**Wednesday, 16 December, 2015**

*Parliament met at 2.45 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 and thank you for returning to Kampala to do our work. The implementation of the Public Finance Management Act has caused changes in our operations and that is why we have had to recall you from the recess because we are expected to have completed deliberating on the Budget Framework Paper before the end of January.

Taking into account this national duty, I wrote to the Electoral Commission and requested them to take into account your responsibilities here and to suspend the Parliamentary election campaigns until after 23 December 2015, when you will be able to get back so that you are not unduly disadvantaged.

Therefore, let us make use of these days to ensure that we are free so that by 23 December 2015, we are free and have Christmas and continue talking to the population. I, therefore, would like to ask Members to apply themselves to this exercise so that we accomplish it.

I am also giving notice that the Parliamentary Calendar is going to change, taking into account all these new laws, but we will inform you about that in the future. Hon. Ssimbwa had an issue to raise.

2.49

**MR JOHN SSIMBWA (NRM, Makindye Division East, Kampala):** Thank you, Madam Speaker. I stand here on a matter of national importance and this is something to do with the presidential directive on daily market dues. When the President was addressing his nomination rally in Kololo in 2010, he announced the abolition of the collection of daily dues from our markets.

This ban has been on but as I speak now, Kampala Capital City Authority has come up with the same dues that were banned by His Excellency the President. What is happening is that as the farmers suffer – because when the farmers bring their produce in Kampala, every bunch of Matooke is taxed, all the chicken that enter Kampala are charged and even those who work within the market get charged with those daily dues.

I have here a list of 40 items that KCCA charges on a daily basis. The President banned Shs 500, which was the daily dues; in a month the total came to Shs 15,000. Currently, if you consider a woman who sells 20 bunches in a Kampala market; in a month that woman pays Shs 270,000 out of these daily dues; yet on top of that, this same person pays monthly rent in the market.

My question to Government is; the President is the Head of the State and he made an announcement publicly and we have not received another contrary to that. We, therefore, would like to know as people of Kampala whether Kampala is part of the area that the President rules. If not so, then we would like to know because the directive seems not to be working in Kampala.

However, on the other note also, this is double taxation; somebody bringing the items from the village is taxed, the one buying from Nakasero market is also taxed; it is, therefore, double taxation for us people of Kampala. We would like Government to come out clearly on this, so that we know which line we must follow.

**THE SPEAKER:** I hope Government will be able to answer.

2.51

**MS KEVINAH TAAKA (FDC, Busia Municipality, Busia):** Thank you, Madam Speaker. I stand on a matter of national importance. We have a problem in Busia, in fact an emergency. We have an outbreak of cholera, which is now spreading. Busia is a border town, which has a lot of traffic; people come from different areas to either trade, visit or do other personal things; it is a transit route. We have been having patients coming from all over the country; from Far East, North-East, from Kenya, Soroti and Namayingo in the South, but when these people come - now that there is an outbreak of cholera, the whole health centre IV of the municipality, is now cordoned off; other patients are not accessing treatment from the health center.

We have one ward, which is being shared between men and women. That has also been taken over and another small ward, which has been handling children, is also closed. The maternity ward is also in problems because of the cholera outbreak. We are, therefore, handling only cholera cases.

We have actually of recent lost about 20 people and these bodies are transported almost everywhere. There was a body, which was brought from Mulago and was taken to the South Constituency, but people insisted that the dead did not die of cholera; they opened the body and that area is also under attack.

Another problem is that the medical personnel are not well facilitated yet they are handling a delicate situation. They have some protective gear but they are not paid for handling that emergency.

Madam Speaker, on Monday, the RDC mobilised some soldiers from Rubongi who came to try and clean the town. However, the way they were handling the citizens in the area was not appealing. They would go to people’s homes and search them; they even demolished some pit latrines. They contacted me maybe to fundraise so that we construct some latrines. However, now that we are in campaigns, I do not know whether we should fundraise so that we put up such facilities. It is a problem with cholera if they do not have latrines.

The other time when we were here, we talked about this cholera issue and it did not only involve Uganda, but also our neighbouring countries.

On the Kenyan side when it is a rainy season, the sewage system is blocked and the pipes burst and sewage flows into Uganda because they are at a higher altitude. It is along this boundary of Uganda and Kenya that the sewage comes and causes a cholera outbreak. I even called the Minister, hon. Opendi, and she said that they had contained the situation. However, that was the first phase. In this second phase, things are very bad.

I am, therefore, appealing to you, Madam Speaker and this august House, to intervene and see how we can handle this issue of Busia because it may spread to the entire country. Together with the NGOs I believe we can handle this and try to curb the problem. Otherwise, it is serious.

I would like to appeal to this Government to facilitate the health workers who are giving their life to handle such patients. Thank you, Madam Speaker.

**THE SPEAKER:** Honourable member, after you left my office, I contacted the ministry and they told me that hon. Opendi had gone to Busia today on that very issue. I do hope that during the course of this week, she can update us. But that is what the Permanent Secretary told me.

2.56

**MR HASSAN FUNGAROO (FDC, Obongi County, Moyo):** Thank you very much, Madam Speaker. I rise on a matter of national importance. This is related to the national voter register which has been released and displaced by the Electoral Commission.

Madam Speaker, in Obongi and particularly, in Gimara subcounty, a polling station at Lumahai Health Centre III and a polling station also in Itula subcounty at Bilamili and then Itula subcounty headquarters, we discovered foreigners on the voter register.

When we interviewed them one by one and knowing that these were people here, we discovered that these people came from Tanzania; they are not residents of Obongi. They do not have homes in Obongi, neither do they live in Obongi. The only purpose they could have gone there is just business or as passers-by.

But now, passers-by becoming voters in Gimara and Itula subcounties; we have seen these people in three polling stations. We need to check all the polling stations so that we can give you the details; otherwise, this can be verified.

The problem we have is that – Ugandans have been working hard and according to our law, we are only supposed to have citizens of the country as voters yet we now have foreigners, more so from Tanzania. If maybe they were from South Sudan and Congo -*(Laughter)*– we could say they were registered accidentally since they are neighbours. Again, even if they are our neighbours, they are not supposed to vote in our elections.

The problem with this is that, if the register is not cleaned between now and the voting time, it may negatively affect the process of the voting. We do not want to see what happened in Ntungamo happen in Obongi.

Again in Obongi, we do not want any violence, but Uganda has a history *-(Interruption)*

**MR TASHOBYA:** Thank you very much, honourable member. I am not going to ask about what happened in Ntungamo. I am also not disputing what the honourable member is raising. However, I would like to get clarification from him because some time back at the beginning of this year, the Electoral Commission gave about two weeks’ time within which people should crosscheck the register, verify and point out people who are not residents or do not qualify to be registered and have those people removed from the register.

What could have happened in Obongi for people not to have found their names on the register at that time and it is now being pointed out at this time when it is getting fairly late to correct the register?

**MR FUNGAROO:** Thank you very much, Madam Speaker. The matter you are raising was done at the time of the verification of the voter register. This surprise has come again because the voter register has just been received. This is a repetition of the same problem, which means what the people recommended that these were strangers - these are not people from Obongi and not Ugandans yet they still persist.

We have also discovered another problem of people of Obongi who are citizens having their names and details changed from one polling station to another. For example, someone in polling station A, parish C, subcounty C will find him or herself appearing in another polling station in another subcounty. How will these people move from one place to another? And how does the Electoral Commission expect people to vote in that manner?

Lastly, the Electoral Commission said that the voter cards are not necessary for voting. In the law, a person is supposed to be a voter and have a valid voter card. What I have here is a national identity card. This identifies me as a citizen. I also have the identity card of Parliament of Uganda. I also have an identity card for the medical insurance.

What is the problem *–(Interjections)-* with Electoral Commission giving people voter cards even if people have national identity cards? The two are not the same. How shall we identify people -given those bad signs already, at the polling stations - when we do not have a valid voter card for a person coming to vote on a polling station in Obongi? These are issues, which can affect you, honourable members. These are not Obongi problems only. For you, my brothers –

The case of hon. Norbert Mao is also here. Honourable members, who have just come from the primary elections - yes, we also have primary elections, you know what happened. You wait for this one *–(Laughter)*- If you think these are Obongi problems, wait and you will see.

My prayer is that Electoral Commission cleans up the voter register before the polling day and secondly, the Electoral Commission should print valid voter cards for every voter before we go for voting. Thank you.

**THE SPEAKER:** I do not know whether the Minister of Finance wishes to say something about the taxation in the markets of Kampala. On the voter register, hon. Otengo.

3.03

**THE MINISTER OF STATE, OFFICE OF THE PRIME MINISTER (NORTHERN UGANDA) (Ms Rebecca Otengo Amuge):** Madam Speaker, I think he should have added something, which would make us understand. The two subcounties among the three he has mentioned; one is Gimara and the other is Aliba. Those two that I have mentioned have many tribes to the extent that even hon. Fungaroo should have some interpreter in some areas. I think that kind of confusion can also mix up the voters where we come from.

I am looking at areas like Bweyale and I would like to compare it to what is in Obongi. What the hon. Fungaroo is talking about should be looked into deeply so that we find out if some of them are not from those other tribes because they almost have four to six tribes in a single subcounty. Thank you.

**MR FUNGAROO:** When it comes to tribes, it is true in Obongi, there are many indigenous tribes. Because of the communal life of the people in the rural areas, people know themselves tribe by tribe, house by house and person by person.

For your information, the people I have given a history, who came from Tanzania, are actually people of Rwandese nationality - if you understand the concept of nationality from sociology. There were people who came from Tanzania and were supposed to go back to Rwanda. You remember there were Rwandese who were evicted from Tanzania to go back to Rwanda and instead, they came to Uganda. These people are spread all over. Some of their relatives are in Nakaseke, Luweero, North and Nakasongola, Buganda. These people are not from Obongi. We do not have Rwandese of Obongi origin. *(Laughter)* We know them and they look different. Their language and culture is different and they eat different foods from us. I thank you.

3.05

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PLANNING) (Mr David Bahati):** Thank you very much, Madam Speaker. I would like to thank hon. Fungaroo for raising this issue. This House passed the law and recently, we passed an amendment to the law regarding elections. We do expect and know that the Electoral Commission will conduct these elections according to that law. February elections are for Ugandans to elect Ugandan leaders and the Electoral Commission will comply with that.

3.07

**THE MINISTER WITHOUT PORTFOLIO (IN-CHARGE OF POLITICAL MOBILISATION) (Mr Abraham Byandala):** Madam Speaker. I thank hon. Ssimbwa for what he called a matter of national importance on market dues.

His Excellency the President, made a directive not on market dues officially run by local governments. His Excellency talked about those sorts of roadblocks on roads where they were charging people, but he did not talk about officially gazetted markets run by local authorities.

Therefore, that is okay in Kampala Capital City, where they charge market dues in the official markets. His Excellency only banned those he found as sort of roadblocks, thank you.

**THE SPEAKER:** Maybe we need a written directive.

**MR SSIMBWA:** Madam Speaker, I would like to inform hon. Byandala that in a circular that was written even before the President made a directive, by hon. Tarsis Kabwegyere when he was still Minister for Local Government, by then Kampala was still like any other local government.

The circular was very clear; it is about daily market dues, and that is why I am asking the minister to come up with an official communication and we know that either the directive of the President has been rescinded or a clarification about the President’s directive so that we do not get confused with what came out from the local government at that time and what the minister is talking about this time. In 2010 when the President was in Kololo, he talked about daily market dues for market vendors to increase on their profit margin, that was the intention. When the minister covers up here, saying that it was about the roadside markets, Madam Speaker, I do not agree with him.

**THE SPEAKER:** We will ask the Government to lay the communication on the Table this week so that we know whether it is the roadside markets or market dues, so that the Kampala people can know what to do.

Honourable members, the Parliamentary Anglican Chaplaincy and fellowship of Parliament invites the Members to a Christmas Carols Holy Communion Service tomorrow in the Conference Hall at 4:30 p.m. The Archbishop of the Church of Uganda, His Grace Stanley Ntagali will be the main celebrant. Thank you.

PERSONAL EXPLANATION

3.10

**MR PETER ERIAKU (NRM, Kapelebyong County, Amuria):** Thank you, very much, Madam Speaker, for giving me an opportunity to make a statement regarding what appeared in the media alleging that I had withdrawn construction materials from Angaro Community School. I move this under rule 46 of our Rules of Procedure.

On Thursday 10 December this year, The *Daily* *Monitor* and *Etop* newspapers, ran a false, malicious and defamatory story about me, Eriaku Peter Emmanuel, MP Kapelebyong County, as having withdrawn materials. They alleged 65 bags of cement and 70 iron sheets that I had earlier donated for the construction of a two classroom block at Angaro Community Primary School in Obalanga subcounty.

Madam Speaker, I stand before you this day not only to refute these allegations but also to put the record straight by stating the following facts; Angaro Trading Centre, the location of the said Angaro Primary School is where I rented stores and accommodation for the construction company that I contracted to undertake the said project.

The construction that I hired was working on four projects namely: Angaro Primary School, Amare Primary School, Alito Catholic Church and Obalanga Catholic Mission.

In the last week of the NRM party campaigns, materials for the four projects above were picked from Angaro stores and delivered to the respective construction sites.

On the 28 October this year, the construction company that I hired, having concluded the works with the resources that I had availed them, decided to park their construction equipment, food and beddings and relocated to Soroti for further assignments by their boss.

Madam Speaker, the story has grossly tarnished my reputation and that of this august House as a whole. I have, therefore, decided to take legal action against the architects and promoters of this malicious propaganda. I beg to move Madam Speaker.

**THE SPEAKER:** Thank you very much, hon. Eraiku.

LAYING OF PAPERS

I: NATIONAL BUDGET FRAMEWORK PAPER FOR THE FINANCIAL YEAR 2016/2017 – FINANCIAL YEAR 2020/2021

3.13

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PLANNING) (Mr David Bahati):** Madam Speaker, I beg to lay the Budget Framework Paper for the financial year 2016/2017 to 2020/2021, together with the certificate of gender and equity compliance in line with sections 9, 5 and 6 of the Public Finance Management Act, 2015.

**THE SPEAKER:** Thank you very much, honourable minister. Honourable members, I will commit this to the Budget Committee as per the Public Finance Management Act. However, I do not believe that it was our intention to exclude the sectoral committees from looking at this Budget Framework Paper (BFP). I still think that the sectoral committees should look at it and file a report to the Budget Committee, so that we are able to capture the interests of the different sectors effectively.

3.14

**THE CHAIRPERSON, COMMITTEE ON DEFENCE AND INTERNAL AFFAIRS (Ms Benny Namugwanya):** Thank you, very much, Madam Speaker. This morning I was meeting with our Clerk to the Committee on Defence and Internal Affairs, and the budget officer to the same committee. We were trying to make a work plan of how the sectoral committee can look at the Budget Framework Paper.

Incidentally, I found out that the budget officer who is attached to the committee is as well working with the Committee on Budget. He told me he is going to be engaged for today, tomorrow and Friday with the Budget Committee. That he can only work with us on Saturday, and the fact that you told us that by Monday, we should be through, I am seeking for you guidance and how we can handle this.

He had advised that we can look at the Budget Framework Paper over the weekend, he comes up with those draft issues and then the committee looks at them on Monday and interacts with the ministry officials; we need guidance on that. Thank you.

**THE SPEAKER:** We can get you another clerk; that is an administrative matter. We can handle it to ensure that all the committees are being serviced.

**MR MWIRU:** Thank you, Madam Speaker. Under the Public Finance Management Act, we had passed a clause to the effect that when the minister is laying the Budget Framework Paper together with a certificate, he was supposed to lay a certificate of compliance of the previous budget with the National Development Plan because it was passed in the Act.

Therefore, I had expected my good friend, the finance minister – because we passed it and the National Planning Authority was supposed to issue a certificate of compliance, which would actually accompany the Budget Framework Paper and be presented with a certificate of gender equity – those are some of the documents that we receive to know that their expenditure in the previous budget was in compliance with the National Development Plan - the Auditor-General noted that the expenditures in the budget were not in compliance with National Development Plan. I, therefore, seek for procedural guidance on what stage we shall receive it from the ministry.

**THE SPEAKER:** Minister, do you have the compliance certificate from the National Planning Authority?

**MR BAHATI:** Madam Speaker, the climate is very conducive and so, Members should not get worried. *(Laughter)*

**THE SPEAKER:** I wish to confirm that the weather conditions are favourable and so, just proceed with your work. *(Laughter)*

**MR BAHATI:** I thank you for confirming, Madam Speaker. Last year we submitted the certificate of compliance together with the budget in April and not the Budget Framework Paper. But if it is the wish of the House, we can still process that and bring it.

**HONOURABLE MEMBERS:** But it is the law.

**MR BAHATI:** But at what stage? The last time we did not submit it with the Budget Framework Paper. We submitted it with the main budget in April after we had gone through all this.

**MR MWIRU:** Madam Speaker, I am alive to the climate as the minister has said. But I think that it is just a requirement of the law. But maybe before we proceed to deal with the budget, I wish to put the House on notice that I will insist on that certificate.

**MR BAHATI:** We will process that and submit by Tuesday.

**THE SPEAKER:** Very well. The next item.

II: REQUEST BY GOVERNMENT TO BORROW UP TO UNITS OF ACCOUNTS (UA) 65.8 MILLION FROM THE AFRICAN DEVELOPMENT FUND (ADF) FOR FINANCING THE WATER SUPPLY AND SANITATION PROGRAMMEs, PHASE II (WSSP II)

3.19

**THE MINISTER FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PLANNING) (Mr David Bahati):** Madam Speaker, I beg to lay a request to borrow up to Units of Accounts (UA) 65.8 million from The African Development Fund (ADF) for financing the Water Supply and Sanitation Programme, Phase II. I beg to lay.

**THE SPEAKER:** The request is sent to the Committee on National Economy for perusal and report back.

III: REQUEST BY GOVERNMENT TO BORROW UP TO $76.70 MILLION FROM THE AFRICAN DEVELOPMENT BANK (ADB) FOR FINANCING THE FARM INCOME ENHANCEMENT AND FOREST CONSERVATION PROGRAMME: PROJECT (FIEFOC -2)

3.19

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PLANNING) (Mr David Bahati):** Madam Speaker, I beg to lay a request by Government to borrow up to $76.70 million from the African Development Bank (ADB) for financing the Farm Income Enhancement and Forest Conservation Programme. I beg to lay.

**THE SPEAKER:** The request is sent to the Committee on National Economy for perusal and report back.

IV: REQUEST BY GOVERNMENT TO BORROW UP TO EUROS 42.5 MILLION FROM A GERMAN BANK CONSORTIUM (AKA AUSFUHRKREDIT – GESELLSCHAFT MBH AND COMMERZBANK AG) FOR THE DEVELOPMENT OF AN INLAND PORT AT BUKASA ON THE SHORES OF LAKE VICTORIA

3.20

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PLANNING) (Mr David Bahati):** Madam Speaker, I beg to lay a request by Government to borrow up to Euros 42.5 million from a German Bank Consortium for the development of an inland port at Bukasa on the shores of Lake Victoria.

**THE SPEAKER:** The request is sent to the Committee on National Economy for perusal and report back.

V: REQUEST BY GOVERNMENT TO BORROW UP TO SDR 106.4 MILLION ($150 MILLION) FROM THE INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA) OF THE WORLD BANK GROUP TO SUPPORT THE AGRICULTURE CLUSTER DEVELOPMENT PROJECT (ACDP)

3.20

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PLANNING) (Mr David Bahati):** Madam Speaker, I beg to lay a request by Government to borrow up to $150 million from the International Development Association of the World Bank Group to support the Agriculture Cluster Development Project (ACDP). I beg to lay.

**THE SPEAKER:** The request is sent to the Committee on National Economy for perusal and report back.

VI: REPORT OF THE DELEGATION TO THE 133RD INTER-PARLIAMENTARY UNION (IPU) ASSEMBLY HELD IN GENEVA, SWITZERLAND, FROM 14TO 22 OCTOBER 2015

3.21

**MS FRANCA AKELLO (FDC, Woman Representative, Agago):** I thank you, Madam Speaker, for giving me this opportunity to lay on Table a report of the delegation to the 133rd Inter-Parliamentary Union (IPU) Assembly held in Geneva, Switzerland, from 14 to 22 October, 2015. I beg to lay.

**THE SPEAKER:** I thank you very much. The report should be circulated and a date will be appointed for discussion.

PRESENTATION, CONSIDERATION AND ADOPTION OF THE REPORT OF THE SELECT COMMITTEE INQUIRING INTO THE TAKEOVER OF THE LAND FORMERLY BELONGING TO PUBLIC SCHOOLS IN KAMPALA CAPITAL CITY AUTHORITY (KCCA)

3.22

**THE CHAIRPERSON, SELECT COMMITTEE (Mr Robert Migadde):** I thank you very much, Madam Speaker. On 4 February 2015, hon. Theodore Ssekikubo, Member of Parliament for Lwemiyaga County, Ssembabule District, moved a motion for a Resolution of Parliament to constitute a select committee to inquire into the takeover of land formerly belonging to public schools and institutions in Kampala Capital City Authority.

The motion came at the backdrop of a wanton eviction and demolition of Nabagereka Primary School in Rubaga Division, Kampala on 23 January, 2015, by Boost Investments Ltd.

The House, under Resolution No.6 of the same motion resolved that, *“A select committee be constituted to inquire into the takeover of land formerly belonging to public schools and institutions in Kampala Capital City Authority (KCCA)”.*

In accordance with Rule 179 of the Rules of Procedure of Parliament, a six-member Select Committee of the House was appointed. The following members constituted this committee: Robert Migadde was the chairperson, hon. Kassiano Wadri, hon.Olivia Kabaale, hon. Wilfred Niwagaba, hon. Patrick Mulindwa and hon. Mathias Mpuuga as members.

The terms of reference were as follows:-

1) To investigate the circumstances surrounding the takeover of land formerly belonging to public schools in Kampala Capital City Authority, specifically Nabagereka Primary School;

2) Whether the takeover transaction was in accordance with the laid down rules and procedures;

3) Whether appropriate mitigation measures were put in place to cater for the affected students and teachers; and

4) Make appropriate recommendations to Parliament.

Madam Speaker, we carried out on-spot visits to public schools and among them;

1. Nabagereka Primary School,
2. Nakasero Primary School,
3. Buganda Road Primary School,
4. Bat Valley Primary School,
5. Kitante Primary School,
6. Kasubi Family Primary School,
7. Nakivubo Settlement Primary School,
8. Nakivubo Blue Primary School,
9. Shimoni Demonstration School,
10. Namungoona Kigoobe Primary School,
11. East Kololo Primary School,
12. Kololo Senior Secondary School,
13. Old Kampala Senior Secondary School,
14. City High School,
15. Makerere University,
16. Nateete Muslim School,
17. Kyambogo University and
18. Nakivubo War Memorial Stadium.

Madam Speaker, there were a number of schools but going by the time allocated, we shall go to the contentious schools, especially Nabagereka Primary School.

The Findings of the Committee

According to records availed to the committee by both Buganda Land Board and the Ministry of Education, Science, Technology and Sports, the school was first set up in Lubiri as purely a Buganda Kingdom School in the early 1960s.

Following the 1966 crisis and the subsequent conversion of Lubiri Palace into a military barracks, the school was relocated by the central government from Lubiri to its most recent location at Mengo-Kisenyi as a purely government-aided school.

At the time of its demolition on 23 January 2015, the school existed as a Universal Primary Education, government-aided school with a population of 1,443 pupils and 23 teachers. Since its establishment in the 1970s up to 2013, Nabagereka Primary School had occupied, utilised and developed the said land without being challenged by anyone.

Following a formal application, in 2006, Uganda Land Commission, under Reference No. 151/3666, Minute No. 3/2006, leased Block 12, Plot 1049 Kisenyi Area on which Nabagereka Primary School was established, to Boost Investments Ltd for a period of 99 years from 01 February 2007 at a premium of Shs 120 million.

According to the chairperson of Uganda Land Commission, the commission lost interest in the same land after discovering that it was among the properties that the Government of Uganda had returned to Buganda Kingdom.

On 5 July 2009, in a bid to regularise its lease on the subject land, Boost Investments Ltd entered into a deed of surrender with Buganda Land Board in which Boost Investments Ltd surrendered the lease obtained from ULC to Buganda Land Board. In return, Buganda Land Board granted a lease of 93 years, which was the balance of the 99 years earlier granted.

Following numerous eviction threats, on 23 January 2015, at about 3.00 a.m., Boost Investments Ltd, with the assistance of Police demolished the school.

Boost Investments Ltd demolished Nabagereka Primary School without a court order. Neither the School administration, the Ministry of Education, Science, Technology and Sports nor KCCA was served with the court order, nor did the court order exist.

The demolition of the school led to displacement of 1,443 pupils and 23 teachers, loss of school property including buildings, furniture, computers, official records and personal belongings of teachers’ families.

Role of KCCA in the Demolition of Nabagereka Primary School

Boost Investments Ltd dealt with KCCA in the entire process of evicting Nabagereka Primary School. In most of the correspondences the committee received, it appears that Boost Investments dealt with KCCA to the extent that it addressed all eviction notices to KCCA, instead of the Ministry of Education, Science, Technology and Sports and the Attorney-General.

Indeed, on 15 May 2014, the Permanent Secretary, Ministry of Education, Science, Technology and Sports wrote to the Executive Director, KCCA, observing that Boost Investments Ltd has continued to deal with KCCA, ignoring the ministry. She requested the Executive Director to refer all the eviction notices and correspondences on the subject matter to the Ministry of Education, Science, Technology and Sports rather than KCCA.

KCCA Executive Director, Jennifer Musisi, without consulting the Ministry of Education Science, Technology and Sports and the Attorney-General made an undertaking to Boost Investments Ltd to relocate Nabagereka Primary School from Plot 1049.

The committee was informed that on the 13 May 2014, Boost Investments Ltd and officials from KCCA met and agreed to extend the relocation of Nabageleka Primary School. Madam Speaker, according to the documents, you can see that on annexure iv.

Indeed, on 13 May 2014, the KCCA Executive Director wrote to the Managing Director, Boost Investments Ltd extending the time within which to relocate Nabagereka Primary School to 31 December 2014. That letter is also attached as annexures v. The effect of this undertaking meant that after 31 December 2014, Boost Investments Ltd would have automatic entry on the said land.

KCCA delayed in communicating to the relevant Government agencies and ministries the impending eviction of Nabagereka Primary School. Although KCCA undertook to relocate Nabagereka Primary School on 13 May 2014, the Executive Director only communicated to the Ministry of Education and Sports about the undertaking and the eviction of Nabagereka Primary School on the 9 December 2014, 21 days to the relocation deadline. That letter is also attached as annexure vi.

As part of the discussion of 13 May 2014 and an earlier request of 6 May 2014, KCCA agreed to provide security during the opening of boundaries, and the physical planner, Moses Atwine granted permission to Boost Investments Ltd to erect a chain link fence on the school land.

KCCA failed to secure the assets of Nabagereka Primary School from looting and destruction. On 6 May 2014, Ajungule and Company Advocates wrote to KCCA requesting them to inform them on where to keep the valuables on the school land, but there was no response.

The granting of the lease to Boost Investments Ltd for Plot 1049 by Uganda Land Commission in total disregard of Nabagereka Primary School’s interest, did not in itself extinguish the interest of the school in the land. The interest of Nabagereka Primary School in the land still survives to-date.

The process of evicting Nabagereka Primary School from plot 1049 was marred with procedural irregularities that made the whole process a nullity and the eviction illegal. Boost Investments Ltd dealt with KCCA in the entire process of evicting Nabagereka Primary School.

Whereas KCCA has a supervisory role over all primary schools in Kampala, the dispute over ownership of land on which Nabagereka Primary School is established would be best addressed by the Attorney-General, the school management committee and the Ministry of Education, Science, Technology and Sports, all of whom were ignored or not consulted during this process.

The Executive Director, KCCA, Jennifer Musisi exceeded her powers when she made undertakings to Boost Investments Ltd to relocate Nabagereka Primary School from Plot 1049 to Kansanga-Nabutiti. The committee discovered that the Executive Director, KCCA entered into an undertaking on the 13 May 2014 to relocate Nabagereka Primary School from its current location. That letter is also attached as annexure viii. In the same letter, the Executive Director requested that the deadline for relocation of Nabagereka Primary School be extended to 31 December 2014. The effect of the undertaking meant that Boost Investments Ltd could gain automatic entry.

Boost Investments Ltd did not pay compensation to Government of Uganda for the value of the demolished properties. And up to the time of the conclusion of this report, KCCA never availed this committee a copy of the items that were demolished or damaged during the demolition.

Whereas the Minister of Education and the Executive Director KCCA were asked by the committee to furnish it with the detailed account of the level of investment Government had in Nabagereka Primary School since its inception, and its net value at the time of demolition, this information was never availed.

Recommendations

The Attorney-General should explore the option of securing compensation for the demolition of Nabagereka Primary School or repossession of government interest in the land comprising Block 12, Plot 1049 formally belonging to Nabagereka Primary School.

The investigative arm of Government should investigate actions, omissions of the following officials:

1. Hon. Joash Mayanja Nkangi, the then Chairperson Uganda Land Commission.
2. Mr K.S.B. Mubala, former Secretary, Uganda Land Commission.
3. Mrs Jennifer Musisi, the Executive Director, KCCA.
4. Mr Moses Atwine, the Director Physical Planning, KCCA.

The investigative arm of Government should investigate the private individual entities and companies for their role in demolition of Nabagereka Primary School. These are Buganda Land Board and Boost Investments Ltd.

Kololo Secondary School

This is a Government-aided secondary school that was established in 1954. The area of contention as per Kololo Secondary School is the school playground, which was leased to Kampala Premier Academy Ltd, and belongs to Dr Sudhir.

The current school has 3,229 pupils. Kololo Secondary School had earlier entered into a memorandum of understanding with Dimmer power over the same and was in plans to allocate the same playground to Dimmer power. The said playground is also utilised by about six schools in this area.

On 26 September 2013, Uganda Land Commission under minute ULC13/ 2013 granted a lease to Kampala Parents’ School in 2014 that is Premier Academy Ltd for an initial period of five years extendable to 99 years.

Neither Uganda Land Commission nor Kampala Parents’ School consulted and acquired the consent of the Management and Board of Governors of Kololo Secondary School.

However, Madam Speaker, when we interacted with the board of Kololo Secondary School, they considered that they had no problem with the development provided their interests are catered for.

On 17 June 2015, after Dr Sudhir Ruparelia appeared before the committee and the Board of Governors of Kololo Secondary School, Kampala Parents’ School entered into a memorandum of understanding with Kololo Secondary School pursuant to which the school would access facilities that would be put on the land in issue, free of charge, and it would receive 10 per cent according to the agreement, of the revenue accruing from the business. Further, that Premier Academy Ltd will meet all the cost of this sports complex.

Prior to the giveaway of the school land in the letter dated 1 June 2011, the Permanent Secretary Ministry of Education, Science, Technology and Sports to the Chairperson, Uganda Land Commission on 1 June 2011. That letter is also attached as annexure xii informing him of the procedure agreed upon by Cabinet to be followed in the disposal of land belonging to education institutions.

The highlights of this procedure were:

1. The disposal of the education institution land was to be considered after obtaining a letter of no objection from the institutions’ administration after satisfying themselves that the future plans of the institution will not be jeopardised.
2. The education institution must benefit from the disposal of the land.
3. The city authorities in the area where the institution is located must be consulted and its authorisation obtained.
4. Uganda Land Commission would then consult the Ministry of Education, Science, Technology and Sports after obtaining the consent from the institution and the local authority from the area where the school is located.

Observations

Kololo Secondary School had been sitting on this land since 1954, which is 41 years, making it a bona fide occupant within the meaning of section 29 of the Land Act.

Whereas Kampala Parents’ School executed an MoU with Kololo Secondary School on 17 June 2015, it is the committee’s considered opinion that the long-term interest of the school and Government were short changed.

There was no feasibility study or cost-benefit analysis done by Government upon which a decision would have been taken to determine the shareholding of both parties in these development ventures.

Suffice to note that an evaluation should have been done by the relevant Government entities in conjunction with the government valuer, to ascertain the market value of the land in question, which would have been turned into equity.

Recommendations

1. Hon. Charles Bakabulindi, Minister of State for Sports, should be held responsible for issuing a letter of no objection to Kampala Parents’ School that is Premier Academy Ltd.
2. The then Chairperson, Uganda Land Commission, Mr Joash Mayanja Nkangi should be held responsible for issuing a lease to Kampala Parents’ School.
3. The new Chairperson Uganda Land Commission, Mr Joash Mayanja Nkangi should be held responsible for removing the caveat put on Plot 41 to 59 and Plot 60 to 68 Lugogo Bypass without consulting the Ministry of Education, Science, Technology and Sports.
4. The Chief Government Valuer and the Attorney-General take interest in reviewing the MoU executed between Kololo Senior Secondary School and Kampala Parents’ School.

Nakasero Primary School

Among the findings, Nakasero Primary School had land comprising plots 34 and 37 Kyadondo Road, which it has been occupying since the 1950s.

Plot 34 and 37 Kyadondo Road on which Nakasero Primary School was established was registered under the name of Uganda Land Commission.

On 9 August 2014, Prestigious Apartments Ltd, a company that deals in property and real estates notified the Division Education Officer, Central Division Kampala, of their intention to apply to Uganda Land Commission for land adjacent to Nakasero Primary School playground and sought a no objection. This letter was copied to the headteacher, Nakasero Primary School, although he denied ever receiving it. That letter is attached as annexure xiv.

On 13 August 2010, a one Night Alice on behalf of the Division Education Officer responded notifying Prestigious Apartments Ltd that the Division Department of Education had no objection to their intention to acquire the identified piece of land. That letter is also attached as annexure xv.

On 16 August, 2010, the Secretary Uganda Land Commission, Mr Mubala wrote to then Permanent Secretary, Ministry of Education, Science, Technology and Sports, Mr Rubanga, requesting him to give his opinion on whether the commission could allocate the said land. There are a number of correspondences, Madam Speaker, like honourable members will observe in that report.

**THE SPEAKER:** Honourable Chairperson, maybe you go to the highlights and then the recommendations. I will instruct the Clerk to put the whole report in the *Hansard*.

**MR MIGADDE:** Let us go to the general recommendations.

Madam Speaker, we had the following observations and recommendations:

1. Whereas the Uganda Land Commission is mandated under Article 238 of the Constitution of the Republic of Uganda and Land Act Cap. 227 to keep custody of public land in public trust and sell, lease or otherwise deal with the land otherwise held by it, this mandate should be exercised reasonably and in good faith. It was evident throughout the inquiry that this mandate has been blatantly abused over the years. In almost all the leases granted by the Uganda Land Commission and reviewed by this committee, there was no justification whatsoever for giving away school land that the funders of these schools had secured for future development needs of these educational institutions. Instead of protecting public land, Uganda Land Commission either abetted irregular transactions or initiated such illegal transactions. Uganda Land Commission has turned into a land-giveaway institution instead of protecting public land for posterity.
2. Secondly, the competence of Uganda Land Commission was also found questionable. It was apparent that the Uganda Land Commission lacks the capacity to oversee the execution of these leases entered into with various developers. Little or no inspection is done, thus giving the developers/institutions the latitude to violate the lease terms including leases within Kampala City. The committee takes great exception to the seemingly deliberate refusal by Uganda Land Commission to terminate the leases whose terms have been violated.
3. The committee was also concerned by the double standards and indifference exhibited by senior management of KCCA in regard to protecting public interests in land matters and approval of building plans. For instance, little effort was done to forestall the demolition of Nabagereka Primary School, but the same authority official quickly authorised Boost Investments Ltd to erect a chain-linked fence on the same school land immediately after its demolition. The same senior management, for unknown reasons, refused to approve the architectural plans for JIMA Properties for the development of plot 17 even when the latter had complied with the set terms. The same authority allowed Ham Enterprises to proceed with construction works for Nakivubo Stadium when some of the conditions had not been met and actually without a building plan approved.

General recommendations

1. Government should ensure that all public school land is surveyed, titled and registered in the names of the respective schools.
2. Government should develop and table before Parliament guidelines on disposal of public land within six months from the date of adoption of this report by the House.
3. Government should impose a moratorium on the disposal of public land until the above guidelines are developed and tabled before Parliament.
4. Government should carry out an audit of all public land within eight months from the date of adoption of this report by the House.
5. The Inspectorate of Government should interest itself in the ascertainment of the unnecessary delays in the approval of building plans by KCCA.
6. Government should consider granting school management committees corporate status to leverage them in the protection of their proprietor interest.
7. Uganda Land Commission should not renew or extend any lease where the leasee has not complied with the terms of the lease.
8. All the relevant Government agencies on whom recommendations have been made in this report, except where specifically provided, should report to the House on the status of the implementation of the said recommendations within six months of the adoption of this report.

In conclusion, Madam Speaker, the findings of the select committee leave no doubt that the process of disposing of Government land, particularly public schools land, was highly flawed. The Uganda Land Commission and other public officials who are mandated to protect and manage such Government assets in the interest of the citizenry for posterity have instead been perpetuators of fraudulent land transactions and giveaways.

The committee, therefore, calls for an urgent review and restructuring of Uganda Land Commission and ensure stringent restrictions aimed at protecting public land.

Madam Speaker, as you can observe, all members of this committee appended their signatures to this report. I thank you. *(Applause)*

**THE SPEAKER:** Thank you very much, honourable chairman and your committee, for such an elaborate report. The Clerk is directed to reflect the entire report in the *Hansard*.

Honourable members, the report reminded me that two years ago, the Appointments Committee recommended that the Uganda Land Commission Act should be tabled as quickly as possible because we noted gaps. I do not know what the Government is going to say about that. It is one of the things we identified as a big problem. I hope they will be able to answer some of these questions.

Before we debate, in the public gallery, we have Century Entrepreneurship Development Agency. Join me in welcoming them to the proceedings. We also have the Uganda Child Rights NGO Network. You are welcome. They have come to observe the proceedings of the House.

Honourable members, can we use 30 minutes to debate this report.

3.54

**DR MEDARD BITEKYEREZO (NRM, Mbarara Municipality, Mbarara):** Thank you very much, Madam Speaker. I would like to thank hon. Migadde and his team for this wonderful report. I also want to thank you for instituting this committee.

These days, churches and mosques are fully packed with people who have gone to pray. These people are very well dressed. A very big number of them have even been to school. However, it is a pity to find that these people are the same people who are giving out public land for almost nothing.

I have been interacting with the Vice-Chancellor of Kyambogo University, Prof. Katunguka. The professor has been crying that Kyambogo land was given out to some people they do not understand – Mega Industries.

If you read this report, Nabagereka Primary School was going to be re-allocated within a second as if they had where to re-allocate the students. What is killing me most is, who are the owners of this Boost Company Limited? I am telling you that these are part and parcel of us.

Madam Speaker, I would like us to know, who the owners of these companies are, so that when we meet them on Kampala Road we know that we are meeting “Thief X” and “Thief Y” so that we can become very conscious about them? When people watch us debating, they will not know the owners of Boost Uganda Limited. These are the people who are sitting in some offices trying to see land that is actually expiring so that they can grab it.

Madam Speaker, I wonder why people go to school and they refuse to be schooled. People went to school and they know the use of physical education. They know that we are getting problems of diseases of urbanisation. Our children are dying due to unnecessary weight just because they cannot play. However, people are giving out playgrounds of schools just because they have been given what we call, “*Njawulo*”.

What normally makes me very comfortable is being aware of the fact that whether you accumulate acres of land in this country for your own survival when you die, you are put in only a small piece of land and you rot like others.

The Minister of Ethics and Integrity must come here and - honestly speaking this minister should grab these people. To my senior colleague here, my brother hon. Bakabulindi, what has happened to you? This is because you are giving out these no objection letters and you want land to go. How can we now be very sure that you will not give out the remaining land in the schools? That is why when ministers are being vetted, these questions must come up.

I believe that when people repent, they can be forgiven. However, by making similar mistakes, they also cause - I pity the minister of education; how can you give out this land? Look at this memorandum of understanding, where somebody gets precious land and they want only 15 per cent of the income from it.

Madam Speaker, this is fraud that is being committed by well learned people who dress very smartly in this country. I think that this report should bring out the names of the owners of these companies which are buying us *–(Interjections)–* yes, so that we can know who is finishing us. I thank you, Madam Speaker.

3.58

**MR STEPHEN MUKITALE (NRM, Buliisa County, Buliisa):** Thank you so much, Madam Speaker. I would like to thank the select committee for the report. I would also like to agree from the onset that we need a law which clearly spells out the role of the land commission. This is because I think it is unfortunate for trustees to become owners. Trustees should not have the mandate of converting ownership; they should only manage on behalf of the actual owners. As a country, we cannot allow privatisation and liberalisation to put social services like education on the peripheral to compete with shopping malls and five star hotels.

As Parliament and a country, we must always protect those sectors which are not necessarily commercial. I would, therefore, like to thank the committee for bringing out these issues; I hope the law will be brought.

If you look at the urban and city authorities, those who approve these developments against- what would be the structural plan? This is because the reason as to why there is land use planning is due to the multipurpose - competing for different land. There must be a school somewhere and other resources. Who is that who just causes a change of land use? Even if you are a property owner, you do not change land use without the consent of the Urban Authorities. Therefore, there is a problem and I think we seriously need to think of the interest of other utilities.

As a country, we have been seeing Kampala and our cities growing. That is why the other time when we were here talking about districts, some of us were saying we should talk more about municipalities. This is because when you are talking about these municipalities, we are talking about more cities which are well planned.

The problem on the other side of the private sector is that people who would want to carry out good developments do not know where to go. This is due to this confusion; if we were organised with good municipalities and good structural plans, people would know where to put these business centres and their five star hotels. It is not the responsibility of the private sector, individuals save their money to look for this kind of land.

We need to get more organised as a Government department working with urban authorities to make sure that we also do not make it - this is because it is also becoming a problem on the other side for those who would want to bring good projects in this country. Where do you go? You do not have to go to Shimoni and say that you are bringing a hotel. We should really try to look at other areas. Is it the lakeside of this country? Are we going to construct other roads? This is so that *-(Member timed out.)*

**THE SPEAKER:** I would just like to add to what hon. Mukitale has said. One of the things that bother me is that the children of the poor are being chased from the schools in Kampala. My former school Shimoni is where the children of the police used to study from. They would walk from Nsambya to Shimoni. Right now, I do not know where they go. With Nnabagereka, it was the people of Kisenyi going there; the children of the poor people have nowhere to study from.

4.02

**MR DENIS OBUA (NRM, Ajuri County, Alebtong):** Thank you, Madam Speaker. I rise to salute the select committee for the report. I think the fundamental question that we must ask ourselves as representatives of the people of Uganda is who is going to ensure compliance especially with the recommendation that this committee has come up with?

Madam Speaker, you have raised a very fundamental point. As long as Uganda Land Commission is still vested with the powers that are unchecked under the Uganda Land Commission Act and the National Constitution, this Parliament will continue to lament on public land. This is because this institution has lots of powers that are not subjected to checks and balances.

Who is going to ensure that there is compliance with that recommendation? Who is going to make a commitment on the Floor of this Parliament today that probably when we return from campaigns or before we go for campaigns, this Act will be tabled for amendment? At least a minister must make an assurance.

The committee made one fundamental recommendation that Government should ensure that all public school land is surveyed, titled and registered in the names of the respective schools. This is not the first time we are debating such excellent recommendations.

Again the fundamental question is, can the Ministry of Education, Science, Technology and Sports make a commitment that they will write to all public schools in Uganda to ensure that management committees and parent-teachers associations, sit down and start on the process of securing land titles for all public schools? This is so that the land belonging to schools is safe.

If all this is not done, I strongly believe that we shall be talking, but we shall not be walking our talk *- (Interruption)*

**MS KIIZA:** Thank you so much, colleague and Madam Speaker, for giving me the opportunity to pass over this information. As you rightly speak, honourable colleague, probably by the time we come out of the campaign, do not get surprised to realise that the following will be displaced; Kyambogo University, Kyambogo College School and Kyambogo Primary School.

Buganda Kingdom has actually issued an ultimatum to Government - and I would like the minister to clarify on this matter- to the effect that the titles they have were given in error. They are requesting Government to relocate those institutions. Therefore, do not get surprised if these Government institutions become homeless very soon. That is the information I wanted to pass on to you and the entire House for action *–(Interjections)*

**MR OBUA:** Madam Speaker, I would like to thank her for the information; that makes it more complex. I think a government is a government; the government in charge right now is the National Resistance Movement - *(Member timed out.)*

4.06

**MR JOHN SSIMBWA (NRM, Makindye Division East, Kampala):** Thank you very much, Madam Speaker. I would like to thank the committee for the good work done. As hon. Hamson has said, here in Kampala the game is between KCCA and the land commission. I do not know whether KCCA is working alone in isolation; even when you look at the report, there is no consultation with the Attorney-General and the Ministry of Education. This is what is happening even in other sectors.

They act as if it is a single unit within Government and that is why we are getting these mistakes. We talk about only school land but also other public lands are affected. As the committee recommended, even the other public land in Kampala, our people do not have playgrounds because all of them – even those which belong to schools - have been allocated.

We talked about it in the report and we considered Kololo, but even if you go to other areas like Bukasa, the playgrounds have been grabbed and the schools have remained without playgrounds.

This is a very big issue because this is where the community was also utilising this service to have our people do some sports. The other issue is that – to me I would propose that the House resolves and passes a resolution that Government brings a law before we break off, so that we review the powers of the land commission.

As we talk about schools, even communities are being affected. In Kampala, the land commission allocates land where there are people, even without consulting them and shortly after, people are evicted. As we talk about school land, there is need to talk about public land as well. We should limit the powers of the land commission so that our people do not suffer.

However, if we leave it and go for campaigns, as hon. Kiiza has put it, some of us who will come back will find everything in turmoil. During this period of campaigns, they are doing whatever is possible to ensure that they take what is remaining; we, therefore, need to come in as Government to ensure that we safeguard what is still there.

4.08

**THE MINISTER OF STATE FOR EDUCATION (SPORTS) (MR Charles Bakabulindi):** Thank you, Madam Speaker. I would like to add my voice to those that have thanked the committee and also those who have already contributed to the report. I also share the concerns of my colleague, Dr Bitekyerezo.

I would have come last but I wanted to come in advance and clarify on one thing. I have looked at the report which I have got today. I looked at the findings of the report, the observations on which they base their recommendations, and also looked at the current situation of the Kololo land and what is going on now; the memorandum of understanding, already between the school and Sudhir *–(Interjections)-* if you read this report, it looks like hon. Bakabulindi was not invited in the committee, yet I was invited. I forced myself to appear before the committee after the clerk and some members tried to dodge me.

I would come and they would tell me that there is no committee meeting today, the quorum is not realised, please come another day, until I complained to the chairperson. He is here and can attest to that. I told him that I would like to appear before the committee and clear my name.

I came to the committee and made it clear that my letter is written in English, not in any other language. The letter had three key words. I agree and have no objection with your good opinion and that was to Sudhir, not the land commission.

Consult all the relevant authorities concerned and follow strictly the recommendations that you have been advised to follow by the Ministry of the Presidency. That is where they went first and the letters are all attached. I did not say that I had sold it; I simply advised him to consult all the relevant authorities. I noted that the idea is good, but make sure that you follow all the steps as per the advice of the letter of the Ministry of the Presidency, of which I have a copy.

After that, I went further to the committee and said, to the chairperson, that we consult the Act and look at the powers in section 53 of the Land (Amendment) Act, 2010. This was to help us discover who has the powers to sell. It is clear as my colleagues were saying; it is vested in the land commission and unless you change the law, it will remain with all the powers. I would like to give a very simple example; Namboole Stadium which you see has taken me almost seven years trying to get a land title for it on behalf of the National Council of Sports. I am still struggling with the Uganda Land Commission to get the land title for Namboole. If it were the minister having all the powers to direct them, why are they still failing to issue me the title for Namboole?

I went to the committee and I explained everything, but unfortunately, they are only quoting one thing; from their findings, the reason why they are charging me is because I did not consult my seniors. Madam Speaker, I would like to ask this, I am a Minister of State in charge of a sector, I am not a deputy minister; there is a difference *–(Interjections –* yes, I am Minister of State in charge of a sector. A letter is coming from someone not from a board of Government and I am responding to a private person. Do I need to consult on each and everything? That is where the committee bases their recommendations because my colleague came to them and they asked him if he was aware of this, and he simply said that he is not aware and, therefore, Bakabulindi should answer.

I went to the committee and told them that I am aware about that letter; I am the one who wrote it, so what? I explained to them. The letter is even very clear; go and follow the advice from the Minister of the Presidency and consult all the relevant authorities, and I stopped there.

I, therefore, expected the committee to reflect this but because some people were there selling the name of “Baka” – Madam Speaker, I just wanted to make that clear, the letters are all with the committee clarifying the situation. I did not sell and I do not have the powers according to this law.

Madam Speaker, maybe to clarify on what my colleague was saying; it is true, the Permanent Secretary of the Ministry of Lands wrote to us as a matter of urgency, saying that where Kyambogo University is located, we have land where we are supposed to re-locate our headquarters of the Ministry of Education. The process of surveying among other things took a lot of money and they simply said that we discovered that we made a mistake; the land is not yours but for Buganda.

In fact, when the letter was brought to me recently – because I was the minister around to endorse and say that we start negotiations with Buganda, I totally rejected the idea and told them that I cannot do that. Why should it be me? Direct the Ministry of Lands first to compensate us. After spending a lot of money, if they made a mistake, why should they simply rule that I go and negotiate? It is true, but we are still holding meetings, and we have refused on that position. I thank you.

4.14

**MR PAUL MWIRU (FDC, Jinja Municipality, Jinja):** Thank you, Madam Speaker. I have been persuaded by the explanation of the minister and I have this to say. The problem is not leasing the land but dealing in land. Uganda Land Commission, after issuing these leases, first offers a developmental lease and states that these are the terms of the lease.

This means that the person who should apply to develop the land should be the one with the means to develop it. That is not what is taking place in this country.

I would like to give an example of Shimoni Demonstration School. When the matter about Shimoni came up in Parliament the first time, they had presented a sham under the guise of Kingdom Hotel; they alleged that this is someone from Saudi Arabia. The argument was that if he gets this land, there will be development in this country.

Immediately he left - they actually gave Kingdom Hotel a lease of five years. Thereafter, fraudsters in Kampala registered another company called Kingdom Hotel Kampala. As we speak today, the Shimoni land is in the names of Kingdom Hotel Kampala, with a lease of 99 years. They have taken the entire land to be developed for what they had presented as the original plan.

As it stands today, they have cut off part of the land where there is a washing bay – actually they have now sub-divided the land, the same applies to Nakawa now. What am I trying to put across? I am stressing the point that Government should come up very strictly; I am not even bothered about Uganda Land Commission. The Government should come up very strictly. I am not even bothered about Uganda Land Commission. There should be a policy. Once you are given land as a developer, you must comply with the terms of the lease. The term bona fide purchaser for value without notice does not apply to a lease plan because by the time you buy, there is a lease document. The lease document clearly spells out the terms.

For example, if land was leased to someone for five years on clear terms, I have not developed and yet I am selling it to another person, that person reading the lease document in the title cannot say that he/she is a bona fide purchaser for value without notice.

Madam Speaker, this same thing has applied in my constituency and you are all aware. The whole prisons’ land was given to a developer to put up an Information Technology Centre. What happened and where is the land title today? It is in Crane Bank with Sudhir. The person received the title as a developer and became rich by mortgaging it to get money.

What we need to deal with as Parliament even before we wait for the law, is to pass a resolution for the Commissioner Land Registration, that any developer who receives an offer to develop a plot has no right to sell it. Your interest is limited to developing the piece of land; what is taking place in Kampala is just bidding. When you talk about all these companies - the chairperson will tell - it is the same people who keep on flouting these companies. When we dealt with Kyambogo, we asked the Minister of Education *–(Member timed out.)*

**THE SPEAKER:** One minute. I think that is important.

**MR MWIRU:** Government land which is titled like Kyambogo; the title is in custody with Uganda Land Commission. That is what happens in Government. The Permanent Secretary of Ministry of Education then, Lubanga, surrendered the title from Uganda Land Commission and gave it to share off the land from Kyambogo University.

What we need to deal with is maladministration within Government. The minister must understand that the law as it states does not confer rights to someone who has got a lease to sell. You only have it as a developer and at the expiry of that development term, if you have not developed it, the land must revert to Government.

As we talk now, whoever has received land – how can someone who has received land as a developer - and how does he go back to extend his/her lease for 99 years when he/she has not done any development?

I am on record - we wrote our report that was adopted here in Parliament. We asked Uganda Land Commission - how did you give a lease of 99 years to someone who is not even part of *– (Member timed out.)*

4.19

**MS BEATRICE ANYWAR (FDC, Woman Representative, Kitgum):** Thank you very much, Madam Speaker. I would like to thank the committee for a very good report. However, this report has made some recommendations.

To start with, I would like to quickly have Parliament agree on those people who are mentioned in this report. I would want to see police swing into action to ensure that justice is done.

Madam Speaker, we are talking about the lives of the children of this country. As you rightly noted, the children of the police officers and the poor from Nakawa and Katanga were displaced and they could not continue, yet Shimoni has remained vacant. These Children are suffering a child who was in P.2 would now have completed P.7. However, because of malice, you are cutting off the future of this child by displacement. You know that not many parents can afford to transport their children from one school to another.

For these criminals and the people who have disrupted the lives and futures of these children must be dealt with without mercy. I would want to see a chopper coming for them so that they are answerable for disrupting the futures of these children.

It is sad to note that the land grabbing which hon. Bitekyerezo noted – in Kyambogo University, Professor Ndiege lost a job. You remember when this report was on this Floor. The reason Prof. Ndiege lost his job was because he was protecting Kyambogo Land. I am not sure if my colleague hon. Bitekyerezo is not where he is for the same reasons.

In this country, people do not want to speak the truth. When you speak the truth, the machinery comes against you. The truth of the matter today is that these land grabbers are not any ordinary Ugandan – (*Interjection)*– no, my brother in eyeglasses, it is as if you are not looking behind shades; the truth is that these are well-placed people in Government. Whenever they carry out these unjust acts, they go with protection. The protection of the police and the army has been misused and, therefore, it should be investigated even further. These are not ordinary people.

The benefit of all this land grabbing is not for Ugandans or the region. Let me say that the *Obongis*, as hon. Fungaroo has earlier referred to them, the original or indigenous Ugandans do not benefit from this.

Kampala Parent’s School is well situated in a wetland and a valley; nobody talks about it, yet other Ugandans who are struggling to make a contribution to the development of this country are being frustrated.

Madam Speaker, I have to be on record that this should be investigated further. Whatever deal has taken place; there is corruption behind it *-(Member timed out.)*

4.23

**THE LEADER OF THE OPPOSITION (Mr Phillip Wafula-Oguttu):** Thank you very much, Madam Speaker. I do not think we have significantly changed the Uganda Land Commission law. Uganda Land Commission law has remained the same for a long time. So, why the mistakes and these rampant allocations and grabbing of land more than it was in the past?

I have observed over the years that the Executive is more involved in allocation of land, particularly the President of the Republic of Uganda. He is more involved in allocation of land and people respect him; when he allocates land, there is a stampede and it must be done.

Madam Speaker, Shimoni was the same, Kitante Courts was land which had been reserved for junior doctors, and it was allocated the same way; the Hilton Hotel which we are still waiting to sleep in for the next CHOGM was allocated and the place was destroyed within two days - UTV and Radio Uganda. I used to serve on the Kyambogo Council when Megha Industries wanted the land at Kyambogo. We resisted it. When some of us left, it was taken over due to the pressure coming from State House.

You know how the people were chased from Uganda Railways in Nsambya, Nakawa and Naguru, people were chased and right now they are in Kasokoso. All this was done on the orders of the President. If there was a system which works properly, it would not have happened.

The Land of Uganda Broadcasting Corporation at Bugolobi went the same way; Luzira Prison Land went the same way; Butabika Hospital Land, the same way – there were directives from State House.

The President should allow the system to work. We may trim down the powers of the Uganda Land Commission, but as long as the Presidency – it does not matter which President, whether it is Waffula or hon. Byandala, as long as he/she interferes in the way it is being done, it will have no power. The influence will be there forever.

I have had time to look at the land law of Ethiopia; there the expiry of the title is automatic if you have not developed it, it automatically goes to the Government, but here it does not; you can go on playing around. I think we should just stop the transfer of land if you have applied to develop it. That is the only way we shall deal with this problem. The Presidency gives allocation of land and transfer is prohibited. If we have such a law then we shall have sense in what we are doing. Otherwise, as it is, the whole country is a mess, and anywhere there is a mess, there is the President’s hand. Thank you very much, Madam Speaker.

4.27

**MR PETER LOKERIS (NRM, Chekwii County, Nakapiripirit):** Thank you, Madam Speaker. One time I was in the Ministry of Education, I was in-charge of Primary Education. By the time I got there, Shimoni Land hand been given to a developer. The job I had was to ask, “Where is the money which has been paid?” I discovered there was $2 million, and we said this money should be used to develop another school and we call it Shimoni. The money was paid for the land in Kiira and the name Shimoni is still alive.

If somebody goes there he will get that school, I am not going to talk about what happened there because I was not there. Then I found correspondence later, where people were writing requesting for land of some schools including Nakivubo Blue. I went to that place, looked at it and said, “Who is this asking for this land?”

Some of the parents are here and according to our laws of Universal Primary Education, it means schools should be near where children are born, and I wrote letters and people backed off at that time, from that school.

I also went to Buganda Road and other schools, saying I think there are people who are trying to encroach on school property. To me children are a resource and are the backbone of this country. We must develop them; schools, especially for small children must be near, within walking distance.

So, many people got my letters and I was a darling of the parents-teachers’ associations because I stood firm. When something is happening, just raise the red flag, to the authorities, they will answer; they answered me at that time.

When I observe Uganda, we hate anything green, even when you see a playground we think it is not being utilised, it is for extra-curricular activities of the school, and that develops the child.

When you remove the playground and leave the building, where will these children develop talents from. Let us take candid decisions and keep those lands which are within the large populations for the children of Uganda, thank you.

**THE SPEAKER:** Honourable members, I put the question that this report be adopted.

*(Question put and agreed to.)*

On a more serious note, I do not know whether anyone is listening to our resolutions, because in 1990, I was part of a three-member commission of inquiry, of members of this House - then it was the NRC, and the recommendations that are being made now were made at that time - get tittle deeds for all the public land - Is anyone listening or we are just -

**MR MWIRU:** Madam Speaker, we adopted omnibus, but when I was debating, I was speaking to something which was so close to my heart, about Parliament coming out strictly on transfer of leases, more so development leases.

I was seeking your indulgence if we made it a specific recommendation - you cannot stop Government from giving people developmental leases. But when you receive a developmental lease, you should do the same. I thought we could make it a specific recommendation; that way, it would feed into the space of the Uganda Land Commission Amendment Act, and activities which will be taking place between now and that time, I seek your indulgence.

**THE SPEAKER:** We can address it because we are looking for solutions.

**MS ANYWAR:** Thank you, Madam Speaker. In the same spirit as I had submitted, in my view the children and parents of these children who have been displaced illegally, have lost livelihoods and others have probably dropped out of school completely. Wouldn’t it be right to consider that with the report clearly stating how unfairly they were treated, that they need some compensation from Government?

**MR BAKABULINDI:** Thank you very much, Madam Speaker. I made my submissions; when you talk about the report being adopted omnibus and yet I said that my submission was not included in this report - I do not see why it should say that I should be held responsible, and even as we talk now, the management of the school and the investor have already signed a memorandum of understanding – this has been taken over by events.

Madam Speaker, let us adopt the recommendations minus that part where I am being implicated.

**THE SPEAKER:** Mr Chairman, you did not reflect his appearance before your committee.

**MR MIGADDE:** Thank you, very much, Madam Speaker. There is nowhere in this report where we have indicated that hon. Bakabulindi sold land. We are saying he should be held responsible for the letter which we have attached.

Everyone who wrote lease letters was invited to this committee to confirm whether you really own up these different correspondences. He came to the committee and he owned up –*(Interjections)*

**MR NIWAGABA:** Thank you, for giving way. I believe the record of the minister, recording all that transpired in the committee was laid on the Table and can be availed.

**THE SPEAKER:** Mr Chairman, I do not think that you laid the minutes-

**MR MIGADDE:** Madam Speaker, we laid that on 12 August this same year, but let me highlight a few issues. For Kyambogo University, recently another letter was written to your office by Kyambogo University where they were seeking for clearance, still to sell more land even before discussing this. In that letter, they were indicating that the committee is delaying their transaction. What these university or institutional administrators say during the day is not what they say at night.

Madam Speaker, we should also look at the land use system; for example of KCCA. The same applies to other municipalities and town councils.

The current land use system makes it very difficult to protect such institutions because it is mixed use. When they apply maybe for commercial activities, the authorities will tell you that, yes we are compiling the approved land use plan because it is mixed use. That means you can have a discotheque in a school and that is why you have Bat Valley Primary School with six churches within it *– (Interjections) -* it depends on what you call a church. So, there is need to review the different land use systems for schools.

Lastly, much as we have talked about Uganda Land Commission, in the different towns like in Mbale and Buvuma, it is not the Uganda Land Commission that owns that land but district land boards.

We should, therefore, also emphasise the powers and responsibilities of the district land boards and I will give an example in Buvuma, where one island of 22,000 hectares had been given to one person by the Uganda Land Commission *–(Interjections)–* not even Bidco. The person is called Nsegulamilambo – actually the action resembles the name. But when you go to court *– (Interjections) –* no, that time it was not about instructions from above, but in the middle. *(Laughter)*

Madam Speaker, it is very important because the members on the district land boards actually do not have the capacity to even peruse the different land laws that we have.

We should also look at the qualifications of the members who should be on the district land board. There is urgent need to review the powers of the Uganda Land Commission and the number of staff because there are only six people overseeing the entire country. These people cannot really do it and that is why they hide behind excuses of lean staff to make their transactions.

Otherwise, I thank the Members for the debate and the committee members. Madam Speaker, we thank you for the opportunity accorded to us. I thank you.

**THE SPEAKER:** Honourable members, I would like to use my discretion to put the question on the proposal by hon. Mwiru that we should resolve that once the development bits have not been completed, you cannot transfer or deal in the property.

4.39

**MS NAOME KABASHARIRA (NRM, Woman Representative, Ntungamo):** Madam Speaker, on something related to that. I would like to thank you. From your experience and what you have just told us and from what the committee has recommended, there is no time limit for all the recommendations and possibly that is why you made those recommendations in the 1990s and up to now, there is nothing that was done. There are so many recommendations concerning the Inspector-General of Government and the police, but there is no time limit.

The reason as to why at times our inquires just end up in the archives is because we do not put time limits so that we can follow up based on those time limits.

I was, therefore, suggesting that even in the recommendation, we put a time limit on certain recommendations. For example, this recommendation on Shimoni, there was even money this man claimed to have paid, but instead he was given a waiver of 840 million.

The committee also said that they do not know where that money went because they did not have anything to show. This means that some people connived and they gave with one hand while receiving with the other.

Therefore, if we do not put time limits, we shall lose out because this is land and something that concerns our children. It will just stop here and people will continue stealing land. People are mad with stealing land because it is very expensive. Economically, land is money. I thank you, Madam Speaker.

**THE SPEAKER:** Ideally, we are supposed to have a Treasury Memorandum from the Government and I do not know what period they have to answer to our recommendations. Of course, they have not been complying with that – it is within six months.

Let us re-state that position; that the Government reports back to us within six months as required by the law. And this time, please bring the memorandum so that we know how you have moved or not moved. I thank you very much. I now put the question that the resolution be adopted as proposed and amended.

*(Question put and agreed to.)*

BILLS

SECOND READING

THE UGANDA DEVELOPMENT CORPORATION BILL, 2014

4.41

**THE MINISTER OF STATE FOR TRADE, INDUSTRY AND COOPERATIVES (TRADE) (Mr David Wakikona):** Rt Hon. Speaker, I beg to move a Bill entitled, “The Uganda Development Corporation Bill, 2014” Bill No.14 be read for the second time.

**THE SPEAKER:** Is it seconded; yes, it is seconded by a number of Members on both sides of the House. Proceed with the justification.

**MR WAKIKONA:** I had already justified in the beginning. The object of the Bill is to establish the Uganda Development Corporation (UDC) as a statutory body, to be the investment agency on behalf of the Government of Uganda in partnership with the private sector, to promote and facilitate the industrial and economic development of Uganda and for related matters.

There was once a Bill like this but because of what happened during the divestiture, it was cancelled, and we are resubmitting for the second time for the establishment of UDC. I thank you.

**THE SPEAKER:** The chairperson of the committee.

4.43

**THE VICE CHAIRPERSON, COMMITTEE ON TOURISM, TRADE AND INDUSTRY (Ms Grace Namara):** I thank you very much, Rt Hon. Speaker. Allow me present the report of the Sectoral Committee on Tourism, Trade and Industry on the Uganda Development Corporation Bill, 2014.

Introduction

The Uganda Development Corporation Bill, 2014 was read for the first time on Thursday, 26 February, 2015 and referred to the Sectoral Committee on Tourism, Trade and Industry in accordance with the Rules of Procedure of Parliament.

In analysing the Bill, the committee was guided by rule 118 of our Rules of Procedure. The objectives of the Bill are to:

1. Establish the Uganda Development Corporation as a statutory body to be the investment arm of Government of Uganda in partnership with the private sector;
2. To promote and facilitate the industrial and economic development of Uganda; and
3. Other related matters.

Methodology

In coming up with this report, the committee held a number of meetings and a workshop in which it discussed the Bill with the following stakeholders:

1. Ministry of Justice and Constitutional Affairs –

**THE SPEAKER:** For those ones, Members can read; Members will read the methodology.

**MS NAMARA:** Okay. Rt Hon. Speaker, allow me lay on Table the copy of the report and the minutes of the meetings that the committee held. I will now go straight to observations and recommendations on Page 2.

The committee observed that some of the investments that are to be taken over by Uganda Development Corporation (UDC) are heavily indebted such as Phoenix Logistics among others.

The committee further observed that Uganda Development Company Limited (UDCL) is not aware of all the entities where Government has an interest and the status of all the entities.

The committee recommends that Uganda Development Company Limited submits an exhaustive list of the status of all assets and liabilities that are to be taken over by UDC.

The Minister of Finance, Planning and Economic Development should also submit to Parliament a report on all entities that belonged to UDCL and their status, and the entities where Government has an interest and their status.

The committee noted that some properties that are under UDCL are being encroached upon and there is a risk of losing them if they are not protected.

The committee recommends that UDC protects all property under it from encroachers and reclaims the ones that have been encroached upon.

The committee observed that UDC may engage in strategic sectors of the economy for the purposes of economic and industrial development.

The committee recommends that Uganda Development Corporation plays a supportive role to the private sector in strategic sectors of the economy for the purposes of economic and industrial development.

In conclusion, Madam Speaker, the committee recommends that the Uganda Development Corporation Bill, 2014 be passed into law subject to the following amendments. I beg to report.

**THE SPEAKER:** Thank you very much, honourable chairperson and your committee. Honourable members, the report has been signed by the necessary minimum of one third of the Members. You are free to debate the Uganda Development Corporation Bill, 2014.

4.48

**MR DENIS OBUA (NRM, Ajuri County, Alebtong):** Madam Speaker, before I offer my overwhelming support to this Bill, may I be guided by the minister: What is the implication of the UDC Bill coming after the passing of the PPP into law. I remember at one point there was some contradiction that was even raised on the Floor of Parliament that the UDC Bill should have come before the passing of the PPP into law. What is the implication, honourable minister?

4.49

**THE MINISTER OF STATE FOR AGRICULTURE (Mr Vincent Ssempijja):** Madam Speaker, I rise to support the report and also to say that even when you see the reaction from the Members, everybody is in support that we go into committee stage because this is a necessary undertaking; Government should have a leeway to undertake some development projects. And indeed, we know that in the past this is how we got all these corporations that we have under Government. So, sometimes Government will be able to work with the private sector but we will also be able to do it alone where we think it is necessary for the interest of the public. So, I suggest that we move ahead to committee stage. Thank you.

4.50

**MS BETTY AOL (FDC, Woman Representative, Gulu):** Thank you, Madam Speaker. When you talk about UDC, then Aswa Ranch also comes into my mind. First, UDC was in operation a long time ago and right now some of its property has gone back to either the indigenous or the original owners.

I was, therefore, wondering, if you are rejuvenating UDC, how are we going to handle those other challenges of the land – because Aswa Ranch is land also under a big challenge for us as members of Acholi Parliamentary Group. We are already discussing it and I think UDC had a very big chunk of land in Aswa Ranch.

I wish to seek that clarification, otherwise, it is a good idea to rejuvenate UDC; but we should be mindful of the interests of the people. Thank you.

4.52

**THE SHADOW MINISTER FOR TRADE, INDUSTRY AND COOPERATIVES (Ms Kevinah Taaka):** Thank you, Madam Speaker. I want the Minister of Trade to tell this House who UDCL is.

**THE SPEAKER:** Honourable members, I put the question that the Uganda Development Corporation Bill, 2014 be read for a second time.

*(Question put and agreed to.)*

BILLS

COMMITTEE STAGE

THE UGANDA DEVELOPMENT CORPORATION BILL, 2014

Clause 1

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

*(Question put and agreed to.)*

*Clause 2, agreed to.*

*Clause 3, agreed to.*

Clause 4

**MS NAMARA:** Madam Chairperson, the committee proposes to amend clause (4), subclause (1) in paragraph (e) by inserting the phrase “part B of” between the word “in” and the word “schedule” on line two.

**THE CHAIRPERSON:** How would it eventually read? Read it aloud together with your amendment.

**MS NAMARA:** It will read: “To take over the interest of Government in the entities specified in part B of schedule 2.”

Another amendment is inparagraph (h) by inserting at the end of the paragraph, the phrase: *“Where government is in partnership or joint venture with another entity”*

**THE CHAIRPERSON:** Next?

**MS NAMARA:** In paragraph (j) by inserting at the end of the paragraph, the phrase: *“Where government intends to acquire interest”*

**THE CHAIRPERSON:** Next?

**MS NAMARA:** Insert a new paragraph (m) after paragraph (l) to provide as follows: “To ensure the commercial, financial and technical soundness and viability of entities with which Government enters into partnership ventures.”That will make the existing (m), (n).

**THE CHAIRPERSON:** Honourable members, I put the question that clause 4 be amended as proposed.

*(Question put and agreed to.)*

*Clause 4, as amended, agreed to.*

*Clause 5, agreed to.*

Clause 6

**MS NAMARA:** We propose to amend clause 6 sub clause (2) as follows:

In paragraph (b), by inserting at the end of the paragraph the phrase, “being an officer not below the rank of commissioner”

In paragraph (c), by inserting at the end of the paragraph the phrase, “being an officer not below the rank of commissioner”

In paragraph (d), by inserting at the end of the paragraph the phrase, “being an officer not below the rank of director”

Justification: To require the ministries and departments of Government represented on the board to send only senior officers to represent those ministries and departments on the board of the corporation.

In subclause (4), insert the word “political” between the words “elective” and “office” in line two.

**MR WAFULA OGUTTU:** Madam Chairperson, I had some amendment on clause 6(2)(f). The old UDC was a very powerful organisation. It was headed by a person, who was an executive chairman called Semei Nyanzi, who was really big. Malaysia and Singapore learnt a lot from UDC when Nyanzi was heading that corporation. He had full powers to develop that sector.

This person we are putting here does not even have a vote on the board. I think we should make this person powerful so that he can develop that sector instead of having a chairman somewhere who is also politically elected. I would like to propose that if we cannot make the executive director the executive chairperson or the head of that institution, we make him a voting member of the board.

**THE CHAIRPERSON:** Honourable minister, what do you say about that proposal?

**MR WAKIKONA:** You are reading clause 6(2)(f) - secretary of the ministry responsible for industry but below the rank of a commissioner?

**THE CHAIRPERSON:** No, he is talking about the executive director who shall not have a right to vote.

**MR WAKIKONA:** The executive director, who shall not have the right to vote; do you want him to vote? Why?

**MR WAFULA OGUTTU:** I have just told the minister that we want this organisation to be headed by a person with full powers to run the industry and this organisation, more so when you are just starting it.

If you looked at the past, we had UDC which developed most of these industries we had in Uganda like Nytil, Uganda Hotels and the like. The chairperson then was the executive and he had a lot of powers, which he exercised to the benefit of this country.

**MR WAKIKONA:** Madam Chairperson, a chairman is different from the executive director. This does not mean that the chairman will be the one in charge of the board and will be different from the executive director.

**MR WAFULA OGUTTU:** Madam Chairperson, I am saying that in the past when these corporations performed well, they were headed by executive chairs, even Coffee Marketing Board. I was a young person and I have also read about this. Uganda Development Corporation was headed by an executive chairperson and they managed these organisations and they worked well. There was no bickering and fighting between the chairman and the executive director. It worked better for the country.

**MR WAKIKONA:** Madam Chairperson, I was there when the first UDC existed. If you want us to revert to Bob Astles’ matter *–(Interjection)-* Yes, I knew Semei Nyanzi. If you told me that any titles should be those of 1962, I will say that these changes are to improve the performance of the organisation.

Whether you say “chairman” and give him the powers – now, you can see that there is a lot of participation of Parliament and Bank of Uganda because we know what we are facing and we must move to correct situations that might occur and put us in trouble. Therefore, I do not see the difference between the chairman then and the chairman we shall put now and give powers also.

**MR LUGOLOBI:** Madam Chairperson, I happen to have worked with Uganda Development Corporation. Whereas the situation was as it was, I think circumstances have changed from the way the Leader of the Opposition is putting it. We are now in a society where the value system has more or less collapsed. You can no longer have a chairman with executive powers, who was the managing director then. Those days have gone.

We do not have the Semei Nyanzis of the past today. You cannot have someone with powers to be the manager and the overseer. That can no longer happen today. This is because society has really changed. The executive director is actually the one managing the day-to-day operations of the organisation and he has to be supervised by the board of directors who are on part-time basis. Therefore, they have to ensure that he fulfils all the policies that they pass. They have to provide oversight over him. He should, therefore, not have voting rights. Those are the principles of good corporate governance today that are in practice everywhere.

In all the Bills that we have passed, these are the principles that we have followed. Therefore, I would not want to buy your view. I would have bought it if we were still in the 1960s*. (Laughter)*

**MR WERIKHE:** Thank you, Madam Chairperson. I would like to persuade the Leader of the Opposition. As my brother, Lugoloobi, has said, the board will set policies and the board is headed by the chairperson. The executive director is the one to implement these policies, so he or she cannot be at the same time part of the decision-making at the policy level. We are operating under a new Constitution and not the old one. This is the 1995 Constitution.

**MS OGWAL:** Madam Chairperson, the issue of corporate governance is very difficult for us to comprehend at the parliamentary level. It is very late for us to understand that concept but it is important that we learn how to apply; that is why in management we have “applied accountancy” and so forth.

Madam Chairperson, it is true that corporate governance demands that the policy maker is not necessarily the implementer. This is because the board must supervise the work of the executive. That is the principle now as it exists. However, I have a problem with clause 6 because we are putting in place something, which is going to manage the investment arm in this country but we are going to overload that institution or organisation with the permanent secretaries of ministries, the Governor of Bank of Uganda, etc. That is where we are going to have a problem.

As a former chairperson of the Uganda Development Bank, I can tell you that this was the problem we had. The permanent secretaries would send a very junior person or they would be too busy to even be present. That is the experience, which is happening even now.

I think if we really want to resurrect UDC, minus the other concepts that you may have in your heads, to do a good job for this country, we need to have professional persons that will run this organisation professionally. If we are going to overload it with bureaucrats who also get instructions from ministers who supervise them, we are not going to achieve the objectives that you have laid down here.

Mr Minister, I am just offering you free advice. I think you have to reconsider your objectives and the line-up of the membership. I think we need very competent and solid personalities. Let us avoid overloading this board with bureaucrats who are going to make things difficult for us. Thank you.

**MR BYABAGAMBI:** Madam Chairperson, with due respect to my sister, I see only three people here from the Government side; the rest are from the private sector. I think the board will be composed of one person with experience and knowledge, the permanent secretaries from the ministries responsible for industry and finance, and the Governor of Bank of Uganda. They are only three out of seven.

When you look at the composition, there is no way we can do away with the mother ministries which are supposed to defend your interests. The minister will bring these to Parliament; you cannot do away with them. By having only three and the majority coming from the private sector, I think is good enough. I thank you, Madam Chairperson.

**MR LUGOLOOBI:** Madam Chairperson, as a compromise position, I thought that we could remove the Governor of Bank of Uganda from here. I do not see the role he is playing in an organisation of this kind. I think we could remove him without loss of anything. We can maintain these two – the representatives of permanent secretaries for the ministries responsible for industry and finance – just to make sure that the organisation remains liquid. I think those would suffice. I do not think the governor is necessary.

**THE CHAIRPERSON:** What was your rationale for bringing in the governor?

**MR WAKIKONA:** The honourable member has suggested something, but I was listening for his justification for removing the governor. An institution like UDC is set up on behalf of Government and the banker for the Government will be very effective in banking for an institution which belongs to Government, but still doing business on behalf of the Government with outsiders. That makes a lot of sense.

**MR WAFULA OGUTTU:** Madam Chairperson, the banker is the central bank; I do not see the reason for making the Governor of Bank of Uganda a director in a business company like this one. I do not see the justification at all. I do not think the reasons the minister is giving us are good reasons. This is the first time I am hearing of the governor as a director in a government company. There will be conflict of interest at one time. The banker is supposed to give money, which the governor has approved, to UDC and then he chairs the Bank of Uganda board.

**MR WAKIKONA:** You are the Leader of the Opposition, so I do not want to waste your time. Madam Chairperson, let us agree with him.

**MR WAFULA OGUTTU:** Madam Chairperson, I have also not been convinced that the executive director has no voting right.

**MR WAKIKONA:** There, you are going too far.

**MS OGWAL:** Madam Chairperson, I have a problem with the inclusion of the Permanent Secretary of the Ministry of Industry. I find it strange to have the ministry which is supervising this corporation to have its permanent secretary on the board. It does not work out because that is the supervisory ministry. Since you are the supervisory ministry, you wait for the report. You cannot be part of it and be able to give effective oversight. I think this is where the separation of powers comes in. You leave the board to do its work and you get the report from the board and you can come in, in terms of policy.

The Permanent Secretary in the Ministry of Finance is acceptable because they can guide on the funding of the various projects. Definitely, the Permanent Secretary in the Ministry of Industry is a misplacement. The minister would be shooting himself in the foot because the Ministry of Industry is the one supervising the organisation. Therefore, they should be the one to receive the report. I cannot see the very permanent secretary who should be receiving the report from the executive director and the board also sitting on the same board. How do you advise? This is purely a management practice. It cannot work. Thank you.

**MR BYANDALA:** I thank you, Madam Chairperson and colleagues. I think the fundamental thing is to realise that this is a government organisation. Government is the owner of UDC. It is like owning a company and saying that it is your company but do not interfere. The Permanent Secretary of the Ministry of Industry is where UDC falls. They are going to give guidelines to see how this thing moves. I think it is correct and proper. It should be accepted that the Permanent Secretary of the Ministry of Industry is a member of this board.

**THE CHAIRPERSON:** I want to remind the honourable members that on many occasions on the Floor of this House, we have complained about the Ministry of Finance holding everything. If you now remove the representative of industry, it means that you are again giving finance everything. We have been complaining here about the Road Fund and other things yet our problem has been finance, but you are now saying that we should give them everything.

**MR BYABAGAMBI:** Madam Chairperson, you know this is a government body falling under the Ministry of Trade and Industry. They must automatically have some controlling powers. They should even attend the board meetings. We have other organisations like UNRA.

What we usually do is call them “representatives of those ministries”. We do not usually state specifically that it must be the permanent secretary. We usually say, “a representative of the Ministry of Trade and Industry” and the representative will be of a certain rank or not below a certain rank, for example a commissioner and above. However, we do not usually state specifically that it must be the permanent secretary.

**MS OGWAL:** Madam Chairperson, I would like to give you a scenario where the Speaker of Parliament becomes a member of one of the committees of Parliament; it does not make sense. It is the Speaker of Parliament who receives all the reports of the various committees; I do not see how the Speaker of Parliament can now be involved in the running of any committee. So, the permanent secretary or his representative can definitely not be part of this. Mr Minister, please concede.

**MR WAKIKONA:** No. Madam Chairperson, first of all, the Permanent Secretary of the Ministry of Industry was put here because it is the ministry that promulgates industrial policy and the board is obviously going to do that. However, when you compare this with the Speaker, you are comparing with one institution and yet UDC is like an authority outside the ministry. We do not control it on a daily basis. Therefore, a permanent secretary or his representative not below the rank of a commissioner will sit on the board.

Secondly, we removed the Governor of Bank of Uganda, but we should have added another slot for somebody from the private sector on the board.

**THE CHAIRPERSON:** I had actually wanted to ask you whether you will be satisfied with the numbers for purposes of -

**MR WAKIKONA:** No, we must increase the number in the private sector.

**THE CHAIRPERSON:** So, we should say, “four eminent persons of good repute and proven integrity to represent the private sector.” We should amend it to say, “four”.

**MS OGWAL:** Considering the functional aspect of this organisation, I would like to plead that we at least allow two or three persons with a corporate governance background from the private sector. We should not only say “private sector” but we should also have them from a background of solid, strong corporate governance because this is a very important organisation. We cannot just treat it like any other parastatal organisation.

**MR WAKIKONA:** When you go to the private sector, they have a mode of selection. Therefore, let us increase that number and we shall talk to the private sector now.

**THE CHAIRPERSON:** I wanted to know whether the chairperson is satisfied that the principles of gender equity have been observed in this composition. Do you have another amendment?

**MS NAMARA:** Madam Chairperson, I have an amendment under clause 6(6): insert the phrase “other than a member appointed under subsection (2) (b), (c) and (d)” between the words, “board” and “shall” on line 2.

**THE CHAIRPERSON:** Is it line 1 or line 2?

**MS NAMARA:** It is line one. In clause 6 sub clause (6), the first line, insert the phrase, “other than a member appointed under subsection (2) (b), (c) and (d)” between the words, “board” and “shall” on line 1.

**THE CHAIRPERSON:** Okay. Honourable members, I put the question that clause 6 be amended as proposed by the chairperson.

*(Question put and agreed to.)*

*Clause 6, as amended, agreed to.*

Clause 7

**MS NAMARA:** There is a proposal to amend clause 7 in subclause (1), paragraph (e), by inserting the word “of” between the words “functions” and “member”.

In paragraph (e) (ii), substitute the word “or” appearing between the words “infinity” and “body” on line 2. The justification is that it is for clarity.

**THE CHAIRPERSON:** Honourable members, I put the question that clause 7 be amended as proposed.

*(Question put and agreed to.)*

*Clause 7, as amended, agreed to.*

*Clause 8, agreed to.*

*Clause 9, agreed to.*

*Clause 10, agreed to.*

Clause 11

**MS NAMARA:** There is a proposal to amend clause 11 as follows: amend subclause (2) by inserting the word “of” between the words “purpose” and “subsection”.

Insert a new subclause (3) to read as follows: “Any person in authority in a government ministry, department or agency, who contravenes subsection (2), commits an offence and is liable on conviction to a fine of 168 currency points or imprisonment for seven years or both.”

The justification is: To require all officers of Government departments or agencies to accord the corporation all the necessary cooperation to execute its mandate.

**MR LUGOOLOBI:** In my opinion, seven years of imprisonment is being rather drastic. I propose three years of imprisonment because this is a minor offence.

**THE CHAIRPERSON:** What is a minor offence?

**MR LUGOLOOBI:** I am referring to the amendment she has just made.

**THE CHAIRPERSON:** Isinterfering with the work of the corporation a small thing? What did you have in mind? What is the rationale for this? What sort of offence do you envisage, so that we can have an idea?

**MS NAMARA:** Madam Chairperson, we are looking at offences like corruption and fraud. We, therefore, thought seven years would be good enough, but if the minister can agree to three years, then I have no objection to that.

**THE CHAIRPERSON:** I think the worry of hon. Lugoloobi is that that the offence is failure to offer assistance- failure to cooperate to ensure the discharge of the objectives of the corporation. Therefore, his worry is that failure to cooperate is not sufficient to attract seven years. That is what he is saying.

**MR WAKIKONA:** I do not object with three years. Let us go by that as it was the committee’s opinion. We are okay with the three years.

**THE CHAIRPERSON:** Honourable members, I put the question that clause 11 – What of the currency points?

**MR WAKIKONA:** That one is prohibitive; it can scare. We, therefore, should leave the currency points as they are, but reduce the period of imprisonment to three years.

**MS KARUNGI:** Thank you, Madam Chairperson. We arrived at seven years after looking at all areas and we thought that the circumstances may differ; for example, if somebody has stolen too much and the other has stolen so little. Therefore, we should not limit it to three years in prison. We could consider seven years depending on what somebody has taken; it should be left to the discretion of the judge. Seven years was okay with the committee.

**THE CHAIRPERSON:** The owner of the Bill is saying that he is okay with the three years.

**MR WAKIKONA:** Madam Chairperson, normally these currency points correspond with the years. The committee came up with 168 currency points and yet we have now gone to three years. It is, therefore, better to have at least 20 currency points per year to make it 60 currency points. That would be acceptable to us. We are reading something which is complicated, but we are about to solve it. I have consulted and three years is equivalent to 42 currency points. So, it should be three years or 42 currency points or both.

**THE CHAIRPERSON:** I put the question that clause 11 be amended as proposed.

*(Question put and agreed to).*

*Clause 11, as amended, agreed to.*

Clause 12

**MS NAMARA:** I propose to amend clause 12(3) by inserting the phrase “for reappointment” between the words “eligible” and “for” on line 2. The justification is that it is for clarity.

**THE CHAIRPERSON:** Honourable members, I put the question that clause 12 be amended as proposed.

*(Question put and agreed to).*

**MS OGWAL:** Madam Chairperson, I was of the view that we could probably start with three years for this organisation; five years is too long. We want to be driven by a results base. If a person is not performing and you are giving him five years, it is too long. Why don’t we start with three years, which is renewable, so that if they are not performing we have an opportunity to change?

I do not mind four years but five years is too long. These are very strong organisations where we need a results base and to check the performances of the board among others. I am, therefore, proposing four years.

**MR BYABAGAMBI:** Madam Chairperson, it is true; we must be careful especially when we have got such organisations which have a lot of money. You can have an executive director who does not perform at all, and you know the regulations to remove a civil servant are not easy. However, when it comes to three years, I think the first year somebody is learning the dynamics of that job itself. Five years is too much. I propose the middle point of four years.

**THE CHAIRPERSON:** Honourable members, I put the question that clause 12 be amended as proposed.

*(Question put and agreed to.)*

*Clause 12, as amended, agreed to.*

*Clause 13, agreed to.*

Clause 14

**MS NAMARA:** Madam Chairperson, I propose to amend clause 14 by redrafting it. The existing clause talks about a board secretary but the new amendment brings in a corporation secretary:

“(1) There shall be a secretary to the Corporation who shall be appointed by the board on terms and conditions specified in the instrument of appointment.

(2) The secretary to the Corporation shall be the principal legal advisor of the board.

(3) The secretary to the Corporation shall be responsible for-

(a) arranging the business at meetings of the board.

(b) taking minutes at the meetings of the board.

(c) keeping the records of the decisions and other policy records of the board.

(d) performing any other functions assigned by the Executive Director.

(4) In the performance of his or her functions, the secretary is answerable to the Executive Director.

(5) The secretary to the Corporation shall possess relevant professional qualifications.”

The justification is: For clarity on the establishment of the office of the secretary and the roles of the bearer.

**THE CHAIRPERSON:** Honourable members, I put the question that clause 14 be amended as proposed.

*(Question put and agreed to.)*

*Clause 14, as amended, agreed to.*

*Clause 15, agreed to.*

*Clause 16, agreed to.*

Clause 17

**MS NAMARA:** Madam Chairperson, clause 17, capital of the corporation; we propose to amend clause 17 in subclause (1) by substituting the word “three” appearing in line 1 with the word “five.”

**THE CHAIRPERSON:** Are you increasing the capital to five million?

**MS NAMARA:** Yes, to enhance the capital of the corporation.

**MR WAFULA OGUTTU:** Madam Chairperson,we have been using currency points and here we are using shillings. Is it deliberate?

**THE CHAIRPERSON:** I thought the currency points are in the penalty.

**MR WAFULA OGUTTU:** But it is part of money. Supposing the money becomes devalued and you have Shs 3 billion, it will become very complicated.

**THE CHAIRPERSON:** Is that how you write in the budget?

**MR BYABAGAMBI:** Madam Chairperson, I think we usually use these currency points specifically for fines and penalties. When it comes to budgeting and capitalisation, we use the real currency. I beg that we drop the proposal by the Leader of the Opposition and we retain Shs 500 billion.

**THE CHAIRPERSON:** Clause 17(2) allows the minister to increase. Honourable members, the question is that clause 17 be amended as proposed.

*(Question put and agreed to.)*

*Clause 17, as amended, agreed to.*

Clause 18

**MS NAMARA:** Madam Chairperson, the proposal is to amend clause 18 by redrafting the clause to read as follows:

“(1) The funds of the Corporation shall consist of-

(a) Money appropriated by Parliament for the purposes of the Corporation;

(b) Grants, gifts or donations extended to the Corporation; and

(c) Loans obtained with the approval of Cabinet in accordance with the Public Finance Management Act.

(2) All funds received by the Corporation under subsection (1) shall be declared to the minister responsible for finance in accordance with the Public Finance Management Act.”

**MR LUGOLOOBI:** Madam Chairperson, this is the investment arm of Government. I would expect that being an investment arm, it earns dividends in those investments wherever they are made or through subsidiary companies and so forth. I do not see that being reflected here as part of the funds belonging to this corporation.

In the past, UDC used to manage entities under it like the subsidiaries. For the services they were rendering to those subsidiaries, they would charge management fees - it used to be about two per cent - for the corporation to survive because it did not have to depend on the Government all the time. It is a business corporation so it should not be treated like any other entity since it is a business arm.

I would like to propose that one source of funds should be profits or dividends and the other one should be management fees and other charges.

**THE CHAIRPERSON:** Honourable members, does that money that hon. Lugoloobi is talking about accrue to the corporation or to the Consolidated Fund? Are they allowed to retain it? In the last laws we have made here, we have been saying that this money goes to the Consolidated Fund?

**MR WAFULA OGUTTU:** Madam Chairperson, this is a company and a business. Take the example of the *New Vision;* it does not take its money to the Consolidated Fund but it keeps its dividends and keeps on reinvesting. I think it is better that way. Otherwise, they will keep on getting money from the Consolidated Fund. They should make money and if they do not make money, they die.

**MS OGWAL:** Madam Chairperson, I beg to differ. Grants, gifts, donations and revenues from other services should be managed in accordance with the law. We have already laid down detailed laws in the new management Act which will give us guidance on how to manage this money.

I would like to add revenues from other services which are not captured in (b) – if the chairperson could allow - but managed in accordance with the law.

**THE CHAIRPERSON:** I put the question that the clause be amended as first proposed by the chairperson and also amended by hon. Lugoloobi.

*(Question put and agreed to.)*

*Clause 18, as amended, agreed to.*

Clause 19

**MS NAMARA:** We propose to amend clause 19 by redrafting it to read as follows: “Subject to Article 159 of the Constitution, the board may with the approval of Parliament borrow money as may be required for meeting its obligations or for the discharge of the functions of the Corporation under this Act.”

**THE CHAIRPERSON:** Honourable members, I put the question that clause 19 be amended as proposed.

*(Question put and agreed to.)*

*Clause 19, as amended, agreed to.*

Clause 20

**MS NAMARA:** Madam Chairperson, the proposal is to amend clause 20 by redrafting the clause to read as follows: “The Corporation may, in accordance with section 33(2) of the Public Finance Management Act, open and operate bank accounts as are necessary for the performance of the functions of the Corporation.”

**THE CHAIRPERSON:** Honourable members, I put the question that clause 20 be amended as proposed.

*(Question put and agreed to.)*

*Clause 20, as amended, agreed to.*

*Clause 21, agreed to.*

Clause 22

**MS NAMARA:** The proposal is to amend clause 22 by rephrasing it to read as follows: “The funds of the Corporation may be applied for the performance of the functions of the Corporation in accordance with the annual budgetary estimates for each financial year.”

The justification is: To require the application of the funds of the corporation to be done only in accordance with the annual budgetary estimates.

**THE CHAIRPERSON:** Honourable members, the question is that clause 22 be amended as proposed.

*(Question put and agreed to.)*

*Clause 22, as amended, agreed to.*

Clause 23

**MS NAMARA:** The proposal is to amend clause 23 as follows:

1) In subclause (1) by substituting the words “one month” on line 1 with the words “three months”.

2) In subclause (2) by rephrasing the subclause to read as follows: “(2) The board may, in consultation with the responsible minister, apply the earnings of the Corporation to the business of the Corporation with the prior approval of the minister responsible for finance.”

The justification is: To require the approval of the minister responsible for finance before application of funds of the corporation.

**THE CHAIRPERSON:** You therefore have two ministers involved in this programme.

**MR BYABAGAMBI:** Madam Chairperson, I am getting confused; first and foremost, the budget of UDC will be approved by the board, and of course the minister responsible for UDC will be responsible, and I think it will be the same people to approve the funds for investment. So, how does the finance minister come in? The Ministry of Finance is not a line ministry; we should retain it as it is now in the Bill.

**MS NAMARA:** Madam Chairperson, my point was that the board may, in consultation with the responsible minister, apply the earnings of the corporation to the business of the corporation with prior approval of the minister responsible for finance.

**THE CHAIRPERSON:** It is a bit too bureaucratic; now the Minister for Trade and Industry will have to go to the Minister of Finance.

**DR BITEKYEREZO:** Madam Chairperson, I would like to disagree with the chairperson and the committee. The Ministry of Trade and Industry has got a minister. The Minister of Finance has got very many problems up here, why do you want to give him another job to start running two ministries when he is failing to run one? I am of the view that the Minister of Finance remains in finance and the Minister of Trade and Industry deals with this corporation. Why should a minister interfere with another minister?

**MR WAFULA OGUTTU:** Madam Chairperson, I do not know why the minister should be asked to spend money. You cannot run a business. I come from a business background and I know you need to take quick decisions. Now you have money and then you have to ask the minister to allow you to spend; why can’t the board do that?

**MR WAKIKONA:** This “Ministry of Finance” was an error. *(Laughter)* The responsible minister here is the Minister of Trade and Industry, who approves the budget but consults with the Minister of Finance or Cabinet. Here, it should be the responsible minister, the Minister for Trade and Industry.

**THE CHAIRPERSON:** State it now so that we take a decision.

**MR WAKIKONA:** “The board may, in consultation with the responsible minister, apply the earnings of the corporation to the business of the corporation.”

**THE CHAIRPESON:** Okay, there is one small amendment in clause 23(1). I put the question that clause 23(1) be amended as proposed.

*(Question put and agreed to.)*

*Clause 23, as amended, agreed to.*

Clause 24

**MS GRACE NAMARA:** Madam Chairperson, the proposal is to amend clause 24 as follows:

1) Redraft the headnote to read as follows: “investment of corporation funds”.

2) Rephrase subclause (1) to read as follows: “The board shall declare to the minister any money of the corporation that is not utilised at the end of each financial year.”

3) In subclause (2)(c), delete the phrase “with the approval of the minister” appearing at the end of the clause.

The justification is: For clarity and to empower the board to make fully binding investment decisions.

**MS OGWAL:** Madam Chairperson, I would like clarification from the chairperson or the minister as to why we should specifically state which area this board should invest in. When you say fixed deposits, Treasury bills - this is a board we are empowering to make money. It is an investment arm of the Government, as you are saying, and its primary purpose is to make money but you are telling them to invest in fixed deposits and Treasury bills. We feel that the board should be empowered to invest this money in areas that are risk free so that they earn money. Do not restrict them with this specification.

**THE CHAIRPERSON:** Doesn’t (c) cure that? It says, “in any other manner determined by the board”. Honourable members, I put the question that clause 24 be amended as proposed.

*(Question put and agreed to.)*

*Clause 24, as amended, agreed to.*

*Clause 25, agreed to.*

*Clause 26, agreed to.*

Clause 27

**MS NAMARA:** The proposal is to amend clause 27 in subclause (2) by redrafting it to read as follows: “The Auditor-General shall within six months after receipt of the accounts, submit to Parliament a report on the audited accounts of the corporation.”

The justification is: To require the Auditor-General to submit the audit reports to Parliament in accordance with the National Audit Act, 2008.

**THE CHAIRPERSON:** Honourable members, I put the question that clause 27 be amended as proposed.

*(Question put and agreed to.)*

*Clause 27, as amended, agreed to.*

Clause 28

**MS NAMARA:** There is a proposal to amend clause 28 by -

1) inserting just after sub clause (1) a new sub clause (2) to read as follows:

“(2) The industrial and economic development fund shall be utilised to-

(a) finance the promotion and facilitation of industrial and economic development of Uganda;

(b) finance and manage industrial and agricultural undertakings or economic developments in which the Government has interest;

(c) promote and facilitate research into industrial development.”

**THE CHAIRPERSON:** Honourable members, I put the question that clause 28 be amended as proposed.

*(Question put and agreed to.)*

*Clause 28, as amended, agreed to.*

*Clause 29, agreed to.*

Clause 30

**MS NAMARA:** Madam Chairperson, we propose to amend clause 30 as follows:

1) In sub clause (2) substitute the word “authority” with the word “corporation”.

2) Redraft sub clause (3) to read as follows: “(3) The board shall also submit to the minister quarterly performance reports and other reports as the minister may from time to time require.”

The justification is: To require the board to submit performance reports to the ministry.

**THE CHAIRPERSON:** Madam Chairperson, you had other amendments under clause 29 which you did not handle. Let us just go back to clause 29 (2) and (3). They were for deletion.

Clause 29

**MS NAMARA:** Madam Chairperson, under clause 28 –

**THE CHAIRPERSON:** It is clause 29.

**MS NAMARA:** Delete paragraph (4) (a) and redraft the subclause *– (Interruption)*

**MR WAFULA OGUTTU:** Madam Chairperson, I am not sure what clause 29(3) means: *“In the absence of the Executive Director or secretary to the board, two other members of the board appointed for that purpose shall sign…”* Sign what?

**THE CHAIRPERSON:** I think she was moving – Let her start with 29 (2) and then we move to (3).

**MR WAFULA OGUTTU:** She was going to (4)(a) and that is why I rose.

**THE CHAIRPERSON:** In (3), I think they are being allowed to use the official seal of the corporation. However, should the seal of the board be available to everybody?

**MS OGWAL:** I think it is a misplaced statement. Can we delete it?

**THE CHAIRPERSON:** The seal must be under lock and key.

**MS OGWAL:** Can it be deleted?

**THE CHAIRPERSON:** Honourable minister, do you really want any of us to just use the seal?

**MR WAKIKONA:** What we have agreed to is that the seal should be kept by the Corporation Secretary under key and lock. Therefore, if he is absent then the matter must wait because normally secretaries do not travel for a long time.

**THE CHAIRPERSON:** So, we delete (3).

**MS NAMARA:** Madam Chairperson, (3) can be deleted.

**THE CHAIRPERSON:** Honourable members, I put the question that the original (3) be deleted.

*(Question put and agreed to.)*

**THE CHAIRPERSON:** Now, you still had something –

**MS NAMARA:** There is a proposal to insert just after sub clause (4), a new sub clause (5) to read as follows: “The minister shall lay the instrument made under subsection (5) before Parliament.”

The justification is: To spell out the areas where the funds shall be utilized; and two, to require the laying of the instrument made by the minister before Parliament.

**THE CHAIRPERSON:** Honourable chairperson, you forgot to present the deletion before moving to the new insertion. Present subclause (2) and then you move on. What was deleted was (3) but she had (2) and (3) and she jumped the (3) without completing the (2); (2) precedes (3). You are supposed to delete paragraph (4) (a) and redraft and renumber. That is where I want you to go.

**MS NAMARA:** The committee suggests that we delete paragraph (4)(a), redraft the subclause and renumber it as subclause (5). It will read as follows: “The minister shall, by statutory instrument with the approval of Cabinet, provide for the control and management of the fund.”

We propose to insert just after subclause (4) - now subclause (5)- a new subclause (6) to provide as follows: “The minister shall lay the instrument made under subsection (5) before Parliament.”

**THE CHAIRPERSON:** Honourable members, I put the question that clause 29 be amended as proposed.

*(Question put and agreed to.)*

*Clause 29, as amended, agreed to.*

Clause 30

**MS NAMARA:** The proposal is to amend clause 30 as follows:

1) In subclause (2) substitute the word “Authority” with the word “Corporation”.

3) Redraft subclause (3) to read as follows: “The board shall also submit to the minister quarterly performance reports and other reports as the minister may from time to time require.”

The justification is: To require the boardto submit performance reports to the minister.

**THE CHAIRPERSON:** Honourable members, I put the question that clause 30 be amended as proposed.

*(Question put and agreed to.)*

*Clause 30, as amended, agreed to.*

Clause 31

**MS OGWAL:** Madam Chairperson,this confidentiality clause is irrelevant here because we have the Access to Public Information Act. Therefore, this being a public company, I think this is a misplaced clause as it contravenes the Access to Public Information Act. I, therefore, propose that clause 31 on confidentiality be deleted. I beg to move.

**MR WAFULA OGUTTU:** I am sorry but there could be a problem here. This is going to be a business company which could develop and innovate some formula that Ugandans have discovered. I think that it might be necessary to keep that confidentially.

Suppose they develop some scientific stuff; I think it is important that if we do not have a law to protect us, then it can be protected here.

**MS OGWAL:** It is taken care of in that Act.

**THE CHAIRPERSON:** Where?

**MS OGWAL:** The Access to Public Information Act.

**MR WAFULA OGUTTU:** Madam Chairperson, I am the one who brought the Access to Public Information Act to the Constitution and I know that one. I think it does not say that if Uganda has discovered something, you use that law for everybody to know. There is industrial espionage, so you must keep your secrets. In this case, you use that confidentiality clause.

**MR MWIRU:** Madam Chairperson, I think it is a problem with the drafting because if the confidentiality is in relation to information relating to the operations of the company, then it is misplaced. However, if the confidentiality is in relation to the employees or workers of the company divulging information in the operations of the company and how it is operating, then that is another matter.

When you read the text, it is not clear. I think it is a drafting problem. What we are objecting to is that if any taxpayer wants to know how the company is operating, he or she should have the right to know. However, if it is the employee of the company who is divulging information to a competitor, then that is another matter where there is need for confidentiality.

The drafting in clause 31 implies that once UDC is operating, the members of the public should not know what is taking place. It is even penalising anybody who gives out information about the operations of this company and yet in Government, you can write asking about any Government programme and they are obliged to give you information because of Article 43 of the Constitution and the Access to Public Information Act.

I, therefore, think that the minister needs to come out very clearly. What is the mischief that you are dealing with in this section? Is it the public knowing about what is taking place in the company or it is the employees of the company divulging information? I thank you.

**MR WAKIKONA:** Madam Chairperson, people are entitled to certain information and they should know what their companies are doing. However, if the information is of high level designs and you have discovered something and you do not want that information to leak out – *(Interjection) –* Which regulation? That is why we thought of this security item. Uganda Development Corporation is dealing with some aspects where they are doing research and inventing some things, which we do not want them to reveal to the public.

**MR MWIRU:** You should then distinguish what we are dealing with. We have no problem protecting the operations of the company as far as the country is concerned. However, once you passed that stage into operations– we are talking about money appropriated by Parliament, how you have invested it and how you are faring - then the public must know.

**THE CHAIRPERSON:** No, I do not think the minister intended to do that. I read that by 2018 we shall be manufacturing cars in this country; do you want that design to be available for everybody so that by the time we come out with the car there is nothing we are protecting?

**MS NAMARA:** Madam Chairperson, this was not intended to bar the public; it was only relevant to a member of the board or staff.

**MR WERIKHE:** Madam Chairperson, I think we can stand over that. It is just a matter of re-drafting it.

**THE CHAIRPERSON:** Okay, let us stand over clause 31 and we go to clause 32.

Clause 32

**THE CHAIRPERSON:** I put the question that clause 32 do stand part of the Bill.

*(Question put and agreed to.)*

*Clause 32, agreed to.*

Clause 33

**MS NAMARA:** There is a proposal to amend clause 33 by re-drafting the entire clause to read as follows: “Vesting of Assets and Liabilities

(1) All property, rights, assets, liabilities and obligations of Uganda Development Corporation Ltd listed under part A of schedule 2 are, upon commencement of this Act, transferred to the corporation.

(2) The minister shall, in accordance with clause 4(1)(e), by statutory order, list other property, rights, assets, liabilities and obligations of Government to be included in part B of schedule 2”

The justification is: One, to categorise the property currently being managed by Uganda Development Corporation Ltd as different from property managed by other entities. Two, to require the minister to list other property owned by Government and intended to be taken over by the corporation.

**THE CHAIRPERSON:** Honourable members, I put the question that clause 33 be amended as proposed.

*(Question put and agreed to.)*

*Clause 33, as amended, agreed to.*

Clause 34

**MS NAMARA:** We have a proposal to amend clause 34 by re-drafting it to read as follows:

“Employees

(1) Upon commencement of this Act-

(a) all persons who immediately before the date of commencement of this Act were employed by Uganda Development Corporation Ltd shall continue to be employed by the Corporation;

(b) the terms and conditions, including the salary on which the person referred to in paragraph (a) was employed immediately before the commencement of this Act, shall not be less favourable than those that applied to that person’s office immediately before the commencement of this Act; and

(c) there is no break or interruption in the employment of such persons because of the enactment of this Act.

(2) Subject to subsection (1)(b), the terms and conditions of service of any employee referred to in subsection (1) may be varied after the commencement of this Act.”

The justification, Madam Speaker, is:

* To guarantee employment status of the current employees of Uganda Development Corporation Ltd.
* To empower the Corporation to vary the terms and conditions of service of the current employees of Uganda Development Corporation on the basis of their suitability.

**MR MWIRU:** Madam Chairperson, I have a problem with carrying on the former employees to the new entity because it is not business as usual. If you are saying this is going to be generating income, maybe instead of using the word “shall” we can use the word “may”, so that we can create an option. If there is a process of laying off the former, we can then even re-advertise and look at the competences and the challenges ahead of them.

I say this because if you are carrying the baggage of all the old staff from UDCL – I know some may have performed but there are also some who may have taken things in a *laissez-faire* way. I think we should make it flexible so that those who want to continue can actually continue but we do not tie the hands of the board from taking on the would-be competent people.

**MRS OGWAL:** Madam Chairperson, I would wish to propose– it is not a bad idea - that all posts be re-advertised so that they all compete with any other new persons. This is because whereas we want to transfer assets, we would not want to transfer liabilities. We may transfer labour liabilities without knowing. So, let all posts be re-advertised for all of them to compete on the same terms. Thank you.

**DR BITEKYEREZO:** Madam Chairperson, I want to disagree slightly with hon. Cecilia Ogwal. I do not believe that the entire corporation can have very bad people, but perhaps it can have some bad ones. I entirely agree with hon. Paul Mwiru that we just put the word “may”, to give a window for retention of those ones who are okay and release those ones who have been a liability.

When you say that all of them must re-apply, then it means we are witch-hunting the entire corporation and it may cause problems. There must be continuity in an organisation and if you say you want to overhaul immediately, you can cause problems. So, Madam Chairperson, I urge my colleagues to go with hon. Mwiru’s proposal. I beg to submit.

**MR SSEMUGABA:** Madam Chairperson, I do not want to use the words which my sister, hon. Cecilia Ogwal, used when she said “transferring the whole liability” because I do not think that all the workers in UDCL are a liability. I am not saying there are no liabilities there, but there must be some workers who are good and competent and that is why UDCL has been standing, though not firmly.

The practice, Madam Chairperson, has been that you allow them to re-apply. Usually, the practice is that you first give the opportunity to those who have been in and you select the best ones out of them. After filling positions with the good ones you selected from inside, you can then discard the others and re-advertise the jobs. Actually, that is what we are currently doing in UNRA. This is because as much as there were bad people or bad boys and bad girls at UNRA, there were good ones too and we had to give them an opportunity. If you do not do this, you will demoralise these workers, especially those who have worked hard; they should be given the opportunity.

**MR WAFULA OGUTTU:** Madam Chairperson, I think the current staff at UDCL are more or less civil servants; they are not really into business. We are setting up a business company and there are various ways of running businesses these days. When I was talking about Semei, I was told that that was in the past.

I would, therefore, like to suggest that these people are paid off and they re-apply to fit in the new terms of the new organisation. If they fit in, they will be taken on; if they do not, that is a good chance to go and look for something different but they should be paid.

**MR LOGOLOOBI:** Madam Chairperson, I think the original formulation provides for what members are saying. When you read clause 34 (1), it says *“The Corporation may, on the commencement of this Act, accept into its employment any person who immediately before that date is employed by Uganda Development Company Limited and who has been given an option by the Corporation and has opted to serve as an employee of that Corporation.”* So, it adequately takes care of that and it also takes care of those people that may not have been taken on in the new organisation.

Maybe where I do not seem to agree with this is on the terms and conditions of service, where they say that they should not be less favourable than the terms and conditions of service to which the person is entitled to immediately before the coming into force of the Act. That is where the importation of baggage comes in. If you are earning Shs 1 billion, then you are saying the new UDC should pay you Shs 1 billion. We should not import such stuff. We should leave the board to determine the new emoluments for all the staff that it takes on.

**MS NAMARA:** Madam Chairperson, the UDC establishment we are talking about or we are trying to establish needs about 75 employees but the existing one has only 16 employees and they are under contract. So, there is still an opportunity for a person who is not performing to be denied renewal of contract.

**THE CHAIRPERSON:** I want to agree with hon. Amos Lugoloobi because the presumption under clause 34 is that once we enact this new law, the corporation is obliged to give you an option. As soon as we get a new law, they are obliged to give you an option whether you want to stay or go. That is a given; they have to do it. You cannot say that they shall continue.

**MS NAMARA:** Madam Chairperson, maybe we can relax a bit and not make it mandatory. We can use the word “may”.

**THE CHAIRPERSON:** Honourable members, I put the question that clause 34 do stand part of the Bill.

*(Question put and agreed to.)*

*Clause 34, agreed to.*

*Clause 35, agreed to.*

Clause 36

**MS NAMARA:** I have a proposal to amend clause 36 in sub clause (2) by-

1. redrafting paragraph (c) to read as follows: “provide for the forfeiture of anything used for the commission of an offence.”

2. in paragraph (d), deleting the word “may” appearing at the beginning of the paragraph.

The justification is: To give courts room to exercise discretion in making their orders; and two, for clarity.

**THE CHAIRPERSON:** Honourable members, I put the question that clause 36 be amended as proposed.

*(Question put and agreed to.)*

*Clause 36, as amended, agreed to.*

*The first schedule, agreed to.*

Second Schedule

**MR LUGOLOOBI:** Madam Chairperson, I have seen Development House on this list. I believe this is the house that we are just acquiring across the road. Are we not going to be impaired by this decision of this house becoming property of UDC, something that I thought Parliament should actually own?

**THE CHAIRPERSON:** I think all we are saying is that the landlord is going to be different. Instead of the Uganda Land Commission, the landlord will be UDC.

**MR WERIKHE:** Madam Chairperson, yes, Parliament is renting from Uganda Land Commission as of now, but we are now saying that the former landlord is being brought back. That means Parliament can continue using the premises but now our allegiance will be to a different landlord and not Uganda Land Commission.

**MS NAMARA:** Madam Chairperson, I have a new list in Schedule 2, which has parts A and B. If you allow me, I will read that list. Under part A of Schedule 2, there is a list of investments managed by the Uganda Development Company Ltd to be transferred to the corporation, and they are:

1. Soroti Fruits Ltd;

2. Luwero Fruits Ltd;

3. Lake Katwe Salt Factory Ltd;

4. Kalangala Infrastructure Services Ltd;

5. Kiira Motors Corporation; and

6. Uganda National Commodity Exchange.

Under Schedule 2, part B has a list of entities owned by Government to be taken over by the corporation and they are:

1. Nile Hotel Ltd;

2. Apollo Hotel Ltd; and

3. Embassy House.

The justification is: To provide for the two parts of Schedule 2 so as to classify entities to be transferred from UDCL to the corporation as being different from those to be transferred from Government to the corporation.

Madam Chairperson, the minister will amend this number. The schedule will be amended-

**THE CHAIRPERSON:** Are you amending the second schedule to include Soroti Fruits Ltd, etc.?

**MR MWIRU:** Madam Chairperson, was it an addition or it was an amendment to the schedule? I want the chairperson to respond because when reading the new list, she omitted some and I had construed it to mean that she had added more.

It looks like you are amending by adding but when you read, you omitted some. I do not know whether it was an omission. This is the list which we had in the schedule. I thought she rose to the Floor to add to the others so that we extend the list other than omit what already existed.

**MS NAMARA:** Madam Chairperson, these are additions and many more may come along.

**MR MWIRU:** Okay. Thank you.

**THE CHAIRPERSON:** But why do you present Embassy House twice; it is already there and now it is also here?

**MS OGWAL:** Madam Chairperson, I think let the chairperson of the committee help us. You have done us well to say you have Schedule 2, parts A and B, but can you tell us those that fall under A. Read all of them, whether they are here or not, and then read those that fall under B so that we can capture them and know that this one falls under A and the other one under B.

**MS NAMARA:** I would request that since this schedule can be amended *–(Interruption)*

**MS OGWAL:** Do not confuse us.

**MS NAMARA:** Under part A, we have Soroti Fruits Limited, Luwero Fruits Limited, Lake Katwe Salt Factory Limited, Kalangala Infrastructure Services Limited, Kiira Motors Corporation, Uganda National Commodity Exchange -

**THE CHAIRPERSON:** The difficulty we have is that we do not know whether these are in lieu of the first list. For instance, Amber House is not mentioned and Embassy House and Nile Hotel are moved to a different category. So, what are you placing where?

**MR WAKIKONA:** Madam Chairperson, I know Amber House was discussed and the Ministry of Energy took it over *–(Interjection)-* They were allocated Amber House in Cabinet.

**MS EKWAU:** Madam Chairperson, I am a member of the Committee on Natural Resources; for the last 10 years, the Ministry of Energy has been paying rent to Uganda Property Holdings Limited as the rightful owners and managers of Amber House. Is the minister, moreover who sits in Cabinet, in order to mislead the House as if he does not follow up these issues?

**THE CHAIRPERSON:** What is the status?

**MR BYABAGAMBI:** If I can recall rightly, we gave Amber House to the Ministry of Energy.

**MR MWIRU:** Madam Chairperson, President’s Office is in charge of housing government offices. So, if Ministry of Energy is occupying it, it is doing so because President’s Office allocated them the house just to use it. Occupying the premises does not confer ownership. That is how government operates.

**MR BYABAGAMBI:** Let me give you some information. Madam Chairperson, I think we can stand over this. I know very well that this was in Cabinet and Cabinet decided that Amber House should be given to Ministry of Energy and it was taken over by the Ministry of Energy –*(Interruption)*

**MR MWIRU:** That is okay, but just to occupy it.

**MS OGWAL:** Can we cut this argument short by requesting the minister to lay on the Table the evidence that he has regarding this transfer of ownership.

**MR WAFULA OGUTTU:** Does Parliament own Development House, Madam Chairperson, because we are occupying it?

**MS EKWAU:** Madam Chairperson, what I see now is that the committee chairperson is coming up with list one and list two and she is leaving out the list that was in our schedule. This Bill has been gazetted for all this time, so authentically we should go by the first list that was in the schedule before even adding on a new list. If there is an issue to be considered, the list before us should be the authentic list. On top of that, we would then have the new list that the chairperson is considering. That is what I think should be right.

**THE CHAIRPERSON:** Honourable members, I do not have the full details but I recall that Amber House was the subject of an investigation by this House. I think there were issues about ownership, management etc. I think we need evidence to show whether you complied with what we resolved because what we are hearing is different.

**MR WERIKHE:** Madam Chairperson, the issue of Amber House was actually presented to this House. It has been a prayer for a very long time of the Committee on Natural Resources until, I think in the last report we presented to this House, we pronounced ourselves that Amber House goes to the Ministry of Energy. Therefore, I do not know whether by implication that now made Ministry of Energy the owners. Otherwise, that is what we resolved as House and you can check with our *Hansard.*

**MR MWIRU:** Madam Chairperson, I think I should give some guidance. The way Government operates is that all these ministries are housed in these properties. However, it is the President’s Office which allocates which ministry should be housed in which Government building. By merely occupying Amber House, it does not confer that the Ministry of Energy now owns Amber House.

All these properties are held by Uganda Property Holdings Limited. As the Committee on Legal and Parliamentary Affairs, we visited most of these properties, which are being held on behalf of Government of Uganda by Uganda Property Holdings Limited. They still remain but they have their original owners. Uganda Property Holdings is only managing them.

**MS EKWAU:** Thank you very much, hon. Paul Mwiru. Madam Chairperson, it is that very bit that I was interested in. For all this time, each time we asked about Amber House the ministry told us it was being managed by Uganda Property Holdings Ltd. We have passed resolutions during the process of ministerial policy statements analyses but nothing has come back to this House to tell us whether the Government or Ministry of Energy now outrightly own Amber House.

It is at this point that I still feel that the new list that the chairperson of the committee has read should only come as an addition to the original list. That is if the Government, in good faith, wants us to know that at this point it is ready to have the country know that Amber House is a property that Uganda owns as a country.

**THE CHAIRPERSON:** Let us ask the chairperson; are you abandoning the old list?

**MS TAAKA:** Thank you very much, Madam Chairperson. At the beginning, I asked the minister a question on the composition of Uganda Development Company Limited. Who are the shareholders?

Madam Chairperson, as you can see, originally in schedule 2 they had given us these assets: Amber House Limited, Embassy House, Development House, Munyonyo Commonwealth Resort, Nile Hotel Limited, Phenix Logistics, Tri-Star Apparels Limited and others. The chairperson is now bringing something new as an addition to these assets. However, when you look at the Luwero company and those other companies she is talking about, they have very dilapidated structures. Soroti Fruits Factory has only a wall fence and the grant, which was supposed to be given to us, is not yet in position.

Madam Chairperson, she even put those assets in two categories but at the end, she only read one side. She is confusing us. We are not ready to listen to this until the minister gives us a full list of assets. Thank you, Madam Chairperson.

**MR BIRAARO:** Madam Chairperson, I would like to refer to clause 33(2). It says, *“The minister shall in accordance with clause 4(1)(e), by statutory order, list other property, rights, assets…”* I have had experiences with our Government and the ministries where they do not even know the assets they have. An example is Uganda Railways Corporation (URC). At one time we had to move around the country and we found residents who testified that they had property of URC but URC did not know it; they did not have it on their list.

I would, therefore, suggest that the fact that clause 33 (2) provides for the minister to list more, we leave these lists in schedule 2, parts A and B, for the minister to go and search for more, with follow up, so that they are better listed. Otherwise, this list is very limited and it may deliberately deny us or the Government its own assets and properties.

**MS NAMARA:** Madam Chairperson, let me make a final clarification. I would like to drop the list in the Bill. We should go with the list given in the report. This is because in clause 33, as my colleagues have said, it says that the minister shall, in accordance with clause 4(1)(e), by statutory order, list other property, rights, assets, liabilities and obligations of the Government to be included in part B of schedule 2. The list could be endless. The minister may come with a statutory order to include other *- (Interruption)*

**MR MWIRU:** Madam Chairperson, from what you have read, there is nothing like “the minister may exclude”. What you want to do is to exclude. If you are adding, that is okay; just tell us what you are adding among these ones in the Bill, but you cannot exclude because it is not in the law.

**MS NAMARA:** Madam Chairperson, I would like us to take the example of Tristar; it was in the Bill but it still has some problems. We cannot now start including it until investigations are done.

**THE CHAIRPERSON:** The fact that they have problems should not extinguish our interest and that of the people of Uganda. We take our interest subject to those problems. In many reports here, for example, we have talked about the Commonwealth resort and said the Government has never registered its interest but you are now excluding it.

**MR MWIRU:** Madam Chairperson, as a member of the Committee on Legal and Parliamentary Affairs, what she is saying is that there is no problem as far as Tristar is concerned. The Minister of Finance is aware that when those people who were occupying that place left, an illegal lease was given but it was objected to by the Minister of Finance. The Committee on Legal and Parliamentary Affairs even visited and there are letters to that effect.

That still remains property of the Government of Uganda because the lease has never been finalised. Why you want to remove it from the Bill is because you want the process of partaking of the property to be finalised. That is the position which the Minister of Finance, hon. Matia Kasaija, objected to - the giving away of that property. That evidence is there.

**MS EKWAU:** Thank you very much, Madam Chairperson. I would like to be guided. Honestly speaking, before we begin considering a Bill, it must have been gazetted. Government went ahead to gazette this Bill well aware that the list it was giving us was authentic. How does the same government now, on the Floor of the House, being guided by the Executive, turn around and begin bringing conflicting lists?

Madam Chairperson, I think it is at this point that we should really condemn and hold someone accountable for being unserious and taking Parliament for a ride.

**THE CHAIRPERSON:** Honourable minister, you are the owner of this Bill; what do you want us to do with the old schedule 2 and the new schedule 2? It is your Bill. I think the chairperson should leave it; you tell us.

**MR WAKIKONA:** Madam Chairperson, before we take a decision on this, we should understand that UDCL was formed in 2011 for divestiture. Some of the things, which may appear *– (Interjections) –* Yes, it was there to divest and the shareholders were just two people. We shall bring the papers and you see the names. Some of the things which were under UDCL, which expired, may have been quoted. In the new schedule here, we want to go with things which are obvious. We want to go with things where we have evidence that they have been submitted, where we have certain expectations; these are the ones in this new schedule that the chairperson of the committee is reading.

Madam Chairperson, I therefore suggest that we go with the list which the committee has authenticated and *–(Interruption)*

**MS EKWAU:** Madam Chairperson, the minister should stop taking this House for ride. We are here for serious business. You gazette a Bill, bring a list and months later you withdraw this list. You are now smuggling in a new list and you want us to go by that list. Are you in order?

**THE CHAIRPERSON:** Honourable minister, I think the House requires answers. No one can understand why you have different lists. This Soroti Fruits Limited is a new industry, Luweero is also new, but the Gulu cattle industry is old. Everybody knows about the original properties of UDCL, but you have not satisfied us with where they are.

**MR SSEMUGABA:** Madam Chairperson, I would like to suggest that we stand over this and order the minister to bring a new list for us to scrutinise. We should not leave our property outside like that.

**THE CHAIRPERSON:** Honourable members, I think we should stand over schedule 2. Let us go to schedule 3.

Schedule 3

**MS NAMARA:** Madam Chairperson, there is a proposal to amend schedule 3 - meetings of the board - in paragraph 1(3) by redrafting it to read as follows: “The meetings of the board shall be convened by the secretary to the board upon the direction of the chairperson of the board.”

The justification is: To empower the chairperson of the board to direct the convening of the meetings of the board.

We also beg to amend 3 - decisions of the board - in paragraph 3(2) by substituting paragraph (2) with the following: “(2) A decision may be made by the board without a physical meeting of the members of the board, by video conferencing, teleconferencing or other electronic means that ensures participation by all members of the board.”

The justification is: to cater for the recent development in technology in the conduct of business.

Under minutes of proceedings, we propose an amendment to paragraph 6(1) by substituting the phrase “Executive and secretary to the board”, appearing at the end of the clause, with the phrase “the chairperson and the secretary to the board.”

The justification is: To empower the board chairperson to sign the minutes of the board meeting as co-signed by the secretary to the board.

**THE CHAIRPERSON:** Honourable members, I put the question that schedule 3 be amended as proposed.

*(Question put and agreed to.)*

*Schedule 3, as amended, agreed to.*

Clause 31

**THE CHAIRPERSON:** Do we have a formulation for clause 31? Is there a proposal?

**MR WAKIKONA:** Madam Chair, under clause 31(2), we have come up with the following: “A member of the board or staff who contravenes subsection (1) commits an offence and is liable on conviction to a fine not exceeding 120 currency points or imprisonment not exceeding five years or both.”

**MR MWIRU:** Madam Chairperson, we have no problem with the punishment in clause 31(2). Our problem was in regard to clause 31(1), on who we are dealing with.

I would like to propose that it reads thus: “No employee of the company shall divulge or disclose any information obtained by virtue of the position…”, so that we are dealing with information which comes to the employee. I would also propose that clause 31 should come under clause 34 so that it flows. So, when you talk about an employee, we are talking about an employee in that sense.

**MR WAKIKONA:** He is a good draftsman and I accept his language. *(Laughter)* I concede.

**THE CHAIRPERSON:** I put the question that clause 31 be amended as proposed.

**MR MWIRU:** Madam Chairperson, we said we do not need to amend clause 31(2) because the punishment would accrue to someone who divulges information of the company. There is no problem with clause 31(2)

**THE CHAIRPERSON:** Is that the penalty clause?

**MR MWIRU:** Yes, the penalty clause can remain the way it is. Our problem was to contextualise clause 31(1) so that we know whom we are dealing with, and we are also lifting it to clause 34 so that it flows when we talk about employment.

**THE CHAIRPERSON:** You do not want to say “a member of staff who does a, b, c, d” in clause 31(2)?

**MR MWIRU:** No, that is okay.

**THE CHAIRPERSON:** In clause 31(2) because the minister had made a proposal.

**MR MWIRU:** I have understood it. I concede on that one.

**THE CHAIRPERSON:** Honourable members, I put the question that clause 31 be amended as proposed.

*(Question put and agreed to.)*

*Clause 31, as amended, agreed to.*

**MS OGWAL:** Madam Chairperson, I thought we would reconsider clause 6(7) where the gender should be specific to 40 per cent or at least three women on the board.

**THE CHAIRPERSON:** We can recommit because we had passed it.

Title

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

*(Question put and greed to.)*

*The Title, agreed to.*

MOTION FOR THE HOUSE TO RESUME

6.50

**THE MINISTER OF STATE FOR TRADE, INDUSTRY AND COOPERATIVES (TRADE) (Mr David Wakikona):** Madam Chairperson, I move that the House do resume and the Committee of the whole House reports thereto.

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

*(Question put and agreed to.)*

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

REPORT FROM THE COMMITTEE OF THE WHOLE HOUSE

6.51

**THE MINISTER OF STATE FOR TRADE, INDUSTRY AND COOPERATIVES (TRADE) (Mr David Wakikona):** Madam Speaker, I beg to report that the Committee of the whole House has considered the Uganda Development Corporation Bill, 2014 and passed all clauses except schedule 2, which was stood over to be recommitted. I beg to move.

**THE SPEAKER:** It was passed with a number of amendments.

**MR WAKIKONA:** It was passed with a number of amendments.

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

6.52

**THE MINISTER OF STATE FOR TRADE, INDUSTRY AND COOPERATIVES (TRADE) (Mr David Wakikona):** Madam Speaker, I beg to move that the report of the Committee of the whole House be adopted.

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

*(Question put and agreed to.)*

*Report adopted.*

**THE SPEAKER:** We can do the recommital; it is just one clause. Hon. Cecilia Ogwal, you can move for the recommital.

6.56

**MS CECILIA OGWAL (FDC, Woman Representative, Dokolo):** Madam Speaker, I would like to seek the indulgence of the House to propose that clause 6(7), which considers the issue of gender equality, specifically mentions “not less than three women” for the board. Out of the seven, there should be not less than three women on the board. In other words, they could be more but not less than three on the board. I beg to move

**THE SPEAKER:** Honourable members, I put the question that clause 6(7) be recommitted.

*(Question put and agreed to.)*

BILLS

COMMITTEE STAGE

THE UGANDA DEVELOPMENT CORPORATION BILL, 2014

Clause 6

**MS CECELIA OGWAL:** Madam Chairperson, I beg to move that clause 6 (7) be amended to state that 40 per cent of the board will be women, so that not less than three women shall be members of the board.

**THE CHAIRPERSON:** Honourable members, I put the question that clause 6 (7) be amended as proposed.

*(Question put and agreed to.)*

*Clause 6, as amended, agreed to.*

**THE CHAIRPERSON:** We cannot move to the schedule without the other information. I thought we had agreed that we need information about those properties. You have now abandoned the other one.

**MS TAAKA:** Madam Chairperson, I would like to thank the House for having given us time to debate this. However, the gist of this Bill is schedule 2, the assets of UDC. We have been fighting to get UDC from Ministry of Finance and, therefore, we need to handle it holistically. We should see all the assets and the liabilities from UDCL come back to the original UDC. They should provide us with the asset register, and we also have other assets.

The Bill looked very simple though it is not very simple. These are Government assets. Madam Chairperson, we must know what Uganda owns. We do not know what happened to industries like Kilembe Mines. We should, therefore, give them time; they should not play around with these things - Uganda hotels and all those assets. We want the whole list before we pass this Bill. Thank you very much. *(Applause)*

MOTION FOR THE HOUSE TO RESUME

6.58

**THE MINISTER OF STATE FOR TRADE, INDUSTRY AND COOPERATIVES (TRADE) (Mr David Wakikona):** Madam Chairperson, I beg to move that the House do resume and the Committee of the whole House reports thereto.

**THE CHAIRPERSON:** Honourable members, I put the question that the House do resume and the Committee of the whole House do report there to.

*(Question put and agreed to.)*

*(The House resumed, the Speaker presiding.)*

REPORT FROM THE COMMITTEE OF THE WHOLE HOUSE

6.59

**THE MINISTER OF STATE FOR TRADE, INDUSTRY AND COOPERATIVES (TRADE) (Mr David Wakikona**)**:** Madam Speaker, I beg to report that the Committee of the whole House considered an amendment to clause 6(7) of the Bill on recommital and passed the clause with the amendment required.

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

6.59

**THE MINISTER OF STATE FOR TRADE, INDUSTRY AND COOPERATIVES (TRADE)** **(Mr David Wakikona):** Madam Speaker, I beg to move that the report of 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.)*

*Report adopted.*

**THE SPEAKER:** Honourable members, we shall not take the third reading today because we have to get answers on the question of schedule 2. Honourable minister, I know you want the law but you should bring us the information. If you bring it tomorrow, we finish the Bill.

**MR WAKIKONA:** We shall bring it to tomorrow, Madam Speaker; in the morning or afternoon? *(Laughter)*

**THE SPEAKER:** In the afternoon*.*

**MS OGWAL:** Madam Speaker, as Ugandans we are interested in that schedule because we want to know what happened to Kilembe Mines, Soroti Meat Packers, Nytil, Olweny Rice Scheme and all the others. We want to know what has happened to them. So, bring the entire schedule so that we can look at it. Thank you.

**THE SPEAKER:** Honourable members, the House is adjourned to 2 O’clock tomorrow to finish what is on the Order Paper and then we free you to continue with the Budget Framework Paper. You should actually start in the morning; the sectoral committees should do their other work in the morning and in the afternoon we can finish these two Bills, which are on the Order Paper. House adjourned to 2 O’clock tomorrow.

*(The House rose at 7.00 p.m. and adjourned until Thursday, 17 December 2015 at 2.00 p.m.)*