**Thursday, 19 May 2022**

*Parliament met at 2.30 p.m. in Parliament House, Kampala.*

PRAYERS

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

*The House was called to order.*

COMMUNICATION FROM THE CHAIR

**THE SPEAKER:** Honourable members, first, I must apologise for coming in late. It is not my nature that I come after two o’clock. I had adjourned the House to 10.00 a.m. today but we got some challenges with the Budget Committee. They are still considering the budget and, remember, the deadline is today. We have to finish the budget.

I pray that you consider my apology.

As you are aware, we are pressed with time. It is a constitutional obligation that we must finish the budgeting process – the supply. We have gone through the whole process. Today, we are basically meant to do the supply.

As we wait for the committee to come – they said they will be here in the next 30 minutes – we will amend the Order Paper and have a petition from residents of Nyakesi E Zone from Tororo. We will also have the Kasoli report.

However, I had asked the Attorney-General to come and make a presentation or give us a status update on the case of Hon. Ssegirinya. I need the status update to be delivered to the House. So, Attorney-General, we need a status update on Ssegirinya; we need a status update on compensation, and we need a status update on the brutal arrest of Dr Besigye.

However, before you come up, there is one person I see here – I do not know whether I am seeing the right person because she was declared dead. *(Laughter)* Hon. Nandutu, we would like to welcome you. *(Applause)* We thank God that you have recovered and are in good shape. Kindly, stand up to confirm that you are still alive. *(Laughter)*

2.35

**THE MINISTER OF STATE, OFFICE OF THE PRIME MINISTER (KARAMOJA AFFAIRS) (Ms Agnes Nandutu):** Thank you, Madam Speaker, for giving me this opportunity. I would like to remove the mask to confirm to colleagues in Parliament that I am alive. *(Laughter)* I did not die. *(Applause)*

I would like to take this opportunity to thank you, Madam Speaker, and colleagues - Members of Parliament, for the prayers that you offered while I was on my sickbed.

Speculation went around that I had slipped and fallen in the bathroom. However, I would like to clarify that I did not fall in the bathroom. I just felt dizziness, and, when I was taken to hospital, I was diagnosed with a blood clot in my lungs.

Therefore, I would like to thank God for rescuing my life. *(Applause)* I am now very okay. I would also like to thank Dr Aceng, the director of Mulago Hospital and the medical team that did everything to save my life. *(Applause)*

I would also like to join Hon. Ssemujju to confirm to this country that Mulago is the best hospital we have in this country. *(Applause)* They can manage all situations. A blood clot in the lungs is not a simple thing, but they did all they could. They took me through all the machines, discovered the blood clot and treated it.

I am now okay. I am back, fresh and reloaded *– (Applause) -* and ready to perform my work. Thank you for your prayers.

However, I would like to encourage Members to do periodic medical check-ups. If I had done medical check-ups, maybe they could have discovered this blood clot at an earlier stage. Therefore, let us check ourselves. The machinery is there at Mulago. They can check any organ in your body. Also, do exercise regularly. That is the only caution I would like to give to fellow Members of Parliament.

Thank you very much, Madam Speaker. *(Applause)*

**THE SPEAKER:** Thank you.

PRESENTATION OF A PETITION BY RESIDENTS OF NYAKESI E ZONE, LYOKANGO PARISH, NYANGOLE SUBCOUNTY IN TORORO DISTRICT OVER CONTINUED HARASSMENT, INTIMIDATION, PROVOCATION AND SOMETIMES VIOLENT ATTACKS BY A ONE SYLVIA DAMALIE OWORI, HER AGENTS AND SECURITY PERSONNEL

2.38

**MS SARAH OPENDI (NRM, Woman Representative, Tororo):** Thank you, Madam Speaker. I move under Rule 30 of the Rules of Procedure to present this humble petition of the residents of Nyakesi E Zone, Lyokango Parish, Nyangole Subcounty in Tororo District.

*Your humble petitioners are residents of Nyangole E Zone Lyokango Parish, Nyangole Subcounty, who are living in fear due to the continued harassment, intimidation, provocation and sometimes violent attacks by a one Sylvia Damalie Owori, her agents and security personnel, who claim to be acting – (Interruption)*

**MR SSEMUJJU:** Madam Speaker, thank you very much. The colleague, who is presenting the petition, said she is doing so under rule 30. Rule 30(2) says: *“Petitions shall be filed with the Clerk, who shall immediately notify the whips and table them before the Business Committee.”*

Madam Speaker, I am the whip of FDC. I am not aware of that petition, and, I have not discussed it in the Business Committee. Maybe she is moving under a different rule. Rule 30 requires that one files it with the Clerk and the Clerk sends us copies. I do not have my copy.

So, is there another rule 30 in this book of the Rules of Procedure of Parliament?

**THE SPEAKER:** Hon. Opendi – rule 30, though is not entrenched. *(Ms Opendi rose\_)* Are you moving under rule 30(6)?

**MS OPENDI:** Madam Speaker, under rule 30(6): “Notwithstanding subrule (5), the Speaker may refer a petition of an urgent matter to a particular minister or committee.”

So, Madam Speaker, I bring this petition. We have brought petitions here before so that they are presented and the Speaker can then make the necessary decision. Thank you.

**THE SPEAKER:** For me to refer a petition to a particular committee or ministry, it must be from this House. I cannot do it in my office.

**MS OPENDI:** Thank you, Madam Speaker. *The petitioners aver that this person claims to be acting on the instructions from His Excellency, the President. The petitioners aver that Ms Sylvia Damalie Owori is illegally claiming and grabbing over 90 acres of land from sections of the community, where more than 200 citizens have been peacefully living for decades.*

*She has already displaced some families, fenced off compounds and gardens of crops, and continues to encroach on other land with her armed security personnel standing by and on several occasions, her armed security guards have beaten up innocent people working in different gardens or simply gathering firewood for livelihood.*

*She has constructed a road through people’s gardens, through which she drives her vehicles to areas she claims she is going to establish fishponds. She has deployed soldiers to chase away some of the people cultivating in their gardens and in some cases, she has been ploughing up people’s gardens at night, with armed people standing guard.*

*She has also prevented children and teachers from accessing their private primary school. This is specifically Heroes Foundation Primary School, and even the worshippers of Abundant Life Church cannot access the place of worship, claiming the church and school have been constructed on her land.*

*In September 2020, in a bid to take control of the land, she erected a tomb apparently that of her late grandfather, in the compound of the private primary school cited above.*

*Your petitioners, Madam Speaker, aver that they have tried to seek help from the Government through the offices of the Uganda Police Force, the Resident District Commissioner, even the courts of law, through the offices of the area LC1, without tangible relief to the residents, as the mere mention of Gen. Salim Saleh’s name seems to intimidate most of them from helping the complainants.*

*They have tried to engage some law firm for guidance and indeed, Ms Owori has been served with court summons from the Chief Magistrate’s court, including injunctions for malicious damage to crops but she appears not to be bothered.*

*Before the arrival of Sylvia Owori to this community, the residents had been living in harmony, settled peacefully and cooperative all through, although members come from different clans and tribes. The residents have lived on the land with their families and dependents for decades and some have official documents to prove ancestral rights of inheritance to the land in question.*

*A number of meetings have been held by the community regarding this matter since 2018 but without any success, Madam Speaker. To date, your petitioners have been denied access to their land by the said Sylvia Damalie Owori and her agents.*

*Now, therefore, Madam Speaker, your humble petitioners pray that Parliament intervenes in this matter and rescues your petitioners from the land grabbers. Your humble petitioners, as are duly bound, will ever pray and hereto - the humble petitioners, numbering 244, have appended their signatures with the letter that was addressed you, Madam Speaker.*

I beg to submit.

**THE SPEAKER:** Thank you so much, Hon. Opendi. I direct the Minister of Lands, Housing and Urban Development to go and find out what is happening in the interim, as the Committee on Physical Infrastructure handles that issue. The minister must go and see what is happening and put a temporary measure to stop the soldiers from beating up our locals. *(Applause)*

**MS OPENDI:** Madam Speaker, I beg to table the original petition that was addressed to you and signed by the petitioners. Thank you.

**THE SPEAKER:** Thank you.

LAYING OF PAPERS

**THE SPEAKER:** Lay the papers.

2.47

**THE DEPUTY ATTORNEY-GENERAL (Mr Jackson Kafuuzi):** Thank you very much, Madam Speaker. I have been asked to lay two reports. The first report is our Second Progress Report on the Payment of War Debt Claimants in Acholi, Lango and Teso Subregions.

I beg to lay

**THE SPEAKER:** Please lay. Members, we will give all of you copies of that report for you to look at it.

**MR KAFUUZI:** We already submitted to the Clerk’s office.

**THE SPEAKER:** Clerk, I want you to give all those Members from the affected areas copies and they look at it.

**MR KAFUUZI:** Madam Speaker, the second report, which I am laying, is a brief on the court matters involving Hon. Ssewanyana Allan Aloysius and Hon. Ssegirinya Muhammad, Members of the 11th Parliament.

I beg to lay.

**THE SPEAKER:** Can you read the report? Read that one; we need to hear it.

**MR KAFUUZI:** This, in particular? *(Applause)*

Madam Speaker, on the 17th day of May 2022, I was requested – I am reading the words of the Attorney-General, who has signed - by the Rt Hon. Speaker of Parliament to present to this House an update on the court matters involving Hon. Allan Ssewanyana and Hon. Ssegirinya Muhammad. The following is the status of the matter, as established from the Office of the Director of Public Prosecutions (DPP).

Hon. Ssewanyana and Hon. Ssegirinya, together with four others, were arrested by the Uganda Police on the 6th Day of September 2021, upon obtaining information that the two Members of Parliament were involved in the murder of three persons in Masaka District.

They were, as per the law, on 7 September 2021, charged under Masaka, Criminal Register Book (CRB) No. 605 of 2021, with the offences of murder, contrary to sections 188 and 189 of the Penal Code Act, Cap 120; Terrorism, contrary to Section 7(1)(a), and (2)(b) and (d) of the Anti-Terrorism Act, 2002; Attempted murder, contrary to Section 204A of the Penal Code Act, and aiding and abetting terrorism, contrary to Section 8 of the Anti-Terrorism Act, 2002, with respect to the attempted cause of death of one person.

On 29 September 2021, the two MPs appeared in court in Masaka and the new charges, under Lwengo CRB 203 of 2001, were formally communicated to them; they were further remanded in prison. These related to the murder of yet another victim, which is alleged to have occurred at Kisekka B Village in Lwengo District.

On 23 November 2001, the two accused persons, with four others, were, as per the law, committed to the next convenient session of the International Crimes Division of the High Court of Uganda, in respect of Masaka CRB 605 of 2001.

On 28 March 2002, the accused and one other person were similarly committed to the next convenient High Court session with regard to Lwengo CRB 203 of 2001. The next stage is for their cases to be cause-listed for trial at the International Crimes Division and the Masaka High Court, respectively. I beg to submit. This is a report as provided to us by the Office of the Director of Public Prosecution (DPP).

**THE SPEAKER:** Thank you. *[Member rose\_]* on that matter?

**MR SSEMUJJU:** Madam Speaker -

**THE SPEAKER:** You know, Hon. Ssemujju, this case is before court; we cannot start discussing what is before court; that would amount to subjudice. What we can do should be done behind the scenes, the way we have always done. Come and we will call the DPP so that we can get all the details. Let us not discuss it here. It would help our friends.

MOTION THAT THE HOUSE RESOLVES ITSELF INTO A COMMITTEE OF SUPPLY FOR CONSIDERATION AND APPROVAL OF SUPPLEMENTARY EXPENDITURE SCHEDULE NO.2, FOR THE FINANCIAL YEAR 2021/2022

**THE SPEAKER:** The honourable Minister of Finance, Planning and Economic Development brought here a supplementary yesterday and because of time and since the Budget is coming up with its supply, we may not be able to wait for long. So minister, can you move your motion? And you know very well that this House has powers to process it and I would request that we suspend rule 153.

2.53

**MR MOHAMMAD NSEREKO (Independent, Kampala Central Division, Kampala)**: Madam Speaker, aware that the minister must complete supply in this financial year through presentation of a supplementary budget as laid down, privy to the rules of this House and rule 16 that states that a member may, with the consent of the Speaker, move that a rule be suspended in its application to a particular motion before the House and if the motion is carried, the rule in question shall be suspended - And those rules under subclause 2 that are not suspendable include 5, 6, 11 12 13(1) 16 and 98.

With the circumstances before us, under rule 153, in consideration of the supplementary estimates, subrule 1; the Minister for Finance shall, in accordance with Article 156(2) of the Constitution and Section 25 of the Public Finance Management Act, 2015, present before Parliament supplementary estimates on behalf of the President.

Madam Speaker, our hands are tied in this case and the rules under Rule 149(4) clearly state that the Committee of Supply shall consider and approve estimates and expenditure not later than the 28th day of May.

Therefore, the main Budget that we have to attend to for the coming financial year has a deadline and we have this supplementary. In this motion, I move that we suspend rules 153(2) and 153(3), 153(4) and then we supply in accordance with the law. I beg to move.

**THE SPEAKER:** Thank you, Hon. Nsereko. Is it seconded? It is seconded by Hon. Meddy, Hon. Gilbert, Hon. Mbwatekamwa, Hon. Ethel of Wakiso, Hon. Hanifa, Hon. Odur, Hon. Avur, Hon. Iddi, Hon. Rose and the whole House.

2.56

**THE MINISTER OF STATE FOR FINANCE PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Thank you, Madam Speaker. I beg to move that the House resolves itself into a Committee of Supply -*(Interruption)*

**MR SSEMUJJU**: Madam Speaker, Hon. Muhammad Nsereko moved a motion -

**THE SPEAKER:** I put the question that Hon. Nsereko’s motion be adopted by this honourable House?

*(Question put and agreed to.)*

*Motion adopted.*

**THE SPEAKER:** That is why it is good to have Hon. Ssemujju in the House.

**MR MUSASIZI:** Madam Speaker, I beg to repeat -

**THE SPEAKER:** Honourable members, kindly do not feel bad when we do not entertain so many points of procedure and order. As I said before, I want you to go and do accountability in your constituencies. And today, you must leave and go and do accountability; we must finish.

**MR MUSASIZI:** Madam Speaker, I beg to move that the House resolves itself into a Committee of Supply for consideration of Supplementary Schedule No.2 for Financial Year 2021/2022. I beg to move.

**THE SPEAKER:** Is it seconded? It is second by Hon. Ssemujju, Hon. Nsereko, Hon. Masaba, Hon. Silwany, Hon. Mbwatekwa, Hon. Wilson, Hon. Ojok, Hon. Muwuma and the whole House. Can you speak to your motion?

**MR MUSASIZI:** Madam Speaker, in line with Section 25 of the Public Finance Management Act, 2015, Supplementary Schedule No. 2 amounting to Shs 617.948 billion was presented for consideration by Parliament, as summarised below:

1. Vote 001: Office of the President - Shs 86.311 billion to cater for external financing from the Exim Bank for the National Science, Technology, Engineering and Innovation Skills Enhancement Project.
2. Vote 002: State House - Shs 77 billion is required for classified expenditure.
3. Vote 004: Ministry of Defence and Veteran Affairs - Shs 152.044 billion, of which Shs 64.497 billion is to facilitate for UPDF’s *Operation Shujaa* in the Democratic Republic of Congo, against the Allied Democratic Forces, following deployment of the UPDF in the Democratic Republic of Congo and Shs 87.546 billion to facilitate the UPDF to carry out operations in Karamoja Sub-region.

Under Vote 014: Ministry of Health, external financing amounting to Shs 0.066 billion is required to facilitate the completion of Kayunga and Yumbe hospitals’ outstanding project activities during the six-month period of January to June 2022.

Under Vote 016: Ministry of Works and Transport, an amount of Shs 25 billion is required to facilitate works on the security roads in the Karamoja Sub-region.

Under Vote 018: Ministry of Gender, Labour and Social Development, we require a subvention in support of:

1. Shs 2.5 billion to facilitate election of the office bearers for the Uganda Muslim Supreme Council.
2. Shs 1 billion is required for Fort Portal Catholic Diocese and Shs 0.6 billion for Greater Ankole Diocese to facilitate preparations for the Uganda Martyrs’ Day celebrations in Namugongo for 2022.

Under Vote 176: Naguru Referral Hospital - Madam Speaker, can I have the attention of the Members?

**The Speaker:** Honourable members, can you listen to the Member.

**Mr musasizi:** Thank you, Madam Speaker. Under Vote 176: Naguru Referral Hospital, an amount of Shs 0.183 billion is required as additional non-tax revenue to facilitate procurement and maintenance of diagnostic equipment as well as meet various administrative expenses in the non-tax revenue collection process.

Under Vote 205: Mission in Cairo, Shs 0.396 billion is required to facilitate procurement of two motor vehicles for the Head and the Deputy Head of Uganda's Mission in Cairo.

Madam Speaker, under salary and wage shortfalls, we require Shs 251.779 billion to meet wage shortfalls under various central and local Government votes.

Lastly, under Vote 500: Local Government, an amount of Shs 21.068 billion is required as additional local revenue projections to cater for the land compensation payments to a number of local governments from UNRA, farmers co-funding under UgIFT micro-scale irrigation and local revenue collections in excess of appropriation budget for the Financial Year 2021/2022, among others. The details have been provided.

Madam Speaker, how are we going to finance this supplementary request? We shall finance it in two categories:

Under category one, which includes State House, Defence, Inter-Religious Council or Ministry of Gender, Mission in Cairo, security roads and salary shortfalls, totalling to Shs 510.319 billion shall be financed through borrowing.

Under category two, we have local revenue, external financing and non-tax revenue amounting to Shs 107.628 billion. The total sum is Shs 617.947 billion.

With these few points, Madam Speaker, I beg that the House considers this supplementary request. Thank you.

**The Speaker:** Honourable members, this is a direct thing. I do not think we need a lot of debate on it.

3.07

**Ms jane pacuto (NRM, Woman Representative, Pakwach):** Thank you, Madam Speaker. I stand to move that we move straight to the Committee of Supply, given that we have the budget coming up and the whole country is waiting for that as well. I beg to move.

**The Speaker:** There is a procedural matter.

**Mr ssemujju:** Madam Speaker, it is a point of order and in our rules, it takes precedence. You can be moving on a procedural matter when you are disorderly. Thank you.

The colleague who has just spoken said we move straight. Parliament does not move like a herd of cattle. It is moved. Therefore, under what rule were you asking us to move just like that? Madam Speaker, is she in order to come and tell Parliament to move like a herd of cattle?

**The Speaker:** Hon. Ssemujju Ibrahim of Kira, that was her suggestion.

**Ms pacuto:** Thank you, Madam Speaker. I want to thank my senior colleague, Hon. Ssemujju for that correction. I move under Rule 54.

**The Speaker:** Okay. Procedural matter.

**Mr oshabe:** Thank you, Madam Speaker. I am a member of the Committee on Budget. While we were busy signing the report for the same, we were informed that we are being taken over by the events taking place in the House. The minister came to the Committee on Budget and reported; we handled the matter and we have a report. Hon. Kateshumbwa was the one who chaired that meeting.

Wouldn’t it be procedurally right - before a Member runs us so quickly to –

**The Speaker:** I made a disclaimer at the beginning. We cannot continue sitting from morning to sunset. We were supposed to start the House at 10.00 a.m. and the Members were here. Sympathise with my Members; they have not even had lunch. Members have been here. Honourable member, with due respect, I appreciate but if I were you, I would have gone back to finalise with the budget because that is more important. Can I hear from the Leader of the Opposition?

3.11

**THE LEADER OF THE OPPOSITION (Mr Mathias Mpuuga):** Thank you, Madam Speaker. The job at hand is what partly brings us here on behalf of the people. I only seek your indulgence that as we process this, in the manner it is coming, you compel the Committee on Budget to produce the report before them, which has been pending for almost the last one month relating to Shs 2 trillion. Part of the money the minister wants to get in this supplementary, is part of what they are processing in the Shs 2 trillion request *–(Interjection)–* you may say “no” but it is because your sources are not as clear. I anticipate that you are trying to access that.

The neater thing to do is for that report to come and we understand what has been cleared by Parliament. Then, the minister will have the latitude to consider what to partake of. At the moment, we are dealing with a speculative minister and we are here to tell him to go to a casino and pick money and finance this supplementary budget. May you, please, compel the committee to produce that report so that Parliament considers it so that we stop the minister from being a gambler, on our behalf?

**THE SPEAKER**: Honourable members, the minister has spoken to his motion. Hon. Kateshumbwa, do you have an objection to what the minister has spoken since you chaired the committee?

3.13

**MR DICKSON KATESHUMBWA (NRM, Sheema Municipality, Sheema)**: Madam Speaker, by the powers conferred to me by the Chairperson of the Committee on Budget, we do not have any objection and we apologise for the delay in bringing the report. However, we have no objection to what the minister has presented.

**THE SPEAKER**: Honourable members, I put the question that the House resolves itself into a Committee of Supply to consider Supplementary Schedule No. 2 for the Financial Year 2021/ 2022?

*(Question put and agreed to.)*

COMMITTEE OF SUPPLY

Vote 001: Office of the President

**THE CHAIRPERSON**: Honourable members, can you settle down. I propose the question that a total sum of Shs 86.311 billion be provided for under Vote 001 - Office of the President, for external financing from Exim Bank for the National Science, Technology, Engineering and Innovation Skills Enhance Project (NSTEI-SEP).

*(Question put and agreed to.)*

Vote 002: State House

**THE CHAIRPERSON:** I propose the question that a total sum of Shs 77 billion be provided for under Vote 002 - State House, for classified expenditure.

*(Question put and agreed to.)*

Vote 004: Ministry of Defence and Veteran Affairs

**THE CHAIRPERSON:** I propose the question that a total sum of Shs 152.044 billion be provided under Vote 004 - Ministry of Defence and Veteran Affairs, to facilitate Operation *Shujaa* in the Democratic Republic of Congo against the ADF, and the UPDF to carry out operations in Karamoja subregion.

*(Question put and agreed to.)*

Vote 014: Ministry of Health

**THE CHAIRPERSON:** I propose the question that a total sum of Shs 0.066 billion be provided for under Vote 014 - Ministry of Health, to facilitate the completion of Kayunga and Yumbe Hospitals outstanding project activities during the six months’ period of January to June 2022.

*(Question put and agreed to.)*

Vote 016: Ministry of Works and Transport

**THE CHAIRPERSON:** I propose the question that a total sum of Shs 25 billion be provided under Vote 016 - Ministry of Works and Transport, to facilitate the works on security roads in Karamoja.

*(Question put and agreed to.)*

Vote 018: Ministry of Gender, Labour and Social Development

**THE CHAIRPERSON:** I propose the question that a total sum of Shs 2.500 billion be provided under Vote 018 - Ministry of Gender, Labour and Social Development, to facilitate elections of office bearers for the Uganda Moslem Supreme Council; and Shs 1.00 billion for Fort Portal Catholic Diocese, specifically, Shs 500 million for Virika Diocese, and Shs 500 million for Namugongo; and Shs 0.600 billion for Greater Ankole Diocese to facilitate the preparations of the Uganda Martyrs Day Celebrations 2022.

*(Question put and agreed to.)*

Vote 176: Naguru Referral Hospital

**THE CHAIRPERSON:** *[Hon. Ibrahim Ssemujju rose\_] –* Do you really have to rise on a point of procedure at Committee Stage? Hon. Ssemujju, I know you are one of the most senior people in this House. With due respect, you do not raise a point of procedure here.

Honourable members, there is a slight correction of Shs 0.600 billion for Greater Ankole Diocese to facilitate the preparation for the Uganda Martyrs’ Day celebrations, 2022.

*(Question put and agreed to.)*

Vote 176 – Naguru Referral Hospital

**THE CHAIRPERSON:** I propose a question that the sum of Shs 0.183 billion be approved under Vote 176 – Naguru Referral Hospital, as Non-Tax Revenue (NTR) to facilitate the procurement and maintenance of diagnostic equipment as well as meet various administrative expenses in the NTR collection process.

*(Question put and agreed to.)*

Vote 205 – Mission in Cairo

**THE CHAIRPERSON:** I propose the question that a sum of Shs 0.396 billion be approved under Vote 205 – Mission in Cairo, to facilitate the procurement of two motor vehicles for the Head and the Deputy Head of Mission in Cairo.

*(Question put and agreed to.)*

Salary and wage shortfalls for Central and Local Government Votes (attached as Annex 2)

**THE CHAIRPERSON:** I propose the question that the sum of Shs 251 –

**MR NANDALA-MAFABI:** Madam Chairperson, salary is a statutory deduction. If it is a statutory deduction, I do not understand how Government can budget for salary and we get a shortfall. This is one of the areas, which I think, is being abused by Government. If you have employed me for 12 months, I must be paid for 12 months and it is one of the first priority calls on the budget at any time.

Therefore, I want to understand how the Ministry of Finance, Planning and Economic Development budgeted and we came up with a shortfall of this magnitude. This is a lot of money and you cannot tell us that you forgot about these people.

**THE CHAIRPERSON:** Hon. Nandala-Mafabi, that is a very good one. However, in the staff establishment of Government, you will find that in one way or the other, there was recruitment – and it is not static that you must –

Just take the example of the Parliament of Uganda. When we came in, because of the increased number of Members of Parliament, which was not budgeted for, we had to go ahead and recruit more staff to help in the running of the institution. When you look at your schedule, you will find a list. Kindly, look at that list in Annex 2.

**MR MUSASIZI:** Madam Chairperson, I cannot put it any better than you have, but let me emphasise it. In the current Financial Year 2021/2022, we passed this budget on the 31st of May and this budget became operational in July.

On the 8th of June, H.E the President appointed ministers. Among the ministers he appointed, some were *ex officios*. The budget we approved in May did not envisage this. The President went further and appointed advisors and Resident District Commissioners (RDCs). In the army, we have had promotions. Like the Speaker has said, Parliament – in between – has made fresh recruitments. These are among many other reasons.

So, the total comes to this and this is how this figure arises. Thank you.

**MR NANDALA-MAFABI:** Madam Chairperson, under Section 15 of the Public Finance Management Act, before we approve the budget, Parliament is presented with the procurement plan and the recruitment plan. Everybody knows that there is nobody who can appoint anybody outside the approved plan. By the way, if there is recruitment in the middle of the financial year, we would be having balance of cash because, at the beginning, we had enough money. If there are promotions, they are also budgeted for.

Madam Chairperson, the reason I am raising this is that this shortfall of salaries is a danger to the country. People go unpaid and they are the ones bringing arrears. You know you have staff and you do not pay them. If we are going to pass this one today, it should be sounded as a warning so that the accounting officers, who bring salary arrears to make the people they have employed suffer, should be held personally liable.

**THE CHAIRPERSON:** I also want to urge our committees – in terms of compliance; they must make a follow up on this thing. As Hon. Nandala-Mafabi said, do not bring back this kind of supplementary. Yes, Hon. Nsereko -

**MR NSEREKO:** Madam Chairperson, in the same spirit as Hon. Nandala-Mafabi has stated, I want honourable colleagues to understand that we have had a problem of councillors who got constituencies but their wages had not been budgeted for.

You would find that some parishes, like in Kampala, had over 50,000 Voters. So, the Electoral Commission increased the number of councillors in order to improve on representation.

However, in future, like Hon. Nandala-Mafabi has said, every planning should be tagged. As we increase constituencies for political leaders, it should be tagged to the financial implication that it will bring. So, these councillors have not been paid for eight months since they were sworn in.

In this case, we accept this but in future, please, since you are in the Ministry of Finance, Planning and Economic Development, look much more forward. This is acceptable today.

**THE CHAIRPERSON:** Thank you. Chairperson?

**MR KATESHUBWA:** Madam Chairperson, this is an issue of concern. As the Budget committee, we discussed it and tasked the minister. We acknowledged, Members, that this financial year, the whole Government budget suffered suppression. That suppression is one of the causes of the problems we are having because commitments were made and then the ministry applied an-across-the-board suppression, which resulted into shortfalls.

We have tasked the minister to make sure that they prioritise items that have the first call on the budget and he has confirmed. I want to assure you that when he appears before the Budget Committee, again, with this kind of mistake, we are going to be much tougher on the ministry. Thank you. I beg to submit.

**THE CHAIRPERSON:** I propose the question that a sum of Shs 251.779 billion be approved for salary and wage shortfalls for Central and Local Government Votes, attached as Annex 2.

*(Question put and agreed to.)*

Votes 500 – Local Governments

**THE CHAIRPERSON:** I propose the question that a sum of Shs 21.068 billion be approved as additional local revenue projection for land compensation payments to a number of local governments from the Uganda National Roads Authority (UNRA) - farmers co-funding under the UGFIT micro-scale irrigation and local revenue collection in excess of the appropriated budget for the Financial Year 2021/2022. Details are in annex three.

*(Question put and agreed to.)*

**MS NALUYIMA:** Madam Speaker, as you had earlier ruled, the Ministry of Finance, Planning and Economic Development should be able to expeditiously bring the matter on the Floor, which amends the Public Finance Management Act. This is because now you realise that all these local governments have been waiting for Parliament to approve their expenditures over and above what was approved by the different councils. You realise that this was an anomaly by the PFMA over the Constitution. As early as possible, let the minister bring that amendment

**THE CHAIRPERSON:** Yesterday, I requested the Minister of Finance, Planning and Economic Development to come with the amendments in the PFMA that contradict the Constitution. We need those amendments as soon as possible. Honourable minister, have you heard? We need the amendments to the PFMA.

**MR MUSASIZI:** Madam Chairperson, we take your concerns and the concerns of the House. We are going to pursue this in the next session.

Total

**THE CHAIRPERSON:** I propose the question that the total sum of Shs 617.947 billion be approved for supplementary expenditure No.2 for the Financial Year 2021/2022.

*(Question put and agreed to.)*

**THE CHAIRPERSON:** For avoidance of doubt, category one supplementary that will be funded by additional borrowing includes: Shs 77 billion for State House, which is classified, Defence will take Shs 152.044 billion, Inter-Religious Council - Shs 4.100 billion, Mission in Cairo - Shs 0.396 billion, security roads - Shs 55 billion, salary shortfalls - Shs 251.779 billion. That totals to Shs 510.319 billion.

Category B supplementaries that will be funded by additional local revenue and external funding include: local revenue of Shs 21.067 billion, external financing of Shs 86.378 billion, non-tax revenue of Shs 0.183 billion. These totals up to Shs 107.628 billion. That gives us a total of Shs 617.947 billion.

MOTION FOR THE HOUSE TO RESUME

3.34

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

**THE CHAIRPERSON:** I put the question that the House does resume and the Committee of Supply reports thereto.

*(Question put and agreed to.)*

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

REPORT FROM THE COMMITTEE OF SUPPLY

3.35

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, I beg to report that the Committee of Supply has considered Supplementary Schedule No. 2 for Financial Year 2021/2022, amounting to Shs 617.947 billion and passed it without amendments.

MOTION FOR ADOPTION OF THE REPORT OF THE COMMITTEE OF SUPPLY

3.36

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

**THE SPEAKER:** I put the question that the Report of the Committee of Supply be adopted by this House.

*(Question put and agreed to.)*

**THE SPEAKER:** I now instruct the Clerk to Parliament to ensure that the details as contained in the annexes, and the schedules are duly captured and forwarded to Finance.

**MR OSHABE:** Thank you very much, Madam Speaker. What we have just done, we have done it because the minister came here yesterday and submitted the supplementary schedule, yesterday, at the end of the session. We have tried to do our best in concluding this.

However, I want to say that what we have done is to allow the minister to borrow Shs 510 billion, which would ordinarily be done through our Committee on National Economy. The minister would have gone there first, showed the indication that he wants to borrow this money, then he comes to Parliament with proof. He would say, “I am going to borrow this money and these are the processes.” We would then go through the processes in their entirety.

Madame Speaker, the minister coming here to make us look very shabby was really not fair at all. As a committee, we had processed - I had a minority report about that but all that was not given opportunity, just because of the time.

Therefore, I would like to implore the minister that these things should never happen again in this mode; we do look very shabby as Members of Parliament and Parliament. Thank you.

**THE SPEAKER:** Honourable minister, please make that commitment.

3.39

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, today I received compliments that I am smart. I am just wondering, Hon. Oshabe, am I shabby? *(Laughter)*

**MR OSHABE:** The shabbiness I was talking about, honourable Minister –

**THE SPEAKER:** Honourable members, there is a Chair in this House. You are not supposed to direct any question to a Member; it has to go through the Chair. Can you respond? What the honourable member was talking about is the shabby work and not the shabby person in you. From the outside, you are a very smart person. We do not know what could be inside. *(Laughter)*

**MR MUSASIZI:** Madam Speaker, to the best of my knowledge, yesterday, we laid Supplementary Schedule No. 2 before this House. Today morning at 10.00 a.m., I laid it formally before the Committee on Budget. I was asked questions to which I responded to, to the best of my ability.

**MS NALUYIMA:** Thank you, Madam Speaker. You have just instructed the minister to give a commitment to this House that next time the ministry is not going to make this House appear the way it is. The minister knew the timelines; we are expecting the minister to give a commitment to this House that this kind of habit of bringing such untimely budgets and making us work like nothing, will stop. It makes our Budget Committee appear shabby. Let him commit that it is not going to happen again.

**THE SPEAKER:** Honourable minister, the person who is calling you to order is a very organised lady. That is one thing I can tell you. By the time she calls you to order, it must be calculated order.

Just make the commitment that next time you will not do the same and that you will come early enough. And you are organised in your ways but it was because of unavoidable circumstances.

**MR MUSASIZI:** Thank you, Madam Speaker. We will continue to improve; but under the circumstances, I cannot know when a supplementary will come. However, I will continue to improve.

**THE SPEAKER:** Thank you. (*Mr Katusabe Atkins rose\_*) Is that Tororo or Kasese –(*Laughter*)- Hon. Atkins of Kasese.

3.42

**MR ATKINS KATUSABE (FDC, Bukonzo County West, Kasese):** Thank you very much, Madam Speaker.

**THE SPEAKER:** Honourable members, let us listen to Hon. Atkins.

**MR KATUSABE:** Thank you very much, Madam Speaker.

**THE SPEAKER:** Hon. Fox Odoi, there is a market in Tororo in a place called Kasoli, where they laugh like that.

**MR KATUSABE:** Thank you very much, Madam Speaker *-(Mr Odoi**rose\_)*

**THE SPEAKER:** He says he has something to say.

**MR ODOI-OYWELOWO:** Madam Speaker, this is a matter of national importance. The Hon. Atkins has not paid bride price to the people of Tororo. *(Laughter)*

**THE SPEAKER:** Hon. Atkins, that was a joke. Honourable members, in the 10th Parliament, I was a matron on the occasion where they paid the bride price; so, we paid the pride price. We took the wife and it is not anything to be discussed. What would happen if this House did not have some fun? It was just a commercial break.

**MR KATUSABE:** I appreciate your leadership, Madam Speaker and thank you very much for giving me this great opportunity.

Madam Speaker, I think the Ministry of Finance, Planning and Economic Development and the minister who just presented this is making every attempt to reduce this House to focus on the product and not the process. The same minister wants to reduce this House to one that will focus on the destination and not the journey.

I have something that I want to communicate to the minister; it is the process that determines the product; it is the journey that determines the destination.

Madam Speaker, you and I and everybody in the House are people’s representatives. I come from a community that is water-starved, where people drink water that is collected on a tarmac road. We have presented the same issue to the minister to bring a supplementary budget so that every citizen in this country enjoys the basic right to clean and safe drinking water.

Madam Speaker, I think it is sad that we want to masquerade that we want to continue being leaders yet the people that sent us here cannot even get the basic need called water.

My procedural issue, Madam Speaker *-(Interjections)-* and I am waiting for the aggregated *-(Interjections)-* I am not going to give you the clarification, I am sorry because this is so passionate.

By the grace of God, I was in the 10th Parliament and by the grace of God, I am in the 11th Parliament. We keep singing the same song. Seeing our fellow citizens - they cannot afford even the basic right, which is a universal right of safe, clean, drinking water, yet we are in a country where some communities have clean water even for animals. *(Ms Muhanga rose\_)* - Okay, I will grant your clarification, under the condition that the Speaker will still give me the opportunity to wind up my submission.

**MS MUHANGA:** Thank you very much, Madam Speaker and thank you very much, Hon. Katusabe. Hon. Katusabe, from the time you started speaking, I have not understood anything. Everybody behind me and in front of me are saying the same thing. For example, what is “wora”? Can you simplify what you want to say?

**THE SPEAKER:** First of all, Hon. Margret Muhanga, we want to welcome you back. We thank God for your life.

**MR KATUSABE:** Thank you very much, Madam Speaker. I want to join you in welcoming back my young sister. My procedural issue, Madam Speaker, is the fact that tonight, we have got to have a budget. As a pledge to give our fellow citizens, especially those that come from water-starved communities including Kasese, a gift of safe drinking water. The people that need this budget, Madam Speaker, are the people that do not have drinking water.

Madam Speaker, wouldn’t it be procedurally right, that as much as we continue entertaining budgets that are not aligned to our national needs, we should give the same attention to the basic needs like clean and safe drinking water? Thank you very much.

**THE SPEAKER:** Thank you, Hon. Atkins Katusabe. Let us wait for the budget. A provision has been made for water and water will be taken to Kasese. It is not only to Kasese; it is to the whole country. We want town water and then rural water. That will be handled.

Hon. Nandala, kindly allow us to first – *(Member rose\_)* Honourable members –

**MR KATUSABE:** I want to thank you, Madam Speaker, for that commitment and in this House, you have the last word. Thank you very much.

**THE SPEAKER:** If it is not fulfilled, you will ask me. Honourable members, we have a report.

3.51

**MR NATHAN NANDALA-MAFABI (FDC, Budadiri County West, Sironko):** Madam Speaker, thank you very much. I have not come here to oppose my brother for water –*(Laughter)*- and I have been assuring Hon. Fox Odoi-Oywelowo that his sister must be drinking very wrong water; so, we must provide water for him. *(Laughter)*

Madam Speaker, yesterday, I was here and I promised to deliver coffee. I want -

**THE SPEAKER:** Honourable chairman of Bugisu Cooperative Union, we thank you very much for the coffee. In this Parliament, we have Commissioners. Can I request you to hand the coffee to Hon. Silwany right there who is a Commissioner of Parliament and you will give a packet to each Member of Parliament.

**MR NANDALA-MAFABI:** Thank you very much, Madam Speaker. I have brought the coffee; it looks like this. I will give you the coffee; every Member of Parliament will get a packet. Those who need more, the telephone contact is there. The best coffee is this, which you must drink. It is labelled “Elgon Pride, medium-rooted” and it is the best.

**THE SPEAKER:** Thank you.

**MR SILWANY:** Much obliged, Madam Speaker. I thank you and it is laid on the Table.

3.53

**MR ENOS ASIIMWE (NRM, Kabula County, Lyantonde):** Thank you, Madam Speaker. I want to draw your attention to the industrial action that has been taking place since yesterday, by health workers, relating to salary equity. It is paralysing medical treatment in our villages. You never gave us chance to bring matters of national importance so, I thought you could compel the Minister of Health to give us an update on how they are handling that industrial action. Thank you very much, Madam Speaker.

**THE SPEAKER:** Thank you very much. That will be handled. Can we have the report of Kasoli Tenants SACCO Limited?

MOTION FOR ADOPTION OF THE REPORT OF THE COMMITTEE ON PHYSICAL INFRASTRUCTURE ON THE PETITION IN THE MATTER OF KASOLI TENANTS SACCO LIMITED/KASOLI HOUSING PROJECT

**THE SPEAKER:** Honourable members, on 5 October 2021, this issue was brought into the House and it was brought by the Woman Representative of Tororo, Hon. Sarah Opendi Katusabe. *(Laughter)* She presented it to this House and the report is ready to be read.

Honourable chairperson? Members, we shall have the budget in the next 20 minutes.

3.54

**MR DAVID KARUBANGA (NRM, Kigorobya County, Hoima):** Thank you, Madam Speaker. I am here to present a report of the committee –

**THE SPEAKER:** Maybe for your information, this report has a minority report.

**MR DAVID KARUBANGA:** Yes, Madam Speaker. I am here to represent a report of the Committee on Physical Infrastructure on the petition, in the matter of Kasoli Tenants SACCO Limited/Kasoli Housing Project. Before I present, I beg to lay on the Table: the minutes of the proceedings and I beg to lay the report from the Chief Government Valuer; the Minister of Lands, Housing and Urban Development and; the supplementary submission on the issue. I beg to lay.

Madam Speaker, indeed, when we processed this report, one member, Hon. Ronald Balimwezo, informed the committee that he was going to have a minority report because the information given to the committee, especially on the land in question by the ministry and the bank, had some discrepancies, and we will have time for him to present his report.

By way of introduction, on 5 October 2021, Hon. Sarah Opendi, District Woman Representative for Tororo, presented the petition to Parliament, on behalf of Kasoli Tenants SACCO. This Kasoli Housing Project is a low-cost housing project in Tororo Municipality. It was established through a Memorandum of Understanding between Kasoli Tenants SACCO on one hand and dfcu Bank and UN Habitat for Humanity on the other hand.

UN Habitat provided $500,000 for the project through DFCU Bank for onward lending. DFCU Bank topped up the amount with an equal figure of $500,000 and that made a total of $1 million. The funds were transferred to Kasoli Tenants SACCO and the housing project commenced.

However, in the course of project implementation, the SACCO was notified that the entire land area allocated to the housing project was in the project corridor for the Standard Gauge Railway and therefore, the Kasoli Tenants SACCO project would have to vacate, upon compensation.

The complaints of the petitioners were that the loan has now accumulated a figure to the tune of Shs 3,186,096,558, and that dfcu Bank served them with three notices of default, through Sebalu and Lule Advocates and proceeded to serve them with a notice of eviction, through Bemuga Strict Auctioneers and Court Bailiffs, giving them 30 days to clear the entire outstanding loan or vacate the property within 14 days.

They are, however, relying on the pending compensation from SGR to clear the loan. The bank had embarked on a foreclosure process and the petitioners pray that the eviction process be stayed, until the SACCO has been compensated by SGR.

Madam Speaker, if I may go to the methodology; the committee relied on its field visit to the Kasoli Housing Project on 30 September 2021. The committee also perused through all the petitions referred to it from the House.

The committee received submissions from the following stakeholders:

1. Petitioners headed by the Chairperson of the Kasoli Tenants SACCO Limited.

2. The Minister of Works and Transport, specifically the Standard Gauge Railway.

3. DFCU Bank.

4. The Ministry of Lands, Housing and Urban Development; and

5. The contractors - Empire Contractors Ltd.

Background

The Government of the Republic of Uganda, through the Ministry of Lands, Housing and Urban Development in partnership with the UN-Habitat, DFCU Bank, Kasoli Housing Association and Tororo Municipality entered into a Memorandum of Understanding to develop a low cost housing project in Kasoli Village, Tororo Municipality. The MoU is attached herewith.

Kasoli Village was initially an unplanned slum area with pathetic housing conditions. In 1988, the slum dwellers conceived a vision to change their pathetic living conditions to a healthy environment comprising a low-cost housing project in that estate. In 2003, they formed the Kasoli Tenants SACCO Limited, to pilot the housing project. The project was to develop 250 low-cost houses in two phases, aimed at benefiting a total of 250 households of property owners in Kasoli slum area.

The overall objective of the project was to pilot a new initiative of packaging low income mortgages introduced by a partnership between several parties to minimise risks while aiming at a full cost recovery.

The specific objectives of the project were:

1. To provide security of tenure over land and houses for 250 households.
2. To provide access to basic infrastructure and services for the 250 households. \
3. To provide access to housing finance for the 250 low-income earners.
4. To increase income generation capacity of members of the housing association.
5. To improve the physical and urban environment of the Kasoli settlement.
6. Overall improvement of housing conditions in that area.
7. To test bringing housing finance to households with lower income thresholds.

It was envisioned that upon successful piloting of this model, it would be replicated in other slums across the country.

Madam Speaker, I beg to go to shareholder contributions, which is quite long. Because of time and since this is uploaded –

Shareholder contribution:

1. There was a down payment by Kasoli Housing Association of $125,000. The roles and responsibilities are there.
2. DFCU Bank contributed $500,000.
3. The Ministry of Lands, Housing and Urban Development contributed $770,000 as cash and land valued at $345,000.
4. Tororo Local Government, which is the municipality, contributed $171,350.
5. The UN Habitat for Humanity contributed $500,000, making a total of $2,411,350.

In 2012, Kasoli Tenants SACCO Limited signed a contract with Empire Contractors to construct those 250 houses. In 2016, the first phase consisting of 92 houses was completed and the Kasoli Tenants who had deposited 10 per cent of the expected cost of houses were allocated houses that are now in their possession.

However, on 1 March 2016, the Chairperson of Kasoli SACCO Housing Estate received a letter from the project coordinator of SGR informing him that SGR alignment, as I said, was affecting their entire project, and that in the interest of public good and achieving the greater objectives of the Government on infrastructure development, the housing estate was to relocate, and that the Government would fully compensate them in accordance with the compensation procedures and Land Acquisition Act, Cap. 226.

Committee findings

The committee made the following findings while deliberating on the petition:

The implementation of the project

The initial works contract between Kasoli Tenants SACCO Limited and the Empire Contractors was signed on 19 December 2012, for the construction of 108 low-cost housing units under phase one. They were supposed to construct 83 two-bedroomed houses at a cost of Shs 26,120,647 each, and 25 two-bedroomed houses with a shop at a cost of Shs 28,971,244. The project was to be completed within a period of one year.

However, in the course of construction, the contractor informed the steering committee about some shortfalls that required extra funding and they could not be overlooked. The issues raised were as follows:

1. Some items in the Contract Bills of Quantities were less than what were executed.

2. There were items of works, which had not been included in the contract Bills of Quantities but had to be done because they were in the critical path of the project, like steel columns and verandas, finishing the ceilings on the verandas and constructing a sewage system, among others.

3. There were mistakes made during computation of the original contract Bills of Quantities, which created shortfalls.

The contractor went ahead and costed the shortfalls and presented them to the steering committee for verification. In order to accommodate the additional costs, the steering committee decided to revise the contract by reducing the scope in the number of houses from 108 to 92; and to slightly increase the project cost of phase one by Shs 1,896,391. The period of the contract was extended for an additional two months.

Financing of the project

DFCU Bank was to contribute 90 per cent of the construction cost, while the tenants under their umbrella - Kasoli Tenants SACCO Limited, were to contribute 10 per cent. The 90 per cent contributed by dfcu Bank was to be recovered from the project beneficiaries over a 15-year period.

The project beneficiaries

Eighty nine houses were allocated to the 89 tenants who had made a down payment of 10 per cent of the total cost of the house and the Kasoli Tenant SACCO allocated the remaining three houses out of the 92 completed under phase one to three individuals, namely;

1. Florence Taaka – deceased
2. Mr Isaac Osulu
3. Mrs Rebecca Akumu Ito Apio Alice Wilfred.

However, available documents indicate that the three individuals did not deposit any amount as down payment for the houses.

Funds for income enhancement for the beneficiaries

On funds for income enhancement for the beneficiaries of the 92 houses, the SACCO received a revolving fund of Shs 225,855,805 from the Ministry of Lands, Housing and Urban Development for income enhancement of the 92 households to enable them meet the loan obligations.

Land

The land on which Kasoli Housing Project sits on FRV 1289 Folio 8, is registered in the name of Uganda Land Commission but the use was restricted to Kasoli Housing Project, by the Ministry of Lands, Housing and Urban Development. That was at the time of signing the memorandum. However, at the time of writing the report, the land had changed, as per the Chief Government Valuer’s report, in the attachments here presented.

The land title does not indicate the acreage; different documents indicate different acreages with the mortgage documents indicating5.3229 hectares, a title search indicating 3.891 hectares and a measurement by the SGR ground team resulted into 3.77 hectares. The land title indicates 167 plots, yet the plots are supposed to accommodate 250 houses. The strip map shows that some houses will overlap.

Loan performance

On loan performance, dfcu Bank issued a loan facility of Shs 2.6 billion in April 2013 against that mortgage on the land title FRV 1289 Folio 8 under the name of the Uganda Land Commission.

The terms of the loan, as I have said, were at an interest rate of 10 per cent. The committee was informed that the interest rate on the fund provided by UN Habitat to dfcu was 2 per cent.

Madam Speaker, there is a table, which shows the recovery by the time we made the report, of Shs 315,234,866. There is also a payment schedule of funds released by the bank to Empire Contractors, amounting to Shs 2,602,731,191.

Compensation due to the tenants of Kasoli

On compensation to tenants, on 1 March 2006, the letter to the chairperson Kasoli tenants received from the SGR project coordinator, assured the SACCO that it would be fully compensated – as I said. The SGR land acquisition team proceeded with an evaluation of the land and made findings to the Chief Government Valuer for guidance. The latter advised that physical identification of beneficiaries be conducted before an evaluation report of the area can be approved.

The beneficiaries were identified and classified into three groups whereby 92 benefited from the 92 houses, 93 who were in the occupation of the land before housing project and 125 who were in the neighbouring slum.

However, several other claims from other individuals and entities came up to include the Ministry of Lands, Housing and Urban Development, which claimed to have given technical support and Tororo Municipality, which claimed to have graded the roads. This made the two would-be beneficiaries to be over and above the initially documented 250 persons.

Another verification was done by a security team and the list arising from that was different from the one of the original beneficiaries. That list is also attached.

We have;

1. Annex 2: comprising the list of original beneficiaries.
2. Annex 3: comprising the list of project beneficiaries as produced by the security team.
3. Annex 4: comprising the list as verified by the Chief Government Valuer.

All the three are there for comparison.

On the issue of where the compensation funds were to be deposited, the Attorney-General, in his letter dated 17 January 2017 –

**The Speaker:** Honourable member, can you summarise your report – what are your prayers?

**Mr karubanga:** Madam Speaker, let me go to the observations and recommendations.

The committee observes that Kasoli Housing Project is a tool for Uganda to work towards meeting the SDGs. Indeed, the project promotes SDGs 3, 6, 8, 11 and 17.

The committee also observed that the Government had had a hand in the failure by the beneficiaries of the Kasoli Housing Project to clear their loan obligations. The beneficiaries had to go ahead and petition.

Madam Speaker, I want to state here, again, that their houses were due for sale under a foreclosure process by dfcu.

The committee recommends that Government, as a priority, should clear the outstanding mortgage with dfcu Bank and get back the land title to avoid accumulation of interest.

SGR should be provided with Shs 4,231,292,975 to cover the verified project affected persons (PAPs) as per its evaluation report broken down as follows:

1. PAPs in the 92 houses and first phase project office – Shs 3.7 billion
2. PAPs in the 90 structures in the existing slum – Shs 817 million,
3. The 7 freehold offers from the pool housing – about Shs 143 million.

Shs 3.2 billion for the mortgaged land (9.318 acres) as valued by SGR and approved by the Chief Government Valuer, should only be paid to the Ministry of Lands, Housing and Urban Development for acquisition, if Government is going to replicate the projects elsewhere. Otherwise, Government cannot pay itself.

That the compensation awards for the structures on the Kasoli land should be deposited on the individual accounts for the respective beneficiaries and the SACCO should be notified about the direct payment so that it deals with the members individually.

The committee recommends that Government should halt the sale of the property by Bemuga Auctioneers and Court Bailiffs, since SGR has commenced the compensation of beneficiaries in Tororo District.

In conclusion, the committee recommends that this report be adopted. I beg to move.

**THE SPEAKER**: Thank you so much, honourable chairperson. Can you give us a summary of your report? I have had a chance to look at the minority report; it is a very good report that should be adopted together with the majority report. The issues of the land title must be considered.

4.21

**MR RONALD BALIMWEZO (NUP, Nakawa Division East, Kampala)**: Thank you, Madam Speaker. The issues raised in the minority report are based on the Kasoli Petition, the National Development Plan III. The ministries of Lands, Housing and Urban Development, Works and Transport other key stakeholders made presentations before the committee.

The points of dissent are as follows:

1. Failure of the committee to make a viable verdict on the mortgage legal status.
2. Failure of the committee to scrutinise the land titles in question.
3. The silence of the report on the relationship between the Kasoli Tenant SACCO and the Kasoli Housing Association.
4. Failure of the committee to make critical scrutiny of the development of the plots and the beneficiaries in question.
5. Failure of the committee to make a proper judgement on the actual total land area of the Kasoli Housing Project in question.
6. Failure of the committee to make proper judgement on the Ministry of Lands officials on the mismanagement of the partnership agreement between Kasoli Housing Association, UN Habitat, dfcu Bank Limited, Tororo Municipality Council and the Ministry of Lands -

**THE SPEAKER:** Hon. Ronald Balimwezo, this is where I get a problem with you, committee members. I expect a committee member to bring most of the things so that they are analysed by the committee. All of you have a responsibility to furnish the committee with the information. That is a very good report but you ought to have given your committee these things. Making a minority report does not give you any credit, for your information.

**MR KASOLO:** Thank you, Madam Speaker. The honourable member is a member of our committee; he is very active and is a shadow minister. We agreed with him on one issue, among the ones he has raised. It is the issue of the land title. We even discussed this in the committee, like you have said.

However, this report talks about all those other issues that you are raising. We only agreed with him on one issue. The mortgage value is very clear. Everything is very clear in the report and we discussed all this at length in the committee, but as a formality for you to raise a minority report and for the good of this petition - because it was brought by a Member and we know the urgency and what the members of the Kasoli Project are facing - as a committee, we agreed with everything, but let it be on record that the committee dissented on one issue. The rest are all taken care of.

**THE SPEAKER:** Honourable members, I want to tell you one thing: being in the Opposition does not mean that you need to oppose everything every time. Some of us have been there and we know it better. Give us a summary of your presentation.

**MR BALIMWEZO:** Madam Speaker, it is true that I was in the committee -

**THE SPEAKER:** Give us your summary.

**MR BALIMWEZO:** These are the dissents from the main report, and therefore, they should be heard.

Failure of the committee to make a viable verdict on the mortgage legal status; the land in question belongs to Government. The committee did not obtain a “No objection” on mortgaging this land to dfcu Bank, from the Ministry of Finance. That is very critical.

The Uganda Land Commission acquired –

**THE SPEAKER:** Who mortgaged the land?

**MR BALIMWEZO:** The Uganda Land Commission mortgaged the land to dfcu Bank.

**THE SPEAKER:** Does ULC have powers to mortgage Government land?

**MR BALIMWEZO:** It has no powers and that is the reason that I am dissenting. They did not consult the Ministry of Finance, and that is why we are dissenting on this.

There was no information concerning the current outstanding mortgage sum. The parties involved in the transaction, dfcu Bank and Kasoli Tenant SACCO never –

**THE SPEAKER:** What did you say about the outstanding?

**MR BALIMWEZO:** The outstanding mortgage sum.

**THE SPEAKER:** Is it the outstanding balance in the bank?

**MR BALIMWEZO:** Yes.

**THE SPEAKER:** It is Shs 3,186,096,558, as per that report.

**MR BALIMWEZO:** Madam Speaker, we have tenants that are supposed to do their part; to pay a certain fee. Therefore, we do not know how much each of them paid to date, which should be deducted from the mortgage sum.

**THE SPEAKER:** You know we needed to find the outstanding mortgage sum, which they have given you as Shs 3 billion. Then, it is from there - and now I am speaking to you as a former banker - that you differentiate who is supposed to pay what. Is it an individual or the institution supposed to pay? That is what you are supposed to do. If you were to go into further analysis, you would now look at the principal amount supposed to be paid. What is the interest that has accrued on those loans?

**MR BALIMWEZO:** Madam Speaker, compensation is supposed to go to individual accounts, but we do not know exactly how much each paid so that they can be compensated the total sum.

**THE SPEAKER:** If I can remember very well, they said Shs 315,234,866 was collected from the tenants. However, the outstanding balance is Shs 3,186,096,558. Take my advice. I am giving you advice as a banker now.

**MR BALIMWEZO:** Thank you, Madam Speaker. Failure of the committee to scrutinise the land title in question; the committee did not critically scrutinise the land title of the Kasoli Housing Project Land. The Uganda Land Commission acquired a leasehold title, Volume 597, Folio 25 and Instrument No. 113479, measuring 10 acres from Tororo Town Council as photocopies attached reveal.

Madam Speaker, the committee also received another title from the Ministry of Lands, Housing and Urban Development. Freehold Register Volume (FRV) 1289, Folio 8, which was subdivided and mortgaged to DFCU by Uganda Land Commission (Annexure 1a). The committee did not establish whether title Leasehold Register Volume (LRV) 597, Folio 25 was cancelled because you cannot change leasehold to a freehold unless you have converted the land.

**THE SPEAKER:** Hon. Ronald Balimwezo, I want to help you: that was not the work of the committee. All you needed to say is that the Uganda Lands Commission issued two land titles, one which was leasehold and then the other is freehold. That is your finding. Do not fault the committee you belong to; it is your committee.

Now, introduce a new finding – Hon. Yusuf Nsibambi, you have been in Lands longer. Can you help your member, please? I am giving you an order.

Hon. Nsibambi, can you guide the member on what I am saying? You are the shadow minister.

4.31

**MR YUSUF NSIBAMBI (FDC, Mawokota County South, Mpigi):** Thank you very much, Madam Speaker. I think the point that my colleague is trying to put across is that in respect of this particular piece of land in question, there are two titles: one is a leasehold and the other is freehold, which puts the land in question subject to further scrutiny. Any recommendation to do with the compensation of the people on the ground may be futile because there are two titles in respect of the same piece of land, issued by the same authority.

**THE SPEAKER:** Thank you.

**MR NSIBAMBI:** The second limbo - there is a leasehold created in another leasehold, it should have been a sublease.

**THE SPEAKER:** Yes.

**MR KARUBANGA:** Madam Speaker, I have valid information and as such, I would like you to listen.

**THE SPEAKER:** Hon. David Karubanga, you have no right to instruct me to listen to you.

Secondly, I was guiding you on how you should report next time. In this House, we all learn from each other but you do not direct me to listen to you, okay?

**MR KARUBANGA:** Most obliged, Madam Speaker**.** Silence of the committee report on the relationship between Kasoli Tenant SACCO and Kasoli Housing Association. The committee failed to differentiate between Kasoli Tenant SACCO and Kasoli Housing Association.

On the 18th day of February 2010, the Kasoli Housing Association, UN Habitat, dfcu, Tororo Municipality Council and the Ministry of Lands, Housing and Urban Development went into a partnership agreement, but on signing the partnership, they used a stamp with details of Kasoli Tenants SACCO Limited. This was revealed in the Solicitor-General’s letter to the Auditor-General.

The legal status of Kasoli Association is not evident and therefore, it should not have a legal personality mandating it to legally transact in any form whatsoever. There is no documentation showing any transition from Kasoli Tenants Association to Kasoli Tenants SACCO to justify the Kasoli Tenants SACCO seal on documents of Kasoli Tenants Association.

Available documents indicate that dfcu granted a mortgage to Kasoli Tenants SACCO instead of Kasoli Housing Association.

Madam Speaker, these aspects point at impersonation and fraud, making the agreement null and void. We recommend that the House should consider establishing the legal status of Kasoli Tenant SACCO and Kasoli Housing Association since they seem to be different players that are in the centre of the Kasoli Project.

Failure of the committee to make critical scrutiny of the developments of the plots

Despite the original construction plan of 250 housing units for the Kasoli Housing Project, only 92 were constructed. On examination of the title, only 167 were identified. This would, therefore, not be able to accommodate the 250 houses as planned in the project document.

Further scrutiny of the title deed plans indicated that some of the houses would overlap each other. It is disturbing to hear that the beneficiaries are pushing for compensation of all the 250 units, which were never constructed.

Madam Speaker, if you read further, you will find that the official record of the Kasoli Tenants SACCO has 83 registered members, but the alleged record indicated membership to be 800 people.

What do we recommend?

An independent audit should be carried out to ascertain the true beneficiaries under the Kasoli Housing Project to avoid ghost claimants, which may result in the loss of huge sums of taxpayers’ money.

Failure of the committee to make a proper judgment on the actual land size of the project

A report from the Ministry of Works and Transport and the Standard Gauge Railway Project presented to the committee indicated that initially, the area of the land on which Kasoli Housing Project sits was indicated as 5.3 hectares.

On the mortgage document, however, a copy of the white paper that was availed to the ministry did not bear any acreage. When I searched, I found out that actually, the land measured 10 acres, which is quite different and we are getting different sizes.

As such, we recommend that this House should reign in and ensure that the actual total land area is established. The Government Valuer should be compelled to specifically establish the size of the said land and inform this House of the same to avoid conflicting figures in line with the land in question.

This will guide on how much land was mortgaged and subsequently, compensated for. Madam Speaker, I pray that I read my minority report –

**THE SPEAKER:** Can you conclude?

**MR KARUBANGA:** I am concluding.

Failure of the committee to make proper judgment on the Ministry of Lands, Housing and Urban Development officials for mismanagement of the partnership

Madam Speaker, the mandate of the committee is to monitor the performance of Ministries, Departments and Agencies.

On whether approval or the Solicitor-General’s advice was sought and obtained before signing the partnership agreement between Kasoli Housing Project, UN Habitat, dfcu Bank, Tororo Municipal Council and the Ministry of Lands, Housing and Urban Development, it is clear that the Office of the Solicitor-General guided that according to Article 119(4)(b) of the Constitution of the Republic of Uganda, 1995 (as amended), the Attorney-General is supposed to approve any document to which Government is party or in respect of which Government has interest prior to execution.

There is no record that this agreement was approved by the Office of the Attorney-General. In the opinion of the Solicitor-General, it was the duty of the Ministry of Lands, Housing and Urban Development to seek for the Attorney-General's clearance before embarking on a mortgage transaction. Having not done so, they are stopped from denying the legal consequences of their inaction, arising out of their actions.

Therefore, the recommendation is that reckless and negligent officials in the ministry who, with impunity, refused to adhere to the known procedures, should be brought to book.

The spirit of Kasoli Housing Project was to use it as a model and duplicate it in other areas in a bid to improve the standard of living of low-income earners across the country. The entire project was intended to build 250 housing units. Out of which, 92 houses were built, implying that there is land of the same project that was not utilised.

Therefore, SGR should be advised to use the remaining land –because only 92 houses were built – to realign its project to save the 92 model houses under the Kasoli Project.

Further still, if the land is not enough, SGR should be advised to buy more land adjacent or next to the project area since it is even more cost-effective, and it will save the taxpayers’ money. For instance, an acre of land around the project area is estimated at Shs 40 million. Going by the majority report, Government will expend over Shs 7.5 billion in compensation for houses which are basically going to be demolished. And if we purchase land to realign the SGR considering that an acre of land is approximately Shs 40 million, 10 acres of land will cost Shs 400 million. We shall save Shs 7.1 billion and also save the 92 low-cost houses since Government has never constructed any low-cost housing units that are standing in the country.

Today, when I made further inspection of the title in question, I found out that actually, the Uganda Land Commission made an attempt to cancel the title because of the illegalities surrounding it. Therefore, I believe that the title that is in question is forged and the only title that is standing is the leasehold, which cannot, in any way, be converted to a freehold without conversion. If they had converted it, they should have presented a mother title from leasehold to freehold and written on, “cancelled from freehold by the registrar”.

Therefore, it is important to carry out further investigation. This whole matter of Kasoli has irregularities. There is impersonation. There are people – speculators - that want to take Government money. Therefore, I want this Parliament to take keen interest in that. Madam Speaker, I submit.

**THE SPEAKER:** Thank you very much. Honourable members, in the spirit of cohesion in the House, I have listened to both the majority report and the minority report.

I am going to direct the Minister of Lands, Housing and Urban Development and the Minister of Finance, Planning and Economic Development to make a follow-up on the recommendations that have been made and reconcile the two, then have an action report submitted to the House. Remember there is already an advert on the land; people are going to be chased away. Can you intervene and make sure you report back to the House on what action you have taken? This should be done within two months.

4.45

**MR JONATHAN ODUR (UPC, Erute County South, Lira):** Thank you, Madam Speaker. If I understood the gist of this petition, it is that the tenants had obtained a loan and they were relying on compensation from SGR to be able to service that loan. From what I read from the report, the bank is foreclosing; that is the gist. The bank is foreclosing, isn't it? So, if the bank is foreclosing, and these are legal matters and we are going to take two months to come back with a report –

**THE SPEAKER:** I am not asking for a report but action. It can even be now. That you leave here and go and stop the recovery process from dfcu Bank. It can even be that you leave here and stop the sale of the area because the moment you allow the sale – that land is for the SGR; it is in that area. You will find the same land grabbers here are the ones who are going to go and get that land.

Therefore, the Minister of Lands and the Minister of Finance need to take immediate action to save the people, to save the land, and also see what can be done to the loan. Then the two purported titles that are available, which one is legitimate?

**MR ODUR:** Madam Speaker, I think that is the direction I was taking. My suggestion was that since we have the learned Attorney-General – because these are legal matters – I thought that it would be proper that the Attorney-General would be directed to see how to deal with it legally, in the shortest time possible, to save it.

Otherwise, I tend to think that it is going to be difficult when the process goes on without a legal remedy. The proper advice would be that the Attorney-General be directed to intervene and see how to legally sort it out.

**THE SPEAKER:** I thought it is common knowledge and common sense that no such action can be taken without the authority of Attorney-General under the Constitution. They must act within the law.

4.47

**THE THIRD DEPUTY PRIME MINISTER AND MINISTER WITHOUT PORTFOLIO (Ms Rukia Nakadama):** Madam Speaker, I thank the committee members for the report. We are going to start an investigation so that we get insight into the report, then action will be taken and information will be brought to Parliament. Thank you.

**THE SPEAKER:** I want you to be mindful of the people that are being chased away, the sale that is taking place, the loan that is outstanding and the land grabbers that can go and get that land. This is because they will want to sell it back to SGR. So, you need to be mindful of the timing.

**MS NAKADAMA:** Madam Speaker, the bodies concerned have to take it as an urgent matter. It is going to be investigated and the report will be brought –

**THE SPEAKER:** The committee has investigated; please, Rt Hon. Prime Minister, I want you to go and take action on the recommendations.

**MS NAKADAMA:** Much obliged, Madam Speaker

**THE SPEAKER:** Thank you. Honourable members, I adjourn the House to tomorrow at 10.00 a.m.

*(The House rose at 4.49 p.m. and adjourned until Friday, 20 May 2022 at 10.00 a.m.)*