganda. Thank you very much, Madam Speaker.

**THE SPEAKER:** Thank you very much, honourable commissioner. All those reports go to the Committee on Public Accounts for expeditious perusal and report back.

Honourable members, I want to make a small adjustment to the Order Paper to allow just for the presentation of the report under item No.9; the debates can follow another day. I want the report to be presented so that it is off the Order Paper before we go back to the Public Finance Bill. So, let us have just the presentation, hon. Ogwal, in 20 minutes.

MOTION FOR PRESENTATION, CONSIDERATION AND ADOPTION OF THE REPORT OF THE FACT-FINDING MISSION ON THE CONFLICT AT THE BORDER AREAS BETWEEN UGANDA AND SOUTH SUDAN

4.25

**THE OPPOSITION CHIEF WHIP (Mrs Cecilia Ogwal):** Thank you, Madam Speaker. Because of time, we are going to summarise the report. It was uploaded on your iPads about a week ago, so I am sure you are now conversant with the issues we have raised. We have a video presentation which will elaborate some of the points we are raising in the report; so allow me, Madam Speaker, to just give a summary and give you time to watch a 15-minute video to substantiate what we have said.

Madam Speaker, first of all, I want to thank you so much for giving us an opportunity to visit the West Nile districts of Moyo, Adjumani, Yumbe and Arua in order to look closely into the conflict that took place in that area in September this year. You are aware that according to Article 82A of the 1995 Constitution of the Republic of Uganda and the Administration of Parliament Act of 2006, Section 6 (e) (i), the Office of the Leader of the Opposition is mandated to keep the Government in check.

Madam Speaker, in consonance with that mandate, following the debate in Parliament arising from the statement of Government regarding the attacks on the people of Moyo District by South Sudanese, which was presented by the Rt Hon. Prime Minister, and it’s contradiction with the information given by the Woman Member of Parliament for Moyo District, the Leader of the Opposition decided to send a delegation in order to find out the facts on the ground. The objectives of the delegation were to find out:

1. The nature of the conflict;

2. The trigger of the conflict;

3. The extent of damage to lives and property;

4. What efforts the Government has on the ground to manage the humanitarian disasters following the conflict; and

5. To ascertain and propose both long term and short term remedies to the problem.

Madam Speaker, as you have already seen in the report, I was the leader of the delegation and we had as part of the delegation hon. Muwanga Kivumbi, Shadow Minister of Internal Affairs; hon. Atiku Bernard, Shadow Minister for-

**THE SPEAKER:** Hon. Ogwal, they have the report; just go to the observations and findings. They can read those others later.

**MRS OGWAL:** Well, I wanted them to feel comfortable that their names have been mentioned. *(Laughter)*

**THE SPEAKER:** Okay, mention them for accountability.

**MRS OGWAL:** Madam Speaker, we were quite selective in visiting the sites; we visited only the areas that were affected by the conflict. In Moyo, we visited the areas where houses were burnt, in Arua we visited the border areas, that is, the border between DR Congo and Arua, and we also visited the border between Moyo and South Sudan.

On page 6, we give the background to the problem. As you might have read in the report, the problem is historic. The conflict started during the Anyanya I and II conflicts and the Government ought to have known that the Government of Uganda has always been in support of the liberation struggle of the South Sudanese. Therefore, it was felt necessary to allow a piece of land in order to give the South Sudanese liberators the freedom to move freely. As a result, some of the people who are living there were actually moved to Buganda and other places. So, nobody can pretend that they are not aware that the piece of land which is now being occupied by the Kukus actually belongs to Uganda.

The people of Moyo are actually very surprised that the Government is behaving as if there is doubt as to who owns that piece of land. They are very much aware that that land was given to the South Sudanese liberators in order to make the movement more comfortable and perhaps less visible to the Sudan Government at that time.

The recent conflict is nothing other than a border conflict. As you have seen in the report, the chairman of the district, knowing very that it is Moyo District that provides services to that disputed territory, decided to go and carryout a census in order to help the district with the planning for that particular area.

It is also important for members to know that in 2009, the two presidents - that of South Sudan and of Uganda - met and agreed that in the disputed areas, there should not be any tangible development of a permanent nature. You can carry out some temporary business or put up some temporary structures. In total defiance of that agreement, the South Sudanese decided to build a school there and a police post whereas on this side we have decided to restrain ourselves. The people of Moyo and the people of West Nile have not put any structure in that area.

What followed was that when the chairman decided to go to that area, they arrested him and his team, stripped him naked, carried him for about 30 kilometres exposing him to the public. That is what triggered the demonstrations which you heard about. Following the demonstrations, the South Sudanese flooded in in an organised manner and strategically attacked specific areas. They torched houses and food stuffs, vehicles, bicycles, mattresses and everything that could be seen was destroyed. That is what happened and really horrified the people of Moyo. Madam Speaker, we are going to show this; I just needed to give you the summary so that you can understand.

What we did was to meet the district leaders, some religious leaders and civil society in order to dig deeper and understand what happened. You will also see in the video what the feelings of the people are.

It is not only Moyo that suffered the aftermath of the conflict; we decided that the neighbouring districts of Yumbe, Adjumani and Arua also be visited because they were affected by the secondary impact of the conflict. Looking at Adjumani, although it was not directly affected by the conflict, we were so surprised that out of a population of 400,000 people, 90,000 are refugees. That means that refugees constitute a quarter of the population of Adjumani.

When it comes to education services, on page 15, paragraph 6.2, you will find that in a school like Nyumazi Primary School, for example, the nationals are only 239 and 1,194 are refugees. In the second school, Melijo Primary School, there are only 55 Ugandans and 544 are refugees. When you come to Alere Primary School, 106 are nationals and 1,279 are refugees. Actually, Ugandans are providing services to these refugees within Uganda and our nationals are not benefitting as much. That is the reason why it was felt that a census in the disputed territory be done.

There are very many challenges that we were able to observe. One of them is intermarriages. The local people told us that the South Sudanese are marrying strategically. They marry Ugandans and then they go back and bring their relatives to settle. What they want is land; they believe that the environment in Uganda is better than the one in South Sudan, and this is by their own testimony. So, you find that the South Sudanese are really enjoying our female population and our hospitality. *(Laughter)* There is a place in Kiryandongo District called Chope, which means there are no men.

We also visited Yumbe District. It was also affected by displaced persons and it is important that we look into those issues, but we did not want to take too much time listening to all the problems that they have arising from the displaced persons who are there. They are uncomfortable about the dispute between Arua and Yumbe concerning a parish called Ewanga. That is a very serious problem; the petition is here in the House and I do not want to go into the details.

Madam Speaker, I feel that after going through the video, I will be able to go through our general observations and recommendations. It is very important that we go through the video. It is a very short video but it will substantiate what we are talking about. More importantly, there are many petitions which have been brought to the House which we have not given attention to. Even for some of these problems that we are talking about, a petition was brought to Parliament and it was discussed but no action has been taken.

Maybe I should inform you, Madam Speaker, because some of you may not be aware, that it was in March 2012 when this particular problem of the Moyo border conflict was brought to Parliament. It was done and it is on the *Hansard* but no action was taken. So, as long we continue talking about the issue and leaving it in the archives, then this problem will continue. I pray that this debate will not repeat the debate of 2012. I beg the technical team to show the 15-minute video. Thank you.

**THE SPEAKER:** Honourable member, I would have wanted you to complete your report and then we see the video and then we shall agree when to debate it. Today we are just receiving the report.

**MRS OGWAL:** Madam Speaker, maybe since the report has been with you, I do not even need to go through the observations. Let me go straight to the recommendations.

1. We recommend that the Government should ensure immediate border demarcation to resolve the long standing border issues.

2. Government should ensure tight security for Ugandans before venturing into foreigners and international security.

3. Parliament should handle and dispose of the Moyo and Arua petitions in regard to border conflicts between Uganda and South Sudan and DR Congo.

4. Government should take steps at implementing the Ngurdoto Agreement between DR Congo and Uganda, a copy of which I have together with a couple of documents which I am going to lay on the Table.

5. Government should come up with specific and stronger disaster management policies to be able to respond to emergency situations when experienced.

6. Government of Uganda should establish a mechanism of continuously promoting peace and stability between its people and their neighbours.

7. Government should establish both long and short term technical support instruments to facilitate conflict vulnerability assessments and conflict sensitivity planning, monitoring and reporting.

8. Government, through the Ministry of Disaster Preparedness, should establish a fund to train different stakeholders both at national and local level on conflict management and mitigation.

9. Government of Uganda should conduct an open dialogue with the Government of South Sudan and DR Congo to urgently harmonise on the border issues.

Madam Speaker, these are our recommendations. Maybe after the video show, I will be able to lay on the Table the relevant documents.

**THE SPEAKER:** Why are you laying them in bits? Lay them now so that your presentation is completed.

**MRS OGWAL:** I am reading in summary *–(Interjections)-* Yes, the Government should compensate those who lost their property and lives.

Madam Speaker, I have here a copy of the video you are going to watch. I beg to lay. I beg to lay on the Table a copy of the report, duly signed by members of the delegation.

I beg to lay on the Table a letter from the office of the Resident District Commissioner giving us background details of the story you are going to watch. I beg to lay on the Table a statement made by a lady who has suffered brutality of the Police.

I beg to lay on the Table the petition of the longstanding border conflict dispute, which has already been brought and it is in Parliament. I beg to lay it again on the Table. I beg to lay on the Table the Ngurdoto Tanzania Agreement, which I talked about in my presentation. I beg to lay.

I beg to lay on the Table the report of the committee on district border disputes by the technical team put in place by the Government, and this report is with Government. I beg to lay. Government did this research a couple of years ago and have not brought it to Parliament. I beg to lay it on the Table, hoping that Parliament will compel them to bring to Parliament what was found.

Madam Speaker, the other documents are concerning the DR Congo border conflicts, particularly between the traders in the two borders. I beg to lay all these relevant documents on the Table. I hope it will help you in your research.

Madam Speaker, to show that we are being transparent, I beg to lay on the Table a list of people who attended our meeting in Moyo and the signatures of the participants and the organisations they represented. I beg to lay the attendance list on the Table.

I beg to lay on the Table some of the controversial writings from the media but were brought to our attention. I beg to lay them on the Table, to remind us of what was said about the conflict which we might have forgotten. It is entitled, “Comments and analysis on the oil parish which is being disputed between Yumbe and Arua.” The Yumbe people say that that Ewanga Parish belongs to them and the Arua people claim that the oil-rich parish belongs to them. This issue has been discussed, debated, petitioned but no action has been taken. I beg to lay this on the Table, to remind us about what we have actually read and forgotten. This is in the *Observer* newspaper of 2009. I urge you to come and read it; do not ask for details in the document.

Madam Speaker, I want to thank you very much for giving us the opportunity to dig out this information for Members of Parliament. We were able to engage the public through a radio talk show but I must assure you that we took a nationalistic approach. We made sure there was no politics ever raised on radio. The listeners were very positive and I think that is the approach we should be adopting when we go out to look at matters of conflict. Rather than inflaming the conflict, it is better that our presence should be able to calm down the emotions of the people. That is exactly what my delegation did, and I want to thank you for giving us that opportunity. I thank you, Madam Speaker.

**THE SPEAKER:** Honourable members, I just want to say, for the record, that we did have that debate as you remember; it was a very heated debate and at the end of it, the Government said they were undertaking demarcation of the borders - all those borders. They have not come back to us. It is not that Parliament did not do anything; we did our part and Government said that they were going to do the boundaries. So, that is what we are waiting for and because of that, hon. Auru had to go and demonstrate. Can we use five to 10 minutes because we have taken almost 30 minutes on this matter. Let us have the film.

*(A video presentation was made.)*

**THE SPEAKER:** Honourable members, we have used up the 15 minutes. Please, stop the video. Thank you very much, honourable members. Of course, we had a debate on that matter - a very vigorous one. Some decisions were taken and some action was taken, but we shall continue with the debate after we have dealt with the Public Finance Bill. So, you keep the images in your head; we shall discuss after dealing with the Public Finance Bill.

**MS SENINDE:** Thank you very much, Madam Speaker. I rise on a point of procedure. I remember early in this term, this House was informed that the recommendations we make are just advisory. Madam Speaker, Ugandans have presented petitions through their Members of Parliament and these petitions have been discussed and recommendations have been made. By the way, not only petitions but even motions.

It is so hurting that we do this work as Parliament and at the end of the day many good recommendations are never implemented. As a matter of procedure, I want to beg the Prime Minister, now that he is in that chair, to help this Parliament. He should help Ugandans to ensure that recommendations that are made are actually followed up and implemented, so that the work we do is not merely passing time because we are doing a good job for this country. Madam Speaker, I beg this as a procedural matter.

**THE SPEAKER:** Honourable members, when the new Prime Minister took office, one of the things I discussed with him was the House’s disappointment about treasury memoranda. He said that by January 2015, he will have completed compilation of what is outstanding. You said it - January 2015 - but you can say it yourself because I discussed it with you in my office.

5.04

**THE PRIME MINISTER AND LEADER OF GOVERNMENT BUSINESS (Dr Ruhakana Rugunda):** Thank you very much, Madam Speaker. I also note the point raised by my sister, hon. Seninde.

Government takes seriously the recommendations and resolutions passed by Parliament and the petitions passed to Parliament and to the Speaker by the citizens of this country. I did indicate to Parliament in my first statement that Government would be making regular reports on recommendations and resolutions passed by this House.

Indeed, as the Speaker said, I also had a specific meeting with her on this matter. Government will oblige and will be coming up regularly with the responsible statements and responses on specific issues as passed by Parliament. Thank you.

**THE SPEAKER:** Thank you very much, honourable members. Let us go to the Public Finance Bill.

BILLS

COMMITTEE STAGE

THE PUBLIC FINANCE BILL, 2012

**THE CHAIRPERSON:** Thank youvery much, honourable members. Last week, we did clause 7 and clause 8. So, we will start with clause 9.

Clause 9

**MR EKANYA:** Madam Chairperson, I wish to propose an amendment to clause 9(1) (g). Insert a phrase at the end of paragraph (g) so that it reads as follows: “appoint or designate accounting officers in accordance with this Act, except that the Secretary to the Treasury shall not appoint or designate a person an accounting officer where, according to the report of an internal auditor or the Auditor- General, that person has not accounted for the public resources or assets of the vote for the financial year.” I beg to move.

**MR OMACH:** Madam Chairperson, I have no problem with that proposal.

**THE CHAIRPERSON:** Is there any other amendment to clause 9? Honourable members, I put the question that clause 9 be amended as proposed.

*(Question put and agreed to.)*

*Clause 9, as amended, agreed to.*

*Clause 10, agreed to.*

Clause 11

**MR KASULE:** Madam Chairperson, the committee proposes to rephrase sub clause (1) to read as follows: “The President shall cause to be prepared and laid before Parliament the proposed annual budget of Government for a financial year.” The justification is: to reflect the actual wording of Article 155.

The committee also proposes to insert a new sub clause immediately after sub clause (1) to read as follows: “(2) The proposed Budget shall be prepared in consultation with the relevant stakeholders.” The justification is: to make the stakeholder consultation on the national budget a legal requirement.

In sub clause (2), insert the word “proposed” before the word “annual” appearing in the second line. The justification is that the estimates are still proposals.

Insert new sub clauses immediately after sub clause (2) to read as follows: “(3) The Speaker shall commit the proposed annual budget to the Budget Committee and to each sectoral committee of Parliament the part of the annual budget that falls within its jurisdiction.” The justification is that it is part of the role of the Speaker under the Budget Act.

In sub clause (6) (a), substitute the words, “financial year” with the words, “a period of five years.” The justification is that the focus should ideally cover a longer period for a much clearer picture of the economy.

In sub clause (7) (a), insert new paragraph (a) (ii) to read as follows: “(ii) show the plans for domestic financing of the annual budget including borrowings by Government and the drawing down of Government deposits.” Plans domestically should not be restricted to external financing. The budget should also indicate plans for domestic financing.

In sub clause (7) (e), substitute the word “Minister” with the word “Government”. This is in line with Article 155(3) of the Constitution.

In sub clause (8), insert a new paragraph (e) to read as follows: “(e) a certificate issued by the Attorney-General -

(iii) certifying that the budget is gender and equity responsive; and

(iv) specifying measures taken to equalise opportunities for men, women, persons with disabilities and other marginalised groups.”

The justification is: to ensure that gender and equity concerns are mainstreamed in the national budgeting.

In sub clause (12), insert a new paragraph (g) to read as follows: “(g) a certificate issued by the Attorney-General –

(v) certifying that the policy statement is gender and equity responsive; and

(vi) specifying measures taken to equalise opportunities for men, women, persons with disabilities and other marginalised groups.” This is to ensure that gender and equity concerns are mainstreamed in the national budgeting.

Insert paragraphs (h) and (i) to read as follows: “(h) Asset register; and (i) vehicle utilisation report.”

The justification is that assets of public institutions are normally abused. It is important that a report on these is made for parliamentary consideration. I beg to move.

**MR NIWAGABA:** Thank you, Madam Chairperson. We also propose to have –

**THE CHAIRPERSON:** Is it a new proposal?

**MR NIWAGABA:** It is a new proposal but we had earlier discussed it. We basically propose that clause 11(7) (a) (iv) reads as follows: “The plan for the domestic financing of the annual budget including borrowing and draw down of Government deposits.”

Another proposed amendment is on clause 11(8), which will now be (f) because I have heard the committee proposing an amendment on (e). We propose to include paragraph (f) to read as follows: “(f) the budgets of the public corporations and state enterprises.” This one was included because we realised that most of the public corporations and state enterprises obtain funding from the public coffers and other than getting reports of the Auditor-General, Parliament never gets to know what happens in their budgeting process. So, I beg to move that those be included as amendments.

**MR OMACH:** Madam Chairperson, I fully accept the proposal from hon. Niwagaba. For the proposals made by the chairperson of the committee, I accept all except for consequential amendments where he is proposing that there will be a certificate from the Attorney-General.

We had already passed that certificates will come from the Minister of Finance in consultation with the Equal Opportunities Commission. So, this could be a consequential amendment. We drop the areas where he is suggesting that they would be from the Attorney-General, and this appears in two areas. So, those are the only areas where we do not agree.

**THE CHAIRPERSON:** You have no objection to the certificate of gender equity; what you object is the source of the certificate?

**MR OMACH:** Exactly! We had already passed this under clause 8. So this will be a consequential amendment.

Madam Chairperson, I also intend to make a proposal under clause 11(12); in paragraph (b), insert at the end of the paragraph, after the words “plans”, the words, “and the outcome.” The justification is: to ensure that sectors provide information on planned activities versus actual performance.

Also insert a new paragraph (g) to read as follows: “the asset register of the votes in the format prescribed by the Accountant-General.” Madam Chairperson, this is for clarity. I beg to move.

**MR MWIRU:** Thank you, Madam Chairperson. I propose a new sub clause after clause 11(4), which is to do with the certificate of compliance: “The annual budget shall be accompanied by the Certificate of Compliance of the previous budget.”

The justification is that whenever we have passed a budget, the Cabinet has been in the practice of deviating from the previous budget and when the supplementary budget comes, they deviate from almost all the planned activities and they put in different activities. That is why you will realise that most of the budgets of these entities are not in line with the National Development Plan.

This is the only way we can check whether what we are doing is in line with Vision 2040, the National Development Plan and that our work plans conform to achieve the entire objectives. When the budget is presented, there must be a certificate of compliance that shows that Government complied with the previous budget as was appropriated by Parliament. If we miss that out –

We have seen usually when we pass funds they go and spend on something else. This means that even the appropriation becomes like an academic exercise that is just complying with constitutional requirements but actually, it will not be fulfilled. I beg to move.

**MR OMACH:** Madam Chairperson, I have no objection to the amendment.

**MR MUSASIZI:** Madam Chairperson, the minister has not given us justification as to why he has no objection.

I want to object to hon. Mwiru’s amendment. The reason is that compliance can be achieved at the time of audit. The auditor audits accounts every financial year and when you look at the audit report, the auditor also audits the extent to which Government has spent according to the budget. I believe that this is the compliance we intend to achieve. Once the audit report comes out, it is this Parliament that scrutinises all the queries that have been brought out by the Auditor-General.

Madam Chairperson, I sit on PAC where my brother, hon. Mwiru, is the vice-chairperson. There is always an issue about budget performance in every audit report we look at. The auditor is always querying accounting officers on why they have not complied with the budget. Putting it here in the law may not really mean a lot; why don’t we leave it to the auditors to give us that confidence and we remove it from this law?

**THE CHAIRPERSON:** Honourable members, the Auditor-General’s report is a post-mortem; sometimes it takes long before we even consider the issue.

**MR KAKOOZA:** I want to argue further. If you analyse finance and accounting, the person giving you a certificate of compliance is the same person spending that money. When you pass that money, it is spent by these ministries and sectors and now you will also tell them to evaluate themselves and give a certificate of compliance - the same source where the money was spent. That is conflict of interest. An auditor is free and it is an independent function, which helps Parliament know how you spend money and to query.

When you look at the Constitution *–(Interjection)-* Can I finish my point? You see, when you are passing a law and getting a certificate of compliance from the same source, this person is going to say that the money you gave them was spent rightly and you will not object.

**THE CHAIRPERSON:** Give us an example of what you have in mind.

**MR MWIRU:** Thank you, Madam Chairperson. This country has actually got a National Development Plan and from this National Development Plan, the ministries derive strategic plans. From the strategic plans, they draw work plans and then budgets. This means that actually, Government wants to go somewhere in as far as the development of this country is concerned and that is why the money we vote for as Parliament must be spent as per the Appropriation Act.

What actually is taking place in Government is that in the last financial year, there was mischarge of over Shs 253 billion across all ministries. Among the activities the sectoral committees of Parliament – PAC – say they should money on these activities. However, when these MDAs went back in the ministry, they actually spent on something else which was not among the approved activities within their work plan, and that is budgeting discipline. They were doing our work as Parliament.

I am now saying that the only way we can curtail that is to ensure that by the time the Minister of Finance comes to lay the budget before us, he or she must come with a certificate of compliance from the National Planning Authority. This will ensure that actually, the expenditure was as per the planned activities and therefore it is in line with the National Development Plan.

It is from that perspective, Madam Chairperson, that I understand that for us to look at it from a post-mortem perspective - that the Auditor-General raised an audit query or that the work plan and the budget did not conform to National Planning Authority - they would be doing something else.

That is why you realise, Madam Chairperson, that the other time when we were dealing with the budget, I commented about agriculture. When you look at the NRM manifesto, they go to the National Planning Act and transplant what is supposed to be. However, when it comes to implementation, they do not do what they are supposed to do but they still come back again when they want money for the other quarter. So, it is on that basis that I am saying that we insert a certificate. Thank you.

**MR EKANYA:** Madam Chairperson, I really want to tell colleagues that based on the advice of the chairperson then, this matter was discussed. Even if you get a certificate, which I want to thank the minister for conceding to, Parliament must do its work, and the technical people, to analyse the certificate, the medium term expenditure framework, the budget and the equality.

So, I want to thank the minister. The amendment from hon. Mwiru is okay, but still if we do not do our work, we shall have failed. Therefore, I want us to support him and we move on.

**MS KWIYUCWINY:** I thank you, Madam Chairperson. I rise to support the one who moved the amendment, which the minister accepted.

One of our biggest problems as a country as we budget is lack of credibility in the budget. When you go to the object of this Bill in clause 2 (b), it tells us that the object of the Bill is to provide for public financial management in Uganda by establishing “the processes for the preparation, approval and management of a transparent, credible…” So, our budget lacks credibility. We budget for one thing and do another.

Madam Chairperson, you sent me to attend a workshop on public expenditure and financial accountability in Tunis and I produced a report for this House. The performance of Uganda as far as the assessment of public expenditure and financial accountability is concerned is above average in sub Saharan Africa. However, when it comes to credibility of the budget, Uganda’s score is very low because we tend to deviate.

If finance is taking responsibility that they are going to sit and comply, then that is very good and commendable. So, I do support it but as Parliament, we shall also play our oversight role. So, we need that certificate of compliance. Thank you.

**MR EKANYA:** Madam Chairperson, I have an amendment to clause 11 (7).

**THE CHAIRPERSON:** Why don’t we finish this?

**MR EKANYA:** The honourable minister has conceded.

**MR KAKOOZA:** Madam Chairperson, I want to give this information before we close. Let us take a professional view. We should not debate for the sake of doing it.

How do you carry out a personal audit? A certificate of compliance coming from the same source that spent the money is a personal audit. If you say that you are getting a certificate of compliance from the Ministry of Finance -

**THE CHAIRPERSON:** No, from the National Planning Authority.

**MR KAKOOZA:** Madam Chairperson, look at annual budgeting under clause 11(4); it says, *“The annual budget shall be consistent with the National Development Plan, the Charter of Fiscal Responsibility and the Budget Framework Paper.”*

What does it mean? That is the compliance that you are looking for. When you say that you are getting a certificate of compliance from the same source, it is like saying even if it is wrong I cannot say it is wrong. Let an independent person say that you are correct and this is how we gave you the money, but not yourself to say that you are the one to give the certificate of compliance.

**MR MUSASIZI:** Madam Chairperson, we need to reason out these things. The proposal by hon. Mwiru is seeking to introduce a clause to provide for the certificate of compliance. Our financial year ends on 30th June of every year and another financial year begins on 1st July; now you are bringing a proposal to introduce a certificate of compliance that you will need before another budget begins. How do you do this assessment? This is 30th June and this is 1st July and in between, you want a certificate of compliance; honestly speaking, how do apply this clause?

**MR MWIRU:** Madam Chairperson, it is common knowledge that Government reports in a quarterly system. Even Ministry of Finance receives quarterly reports.

Secondly, and most importantly, I am not saying that the Ministry of Finance should issue a certificate of compliance, hon. Kakooza; it should be the National Planning Authority. The reason is that when you talk about the budget, if you are drawing it from the National Development Plan, then it is from there where the MD will actually get a strategic plan.

Madam Chairperson, the Executive should tell us; we have spent a lot of money in consultancy to develop strategic plans of ministries. The intention of this is that these strategic plans are aligned to the National Development Plan. When the budget is being drawn from the strategic plan, which is derived from the National Development Plan, what we are saying is that once we give you money to perform certain activities, at the end of a financial year, you must be given a certificate to show that you complied with implementing of the same.

**MR KASULE SEBUNYA:** I would like to refer you to clause 16, which we are going to:   
*“Reporting on fiscal performance.*

*(1) The Minister shall, by the end of every February and October of each financial year, make a report to Parliament on- (a) the current and projected state of the economy; (b) the performance of Government against objectives in the Charter for Fiscal Responsibility; (c) the performance of the annual budget…”* - financial and non-financial – *“…the virements made…”* Can that fill the gap?

**MR MWIRU:** Madam Chairperson, it does not. In every financial audit of an entity, there is always budget performance. What do we look for in budget performance? We look for the planned activities and money voted for by Parliament. That is under audit - maybe that is what hon. Kakooza was referring to.

What do we find now, Madam Chair? Even when we pass the budget here and give them the money, the money is not spent on the planned activities; it is spent on other activities that are not planned and voted for by Parliament, which is even illegal. We are not asking for much by saying that if we are to buy the honourable member’s position, to him the reading of 11(4) carries that.

Once you say that they should comply, then you have no problem in issuing a certificate of compliance. What we are saying is that with this certificate, we can check with the National Planning Authority. Why are we saying that? When we have an accountability working group, the Ministry of Ethics takes the lead role and actually does it along with the National Planning Authority so that we know that the funds voted for by Parliament are utilised for what they are supposed to do.

When we do not do that - the Minister of Finance knows and that is why they conceded - people in ministries are going to spend on activities neither planned nor budgeted for, and the same accounting officers are going to come up with budgets the next financial year seeking to perform other activities. When you talk about a strategic plan, it is for five years. This means that the activities you undertake in the first year may relate to the second, third and fifth year *–(Interjection)-* I want my colleagues to understand because they may take a vote when they have not appreciated what I am talking about. So, it is important, Madam Chairperson, that we support this proposal. Thank you.

**THE CHAIRPERSON:** Honourable members, why don’t you want the Government to account for how they have used the money? Supposing the Government said that in this budget they are going to build 10 hospitals in Uganda and then at the end of the year, they have built four; they should come here and say that they failed on this one.

**MR ODOI-OYWELOWO:** Madam Chairperson, hon. Mwiru has a good point but there is only one problem I have with his point. If we say that the National Planning Authority should issue a certificate of compliance with the budget, it means that we want to constitute the National Planning Authority into an audit body. You cannot issue a certificate of compliance except if you have currently audited a spending agency, in this case, Government.

I support the issue of a certificate of compliance issued by the Ministry of Finance. What that would mean is that they would work like a board accounting to an annual general meeting of shareholders. After an audit has been carried out, the board chairman and the secretary of the board sign a certificate and present it to the shareholders that they complied with the memorandum and articles of association of the company.

We should hold them to account but appointing a third party, in this case the National Planning Authority, when we also have the Auditor-General auditing the same Government will prove almost impractical. That is my view. Yes, we ask them to give us a certificate of compliance with the budget but the certificate cannot come from a third entity that has no capacity to audit them.

**MR EKANYA:** Colleagues, clause 11(4) says, “*The annual budget shall be consistent with the National Development Plan”*, and this is a government position. “The annual budget shall be”; it is not a request. The National Planning Authority is a department in the Ministry of Finance.

What Parliament wants is similar to what happens in Namibia. In fact, in Namibia it is even worse - the Speaker has been there; no money shall be released from the treasury without a certificate of compliance from the National Planning Authority, and that is Namibia.

Now here, what hon. Fox Odoi is saying, we tried to establish a value-for-money audit committee, but we did not succeed. As we develop, financial audits lose value. Countries have now moved to value-for-money audits, system audits. Therefore, let the minister and the National Planning Authority, which is a department in the Ministry of Finance, tell us that this budget is in compliance so that when we are analysing the annual budget, the medium term expenditure framework and the –*(Interjections)-* I am on the Floor, kindly let me conclude. When analysing the annual the budget and the medium term expenditure framework, the requirement is we have to look at the Charter of Fiscal Responsibility, Vision 2040 and the National Development Plan.

Presently, if you want to invest, the NEMA Act *–(Interjection)-* hon. Kakooza, I wish you could listen. If you are going to invest, the NEMA Act requires that you get a certificate of environmental impact assessment. What happens is that NEMA clears you, the investor, to hire a consultant yourself. They authorise you to hire a consultant yourself, who is going to be based in a swamp, and then you bring the report for public hearing. Hon. Fox Odoi, NEMA is not an audit institution but it will audit environmental standards. Therefore, in this case *–(Interruption)*

**MR KAKOOZA:** Madam Chairperson, is hon. Ekanya, the Shadow Minister of Finance - NEMA is a regulator and that is their work, but we are talking about the work of auditing the Ministry of Finance and the National Planning Authority is a department in the Ministry of Finance; that is duplication. Is the honourable member in order to compare NEMA, which is a regulator, with the audit department in the Ministry of Finance? Is he in order?

**THE CHAIRPERSON:** Honourable members, I do not think members are talking about a financial audit; they are instead talking about how far you have gone with the plans we have adopted. That is what they are saying. It is about performance, not money.

**MR KASULE SEBUNYA:** Madam Chairperson, maybe hon. Mwiru should read his proposal again. When he read his proposal, he just said, “the minister.” Can he read his amendment and we hear it properly?

**MR MWIRU:** Thank you, Madam Chairperson. I would like to thank the Minister of Finance for having considered to – Actually, I was dealing with clause 11 and I proposed to insert immediately after sub clause (4), a new sub clause. Sub clause (4): *“The annual budget shall be consistent with the National Development Plan, the Charter of Fiscal Responsibility and the Budget Framework Paper”.* I propose sub clause (5) to read, “The annual budget shall be accompanied by the certificate of compliance of the previous financial year budget issued by the National Planning Authority.”

The National Planning Authority, which actually is a department under the Ministry of Finance, is in charge of planning in this country. That is why when they are stating these MTEFs, the National Planning Authority is involved.

Madam Chairperson, the explanation is simple, and I am going to repeat it briefly; we have the Vision 2040 and to achieve Vision 2040, we have the National Planning Authority and the National Development Plan. From those national development plans, the MDAs are required to develop strategic plans for their ministries. The strategic plans of ministries require one to show how you are going to fulfil your objectives to fit within the National Development Plan. That is why when you do not comply, the Auditor-General will raise another audit issue that your strategic plan or work plan and budget do not conform to the National Development Plan.

What we are all saying is that after having a work plan and you draw a budget, once Parliament votes for you money to carry out 10 activities, before you come for money to say you are going to do these other activities, you must show us that you actually complied with the activities you planned to do with the money we gave you. We are saying that the best person to give us a certificate of compliance is the National Planning Authority because they will actually review your strategic plan, the work plan, the budget and what you actually carried out. That is not very cumbersome as hon. Kakooza tried to say.

The Ministry of Finance produces quarterly reports on how they have been performing. So, it will not be very difficult even for the National Planning Authority to show that the previous budget was complied with; it is as simple as that. I thank you.

**MS ADONG:** Thank you, Madam Chairperson. What hon. Mwiru is talking about holds water because in the committee, we have interfaced with the National Planning Authority and they have been complaining that most of the government plans in the National Development Plan are left aside by MDAs and others as unfunded priorities. However, if we are to really say that the National Planning Authority should begin issuing certificates of compliance, it will create another ambiguity; we would have to probably change again or add another mandate to the National Planning Authority. I do not know if that is workable.

The minister had already conceded, but I think we can still go with clause 11(4) where it is already stated that it shall be consistent with the National Development Plan. Maybe the minister should assure us how they carry out the planning process. Do they also involve or use the National Development Plan as a guide when they are making the budget? If so, why so do we again come up with a certificate, unless we want to create another mandate for the National planning Authority?

**MS NAMBOOZE:** Thank you. Madam Chairperson, last week you sent members of the committees on local government and public service for a benchmarking trip to Nairobi; the Ministry of Devolution and Planning in Nairobi was marking its monitoring and evaluation week. Right now in Kenya, they have set up a full unit which is independent under the Ministry of Planning to be in charge of monitoring and evaluation of projects right from inception.

Madam Chairperson, what the Kenyans are doing is that every project Government undertakes, all the expenditures under their budget are monitored by this unit and certificates are issued for every project, which is supposed to be undertaken in view of the money that was allocated to the same item in the previous year. Our development partners are now suggesting that Kenya is piloting this system for the whole of Africa to copy from.

It would mean that we should not wait for the Auditor-General’s report, that parliaments in Africa should be able to assess, monitor and evaluate performance of all government departments including the national budget. I think this proposal by hon. Mwiru is in line with that. I think it is appropriate that Parliament keeps itself abreast with this information so that before you release any more money or before you allocate money for any item, you are sure that the money which was released in the previous year was utilised for the right project.

Madam Chairperson, that is the information I want to give and when you send us out, you send us to learn and bring information back here.

**MS ADONG:** Madam Chairperson, the honourable colleague was giving me information but I want to inform her that what she talked about is assessing the past budget. Here we are saying, at the onset of planning, how do we ensure that what is in the development plan is what is being appropriated in Parliament? How do we ensure that? If we are assessing the past performance, then the Auditor-General probably can do that.

**THE CHAIRPERSON:** Honourable members, why don’t you want an audit of what the Government is doing with our money? Why? This budget is for the people, the services are for the people; I do not understand.

**MR LUGOLOOBI:** Madam Chairperson, while I support the amendment by hon. Mwiru, I want to clarify that the National Planning Authority is not a department of the Ministry of Finance. It is established by an Act of Parliament with a specific mandate to prepare the national vision and the National Development Plan and various other responsibilities. So, it is an independent entity on its own. It has a separate Act of Parliament establishing it. So, it is erroneous to say that it is a department; that is demeaning a very important institution in our country.

Having said that, I want to support the proposal because we really have to do an audit on what we are doing. We said earlier that a national planning framework includes different instruments - a national vision, which is implemented by the National Development Plan and a National Development Plan implemented by the annual budget. That is what we said. Accordingly, there is such a direct relationship between the annual budget and the National Development Plan. So, we should be able to audit the performance of Government between these two.

I just want to strengthen that amendment by proposing another amendment in subsection (4) so that it says, “The national budget shall implement the National Development Plan, the Charter of Fiscal Responsibility and the Budget Framework Paper”. This “consistent” issue is confusing; it is like there are instruments that are in parallel. When you say “to implement”, it shows the cascading relationship between the plan and the budget. *– (Interjections) -* What am I changing here? I have already supported the proposal by hon. Mwiru and I am also proposing an amendment to (4), saying that the annual budget shall implement the National Development Plan *-(Interjection)–* No, what do you mean by “consistent”?

**THE CHAIRPERSON:** Honourable member, how does the national budget implement, surely?

**MR LUGOLOOBI:** It does; in planning language, that is what it says.

**THE CHAIRPERSON:** So I can call the national budget here and say I am asking you to explain to me whether you will implement it? *(Laughter)*

**MR LUGOLOOBI:** Madam Chairperson, this is what it means; when we prepare a development plan -

**THE CHAIRPERSON:** I will have to summon the annual budget here.

**MR LUGOLOOBI:** Madam Chairperson, when we prepare a plan, we indicate the needs of the nation based on the resource envelop that is likely to be available. At the end of the exercise of preparing the plan, we present an annualised budget over a five-year period *- (Interruption)-* Just hold on, so that I drive my point home.

**MR NIWAGABA:** Thank you, hon. Lugoloobi. I just wanted to give you one English word to substitute your word “implement” with the word “conform”.

**MR MUWUMA:** Thank you so much, Madam Chairperson. I want to associate myself with and also support hon. Mwiru’s insertion. Recently, when we were vetting the members of the National Planning Authority, we did ask them why most of the projects being implemented in Uganda are done so haphazardly and they have ended up failing. They complained that they are always side-lined in the budgeting process. They are not involved. Sometimes they just here about budget programmes and they do not participate; they are always side-lined.

This will therefore act as a checkpoint if we demanded for a certificate of compliance. They will be felt and I think they will have an input, especially in the National Development Plan *vis-à-vis* the budget. So, I agree with hon. Mwiru.

**MR OMACH:** Thank you, Madam Chairperson. When my brother Mwiru was raising this, I was responding in line with clause 11(4) which states, *“The annual budget shall be consistent with the National Development Plan, the Charter of Fiscal Responsibility and the Budget Framework Paper”.*

I also read it in light of the spirit and the principle in clause 16, which is about reporting on fiscal performance, and it is clearly says, *“The Minister shall…”* and when you come to 16 (2)(b), it clearly says, *“the execution of the annual budget compared to the appropriation approved by Parliament.”* This will be really giving the details of the report of performance of the budget *vis-à-vis* the planned activity. So, this is the spirit in which I said yes to his proposal.

**THE CHAIRPERSON:** Honourable members, I put the question that *–(Mr Ekanya rose\_)*– It is part of the amendment.

**MR EKANYA:** Madam Chairperson, I seek for clarification. Are you going to put the question to clause 11 or to his proposed amendment first?

**THE CHAIRPERSON:** First to the amendment and then we go to the clause. Honourable members, I put the question that clause 11 be amended as proposed.

*(Question put and agreed to.)*

**MR EKANYA:** Madam Chairperson, I want to introduce an amendment to clause 11 (7)(a). Insert the following sub-paragraphs after sub-paragraph (a) (iii): “(iv) the plan for domestic financing of the annual budget including borrowing and draw down of Government deposits. (v) *-(Interjection)-* Okay, thank you, if you introduced them. If he moved those amendments, I have no problem. Let me introduce another one, Madam Chairperson.

**THE CHAIRPERSON:** Honourable members, one of the quarrels we had the last time was about oral amendments coming to the Floor, taking everybody by surprise. You are now coming with new things. Why are you allergic to writing amendments?

**MR EKANYA:** Madam Chairperson, I was waiting for the Leader of the Opposition because this amendment will help us clear backlog. We currently have a crisis of a backlog dating from 2002. So, I was just introducing a new (vi) *- (Mr Kakooza rose\_) –* hon. Kakooza, kindly listen.

**THE CHAIRPERSON:** But he has not said anything; I do not know what he is going to say.

**MR KAKOOZA:** Madam Chairperson, I rise on a point procedure. Hon. Ekanya is a member of the committee and honestly speaking, bringing amendments when we have thoroughly debated this in the committee and he did not write a minority report, does change the body and the spirit of the Bill. This is because he is bringing something totally different, which was not discussed as he is saying.

When you insert it here, it changes the whole meaning of the Bill and it even goes further to the implications of financing in the Bill. This is because when they give a certificate of financial implications from finance, they depend on the laws and the Bill to say it cannot bring those implications. The procedural point I am raising is whether hon. Ekanya, who did not write a minority report, should be allowed to continue to amend the Bill*.*

**THE CHAIRPERSON:** Honourable members, we gave time for negotiation. We asked you to go and discuss and I specifically remember I told you to circulate the proposed amendments; I have not seen a single page. I now cannot keep track. You are moving to the left, to the right, to the centre; why are you allergic to writing down these things?

**MR EKANYA:** Madam Chairperson, we had so many meetings and we agreed on about 90 per cent but we had a few clauses which we had disagreements on. This clause is just to help us to conform to Article 163 of the Constitution -

**THE CHAIRPERSON:** What is it you are proposing?

**MR EKANYA:** I am proposing a new to read, “On the recommendation of PAC, Parliament shall recommend to Government to implement the report of the Auditor-General immediately it has been issued by the Auditor-General and the minister shall issue a treasury memorandum within a period of six months.”

The justification is: to clear the backlog, which all of us are aware dates back to 10 years ago; and secondly, in compliance with the Article 153(5) of the Constitution which says that the report of the Auditor-General shall be handled within a period of six months to recover the outstanding monies which are always in the report of the Auditor-General.

There is a clause below here which says that the annual budget shall indicate the report of money recovered as a result of recommendations of the report of Auditor-General. That cannot happen because we have a huge backlog dating back to 10 years ago. I beg to move.

**MR KASULE:** Madam Chairperson, I thought this was recommended to go the amendment of the Auditor-General’s Act. We cannot amend the Auditor-General’s Act using this Public Finance Act. We can do that but it is not appropriate in this Bill.

Secondly, it is also infringing on the powers of Parliament because Parliament receives the Auditor-General’s report and takes all the time - Unless you are saying that Parliament amends its procedures to say that whenever this report reaches here and six months elapse, the minister should immediately act. The ministry acts on the recommendations from Parliament. I do not know what you are proposing for Parliament to do.

**THE CHAIRPERSON:** Are you saying that we have this 10-year backlog because we do not have this law?

**MR EKANYA:** Madam Chairperson, with the current procedure, with the amount of work that comes from the Auditor-General, even if the committee sits - I was a chairperson of PAC but even if we sat from Monday to Sunday in a year, we would never clear the work because of the volume of reports. The institutions are very many.

Now we have a lacuna; Parliament cannot bring a report immediately. Parliament has the power to legislate on what it wants, if we have this provision, then once a report of the Auditor-General is issued and it goes to PAC, PAC does not need to spend all the time. They will bring a report here and the minister shall act on it. This is what happens in Tanzania and other countries.

**THE CHAIRPERSON:** They will bring a report without considering the Auditor-General’s report?

**MR EKANYA:** Yes; before the Auditor-General’s report comes out, there is what we call a management letter when the Auditor-General comes to audit, and the accounting officers are given an opportunity. It is called a treasury memorandum and then – (*Interjections*) – No, let me kindly give you information.

We have just passed a new clause here, Madam Chairperson, saying that an accounting officer who has a query with the Auditor-General or internal auditor will not be appointed. We have a backlog of 10 years and some of these accounting officers’ names might be there. We need to clear and have the money recovered. The accounting officer will say the report is being held; we just need to be fair and just.

**THE CHAIRPERSON:** Hon. Ekanya, I just want you to explain to me how you can report without considering the report of the Auditor-General in your committee. What will you be bringing here?

**MR EKANYA:** Madam Chairperson, we were in Tanzania and in their Audit Act, there is a clause which says that the Auditor-General can advise the Minister of Finance to implement a report. There is nothing in the law which stops government from recovering money. If I travel and the Auditor-General says “Ekanya did not travel”, there is nothing in law which stops the Clerk to Parliament from recovering the money.

What has been happening is that people pretend under the cover that the report is still before Parliament. To ensure that there is fairness, it is PAC which will say that we have this report here and Parliament takes a decision.

Madam Chairperson, you know very well that the committees of Parliament are small but the Committee of the whole House can take a decision. In fact, the Rules of Procedure say that the reports are sent to the committees and they must not exceed 45 days but we have been violating the rules.

**THE CHAIRPERSON:** Hon. Ekanya, I do not know why you want to dispense with the work of the Public Accounts Committee. I have seen reports here saying, “we examined this and it should be dropped” or “this one should go for prosecution”. Are you are saying that for everything that the Auditor-General brings here, we say “Aye”?

**MR KAJARA:** Madam Chairperson, the Auditor-General issues a report and it goes to the Public Accounts Committee. Thereafter, PAC considers these reports, summons people mentioned in those reports and some of them are actually exonerated from what the Auditor-General has put out in the report. For us to adopt the report before we have examined it, we will not even have given an opportunity to those other people to appear and answer some of the queries raised by the Auditor-General.

I beg hon. Ekanya, just like the chairperson said - the people mentioned should be given an opportunity. The Committee on Public Accounts should examine the report of the Auditor-General and make recommendations and those recommendations then come to the whole House and that is what we should adopt. I beg that people be given an opportunity to be heard by the Parliament so that when you give your report, people have been given an opportunity. It is only fair, and under the Constitution and under the common laws, you should hear the other side before you condemn. I beg to move.

**MR NIWAGABA:** I want to disagree with my friend, hon. Ekanya, for the first time. I believe the National Audit Act of 2008 has sufficient mechanisms within which backlog may be reduced. I will read Section 26 of the National Audit Act for purposes of appreciation on how some of the Auditor-General’s reports may not necessarily come to Parliament:

*“The Auditor-General may, for the purpose of-*

*(a) minimising the unproductive expenditure of public moneys;*

*(b) maximising the collection of public revenues; and*

*(c) averting loss by negligence, carelessness, theft, dishonesty or otherwise of public moneys,*

*from time to time, make recommendations to the Minister as the Auditor-General may consider necessary for the better management of public finances, including any revision of any regulations, directives or instructions issued under this Act or any other law relating to public finance.”*

If the Auditor-General invokes this particular section and directs the minister that such and such accounting officer has stolen this money or has misused public resources, recover it and report to me, that report may not necessarily come to this House. So, I believe this particular section is adequate and may cover the amendment my colleague is envisaging to bring in this particular Bill.

**THE CHAIRPERSON:** I put the question that clause 11 do stand part of the Bill.

*(Question put and agreed to.)*

*Clause 11, as amended, agreed to.*

Clause 12

**MR KASULE:** Madam Chairperson, this is on approval of the annual budget by Parliament. Insert new sub clauses to read as follows: “(2) For purposes of subsection (1), Parliament may approve up to one per cent of the annual budget for purposes of audit.”

The justification is that the Auditor-General should be well funded to protect the misuse of all funds appropriated in the annual budget.

“(3) The Speaker may extend any period for consideration and approval of the annual budget by Parliament for a reasonable period.” Justification: This power is derived from the Budget Act and is very important to avoid a situation where due to unforeseen circumstances time expires when Parliament is not ready to pass the Budget. I beg to move.

**MR OMACH:** Madam Chairperson, while I agree with the new clause 12 (3), I do not agree with 12 (2), where the committee is proposing that one per cent be ring-fenced for the Office of the Auditor-General.

One, this would be creating a very dangerous precedent. Two, it will also be taking away the role of Parliament in appropriation. Three, in times of boom, the one per cent may be much bigger than what the Auditor-General’s office may require.

We have been steadily moving the Auditor-General’s appropriation up, starting from about Shs 16 billion to about Shs 42 billion and now they are at over Shs 60 billion. If you took for instance one per cent of the current appropriation, which is standing at about Shs 15 trillion, that will be about Shs 150 billion, which would have to be put aside. So we do not agree with this proposal.

**THE CHAIRPERSON:** Are you still insisting? Do you withdraw?

**MR KASULE:** I withdraw.

**DR BITEKYEREZO:** Madam Chairperson, I did some good English and my long ears overheard the chairperson saying that Parliament “may”; I think that was a very deliberate statement. When you say “may” - Madam Chairperson, you are a lawyer - that means that it may not also apply. So, I want the chairperson to remove the word “may” and leave the word “shall” because when you say “may”, you are trying to take away our powers. Why are you saying “may”?

**THE CHAIRPERSON:** Since he has withdrawn, I think there is no problem now. We only have (3).

**MR KASULE**: Madam Chairperson, as you said, you sent us somewhere to deliberate on some matters in this Bill. We withdraw this one per cent, given the huge amounts contained in the one per cent.

**THE CHAIRPERSON**: Honourable members, sub clause (3) is withdrawn. I now put the question that clause 12 be amended as proposed by the chairperson.

*(Question put and agreed to.)*

Clause 12, as amended, *agreed to.*

*Clause 13, agreed to.*

*Clause 14, agreed to.*

Clause 15

**MR EKANYA:** Madam Chairperson, I beg to move that the following sub clauses be deleted: sub clauses (3), (4) (5) and (6) and insert the following new sub clauses: “(3) A vote that does not expend money that was appropriated to the vote for the financial year shall, at the close of the financial year, repay the money to the Consolidated Fund.

(4) A vote that repays money under subsection (3) shall revise its annual work plan, procurement plan and recruitment plan to take into account the unexpended money and the minister responsible for the vote shall submit, as part of the budget for the preceding year, the revised work plan, procurement plan and recruitment plan to the minister.” This is to justify accountability. I beg to move.

**MR NIWAGABA:** Madam Chairperson, I also propose to amend clause 15 by adding thereto, immediately after clause 15(6), the following sub clauses: “(7) Where a local government does not utilise at least 60 per cent of the unconditional or equalisation grant within a financial year, they shall by the 31st of July of the following financial year, explain in writing to the minister its failure to utilise the grant.

(8) The minister shall make a report to Parliament explaining the reasons for the non-utilisation of the grant.”

The justification is: to avoid monies being kept in different accounts by local governments without Parliament or the minister having track or knowledge about the non-utilisation of those funds.

**MR OMACH:** Madam Chairperson, I have no objection.

**THE CHAIRPERSON:** Honourable members, I put the question that clause 15 be amended as proposed.

*(Question put and agreed to.)*

*Clause 15, as amended, agreed to.*

Clause 16

**MR KASULE:** Madam Chairperson, clause 16 - reporting on fiscal performance. In sub clause (1) (c) insert, “the financial and non-financial” at the beginning of the provision.

In sub clause (1), insert a new paragraph to read as follows: “(f) the performance of the petroleum fund.”

In sub clause (2)(a), replace “budget framework paper” with “annual budget” to correct an error.

In sub clause (2), insert a new paragraph (d) to read as follows: “(d) Information on how the changes, if any, in the fiscal deficit are to be financed.” The justification is that the requirement encourages fiscal discipline and is in line with international best practice.

Insert new sub clauses to read as follows:

“(3) The Minister shall at least twice, in consultation with all votes, review physical progress towards achieving annual goals and expected outputs defined in the annual budget.

(4) The process in subsection (3) shall identify corrective measures, including adjustments to medium-term expenditure frameworks as well as the requirement for any supplementary budgets or any reallocations to be undertaken.”

The justification is: to formalise the existing budgetary review process and ensure adequate information is available for the production of the report to Parliament on financial and non-financial budget performance.

**MR OMACH:** Madam Chairperson, I have no problem with the amendments but I also wish to propose that under clause 16(1), we insert the following new paragraph: “(f) donations to a vote.” The justification is: to accommodate financial donations and donations made in kind for responding to disasters under clause 23(3) of the Bill. I beg to move.

**MR ODOI-OYWELOWO:** Madam Chairperson, from the report of the committee, the proposal under the title, “new sub clause”, says, “insert a new sub clause as follows: ‘The minister shall, at least twice a year, in consultation with all votes, review physical progress…’”. It should actually be fiscal and not physical progress.

**THE CHAIRPERSON:** I think they were writing in Luganda. *(Laughter)* Honourable members, with that correction, I put the question that clause 16 be amended as proposed.

*(Question put and agreed to.)*

*Clause 16, as amended, agreed to.*

**MR KASULE:** Madam Chairperson, the committee proposes to insert the flowing new clauses immediately after clause 16: “Publication of Pre and Post-Election Economic and Fiscal Reports by the Minister

(1) The Minister shall publish-

(a) a pre-election economic and fiscal update not earlier than four months before the polling day for any general election; and

(b) a post-election economic and fiscal update not later than four months after the polling day of any general election.

(2) The economic and fiscal update shall -

1. detail all election related spending including expenses of the Electoral Commission for costs of the general election and any other expenses related to the election allocated to a vote;
2. be accompanied by a statement signed by the Secretary to the Treasury stating that the economic and fiscal update include –

(i) all policy decisions with economic and fiscal implications that the Government made before the day on which the contents of the economic and fiscal updates were finalised; and

(ii) all other circumstances with economic and fiscal implications of which the Ministry responsible for finance was aware the day on which the contents of the economic and fiscal updates were finalised.”

The justification is that there is public concern over pre and post-election economic and fiscal transparency. I beg to move.

**THE CHAIRPERSON:** Honourable members,I put the question that a new clause be introduced as proposed.

*(Question put and agreed to.)*

Clause 17

**MR KASULE:** Madam Chairperson, clause 17 - budget execution by accounting officers. Insert a new clause to read as follows: “Reallocation of funds from a Vote

Parliament may, by a resolution, authorise the minister to reallocate funds from a vote to another vote where functions are transferred.” This is to provide legal authority for transfer of funds in case functions are transferred during the financial year from one vote to another.

Madam Chairperson, this is where we can say, remove the youth fund and take it to gender; this takes care of such recommendations from Parliament.

**THE CHAIRPERSON:** Honourable members, I put the question that Clause 17 be amended as proposed.

*(Question put and agreed to.)*

*Clause 17, as amended, agreed to.*

Clause 18

**MR EKANYA:** Madam Chairperson, I beg to move an amendment to delete clause 18(2)(a)**.** The justification is that it was conflicting with paragraph (b) of sub-clause (2). Clause 18 says, ***“****(1) The Minister may, upon request by an Accounting Officer, vary within a vote the amount of money allocated to the vote.*

*(2) A**virement made under subsection (1) shall not-*

*(a) exceed the total amount of funds appropriated by Parliament for the vote...”*

Our concern was that what has been happening is that people can do more than what is required and so this is redundant.

**THE CHAIRPERSON:** Which is redundant?

**MR EKANYA:** Clause 18(2)(a) is in conflict with paragraph (b), which says, *“be more than ten per cent of the amount of the money appropriated to the vote.”*

**THE CHAIRPERSON:** I do not see the conflict.

**MR OMACH:** Madam Chairperson, it becomes redundant because sub clause (2) (b) is sayingthat it will not be more than 10 per cent and yet you are now saying that it should not exceed the total amount of the funds appropriated by Parliament for the votes. The 10 per cent is much lower than this, so automatically sub clause (2)(a) becomes redundant.

**MR MWIRU:** Thank you, Madam Chairperson. I want to propose an amendment to the virement.I have a problem when it says, “the Minister”. I want to propose, the PS/ST.When you talk about the minister to be the one to authorisevirement,the minister may not have enough time to attend to these requests. My experience in the pastis thatsometimes these requests are made and not attended to. If it now goes to the minister who has a lot of work, I do not know whether - Maybe I will first seek clarification from the minister whether it is proper.

**THE CHAIRPERSON:** Who else has authority to make a virement?

**MR MWIRU:** Madam Chairperson, apparently it has been the PS/ST but we are talking about the minister, and the interpretation section does not define the minister to mean the PS/ST.So in this Bill, we are now referring to the minister yet this function hasbeen with the PS/ST, who has been authorisingvirementswithin -

**THE CHAIRPERSON:** So, does that mean the Clerk here can write to the Permanent Secretary/Secretary to the Treasury without informing the minister?

**MR EKANYA:** Madam Chairperson, Article 155 is categorical; the President is the minister of finance. In fact, money cannot leave the Consolidated Fund without authority of the President, in this case delegated to the Minister of Finance. The Minister of Finance handles all financial matters. There has been abuse in the past, so by the time we arrive at this, you write to the minister and then the minister delegates to the technical people to prepare the documentation because she or he is accountable under the Constitution.

**MR MWIRU:** Madam Chairperson, virement comes at a point where the ministry has money but the activities, which are urgent in the ministry, cannot be attended to because the money is not under the vote item. So the accounting officer would wish to reallocate money from votes, which have money and whose activities are not as urgent within the ministry, to spend on another vote. The position as of now is that the accounting officer writes to the PS/STwho authorises and says, “I have allowed you to do a virementofthis percentage within the budget”.

I am proposing this because when you push it to the minister, I think it will be making the process very - However, I can seek clarification first from the Minister of Finance.

**MR OMACH:** Madam Chairperson, the PS/STonly doesvirementon written instruction of the Minister of Finance. In the absence of that, he will be outside the law.

**THE CHAIRPERSON:** Hon. Mwiru, the PS/STdoes not come to this House. The person whom we can ask is the minister.

**MR MWIRU:** I withdraw.

**MR EKANYA:** Madam Chairperson, on that same clause 18(2), I beg to move a new amendment to paragraph (b) so that it reads, “be more than ten per cent of the money allocated for an item or an activity of a vote where the virement is from one item or activity to another.” The justification is: for clarity purposes. I beg to move.

**THE CHAIRPERSON:** Aren’t you going into too many details?

**MR KABAJO:** Thank you, Madam Chairperson. The amendment moved by hon. Ekanya seems to be more complicated and confusing than the original paragraph. Maybe the minister will tell us, but I would propose that we keep the original.

**MR OMACH:** Madam Chairperson, hon. Ekanya was trying to make it clearer but it seems members are saying he was making it- He was trying to rephrase it to state, “be more than 10 per cent of the money allocated for an item or an activity of a vote where the virement is from one item or activity to another.” He is just giving more details and we had no problem with the paraphrasing.

**MR MUSASIZI:** Madam Chairperson, I know the minister is trying to find a middle ground in order not to deviate from the position that was agreed upon in the meeting that took place between the parties involved in this Bill. However, I want to state that the position in the Bill and the proposed position are completely different.

Madam Chairperson, virement within the vote means that if you have a vote called 001 with an amount of say Shs 100 billion, when you say you allow virement within this vote, it means you will have allowed virement of up to 10 per cent of Shs 100 billion, which is Shs 10 billion. However, when you say virement within a certain activity, it means that if an activity has got a total amount of say Shs 20 billion and you allow virement within that activity of 10 per cent, the virement you will have allowed is actually Shs 2 billion. So these two positions are not the same.

In other words, virement within the vote allows for more money to be moved from one activity to another but when you say within an activity, it means you are restricting the virement. This is the best measure because virement has been abused and continues to be abused. When we say within the vote, we shall have allowed accounting officers to continue abusing virement. However, when we say within an activity, we shall have tilted them and this is the best position. Therefore, I support the proposal by hon. Ekanya that instead of virement within the vote, we have virement within the activity.

**MR KABAJO:** Madam Chairperson, I understand the explanation from my colleague who has been holding the Floor, but the virement proposed by hon. Ekanya is really fairly restrictive; I personally think that it would tie the hands of the accounting officers too much.

Supposing we had an emergency of a security nature in Parliament and we wanted to vire money from one activity to security, the proposal they are putting forward would not allow that virement. You would only be allowed to vire within a specific activity. I think that would tie the hands of the accounting officers too much. On that basis, I would oppose it.

**MR MUSASIZI:** Madam Chairperson, what he is talking about can be cured when we come to supplementary. If a matter is unforeseen and it is an emergency by nature, that cannot be financed by virement but by supplementary expenditure. So, please rest your heart; there is an option to cure your fears. Thank you.

**THE CHAIRPERSON:** Honourable members, I put the question that clause 18 be amended as proposed.

*(Question put and agreed to.)*

*Clause 18, as amended, agreed to.*

*Clause 19, agreed to.*

Clause 20

**MR EKANYA:** Madam Chairperson, with your permission, I wish to make one issue clear; all these amendments are not amendments of hon. Ekanya. I was just asked if I was going to be here as shadow minister, so that I could move them. These are collective amendments from Members of Parliament; so I do not want people to think otherwise or to take credit where I do not deserve.

I beg to move an amendment under Clause 20(a) to read as follows: “A committee of Parliament comprised by the chairperson of the Committee responsible for Budget, chairperson of the Committee in charge of Defence and Internal Affairs, and another member appointed by the Speaker shall scrutinise this Budget in a closed session.”

Madam Chairperson, clause 20 is about classified expenditure. We realised that when it comes to handling the Auditor-General’s report, this is the format followed, but when it comes to the appropriation, this is not done. So, we wanted the cycle to be completed. I beg to move.

**MR KASULE.** I do not know whether the minister is going to concede on this one, but I think it should read, “A sub-committee of Parliament comprised of the chairperson of the committee responsible for Budget, chairperson in charge of the Committee in charge of Defence and Internal Affairs, and another member appointed by the Speaker shall scrutinise this Budget in a closed session.”

**MR KAKOOZA:** Madam Chairperson, I have a problem with that amendment. The heading is “Classified Expenditure” and where classified expenditure is appropriated in (1), it shall only be used for defence and national security purposes. Honestly speaking, I know in the Audit Act that public money must be audited and scrutinised when it is appropriated. I therefore find it difficult for a committee and a subcommittee of Parliament *–(Interjection) –* Yes, even with a subcommittee, I find it very difficult because of the nature of the money, the purpose and the security of the state.

**DR BITEKYEREZO:** Madam Chairperson, I want to agree with hon. Kakooza. Three or four of us can go into a closed meeting but before we leave Parliament, the thing is already in the media.

When it comes to classified expenditure, which concerns the security of this country, as Parliament I do not want us to go very far and start trying to fit into this. We have got so many things to do. When it comes to security of the country, there is where you have to hide yourselves and do things while you are hiding. When you start bringing in subcommittees, including those who want us to collapse, we shall have a problem.

**THE CHAIRPERSON:** Honourable members, you know we also follow the Commonwealth practice. This happens in all parliaments; they do not use the entire committee of 30 but they select three people, like I named some members here. It will be classified expenditure. You know, money can also disappear under classified, quietly without anyone knowing it.

**MR KAJARA:** Madam Chairperson, the provision in the current Bill is that the money appropriated for classified expenditure shall only be used for defence and national security purposes. Sub-clause (2) provides, *“To ensure the confidentiality of defence and national security matters, a budget for classified expenditure shall be presented as a single line item.”*

Madam Chairperson, when you look at the interpretation, classified expenditure means expenses, commitments incurred, collection and dissemination of information for a defence or a national security purpose. For us to open this classified expenditure to whoever is not part of defence or security is to endanger this information and expose the country. This is because this classified information is ring-fenced to those who must know.

This matter has been raised in different fora. In the past, we did not even have a procurement committee for this classified expenditure. However, when we discussed the Public Procurement and Disposal Act, we provided for a procurement committee at defence level, but it is also picked by people who are specialised in that area, and they have taken an oath not to divulge information. For members of the committees here, how do we know? Have they taken an oath of secrecy in terms of the defence and security of the country?

So, we oppose this amendment as it will expose the defence and security of the country. We maintain it as it is here but for purposes of audit and so on, there are provisions for it. I thank you, Madam Chairperson.

**MR WAFULA OGUTTU:** Madam Chairperson, we should not have some citizens who assume they have more rights and they care about the country more than others. All of us are concerned about the security of our country and all of us should be considered responsible.

Madam Chairperson, the chairman of the Committee of Defence and Internal Affairs and the chairman of PAC can constitute a committee, they can swear an oath of secrecy and they can analyse the taxpayers’ money under classified expenditure; that is what we proposed. What the minister is saying is that there are special people who spend this money who care more about the country than the rest of us, which is not right.

**MR ODOI-OYWELOWO:** Thank you, Madam Chairperson. This afternoon I support the amendment moved by hon. Ekanya. What does it say? Hon. Ekanya said this committee should be comprised of the chairperson of the Budget Committee of this House. The Chairperson of the Budget Committee of this House is a member of the ruling party. If you cannot trust your chairperson of the Budget Committee with the national security of this country, then you cannot trust anybody. I actually found the position of the minister insulting, to say the least.

The second person he proposes is your chairperson for the Committee on Defence and Internal Affairs. Now, if you cannot trust the chairperson of the Committee on Defence and Internal Affairs, you are telling us we are all suspicious citizens.

The third person is a choice of the Speaker of Parliament. Now, if you cannot trust the Speaker of Parliament to make a good choice for a member to sit on this committee, then why should we sit here to do anything? Honourable minister, you ought to withdraw that submission.

**MR LUGOLOOBI:** Madam Chairperson, I think a single line item can be too much for me to comprehend. A single line item means you can be confronted with any figure - it could be Shs 1 trillion or several billions of shillings. We have been confronted with this and our hands have always been tied in dealing with such situations as you cannot probe into what it is for.

You need to have a fair amount of information about what is going to be done because defence is a vote. They can even choose to have the entire budget of defence under classified, if they choose to. So I think it is important that we have this amendment in order to address that *lacuna* that has existed all along. I want to support the amendment.

**MR MWIRU:** Thank you, Madam Chairperson. I want to use the Bill, which the minister was referring to. It says the money appropriated for classified expenditure shall only be used for defence and national security purposes. What we are all saying is that the only way we can ensure that it is used for the purpose of defence and security is to ensure that it is appropriated for that purpose.

When we talk about this sub-committee, it just looks into this appropriation of the budget to see whether the line items are in consonance with the law. The problem is, for you to appreciate what the amendmentis all about, you need to review the figures and how they have been shifting from one financial year to another; they have been skyrocketing.

Here when we talk about security, people think in terms of a gun, but in other countries, they think of the welfare of the citizens. Therefore, social welfare is security. I think once we put up this committee, it will address itself to those matters and then this will serve the purpose. I want to support the amendment. Thank you.

**MR MUSASIZI:** Thank you, Madam Chairperson. The proposal in the Bill actually talks about a single line item, that the budget for classified expenditure shall be presented as a single line item.

Why do budgets come to this House? Budgets come to this House in order for Parliament to attest to the credibility of the budget. Now when you say that a certain budget is classified and is just going to come to this Parliament and pass without any MP knowing what we are passing, we would rather propose that budgets for classified expenditure do not come to Parliament. That is much better than proposing that we just pass a block figure called “classified expenditure”.

Madam Chairperson, if this budget is going to continue coming to Parliament, then Parliament must be given a high degree of trust by allowing three members from amongst us to get to know what is in this block figure called “classified expenditure”. We shall not require them to come back and report to us what they saw, but I have a feeling that this is one of the best internal controls we can have on classified expenditure.

**MR KAKOOZA:** Madam Chairperson, I remember when we were dealing with the Audit Act in 2008, one of the problems we had was monies of Government that were not looked into and not scrutinised by government institutions when diverted. The fear we had was that this money that we give as classified expenditure can be abused and may be utilised in an improper way. What we did was to put in the Audit Act that the Auditor-General should be empowered to go and investigate and give an independent opinion about the money, which has been appropriated by Parliament. The reason was that he should not open a Pandora’s Box on the security of the country to everybody.

If we go further and look at what other states are doing, classified expenditure is on defence and security. That is why they go to the Auditor-General and interview these people in camera and not in public. So, in the Bill as it is, if it is confidentiality, it can be contained in one person - the Auditor-General. The moment you put up a subcommittee of three - even the three would not be enough to do all this. What is important is the single line money, which we have appropriated; can it be audited? It is audited, empowered by the Auditor-General. For Parliament to get involved in the money we have appropriated by forming another subcommittee to scrutinise, I feel is not our mandate.

**THE CHAIRPERSON:** Honourable members, the Auditor-General has presented to me reports of classified expenditure; should I burn them? What do you want me to do with them? Should I throw them away?

**MR KAKOOZA:** That is okay, Madam Chairperson. Once Parliament appropriates, its function is whether the money appropriated is correct and that is how –

**THE CHAIRPERSON:** Where do you want the Auditor-General to report? He is an officer of Parliament.

**MR KAKOOZA:** Madam Chairperson, what I am trying to say is that this Bill is talking about classified expenditure and they are saying the money appropriated for classified expenditure shall only be used for defence and national security purposes. Paragraph (b) says, *“To ensure the confidentiality of defence and national security matters, a budget for classified expenditure shall be presented as a single line item.*”

As Parliament, what do you want to do with that? If it has got a query, then the Auditor-General is empowered by the Audit Act to give you a report concerning the money you appropriated to a single line item when you get queries. If there are queries, that is when Parliament can come in and say, you did not utilise the money we gave you on a single line item properly and we cannot drop this query. We can then question those people who did not utilise that money properly.

**MR NIWAGABA:** Madam Chairperson, I have carefully listened to hon. Kakooza. The particular Bill we are considering has basically three aspects: the macroeconomic part, the budget and finally the expenditure. There is nothing to do with audit. I am wondering whether hon. Kakooza is guiding the House properly by amalgamating issues of auditing, which comes subsequent to all these three processes, with the aspects of the budget.

I am of the considered opinion that if a Member of Parliament, who has passed a law and mandated an officer called the Auditor-General to look into what Parliament has appropriated, comes up and says “no, I think the Auditor-General is far better than me in terms of confidentiality and is more of a patriot concerned with national security”, then I am afraid.

**MR EKANYA:** Madam Chairperson, I want to give information before the minister comes in. Colleagues, you have iPads - I want to thank you, Madam Chairperson, for this innovation - you can Google the practices in other parliaments around the world. We have the information here.

Secondly, we have had junk helicopters procured, junk jeeps, junk fighter jets, which collapsed, uniforms and food stuffs. Recently, we even had the identity cards procured under the National Security Information System, all because of the law. Colleagues, you swore to defend and protect the Constitution; how does the National Security Information System procure computers for national identity cards, the ones for which they were taking photographs with in our villages?

We discussed this matter and thought that one of these three members could even be Minister of Defence tomorrow because sessional committees are under the control of Government. The chairperson of the Committee of Defence and Internal Affairs is a member of the ruling government and can be appointed Minister of Defence. The chairperson of the Committee on Budget is also a member of Government and can be appointed a minister, and then one other person the Speaker will recommend.

If you think that the Opposition is going to look at it, currently because of what is in the Audit Act, this is handled by the Opposition because the chairperson PAC and other members are from the Opposition. The Audit Act is even worse but we are just saying, let us do our work because people hide under the cover of national security and a lot of money is lost.

I really want to beg that this harmonised position be accepted because what we had wanted was worse - that everything be looked at. However, we thought that this would do for the defence of our country, because if a bomb is thrown to my village, I will die; I will not be there. Who wants to die?

**MR KAJARA:** Madam Chairperson and honourable members, when we talk about confidentiality for defence and national security, we are protecting the country against threats, especially external threats. If we open up this classified expenditure, by nature it will be the first time in the history of this country that we are saying there is no classified expenditure anymore.

In order for us to look for a way out, can we stand over this amendment so that we give it more thought and consult? We can come back to it. I beg that we stand over this amendment so that we come with a harmonised position at a future date.

**MR NZOGHU:** Thank you, Madam Chairperson. Recently, Parliament procured security cameras and Members of Parliament are well aware of the cost of those security gadgets. The purpose for their procurement was to provide security for Members, staff and visitors to Parliament.

Madam Chairperson, you have chaired this Ninth Parliament very well, because you were Deputy Speaker in the previous Parliament, and your role as a Speaker has not been contested by anyone. That means that the element of continuity is very important for any system to function. The minister is actually assuming that those people who are dealing with security matters are immortal. That is the assumption that he has. To imagine that there are people who are more security sensitive than the rest of us, as Ugandans, is a misplaced statement.

The proposal by hon. Ekanya is very good for the continuity of systems in this country. What happens tomorrow if those people who you think are controlling security are off - like Sejusa now? What happens?

Madam Chairperson, I think that the best way for us to move as a country – You know, they have been teaching patriotism in Kyankwanzi and since we started this Parliament, patriotism has been taught several times and they have even gone to schools too. I feel that it is important for us to empower our Members for today and tomorrow. I also feel that security is not a prerogative of a few individuals. You can only have maximum security when you involve the people who are involved - the citizens of this country. What would happen if you secured the MIGs and then you do not have *–(Interruption)*

**MR KIWANDA:** Thank you. Ijust want to inform hon. Nzoghu; when he stated that we procured security gadgets here, actually the money which bought these machines is known because it was in the budget. I want to ask if they are not going to serve the purpose because the budget was known. That is the information I want to give.

**MR NZOGHU:** Hon. Kiwanda, you were the right person to be given that opportunity. *(Interruption)*

**MR KAJARA:** Madam Chairperson and honourable members, this country has experienced a number of wars. One of the wars was with the ADF, which took place in the Rwenzori and Toro region, and we had a bad experience. The other one was the persistent LRA war.

What happened is that the Government at that time took a step, at the expense of economic and other growth, and committed a budget cut of 23 per cent. They cut every budget by 23 per cent. Once that budget was committed to the defence and security of the country, we defeated ADF and LRA. That is the information I want to give you.

**THE CHAIRPERSON:** What does that have to do with the classified expenditure?

**MR NZOGHU:** Madam Chairperson, it is very good that the minister has quoted the ADF issue. I was alive when the ADF came to the Rwenzori region and for the information of this Parliament and the entire country, the UPDF actually did not manage the issue of ADF very well until the people of Kasese and hon. Bihande, who was LCV chairperson, recruited vigilantes and home guards. These are the people who defeated the ADF. Even when you injected in a lot of money, UPDF did not handle the issue of ADF. Look at the experience of Teso; the arrow boys are the ones who defeated the rebels.

So, I feel that it is important to involve the citizens of this country and it is critical to involve Members of Parliament; as hon. Ekanya has suggested, not all Members of Parliament but just three. I feel that we cannot move in the direction that the honourable minister is suggesting.

**THE CHAIRPERSON:** Honourablemembers, the three members will be known and if anything leaks, you know that I will catch hon. Niwagaba, hon. Nzoghu and/or the minister because they are three, and probably their clerk.

**MR OKUPA:** Thank you, Madam Chairperson. I think the minister could be worried because the coordinator of national intelligence took off from the country. Who knew more information than Gen. Sejusa? If he wanted to disclose all that happened, he would do it.

I oppose the proposal by the minister that we stand over this matter. Madam Chairperson, you gave us time and we did consult and he was among those who agreed with this position and we were over 15 people. Now if we stand over this, who are the people he is going to consult with? Are you going to pick different people to consult over this same matter? Are we proposing that we pick a different team? This was agreed to by the teams from both sides. Madam Chairperson, this is a matter, which was agreed -

**THE CHAIRPERSON:** Who comprised the team? Just give us the names on the record and we proceed.

**MR OKUPA:** Hon. Omach, hon. Kajara, hon. Maria Kiwanuka, hon. Nandala-Mafabi, hon. Katuntu, the Budget chairperson, hon. Lugoloobi, the chairperson for finance hon. Tim Lwanga, hon. Okupa, hon. Niwagaba, hon. Ruhindi I think attended one meeting not all, and hon. Fox Odoi. These were the members.

Madam Chairperson, I do not know whether you want us to go back on this matter. We should be able to dispose of this matter today.

**MR KAFUDA:** Thank you very much, Madam Chairperson. I feel confused because when you go back to interpretation of classified expenditure, it means expenses and commitments incurred for the collection and dissemination of information for defence or national security purposes.

We tried to come up with a committee. I do not know why we are attaching this committee to the security committee yet the security committee is already in place. If we are to query accountability, there is already an accounting officer who is responsible for that. In addition, as Parliament we have a body, which is the office of the Auditor-General, to carry out the audit in that department. I do not know the essence of coming up with a committee again yet -

**THE CHAIRPERSON:** Honourable member, after the Auditor-General writes his report, what do we do with it? Do we throw it in the dustbin or burn it? Who is the consumer of that product?

**MR KAFUDA:** Madam Chairperson, as it has always been done by the Auditor-General, he has to report to Parliament -

**THE CHAIRPERSON:** And then we do what with it?

**MR OKUPA:** Honourable member, I think what we are bringing out here is: when this classified expenditure is expended to the agencies that use it, the Auditor-General will audit and come up with a report, whether they are going to be qualified or unqualified, and it is passed to the Speaker. The practice has been that she selects people to look at it and then the whole Parliament. That is how it has been. So we are asking, can we put it here? Because if it is only passed to the Speaker, so what? Should it stop there like that?

That is why we are proposing this aspect. The Auditor-General would have finished his work, done the audit and presented it to Parliament through the Speaker. That is the information I want to give you.

**MR KAFUDA:** Madam Chairperson, it is like any other department. We have not formed any committee to be attached to any department for monitoring. Each department has got its own technical people to do that.

**THE CHAIRPERSON:** Hon. Boaz Kafuda, just answer me: when the Auditor-General brings that report to me, what should I do with it? That is what I want you to tell me. What should I do with it?

**MR KAFUDA:** Madam Chairperson, when it comes to Parliament, of course we continue with the report from the Auditor-General but we do not go into -

**THE CHAIRPERSON:** We continue in what form?

**MR KAFUDA:** We do not go into the details of that report or the accountability – *(Interruption)*

**MR MWIRU:** Madam Chairperson, what we are grappling with is simple. Sub clause (2) is talking about a single line item. Once you say that defence and security needs Shs 300 billion, that is okay, but it must be used only for defence and security.

We are clamouring for this committee because there can be instances where classified expenditure can be abused and the money not used only for defence and security. That will be brought out in the Auditor-General’s report. This committee will be acting in national interest and once they find that there was compliance, they will show that there was compliance. If it is found out that they did not comply, then this will show that there is a problem in the way we are dealing with this classified expenditure.

All we want to deal with is abuse. The way you understand security may mean a gun while for me it may mean social welfare of the people. To me, I am more concern about the people who sleep without meals rather than someone who has a gun. Thank you.

**MR KAJARA:** Madam Chairperson, in order for this expenditure to be effective- If you look at clause 20(3), it says, *“An Accounting Officer of a vote to which subsection (1) applies, shall in accordance with standards and guidelines issued by the Accountant-General, establish appropriate systems of internal control in respect to the transactions and resources of the vote.”*

The accounting does not stop at us passing it here as classified expenditure; the Accountant-General establishes appropriate systems of internal control in respect of those particular transactions.

Madam Chairperson and honourable members, we are not talking about the whole budget of the Ministry of Defence. We have a big budget for the Ministry of Defence, Ministry of Internal Affairs and internal security and we are talking of that element where we need confidentiality.

Madam Chairperson, we are talking about the Auditor-General auditing. The Auditor-General does the audit after the act. If you are purchasing specialised equipment, it is after that equipment has reached here that the audit will be done. It should not be bombed when it is in Mombasa or Dar es Salaam or at the airport. It should not be intercepted in Busia because you have exposed it.

So the Auditor-General comes in after the equipment has been purchased. That is the essence - that confidentiality is kept until such a time that it is no longer insecure for this information to be released to anybody. That is why I was asking that if we cannot agree on this, we would rather stand over this clause so that we can give it further thought and have a consensus. I beg to -

**THE CHAIRPERSON:** Chairman of the Budget Committee, how have you been handling the budget of classified expenditure?

**MR LUGOLOOBI:** Madam Chairperson, I think it has been a challenge. Because it is a single line item, we have been presenting it as is to the House; nothing more than that.

Madam Chairperson, earlier we said that the annual budget must conform to the National Development Plan and to the Charter of Fiscal Responsibility. How does Parliament ensure that the budget conforms to the requirements of the Charter of Fiscal Responsibility if there is this problem where Parliament cannot look into what is contained in these numbers? It is confidential but the number could be so outrageous and far beyond what can be consistent with the Charter of Fiscal Responsibility.

I think we should leave some room for Parliament to look into this matter and I thought that the committee that was proposed was quite appropriate, given that it is members from the ruling party that are looking into this matter. I believe that the chairman of the Budget Committee - At this moment I am the chairman and I think I can be trusted. If I am not there tomorrow, they will put someone who can be trusted. If you can set up a contracts committee and entrust them with this responsibility, why can’t you entrust the same responsibility to Members of Parliament who are elected by the people of Uganda?

**MR KASULE:** Madam Chairperson, I know it is a challenge but the only information I want to give my brother is that when we were deliberating, if I can be the devil’s advocate, they said that prior information given to you as a Member of Parliament is dangerous because the item has not been procured. So, that information is even dangerous to you as an individual who carries the information, to the extent that if somebody knows that these three members know what Government is planning to do, it is even a security threat to them. Somebody will target them, well knowing that they have classified information.

**THE CHAIRPERSON:** But honourable members, I think you are now insulting the integrity of this House. I think that we have had occasions here where we have invited important people in closed meetings and we have closed our mouths and left. Really, are Members of Parliament so- You know this money is public money. It is money of the tax payers. How can you say that no one should look at it? Three people selected by the ruling party, and I do not even have a say in how they are selected; maybe it is a vote of no confidence in our people.

**MR KASULE:** Madam Chairperson, they said that since this matter can be audited after the activity, that is a safeguard that everything that happens under classified expenditure can be audited after the activity has taken place. Like hon. Kajara has said, there is no way information can leak concerning whatever is going to be bought. You can only know after the activity has taken place and there is no security problem to you because at that point it is public information.

**MR EKANYA**: Madam Chairperson, I am a Member of Parliament from a border district and I am in the Opposition. For the last 14 years, do you know how much information I have given Government to protect the border? Do you know how much I am saving this country?

On Thursday, I am going with the Minister of Internal Affairs to the border, and I do not want to reveal classified information here. I am the one operating at the border, I know who enters, where they pass - On Thursday I am going with the minister because we need certain gadgets there and we have been working on this for all these years. We took fire equipment in that place. Do not make me reveal classified information here. *(Laughter)*

So colleagues, you should trust yourselves and have integrity. We have a lot of information but we love our country first. We know the members of the security procurement committee of equipment. When they buy air tickets and board planes, we know which country they are going to buy a certain gadget but we keep quiet.

People who wage war to overtake Government are serious people who have information. The President declared how he used to receive equipment - air dropping. So, what we really want to do is just accountability. Let people not hide under classified expenditure to steal.

**MR NZOGHU:** Madam Chairperson, before we came to this Parliament, we participated in managing programmes. What normally happens is that if you are a manager and you are working out a plan for the year, you will invite your staff and single out what you will require for that financial year. When it comes to the procurement of specifics, it does not go back to all staff; it goes to the specific and particular staff that will handle that.

What the chairperson of the committee is assuming is that when we have the three persons whom hon. Ekanya has suggested, they will even know that MIGs will be procured in January next year. That is what he is assuming. However, I think that the proposal made by hon. Ekanya is to the effect that when the members are privy to the information that we are going to procure 100 MIGs, when it comes to the date for the procurement for those MIGs, it will not be the role of those members now. That is what it means.

I want to tell you, honestly, that we have a stake in this country. Madam Chairperson, you saw what happened with the CHOGM funds where monies were released two days to the meeting *–(Interjection)-* No I am just giving the example of the CHOGM funds. Monies were released two days prior to complete a structure, which was going to be used during CHOGM.

If people could misuse funds in such a manner and yet it was clear to them as to what they should do, what about a scenario where people are in total darkness and they bring you what they have spent when you do not know what they have spent on? It may even bring in the element of double costing. They will procure 100 guns this financial year and the same guns will be procured the following financial year and you find you are doing the same thing and yet you should have moved a step forward. That is what I want to say.

**MR ODOI-OYWELOWO:** Thank you, Madam Chairperson. We have made a lot of progress with this Bill; we have had consultations and every time we sit down, the primary consideration has always been Uganda. What law do we want to give the people of Uganda? What law will promote accountability? What law will promote transparency? What law will promote security, good governance and the economic development of this country?

We are all unanimous, on both sides of the aisle, that our primary consideration and focus all the time should be Uganda. I am surprised this afternoon to hear the minister suggesting - because this is what he has said, although inadvertently - that he does not trust the chairperson of the Budget Committee with the national security of Uganda. The solution is simple, fire him tomorrow *-(Laughter)–* and designate the one you trust.

If you do not trust the chairperson of your Committee on Defence and Internal Affairs, replace her with the one you trust. They are designated by the ruling party and regarding the third one that the Speaker is supposed to nominate, you can have consultations with the Speaker and make your proposals.

What is not acceptable is that you turn this Parliament into a rubberstamp and assume we have no brains. You have stated that you do not trust us and we shall live with that, but for you to state that we even have no brains and so we should just look at these figures and pass them with our eyes, ears and mouths closed is not acceptable.

Honourable minister, I want to make a passionate appeal to you not to insult the trust that you have built over a long period of time. Do not break the working relationship that you have built with everybody in this House over this small matter. Please, let it go. I thank you, Madam Chairperson.

**THE CHAIRPERSON:** Anything else, minister?

**MS KIWANUKA:** Thank you, Madam Chairperson. To begin with, I would like to correct one fear; one honourable member mentioned a matter of the same guns being bought every year but I think that function is taken care of by the Auditor-General, who makes sure that the same guns are not bought every year.

Madam Chairperson and honourable members, I have listened very carefully to the debate and I ask myself, what is the definition of classified expenditure? What is the practice of classified expenditure the world over? Madam Chairperson, it is a terrible responsibility. I am the Minister of Finance and I do not know classified expenditure. Cabinet does not know the classified expenditure. I wish to correct any misconception that my colleague was demeaning the members of this august House. We too do not know classified information.

It is a terrible responsibility and that is why I would like to repeat my colleague’s request to stay over this matter while we discuss it and come to a consensus. Thank you.

**MR WAFULA OGUTTU:** Madam Chairperson, I would like to give this House some information, which came to my knowledge when I was Editor-in-Chief of a newspaper in this country. We were following up the issue of classified expenditure and how it is kept secret. A gentleman walked to my office from Bank of Uganda with computer printouts. We had just done a little story that one of the security chiefs had bought a block of flats in London. That gentleman walked into my office with a computer printout from Bank of Uganda and showed me that every month two security chiefs went to Bank of Uganda and picked foreign currency. One picked US$ 110,000 and the other US$ 60,000 and that was part of classified expenditure. So the minister may not know but those security people and the person who gives them authority knew.

I retired and left those documents. I think they were carried away when eventually the *Monitor* was occupied by the Police. These documents showed that money was being taken out of Bank of Uganda under classified expenditure and it was not accounted for. Therefore, what we are saying is that we should do a little bit - What you are going to spend on? Do not mention the type of guns or the type of poison you are going to buy. Just say you are going to buy some weapons and we shall know this and ask whether you bought the weapons or the poison. This is to avoid individuals who head security from drawing this money in cash from Bank of Uganda and spending it in a way they like while nobody asks them questions. Thank you very much.

**MR KAKOOZA:** Thank you,Madam Chairperson.I want refer to what I said concerning why we have section 13(c) in the Audit Act – the mandate of the Auditor-General. Functions of the Auditor-General *-(Interruption)*

**MR EKANYA:** Madam Chairperson, I am in a very difficult situation in putting hon. Kakooza to order, but I am compelled to do this because of his conduct. We are discussing appropriation; we are not discussing post budget and audit. Is hon. Kakooza therefore in order to continue insinuating and repeatedly conduct himself in a manner contrary to the rules?

**THE CHAIRPERSON:** We are not talking about audit; we are talking about appropriating money to be spent. Don’t you think the people of Uganda, through one or two people, should know that you said you were going to buy a gunship and then another gunship the next year?

**MR KAKOOZA:** Madam Chairperson, the main worry could be that the money we appropriate is utilised properly. That is the main worry on accountability. When you hear what the Leader of the Opposition was saying -

**THE CHAIRPERSON:** How will you know when you do not know what they are going to buy?

**MR KAKOOZA:** Fine, because a budget, which is brought for appropriation, is scrutinised before by the budget *-(Interjections)-* Please, can I finish? Before a single line item like classified expenditure is appropriated to come to the Floor of the House, it is scrutinised by the Budget Committee.

**THE CHAIRPERSON:** You are not the chairperson of the Budget Committee; the chairperson is here.

**MR MWIRU:** Madam Chairperson, is it in order for hon. Kakooza, who has the Bill in his hands and I presume that he knows what we are dealing with, to speak in total disregard of the information before him? The issue is that when we are appropriating, we want to give effect to clause 20, to the effect that as money is being appropriated, it relates to the security of this country. Is he in order?

**THE CHAIRPERSON:** Unfortunately, I do not know what he is holding in his hands but we are talking about appropriation. Let us not waste time.

**MR KAKOOZA:** Madam Chairperson, we talking about classified expenditure and amending clause 20 to subject it to a subcommittee of Parliament. I am saying, no because the original Bill gives comfort such that security matters of the state are handled in confidentiality, instead of opening a Pandora’s Box to every Tom, Dick and Harry. That is why I agree that the clauses should not be amended but they should stay as they were in the original Bill. I am objecting to the amendment.

**THE CHAIRPERSON:** Honourable members, concerning this idea that people have no patriotism, I do not know whether you have seen what is outside. I have known all those items under our classified expenditure for over a year but you have never heard me mention the details of what we are doing. We are talking about accountability, transparency, good governance and services to our people. I put the question that clause 2 be amended as proposed.

*(Question put and agreed to.)*

*Clause 20, as amended, agreed to.*

Clause 21

**MR NIWAGABA:** Madam Chairperson, I have an amendment to clause 21(3), to substitute “10 per cent of the appropriated budget of a vote” with “10 per cent of the contingencies fund.” The justification is that some votes have too much money, for example, UNRA. If you get 10 per cent of the budget of UNRA to be spent on the approval of the minister but without the approval of Parliament, you will find the minister authorising an expenditure of over Shs 400 billion. However, if it is 10 per cent of the contingencies fund, that would come to within reasonable amounts.

This particular position was agreed upon. So I beg to move that we amend clause 21(3) by substituting “the appropriated budget of a vote” with “10 per cent of the contingencies fund”.

**THE CHAIRPERSON:** Any objection?

**MR KASULE:** I think it is okay.

**THE CHAIRPERSON:** Honourable members, I put the question that -

**MR NZOGHU:** Thank you, Madam Chairperson. I seek clarification from the chairperson in regard to 21(3). There seems to be a mix-up of application of supplementary budgets and contingencies fund. When you look at clause 21(3), it provides powers to the minister to approve supplementaries of up to 10 per cent of a vote without prior approval of Parliament.

This clause is confusing in light of clause 22(1), which reads, *“The Contingencies Fund is a vote and it shall every financial year be replenished with an amount equivalent to three and a half per cent of the appropriated annual budget of Government the previous financial year.”* Can the chairperson clarify on those mix-ups that I read here?

**MR OMACH:** Madam Chairperson, in line with the acceptance by the chairperson of the committee, the minister also supports the amendment as proposed.

There is no confusion in regard to the three and a half per cent that is being given under 22(1). If last year’s budget was Shs 15 trillion, for instance, then you are taking three and a half per cent of the Shs 15 trillion. The proposed amendment now takes only 10 per cent of that, so it is in consonance.

**THE CHAIRPERSON:** Honourable members, I put the question that clause 21 be amended as proposed.

*(Question put and agreed to.)*

*Clause 21, as amended, agreed to.*

Clause 22

**MR OMACH:** Madam Chairperson, under clause 22 we are proposing a small amendment to replace the word “vote” with the word “fund”.

**THE CHAIRPERON:** Where?

**MR OMACH:** That is under clause 22 (1): “The Contingencies Fund is a vote…” It should be, “The Contingencies Fund is a fund…”

**MR KASULE:** Madam Chairperson, the committee also has amendments to propose to clause 22. In sub clause (4), delete the word “natural”. In sub clause (5), replace the word “used” with the word “allocated” and delete the word “natural”. I think this is consequential. The word “natural” causes ambiguity.

**THE CHAIRPERSON:** What is ambiguous about it?

**MR KASULE**: Some disasters can be natural, others can be unnatural. That is from the committee.

We propose to insert a new sub clause (6) to read as follows: “Where required, more than 15 per cent of the money may be used to finance disasters.” The justification is: to constrain general supplementaries to the formula but allow flexibility for disaster response. I beg to move.

**THE CHAIRPERSON:** There may be disasters, which are man-made; what will you do about them? Suppose I go and knock down KCCA headquarters, is that a natural disaster?

**MR KASULE**: Maybe I can be supported by members of my committee. They are the ones who proposed that we remove the word “natural” wherever it appears. So, 22(5), for example, would read, “Eighty-five per cent of the money of the Contingencies Fund shall be allocated to finance supplementary expenditure and 15 per cent shall be allocated to finance responses to disasters.”

**THE CHAIRPERSON:** Honourable chairperson, unless you are going to guarantee that supplementary funds will not be abused anymore - But suppose we have a man-made disaster, you go and knock down a building, and then you apply for the contingencies fund?

**MR NIWAGABA:** Madam Chairperson, I would like to seek clarification from the chairperson. When you go forward to clause 23, the term “natural disaster” is defined. I am not sure whether you considered that. That definition of a natural disaster in clause 23 covers the entire Part IV of this particular Bill, which begins with clause 22.

If you avoid the term “natural disaster” and leave it as “disaster”, with the nature of some of our Government officials, we may end up getting many more man-made disasters for purposes of drawing money from the Contingencies Fund. So, I am of the considered opinion that we retain “natural disasters” to restrict withdrawals from the Contingencies Fund for reasons that you all know, because you may now start using sole candidature, call it a disaster and then you withdraw. *(Laughter)*

**MR KASULE:** Now that he is going that far, I think we should restrict ourselves to natural disasters. *(Laughter)*

**THE CHAIRPERSON:** With that withdrawal, I put the question that clause 22 be amended as proposed.

*(Question put and agreed to.)*

*Clause 22, as amended, agreed to.*

**THE CHAIRPERSON:** Honourable members, we do not want to disrupt your sugar levels too much. We have done quite a bit of work; let us ask the minister to move the motion for the resumption of the House.

MOTION FOR THE HOUSE TO RESUME

7.46

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

**THE CHAIRPERSON:** Honourable members, 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 Speaker presiding.)*

REPORT FROM THE COMMITTEE OF THE WHOLE HOUSE

7.47

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Fred Omach):** Madam Speaker and honourable members, I beg to report that the Committee of the whole House has considered the Bill entitled, “the Public Finance Bill, 2012” and has passed some clauses with amendments and some without amendment - clauses 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 21, 22 - and stood over clause 20. I beg to report.

**THE SPEAKER:** No, we did not stand over; we voted.

**Mr OMACH:** We almost stood over clause 20 - *(Laughter)* – We passed clauses 20, 21 and 22. I beg to report.

MOTION FOR ADOPTION OF THE REPORT FROM

THE COMMITTEE OF THE WHOLE HOUSE

7.47

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

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

*(Question put and agreed to.)*

**THE SPEAKER:** Honourable members, thank very much for this classified work. The House is adjourned to tomorrow, Wednesday, at 2.00 p.m.

*(The House rose at 7.48 p.m. and adjourned until Wednesday, 26 November 2014 at 2.00 p.m.)*