



# PARLIAMENTARY DEBATES

(HANSARD)

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OFFICIAL REPORT

FOURTH SESSION - THIRD MEETING

TUESDAY, 25 FEBRUARY 2025



**IN THE PARLIAMENT OF UGANDA**

**Official Report of the Proceedings of Parliament**

**FOURTH SESSION - 16TH SITTING - THIRD MEETING**

**Tuesday, 25 February 2025**

*Parliament met 1.59 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, I welcome you to this afternoon's sitting. I would like to inform you that the Parliament of Uganda will host the second Women's Parliament Sitting on Monday, 3<sup>rd</sup> of March as part of the commemoration of the International Women's Day, 2025. This year's Women's Day will be held here before they go to Kyankwanzi for the national celebrations. The theme to guide the discussions for the Women Members of Parliament, the councillors out there, and the local council V chairpersons who are women will be "Consolidating Women's Social and Economic Transformation in Uganda."

We shall invite women from districts to come and have an interaction with their Women Members of Parliament to discuss issues concerning women. The event will take place here. We will give an opportunity to one woman to chair that debate for women. However, we also have men who want to attend - like I have seen the Leader of the Opposition smiling - you will be welcome.

Therefore, on 3 March 2025, we will meet here to discuss women's issues and see how best we can be able to help a woman. Once you have an empowered woman, then you have an empowered nation. That is what we need to do. I ask you to support our women out there to be able to come here.

Honourable members, we have had a number of issues in schools - and this still takes us to parenting. There is a kid who drowned in a swimming pool. Teachers need to take up the responsibility once parents entrust children to them. You cannot have a kid who has never gone to a swimming pool, just pushed there because they can drown. It is a very bad thing.

We also heard about a kid who was slaughtered in Soroti and dumped in a pit latrine. After removing that kid, they got four other skulls in the same latrine.

We also heard of a kid who committed suicide in Seeta High School. We need to do a lot of parenting for our children and the teachers equally need to help us with these children. They need to understand the children they are dealing with.

Teachers, once you are entrusted with people's children, please take responsibility for them. We will make sure that if it is you who are entrusted with the kid, you take personal responsibility as a teacher. If you think the school should take responsibility, it is you, the teacher, to take personal responsibility. You cannot be here, the kid does not know how to

swim, you are busy on WhatsApp; and then at the end of the day, the school is blamed. It should be you who are with the kid; you should take strict liability.

I thank you very much and I wish you nice Women's Day deliberations.

Yes, Hon. Jesca?

2.05

**MS JESCA ABABIKU (NRM, Woman Representative, Adjumani):** Thank you very much, Madam Speaker, for the opportunity. I thank you for the innovation on how best we can celebrate Women's Day this year. However, I am seeking clarity on the following:

First, how are we going to invite the women to come to participate on the 3<sup>rd</sup> of March? What is the total number of women we can bring? This is in order for us, as leaders of our districts, to be able to support them.

Secondly, on the issue of our children, I agree with the parenting conversation, but I think the school administration should do more. This is because we have the Parent-Teacher Associations and the boards of governors, which regularly hold meetings. They are supposed to provide immediate leadership on behalf of the Government because they are the governing bodies.

On the issue of security intelligence, if four skulls were in one pit latrine - people are not killed in the same manner as if they were slaughtering chickens. I think our intelligence system within the school environment needs to be improved. This is because, from one to four skulls, that means there are probably other children that were killed and up to now, we do not know about them.

Lastly, Madam Speaker, a warning should be sent to the community; the actions taken against those schools should be made in this House. This is in order for us to spread awareness, but also the public will be able to watch and it will scare off some people. We should all join hands to protect our children. Thank you.

**THE SPEAKER:** Thank you very much. The issue of the invitation of the women to attend the session is going to be handled by the Department of Corporate Planning and Strategy (CPS) in the Parliament of Uganda.

On the issue of parenting, when we entrust our children with schools and teachers, that is an extension of parenting. They become the parents of those kids. By doing that, you have to take responsibility for and welfare of these kids. It is very bad for somebody to take a child to school and then he is called the next day, "Your kid got a problem and is dead." It is very dangerous.

Yes, Hon. Edakasi?

2.09

**MR ALFRED EDAKASI (NRM, Kaberamaido County, Kaberamaido):** Thank you, Madam Speaker. I thank you for the initiative -

**THE SPEAKER:** Are you all standing to comment on my communication?

Honourable members, we will want to hear from the Minister of Education and Sports, on what action they have taken, especially in that school where a kid was killed in the latrine.

2.11

**THE MINISTER OF STATE FOR TRADE, INDUSTRY AND COOPERATIVES (Mr David Bahati):** Madam Speaker, we request that we have a statement tomorrow. We shall give an update tomorrow because the Minister of Education is not here right now.

**MR EDAKASI:** Thank you, Madam Speaker. I also want to add my voice to thank you for bringing women closer to this Parliament and indeed providing a platform for, I believe, a discussion on social, and economic development for women.

Madam Speaker, whatever the discussions will be, I would like to let you and this House know that some of the programmes that have been put out there for social and economic transformation for women are not working.

I would speak for Kaberamaido where the so-called Generating Growth Opportunities and Productivity for Women Enterprises (GROW) programme; almost no woman has been able to benefit, likewise, even PDM has had challenges. The banks are at the centre of making these programmes difficult.

Madam Speaker, I hope that during these discussions, some of those things can be corrected. I thank you.

**THE SPEAKER:** Thank you. One of the reasons why we want to have this discussion is because we want to call these people who are managing programmes like GROW and PDM to tell us how women are benefiting.

2.11

**MS BETTY NALUYIMA (NUP, Woman Representative, Wakiso):** Thank you, Madam Speaker. As local governments, we appreciate the fact that women who are at the local governance level are being thought of, and they are yet to interact with parliamentarians. We await that and pray that, even at a later time, we shall have the same extended, even though there is not any funding in local government or gender.

The finance ministry should quickly provide for something such that at least as we have this discussion, which, I know, Madam Speaker, you have already balanced, and many districts from the different regions are going to be involved, but a provision is also made that later on - but Madam Speaker, as we continue to plan for Women's Day, we are praying that even the women who have been abducted, who are in cells for no good reason, for only this time, are gifted so that, for Women's Day, they are given justice and we see that at least Uganda is somewhere as far as matters of women are concerned. Not only women but generally all Ugandans get justice as a gift. We are praying, at least for women on this day. I thank you.

**THE SPEAKER:** Thank you. Honourable members, maybe to just remind you of what I had forgotten; I got a list of petitioners from

northern Uganda, specifically from Lango, and the petition was about the representation of workers in the House. Their claim is that there is no inclusivity, fairness, and equity in the representation. They believe that in the representation of youth, people with disabilities, and the elderly, all regions are represented. In their considered view, they think Section 8(3) of the Parliamentary Elections Act on the election of Workers MPs should be amended to include regional representation, not just gender. This is because Section 3 says that there shall be one woman out of the five and does not specify that all regions must be represented, like other interest groups. The petition was brought and I think we will have an amendment to that effect.

2.14

**MS BRENDA NAMUKUTA (NRM, Woman Representative, Kaliro):** Thank you, Madam Speaker. I would like to appreciate your recognition for the women in this country, and we would like to know the number of women because when they see this communication, they will have high expectations and it will -

**THE SPEAKER:** On the issues of women, please follow it up with the CPS. You are members of Parliament; you are free to enter any office here, including the Leader of Opposition's office. *(Laughter)*

**MS NAMUKUTA:** Thank you so much, Madam Speaker. It will help us to give them the right information as their members of Parliament.

Secondly, Madam Speaker, I would like to thank you for also taking into consideration the case of the student that we lost. Almost every year, we lose students in mysterious circumstances. In my constituency, there was a time we buried a girl who was found dead in her bed at one of the Mukono schools.

There is a boy who was burnt in a certain school - we have seen these things in the media and I would like us, as leaders and government, to take action. Thank you so much, Madam Speaker.

2.16

**MS JOAN ACOM (FDC, Woman Representative, Soroti City):** Thank you so much, Madam Speaker. I want to thank you, for lifting women and for loving women. Further, I would like to appreciate the concern or the update on celebrating Women's Day with our women down there.

My humble request is that, as it has been a norm in the few years I have been in Parliament, we, especially the women members in the opposition, have been denied to celebrate the Women's Day in our districts, I would request, as a House, as you, a mother, to give a directive that we be allowed to celebrate the Women's Day just like any other MPs from any other party.

Secondly, Madam Speaker -

**THE SPEAKER:** There is information from the Minister of Local Government, Hon. Victoria. Get it.

**THE MINISTER OF STATE FOR LOCAL GOVERNMENT (Ms Victoria Rusoke):** Thank you very much, Madam Speaker. In case there were difficulties in some districts for causes, which we should know, it is not correct to give a sweeping statement that where there are women members of Parliament in opposition who are not allowed. I want to give my testimony that I represented the Prime Minister in Kasese and the function was very colourful and the member of Parliament was present. There were NRMs, there were all parties represented, religious leaders, Bishops, RDCs, and it was one of the best celebrations I witnessed -

**THE SPEAKER:** Let me first hear from Hon. Florence.

**MS KABUGHO:** Thank you, Madam Speaker. Yes, it was an activity organised by the district and the Prime Minister was the chief guest. Honourable minister, Hon. Victoria Rusoke represented the Prime Minister.

We have challenges as opposition members of Parliament. When I organised mine, I was blocked yet that at the district was not blocked. Thank you so much.

**THE SPEAKER:** Honourable members, can I have silence?

2.21

**THE THIRD DEPUTY PRIME MINISTER AND MINISTER WITHOUT PORTFOLIO (Ms Rukia Nakadama):** Thank you, Madam Speaker. My colleagues, learning never ends. The moment you work as a team for an annual celebration, I think, you cannot get a problem. Therefore, for the district to organise theirs and the Woman Member of Parliament to organise hers, is a reflection that there is no cohesion. I call for cohesion so that one day is organised for and celebrated by all of you. Thank you.

**THE SPEAKER:** Honourable members, the Women Members of Parliament from the Opposition had an issue that they reported to this House. I can give the example of Hon. Susan.

Prime Minister, what these girls are asking for is to celebrate Women's Day with their women. This is an election time. How do they go to the field and you do not allow them to associate with their women?

Let me tell you: by now, the electorates out there have already decided whom they will vote for, however much you influence them. Do not deny them the chance to celebrate. *(Applause)* Let them celebrate with their people, so long as it is a peaceful celebration. There is no problem with that. Yes. *(Members rose\_)* Wait. Yes, Prime Minister?

**MS NAKADAMA:** Madam Speaker, I thank you for explaining the way women want to express themselves in their constituencies -

**THE SPEAKER:** In an orderly way.

**MS NAKADAMA:** Yes, and I just want to say that the National Resistance Movement (NRM) Government has brought freedom for women;

it embraces women and, for all of the women, you are supposed to celebrate with your women when the Women's Day comes. I am even here to be invited to come and officiate at your Women's Day celebrations. All women, please, you are allowed to celebrate with the women. There is no need to be stopped to celebrate with the women.

However, what I would also want to say is that we need cohesion. Like the honourable member said, if we have a Women's Day celebration for the district, please, come and join the district, so that you celebrate the Women's Day with the district. It would be a very good function - to see you when you are with your women. I thank you.

**THE SPEAKER:** Thank you. Hon. Jonathan?

2.23

**MR JONATHAN ODUR (UPC, Erute County South, Lira):** Madam Speaker, I wanted to raise this issue before the Prime Minister spoke.

One of the challenges that has been expressed here is the expiry of the mandate of the National Women's Council. The Electoral Commission released the roadmap for general elections, including for the different special interest groups. One that is missing, conspicuously, is the National Women's Council. Their mandate expired in 2022, and there has been an extension.

In the meeting that will be convened here, if that council was functional and had a fresh mandate, through elections, some of the issues coming here would have been discussed there.

So, I want to bring it to your attention, first, to ask the Government to liaise with the Electoral Commission to explain why the election for National Women's Council – of all the special interest groups – is missing from the general roadmap that has been released. What is so special about that?

That is so that when you meet on Monday, the 3<sup>rd</sup>, it can be an item on the agenda.

**THE SPEAKER:** Prime minister, are you getting it? You need to find out. Have you finished, Hon. Jonathan? (*Members rose*) No, I was telling her to cause -

**MS NAKADAMA:** Madam Speaker, the question on the National Women's Council's elections missing on the general roadmap, I think, was just an oversight. Yesterday, we discussed it in Cabinet and the Women's Council elections are going to be included in the roadmap. I thank you.

**THE SPEAKER:** Can you get in touch with the Electoral Commission and let us know whether you are with them? Let us have that one done and we have elections for the National Women's Council - the Member for Soroti has not finished. Hon. Acom, are you not repeating the issue of International Women's Day? You, ladies, celebrate your Women's Day but within the law, peacefully and in an orderly way.

**MS ACOM:** Thank you so much, Madam Speaker. We should also be allowed to invite chief guests of our choice.

Madam Speaker, I want to say something on the issue of a six-year-old child, who was slaughtered in the toilet in Soroti.

There is vivid evidence about this slaughter, and I thank the police which has managed to handle this issue. I request that as leaders, we follow it up closely. This team of people should actually - if it were under my reach, possibly, they would have also been slaughtered - (*Interjection*) - it is evident that one of the children testified –

**THE SPEAKER:** They should face the law – that should not come from a leader like you.

**MS ACOM:** They should face the law and be worked on as they also worked on the child. (*Laughter*)

Madam Speaker, this has raised tension in the city, and many of the people are really aggrieved. We need the ministry –

**THE SPEAKER:** I was actually surprised with all the leaders of Soroti: nobody had ever raised this. That is why I was forced to bring it up. When I saw you here, speaking, I said: "I am now seeing Soroti." Nobody brought it up for all these days – (*Interjections*) – yes, somebody is giving information about that very serious matter – of the kid.

**MR AEKU:** Thank you, Madam Speaker. That incident happened, but like the honourable member, we thank the police and the Government for the swiftness in doing things. Immediately, they took over, made arrests -

**THE SPEAKER:** Police is under the Government.

**MR AEKU:** Do not worry. Immediately, they took over and arrested the directors of the school, all the accomplices were also arrested, and arraigned before the court and the school was closed.

It was not the first time it had happened. I think it was happening over time but, this time, with this child that died - it was really a sad moment. Indeed, this will not continue. We will ensure that there is more vigilance and, like you have stated in the opening remarks, we should parent.

This was a little bit of negligence from the matron. Even when the other child had seen the problem, she ran to the matron, but the matron chased her away. It was even the children of the director who, when police asked them a few questions, were able to submit more evidence, which implicated even the wife of the director.

So, I think the Government has done very well and we are proud. We will proceed with ensuring that there is more vigilance. I thank you.

**THE SPEAKER:** Minister of Education and Sports, we would like to know what action you have taken on such a school. Before you come in, let us hear from Hon. Ebwalu.

2.29

**MR JONATHAN EBWALU (Independent, Soroti West Division, Soroti City):** Madam Speaker, we need justice for that young girl, Joan Apio, the twin. You are a mother of twins. The girl they killed was a twin and I can tell you it was very traumatising.

Some school owners want to get rich through rituals and sacrifices. They are killing our children. We trust our children with schools, knowing that the schools will take care of our children. If you are the ones killing our children, where do we take them?

Madam Speaker, I would like to request you - our inspectorate in the country is dead -

**THE SPEAKER:** Which inspectorate?

**MR EBWALU:** The education inspectors. I do not know what the minimum standards for starting a school is in Uganda. I have a school in our constituency. It has two classrooms and they have built the classrooms with *mabati*. They do not have a toilet, but it is a school. You then wonder what the inspectors of schools are doing.

Madam Speaker, I appeal to you –

**THE SPEAKER:** I think that is for the standards unit in the ministry.

**MR EBWALU:** Madam Speaker, I appeal to you to interest yourself in this matter. This matter should not be managed locally in Soroti; the file will be misplaced. I appeal to you, Madam Speaker, to interest yourself in this file, so that we follow this matter up to its logical conclusion.

**THE SPEAKER:** Honourable minister, this case is a very serious issue. You are the owner of a school; you know that such a thing can happen to your school at one time. So, the earlier we stop it, the better. What action have you taken on that school?

2.31

**THE MINISTER OF STATE FOR EDUCATION AND SPORTS (HIGHER EDUCATION) (Dr Chrysostom Muyingo):**

Thank you very much, Madam Speaker. I, first of all, thank you for your concern. This is indeed a very serious matter that we should not joke about.

It is true there have been those cases, and the police have taken it up and started the investigations. We hope, as a ministry, that the report that will come from the police will give us a direction. But it is also true that we have agreed as a ministry to improve the inspection of these schools.

Our team has gone out and they are trying to do their best to see that all the minimum basic requirements are adhered to. I submit, Madam Speaker.

**THE SPEAKER:** So, what has been done to that school?

**DR MUYINGO:** Madam Speaker, my team has gone on site and is compiling a report.

**THE SPEAKER:** Honourable minister, you need to take keen interest in that school.

2.33

**THE SHADOW MINISTER OF EDUCATION AND SPORTS (Mr Joseph Ssewungu):**

Thank you, Madam Speaker. I would like to thank you for raising this matter. What I am going to say here is in good faith. A school can only survive if its triangle is functioning very well; parents, teachers and the children.

What we need to do, as the Ministry of Education and Sports, and even our side where we can give support, is that whether you have minimum standards, they must be improved. We now have challenges. Part of the information we have is that one of the students killed himself because he wanted Shs 1 million as pocket money or Shs 2 million - something like that.

Madam Speaker –

**THE SPEAKER:** That is a different version. We are talking about a young girl slaughtered in a toilet; I mean a situation where an outsider came and slaughtered a child in the toilet. Do you get it? The other one where a boy wanted Shs 2 million, is a different story.

That is why we are saying that this now calls for parenting. You should know what to do with these children who are in the adolescent stage. When a child asks you, “This is what I want,” - You and I, who think we have money, tend to spoil our children. You want to give this child a lot of money every time. At a time when you do not have it, you will face it rough.

**MR SSEWUNGU:** Madam Speaker, that is why I began by talking about standards. When I talk about standards, we already have a challenge at the Ministry of Education and Sports. Some three-year-old children are in the boarding section, yet these should be nursery children.

Secondly, Madam Speaker, I am insisting on the issues I am giving because with the challenges we have, Hon. Dr Muyingo, as a minister, we have to revisit the minimum standards. As we talk now, what is happening in schools is an end-of-year party called “Prom”. Parents are sweating. All these are challenges that cause anxiety in children.

One parent cannot afford to give his daughter makeup and a dress which is worth Shs 3 million, above the school fees he pays, for one day. A chopper and limousine take the child and her friends to school and all that. These are challenging factors that cause anxiety and can end up making children kill themselves or fight others.

As Members, we request the Ministry of Education and Sports to sit down and look at those standards. When you talk about your swimming pool, Madam Speaker, is it the minimum size of a school? Once it is there, what do you have to put in place that allows swimming pools and all those factors in



schools? The moment you do not have them, the challenges are on parents and school owners.

Madam Speaker, I can give you a scenario. One time, I went to a boarding school. They allow children to call their parents at Shs 100 per minute. A child talked to his mother for Shs 10,000 at Shs 100 per minute. You took my child to your boarding school but while at school, you are calling me for over one hour – Shs 10,000 at Shs 100 per minute. How long did the mother talk to the child, yet I am in control of that child as a teacher or head of a school. All these are challenges we must address.

**THE SPEAKER:** Thank you. Honourable minister, you will bring a paper to that effect and we need to have minimum requirements for every school. *(Applause)* If it means not visiting children and food is provided for at school, it should be so. This issue of having classes in schools should stop.

**MR EBWALU:** Madam Speaker, there are parents –

**THE SPEAKER:** Yes, Chief Opposition Whip.

2.38

**THE CHIEF OPPOSITION WHIP (Mr John Baptist Nambeshe):** Thank you very much, Madam Speaker. I come to salute the clarion call you have made on the importance of parenting. It takes two to tangle. It has to be women and men to have those parenting skills successfully.

Madam Speaker, I am reminded of a little-known date at the other end of the year; it is the 19<sup>th</sup> Day of November. It is, incidentally, the International Day of Men. I have admired the energy, zeal and zest that you have demonstrated in promoting the observance of International Women's Day and I assure you that all of us men will be supportive. We shall throw our weight behind your invitation.

However, to be inclusive and exhibit equity, I wish you would equally demonstrate the same

energy in promoting International Men's Day on the 19<sup>th</sup> Day of November. Thank you, Madam Speaker.

**THE SPEAKER:** Honourable members, we will do that on the 19<sup>th</sup> of November, on International Men's Day. We need to coexist and to achieve that, we need a man and a woman together. Honourable LOP?

2.40

**THE LEADER OF THE OPPOSITION (Mr Joel Ssenyonyi):** Thank you, Madam Speaker. For those of you who may not know, Hon. Nambeshe, the Chief Opposition Whip, is a presiding apostle, so he fights for the rights of women and men collectively.

Firstly, Madam Speaker, I would like to appreciate the statement you have made, that our women leaders should be able to celebrate with their constituents. Hopefully, this time round, the Government will behave to that bare minimum. It is okay for those who would want to attend the national celebration, but a Woman MP can choose not to even go there. I do not think that is a crime. She can organise her own, peacefully, to meet her voters. I do not see anything illegal about that, Hon. Rusoke -

**THE SPEAKER:** After the national celebration?

**MR SSENYONYI:** Absolutely! It could even be on another day and that is okay. She can go for the national one, first, and then organise her own, to be able to connect with her voters and tell them about the work that they do here in Parliament.

Madam Speaker – *(Interjection)* - an honourable colleague wants to give information. If the Woman MP for Bukedea allows that information – *(Laughter)*

**THE SPEAKER:** When I am seated here, I am not a Woman MP for Bukedea -

**MS AISHA KABANDA:** Thank you very much -

**THE SPEAKER:** The Speaker has not permitted you. He asked the Woman MP, who is not here.

**MR SSENKYONYI:** Madam Speaker, I was tapping into the woman leader in you -

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

**MS NANKABIRWA:** Madam Speaker, we are guided by our Rules of Procedure and we know how to address the person presiding over Parliament. I have heard, my friend, the LOP mention the Woman Member of Parliament for Bukedea, allowing a Member to give information. Therefore, is he in order to disregard what the rules of procedure dictate? Is this a market?

**THE SPEAKER:** Thank you. Hon. Goretti and Hon. Susan, I am the one to make the ruling. We are talking about women, and I think that is where the LOP borrowed it from, "Woman member."

**MR SSENKYONYI:** Thank you, Madam Speaker, for updating the Minister of Energy and Mineral Development, who came late today. I will proceed in earnest -

**THE SPEAKER:** Honourable members, we have a lot of business on the Order Paper.

**MR SSENKYONYI:** Madam Speaker, I would like to first give a quick update to the House. Last week, I raised a matter here and tabled the names of people who were abducted. Their families, lawyers, and we, their leaders in the party, were struggling to establish the whereabouts of these people.

I would like to give an update since you allowed me to table the names. Those people were released by security forces and I thought it was important to update the House here.

**THE SPEAKER:** Thank you. They were released by security forces, not thugs.

**MR SSENKYONYI:** That is the important thing, Madam Speaker, because the way they

were picked up, no one could tell which kind of people these were, and now that they were released - some from police stations -

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

**MR MACHO:** Madam Speaker, the Leader of the Opposition is an honourable Member of Parliament. The word "honourable" must show in the calibre of a person. In his submission, the LOP has used a very bad word to call the forces of this country; a word that I cannot mention because if I do, my people of Busia will say I am not an honourable member.

Therefore, can the LOP withdraw that word - (*Interjection*) - I cannot mention the word because I may be considered not to be an honourable member, Madam Speaker. Can he withdraw the word he mentioned?

**THE SPEAKER:** Thank you. LOP, conclude.

**MR SSENKYONYI:** Thank you, Madam Speaker. I appreciate Hon. Macho; he is very smart today -

**THE SPEAKER:** Which word did you use?

**MR SSENKYONYI:** I do not know - (*Interjection*) - are you sure I mentioned that Hon. Nabbanja? Can you prove that? I am challenging you to prove that.

**THE SPEAKER:** Rt Hon. Prime Minister -

**MR SSENKYONYI:** You sit down; you even came late. (*Laughter*) Madam Speaker, let me proceed.

**THE SPEAKER:** Honourable members, on Thursday, when the LOP raised that issue, he said, they were thugs, and I made him withdraw that word. That is why I reminded him that they are not thugs, but security personnel who have brought them back.

He had alleged that they were thugs and now he has said, it is the security personnel who have released them. That is why I mentioned "thugs."

**MR SSENKYONYI:** Thank you, Madam Speaker. The word I used was not “thugs”. I used the word “goons”. I said that I hoped the Government could come and own up so that we do not take these to be goons. This is because of the way they conducted the arrest; they were in plain clothes with guns and driving ordinary cars.

**THE SPEAKER:** Can you conclude?

**MR SSENKYONYI:** No one could identify them as security personnel and so, we were asking the Government that these are either goons or you own up.

As I conclude that particular matter, I call upon the Government to observe the law. When you want to conduct an arrest, our laws are clear; the Constitution, the Police Act and a plethora of other laws in our country. They are all clear on how you get to conduct an arrest.

Madam Speaker, we might have a challenge in this country at some point. These fellows in plain clothes will go with guns, and abduct somebody, and assuming the person fights back and maybe kills one of them, under what law are you going to charge this person who is acting in self-defence? This person will say, “I do not know who you are. You are in plain clothes, with guns, and you have come to attack me.” If this person fights back and harms one of them, you cannot charge them. Therefore, let us follow the law. That is my appeal and I hope that we can get to do that.

Madam Speaker, in a similar vein, I call on the Government to follow the law. Our Constitution, article 27, thereof, provides for a couple of things. Government can search any premises - and this is because my political party headquarters was raided by different security outfits, chased away our party officials, broke doors, took away laptops, money and several other things. What has perplexed me, Madam Speaker, is, I do not know why the Government cannot follow some simple basics of the law. No one stops you from conducting a search - even at my house. You have a right to conduct a search, but come with a search warrant.

Secondly, let me be present. We have keys to our offices. Why do you have to break into them and yet we have keys and can open for you. Can we follow these simple precepts of the law? You have a right to conduct a search anywhere, by the way, including my office here at Parliament, because I am in it today; tomorrow I will not, but can you follow the law in doing that? You broke and damaged property, we have got to replace it. Money and computers were taken, etcetera. Why don't we follow the law?

It would have been different if you had come with a warrant and said, “Open we would like to carry out a search” and we refused. There you would do whatever you wanted to do but you did not do that. Government, why do we not want to follow the law? You make people become suspicious about everything.

**THE SPEAKER:** You mean your office was broken into?

**MR SSENKYONYI:** Yes, Madam Speaker and I saw police justifying it by saying that they went to pick some exhibits. I said, but now, which court of law are you going to use those exhibits in when no one was there to corroborate. How can I be brought to court to say, “I concede that this was gotten from my office or premises” when I was not there.

Hopefully the Attorney-General responds to these issues. Finally - so that he responds generally -

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

**MS NABBANJA:** Madam Speaker, like you said, Parliament has got a lot of work. Whenever we come here, you are dragged into unfounded allegations and I believe the reason is to make the Government look dirty.

This Government has protected Ugandans and that is why everybody is proud, including investors. Is it in order for the Leader of the Opposition to come here all the time and make the Government look dirty - (*Interjections*) - yes, that is the intention. In my presence as the

Leader of Government Business? *(Laughter)*  
Are you in order? - Allegations without evidence.

**THE SPEAKER:** Honourable members, I asked the LOP if their offices were raided because I did not know that they were raided. I am not here to hear whatever happens around. I only got very disappointed when I saw my old men from Teso - I am going to follow up on those old men who paraded in National Unity Platform (NUP) offices.

Why would an old man - Is that the place that gives out money for compensation? Compensation is given from Parliament. We are not going to allow this. You will not do this in Teso. *(Applause)*

**MR SSENKYONYI:** Madam Speaker, I would like to thank you, and with your permission, I could clarify that small issue. Our political party's doors are open to anybody who comes to us to advocate for them.

**THE SPEAKER:** LOP, we shall sort out the issue of Teso out there.

**MR SSENKYONYI:** The elders from Teso came to our office, and I do not know if you wanted us to chase them away, but they came and raised their concerns and said, "As Teso war claimants, please advocate for us to be paid," and we received them. I do not know what is illegal about that. Let me not be distracted -

**THE SPEAKER:** Honourable Attorney-General, he says he has a list that he -

**MR SSENKYONYI:** Madam Speaker, the issue of the Rt Hon. Prime Minister - because she was saying "there is no evidence and the police released a statement". I would like to agree with the Prime Minister that this Parliament discusses critical issues, and that is why you normally encourage us to be here by 2.00 p.m. of which you were in your chair by then.

The Prime Minister came very late. If you respect the issues of Parliament, please come early like the rest of us.

**THE SPEAKER:** No, she did not come late.

**MR SSENKYONYI:** Madam Speaker, she was not here at 2.00 p.m. and that is the truth. But let me wrap up this issue - *(Interruptions)*

**THE SPEAKER:** Honourable members. LOP, you sit. Can we go to the next item? We will handle your issues. What is your issue?

**MR SSENKYONYI:** Thank you, Madam Speaker. In fact, I would have been done had I not been interrupted by the Prime Minister. I have a list that I would like to table here for the attention of the Attorney-General.

The Supreme Court delivered a ruling saying for matters that had been handled by the Court Martial, either free these people or transfer their files to the civilian courts and some of them were transferred but there are several other lists whose files have not been transferred. Let me table this list.

**THE SPEAKER:** There is a procedural issue. Give it to the Attorney-General.

**MR SSENKYONYI:** It has got the following names: Ssekitoleko Yasin a.k.a Machete, who is on hunger strike, Kavuma Musa, Gibisiwa Abdallah, Kalanzi Sharif, Muwonge Joseph, Jimmy Galukande, Kato Umaru, Abdallah Kintu, Mwase Patrick, Agaba Anthony, Angulibu Siraje, Andama Hamza, Idda Kasim, and finally Buga Ratib.

These people were remanded by the Court Martial, which no longer has authority over them. When are their files going to be transferred to the civilian courts like everybody else? Their being on remand under the Court Martial has got no place in the law. Government and the Attorney-General, when are these files going to be transferred to the civilian courts? I do lay the list. Thank you.

**THE SPEAKER:** Give it to the Attorney-General. Honourable members, when you make the House unruly, you will miss out on speaking about what you were supposed to. I want to reiterate that this information also

goes to the people out there; this madness of parading our old parents – Point of order to who? (*Laughter*) You cannot start parading old people in the name of compensation. You bring people all the way from Teso - that can never happen, and it should never happen again. We are looking for the people who are doing that. Next item.

MOTION FOR A RESOLUTION OF  
PARLIAMENT TO AUTHORISE  
GOVERNMENT TO

(I) BORROW UP TO USD 100 MILLION FROM THE ARAB BANK FOR ECONOMIC DEVELOPMENT IN AFRICA (BADEA) PRIVATE WINDOW, USD 50 MILLION FROM THE ARAB BANK FOR ECONOMIC DEVELOPMENT IN AFRICA (BADEA) PUBLIC WINDOW, AND USD 25 MILLION FROM THE OPEC FUND FOR INTERNATIONAL DEVELOPMENT (OFID), TO CAPITALISE UGANDA DEVELOPMENT BANK LIMITED (UDB)

(II) GUARANTEE UGANDA DEVELOPMENT BANK LIMITED TO DIRECTLY BORROW UP TO USD 40 MILLION FROM THE ISLAMIC DEVELOPMENT BANK (IDB), USD 30 MILLION FROM THE ISLAMIC CORPORATION FOR THE DEVELOPMENT (ICD) OF THE PRIVATE SECTOR AND USD 30 MILLION FROM THE INTERNATIONAL ISLAMIC TRADE FINANCE CORPORATION (ITFC)

**THE SPEAKER:** Honourable members, as you may recall, on Wednesday, 5 February 2025, the Minister of Finance, Planning and Economic Development tabled a proposal to authorise the Government to borrow up to \$100 million from the Arab Bank for Economic Development in Africa (BADEA) Private Window, \$50 million from the Arab Bank for Economic Development in Africa Public Window, \$25 million from OPEC Fund for International Development, to capitalise Uganda Development Bank (UDB) – to guarantee Uganda Development Bank Limited

to directly borrow up to \$40 million from the Islamic Development Bank, \$30 million from the Islamic Corporation for the Development of the Private Sector (ICD) and \$30 million from the International Islamic Trade Finance Corporation.

The proposal was referred to the Committee on National Economy, which is now ready to report, pursuant to Article 159(2) of the Constitution of the Republic of Uganda, 1995, and Rule 155 of the Rules of Procedure. I invite the Minister of Finance, Planning and Economic Development to move a motion for the borrowing and, then, I will invite the –

**MR SSEMUJJU:** Thank you, Madam Speaker. This institution is key to governance and democracy. The Leader of the Opposition raised the issues of abduction and the raiding of political parties' offices, but, also, we have an unfinished issue of the implementation of the Supreme Court judgement. I thought that the Attorney-General was going to develop an appetite to respond to these issues.

As far as I know, you have partially transmitted files. There are other people who are still crying there; they are in jail but their warrants ended. I thought you would brief Parliament, because Parliament – and I would like to thank you, Madam Speaker, on this issue – (*Interjections*) - I am raising a point on procedure. I do not know – what is wrong with people who put on military uniforms when they are civilians? (*Laughter*) Is it because in the military there are no procedures? Is that what you want to suggest, Hon. Aber? When others are raising points of procedures, you wait. Points of procedure are not raised concurrently.

Madam Speaker, I would like to seek your indulgence, for the Attorney-General to allay the fears, not only of those of us who are here, but the country, on issues of abduction, issues of raiding political parties' headquarters, and issues of getting everybody who has a file, like the Supreme Court ruled, transferred. When are they going to be transferred? You cannot transfer them at leisure.

**THE SPEAKER:** Thank you. Honourable members, I am happy that the Rules of Procedure were made by us in this House. When I see senior Members of Parliament not respecting the Rules of Procedure - I would like to refer you to Rule 222(2) concerning the reconsideration of the decision of the House. It is out of order to attempt to reconsider a specific question. Remember that, that question was raised and it was forwarded to the Attorney-General. We have given him the information and he is going to come back to the House and give you feedback.

He does not keep those people in his brain. Those people are somewhere and he has to go and consult and find - the other day you raised an issue and I am happy you have come back to say the issue was solved. That issue will equally be solved. We are here to work for the people outside there. We are not working for ourselves. It is in our best interest that everybody is peaceful in this country. Next item.

**MR SSEMUJJU:** Madam Speaker, the same rules, as you have cited, limit the interaction of the Speaker. The reason is that the rules do not want the Speaker to be the one to answer on behalf of the Government.

**THE SPEAKER:** Honourable minister? – (*Mr Odur rose*) - yes? Maybe before you bring a procedural matter, honourable minister, are you going to move an omnibus motion, or are you going to handle them one by one? I am the one asking.

3.04

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES)**

**(Mr Henry Musasizi):** Thank you, Madam Speaker. My motion is consistent with the item, which appears on the Order Paper.

Madam Speaker, pursuant to Article 159 of the Constitution -

**THE SPEAKER:** Point of procedure?

**MRODUR:** Thank you, Madam Speaker. About a month ago, the Minister of Finance, Planning and Economic Development presented to this House the National Development Plan (NDP) IV. When the committee reported, you kindly, asked this House to give what I considered to have been an interim approval. The wording of the Act - The National Planning Authority Act – is that we approve and adopt. I remember you made a ruling that we had given the approval, subject to some improvements that were supposed to come back to this House -

**THE SPEAKER:** Capturing what was said in the House and bringing it to be laid on Table.

**MR ODUR:** Actually, that day, there was nothing said in the House. There was no debate, Madam Speaker, if I can refresh your memory. In that national development plan, the point I would like to make is that for the next five years, the planning –

**THE SPEAKER:** Hon. Jonah?

**MR ODUR:** Madam Speaker, just a moment; I will come to that. I just beg for your indulgence. For the next five years, whether it is under the NRM or the next government, development is expected in each and every corner of this country. What we had observed, Madam Speaker, was that, in that draft national development plan, there was a serious imbalance. I went and did an analysis. Out of the total budget to implement NDP IV, there is a particular region that is taking more than 50 per cent of the budget that is going to be spent in the next one year. However, when we are here, we borrow money, and each and every citizen of this country pays that loan.

When the projects are skewed, Madam Speaker, in terms of the infrastructure, such as roads and in terms of agro-industrialisation or the industries that are going to be spread in the country, among others, I particularly feel that I have not represented my people. We are not going to be servicing loans for projects that go into particular areas while others are left.

Madam Speaker, the point I would like to make is that we had expected the Minister of Finance, Planning, and Economic Development to come back. This is a national development plan. Let the nation see themselves in this plan. We had only given approval which was temporary, but the adoption was withheld by this Parliament.

**THE SPEAKER:** We had given you one month to come and lay the document on the Table. Where is the NDP IV that was supposed to be laid on the Table? No, we gave one month.

**MR MUSASIZI:** Thank you, Madam Speaker. To the best of my recollection, I think we are still within the 30-days period –

**THE SPEAKER:** No, you were actually not even here.

**MR MUSASIZI:** Then let me commit that I will comply next week. So, can I go ahead?

**THE SPEAKER:** Which date?

**MR MUSASIZI:** Next week.

**THE SPEAKER:** Can I have the National Development Plan IV (NDPIV) on Thursday?

**MR MUSASIZI:** On Thursday next week?

**THE SPEAKER:** No, Thursday this week.

**MR MUSASIZI:** Madam Speaker –

**THE SPEAKER:** Honourable, the Prime Minister is asking for Tuesday. It is okay. Rt Hon. Prime Minister, smile for once. *(Laughter)*

3.09

**THE PRIME MINISTER AND LEADER OF GOVERNMENT BUSINESS (Ms Robinah Nabbanja):** Madam Speaker, you know, I was somehow hurt when the Leader of the Opposition (LOP) said that I came late in, yet my deputy was here. You have a busy Prime Minister; very busy indeed, doing Government work. *(Applause)* I know that the LOP has got

liberty; he even has time to parade, to politic – Let me now go to NDPIV.

We want to also refine what you put in it, embed it in our plan, then the Cabinet passes it. I request for two weeks.

**THE SPEAKER:** It is okay. Let us have it. Even the two weeks will pass. Yes, so long as we have a commitment from you. Clerk at Table, please get for us the date two weeks from now so that we can have it on record that the NDPIV will be laid on Table on such and such a day. Yes?

**MR MUSASIZI:** Madam Speaker –

**THE SPEAKER:** Before you move your motion, in the public gallery this afternoon, we have a delegation of district leaders from Kakumiro District. They are led by my colleague, the district Speaker – please first stand up; that is my district Speaker - LCIII chairpersons; stand up, LCIII chairpersons, the subcounty NRM team from 24 subcounties of Kakumiro District; where are you? You are welcome.

Here, they are represented by none other than Hon. Robinah Nabbanja, Hon. Fred Byamukama, Hon. Josephat Tumwesigye, and Hon. Aisa Agaba. You have very good leaders. Who are you to have the Prime Minister? This means that you are very special people. You are most welcome, and thank you for sending us very good leaders. Join me in welcoming the Kakumiro people. *(Applause)* Yes?

3.12

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES)**

**(Mr Henry Musasizi):** Thank you, Madam Speaker. Pursuant to Article 159 of the Constitution of the Republic of Uganda and Section 34 of the Public Finance Management Act of 2015, as amended, and Rule 155 of our Rules of Procedure, I beg to move the motion for a resolution of Parliament to approve the proposal for the Government to borrow up to \$ 100 million –

**THE SPEAKER:** Minister for disaster preparedness, we have issues of disaster, do not go. We have issues of disaster from Hon. Afidra, Hon. Acrobert, and Hon. Linda.

**MR MUSASIZI:** Let me repeat: Madam Speaker, pursuant to Article 159 of the Constitution of the Republic of Uganda, 1995 and Section 34 of the Public Finance Management Act – (*Interruption*)

**MR SSEMUJJU:** Madam Speaker, when we come here, we are national leaders. The point of privilege I am raising – my assignment is supposed to go to every corner of the country. But I heard you, Madam Speaker, quarrelling that the people of Teso cannot be paraded.

The point of privilege I am raising is whether Teso is now caveated and the National Unity Platform (NUP) and People's Front for Freedom (PFF) cannot meet them, even when they come by themselves. I have been in Teso on issues of compensation. The other day, I was in Kakumiro.

The point I am raising, Madam Speaker, is whether now you have reduced all of us into community local government leaders, that we cannot meet people outside our communities.

**THE SPEAKER:** Continue!

**MR MUSASIZI:** Madam Speaker, in line with Article 159 of the Constitution of the Republic of Uganda, Section 34 of the Public Finance Management Act, and Rule 155 of the Parliamentary Rules of Procedure, I beg to move the Motion for a Resolution of Parliament to approve the proposal for Government to borrow up to \$100 million from the Arab Bank for Economic Development in Africa (BADEA), Private Window, \$50 million from the Arab Bank for Economic Development in Africa Public Window and \$25 million from the OPEC Fund for International Development to capitalise Uganda Development Bank Limited.

Also to guarantee Uganda Development Bank Limited to borrow up to \$40 million from the Islamic Development Bank, \$30 million from

the Islamic Corporation for the Development of Private Sector, and \$30 million from the International Islamic Trade Finance Corporation. I beg to move.

**THE SPEAKER:** Thank you, honourable minister. Is the motion seconded? Okay, it is seconded by Hon. Bahati, the Prime Minister, Hon. Victoria, Hon. Alex, Hon. Wokorach, Hon. James, Hon. Jane, Hon. Linda, Hon. Iddi, Hon. Jesca, Minister for disaster preparedness, Hon. Nathan, Hon. Awas, Hon. Fox, Hon. Betty, Hon. Phyllis, Hon. Angura, Hon. Acrobert, Hon. Okwalinga, Hon. Alanyo.

Would you want to speak to it?

**MR MUSASIZI:** Thank you, Madam Speaker. Madam Speaker, Uganda Development Bank Limited's (UDB) funding needs have exponentially grown over the last two years, and the bank needs to disburse an average of Shs 1 trillion per year, in new disbursements. The exponential growth in funding needs is due to the growth of the economy, which is attributable to business expansion, coupled with UDB's favourable terms and value proposition. Uganda Development Bank lends at not more than 12 per cent per annum up to a period of 15 years, which makes it the only bank that can offer favourable and long-term tenor capital in the economy.

Uganda Development Bank is desirous to drive the growth of the private sector and significantly contributes to growth in private sector credit to GDP ratio by deploying capital to the real economic sectors.

Currently, UDB's share of the total private sector credit is 7 per cent as of March 2024. UDB's role has increased; for example, 28.8 per cent of the total credit to the manufacturing sector is provided by UDB.

UDB continues to innovate products and services, and provide solutions for all businesses, including Small and Medium Enterprises (SME) at large – (*Interjections*) - this is good information for you. Sometimes, it is important to listen.



**MR NAMBESHE:** Madam Speaker, the procedural matter I am raising pertains to the irregular method by which the honourable minister has moved the motion for two separate loans. The first one is about the Government borrowing to capitalise the Uganda Development Bank. Then the second one is guaranteeing the Uganda Development Bank to borrow, and it will be the bank to pay back interest, including all the other obligations. The first one is different. The two are as far apart as night and day. It will be irregular on the part of this House to allow the minister to move both motions in an omnibus way.

The resolution, Madam Speaker, will not be one. We shall be required to have two resolutions.

**THE SPEAKER:** That is why I asked if he was moving them as an omnibus item.

**MR NAMBESHE:** In any case, I expected him to give good counsel and guidance. He gave the wrong one to move it in an omnibus way, which is irregular and he knows it.

**THE SPEAKER:** How was the loan presented?

3.21

**MR ROBERT MIGADDE (NRM, Buvuma Islands County, Buvuma):** Thank you, Madam Speaker.

Madam Speaker, of course, we had a point of reporting. This Parliament referred to us a request which was presented that way. However, when it comes to recommendations, the report will recommend separate. That is how the request was presented to this Parliament. Dividing them at this point may actually also affect our report because we have reported in line with - but the recommendations are different.

**THE SPEAKER:** Do you agree that you will have two resolutions; one for borrowing and one for guaranteeing?

**MR MIGADDE:** That is very right because we also have two recommendations; one for borrowing and another one for guaranteeing.

**THE SPEAKER:** Yes, honourable minister? Next time, what you need to do is bring a separate request for borrowing and guarantee. It will be better. Even if it is going to the same institution, it is neater.

3.23

**MR JONATHAN ODUR (UPC, Erute County South, Lira):** Madam Speaker, I seek your guidance. The manner in which we process business here is by items on the Order Paper and the Order Paper is the preserve of the Speaker. This time, I came because there were items listed on the Order Paper as items four and five, that are separate. I am worried that the minister is now attempting to navigate around that.

It is your prerogative, Madam Speaker, that we process item by item.

**THE SPEAKER:** Let us first look at borrowing.

**MR MUSASIZI:** Madam Speaker, the terms and conditions for the loan are the following:

Loan terms for US \$100 million from the Arab Bank for Economic Development in Africa (BADEA) - Private Window

- i) Facility is \$100 million;
- ii) Interest is fixed at 5.95 per cent per annum;
- iii) The loan tenure is seven years;
- iv) Grace period is three years;
- v) Commitment fees is 0.5 per cent per annum on the undisbursed and cancelled balance of the facility;
- vi) The legal fees are \$25,000, as per the signature of the agreement;
- vii) Appraisal fees are 0.5 per cent of the facility amount; and
- viii) Facility fee are 0.5 per cent of the facility amount

Loan terms for \$50 million from the Arab Bank for Economic Development in Africa (BADEA) – Public Window

- i) Facility amount is \$50 million;
- ii) The tenure is 20 years;

- iii) The grace period is five years; and
- iv) Interest is 3 per cent per annum fixed

Loan term for the \$25 million from the OPEC Fund for International Development

- i) Facility amount is \$25 million;
- ii) Interest is 2.25 per cent per annum;
- iii) The grace period is two years;
- iv) Tenure is 10 years;
- v) Commitment fees are 0.5 per cent per annum on the unwithdrawn amount of the loan; and
- vi) Front-end fees of 0.25 per cent of the loan payable within 90 days from the date of effectiveness

The loan terms for the amounts to be borrowed directly by UDB and guaranteed by the Government of Uganda.

One is \$40 million from the Islamic Development Bank.

- i) Loan facility amount is \$40 million;
- ii) Interest is US dollars 10-year mid swap plus 2.80 per cent;
- iii) The grace period is two years; and
- iv) Tenure is 10 years.

Loan terms for \$30 million from the Islamic Corporation for Development of the private sector

- i) Facility amount is US \$30 million;
- ii) Interest is Floating 6M SOFR plus 2.8 per cent;
- iii) The grace period is one year; and
- iv) Tenure is seven years.
- v) Loan terms for \$30 million from the International Islamic Trade Finance Corporation. The facility amounts to \$30 million. The interest is termed SOFR plus 2.5 per cent per annum. The grace period is not applicable here. The tenure is one year, revolving.

Honourable colleagues, the detailed conditions for the loan are reflected in the main report as the chair will also present.

Madam Speaker and colleagues, I now request from Parliament the following:

- i) To note that the effort the Government has put in place supports the private sector development; and
- ii) Approve the request in line with Article 159 of the Constitution of the Republic of Uganda.

Madam Speaker, with this, I beg to move.

**THE SPEAKER:** Thank you. Honourable minister, as the person in charge of the Uganda Development Bank (UDB), what is our loan portfolio?

**MR MUSASIZI:** Madam Speaker, the portfolio under UDB is in excess of Shs 1.4 trillion now.

**THE SPEAKER:** How is our recovery rate and what is the percentage of the recovery rate?

**MR MUSASIZI:** I need to get information about the recovery rate, Madam Speaker.

**THE SPEAKER:** I need to get the portfolio, the recovery rate, and a schedule of borrowers so that we make an analysis as to whether we are doing good business. I have spoken from the background of the banking sector.

3.30

**MR BOSCO IKOJO (NRM, Bukedea County, Bukedea):** Thank you very much, Madam Speaker. Before I read the report of the Committee on National Economy on the proposal to borrow up to \$100 million from the Arab Bank for Economic Development in Africa (BADEA) private window, \$50 million from the Arab Bank for Economic Development in Africa (BADEA) private window, and \$25 million from OPEC Fund for International Development (OFID) to capitalise the Uganda Development Bank Limited and guarantee Uganda Development Bank Limited to directly borrow up to \$40 million from Islamic Development Bank Limited – *(Interruption)*

**MR NAMBESHE:** Madam Speaker, is it for my good friend, Hon. Ikojo to continue to defy your directive on separating the two loans? There is virtually no report to furnish this House with.

The approvals will be done separately for the two loans.

**THE SPEAKER:** We are going to do approval separately, but honourable Members, you are the same people who accepted this report when it was laid on the table. You should have said that let us have it separately. It was brought like that. Maybe it was an oversight that you just agreed to that. I was not in the House. Maybe we were all not there. Therefore, let us have phase one first of borrowing.

**MR IKOJO:** Madam speaker -

**MR ODUR:** Madam Speaker, there is one issue that I want to bring to your attention and I request you to direct and be assertive.

This report, the version uploaded, is not accessible by Members of Parliament. It is encrypted, and it is not the first time this has happened. The people in charge upload documents that cannot be opened; they are encrypted. This is a very serious matter that Members of Parliament need to read through.

By our rules, this report should not even proceed, that the chairperson is laying and reading the report at the same time, and Members of Parliament are expected to make a decision.

**THE SPEAKER:** The IT people, what is happening?

**MR ODUR:** It was uploaded five hours ago, and this is not the first time I have observed this. They usually encrypt it and you cannot open it on the iPad. You will see the item, you open it, and you cannot access it. Once we are seated here, they now display for Members of Parliament to read through as if we are in a nursery school.

**THE SPEAKER:** What was the use of giving us the iPads?

**MR ODUR:** That must cease because we can, if the House is serious, this report can stay for three days to allow Members of Parliament-Borrowing is committing this Government, committing Ugandans in the past, present and in the future. We should be in the know of the details.

The minister is now telling us -

**THE SPEAKER:** Has anyone accessed that document on the iPad?  
Yes, Alebtong?

**MS ACHAN:** Madam Speaker, if he is referring to the report of the committee, both the main and the minority reports, they are there; I have been reading it.

**MR ODUR:** Madam Speaker, my point is, and you are the custodian of the rules, these reports are not supposed to be uploaded when we are here; we must access them well in advance. This has happened with so many reports including Bills.

**THE SPEAKER:** Okay, it will not happen again. Do you even read, even if I give you time, stop saying we should be given time? If Hon. Odur said, I would really accept it because he will read it.

**MR IKOJO:** Madam Speaker, I seek your indulgence that you allow me to read the report the way the committee has prepared it since the report was referred to the committee in that manner. In the resolution, we shall separate the borrowing from the guarantee.

**THE SPEAKER:** You first read the borrowing and we either reject or pass that.

**MR IKOJO:** Much obliged, Madam Speaker. The Minister of Finance, Planning and Economic Development has already presented a summarised report on the borrowing that was referred to the Committee on National Economy.

Madam Speaker, you remember that on the 5<sup>th</sup> of February, the Minister of Finance, Planning, and Economic Development presented a loan request to this House with a proposal for the Government to borrow for the capitalisation of UDB.

The Committee on National Economy scrutinised the request in line with Article 159 of the Constitution, Section 36 of the Public Finance Management Act (PFMA), 2015, as amended, and Rules 155 and 178 of the Rules of Procedure.

I now beg to report.

Madam Speaker, the Committee on National Economy interacted with the Ministry of Finance, Planning and Economic Development, and Uganda Development Bank Limited.

The committee also reviewed the documents and further studied and made reference to the following documents:

- a) The minister's brief to Parliament on the loan;
- b) The draft financing agreement between Uganda Development Bank and OPEC; and
- c) The master installment sales agreement between UDBL and Islamic Development Bank.

Madam Speaker, a number of documents were presented to the committee, and the committee looked at all those documents. The minister gave the background to UDBL.

The committee looked at Rule 155 of the Rules of Procedure, which provides the process for consideration of loans in Parliament. This rule provides for the requisite documents that must accompany any loan request. Table 1, as indicated above, shows that 4.67 out of the seven applicable documents were submitted in accordance with rule 155, translating to a performance of 66.67 per cent.

The compliance assessment of the submitted documents is in line with our rule 155 and the table is as indicated above.

Madam Speaker, I would beg that Members look at it.

On the performance of the previous lines of credit, Madam Speaker, to date, UDBL has secured 15 lines of credit with a value of \$155.5 million from eight multilateral development partners. Ninety-two per cent of the lines of credit had been disbursed to various projects. Out of the \$158.5 million extended to the bank, UDBL is servicing the interest payment on 10 credit lines, worth \$117 million, as attached.

Madam Speaker, the minister has already given a summary of the cost of financing in terms of borrowing. The loan from the Arab Bank for Economic Development (Private Window) of \$100 million, the minister has already – the total loan of \$100 million is for seven years, with a grace period of three years that the minister has already given.

The loan has a fixed interest rate of 5.95 per cent per annum. The facility also attracts other costs, that is, legal, appraisal, commitment and a facility fee, as indicated in the table above. That is on borrowing.

Madam Speaker, still on Arab Development Bank in Africa (BADEA) (Public Window), \$50 million was to be borrowed, with a maturity period of 20 years, a five-year grace period, 15 years of loan repayment and the interest is fixed at three per cent per annum.

In the interest of time, Madam Speaker, I will request that the Members go through the conditions of the loan, as per the requirement of Article 159 of the Constitution, that Parliament shall approve the terms and conditions of whatever borrowing the Government decides on.

Madam Speaker, the committee, on its recommendations – allow me to go directly to the recommendations, if possible. Let me read the conditions since Members have failed to access it.

The total loan amount of \$50 million is for 20 years, with a grace period of five years. The

loan has a fixed interest rate of three percent per annum.

The conditions of the loan

The conditions precedent to the initial utilisation of this facility includes, among others;

- a) Conditions precedent to effectiveness: entry into the facility agreement; receipt of internal and external legal opinions, in a form and substance accepted to the lender; receipt of a signed subsidiary agreement between the Government of Uganda and UDBL; payment of appraisal, facility, commitment, and legal fees, and any other condition that the lender may reasonably request;
- b) Conditions prior to the first disbursement: declaration of effectiveness of the agreement; submission of names and specimen signatures of the persons authorised to sign disbursement applications and to deal with all issues related to the implementation of the agreement; and all other conditions as may be agreed by the parties as conditions to first disbursement.

Table 5 is on the OPEC Fund for International Development. The loan amount is \$25 million, the maturity period is 10 years, the grace period is two years, the repayment period is eight years, and the interest rate is fixed at 2.5 per cent as stipulated by the minister. The facility fee is 0.25 of the loan, payable within 90 days from the date of its effectiveness. A commitment fee is 0.25 per cent per annum on the unwithdrawn amount of the loan.

The loan amount of \$25 million is for 10 years, as already indicated.

The conditions of the OPEC loan

The conditions precedent to the initial utilisation of this facility includes, among others;

- a) Satisfactory evidence that the execution and delivery of this loan agreement are on

behalf of the borrower and have been duly authorised and approved according to the constitutional requirement of the borrower; and

- b) A legal opinion issued by the Attorney-General confirming that this loan agreement has been duly authorised and approved by the borrower and constitutes a valid and binding obligation of the borrower in accordance with its terms.

Madam Speaker, allow me to look at the observations of the committee in line with the borrowing. The committee made the following observations and recommendations.

Article 159 of the Constitution provides that the Government may borrow from any source and the terms and conditions of the loan shall be laid before Parliament and shall not come into operation unless they have been approved by a resolution of Parliament. Section 36(5) of the PFMA Act necessitates that, except a loan raised for purposes of management of monetary policy or raised through issuance of securities, the terms and conditions of a loan by the minister shall be laid before Parliament and the loan shall not be enforceable, except where it is approved by Parliament by a resolution.

Though the minister's brief on the proposed borrowings highlights some loan terms and conditions, Parliament can only ascertain the terms and conditions of a loan through a draft financing agreement. In this particular borrowing, the committee received a draft financing agreement from the OPEC Fund for International Development – that is the \$25 million – Islamic Development Bank, Islamic Corporation for Development of the Private Sector and International Islamic Trade Finance Corporation.

However, the committee did not receive the draft financing agreements supporting the financing terms to borrow up to US\$ 100 million from the Arab Bank for Economic Development in Africa (BADEA) private window and US\$ 50 million from the Arab Bank for Economic Development in Africa (BADEA) private window.

In regard to the BADEA public window, the committee was given a letter from BADEA indicating that the proposed terms of borrowing (as indicated in the minister's brief and highlighted in Table 4 of the report) were subject to the successful outcome of the due diligence and final approval of BADEA's Board of Directors. This approval had not been shared by the time this report was prepared. Nothing was submitted regarding the proposed borrowing through the private window.

The committee uses the draft financing agreement, which reflects the agreed terms and conditions between the lender and the borrower, to ascertain the proposed terms and conditions indicated in the minister's brief to Parliament. Whereas in most cases they are consistent, there have been instances where the terms reflected in the minister's brief to Parliament on the proposed borrowing are inconsistent with those in the draft financing agreement, or some key conditions are omitted.

For example, in April 2021, the honourable Minister of Finance, Planning and Economic Development presented a motion for the Government to borrow for the meter gauge railway line. However, when the committee scrutinised the draft financing agreement, the terms submitted were different from those in the minister's motion, leading to a withdrawal of the motion and a new motion submitted consistent with the terms that had been submitted to the committee.

Similarly, in May 2023, a motion for approval of a loan to Amarog Capital Limited and Sovereign Infrastructure Group (SOVINFRA) was submitted and during the consideration of the loan, the committee established that some conditions in the draft agreement had not been disclosed in the minister's brief to Parliament, which among others, when pointed out in the committee's report, contributed to the withdrawal of the loan request by the minister.

The committee recommends as follows:

- i) The Ministry of Finance, Planning and Economic Development should submit

loan requests which have draft financing agreements.

- ii) The draft financing agreements in relation to the two credit facilities from the Arab Bank for Economic Development in Africa (BADEA) should be submitted to enable Parliament to consider the terms and conditions in accordance with Article 159 of the Constitution and Section 36 of the Public Finance Management Act.

#### Financing Options

The committee noted with concern that the Minister of Finance, Planning and Economic Development did not submit a list of financing options considered to inform the financing options proposed in this borrowing. This negates the requirements provided for in Rule 155(5)(b) of the Rules of Procedure of Parliament. The rationale for this is to ensure that there was an attempt to source the cheapest option so as to minimise the cost of debt servicing to this country.

The committee recommends that going forward, the ministry should always demonstrate that the proposals they submit to Parliament are a result of well-sourced affordable financing to minimise the growing debt servicing needs of the country with an aim of maintaining debt to sustainable levels. This can only be verified through the tabling options considered whilst negotiating for affordable credit facilities.

#### 11.0 Conclusion

In conclusion, Madam Speaker, the committee noted that Uganda Development Bank Limited (UDBL) lending portfolio is largely funded by the Government of Uganda, Uganda's capital contributions and borrowings from external sources. By the end of November 2024, UDBL's capitalisation stood at Shs 1.5 trillion, composed of Shs 1.242 trillion Government contribution and the retained earnings of Shs 211 billion.

**THE SPEAKER:** Rt Hon. Prime Minister, your people are going. Can't you say goodbye to them? Before you say bye to them, first tell

us UDBL's outstanding loan portfolio and the percentage of recovery rate.

3.54

**THE PRIME MINISTER AND LEADER OF GOVERNMENT BUSINESS (Ms Robinah Nabbanja):**

Madam Speaker, when you asked that question, I inquired from the manager, Ms Ojangole, and she told me that the loan portfolio of UDBL, as we speak, is Shs 1.4 trillion and the recovery rate is 88 to 90 per cent. It is one of the best in the country.

Madam Speaker, I want to thank you for hosting the leaders of Kakumiro District. The whole district is here. *(Applause)*

**THE SPEAKER:** Thank you.

**MS NABBANJA:** We have all the Local Council III Chairpersons, all the District Councillors, the National Resistance Movement (NRM) Chairpersons from all the 24 subcounties that make Kakumiro District and also the Women Council leaders at the district level. I want to thank you for allowing them to witness and see for themselves what we do in the Parliament. Thank you so much. I wish you the best, my people.

**THE SPEAKER:** Thank you so much for coming and for electing able leaders to Parliament. Bring them back.

**MR IKOJO:** Thank you very much, Rt Hon. Prime Minister, for waving at your people -

**THE SPEAKER:** Conclude.

**MR IKOJO:** As I conclude, Madam Speaker, on borrowing - the bank, however, remains undercapitalised thus limiting the bank's ability to carry out its core business and mandate.

Madam Speaker, Uganda Development Bank Limited's funding needs have exponentially grown due to the growth of the economy, which is attributable to business expansion coupled with UDBL's favourable terms and value proposition, as indicated by the minister.

The committee wishes to inform the House that based on its financial performance, UDBL presents low credit risk, as indicated in Table 10, and should be in position to service its debt including this new proposed borrowing.

Madam Speaker, the committee, therefore, recommends for this House to approve the proposal by the Government to:

Borrow up to US\$ 25 million from the Organization of the Petroleum Exporting Countries (OPEC) Fund for International Development to capitalize UDBL.

Madam Speaker, in light of the above, as highlighted in the first observation in this report, the Minister of Finance, Planning and Economic Development, did not table to the House or to the committee the draft financing agreement to support the borrowing of up to US\$ 100 million from the Arab Bank for Economic Development in Africa - Private Window and US\$ 50 million from the Arab Bank for Economic Development in Africa - Public Window.

The committee is, therefore, constrained to recommend the approval of the proposal by the Government to borrow up to US\$150 million from both the BADEA Private Window and Public Window. I beg to move.

**THE SPEAKER:** Honourable members, you have heard what the chairman has said. Whereas the committee is allowing the borrowing of US\$25 million, it is constrained and is rejecting the US\$ 150 million for one reason; there was no due diligence done. The Board did not approve it; there was inconsistency in the agreement. There was no full disclosure, as you saw. That is what the committee is asking. I put the question.

*(Question put and agreed to.)*

**THE SPEAKER:** Honourable members, we are only allowing the US\$ 25 million, not the US\$ 150 million. I am going to put the final question; I was putting a question on the first thing. There is a minority report.

**MR IKOJO:** Madam Speaker, as I was starting, my good friend, Hon. Nambeshe disorganised me so I did not inform the House that we have a minority report. We have a minority report that is signed by four members of the committee. I, therefore, wish to lay the majority and minority reports and invite the Members who signed the minority report to present it. I beg to lay.

4.00

**MR HASSAN KIRUMIRA (NUP, Katikamu County South, Luwero):** Thank you, Madam Speaker, and our able chairperson, for the very good presentation. I am here to present a minority report on these particular loans. This minority report was signed by four Members: myself, Hon. Hassan Kirumira, Hon. Jonathan Ebwalu from Soroti, Hon. Charles Tebandeke, and Hon. Denis Lee Oguzu.

We dissented from the majority committee report on the following fundamental matters:

1. The President's letter of consent to UDB borrowing;
2. Non-compliance with the constitutional provisions;
3. The high interest rates on loans from UDB to the *wanainchi*; and
4. Inadequate information on UDB project beneficiaries.

2.1 Madam Speaker, the President's letter of consent on UDB borrowing was categorical. It mentioned US\$ 235 million. This House going ahead to approve piecemeal of what the President requested is problematic. We cannot know the main intention as to why we are getting piecemeal of what was needed by UDB. Going ahead to approve one of the loans and rejecting the other compromises the letter of the President that requested US\$ 235 million.

2.2 Noncompliance with constitutional provisions

Article 159 of the Constitution provides that the Government may borrow from any source and the terms and conditions of the loan shall be laid before Parliament and shall not come

into operation unless they have been approved by a resolution of Parliament.

This august House can only ascertain the terms and conditions of the facility in question by scrutinising the Draft Financing Agreement. At this juncture, we agreed with our honourable colleagues and consequently, they went ahead to reject one of the components of the loan.

However, like I said earlier, if the total amount of the loan was US\$ 235 million, there is no way we can reject part of the loan and accept the other when a directive from the President was categorical to the effect that we must borrow a certain amount of money to capitalise UDB.

2.3 The high interest rates on loans from UDB to *wanainchi*

Madam Speaker, in the President's letter of consent to borrowing, he pressed the issue of interest rate not to be more than 12 per cent per annum, for which UDB should lend to the *wanainchi*.

Honourable colleagues, we feel that even the 12 per cent per annum interest rate to the *wanainchi* is too high, given that these loans are secured at less than 7 per cent. We request that Parliament and the Bank of Uganda instruct UDB to lend to the *wanainchi* at not more than 10 per cent because UDB money is taxpayers' money, whose terms should align with other government development programmes like *Emyooga* and the Parish Development Model.

We are not convinced about the interest charged on these loans because they are secured from Islamic lenders who do not attract interest. Sharia law is very specific with loans. When Muslim banks are lending out money, it is basically on mark up, not interest. We are now wondering how interest-free loans from Muslim countries are arriving in Uganda at an interest, and we are wondering who is going to benefit from that particular interest.

More specifically, we continue to ask ourselves why we continue to secure credit on interest



from these lenders. Interest on loans has left many Muslim brothers and sisters out of the money economy since they cannot borrow on interest. In line with inclusivity, we ought to consider those who are against interest borrowing and this opportunity of borrowing from Muslim countries can help to that effect.

#### 2.4 Inadequate information on UDB project beneficiaries

Madam Speaker, before this House approves the funding, the Committee on National Economy needs to physically visit funded projects and real beneficiaries. Many times, this country has financed ghost projects, ghost workers and ghost pensioners, among others.

The UDB credit is designed to benefit all regions in the country, but in many instances, it is the rich people in Kampala and the surroundings who benefit from these cheap finances to raise their storied buildings and arcades. I am not sure how many people from Luwero, Bukedea, Soroti and other areas of the country benefited from UDB.

The committee finds no reason to visit a sample of the project beneficiaries before Parliament approves this loan.

Madam Speaker, we recommend that though such loans do not directly impact Government debt, we can leave the aims and objectives for the inception and creation of Uganda Development Bank Limited (UDB) in saving the *wanainchi* through:

- i) The ministry responsible for finance updating the House on the exact loan amount needed to recapitalise UDB instead of going for a piecemeal loan as per the main committee report;
- ii) The ministry of finance, through the Bank of Uganda (BOU), recommends a single-digit interest rate to borrowers;
- iii) The Committee on National Economy visiting the UDB project beneficiaries and ascertaining the exact impact of these loans on the *wanainchi*;

- iv) The House being informed on how the Shariah permission clauses within the agreement will be employed to customers under the Bank of Uganda.

Madam Speaker, we all agree that we are supposed to borrow as a country as per our budget, but borrowing needs to be a matter of necessity and it must follow the rules and procedures. I beg to submit.

**THE SPEAKER:** Honourable members, when you start making noise; procedure, what - If you want to say something, must you shout? My ears hear, if yours are blocked. Honourable members, Hajji has raised very pertinent issues and the fact is, we need to capitalise UDB. However, before we do so, I know that UDB and its clients have a fiducial relationship; we can have a limited number.

I can look at the documents alone; we look at the schedule of borrowers because Hajji is talking about what the people in Kanungu may not be getting. For us in Bukedea, we get. Let me have a schedule of the borrowers and know the exact portfolio. There is an information gap; let us have the documents that are not provided for be given to the committee. What Hon. Hassan says is that it is a good thing for us to give UDB the money. Let us not give UDB money in bits. If we decide to give, let us give.

However, what is important is to have the information. Let us have an approval from the Board; the due diligence then we will have these loans approved such that we have a report on the borrowing and a report on guaranteeing. Is that okay, minister for finance?

4.13

#### **THE MINISTER OF STATE FOR FINANCE, PLANNING, AND ECONOMIC DEVELOPMENT (GENERAL DUTIES)**

**(Mr Henry Musasizi):** Madam Speaker, I agree with you and honourable colleagues both from the majority and the minority that there is more information we need to provide to the House. In this regard, I beg that we stand over this report as I provide all the necessary information. Thank you.

**THE SPEAKER:** Please provide all that information to the committee, and the committee will come back when it is ready with the report. Next item - (*Hon. Ssenyonyi rose*)

**MR SSENYONYI:** Madam Speaker, I beg to be guided by you because there is a report that has been tabled and presented to us. I do not think we can stand over it because standing over it means we shall get back to it, which does not apply.

**THE SPEAKER:** Pardon?

**MR SSENYONYI:** I think that either this report is withdrawn or we throw it out and the committee comes up with an entirely new report. To say we pause and then get back to this particular report - not quite, because this report is complete as it is.

**THE SPEAKER:** We are standing over to address the issues that have been raised. We have not rejected the report. The report is okay. We are standing over to address the issues raised.

**MR SSENYONYI:** Maybe guide me, Madam Speaker. The issues that have been raised are very critical. We have to deal with them, but they can only be embedded into this report when it comes as a new report. I do not think there can be an addendum.

**THE SPEAKER:** An addendum.

**MR SSENYONYI:** No, it cannot be an addendum. These issues have got to be interrogated anew and then a fresh report is brought. I thought that procedurally, for the records to capture properly, we do away with this report. This one here does not get to see the light of day.

**MR SSEMURJU:** Madam Speaker, I am addressing you as shadow minister for finance but I also want to tap into my experience here -

**THE SPEAKER:** Honourable members, the committee leadership will address those issues

in their report of what was not there, like they are saying, "There was no Board decision". Now we have the Board's decision. There was a, b, c, d and it is now available. Based on this, our earlier suggestion of not borrowing to the tune of this amount - now we can borrow because we have the information. Let me first hear from the Attorney-General.

**MR SSEMURJU:** Madam Speaker, it does not matter how many degrees you have in law. This Parliament has existed - I am lucky I have been here for a while and there has never been a day when you bring a motion here, they read a report, a motion is moved, and then when you are about to lose it, you say, "Let me provide more information". It has never happened. This is strange.

The minister needs to learn from the Uganda People's Defence Forces (UPDF) Act. If you want to bring in new information, you withdraw and you return with a fresh motion that has all the information because that is what the UPDF should have done; that you wait to also have this information.

Therefore, Madam Speaker, this is strange -

**THE SPEAKER:** Standing over is a standard practice in parliamentary practice. That is why we stand over clauses. Why are we complicating life? Hon. Bakkabulindi?

**MR BAKKABULINDI:** Thank you, Madam Speaker. Usually, when we are at the Committee Stage and we stand over particular clauses, its implication is, we have failed to agree, let us go back and see how we can agree. It does not mean that you send it back.

Therefore, you can stand over and agree on what you want to propose so that the dressing can be uniformed. That is my understanding.

**THE SPEAKER:** And, maybe for information purposes, we are standing over the motion, not the report - the report is informative - to allow the borrowing, but we are standing over the motion to borrow.

**MR SSEMUJJU:** Madam Speaker, the recommendation of the committee is that for US\$ 125 million, do not borrow; they did not provide the following information.

**THE SPEAKER:** That is why I said it is informative.

**MR SSEMUJJU:** Madam Speaker, if you can allow, what should happen - and I want to implore hon. Musasizi because the sky will not come down. Withdraw the motion, reintroduce it and provide all the information because the committee can process it. When you bring fresh information to Parliament, will we become a committee and begin scrutinising?

**THE SPEAKER:** Honourable members, we are giving hon. Musasizi time to furnish the relevant information that is required – that is missing – for us to be able to allow the borrowing by Uganda Development Bank (UDB) and guaranteeing UDB. The informative reports should be made differently – one for borrowing and one for guaranteeing. Next item.

## BILLS SECOND READING

### THE PUBLIC SERVICE PENSION FUND BILL, 2024

**THE SPEAKER:** Honourable members, you may recall that on 19 December 2024, the Minister of Public Service tabled the Public Service Pension Fund Bill, 2024 for the First Reading. Pursuant to Rule 129 of the Rules of Procedure of Parliament, the Bill was referred to the sectoral Committee on Public Service and Local Government and the committee is ready to report. However, before the committee reports, we will ask the minister to move a motion for the Bill to be read the second time.

Honourable minister? (*Mr Ssewungu rose*)  
Order on who? No! Honourable minister?

4.20

**THE MINISTER OF PUBLIC SERVICE (Mr Wilson Muruli Mukasa):** Madam Speaker, in accordance with Rule 130 of the

Rules of Procedure of Parliament, I beg to move that the Bill entitled, “The Public Service Pension Fund Bill, 2024” be read the second time. I beg to move.

**THE SPEAKER:** Is it seconded? (*Members rose*) It is seconded by Hon. Jonathan Odur, Hon. Jonathan Ekwalu, Hon. Hassan Kirumira, Hon. Ethel, Hon. Hellen, Member for Gweri, Member for Aruu, Hon. Kasolo – Member for Iki-Iki – Hon. Mbwa, Hon. Florence, Hon. Emmanuel – two Emmamuels – Hon. Acrobat, Hon. Koluo, Hon. Okot, Hon. Okello, Member for Kasilo, minister for fisheries, Hon. Aisha Sekindi, Rt Hon. Deputy Prime Minister, Hon. Sarah Opendi – by the whole NRM side – Hon. David, Hon. Mavunjina Akumu, Member for elderly and the UPDF Representative, Hon. Alanyo.

Would you like to speak a little bit to the objectives of your –

**MR MURULI MUKASA:** Much obliged, Madam Speaker.

The object of this Bill is to provide for the establishment of a Public Service Pension Fund and a Public Service Pension Scheme to provide for the governance, functions, organisation and management of the fund; to provide for the collection of contributions to the fund and payment of retirement benefits to pensioners and their survivors; to provide for the investment of the monies of the fund; and for related matters.

With this Bill, Madam Speaker, the ills that we are facing under the current scheme will be history. I beg to move.

**THE SPEAKER:** Thank you, honourable minister. Hon. Mapenduzi, could you give us a summary?

**MR SSEWUNGU:** Madam Speaker, under the rules, you provide us with the seats here and the first priority goes to your ministers in the Government and the Opposition. Hon. Balaam Barugahara has sat there for over 20 minutes, conducting a different meeting within your House.

He started with Hon. Lillian Aber and she went away. Now, he has brought two others with phones and they are conducting business before you. Is it in order for the honourable minister to sit there and conduct business against your will, yet we are here following everything under the directive of the Speaker? Could he be directed to come and sit in front to avoid him distracting your Members whom he is conversing with as if he is attending a rally?

**THE SPEAKER:** Hon. Balaam, we have just passed rules in this House and you are privileged to always sit on the Front Bench. Based on that, can you shift and come to the Front Bench and leave us, the small people, to sit behind? Thank you.

Now, my *muko* from Abim is also moving from one place to another. I think he thinks he is looking after cows. (*Laughter*) There are no cows in the House.

4.25

**THE CHAIRPERSON, COMMITTEE ON PUBLIC SERVICE AND LOCAL GOVERNMENT (Mr Ojara Mapenduzi):** Thank you, Madam Speaker. As I embark on this assignment, permit me to lay on the Table the report of the committee, together with the minutes of the committee's meetings. I beg to lay.

**THE SPEAKER:** Please do. Thank you.

**MR MAPENDUZI:** Madam Speaker, permit me to present the report of the Committee on Public Service and Local Government on the Public Service Pension Fund Bill, 2024.

The Public Service Pension Fund Bill, 2024 was read for the first time on 19 December 2024 by the Minister of Public Service and referred to the sectoral Committee on Public Service and Local Government for scrutiny, in accordance with Rule 129 of the Rules of Procedure of Parliament.

The committee scrutinised the Bill, as required by Rule 129(2) of the Rules of Procedure of Parliament and hereby reports to this House in accordance with rule 130 (2) of the same rule.

## 2.0 Object of the Bill

The Bill seeks to establish the Public Service Pension Fund and the Public Service Pension Scheme; provide for the governance, functions, organisation, and management of the Fund; provide for the collection of contributions to the Fund and payment of retirement benefits; provide for the investment of the monies of the Fund, and to repeal the Pension Act Cap 89.

## 3.0 Need for the Bill

Madam Speaker, currently, the Government operates an unfunded non-contributory defined benefit scheme for the Public Service, regulated under the Pensions Act Cap 89, which was enacted in 1946. The Pensions Act provides for the guaranteeing and regulation of pensions and gratuities for public service officers under the Government of Uganda.

The benefits include a lump sum amount given upon retirement and a monthly pension based on the last pensionable salary of a civil servant at a fraction of one five-hundredth or in simple terms, 1 over 500.

Madam Speaker, various actual studies on the current pension scheme reveal that it needed a drastic change. For instance, a World Bank actuarial study in 2011 recommended a number of redesign options pushing for a contributory scheme. In 2022, the Government commissioned an actuarial valuation and also recommended a funded contributory scheme.

According to the 2022 actuarial study, Uganda had 334,146 civil servants and 64,855 pensioners. For the Financial Year 2021/2022, the total annual pensionable emolument amounted to Shs 2.868 trillion and the annual pensions amounted to Shs 315 billion. These figures excluded members of the armed forces, and non-pensionable employees who earn gratuity.

In the Financial Year 2022/2023, the total annual pensionable emolument was to increase by 33 per cent, amounting to Shs 3.823 trillion. Basing on projections, the Government expenditure on pensions would rise from

around Shs 940 billion in the Financial Year 2020/2023 to Shs 14.561 trillion in 2053, even if the current scheme was closed to new entrants. As such, the current pension scheme is unrealistic, unaffordable and unsustainable.

The valuation study recommended a modified plan that preserves the current defined-benefit basis but with a lower fraction of one six-hundredth or 1 over 600 and a contributory scheme funded by member contributions.

Accordingly, the Public Service Pension Fund Bill, 2024 introduces a contributory pension scheme designed to provide a sustainable source of funds for pensions. The Bill proposes the establishment of a Public Service Pension Fund which shall be a body corporate and shall operate the Public Service Pension Scheme for employees in Public Service and other public service who elect to join the Scheme.

The Fund will collect the contributions, keep records, mobilise resources for the management of the Scheme, investment of monies to finance the payment of benefits out of the Scheme. The new arrangement is intended to improve the management of pensions and reduce the Government expenditure and liability of paying pensions directly from the Consolidated Fund.

Madam Speaker, the Ministry of Finance, Planning and Economic Development issued a Certificate of Financial Implications as required under Section 74 of the Public Finance Management Act, Cap 171, and in accordance with Article 93 of the Constitution of the Republic of Uganda, as amended.

The certificate indicated that the new scheme will lead to increased national savings, thus availability of cheaper long-term financing mainly for private sector investment, which will result in economic growth.

According to the Certificate of Financial Implications, the Bill has a total implication of 19.736 trillion, of which Shs 363.34 billion (projected) is required in the first year of implementation and Shs 1.901 billion for pre-reform activities. There are no expected

revenues or savings in the short to medium term, but a reduced pension liability to the Government in the long term.

Madam Speaker, an analysis of the financial aspect of the pension reform proposals in Uganda was conducted and is attached as Appendix 1.

Madam Speaker, in the interest of time, I request that you look through the methodology and permit me to take you to page 5. We also -

(b) Conducted documentary review of the following literature - You can look through the different literature that we looked at.

I will take you, Madam Speaker, if you will permit, to number 5 which is committee observations and recommendations.

Madam Speaker, the committee observes and hereby makes recommendations on the salient parts of the Bill.

### 5.1 Mandatory Contributions

The current scheme under the Pension Act, Cap 89, is fully unfunded and payments are done directly from the Consolidated Fund. Clause 27 provides for payment of the mandatory contributions to fund the Scheme. The mandatory contributions are 5 per cent of the basic salary of the employee and 10 per cent from the employer. Contributions must be paid to the Fund by the 15<sup>th</sup> day of the month following the month for which the salary is paid. Clause 27(6) allows the minister, based on actuarial valuation, to vary the contribution rates through a statutory instrument.

### Observations

The committee observed that:

- a. With a contributory scheme, the liability of the Government will be reduced compared to the current unfunded scheme. Additionally, the new scheme will encourage employees to take an interest

- in its success as a joint venture with the Government, which will enhance its performance;
- b. Most schemes worldwide are moving towards contributory systems. In Uganda, for instance, employees of Makerere University on pensionable terms subscribe to the Makerere University Retirement Benefits Scheme, with contributions of 5 per cent from the employee and 10 per cent from the Government. In addition, actuarial studies have recommended a contributory scheme for the public service of Uganda for a sustainable pension system; and
  - c. Based on the contribution, employees' take-home salary would decrease by 5 per cent. The Ministry of Public Service and stakeholders proposed having a salary enhancement of 5 per cent across board as a way to offset the effect of the mandatory deduction on the employees' future take-home.

#### Recommendations

The committee recommends as follows:

- a. The Government should prioritise the enhancement of salaries to ensure that the 5 per cent deduction off the employees' salary does not affect their take-home; and
- b. Ultimately, the Government should revise salaries equally across the board in order to address the poor pay of public servants and the significant salary discrepancies between the different categories of civil servants.

#### 5.2 Pension formula for future benefits

The current pension formula provides a pension fraction of one five-hundredth under Section 4 of the Pension Act, Cap 89. The proposed formula in the new law is one six-hundredth under clause 40 of the Bill. While stakeholders express support for the Bill, there is a general concern that the proposed formula will reduce

the eventual pension payable to a civil servant. The committee received proposals for other fractions, as low as one four-hundred-and-fiftieth, as well as proposals to maintain the current one five-hundredth or 1 over 500.

The fractions are illustrated below and we have provided, Madam Speaker, some calculations to demonstrate what would be the implication of the fraction. You will see the old pension scheme; we have done the calculation, and you will see the proposed fraction in the scheme. We have also provided the calculation just for demonstration.

Following the same formula, Madam Speaker, the proposal for one over 450 (1/450) produces a final monthly take-home pension package of this - we are just giving a summary of the example we gave. While acknowledging the concerns of public servants that by the proposed fraction, the pension payable to public servants will be less, there is a real concern that the current scheme poses a risk of continual delays in processing of benefits payment, security, and sustainability of payment.

The committee observed that the actuarial study by the World Bank and the study commissioned by the Government of Uganda recommended a reduced fraction to one six hundredth. This would ensure that Government does not fail in its commitment to provide pension for its employees. For the sustainability of pensions and social security of Uganda's public servants, it is important to follow the recommendation in the evaluation report.

#### Recommendation

The committee recommends that the pension formula for future benefits at a rate of one six hundredth should be adopted as in the Bill. However, as recommended above, the Government should expedite the plan for salary enhancement across board so that the pension fraction of one six hundredth does not negatively impact on the employee's pension.

### 5.3. The Board of Trustees

Clause 8 provides for the board of trustees appointed by the minister with the approval of the Cabinet. The Board comprises the representative from the ministries of finance, labour, public service, local government, labour unions, and three technical persons not being public officers.

The committee observes that the employer, which is the Government, takes the lion's share of the representation on the Board. Whereas only two persons shall represent public service labour unions and three shall be experts of different fields, there is no representation of pensioners on the Board. Under clause 8(1)(e), the two representatives of public service labour unions are nominated by the centre. The centre is unidentified and the provision does not detail how it shall nominate the two representatives out of the many public service labour unions in the country.

#### Recommendations

The committee recommends as follows:

- (a) That the number of representatives of public service labour unions should be increased from two to three, one of whom should be a pensioner;
- (b) That the representatives of public service labour unions should be nominated by the registered federations of labour unions; and
- (c) That the number of experts under clause 8(1)(f) should be reduced to two to cover the increase in the number of the representatives of the labour unions and considering that the ministries' representatives shall be experts in related fields.

### 6.0 Other observations and recommendations

#### Clause 2: Interpretation

Clause 2 provides for the interpretation of key terms used in the Bill. The committee observes that there are pertinent terms used in

the Bill that have not been identified such as "administrator", "fund manager", "gratuity", and "scheme". The committee also observes that there are definitions such as "accrual rate", "annuity", "early retirement," and "pensions authority" that have been defined but are not used elsewhere in the Bill.

#### Recommendations

The committee recommends that:

1. The undefined keywords in the Bill be defined to avoid misinterpretation and misapplication of the words.
2. The definitions of "accrual rate", "annuity", "early retirement," and "pensions authority" should be deleted because they are redundant.

#### Clause 4: Application of the Act.

Madam Speaker, clause 4 provides that the Act shall apply to employees in the Public Service and employees of the "other public service" who elect to join the scheme. "Other public service" is defined as public service in government agencies, departments, authorities, boards, or commissions subscribing to retirement benefit schemes other than the pension scheme.

The committee observed that most entities that fall under this definition of "other public service" operate mandatory schemes, such as the Makerere University Retirement Benefit Scheme and the Parliamentary Pension Scheme. Similarly, the National Social Security Fund Act, Cap 230, under section 7, has a mandatory requirement for eligible employees, including those of the other public service to register with the NSSF.

Clause 4(2) excludes persons in elective positions, members of the armed forces, employees of security organisations, employees in other public services subscribing to existing retirement benefit schemes, employees in the Public Service who are left with five years to attain the mandatory retirement age and who have not elected to join the scheme, and any other category that may be expressly exempted

by law. Clause 4 also gives a ministerial discretion to prescribe employees to whom this law may be or may not apply.

#### Observations

- i) The committee observes that allowing employees to elect to join the public service pension fund may cause unforeseen risk, unwarranted legal battles and challenges in management and payment of retirement and pension benefits of these employees;
- ii) While the employee may elect to join the scheme, the clause is silent on the sponsor or employer who, in the same institution, may not remit an employee's benefits to the public service scheme, and may thus contradict other existing retirement or pension laws like the Uganda Retirement Benefits Regulatory Authority Act, Cap 232; and
- iii) Clause 4(2)(e) is silent on the fate of the public servant who is left with less than five years to retire. Additionally, this clause assumes a voluntary element in the law, even though the scheme being created is intended to be mandatory.

#### Recommendations

The committee recommends as follows:

- i) The Bill should focus on employees in the mainstream Public Service covered under the current pension scheme;
- ii) The employee in public service in government agencies, departments, authorities, boards or commissions, which is referred to as "other public service", should not be covered in this scheme;
- iii) Since the Bill is a contributory scheme, it should not give the employees who are left with five years or less to retire an option to elect to join the scheme because they will not have sustainably contributed to the scheme; and
- iv) Clause 4(2)(e) should include employees who are left with less than five years to attain mandatory retirement age.

#### Clause 9: Functions of the Board

Madam Speaker, clause 9 outlines the functions of the board of trustees. The Board is responsible for the oversight and management of both the public service pension fund and the pension scheme. This includes ensuring that the fund is managed in accordance with the Act and other relevant laws, collecting contributions, approving the annual work plans and budgets, and appointing service providers such as fund managers, custodians, accountants, auditors, and actuaries. These functions are critical for ensuring the effective governance, transparency, and sustainability of the Public Service Pension Fund, ultimately protecting the interests of its members.

#### Observation

The committee observed that one of the functions under subclause (1)(c) is to collect contributions from pensionable employees. This is a day-to-day operation of the fund, yet it is a good governance practice for a Board not to be involved in the day-to-day operation of an entity. The functions of the Board should thus be limited to oversight and management.

#### Recommendations

The committee recommends that the Board should be limited to oversight and management functions of the fund only.

#### Clause 10: Tenure of office

Clause 10 of the Bill outlines the tenure of office of members of the board of trustees. The members of the board of trustees are to serve a three-year term and may be reappointed for one additional term based on satisfactory performance. This provision ensures that the board of trustees is composed of competent individuals with clear processes for appointment, resignation, and removal to maintain effective governance.



## Observations

The committee observes that under subclause (5), a person representing an institution may be withdrawn from the Board by that institution, which can be subject to abuse by institution heads who might have grudges or personal interests against the representative.

## Recommendation

The committee recommends that the person who is representing an institution should be withdrawn by the institution on the approval of the minister.

## Clause 12: Filling vacancies of the Board

Clause 12 provides for filling of vacancies of the Board. When a member of the Board is removed from office, the minister must appoint a replacement within six months. This ensures the Board remains fully functional and can continue its duties without significant disruption.

The new member or chairperson serves only for an expired period of the term of the member they are replacing.

## Observations

The committee observes as follows:

- a) That unlike subclause (1), subclause (2) does not provide for timelines within which a minister should appoint the chairperson of the Board in case of a vacancy. This might create delays in the appointment and stifle the operations of the Board;
- b) That additionally, this provision only mentions removal of a member from office, yet vacancies might be created through death or resignation; and
- c) That the new member of the Board is expected to only serve the remainder of the term of office of the person that has exited. However, for purposes of maintaining institutional memory, the new member should serve for a full term of three years.

## Recommendations

The committee recommends as follows:

- a) Subclauses (1) and (2) should apply to both the chairperson and the members so that the timelines apply to both the chairperson and members;
- b) This provision should include death and resignation, not only removal from office; and
- c) A new member appointed to replace a member who exited the Board, should serve a full term of office.

## Clause 20: Appointment of other staff of the fund

Madam Speaker, clause 20 of the Bill details the appointment of staff necessary for the effective performance of the fund. The other staff, including the secretary to the Board, are appointed by the Board on the advice of the chief executive officer. The staff are appointed under this clause to hold office based on terms and conditions determined by the Board and specified in their instrument of appointment. However, the terms and conditions of employment for other staff are determined by the Board in consultation with the minister.

## Observation

The committee observes that although the requirement for the minister under subclause (3) ensures that staffing decisions align with the broader government policies and regulations, this might lay the foundation for unnecessary bureaucracies in the day-to-day functions of the Board.

## Recommendation

The committee recommends that in determining the terms and conditions of employment of other staff of the fund by the Board, this function should entirely be the mandate of the Board.

#### Clause 21: Interim management

Madam Speaker, clause 21 of the Bill provides for the appointment of an interim chief executive officer and other staff of the fund. The minister is responsible for seconding an interim executive officer and other staff from the public service to manage the fund during the first three years. This clause ensures that the fund has immediate leadership and staff to manage its operation from the onset.

#### Observation

The committee observes that there is a need for the minister to appoint service providers during the interim period, yet they are critical for the fund's stability and effective functioning, especially at the initial stages of the fund.

#### Recommendations

The committee recommends that:

- a) The minister should appoint an administrator and other service providers to support the interim management during the interim period; and
- b) The interim period should be reduced from three years to two years to expedite the transition process.

#### Clause 23: Establishment of the scheme

Madam Speaker, clause 23 of the Bill outlines the establishment of the Public Service Pension Scheme. The fund is mandated to establish and operate a contributory defined benefit pension scheme known as the Public Service Pension Scheme. Both the employer and the employee are required to make contributions. The scheme is a defined benefit pension scheme, which means that the benefits are predetermined based on factors such as salary, history, and duration of employment.

#### Observation

The committee observes that this clause is crucial as it lays the foundation for the establishment and operation of the pension

scheme. However, the task to establish the scheme has been left to the fund, yet the scheme should be created under the law.

#### Recommendation

The committee recommends that the scheme should be expressly established under clause 23.

#### Clause 24: Membership of the scheme

Clause 24 outlines the membership criteria for the public service pension scheme. Under this provision, an employee in the Public Service who has more than five years left until they reach the mandatory retirement age is required to join the scheme. Like in clause 4, this provision invites employees who have five years left until mandatory retirement and members of the other public service who are not part of a similar retirement benefit scheme. It is the duty of the responsible officer to transfer relevant pension files and information to the fund for these employees. Employees who elect to join the scheme must be registered within 30 days of their decision or from when they assume duty.

#### Observation

The committee observes that clause 24 refers to "membership of the scheme" yet the scheme is not a body corporate under this law. The fund is the body corporate mandated to execute the functions provided under this Act, not the scheme. Therefore, there must be a clear nexus between the fund, the body corporate and the members.

#### Recommendations

The committee recommends that:

- a) The members should be members of the fund and not members of the scheme;
- b) As already recommended under clause 4, employees in other public service should not be included as members of the fund; and

- c) Employees with less than five years to attain mandatory retirement age should be provided for.

#### Clause 26: Cancellation of registration

Clause 26(1) provides for the cancellation of registration of an employee or notification by the responsible officer that the employee has ceased to be an employee of the fund and has elected not to continue contributing to the fund.

#### Observations

The committee observes that the proposed pension scheme does not envision continuation of contribution after a person ceases to be an employee, hence, the second part of the clause is redundant.

#### Recommendation

The committee recommends deletion of the words, “and that employee has elected not to continue contributing to the fund”.

#### Clause 27: Mandatory contribution

Clause 27(6) and 27(7) gives the minister powers to vary the rates of contributions being on an actuarial valuation. The committee observes that clause 27 on the mandatory contribution is a substantive part of the Bill that should not be varied by statutory instrument.

#### Recommendation

The committee recommends deletion of both subclauses (6) and (7).

#### Clause 34: Qualifying period for pension

The qualifying period for pension is defined in clause 2 as the length of service in Public Service, or other public service, which a member shall serve before qualifying for pensionable service. The qualifying period for pension for employees of the Public Service is at least 10 years of continuous service, in a pensionable position, or an aggregate period of at least 10 years in Public Service, including

periods when the employee is on leave without pay or has just joined the other public service.

Employees who have not served the full 10 years may still qualify for a pension under specific circumstances such as retrenchment, abolition of office and medical grounds. This clause is crucial as it sets the minimum service requirement for pension eligibility, while also providing for exceptional cases where employees can still receive pension benefits despite not meeting the 10-year service threshold.

#### Observations

The committee observes as follows:

- a) The deletion of “other public service” under the proposed amendments of clause 4 applies to this provision; and
- b) A new phrase, “appointing authority”, has been introduced in this clause. It only appears in clauses 34 and 46 and is not defined. It appears to refer to “employer”, a word which has been consistently used in the Bill.

#### Recommendation

The committee recommends that the term “appointing authority” should be substituted with the word “employer”, which is commonly used in the Bill.

#### Clause 36: Qualifying for payment

Madam Speaker, clause 36 outlines the criteria for members to qualify for the payment of a pension, including: upon mandatory retirement age, which is 60 years, after 20 years of continuous service in Public Service, upon reaching 45 years of age and having served the qualifying period, which is 10 years, upon death and having served the qualifying period, abolition of office, on medical grounds, retirement in public interest, and transfer to other public services.

This clause also provides for payment to a legal representative upon the death of a

member, which is for a maximum period of 15 years and a minimum pension of a quarter of the last pensionable emolument, if the pension calculated under the Act is less than the minimum pension.

Observations

The committee observes as follows:

- (a) Subclause (1)(b), which provides for the condition of 20 years, is not conditioned on retirement of the member. This means that a member can get a pension after 20 years, even when still in service, yet pension is supposed to be received after a member has ceased to be in service;
- (b) Subclause (1)(c) has the same issue as 36(1)(d) because the 45 years are not conditioned on the end of service of the member; and
- (c) The payment to a legal representative for a maximum period of 15 years in clause 36(2) has not been qualified. It should be from the death of the employee.

Recommendations

The committee recommends as follows:

- (a) That a member should qualify for pension under this clause upon exit from the Public Service; and
- (b) That in subclause (2), the pension granted under subsection (1)(d) shall be paid for a maximum period of 15 years after the death of the employee, to the legal representative of the member's estate.

Clause 38: Refund of contribution

Clause 38 provides for a one-off refund of contributions for specific categories of members. It also provides for a refund where excess contribution has been made.

Observation

The committee observed that subclauses (1)(b), (c), and (d) are unfair because even after a member has qualified for pension under the

Act, they shall lose their pension on the basis of dismissal, abscondment, or resignation. The years of an employee in service do not matter. For instance, an employee who absconds at the age of 59 years, having served in Public Service for 30 years, will not get the pension.

Recommendation

The committee recommends that subclauses 1(b), (c), and (d) should be limited to employees who have not qualified for pension under clause 36 or gratuity under clause 37.

Clause 44: Re-appointment of an employee into pensionable service

Madam Speaker, clause 44 provides for previously earned benefits of a member who has been reappointed into pensionable service, that such benefits shall be added to the subsequent pensionable service if that member has not received any retirement benefits in relation to previous pensionable service.

Observation

The committee observes as follows:

- (a) Under this clause, the members who are reappointed into pensionable service after receiving part of their pension shall lose the rest of their pension; and
- (b) There is no provision on how to cater for the balance of retirement benefits that have already accrued to the member.

Recommendation

The committee recommends that a member should not lose their pension after reappointment into pensionable service because they have already earned it for all of the years they spent in the service. New service does not take away old service or its accrued benefits.

Clause 47: Computation of benefits in case of abolition of office

This clause provides for pension and gratuity benefits to employees who are retired due to the

abolition of the office they held. It ensures that employees whose positions are eliminated are still entitled to pension and gratuity regardless of the duration of their qualifying period for pension, provided they are confirmed in service.

#### Observation

The commit observes that there are three benefits included under this provision, namely: a pension, a gratuity, and an additional pension. The committee opines that these benefits need to be moderate so that a pension and a gratuity are sufficient for a person whose office is abolished instead of getting all the three.

#### The committee recommendations

The committee recommends that the Bill should provide for only a pension and gratuity for a person whose office is abolished.

Clause 48: No alienation or attachment of pension

Clause 48(1)(a) provides that a pension, gratuity or other allowance granted under this Act shall not be assignable or transferable and shall not be attached, confiscated or levied upon in respect of any debt or claim except for the purposes of satisfying a debt due to the Government or a debt relating to a tax due and payable.

#### Observation

The committee observes as follows:

- (a) The spirit of the Constitution of the Republic of Uganda, 1995, is to protect pension from tax. Article 254(2) of the Constitution provides that the pension payable to any person shall be exempt from tax and shall be subject to periodic review to take account of changes in the value of money. Clause 48(1)(a) does not align with the spirit of Article 254(2) of the Constitution; and

(b) Section 70 of the Uganda Retirement Benefits Authority Act, Cap. 232 is also written in the same spirit. It provides for the protection of a member's contribution and states that: "Notwithstanding anything to the contrary contained in any other written law, where a judgment or order against a member of a retirement benefit scheme is made, no execution or attachment or process of any nature shall be issued in respect of the contribution or funds of the member."

#### Recommendation

The committee recommends that clause 48(1) (a) be deleted.

#### Clause 54, Reserve account

Madam Speaker, clause 54 outlines the establishment and management of the reserve account. The Board is required to open and operate a reserve account. The reserve account will be funded by fines and penalties imposed by the Act, special contributions, income from investment as determined by the minister in consultation with the Board, and any other monies directed by the minister.

#### Observation

The committee observes that subclause (1) (b), which provides for special contribution, is vague. Special contributions are not defined.

#### Recommendation

The committee recommends that subclause (1) (b) should be deleted because the Bill does not make provision for special contributions.

#### Clauses 56 and 57

Clause 56 provides for annual reports and clause 57 provides for recovery of sums due to the fund. Clause 57(a) appears to have been misplaced or wrongly moved from clause 56.

Recommendation

The committee recommends that clause 57 -

**THE SPEAKER:** Is it 57(a) or 57(3)? Clause 57(3) appears to have been misplaced or wrongly moved. You had read “(a)”, but it is “(3)”.

**MR MAPENDUZI:** Thank you. The committee recommends that clause 57(3) be moved to clause 56.

Clause 58: Investment

Madam Speaker, under clause 58(4), the Board is required to develop a financial plan for each financial year. The committee observes that one year is a short time for an investment plan to be devolved and implemented.

Recommendation

The committee recommends that the investment plan should be developed every three years.

Clause 66: Power to make regulations

Clause 66 of the Bill outlines the minister’s power to make regulations to give effect to the provision of the Act. The regulations made under this section must be laid before Parliament.

Observation

The committee observes that subclause (3) does not mention the reason for laying the regulations before Parliament and the timelines that follow.

Recommendation

The committee recommends that the regulations should be laid before Parliament for approval and a timeline given within which Parliament receives and approves the regulations.

Clause 69: Effect of the Pensions Act on the existing Public Service Pension Scheme

Clause 69 of the Bill outlines the effect of the Pensions Act, Cap 89, on the existing public service pension scheme. The existing non-contributory public service pension scheme will cease to take on new members within 12 months after the commencement of the new Act.

This transition aims to gradually phase out the old scheme and introduce the new contributory scheme.

Observation

The committee observes that closure of the existing scheme is not explicitly mentioned in the Bill.

Recommendation

The committee recommends that the clause should explicitly mention that the non-contributory public service pension scheme existing immediately before the commencement of this Act shall, within six months from the date of the death of the last beneficiary, be dissolved.

Clause 70: Preservation and payment of accrued pension rights

Madam Speaker, clause 69 of the Bill addresses the preservation and payments of pension rights that have accrued under the Pensions Act, Cap 89.

Observation

The committee observes that a new phrase, “redemption bond”, has been used in the Bill and yet “retirement bond” is provided for under clause 51 and is defined.

Recommendation

The committee recommends that “retirement bond” is used instead of “redemption bond”.

Madam Speaker, I beg to submit.

**THE SPEAKER:** Thank you, honourable chairperson for a very exhaustive report. Yes,

Hon. Bakkabulindi.

5.07

**MR CHARLES BAKKABULINDI (NRM, Workers' Representative):** Thank you, Madam Speaker. I rise up to support the report of the committee and I pray that this House passes this into law.

Madam Speaker, a contributory scheme - for me the key word is sustainability. A contributory scheme is more sustainable, more accountable, and the pensioners are likely to get even more money when the time comes for them to start earning from their contributions. I am so happy that the Government came up with this idea. I am also very happy with the committee for the panel beating they have done on the law. I think we are going to make a very good law.

On the issue of management, I am also in concurrence with the committee for creating a robust management Board that will oversee, because this Fund is going to grow exponentially. It is going to be a very big Fund; much bigger than all these funds we are seeing around. The management has been well catered for, and I think the committee has done a very good job.

However, regarding the issue where I heard that there is a clause where a pensioner could lose pension even at the age of 59 years if they absconded from service, I would propose that when it comes to that time, we take a lot of keen interest -

**THE SPEAKER:** Why don't you wait and go to that clause and make an amendment?

**MR BAKKABULINDI:** Exactly. My proposal would be that a pensioner probably loses the contribution from the Government, but their hard-earned money which they contributed should be given to them when that time comes. I thank you, Madam Speaker.

**THE SPEAKER:** There is a motion.

5.08

**MR JONATHAN EBWALU (Independent, Soroti West Division, Soroti City):** Madam Speaker, I have carefully listened to the chairperson of the committee. He has been very clear, very exhaustive, and we have gone through this report. I move a motion that we move to Committee Stage so that we can have sufficient time to move clause by clause. I beg to move.

**THE SPEAKER:** Thank you. Is that seconded? Seconded by Hon. Ethel, Hon. Bakkabulindi, Hon. Victoria - Honourable members, you want to debate on the report or on the Bill - *(Interjection)* - on the report? Just know that you have to finish whether you debate and sit up until midnight. Yes, Hon. Onzima.

5.09

**MR GODFREY ONZIMA (NRM, Aringa North County, Yumbe):** Thank you, Madam Speaker. I want to thank you for the opportunity and I also want to thank the committee for the robust report.

I think this report has come here for the second time. The first time the report was presented, there were areas which were recommended for amendment, and the amendments were actually more - they were over 60 percent. In my opinion, what the committee has just done is to go through with the ministry to correct those areas, which is already being done. Just as Hon. Bakkabulindi has said, the major principle of this Bill is to bring into force a contributory scheme which will promote sustainability and this issue of arrears where pensioners are not paid money - it is in arrears - will not arise.

Basically, I have just stood to support the motion; that instead of wasting time to debate this - the motion which was raised by Hon. Ebwalu - let us go to Committee Stage and look into this. Thank you, Madam Speaker.

**THE SPEAKER:** Thank you so much. He has been a chairperson of that committee, he knows that committee and you can see the wisdom in him - *(Laughter)* - It has been seconded.

Honourable members, why don't we look at this clause by clause? Member for Alebtong?

5.11

**MS DORCAS ACEN (NRM, Woman Representative, Alebtong):** Thank you, Madam Speaker. Majority of us in this House will agree that we needed this report yesterday or even before. I see no reason as to why we should hesitate to move to the Committee Stage so that we can handle issues clause by clause. These things we all agree we really need. Thank you.

**THE SPEAKER:** Honourable members, I now put the question that the Public Service Pension Fund Bill, 2024 be read a second time.

*(Question put and agreed to.)*

BILLS  
COMMITTEE STAGE

THE PUBLIC SERVICE PENSION FUND  
BILL, 2024

5.14

Clause 1

**THE CHAIRPERSON:** I put the question that clause 1 stands part of the Bill.

*(Question put and agreed to.)*

*Clause 1, agreed to.*

Clause 2

**THE CHAIRPERSON:** Clause 2 is interpretation. We will stand over it and then come back.

Clause 3

**THE CHAIRPERSON:** I put the question that clause 3 stands part of the Bill.

*(Question put and agreed to.)*

*Clause 3, agreed to.*

Clause 4

**THE CHAIRPERSON:** Clause 4, amendment.

**THE CHAIRPERSON, COMMITTEE ON PUBLIC SERVICE AND LOCAL GOVERNMENT (Mr Ojara Mapenduzi):** Madam Chairperson, clause 4: Application of the Act. Clause 4 is amended –

a. By substituting for subclause (1), the following:

“This Act applies to employees in the Public Service.”

b. In subclause (2)

i. by deleting subclause (d); and

ii. in paragraph(e), by deleting the words “and who has not elected to join the scheme”;

c. By deleting subclause (3).

The justification is to remove the employees of the other public service and employees who elect to join the scheme from the application of the Bill.

**MR KIRYOWA KIWANUKA:** Madam Chairperson, first of all, I would like to thank the committee for the report; it was quite extensive and has made our work much easier. However, we would propose that we leave this clause as it is because it allows, it does not restrict.

It is also in consonance with the definition of public servant in Article 257 of the Constitution. This other public service is a creature of the standing orders but all of these people in all these MDAs are public servants. If you allow them the choice to come - For example, if someone were in Makerere and wanted to move to this scheme, it is not contrary to what they - This clause is permissive; it allows them because it is them to elect but the principle here is that all the public servants must subscribe to a scheme. Whether it is a scheme at your other workplace or in this public scheme, you must subscribe to a scheme but if you elect to join this scheme, I do not see why we would just



keep them outside. I pray, Members, that we allow them to - It is an election by the members.

**THE CHAIRPERSON:** Are you okay with part 3?

**MR KIRYOWA KIWANUKA:** Madam Chairperson, this clause, which reads, “The minister may, by statutory instrument, prescribe employees to whom the Act may or may not apply” is actually an important clause. This is because there could be categories of persons in the future who are not provided for and who may wish to join the scheme.

When they wish to join the scheme - because the scheme has been provided for public servants - you will need an instrument which brings them into this. For example, currently, the Makerere University Retirement Scheme is a mandatory scheme by creation of a statutory instrument by the minister. Without it, we cannot allow people to just set up schemes and participate. This clause is very important. I beg to submit that you allow it.

**THE CHAIRPERSON:** Thank you. Yes, Hon. Sarah.

**MS OPENDI:** Thank you very much, Madam Chairperson. I would like to agree with the Attorney-General. Actually, I am wondering why the committee is trying to close it and leave it to a certain category of public servants.

When we were processing the National Social Security Fund (NSSF) Bill, we opened it up. You may not belong to any government agency or to any private sector, but you may be a market vendor or doing your own business, and you elect to start contributing.

We should encourage the culture of saving, rather than restrict it and then tomorrow, we come back here to make amendments. Therefore, I agree with the Attorney-General that this particular clause should remain the way it is. Thank you very much.

**THE CHAIRPERSON:** Yes, proceed.

**MS AISHA KABANDA:** May I seek clarification, Madam Chairperson?

**MR MAPENDUZI:** Madam Chairperson, when you look at the definition of other public service -

**THE CHAIRPERSON:** Maybe we should first hear from Hon. Aisha.

**MS AISHA KABANDA:** Madam Chairperson, I am actually in support of the committee chairperson and I seek clarification from the Attorney-General. If every public service is taken care of - this other addition, we are making - are we inserting a provision where someone may opt out? For instance, I may opt not to belong to the Makerere University Pension Scheme and come to this public service. Is that what you are providing for?

That is what the chairperson was quoting. It causes confusion because as of now, already, every public servant is somewhere. When you say, “and those that may opt”, are we putting a provision for people to choose not to belong to their mother organisations and subscribe to the mainstream public service scheme?

**MR SSEWUNGU:** Madam Chairperson, I want to - You see, the Attorney-General -

**THE CHAIRPERSON:** First look at the definition of other public service.

**MR SSEWUNGU:** Attorney-General, the kind of clients of the NSSF Act are not like what is in the Public Service. In the Makerere University Act, a primary teacher is a civil servant in the Government but he cannot subscribe to the Bill, which gives a pension scheme to Makerere University. What is restricting - Do you want to suggest that somebody can save money in different schemes at the same time as a civil servant? It is not possible because what you are going to earn as a civil servant from your salary is what they are going to save.

Therefore, what I would like to know from you is if the Makerere University Act has restrictions on categories of people, including

primary teachers like me, teaching at Shimoni Demonstration School - They cannot save with Makerere University; how then do you bring them to the new scheme that we are trying to work on as a Bill? Guide us on that.

**MR KIRYOWA KIWANUKA:** First of all, for information purposes, even as we speak, Makerere University is a super national scheme. There are actually some members of Makerere University who are saving in NSSF. In the one of Makerere University, you elect. This public service thing is a mandatory scheme for civil servants. The moment you are a civil servant; you have the right to participate in this scheme. What this scheme is saying is that, for example, when you look at other public service - we need to start with the definition of public servant from the Constitution.

The Constitution defines a public servant to include all these people who have been defined as other public servants. If these other public servants in this agency, say, National Forestry Authority (NFA), decide that they want to join the public service mandatory scheme, by removing that allowance for them to join, that means you have kept them out. However, you can actually have - when you have mandatory schemes - (*Interjection*) - yes, it is elective.

**THE CHAIRPERSON:** Look at part (d).

**MR SSEWUNGU:** We want him to guide us clearly to avoid further challenges on this Act or Bill, once it is assented to.

Attorney-General, when you go to Kyambogo University, they have a scheme. Uganda National Examinations Board also has its scheme. However, there are people we are looking at in the Public Service who have their own schemes.

That is what I see but you can correct me. I am now looking at a primary and secondary teacher and that category of people. Are you stating that once you open this, then it is mandatory that Kyambogo University will close the other schemes to be filtered in this one?

**THE CHAIRPERSON:** Look at part 4, *musomesa*. This Act does not apply to:

1. A person in an elective position;
2. A member of the armed forces;
3. An employee of a security organisation; and
4. An employee in other public service subscribing to an existing retirement benefit scheme.

That answers you. Thank you.

**MR KIRYOWA KIWANUKA:** Madam Chairperson, what we are saying here is that the ones who are in schemes are taken care of but everyone else who is not in a scheme has two choices: either set up a scheme or join this one. The idea of this principle is that there should not be a public servant who does not have a saving for pension. Thank you.

**THE CHAIRPERSON:** Yes, committee chairperson, would you like to concede?

**MR MAPENDUZI:** Madam Chairperson, I am not conceding. Let me explain. The definition of other public service is very clear. It says, "means public service in government agencies, departments, authorities, boards or commissions subscribing to a retirement benefit scheme, other than the pension scheme."

It is actually referring to people who already belong to existing pension schemes. In this case, Makerere University is one of them. The question we are putting is, why would we want to disorganise an existing scheme that is doing well, instead of concentrating on correcting - not necessarily failing - but creating this?

We think that this should be restricted to people who are under the current scheme but will move into the new scheme. Those who are in the other schemes, like Makerere University and the rest, should be maintained. Otherwise, the moment we create room for people to begin to run -

**THE CHAIRPERSON:** Honourable member, does that negate the others? I want you to read this one. It states, "This Act applies to employ-

ees in public service and employees of other public service who elect, meaning voluntary - to join the scheme.” There is no contradiction.

**MSAISHA KABANDA:** Madam Chairperson, that is what he seeks to amend. What it is right now, as you read it, is that he seeks to amend it to say this Act applies to employees in public service.

**THE SPEAKER:** Which is the first part?

**MS AISHA KABANDA:** What he is saying – and I agree with him because the object of the Bill is to do away with direct benefit schemes. You now want to bring people who are already in contributory schemes here.

**THE CHAIRPERSON:** We are saying it is voluntary; it is elective.

**MR BAKA:** Madam Chairperson, the word is “elect,” and it is voluntary. Two, based on what I heard the Attorney-General say, we could create an agency that falls under “other public service.” Before they start their own scheme, they can elect that for us as a new authority; all of us shall go to the existing one. It should be flexible.

**MR ODUR:** Madam Chairperson, I would like to start with that argument and give a practical example. Suppose we create Lango University. They have a choice of either establishing a Lango scheme or saying they are joining this one.

That is why this provision is important to remain; to give options. Let us not look at the existing schemes but other schemes that may come. We might even create another organisation here. That is the first understanding.

The second one (e) is that because there are people who are going to retire at the age of 60, my understanding is that the proposal was to give them an option to join because they are this close to the retirement age. That is why (e) is there. It gives flexibility to those who are already 55 years old and at 60 years, they are going to retire. That is why this provision of

(e) is there and should remain so that they have a choice to say, “Yes, I am 55; I am going to join” or “I am now close; I am not going to join.”

I agree with the Attorney-General and the position of the Bill that it seeks to bring. Thank you.

**THE CHAIRPERSON:** Chairperson, can you concede?

**MR MAPENDUZI:** Madam Chairperson, if you will permit –

**THE CHAIRPERSON:** Let us move forward, chairperson. We all use the same English.

**MR MAPENDUZI:** Madam Chairperson, I concede. *(Applause)*

**THE CHAIRPERSON:** I put the question that clause 4 stands part of the Bill.

*(Question put and agreed to.)*

*Clause 4, agreed to.*

Clause 5

**MS AISHA KABANDA:** Clause 5 talks about the establishment of the Public Service Pension Fund, and when you read through from (1), (2), (3) up to (4), nothing talks about the objective of the Fund. I was thinking it is at this point that we should have –

**THE CHAIRPERSON:** Clause 6 is on functions of the fund.

**MS AISHA KABANDA:** Yes. When you read through the functions of the fund, I suggest that these are looked at as functions of the board. When you look at them –*(Interjection)*- look at them, Madam.

When you look at clause 6, they are functions of the board. Clauses 6 and 9 can be merged, but when you look at clause 6, it does not look to be a function of the fund - to establish and operate the scheme. It is not the function of the fund; it is the function of the board.

**THE CHAIRPERSON:** The functions of the fund are in clause 6. “The Fund shall exercise the following functions:

- i) To establish and operate the scheme for persons employed in public service and other public service who elect to join in the scheme;
- ii) To specify the roles for contribution, record keeping and payment out of the Fund;
- iii) To finance the payment of the benefits under the scheme.”

**MR ODUR:** Madam Chairperson, my understanding of Hon. Aisha’s concern is that the fund is not just a fund. It is a legal person. We are now giving this legal person functions. As a legal person, what do you do? This is what is here. The board does something else.

**THE CHAIRPERSON:** When you look at clause 5(2), “The Fund shall be a body corporate.”

**MR ODUR:** It is like the functions of Parliament. As a legal entity, this is what we do. Therefore, the fund is not just the fund as money.

**MSAISHAKABANDA:** Madam Chairperson, the Attorney-General can advise us if functions and objectives are one and the same, and we do not need functions of the fund. I will give in; he is the legal mind of the institution.

**MR KIRYOWA KIWANUKA:** The functions and objects are different, and all of them have been provided for. The objects of the Act are there; the functions of the fund are there, and the functions of the board are there. All of them are there at separate times. When we get to the functions of the fund where, you may want to ask if you think there is something we need to clarify; that is what we could clarify. Clause 5 is clear; it is about the establishment of the body corporate.

**MS AISHA KABANDA:** Attorney-General, I agree, but do the objectives of the Act serve to be the same as the objectives of the fund? I agree that the objectives of the Act are there, but the objectives of the fund are missing.

**MR KIRYOWA KIWANUKA:** Madam Chairperson, this fund does not have any objectives; it has functions.

**THE CHAIRPERSON:** Thank you. I put the question that clause 5 stands part of the Bill.

*(Question put and agreed to.)*

*Clause 5, agreed to.*

Clause 6

**MR MAPENDUZI OJARA:** Madam Chairperson, clause 6 is amended:

- a) By substituting for paragraph (a), the following:  
“(a) To administer the scheme”;
- b) By substituting for paragraph (b), the following:  
“(b) To collect contributions from pensionable employees and their employers.”

The justification is:

- i) A consequential amendment to the amendment of clause 4;
- ii) To provide for collection of contributions as a function of the board; and
- iii) To delete a function of the board that is administrative in nature.

**THE CHAIRPERSON:** Minister?

**MR MURULI MUKASA:** Agreed.

**THE CHAIRPERSON:** Attorney-General?

**MR KIRYOWA KIWANUKA:** We have no objection. We thank the committee for their input.

**MR OGUZU:** Madam Chairperson, I would like to inquire from the Minister of Public Service if he is comfortable with that objective and whether it would be problematic to include the boards engaging in the investment of such funds. This is because we know the resources may accumulate, and they need to multiply and generate more revenue for the funds.

It will be important to appreciate what your comments on that would be.

**MR ODUR:** Madam Chairperson, on that amendment, the chairperson seems to base his justification on the amendment of clause 4, and yet we rejected it.

**THE CHAIRPERSON:** That is where he is talking about consequential, yet we rejected it.

**MR ODUR:** Yes, and we did not – *(Interjections)*- we rejected it.

**THE CHAIRPERSON:** Yet, we rejected it.

**MR ODUR:** Under clause 4.

**MR KIRYOWA KIWANUKA:** Madam Chairperson, even without clause 4, the committee’s proposal allows more flexibility for the fund because it says, “The fund shall administer the scheme.” So, all the functions that you must do to administer the scheme are taken. We think it is a good idea.

**THE CHAIRPERSON:** I put the question that clause 6 be amended as proposed.

*(Question put and agreed to.)*

*Clause 6, as amended, agreed to.*

Clause 7

**THE CHAIRPERSON:** I put the question that clause 7 -

**MSAISHAKABANDA:** Madam Chairperson, I seek guidance from honourable colleagues and the Attorney-General on whether we do not need a restrictive section here that bars the fund from investing in speculative investments—lending. People tend to have an appetite for investing, but pensions are supposed to be risk-averse.

Therefore, don’t we need a restrictive clause here from speculative investments – lending – and committing them to the Uganda Retirement Benefits Regulatory Authority’s (UBRA)

guidance because, from time to time, UBRA guides where pension schemes should invest?

**MR KIRYOWA KIWANUKA:** I think later, when we get into the Bill, we will see when we talk about investment, but it is not a good idea for Parliament to prescribe the nature of investment because we cannot know what tomorrow is going to hold.

**THE CHAIRPERSON:** We are speculating – because we shall have a fund manager.

I put the question that clause 7 stands as part of the Bill.

*(Question put and agreed to.)*

*Clause 7, agreed to.*

Clause 8

**MR MAPENDUZI:** Madam Chairperson, clause 8 is amended in subclause (1) -

- (a) in paragraph (e)-
  - (i) by substituting for the word “centre” the word “federations”;
  - (ii) by inserting, immediately after the word “centre”, the words “one of whom shall be a pensioner”;
- (b) in paragraph (f)-
  - (i) by substituting for the word “or”, appearing immediately after the word “knowledgeable”, the word “and”;
  - (ii) by substituting for the word “or” appearing immediately after the words “retirement benefits”, the word “and”.

Justification

- i) To synchronise with the Labour Unions Act, Cap. 228.
- ii) To introduce the conjunction “and” to safeguard against the nomination of inexperienced persons from the board.

**MR KIRYOWA KIWANUKA:** Madam Chairperson, I would propose that instead of using the word “federation”, we use “council” because federation relates to the different

unions put together into a federation. It may not be a union for public servants.

Then, for the other part – the second (f) – where they removed “or” and placed “and”, it can create a problem because it is now conjunctive, meaning that you have three persons not being public servants who are knowledgeable and experienced in matters relating to administration and actuarial valuation, banking insurance.

It is very difficult to find a person who has all these qualifications. That is why we are saying “or”. You need someone knowledgeable through experience, training, or work experience, but when you say “and”, “and” we may not be able to get this person.

Therefore, while I agree that “centre” was the wrong word to use, I propose that clause 8(1) (e) be amended to read: “two representatives of the public service labour unions nominated by the council.”

**THE CHAIRPERSON:** So, we shall define what “council” is.

**MR KIRYOWA KIWANUKA:** Yes. Then, for (f), I propose that we leave the “or” instead of the “and”, as it was in the Bill. I beg to submit.

**MR MAPENDUZI:** Madam Speaker, first, on the “federation” versus the “council”, when you look at the councils – the negotiating council is composed of members of the different federations. Our opinion is that we allow the federations to nominate these members, but we could restrict them because the public service labour unions are members of the federations, and there are two registered federations.

Therefore, we could still use the federations, but restrict that the membership should be drawn from public service labour unions, who are members of the federations. We could restrict it to allow the federations to be part of this.

**MR KIRYOWA KIWANUKA:** That is fair enough if, they restrict them to the

representatives being members of the public service pension schemes – whichever.

**THE CHAIRPERSON:** You redraft.

**MR KIRYOWA KIWANUKA:** I propose a redraft to read – that is, clause 8(1)(e): “two representatives of the public service labour unions nominated by the federations, provided always that these shall be from participating members of those public service labour unions.”

**MSAISHAKABANDA:** Madam Chairperson, that drops one important thing which he said: “... one of whom shall be a pensioner.” This is because there are contributing members and pensioners, and it is very important that pensioners are represented as a category of people.

What the committee chairman had brought in – “... one of whom shall be a pensioner” – is very important because a “member” can be an active member or pensioner.

**MR MAPENDUZI:** Madam Chairperson, what she is raising is right, but from the federations, they are pensioners. If you were a member of the federation when you were in active service, after retiring, it does not make you not a member. So, the pensioners are also part of those federations.

**MR SSEWUNGU:** Madam Chairperson, let us fully express that provision for a pensioner. He might be there, but they will look at those who are in active service – who are saving – and this person is pulled out. Once you put it there, expressly, it will state that there must be a pensioner within the elective positions – and they are very useful in running these schemes.

**THE CHAIRPERSON:** Attorney-General?

**MR KIRYOWA KIWANUKA:** I thank the honourable members for that guidance – “two representatives from public service labour unions nominated by the federation, at least one of whom shall be a pensioner.” You can choose to pick two. Thank you.

**THE CHAIRPERSON:** I put the question that clause 8 be amended as proposed by the committee and further amended by the Attorney-General.

*(Question put and agreed to.)*

*Clause 8, agreed to.*

Clause 9

**MR MAPENDUZI:** Madam Chairperson, clause 9 is amended -  
(a) in subclause (1) –

- (i) In paragraph (c), by substituting for the word “collect” the words “oversee the collection of”;
- (ii) by deleting paragraph (i);
- (iii) in paragraph (j), by inserting immediately after the word “manager” the word “administrator”;

**THE CHAIRPERSON:** It is “i” not “1”

**MR MAPENDUZI:** It is “i” - sorry.

iv. by inserting immediately after paragraph (1), the following: “(m) advise the minister on matters relating to the administration of the Fund”.

Justification

- i) To limit the functions of the Board of Trustees to oversight and management functions;
- ii) To provide for the appointment of an administrator;
- iii) To provide for an additional function of the Board to advise the minister on matters relating to the administration of the Fund.

**THE CHAIRPERSON:** Attorney-General?

**MR KIRYOWA-KIWANUKA:** Madam Chairperson, we have no objection to the amendment of Clause 9(1) (c). Clause 9 (1) (i) is a function that we think that the Fund will have to undertake – “inspect financial

records of an employer required to make contributions”. Maybe, the challenge would be to say, “in respect to the employment” or “to the payment of the employment”.

Madam Chairperson, the challenge that these funds find is where a person is contributing a certain amount for the employee but is reporting a different amount. So, the ability to inspect these records is extremely important for fund managers to know so as to avoid the employee getting - after the time of their pension - come and say, “No, I was expecting Shs 2 million; why are you giving me Shs 1 million?” I, therefore, think we need this clause (I).

We have no objection to clauses 9(1)(j) and 9(1)(m).

**MR MAPENDUZI:** I concede.

**THE CHAIRPERSON:** Yes, Hon. Aisha?

**MS AISHA KABANDA:** Firstly, I am seeking clarification, and then I will pray for an insertion.

(m) “Exercise any function necessary to achieve the objectives of the fund.” The Attorney-General already said that this Fund has no objectives. Now “m” is saying, “exercise any other function necessary to achieve the objectives of the Fund”.

**THE CHAIRPERSON:** Hon. Aisha, those are semantics. Just like you have an objective for being here.

**MS AISHA KABANDA:** I know, Madam Chairperson, but it is on record.

**THE CHAIRPERSON:** Okay, you can replace it with “functions”.

**MS AISHA KABANDA:** Okay, we can replace it with “functions” if he desires. And then I pray - maybe he speaks to that first.

**MR KIRYOWA KIWANUKA:** Madam Chairperson, I concede to changing that “to achieve the functions of the Fund”.

**MS AISHA KABANDA:** I do not know whether we have to be explicit, but I think we need to include in “n” “hold an annual general meeting” because it is a key function of the Board, and we have to be explicit about it.

**THE CHAIRPERSON:** In “d” “Approve annual work plans and budgets of the Fund in consultation with the Prime Minister” and then “l” “Hold annual general meetings of the members”.

**MS AISHA KABANDA:** I concede. Thank you.

**THE CHAIRPERSON:** Okay. Yes?

**MS NAKUT:** Madam Chairperson, the committee, and the Attorney-General have agreed that the Board should be restricted to oversight, but in the same sentence, they have included administration and management.

Therefore, no amendment is necessary here. This means the Board will do everything: oversight, administration, and management. I seek clarification. What do you really want the Board to do?

**THE CHAIRPERSON:** Do you have the Bill?

**MR KIRYOWA KIWANUKA:** I think what clause 9 is doing, is just providing for oversight. For example, when management makes its work plans, it takes them to the Board for approval. When it does the collection, these ones oversee. They do not do the work plan. But maintaining records and etcetera, those are records of the company, but the person responsible for them is the Board. For example, audited accounts of a company are done by management but the holder of those accounts is the Board. So, the Board will approve them and then keep them in their record.

**THE SPEAKER:** Thank you. I put the question that clause 9 be amended as proposed and further amended by the Attorney-General.

*(Question put and agreed to.)*

*Clause 9, as amended, agreed to.*

Clause 10

**MR MAPENDUZI:** Madam Chairperson, clause 10 is amended, in subclause (5), by inserting immediately after the word “institution” the words “with approval of the minister”.

Justification

To provide safeguards against unfair removal of a person representing an institution.

**THE CHAIRPERSON:** Attorney-General?

**MR KIRYOWA KIWANUKA:** We have no objection.

**THE CHAIRPERSON:** I put the question that clause 10 be –

**MS AISHA KABANDA:** Thank you, Madam Chairperson. This is when we lost the opportunity to debate - I have a problem with the three-year term. Pension boards, normally –

**THE CHAIRPERSON:** Let us first dispose of this one. When you are supposed to be removed from office as an institution, the institution should consult the minister. That is what we are talking about. And if I remember where he said that you will find, out of grudges, because somebody hates you, he will decide to wake up from nowhere and say, “Aisha, you are no longer in the Parliament Pension Fund.”

Therefore, we are saying that before you are removed, you must come back to the Speaker and say, “We are removing Aisha.” That is the point where we are.

**MSAISHAKABANDA:** Madam Chairperson, I have no problem with that, but you are going to put the question on the whole of clause 10, and yet I was proposing an amendment to the first one.

**THE CHAIRPERSON:** That one is okay. Let us go to another one.



**MS AISHA KABANDA:** Thank you. My submission was on clause 10(1) on the tenure of office, which is three years. Many of the people you see on this Board who will assume office are there by virtue of their offices. And for someone to become a good pensioner, they must undergo rigorous training.

Now, when you say someone is a pensioner for three years and eligible for renewal only once, you will find that by the time the person has acquired competencies to serve well, this person is exiting. I want to persuade colleagues to accept the tenure of office to be five years so that when you lose one year for the person to learn what he is doing; he has other years for service. Otherwise, three years appears to be too short a time of service.

**THE CHAIRPERSON:** Honourable members, you need fresh ideas on pension matters; otherwise, if you leave them there, they will finish pensioners' money. Yes, Hon. Faith and then the Member for Kumi District.

**MS NAKUT:** Three years are adequate for a person to deliver, and if it is renewable, it will be another three, thus six years. For any knowledgeable person, that is adequate.

**MS CHRISTINE APOLOT:** Thank you, Madam Chairperson. I was in the committee when the Bill started, and we debated the number of years—three or five. But the explanation that we felt was right is that if you put five years — if you have a member of the Board who is incompetent, does not know the work, and is a problem — are you going to continue enduring that person? That is why we feel three years would be okay.

**THE CHAIRPERSON:** I put the question that clause 10 be amended as proposed.

*(Question put and agreed to.)*

*Clause 10, as amended, agreed to.*

*Clause 11, agreed to.*

Clause 12

**THE CHAIRPERSON:** Committee chairperson? We are going to bring a discussion on term limits. *(Laughter)*

**MR MAPENDUZI:** Madam Chairperson, clause 12 is substituted for the following:

- “(1) Where a chairperson or member of the board dies, resigns or is removed from office under this Act, the minister shall, within three months of the occurrence of the vacancy, appoint another person, qualified to be appointed a chairperson or member of the board under this Act, to replace the member of the board;
- (2) The chairperson or member of the board referred to in subsection (1) shall hold office for a full term provided for under section 10.”

The justifications are:

1. For subclause (1) to also apply to chairpersons of the board;
2. To reduce the time within which the vacancy should be filled; and
3. To provide for a full term of three years for new members of the board.

**MR KIRYOWA KIWANUKA:** Madam Chairperson, in principle, we agree with the committee's recommendation that the chairperson and a member of the board be replaced within three months.

However, we do not agree with the committee's proposal that a person come and serve another full term. For example, if the board has been in office for, say, two and a half years and one board member dies, you must replace that board member. Then that means this new board member will sit for six months, serve another two and a half years, and then come back.

Where it has been used, it has caused confusion in the board. It is important for the pensioners to know who their board members are and for what period so that when they come to the

Annual General Meeting (AGM), they are dealing with the issue of that board.

However, it gets complicated in these public bodies, where you relieve two people and keep one and another. You are constantly in the process of electing and filling boards, and therefore, there is never cohesion.

Therefore, we pray and request colleagues, that we allow that where a chairperson or a member of the board is removed from office under this Act, the minister shall, within three months of the occurrence of the vacancy, appoint another person qualified to be appointed a member of the board under this Act to replace the chairperson or the member of the board and to hold office for the remainder of the term of that board member that is removed. I beg to submit. Thank you.

**MS AISHA KABANDA:** I would like to support the chairperson of the committee and the position of the committee report. In good governance, they are advising us to stagger the board so that it does not exist at the same time. When they join at the same time and leave at the same time, you lose institutional memory.

Therefore, it is a good thing that some will exit and others have six months to leave or one year so that people who come later have people to take them through issues in the board. Even the Uganda Retirement Benefits Regulatory Authority (URBRA) advises existing boards that they find a way to stagger.

Let me remind colleagues before we get excited. When we were discussing NSSF, the minister even told us here that they conditioned one of the members to resign before time to create a situation when the board is staggered, and they paid money to those people who offered to exit before time. It is a good thing that the board is staggered for purposes of institutional memory.

**THE CHAIRPERSON:** Thank you. Honourable members, much as we respect institutional memory, we have a secretary who will be there and a good Fund. We will always have minutes. We have a fund manager. I do

not see what is wrong with what the Attorney-General is proposing.

**MS OPENDI:** Madam Chairperson, I do not see why Hon. Aisha is scared because once this Bill is assented to, the board will be appointed. Once the board is appointed, in renewing after three years, they drop some so that new ones are brought on board, and that is how staggering comes –

**THE CHAIRPERSON:** Staggering?

**MS OPENDI:** Yes, so there is no cause for alarm in this. That is what happens. I would like to state, Madam Chairperson, that this clause remains the way it is because -

**THE CHAIRPERSON:** I put the question that clause 12 be amended as proposed by the committee and further amended by the Attorney-General.

*(Question put and agreed to.)*

*Clause 12, as amended, agreed to.*

*Clause 13, agreed to.*

*Clause 14, agreed to.*

*Clause 15, agreed to.*

*Clause 16, agreed to.*

*Clause 17, agreed to.*

*Clause 18, agreed to.*

*Clause 19, agreed to.*

Clause 20

**THE CHAIRPERSON:** Committee chairperson?

**MR MAPENDUZI:** Madam Chairperson, clause 20 is amended in subclause (3) by deleting “in consultation with the minister”.

The justification is to reduce bureaucracy in the day-to-day function of the board.

**THE CHAIRPERSON:** Attorney-General?

**MR KIRYOWA KIWANUKA:** Madam Chairperson, the guarantor of the pensioner's money is the Government, and the boards, left to their own devices, can be chaotic because they can decide to increase their salaries every week. In the experience of rationalisation, we have seen what has been happening. The oversight "in consultation with the minister" should not be a problem because all you are saying is - in fact, I was proposing to members that this should be with the approval of the minister - Twenty-three, the terms and conditions of employment - Colleagues, we are struggling in Government today with keeping these emoluments and having some degree of sanity in the space, so if we say every board will come in and just make its own decision -

**THE CHAIRPERSON:** So, the terms and conditions of employment of other staff of the Fund shall be determined by the board with the approval of the minister. *(Hon. Aisha Kabanda rose)* Yes?

**MR SSEWUNGU:** I would like to support the Attorney-General. As Parliament, we should have a particular person we face here to condemn the operation and the terms and benefits of that Fund. You know the challenge we have - *(Interjections)* - Do not mind about - there are cleaners who have been getting money above even a university lecturer because there is nobody restricting and monitoring and controlling checks and balances.

**MS AISHA KABANDA:** Thank you, Madam Chairperson. I would like to remind colleagues that the minister is already represented on the board.

Secondly, I would like to tell members that these boards are supposed to work independently of their sponsors. That is why you put your representatives on the board to represent your interests. Otherwise, when you say that recruit

staff, they have to do it in consultation with the minister; then, the minister will manage the pension scheme.

**THE CHAIRPERSON:** Hon. Aisha, the minister, takes political responsibility. He is the only one who can come here and explain about that fund—not anybody else. Therefore, the minister's approval is crucial.

Maybe we may need to check yours, of the pension fund, because if it is not like that, then we need to amend it, and the approval of the Speaker must be put there. *(Laughter)*

**MSAISHAKABANDA:** Madam Chairperson, I am speaking from the knowledge of pension funds and how they operate. What I am telling you is how funds operate. If we want to operate differently, we may.

**THE CHAIRPERSON:** Hon. Odur, I want you to study the Pension Fund Act so that we understand who approves the operational expenses.

**MR MAPENDUZI:** Madam Chairperson, I concede.

**THE CHAIRPERSON:** I put the question that clause 20 be amended as proposed by the Attorney-General.

*(Question put and agreed to.)*

*Clause 20, as amended, agreed to.*

Clause 21

**MR MAPENDUZI:** Clause 21 is amended -

- (a) by inserting immediately after subclause (1) the following: - *"The minister may appoint an administrator or any other service provider for the fund during the interim period provided under this section."*
- (b) In subclause (4), by substituting for the word "three", the word "two".

## Justification

- i) To provide for the appointment of service providers during the interim period; and
- ii) To reduce the interim period so as to expedite the transition process.

**MR KIRYOWA KIWANUKA:** No objection, Madam Chairperson.

**THE CHAIRPERSON:** The transition period should be shorter because that is –

I put the question that clause 21 be amended as proposed.

*(Question put and agreed to.)*

*Clause 21, as amended, agreed to.*

*Clause 22 agreed to.*

## Clause 23

**MR MAPENDUZI:** Clause 23 is substituted for the following – *“There is established a scheme to be known as the Public Service Scheme.”*

## Justification

To harmonise the clause with the object of the Bill.

**MR KIRYOWA KIWANUKA:** No objection, Madam Chairperson.

**THE CHAIRPERSON:** I put the question that clause 23 be amended as proposed.

*(Question put and agreed to.)*

*Clause 23, as amended, agreed to.*

## Clause 24

**MR MAPENDUZI:** Clause 24 is amended –

- a) In the head note, substitute for the word “scheme” with the word “fund.”
- b) In clause 1, by substitution for the words

“member of the scheme”, the words “member of the fund”, and wherever else they appear in the Bill

c) In subclause (2) –

- (i) In paragraph (b) by inserting immediately after the word “years” the words “or less.”
- (ii) by deleting paragraph (c)

## Justification

- i) To provide for membership of the fund; and
- ii) A consequential amendment to clause 4.

**MR KIRYOWA KIWANUKA:** I think here; it should remain as a scheme because we have the fund which is the body corporate. The members do not become members of that fund. The fund is the body corporate which has its entity. However, when they contribute their money, they contribute to a scheme. Therefore, we need to be clear as to – I think what we are looking to achieve here is that one can know, I am participating in the scheme. Once I get out of the scheme – the fund runs the scheme for me. The members are members of the scheme.

I propose that the Bill be retained as it is in clause 24. I submit.

**MS AISHA KABANDA:** My clarification is on 24(2)(b); permit me, having lost the opportunity to debate. I just want to understand because if members that are left with five years to retire are made subject to a mandatory fund, would the five years be enough for them to make substantial contribution for their retirement? I just want to understand this.

For those who elect to join, that is okay. But those who are conscripted to join by law, are five years sufficient? What other schemes have done – maybe it would run for like 10 years to allow the exiting members to go. The two schemes would run at the same time for like 10 years so that people make substantial contribution. Otherwise, five years, the contribution would be too small to benefit someone in his retirement. I just seek clarification. I seek to understand.

I hear a colleague saying that it is better. Let me explain. In a contributory fund, you benefit out of the contributions that you have made and what your sponsor has added for you. Now, if you are going to contribute for only five years, would it earn this person some money? Maybe you can explain to us if the formula guarantees them some money over and above that which they have contributed. I seek clarification.

**MR KIRYOWA KIWANUKA:** Madam Chairperson, this is not a legal matter, but what the advisors have given is that if a person contributes for five years – that is why you see clause 1 – the ones who have more than five years, those ones are mandatory. The moment you have more than five years in the service, it is mandatory, and they have computed that that person will get a reasonable return on his pension.

Remember, they already had an accumulated pension in government, which they are moving to this contributory scheme. For those who had five years or more, it is clear. Then there are those who have three years left. It is up to that person to decide: “Do I get my money now and go away, or do I put it here and wait for the three years?”

In both instances, they are carrying money from the government pension scheme that they have already earned, which is moving to this new contributory scheme. There is a benefit in that, but the second one is an election, which is voluntary.

**MR MAPENDUZI:** I concede, Madam Chairperson.

**THE CHAIRPERSON:** Thank you. Okay. Hon. Baka is back.

**MR BAKA:** Madam Chairperson, from the Attorney-General’s explanation, I feel we are doing a disservice to those who are left with just three years. Earnings of three years saved can help a pensioner. Five years is good, but even those of three years should have been brought under this bracket, such that we force them to serve.

**THE CHAIRPERSON:** It is mandatory.

**MR BAKA:** We should have put it at three years, those with three years and above, such that the bracket is bigger.

**THE CHAIRPERSON:** For now, let us first –

**MR OCHERO:** Even the current one – pensioners like the ones I have in my district – elders are dying every day. They are not getting any money at all. Even if somebody has two years, I would encourage them to join this one because there is a little bit of assurance in this new one. Some bit of assurance. That old one is very problematic. People are not getting any money at all. There is even no option. Members are dying. Even two years, I pray that they join.

**THE CHAIRPERSON:** Attorney-General, are you closed to five years, or it is open?

**MR KIRYOWA KIWANUKA:** Madam Chairperson, like I said, this was advised. It is not a legal issue. It is advised by professionals, but the person of three years is not stopped from joining. What we have is that they are free to join, but it is not mandatory for those ones. If he does not join, he still gets the pension that he had in government. The status quo remains. That is why when you see the transition period, we shall be closing out this at some point.

**THE CHAIRPERSON:** Attorney-General, do we maintain the clause as it was?

**MR KIRYOWA KIWANUKA:** I propose that we maintain the clause as it was, because it was advised by the professionals.

**THE CHAIRPERSON:** I put the question that clause 24 stands part of the Bill.

*(Question put and agreed to.)*

*Clause 24, agreed to.*

Clause 25

**MR MAPENDUZI:** Madam Chairperson, when you look at clause 25, the decision taken earlier affects it.

**THE CHAIRPERSON:** Registration of members?

**MR MAPENDUZI:** Clause 25 is on the registration of members. Clause 25(1)(a), which we had suggested for deletion, says: “transfer to the Fund the pension files and other relevant information for employees, under Section 24(2)(a) and (c).” When you look at Section 24(2)(a) and (c), it is not amended.

**THE CHAIRPERSON:** Okay. Attorney-General?

**MR KIRYOWA KIWANUKA:** That is the position, Madam Chairperson. We should maintain clause 25 as it is in the Bill.

**THE CHAIRPERSON:** I put the question that clause 25 stands part of the Bill.

*(Question put and agreed to.)*

*Clause 25, agreed to.*

Clause 26

**MR MAPENDUZI:** Madam Chairperson, clause 26 is amended in subclause (1), by deleting the words “and that employee has not elected to continue contributing to the Fund”.

Justification

It is a consequential amendment to the amendment of clause 4. That is the same decision here. This one does not change as well.

**THE CHAIRPERSON:** Okay. So, we leave it as it is in the Bill. Attorney-General?

**MR KIRYOWA KIWANUKA:** Yes, because of our discussion on clause 4, clause 26 remains as it is in the Bill.

**MSAISHA KABANDA:** Madam Chairperson. I just wanted to recast the reading. Instead of saying “cancellation of registration,” it should be “exit of members.” Members join and they exit. So, it would be the exit of members, and down there, a fund may exit an employee.

**MR KIRYOWA KIWANUKA:** This is an action of the Fund. The employee exits, and the fund cancels registration. You cannot say the fund can exit a person. When you say the fund “may exit an employee”, that means it is the action of the fund. If the employee exits that employment or whatever, the action of the fund is to cancel. This may read better because what you are expecting the fund to do is what we are providing here. It is to cancel their registration.

**THE CHAIRPERSON:** I put the question that clause 26 stands part of the Bill.

*(Question put and agreed to.)*

*Clause 26, agreed to.*

Clause 27

**MR MAPENDUZI:** Madam Chairperson, clause 27 is amended by deleting subclauses (6) and (7).

Justification

These are substantive clauses of the law that should not be varied by a statutory instrument.

**MR KIRYOWA KIWANUKA:** I appreciate the committee’s proposal and will concede to it. The purpose here is that we are saying there will be a 10 per cent contribution and a 5 per cent contribution by the employee. If it has to be changed, it has to come back to the House.

**THE CHAIRPERSON:** I put the question that clause 27 is amended as proposed.

*(Question put and agreed to.)*

*Clause 27, as amended, agreed to.*

*Clause 28, agreed to.*

Clause 29

**MR MAPENDUZI:** Madam Chairperson, clause 29 is amended –

- a) in subclause (2)(d), by substituting for the word “withdrawal”, the word “exit”;
- b) in subclause (3), by deleting paragraph (b).

Justification

For clarity and as a consequential amendment to the amendment in clause 4.

**MR KIRYOWA-KIWANUKA:** I concede to the exit by the employee – if the employee exits the public service. However, subclause (3)(b) is saying that:

*“(3) A responsible officer may suspend payment of contributions for the period where an employee who has not retired in accordance with the Act-*

- (a) ceases to receive monthly payment in respect to his or her pensionable service; or*
- (b) in the case of employees and other public service, ceases to be employed.”*

If you are deleting clause 29(3)(b) - there is a proposal by the committee to delete that. I think it should be maintained. We concede to the amendment of clause 29(2)(d) to read “(d) exit from the public service in accordance with this Act”, but subclause (3)(b) should be maintained as it is in the Bill.

**THE CHAIRPERSON:** Committee chairperson?

**MR MAPENDUZI:** Madam Chairperson, because we did not amend clause 4, we agree to that: maintain.

**THE CHAIRPERSON:** Thank you. I put the question that clause 29 be amended as proposed and further amended by the Attorney-General

*(Question put and agreed to.)*

*Clause 29, as amended, agreed to.*

*Clause 30, agreed to.*

Clause 31

**MR MAPENDUZI:** Clause 31 is amended in subclause (1)(b) by inserting immediately before the word “penalty”, the word “monthly”.

The justification is that this for clarity.

**MR KIRYOWA KIWANUKA:** No objection, but this means that if the Government fails to pay, it incurs a monthly penalty. We may have to come back for appropriation.

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

*(Question put and agreed to.)*

*Clause 31, as amended, agreed to.*

*Clause 32, agreed to.*

Clause 33

**MR MAPENDUZI:** Clause 33 is amended –

- (a) by substituting for subclause (1) the following-

*“(1) Qualifying service is the period between the date on which an employee begins to draw salary, until the date the employee leaves the public service.”*

The justification is that this is a consequential amendment to the amendment in clause 4.

**MR KIRYOWA KIWANUKA:** Madam Chairperson, having not amended clause 4, I pray that clause 33 remains as part of the Bill – as it appears in the proposal.

**THE CHAIRPERSON:** Committee chairperson?

**MR MAPENDUZI:** Madam Chairperson, some people are trying to harass me. I just want to make sure that I make the correct decision because I am doing this on behalf of my members.

**THE CHAIRPERSON:** There is nothing consequential because there was no amendment.

**MR MAPENDUZI:** I concede, Madam Chairperson.

**THE CHAIRPERSON:** I put the question that clause 33 stands part of the Bill.

*(Question put and agreed to.)*

*Clause 33, agreed to.*

Clause 34

**THE CHAIRPERSON:** Committee chairperson?

**MR MAPENDUZI:** Madam Chairperson, clause 34 is amended by:

(a) deleting subclause (2);

(b) in subclause (3), by substituting for paragraph (c) the following;

“(c) retirement on medical grounds as shall be granted by the employer, on the recommendation of the medical board.”

The justification is that this for clarity, and again there was no amendment on clause 4.

**THE CHAIRPERSON:** Attorney-General?

**MR MAPENDUZI:** Madam Chairperson, for purposes of clarity, the clarity aspect must be maintained.

**MR KIRYOWA KIWANUKA:** Madam Chairperson, we need to be careful here because there is retiring because of a medical condition you have sustained at work and retiring because of a medical condition you have not sustained at work.

Those who have sustained that at work are entitled to their pension unlike those who sustained whatever medical reasons outside the workplace cannot now make it the problem of the employer, that I sustain and therefore

I must retire. For example, I am supposed to be receiving a pension, having worked for 10 years. I worked for five years and got an injury at my workplace, and because of the injury at the workplace, I must retire. That person should be entitled to their pension. But a person who has worked for five years and gets an injury, maybe while playing football or something in their leisure time, and must retire from employment, that person needs to be refunded their contribution but not get a pension.

Therefore, I propose that we maintain the wording as it is in the Bill because that is what it is trying to achieve. Thank you.

**MR ONZIMA:** Madam Chairperson, I want to disagree somehow; not disagree but give my view in on situation. Somebody who sustains an injury from the workplace should be paid the pension. But according to the Attorney-General, somebody who sustains injury from any other place should not. For example, I am an employee here in Parliament. On my way to Parliament I got a problem, not necessarily from Parliament. Do you mean to say I should not be paid my money?

**MS LINDA IRENE:** I have more clarification, Madam Chairperson –

**MR KIRYOWA KIWANUKA:** When we are drawing costs of employment, it includes going from work to home and back. That is in the course of your employment. Let us say you are not in the course of your employment; say you happen to be doing other things.

**THE CHAIRPERSON:** Hon. Linda?

**MS IRENE LINDA:** Madam Chairperson, further clarification. *(Hon. Onzima rose.)* I may get an injury, maybe doing my other things, and I am forced to retire, but I have been saving my money. Should they refund that money without interest, or are they going to refund that money with interest? This is because that money must be making some interest. Therefore, we want to know: if I am not getting pension, will the money be refunded with interest?



**THE CHAIRPERSON:** In the process, that money has been accruing interest.

**MS IRENE LINDA:** Yes, the money should be refunded with interest.

**MR ONZIMA:** Madam Chairperson, I wanted to probe the question I had raised to the Attorney-General. You see, the explanation the Attorney-General has given has not convinced me. For example, somebody's work does not stop at where he works from. Still, let me use the situation of Members of Parliament. Our work does not only belong here. We must also go to the constituency. This applies to any other worker. Somebody works in Kampala, maybe he is going to the village for any other activity and gets a problem. We should be considerate of people. Whatever amount of money they have contributed, and they have worked for five years, they should benefit. That is my view.

**THE CHAIRPERSON:** Yes, Hon. Asuman?

**MR BASALIRWA:** Madam Chairperson, I think we should be very careful with dichotomising injuries and where they occur. We should be extremely careful. Otherwise, this law is likely to even lose the human face. Take an example: you are on leave, and you get an injury. Realistically speaking, that is not in the course of employment; you are on leave. How do you then say that does not concern the Fund? You have gone to Bugiri and have fallen in a bathroom, which is really an accident. Later, you come and argue that you see, that does not concern us; what were you doing in the bathroom?

This law is going to lose the human face. I want to ask the learned Attorney-General what the idea of - if it is really injuries –

Yes, information from “*Hajjat*”.

**MS AISHA KABANDA:** Thank you, Madam Chairperson and Hon. Basalirwa for having given way. I think people are reading this now in isolation from the foregone clauses.

1. To qualify, you should have served for 10 years. Once you have served 10 years, you will be a pensioner, whichever way you leave the organisation. But you cannot say that someone who serves two years will become a pensioner.

If you serve two years and fall ill, you cannot become a pensioner. But if you have served for 10 years, whichever way you leave—for me, Madam Chairperson, the law is more humane by saying that suppose you get a medical problem on the job, if you have served like 5 years, you will be a pensioner.

Otherwise, they can give you other compensation, and they send you home. However, the law is being more humane and saying if you get an injury at work, you should be paid until you die. It is a very good clause. In this case, I support the Attorney-General.

**THE CHAIRPERSON:** Attorney-General, should the clause remain as it is? I put the question that clause 34 stands part of the Bill.

*(Question put and agreed to.)*

*Clause 34, agreed to.*

Clause 35

**MR MAPENDUZI:** Clause 35 is amended in subclause (2) two by deleting paragraph (b).

**THE CHAIRPERSON:** Attorney-General, are you listening?

**MR KIRYOWA KIWANUKA:** Madam Chairperson, this clause - while we have been discussing people who are coming, there are people who may leave the public service - what we have called “the ordinary public service” and go to the “other public service” but they have earned their pension this side.

Therefore, I propose that clause 35(2)(b) remain in the Bill because the person who goes to another Fund starts benefiting from the other Fund. If he chooses to stay on this side, then they must be – so if you remove it, then that

means a person who joins another Fund where the employee ceases to remit money to this Fund, we continue to pay.

**THE CHAIRPERSON:** Thank you. Committee chairperson?

**MR MAPENDUZI:** I concede on the account that we had maintained that under clause 4.

**THE CHAIRPERSON:** I put the question that clause 35 stands part of the Bill.

*(Question put and agreed to.)*

*Clause 35, agreed to*

Clause 36

**MR MAPENDUZI:** Madam Chairperson, clause 36 is amended by –

- (a) inserting immediately after subclause (1), the following -  
“Pension granted under subsection (1)(b) and (c) shall be paid to the member upon retirement.”
- (b) In subclause (2), by inserting immediately after the word “years”, the words “for the benefit of the beneficiary”.

**THE CHAIRPERSON:** Attorney-General?

**MR KIRYOWA KIWANUKA:** We appreciate what the committee is looking to achieve, but are you saying that this money cannot be used for any purpose other than for the benefit of the beneficiary, and if so, who is the beneficiary? I think what we are doing here is that the pension granted under 1(d) where a person has died shall be paid to the legal representative for a maximum of 15 years. If we start going into what the legal representative is going to do with the pension - because now we must go and cross-reference with the Succession Act, figure out what a beneficiary is, and then it becomes a challenge. Nonetheless, the legal representative appointed to handle the benefits of that person could include the payment of the person’s debts. It may not be just for the beneficiary.

**MSAISHAKABANDA:** Madam Chairperson, the Attorney-General has to be interested in matters of pension. Pension is to benefit beneficiaries, not to pay off other things. The trustees have a fiduciary duty to ensure that this money goes to beneficiaries, not to any legal administrator who would get this money and use it for other things.

For instance, you people here, in our own law, we said my money should go expressly to people you have nominated, and those are your beneficiaries. This part seeks to protect the would-be beneficiaries of the employee so that this money is not regarded as any estate of someone who has died to be misused in other things. It is money that is supposed to go to the beneficiaries of the person who earned through his sweat.

**MR KIRYOWA KIWANUKA:** What if he had left his money to his friend in his will? –*(Interjection)*- No, but that is what we are saying here. The legal representative is supposed to enforce the wishes of the deceased and if the deceased did not leave a will, we have a Succession Act, which has determined for us how that money is to be used. Here, the pension is not for the benefit of the beneficiary but it is for the benefit of pensioners. The pensioner can do that with that money as he wishes. If we write this, it is like when the pensioner receives his money, he must give it to his children and grandchildren because they are the beneficiaries. No, it is his money.

Even if this is enforced, how do I ask the person in the fund to confirm that that person is the beneficiary who received the money? If we find tomorrow that this money was not taken by the beneficiary, then that means the fund manager will now be held responsible for it. The law said it must go to the beneficiary, and it is not sustainable.

**MSAISHAKABANDA:** Madam Chairperson, if I may clarify, under normal circumstances, employees will nominate their beneficiaries. You say, in case I die, my beneficiaries are A, B, C, D. Who ensures that this money goes to rightful people? That is the reason the board

is there. The board is supposed to ensure that your money goes to the rightful people.

That is the reason you have the - what is that beneficiary period? I have forgotten - The 15 years you have set. Even after you die, your money should be able to look after your family for a given period, up to 15 years after your retirement. You cannot say that beneficiaries are not our concern, but the beneficiaries are concerns of the scheme. That is what it is; the active members, the pensioners, and even beneficiaries, some of them would be minors. If you do not protect them, the legal people you are talking about – (*Interjection*) - that is what it is.

**MR BAKKABULINDI:** Madam Chairperson, when you pass on, you have only two options for dealing with your estate. If you die intestate, you leave a will, and your estate will be dealt with in accordance with your wishes. If you die intestate without a will, there is a law.

I would like Hon. Aisha to clarify: Are you creating another option for dealing with the deceased's estate in addition to the two?

**MR GAFABUSA:** Madam Chairperson, I agree with Hon. Aisha. Hon. Bakkabulindi, there is a difference between a will and not having a will in terms of pension. This is because in registering for pension, you indicate your beneficiaries. Even if I do not have a will -

**THE CHAIRPERSON:** By the way, even here -

**MR GAFABUSA:** Even here at Parliament, in our pension scheme, we register our beneficiaries who are supposed to get our money if we die. That is different from a will.

**THE CHAIRPERSON:** You know, if you have not updated your records, that is when the Succession Act will come in.

**MR GAFABUSA:** In other words, Attorney-General, if I died without a will, my pension here at the pension fund will go to my beneficiaries and then the other estate will go

according to the Succession Act. That is why I support Hon. Aisha here.

**THE CHAIRPERSON:** I could give you a live example. We have lost Members here, and we do not know whether they had wills. However, in the Parliamentary Pension Scheme, they indicated a specific person as their next of kin, and that person bears the responsibility. Parliament or the pension scheme will not pay a person who brings letters of administration, but it will pay the person who is named or who is nominated in the form and who has shares.

**MR KIRYOWA KIWANUKA:** I can propose a way forward so we can move along. We can provide for a clause that the members of the scheme - What you are saying here is that we can provide a clause here because it is not in this law. First, the example we have been using is not applicable because the parliamentary fund is excluded from this law; so, this law cannot affect it.

However, what we can do in this law is to make a provision which requires the pensioners to name the beneficiaries. If that is the case, then you can say it is for the benefit of the beneficiary. As the law is now, there is no requirement for beneficiaries.

**THE CHAIRPERSON:** Do we go by the amendment of the chairperson? You know he is the chairperson of the pension fund here.

**MR MUSASIZI:** Madam chairperson, it is good the Attorney-General has created for me a window to say something because I was constrained to oppose him. Hon. Aisha makes a very strong point that pension funds and the pension savings should be treated separately from the estate -

**THE CHAIRPERSON:** Has the owner of the law gone?

**MR MUSASIZI:** Madam Chairperson, this is not only -

**THE CHAIRPERSON:** First repeat - the Attorney-General was busy talking -

**MR MUSASIZI:** Madam Chairperson, I rise to support Hon. Aisha's point that pension savings should be treated separately from the estate. This is not only the practice of this Parliament but also across the region where we have been benchmarking: Kenya, Tanzania, and elsewhere.

We do it this way because we are saving, first, to have a good life during retirement, when we are no longer working, and also to provide social security in an event that we are not there for the people left behind.

Madam Chairperson, we pay pension according to nomination. For instance, if I died today –

**THE CHAIRPERSON:** God forbid.

**MR MUSASIZI:** God forbid *-(Laughter)* - but certainly one day, my pension savings will be distributed according to my nomination, according to the number of children I wish to benefit from pension, and all other people, that I would wish to benefit. My assets are also in the will which is a separate arrangement.

Therefore, if we have not provided for it in this law, I think it is important that we explicitly provide for it so that pension funds are utilised for the benefit of what the pensioner wishes to save for. I have a wish; I know who will benefit from my pension. That should really be defined properly. Yes, clarification.

**MR BASALIRWA:** Madam Chairperson, before my OB sits, honourable minister, if you find yourself in a situation where your will says something different from your pension, how does the law reconcile that?

**MR MUSASIZI:** Madam Chairperson, with respect to pension, the nomination supersedes the will.

**MR BASALIRWA:** Madam Chairperson, the learned Attorney-General, was talking about cross-referencing the Succession Act. It was an issue-

**THE CHAIRPERSON:** Honourable members, now we are going to - *(Ms Aisha Kabanda rose\_)*

Hon. Aisha, are you in support of the amendment by the committee?

**MS AISHA KABANDA:** I am in support of the amendment by the committee, and I just want to give some information to Hon. Basalirwa -

**THE CHAIRPERSON:** No, we have already got the information.

**MS AISHA KABANDA:** It is very important, Madam Chairperson.

**THE CHAIRPERSON:** Attorney-General, are we now together?

**MR KIRYOWA KIWANUKA:** Madam Chairperson, unless this law defines this beneficiary that you speak of in this very law, the only thing you are going to create is chaos.

**THE CHAIRPERSON:** We shall define the beneficiary.

**MR KIRYOWA KIWANUKA:** That is why I was saying that you define the beneficiary but in consonance with other existing laws.

Any attempt to make it to - because what the question - and that is why I am saying, you need to define this beneficiary in line with the Succession Act because once a person dies, the will or the Succession Act takes over.

All these other things, like the nominations that you are talking about, are just going to cause confusion in your families. What you need to do is to make sure that your nomination here - *(Hon. Aisha Kabanda rose\_)*

Please, I am advising, so that we can make a law which works. If we write a law which says that upon a person's death, everything that he has done ceases and his will speaks, at that point, everything in his will takes over. What we will do is say, "For the benefit of the beneficiary - but we need to define the beneficiary here

- being that person who has been nominated under the will or whatever.

I beg to submit.

**MSAISHAKABANDA:** Madam Chairperson, I beg that -

**THE CHAIRPERSON:** Honourable Attorney-General, the Succession Act talks about a dependent, not a beneficiary.

**MS AISHA KABANDA:** With your permission, Madam Chairperson, allow me also to mention this before Hon. Basalirwa speaks.

When we are administering benefits, we do not even wait to hear your will. Sometimes, the will is even contested. Are the children going to suffer for as long as your estate is disturbed?

When an employee passes on, the trustees are under obligation to ensure that - that is why pension is there; life should run normally for some time even after you have passed on.

When you peg this to your will and succession, it means life is going to come to a sudden close. When we are dispensing of these things, the benefits committee sits immediately, meets your family, reads your nominees, and then if it is school fees, payment of school fees carries on to be paid for children.

If you say they manage your estate together with your pension, your family's life will stall because you know how the management of estate sometimes has been a problem. We manage the two things differently, and we do not even wait to hear from your will. You will be making nomination.

**MR BASALIRWA:** Madam Chairperson, it is foolhardy for us to argue that a will is irrelevant. We are talking about matters of law.

When somebody brings letters of probate or letters of administration, you are not going to wish them away because they are granted by the court. There is no way we are going to run away from that.

There are two things we could do. Number one, in this particular Bill we are talking about, we could create some exclusions. For example, we could state that without prejudice to the Succession Act *-(Interruption)-* yes, that is one of them. Otherwise, you are not going to take away matters of succession when you are talking about demise. You are not going to take it away. I think it is also important for us to consider issues related to the definition so that at the end of it all, we become very clear.

As the Attorney-General is guiding, this is a recipe for disaster if we turn it to ignore other pieces of legislation.

**THE CHAIRPERSON:** Yes, Jonathan?

**MR ODUR:** Madam Chairperson, I am looking at the long title of the Bill. It seems that we want to expand the scope beyond the intention.

When you look at the long title of the Bill, the current discussion may not even have a place. I propose that we confine ourselves to the principles laid out here—how to transition civil servants from the current scheme to the next scheme.

Even if you look through the entire provision here, if you start bringing up these other matters, then this law is going to be chaotic.

**THE CHAIRPERSON:** What is your suggestion on this?

**MR ODUR:** We maintain it as it is.

**MR BAKA:** Madam Chairperson, I concur with Hon. Odur, because-

**THE CHAIRPERSON:** I put the question that clause 36 stands part of the Bill.

*(Question put and agreed to.)*

*Clause 36, agreed to.*

*Clause 37, agreed to.*

Clause 38

**MR MAPENDUZI:** Madam Chairperson, clause 38 is amended in subclause (1) by substituting for the following -

**THE CHAIRPERSON:** Whatever is not defined that is being used shall be defined in the interpretation clause. Yes?

**MR MAPENDUZI:** A fund member who does not qualify for pension under Section 36 or short service gratuity under section 37 is entitled to a one-off refund of the employee and employer contributions.

Justification

To allow members who have qualified for pension or short service gratuity under clauses 36 and 37, respectively, to receive their pensions or short service gratuity instead of a refund of contributions.

**MR BASALIRWA:** Madam Chairperson, clause 37 and the proposal being made refer to short service gratuity. However, throughout this entire Bill, you do not explain what “short service gratuity” is.

Two, this Bill also seeks to repeal the Pensions Act. The Act has very elaborate provisions on gratuity; this Bill is silent on that. I need some clarification from you on that aspect.

**THE CHAIRPERSON:** Attorney-General?

**MR KIRYOWA KIWANUKA:** Madam Chairperson, I am going to take a minute to address my mind to what Hon. Asuman is raising, and I think he is correct. We have not defined “short service gratuity” in here, but I need to flip it.

**THE CHAIRPERSON:** I said we shall define it under the interpretation clause.

**MR ODUR:** Madam Chairperson, under this specific question, if you look at subclause (2) (a) to (e), it appears to explain what “short service gratuity” means, so it is self-defining. On medical grounds – if you have served and then you leave your –

**THE CHAIRPERSON:** It is clause 37(2).

**MR KIRYOWA KIWANUKA:** We are going to go and “define short service gratuity” -

**THE CHAIRPERSON:** No, it is already defined in clause 37(2).

**MR KIRYOWA KIWANUKA:** It is described here, but I am going to flip. Under clause 38, when they say:

“(1) A member of the Scheme is entitled to a one-off refund of the employee and employer contributions -  
(a) on termination; and  
(b) on dismissal...”

When it is changed to say: “A member of the Fund who does not qualify for pension under Section 36 or short service gratuity is entitled to a one-off...” So, are we saying that a person who works for the Government for one year and is dismissed is entitled to this payment?

**THE CHAIRPERSON:** A one-off.

**MR KIRYOWA KIWANUKA:** A one-off?

**THE CHAIRPERSON:** Yes.

**MR KIRYOWA- KIWANUKA:** Why are we rewarding misconduct?

**THE CHAIRPERSON:** No, that is his saving.

**MR KIRYOWA KIWANUKA:** No, because this one is saying: “A member of the scheme is entitled to a one-off refund.” Here, they are saying: “A person who does not qualify for the pension scheme...” - any member of the scheme.

Once you join the scheme on day one, you are a member of the scheme; it does not make you a pensioner. When you say here that “a member who does not qualify for pension”, then that means a person who has worked for three years will not be entitled to a refund.

You have said here that: “A member of the Fund who does not qualify for pension...” For you to qualify for pension, you must have worked for 10 years. So, you only become qualified for this one-off refund after working for 10 years. That is not the intention of the Government.

The Government’s intention is that when you join the scheme, work for two years, and we dismiss you, your money is given back to you—*(Interjections)*—no. Honourable colleagues, please, let us listen to each other very carefully because this works for the Government, which will make money from the day this scheme is open—from everyone who is dismissed.

The proposal by the committee is that a member of the fund who does not qualify for pension is entitled to a one-off payment. What you are saying here is that the moment you are a member of the scheme, whether you qualify for pension or not, you are entitled to whatever you have contributed there. So, the change is superfluous.

**MR OGWAL:** What we should consider is: has somebody earned whatever he has got at a specific time? If I have already earned what I have been paid, which is mine, and I have also earned one from the Government, why do you want to withdraw the one from the Government? You should leave it to that person. You want to punish him twice. You have dismissed him –

**THE CHAIRPERSON:** That is different from what we are discussing.

**MS OPENDI:** Madam Chairperson, I am trying to understand the amendment from the committee so that if you have been contributing to this scheme but you leave the service and do not qualify for the pension, they give you what you have contributed and what the Government contributed, and you go. I do not see any problem with that.

It is just like Members of Parliament who have not served for 10 years and are not 45 years. If, for example, you are not re-elected in the next term, after serving five years, they

pay what you have contributed and what the Government contributed for you at once, and you go. So, you do not qualify for the pension—*(Interjection)*—no, that is a different case.

**MR KIRYOWA KIWANUKA:** The question here is that I have joined the Government – I have worked. For you to qualify for the pension, you work for 10 years. If you are in your 12<sup>th</sup> year and are dismissed from the Government, what happens to that person?

**MS OPENDI:** Madam Chairperson, let us also create some discipline. In such circumstances where somebody is dismissed from service – you are dismissed for a reason; wrongdoing. If you are dismissed, you should not qualify for the pension—*(Interjection)*— Yes, you should not qualify. You should be paid your money, and you go because you are a disgrace. You have been dismissed. So, you should be paid what you contributed for the 12 years and what the Government contributed for you, and you go.

**MR ODUR:** Madam Chairperson, when I look through, it appears that the committee’s proposal sought to just qualify points (a) to (d), and that is what they have summarised — who does not qualify? They are saying the same thing, only that they have chosen to use the words “who does not qualify.”

The Attorney-General is saying the same thing, but he has listed conditions when you do not qualify to be paid – termination, dismissal, abscondment, etc. You do not qualify for pension if you are dismissed; that is what we are saying. If you are dismissed from office, you are entitled to a refund, but you do not qualify for pension. So, we should maintain it as it is because they are saying the same thing, differently.

**MR MAPENDUZI:** Madam Chairperson, as a committee, our opinion was that if you are dismissed after you had served for a longer time, that qualifies you. Our interest was to protect such but, again, from the explanation given, it is a fact that dismissal or termination is taken as a punishment. It acts as a deterrent

to people from going against the required etiquette, but I concede. *(Applause)*

**THE CHAIRPERSON:** I put the question that clause 38 stands part of the Bill.

*(Question put and agreed to.)*

*Clause 38, agreed to.*

Clause 39

**MR MAPENDUZI:** Madam Speaker, clause 39 is amended in subclause (1), by substituting for the word “Board”, the word “Fund”.

The justification is to provide for applications to the Fund.

**MR KIRYOWA KIWANUKA:** No objection, Madam Chairperson.

**THE CHAIRPERSON:** I put the question that clause 39 be amended as proposed.

*(Question put and agreed to.)*

*Clause 39, as amended, agreed to.*

*Clause 40, agreed to.*

*Clause 41, agreed to.*

*Clause 42, agreed to.*

*Clause 43, agreed to.*

Clause 44

**MR MAPENDUZI:** Clause 44 is amended by deleting the words, “If that member has not received any retirement benefit in relation to previous pensionable service.”

The justification is to provide for payment of the balance on pension for past service.

**THE CHAIRPERSON:** Attorney-General?

**MR KIRYOWA KIWANUKA:** Madam Chairperson, the justification given and the action being taken are different. What we are saying is that if a person leaves the employment of the Government or retires from the Government but is a pensioner and then he happens to join another service, not Parliament because Parliament is excluded, and he wants to continue with his scheme, he can continue with it but they must take into account what he has received already.

Therefore, if he has taken five years of his pension, now you get him back in service and add that back, which would be wrong because it would be a double entry. So on this one, we propose that we maintain it because it is just saying, “If that member has not received any retirement benefits in relation to previous pensionable service.” If he has received that benefit - because some of them take a lump sum, others take - that is very important.

**THE CHAIRPERSON:** Committee chairperson?

**MR MAPENDUZI:** I concede.

**THE CHAIRPERSON:** I put the question that clause 44 stands part of the Bill.

*(Question put and agreed to.)*

*Clause 44, agreed to.*

*Clause 45, agreed to.*

*Clause 46, agreed to.*

Clause 47

**MR MAPENDUZI:** Clause 47 is amended –

- (a) in the head note, by deleting the words “computation of”; and
- (b) by deleting subclause (2).

The justification is to delete the words “additional pension” under subclause (2), since a member is entitled to both pension and gratuity under subclause (1), in addition



to the rights and remedies under the Workers Compensation Act, Cap. 233.

**MR KIRYOWA KIWANUKA:** I agree, Madam Chairperson. In fact, we thank the committee very much for this because the contract already provides for gratuity; now we have also made another gratuity in the law. It should have been - we concede to this deletion.

**THE CHAIRPERSON:** Thank you. I put the question that clause 47 be amended as proposed.

*(Question put and agreed to.)*

*Clause 47, as amended, agreed to.*

Clause 48

**MR MAPENDUZI:** Clause 48 is amended in subclause (1) by deleting paragraph (a).

The justification is to align with Article 254(2) of the 1995 Constitution of the Republic of Uganda and harmonise with Section 70 of the Uganda Retirement Benefits Regulatory Authority, Act Cap. 232.

**THE CHAIRPERSON:** Attorney-General?

**MR KIRYOWA KIWANUKA:** Madam Chairperson, I think Article 254 says, "Pensions shall not be taxed" but the Constitution does not say a pensioner does not pay his debts. Now, if a pensioner has a debt with the Government, but you expect the Government to continuously pay this person and he/she is not paying the taxes to the Government, that is unfair.

Tax is payable. If a pensioner owes Government tax, the Government should not be expected to pay the pensioner, but the pensioner should not be expected to pay the tax. You can have a pensioner who is doing business but owes Government tax in that business, his private business. But you are saying that he should be paid a pension but not pay Government tax. That is not correct.

**MR OGUZU:** Madam Chairperson, in our pensions we have exempted our pension from being taxed, but here while you are dealing with others, you want it to be a different story. I do not know how it reflects out there when we are processing this; that as Parliament we are protecting ourselves and those who pay taxes that pay us, you are exposing them. It becomes unethical on our side.

**MS OPENDI:** Madam Chairperson, I think we are mixing the two; what is in the current Bill is about the debt, not taxes. We are saying that "a pension, gratuity or other allowance granted under this Act, shall not be assignable or transferable and shall not be attached, confiscated, or levied upon in respect of any debt or claim except for the purposes of satisfying a debt due to the Government or a debt relating to a tax due and payable".

Now, what the committee is talking about - *(Interjections)* - just hold on; listen attentively - what the committee is talking about is this constitutional provision. The constitutional provision says "*a public officer shall on retirement receive such pension as is commensurate with his or her rank, salary, and length of service.*"

Then it goes on to say, "*...the pension payable to any person shall be exempt from tax.*" Exempting it from tax means that your pension is not taxable. However, if you owe the Government any taxes, then the taxes can be recovered. So, the two are different - *(Interruptions)* - yes, we are not taxing the pension; it is about paying a debt.

**THE CHAIRPERSON:** Attorney-General, the committee is saying, to align Article 254(2) of the Constitution and harmonise with Section 7 of the Retirement Benefits Regulatory Authority. Section 70, says, "*Notwithstanding anything to the contrary contained in any other written law, where a judgment or any other against a member of the retirement benefit scheme is made, no execution or attachment or process of any nature shall be issued in respect to the contribution of funds of the member.*"

**MR KIRYOWA KIWANUKA:** Madam Chairperson, I am going to say this without any fear of contradiction. Any such law, which says that we are trying to make it in consonance with Article 254, which says – because Article 254 of the Constitution says, “...you will not tax that pension.”

Therefore, if Parliament comes here and says, “We have now levied 20 per cent on pension,” that law will be contrary to Article 254 of the Constitution.

However, there is no law which says that a pensioner does not pay his taxes. There is no law, which says that a pensioner’s money is immune from attachment.

Honourable colleagues, that regulatory framework that you are creating – it is actually wrong for us to say that a person who owes the Government money should be paid by the Government - that is the principle of offset. I owe you money, you owe me money, but you want me to pay you and you do not want to pay me.

**THE CHAIRPERSON:** Attorney-General, so can we say that Section 70 of the URBRA Act is in contradiction with Article 254(2) because it allows to have –

**MR KIRYOWA KIWANUKA:** Madam Chairperson, it says that this pension is not attachable.

**THE CHAIRPERSON:** Yes, “no execution, no attachment or any process of any nature shall be issued in respect of the contribution”.

**MR KIRYOWA KIWANUKA:** Yes, but it is not about tax. Tax is the one thing that you cannot tell someone not to pay.

**THE CHAIRPERSON:** Even section 54 of the URBRA Act does not talk about tax.

**MS AISHA KABANDA:** Thank you, Madam Chairperson. We seem to be mixing the two schemes. The Direct Benefit (DB) and the contributory scheme. When I make my

contribution of 5 per cent and the Government makes its contribution of 10 per cent, this is not the Government’s money; it ceases to be your money.

It is money in the scheme managed by the scheme. They will invest it, and eventually, it earns interest and is given to the rightful people.

Therefore, do not say that the person who owes the Government money is being paid. No, it ceased to be your money at that time when I contributed and you also contributed.

Now, we are confusing this with a direct benefit scheme where only the Government is paying. This scheme we are making is a different one. An employee will contribute 5 per cent, the sponsor contributes 10 per cent. Immediately you contribute, it ceases to be your money. That is why I said that the principle is that the scheme is managed separately from the sponsor.

The scheme will manage the fund, grow it, and distribute it to the rightful people at the right time.

Now, in the old age of the person - like I have retired - you cannot, later on, come for my money in the future at old age, when I am struggling to survive.

Madam Chairperson, what the Attorney-General is saying, that you cannot pay a person that owes you money, does not apply because, at that time, you are not even paying me. It is the pension scheme that is giving me my rightful money at the right time.

**MR KIRYOWA KIWANUKA:** It is actually interesting that we are making this argument while the committee retains (b) which says, “you can get a court order and attach the pension” but we are saying that the Government cannot attach taxes.

**MR ONZIMA:** Madam Chairperson, I have listened to the Attorney-General and Hon. Aisha, but I do not agree with the submissions of the Attorney-General.

Also, part (b), which the Attorney-General is raising, that you can attach somebody's pension - you know there are two systems here. The direct benefit, which is what is running now and we are trying to abolish through this Bill. The Bill is talking about contribution. Just like the Hon. Aisha has said, when this money is contributed, it ceases to be both your and the Government's money.

There is no way the Government can say that, now that you owe me taxes, I should attach it. In this particular situation, the money can only become your money when it is paid to you. If in this situation, somebody had money with you, the Government had money with you, or you had taxes to be paid to the Government, it is until you are paid that the Government can sort it out with you, but not when the money is still with the scheme.

Therefore, in this situation, I think the idea pushed by the Attorney-General seems to be diverting.

**THE CHAIRPERSON:** Yes, Member for Abim?

**MR OCHERO:** I have a question because pension is your money. Whether you have shares in a company or not, it becomes your property. Are we saying that if you have a debt with the Government or anybody –

**THE CHAIRPERSON:** If you have a debt with the Government –

**MR OCHERO:** Or anybody –

**THE CHAIRPERSON:** No, it is only with the Government or a debt related to tax dues.

**MR OCHERO:** Okay, are we going to say that if you are retired and you are old, they should just leave you with your money even when you have debts? They just watch the money - how will they get money from you now? This is because that is the only money you have. If that is the only thing you have, they will pick that money. You are not saying you will be old -

**MR GAFABUSA:** Madam Chairperson, the question I have for the Attorney-General is, why should we ring-fence this money against other debtors, but we open it to the Government?

The other law, the Uganda Retirement Benefits Regulatory Authority Act is saying we cannot attach this money -

**THE CHAIRPERSON:** Public Service Pension Scheme - working for the Government. If you are saying why the Government? It is because the public –

**MR GAFABUSA:** Yes, even when I am working with Parliament, under the current legal regime, if I have a debt with Parliament, you cannot recover that debt from my pension; you cannot.

Even the Government - if I have tax obligations or other debts, find other areas to get your money from my assets, but not my pension. You can attach my other property but not my pension.

**MR OGUZU:** Madam Chairperson, I would like to draw the attention of the House to this matter. If we do not deliberate this matter properly, we are destined for a battle with the public out there and they are going to ask what kind of MPs we are.

Right now, we have had MPs who die with debts; they owe other people money at the point of their death - as he has read - you cannot go and claim their pension.

Now for other workers, you want to say someone should go after their pension. What kind of MP will you be? This is a highly politicised issue; we must be careful.

**THE CHAIRPERSON:** Honourable members -

**MR MAPENDUZI:** Madam Chairperson, I would not really plead, but I ask the Attorney-General to reflect deeper. Why would a Government pay attention or take the concept of pension very seriously? It is because that

Government would want to secure the future of its employees after service.

The assumption is that after giving services to the citizens, at some point, they would not have the energy and they would not have any other source of income. Therefore, there must be something kept for them so they can live a decent life after offering services.

Now, Madam Chairperson, some people will say, “Why should they go with that?” The same question applies to the Government. Why would the Government wait until somebody retires?

**THE CHAIRPERSON:** Honourable member, much as the Government is creating a saving for the people who retire, it is also not creating impunity. The issue of taxes is a citizen’s obligation. *(Members rose\_)* Hon. Jonathan?

**MR GAFABUSA:** Attorney-General, why should the Government wait – *(Interruption)*

**MR ODUR:** Madam Chairperson, there is an article of the Constitution which says that if you are a public officer, even after retirement, the Government can pursue you.

**THE CHAIRPERSON:** Yes, Article 164(2).

**MR ODUR:** Yes, and this Parliament has made recommendations. Some accounting officers - because this will apply to the civil servants I presume: commissioners, directors, Clerk to Parliament et cetera. After you have left office and retired, we find that you had caused the Government a financial loss of this amount of money and you have money somewhere, why shouldn’t that money be attached?

In some jurisdictions, as you have mentioned, Madam Chairperson, dodging tax nearly attracts a heavier punishment than murder because the Government must run. It does not matter, which Government. *(A Member rose\_)*

**THE CHAIRPERSON:** Let him finish.

**MR ODUR:** Yes, it does not matter which Government, but the Government must run. If there is an obligation imposed on the citizens -

**THE CHAIRPERSON:** One of the duties of a citizen under Article 17 - I am complementing what you are saying - is paying taxes.

**MR ODUR:** Therefore, I am in support of retaining the provision for two reasons: that for any government to run, the citizens must do their part. If it is found that you had evaded tax or there is an obligation, you must be able to pay, you must be able to pay.

Secondly, if the court has adjudicated the matter, and it has been specified here, an order of the court is available, then it should be attached.

**THE CHAIRPERSON:** Thank you. Yes, Hon. Fox Odoi.

**MR ODOI-OYWELowo:** Thank you, Madam Chairperson. I had decided to sit quietly the whole evening but I need to make this contribution.

Madam Chairperson, the imposition of tax is an election; it is an exercise in choice. We choose not to tax cows but we tax fuel. Therefore, it makes sense for us to ring-fence pensions. It makes sense for us to elect not to tax pensions. It cannot be the same Parliament that elects not to tax Matooke, milk that taxes –

**THE CHAIRPERSON:** Honourable member, we are not speaking the same language. We are not talking about taxing pensions. We are saying, once - this is a Public Service Fund for public servants. Once you have saved your money, your money should not be attached, and should not be deducted.

However, if you have a tax obligation to pay to the Government, that is the only scenario where your money can be deducted to pay a tax obligation to the Government — a debt to the Government.

**MR ODOI-OYWELowo:** Madam Chairperson, I get you, but I am only asking that we exercise a discretion to protect pensions even from the recovery of tax obligations -

**THE CHAIRPERSON:** Can I ask a question? One of the sources of this fund is the Consolidated Fund. Not so?

**MR ODOI-OYWELowo:** Yes, Madam Chairperson.

**THE CHAIRPERSON:** Now, where does the Consolidated Fund get money from? One of them is from taxes. If you cannot be able to pay the taxes, how will the Government get this money; the 10 per cent, that will be given to you?

**MR GAFABUSA:** *(In audible)* that I am doing, so the Government should be able to recover the tax obligations from that business. Attorney-General, the pension is a social security. That is why it is ring-fenced. It is supposed to help someone in a time when they are not able to work.

**MR NSEGUMIRE:** Thank you, Madam Chairperson. I would like to share the same sentiments with my colleague because a pension is a social security. If you tax, a scenario comes that you are going to offset the amount of money, which is being -

**THE CHAIRPERSON:** Honourable members, I would like us to look at clause 48(1): "*A pension, gratuity or other allowance granted under this Act shall not be assignable or transferable and shall not be attached, confiscated or levied upon in respect to any debt or claim except for the purposes of satisfying:*

- a) *A debt due to the Government; or a debt relating to a tax due and payable; or*
- b) *an order of court for payment of a periodical sum of money towards the maintenance of a child of an employee of whom the pension, gratuity or other allowances have been granted.*"

**MR NSEGUMIRE:** Madam Chairperson, that is where we have a problem.

**THE CHAIRPERSON:** Where do you have a problem?

**MR NSEGUMIRE:** That part you have just read.

**THE CHAIRPERSON:** With which one do you have a problem with; (a) or (b)?

**MR NSEGUMIRE:** Both because, Madam Chairperson, look at a scenario -

**THE CHAIRPERSON:** Honourable members, we shall not remove (b) because you are the - *(Hon. Basalirwa rose)* - listen. We are not removing (b) because you are the same people who drop your children left, right, and centre. You do not want to take care of them, and - we shall leave (b).

**MR NSEGUMIRE:** Madam Chairperson, let us remove (a) *(Members rose)*

**THE CHAIRPERSON:** Whom do I pick? *(Members rose)* Okay, all of you sit. Yes, Hon. Edakasi -

**MR EDAKASI:** Madam Chairperson, I have been listening very carefully. The clarification I am seeking from the honourable members who are saying that we should not redeem this money is: are we saying that people should live irresponsibly even when they know they have money and then, in the end, they are just let you go - that we should protect them because - *(Interjections)* - you listen; I listened to you. That we should protect you when you have lived irresponsibly - you have not paid your debts, but that the Government should just leave you because you are now at a point where you are vulnerable -

**THE CHAIRPERSON:** Honourable members, can you behave? First of all, I am telling you that tax obligations are your responsibility. The Constitution is very clear, under Article 17; one of your duties is to pay taxes. We should not run away from paying taxes.

I put the question that clause 48 stands part of the Bill.

*(Question put and agreed to.)*

*Clause 48, agreed to.*

*Clause 49, agreed to.*

*Clause 50, agreed to.*

*Clause 51, agreed to.*

*Clause 52, agreed to.*

*Clause 53, agreed to.*

Clause 54

**MR MAPENDUZI:** Clause 54 is amended, in subclause (1), by deleting paragraph (b)

The justification is that subclause (1)(b) is deleted because the Bill does not make provision for a special contribution.

**MR KIRYOWA KIWANUKA:** No objection.

**THE CHAIRPERSON:** I put the question that clause 54 be amended as proposed.

*(Question put and agreed to.)*

*Clause 54, as amended, agreed to.*

*Clause 55, agreed to.*

Clause 56

**MR MAPENDUZI:** Clause 56 is amended by inserting, immediately after subclause (2), the following –  
“The board shall present the report at the annual general meeting of members.”

The justification is to correct a drafting error.

**MR KIRYOWA-KIWANUKA:** No objection, Madam Chairperson.

**THE CHAIRPERSON:** I put the question not clause 56 be amended as proposed.

*(Question put and agreed to.)*

*Clause 56, as amended, agreed to.*

Clause 57

**MR MAPENDUZI:** Clause 57 is amended by deleting subclause (3)

The justification is that it is a consequential amendment to the amendment of clause 56.

**MR KIRYOWA KIWANUKA:** No objection.

**THE CHAIRPERSON:** I put the question that clause 57 be amended as proposed.

*(Question put and agreed to.)*

*Clause 57, as amended, agreed to.*

Clause 58

**MR MAPENDUZI:** Clause 58 is amended, in subclause (4), by substituting for the words “for each financial year” the words “every three years”.

The justification is that one year is too short a time for an investment plan to be effectively developed and implemented.

**MR KIRYOWA KIWANUKA:** No objection, Madam Chairperson.

**THE CHAIRPERSON:** I put the question that clause 58 be amended as proposed.

*(Question put and agreed to.)*

*Clause 58, as amended, agreed to.*

*Clause 59, agreed to.*

Clause 60

**MR MAPENDUZI:** Clause 60 is amended by substituting for the words “31<sup>st</sup> March” the words “31<sup>st</sup> December.”

The justification is that this is to coincide with the fiscal year of the Government.

**MR KIRYOWA KIWANUKA:** Madam Chairperson, the fiscal year starts from 1<sup>st</sup> July to 30<sup>th</sup> June. December is making it half of the fiscal year –

**THE CHAIRPERSON:** The financial year.

**MR KIRYOWA KIWANUKA:** The financial year - I think we should do it in March so that the reports can be made in time to make the necessary financial provisions. That is what I am reading.

**THE CHAIRPERSON:** So, are you maintaining what is in the Bill? Committee chairperson?

**MR MAPENDUZI:** Madam Chairperson, clause 60 says: “(1) The fund shall in each year hold annual general meeting of the members to be held at least by 31<sup>st</sup> of the calendar year.”

Our opinion, as the committee, is that – because you produce the report, but also have sufficient time to prepare for the annual general meeting. Our thinking is that the 31<sup>st</sup> of December is appropriate. Thank you.

**THE CHAIRPERSON:** That is half of the financial year.

**MR MAPENDUZI:** Madam Chairperson, here, we are saying that this should happen six months after the end of the financial year, which is December.

**THE CHAIRPERSON:** Calendar year? Okay. Yes, Attorney-General.

**MR ODUR:** The financial year ends in June. Under clause 56, we have given six months for the annual report to be prepared – that is, by December. So, the six months run from 1<sup>st</sup> July up to December; I support this amendment.

**MR KIRYOWA KIWANUKA:** The challenge was that we have six months – if you read clause 56 – within which to prepare the report.

However, we are now also saying that we must prepare the report and also have the AGM. This one is for having the AGM. Six months, to December, you do the report. Then, within three months, by 31<sup>st</sup> March, you have done the AGM.

If we leave it this way, we will find – if we say, December, then, we will find ourselves having to do the report and the AGM within that period. This one was allowing us six months by December and then before. So, if you do it earlier, you do it the other way.

Therefore, I propose that we leave it as March because that gives us three months from the time of the report.

**THE CHAIRPERSON:** Therefore, it remains as it is. I put the question that clause 60 stands part of the Bill.

*(Question put and agreed to.)*

*Clause 60, agreed to.*

*Clause 61, agreed to.*

*Clause 62, agreed to.*

*Clause 63, agreed to.*

*Clause 64, agreed to.*

Clause 65

**MR MAPENDUZI:** Clause 65 is amended, in subclause (4), by deleting paragraph (e).

The justification is that this is to delete a misplaced provision.

**THE CHAIRPERSON:** Attorney-General?

**MR KIRYOWA KIWANUKA:** Madam Chairperson, I read the report of the committee, but I did not quite appreciate what the problem was. We are saying that a person who makes an unauthorised deduction from a salary payment to an employee commits an offence. I do not

know what the disagreement with this, is, because it is something that we agree on.

The committee seems to suggest that it should not be here but where should it be or where is it?

**THE CHAIRPERSON:** It is here where we talk about offences and penalties.

**MR KIRYOWA KIWANUKA:** It is an offence here, under the Pensions Act, for you to deduct money. About this one, I am not very strong on it, but I do not see what it offends.

**THE CHAIRPERSON:** Chairperson?

**MR MAPENDUZI:** Madam Chairperson, these offences are already – okay, I concede.

**THE CHAIRPERSON:** I put the question that clause 65 stands part of the Bill.

*(Question put and agreed to.)*

*Clause 65, agreed to.*

Clause 66

**MR MAPENDUZI:** Clause 66 is amended by inserting immediately after subclause (3), the following -

“(4) Parliament may amend or revoke the statutory instrument laid under subclause (3) within two weeks, and if no amendment or revocation is effected within two weeks of it being laid before Parliament, the statutory instrument shall be deemed to have been approved.”

The justification –

**THE CHAIRPERSON:** Assuming in those two weeks Parliament is on recess? It is like the committee is trying to determine the Order Paper of Parliament, that it will take priority. Isn't two weeks too short?

**MR MAPENDUZI:** Madam Chairperson, it is at the discretion of Parliament and yourself to decide. For us, the justification is for

Parliament to approve the instrument made under this law. At least we want Parliament to - Madam Chairperson, you need to restrain Hon. Asuman Basalirwa.

**THE CHAIRPERSON:** First of all, when you look at clause 66(3), you notice that it says, “The regulations made under this section shall be laid before Parliament.” It is not asking for approval. It means, you first have to amend subclause (3) before you introduce another.

**MR MAPENDUZI:** Madam Chairperson, our thinking here was that this is a unique creation that would require a close watch by Parliament, and so it would be prudent for Parliament to have a role. However, if it is the opinion of this House that we drop it, we can. Otherwise, our opinion as a committee is to make sure that Parliament holds very closely the processes.

**THE CHAIRPERSON:** Parliament already has a role in this, it is laid on the Table. Even the annual report is brought to Parliament. The sectoral committees do the work. Attorney-General, what is your view? Yes?

**MR BASALIRWA:** Thank you, Madam Chairperson. I need some clarification from both the Attorney-General and the committee chairperson, on clause 66, juxtaposed with clause 64.

Clause 64 talks about issuing guidelines for giving effect to the provisions of this Act and its due administration. Clause 66 talks about the power to make regulations. Where is the line? Where is the difference between these two, in terms of guidelines and regulations? What is it that clause 64 seeks to introduce that clause 66 cannot?

**MS OPENDI:** In addition to what Hon. Basalirwa is raising, Madam Chairperson, I have a problem. This Parliament often passes Bills, but when they are assented to, the ministers take forever to actually make the regulations.

If this particular Bill requires regulations, instead of using the word “may”, let us use the word “shall”, and give a timeline. This is



because the ministers take forever to actually have the regulations. Can we state that within – normally, I prefer six months, but they say it takes time – (*Interjections*) - one year? When we say, “six months,” they complain; the ministers say they have to go through Cabinet approval and all that.

Madam Chairperson, I propose that under clause 66, can we have a timeline within which regulations should be completed. Let us amend clause 66 where the minister is supposed to make regulations because they take forever to come up with regulations. We have laws that were passed three to four years ago but they have no regulations yet they cannot implement the law without them. Instead of the word “may”, can we use the word “shall” and then give a timeline of six months?

**THE CHAIRPERSON:** We have created a committee of subsidiary legislation under our Rules of Procedure. That committee must do oversight and make sure that all the regulations are in place, but that does not stop us from saying that the regulations shall be made within a particular period.

**MS OPENDI:** Madam Chairperson, if we simply leave it, they will always hide under the fact that it is “may”, and they will not have to actually make the regulations.

**THE CHAIRPERSON:** Assuming the law does not require regulations?

**MS OPENDI:** No, it requires regulations. That is why it says that under clause 64, the Board –

**THE CHAIRPERSON:** Clause 64 says that it is the responsibility of the Board on the day-to-day running.

**MS OPENDI:** Yes, but these are guidelines, Madam Chairperson.

**THE CHAIRPERSON:** They are guidelines for the day-to-day running.

**MS OPENDI:** We cannot put them in the law and then have regulations made by the minister.

The regulations are intended to actually help operationalise the law, Madam Chairperson.

**THE CHAIRPERSON:** There are regulations by the Board, and then the guidelines or the oversight by the minister.

**MR GAFABUSA:** Madam Chairperson, we should have allowed the Attorney-General to answer Hon. Basalirwa’s question. What is it that the Board guidelines are going to do that the minister’s regulations are not doing? After understanding that, we can put a timeline for the minister to bring the regulations. Thank you.

**MR KIRYOWA KIWANUKA:** Madam Chairperson, if you recall, when I had just come to the House, one of the first things we dealt with was the mid-term review of the National Social Security Fund (NSSF).

One of the issues that we had at that time was complaints from people on how they were being treated. We constantly had these arguments on how people were treated. Who does what? When? Whom do you go to?

From that experience, that was where this came from. We said, “Look, we may not be involved in your day-to-day management, but put the guidelines there so that if we ask questions, we can answer them on your day-to-day management.” That was where the history came from.

The regulations can actually address all those issues. The problem is some of them are too minutely detailed, and some of them are passing guidelines for particular circumstances. That is the thing.

Anyhow, honourable colleagues, whenever a law is written here, many times this law is implementable. If you read all these laws, many of the things that we can do here are implementable. When we say that we may make regulations for this, you should look at the circumstances obtaining at the time and then write regulations if you feel you need them. For example, you have a regulation - we have put here that you may have an Annual General

Meeting (AGM). The AGM is provided for; the time, the report and the regulations, how you call the AGM, when you call it, and that kind of thing.

Therefore, those that can be done by guideline - and if we feel that they need a force of law, they can be done by regulation. The provision of saying that the first regulations to implement the law coming in the period of six months should not be a challenge, I would be okay with that, because then Parliament continues with the oversight.

Madam Chairperson, I think you have guided well on the issue of regulations, Parliament and the process of Parliament. When you bring regulations to Parliament consistently, in an attempt to assist the organisation to function, you may actually fail it from functioning because the process can be laborious, as you can imagine, for purposes – (*Interruption*)

**MS OPENDI:** Madam Chairperson, I just want to inform the Attorney-General that there was a particular Bill which this Parliament passed. What the minister tried to do - some of the clauses that were thrown out from here - was to try to introduce them in the regulations. When we say the regulations should be brought to Parliament, it is not that Parliament is going to discuss it. It is just for laying and purposes of information that you have now gazetted. That is all. We do not discuss them. They only lay them on the Table.

**MR KIRYOWA KIWANUKA:** We have no objection to that, Madam Chairperson.

**THE CHAIRPERSON:** But those regulations are scrutinised by the sectoral committees - yes, by the relevant committees.

**MR KIRYOWA KIWANUKA:** Thank you. Madam Chairperson, on the issue of guidelines, I think we may have gone for overkill, but it may not hurt to try this method. What we are saying is that we have an experience on this pension, so let us try this and see.

**MR BASALIRWA:** If you want to cure a situation the way you are describing it, then with due respect, you are not going to do it with clause 64 because as you know, clause 64 has no force of law; you know it very well.

Clause 66 will have force of law because you are going to have regulations by all statutory instruments, gazetted, and some of them will even have - the way clause 64 is worded - if there are sanctions, fines and penalties, they will be prescribed. I wanted to raise it earlier but I did not catch the eye of the Chairperson. I do not know what happened.

However, I think if we are to help the situation, learned Attorney-General, then I think it would have been important to collapse clause 64, and give that entire mandate to the minister by way of regulations.

So, what you have called guidelines can actually come as way of regulations, have them in the statutory instrument, gazetted for purposes of enforcement. That was the spirit in which I was looking at it.

**THE CHAIRPERSON:** Maybe, first, we need to agree on the timelines.

**MR SSENYONYI:** Madam Chairperson, I think to comfort the Attorney-General, nothing stops the board from having a board manual, for example. That is in reference to guidelines because this is administrative and so on; the board can have a manual by which they get to operate. Most entities have - what they call rules and regulations - not similar to the regulations they have talked about but some kind of administrative structure, which is a board manual and it does not have to be within the law. It can be taken care of under that.

**THE CHAIRPERSON:** Hon. Jonathan?

**MR ODUR:** Madam Chairperson, first of all, this last provision, in my opinion, is to give the latitude for the minister to operationalise the Act. The use of the word “may” in this circumstance, as the Attorney-General explained, depends. For example, we have

provided somewhere that the minister may prescribe a fine not exceeding Shs 100,000. There may not be a circumstance that requires that fine, but if it arises, then the minister can. That is why we use the word “may”; it is to give the latitude to exercise that prerogative to do that.

Where we need regulations to implement the Act, we have actually cited them across - for example, the first one is under clause 1, which says, “The Act shall come in force on a date appointed by the minister by statutory instrument.” That was already a command, and that is where we have used the word “shall”.

Look at clause 3 on the application of this Act, which says, “*The minister may by statutory instrument prescribe employees to whom this Act may apply*” - we think in the future there may be other categories, so you cannot now say let the minister provide this Act right now when we do not have that.

Therefore, my opinion is we should differentiate between the time. Do we need the six months after a statutory instrument has been made or you are saying six months after this Act? If you are saying six months after this Act, the minister may not have a circumstance where you need a regulation.

**MR GAFABUSA:** Madam Chairperson, in the same clause 66(2)(1), the minister in the same regulation is supposed to provide for the transfer of records of the pensioners under the Pensions Act into the fund. This one cannot wait forever. We will need those regulations. Otherwise, in which way will they follow?

**MR ODUR:** Madam Chairperson, the reason we have not put a commencement date on this Act is to take care of that situation. This is because there are some preparations that the ministry will have to make. Therefore, if you condition the minister that they do it in six months, in the six months, they may not be ready with those files. That is why we have allowed that.

**THE CHAIRPERSON:** We have left it open.

**MR ODUR:** Yes.

**MSAISHAKABANDA:** Madam Chairperson, with your permission.

**THE CHAIRPERSON:** Yes?

**MS AISHA KABANDA:** When you read clause 70.

**THE CHAIRPERSON:** But you have gone - is it the same?

**MS AISHA KABANDA:** I just want to assert that the minister is commanded thus: “The minister shall make regulations”, when you read clause 70(b) together with (8), which says thus: “*The minister shall, in consultation with the minister responsible for finance, by regulation, prescribe the manner...*” and then it continues; you notice that it commands.

However, clause 70(3) begins by saying, “*For avoidance of doubt, the Government, shall upon commencement of this Act...*” and it continues. All this shows that in the immediate term, there will be issues that the minister will have to pronounce themselves about by way of having regulations.

Therefore, we shall need regulations earlier than we actually think. The proposal of Hon. Sarah Opendi of six months was a good one.

**THE CHAIRPERSON:** Hon. Aisha Kabanda, Clause 70 is about the preservation and payment of accrued pension rights. This is a transitional clause and -

**MS AISHA KABANDA:** Yes, it is a transitional clause and in its form, 70(3)(b), you read it hand in hand with subsection (8).

**THE CHAIRPERSON:** “*For avoidance of doubt, the government shall, upon the commencement of this act:*

a) *continue to pay monthly pension for existing pensioners in accordance with the Pension Act, Cap 89(2).”*

Go back to 66 on regulations.

**MR BASALIRWA:** Madam Chairperson, first of all, on another day, I will explain why shall is not necessarily mandatory; on another day, because I see colleagues here insinuating that whenever you see the word “shall,” then it is mandatory and the word “may” is not. There are times when the use of the word “shall” is directory in nature but not necessarily mandatory but on another day we shall discuss that.

On the issue of the timelines that Hon. Sarah suggests, we have argued here and are devised that you see -

**THE CHAIRPERSON:** First of all, have we agreed that the regulations under this section shall be laid before Parliament?

**MR BASALIRWA:** Yes, that is okay.

**THE CHAIRPERSON:** What is remaining is the timeline. Not so?

**MR BASALIRWA:** Exactly! Madam chairperson, may I finish?

**THE CHAIRPERSON:** Let us move together.

**MR AMOS OKOT:** Madam Chairperson, clause 3 says that the regulations made under this section shall be laid before Parliament within six months for scrutiny and approval. We do not leave it just hanging like that.

**THE CHAIRPERSON:** You see what Hon. Odur was saying is that within the six months, you will have not finished the transitional period. So, you need to give the minister latitude to go through the process and have the systems to start working. If you are saying that within the six months, you may not achieve the six months.

**MR AMOS OKOT:** We have been arguing here, saying most of these Bills and the laws we pass sometimes just stay there for a long time without having regulations developed. This is not just something that we are learning now -

**THE CHAIRPERSON:** Hon. Okot because we saw that loophole, we have created the subsidiary legislation committee that should make sure that we put these ministers to check using that committee.

**MR OGUZU:** To allay Hon. Okot’s fear, *section 68 provides for a repeal and savings. Section 68(2)(c) says, “Any regulation and instrument made under the repeal Act shall remain valid and binding and shall be deemed to be made under this Act until they are revoked by a statutory instrument made under this Act”.*

That means that even as we continue to move without regulations, there are regulations under the Pensions Act, which we will repeal through this process. Those shall be enforced. That means, as the minister concludes those processes, you can still address yourself to the saved regulations. Thank you.

**THE CHAIRPERSON:** I see people have no homes. They want to sleep here.

**MR KIRYOWA KIWANUKA:** Madam Chairperson, I propose that we keep clause 66 as it is in the Bill.

**THE CHAIRPERSON:** I put the question that clause 66 stands part of the Bill.

*(Question put and agreed to.)*

*Clause 66, agreed to.*

*Clause 67, agreed to.*

*Clause 68, agreed to.*

Clause 69

**MR MAPENDUZI:** Clause 69 is amended by inserting, immediately after subclause, (3) the following: “The non-contributory public service pension scheme existing before the commencement of this Act shall, within six months from the date of payment of the last benefit accrued under the Pension Act, Cap 89, be dissolved.”

The justification is to dissolve the existing non-contributory scheme under the Pension Act, Cap 89.

**MR KIRYOWA KIWANUKA:** No objection, Madam Chairperson.

**THE CHAIRPERSON:** I put the question that clause 69 be amended as proposed.

*(Question put and agreed to.)*

*Clause 69, as amended, agreed to.*

Clause 70

**MR MAPENDUZI:** Clause 70 is amended in subclause (3)(a) by substituting for the word “redemption” the word “retirement” wherever it appears in the Bill.

b) In paragraph (a) (ii) by deleting the words “who shall elect to join the scheme”.

The justification is for consistency, where the term retirement bond has been used and defined. The second one is a consequential amendment in clause 4.

**MR KIRYOWA KIWANUKA:** Madam Chairperson, clause 4 was not amended. Therefore, the consequential amendment does not arise, but we agree that clause 70 (3)(a)(iii) can change from “redemption” to “retirement bond”.

**THE CHAIRPERSON:** Thank you. I put the question that clause 70 be amended as proposed by the committee and amended by the Attorney-General -

**MR ODUR:** In light of that, the wording as proposed by the Attorney-General should run through because the same words are in other clauses. To be consequential, the entire clause 70, not only subclause (3).

**THE CHAIRPERSON:** Yes, that should run through.

Clause 70 as amended.

**THE CHAIRPERSON:** I put the question that clause 70 as amended stands part of the Bill.

*(Question put and agreed to.)*

*Clause 70, as amended, agreed to.*

*Clause 71, agreed to.*

Clause 2

**THE CHAIRPERSON:** Clause 2 is a definition. The drafting people will correct the numbering in clause 66 and subclause (2) is repeated. Drafting people should do that. Yes, clause 2 - it is basically the numbering.

**MR MAPENDUZI:** Clause 2 is amended –

(a) In the definition of employee by substituting the words “or other public service”, the words “on pensionable terms”.

(b) In the definition of the qualifying period for pension, by deleting the words “other public service”.

(c) By inserting the following definitions in their respective alphabetical order, “Administrator means the person licensed under the Uganda Benefits Regulatory Authority Act, Cap 232, and appointed by the Board of Trustees to administer a scheme in accordance with such terms and conditions of service as may be specified in the instrument of appointment”. “Federation means registered Federation of Labor Unions”. “Fund Manager”, means the person licensed as fund manager under the Uganda Retirement Benefits Regulatory Authority Act, Cap 232, and appointed by the board of trustees to advise on the investment of the assets of the scheme in accordance with such terms and conditions of service as may be specified in the instrument of appointment;”

“legal representative” means an executor or a holder of letters of administration of the estate of a deceased member;”

“Scheme” means the Public Service Pension Scheme established under section 23;”

(d) by deleting the definition of “accrual rate”, “annuity”, “early retirement” and “pensions authority”.

The justification is to define keywords that have not been defined and to remove words that have been defined but have not been used in the Bill.

**THE CHAIRPERSON:** Also, define “council” and “beneficiary”.

**MR MAPENDUZI:** Correct.

**THE CHAIRPERSON:** Yes. So, the drafting people – we shall define council.

**MR MAPENDUZI:** Madam Chairperson, we also dropped “council”. We maintained “federation”, but ring-fenced it to public service unions.

**THE CHAIRPERSON:** Okay, I put the question that the proposed amendments in clause – yes, Attorney-General.

**MR KIRYOWA KIWANUKA:** Madam Chairperson, we agree to the deletion of the words “accrued benefit” across the Bill. We agree to the insertion of the definition of the word “administrator”. We agree to the deletion of the word “annuity”. We also agree to the deletion of the words “early retirement”.

Madam Chairperson, we propose that the definition of “employee” be maintained in the Bill, to include other public service, as we had already handled earlier.

We agree to the definition of the word “federation”, as proposed by the committee. We agree with the insertion of the definition of the phrase “fund manager”, as proposed by the committee. We agree with the insertion of

the words “legal representative”, as proposed by the committee. We agree to the deletion of the phrase “pensions authority”, as proposed by the committee.

Madam Chairperson, we propose that the definition of the phrase “qualifying period for pension” should remain to mean “the length of service in public service or other public service”. So, we propose that the deletion of the words “other public service” be rejected.

We also agree to the insertion of the definition of the word “scheme”. I beg to submit.

**THE CHAIRPERSON:** Thank you. I put the question that the proposed amendments by the committee and, further, by the Attorney-General, to clause 2, be approved.

*(Question put and agreed to.)*

*Clause 2, as amended, agreed to.*

Schedule 1

**THE CHAIRPERSON:** I put the question that Schedule 1 stands part of the Bill.

*Schedule 1, agreed to.*

*Schedule 2, agreed to.*

*The Title, agreed to.*

MOTION FOR THE HOUSE TO RESUME

8.17

**THE MINISTER OF PUBLIC SERVICE (Mr Muruli Mukasa):** Madam Chairperson, I beg to move that the House do resume and the Committee of the whole House reports thereto.

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

*(Question put and agreed to.)*

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

REPORT FROM THE COMMITTEE OF  
THE WHOLE HOUSE

8.18

**THE MINISTER OF PUBLIC SERVICE (Mr Muruli Mukasa):** Madam Speaker, I wish to report that the Committee of the whole House has considered the Bill entitled, “The Public Service Pension Fund Bill, 2024” and passed it with some amendments.

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

8.18

**THE MINISTER OF PUBLIC SERVICE (Mr Muruli Mukasa):** Madam Speaker, I beg to move that the Bill entitled, “The Public Service Pension Fund Bill, 2024” is read a third time and do pass.

**THE SPEAKER:** First move for adoption.

**MR MURULI MUKASA:** Madam Speaker, I beg to move that the Report from the Committee whole House be adopted. I beg to move.

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

*(Question put and agreed to.)*

*Report, adopted.*

BILLS  
THIRD READING

THE PUBLIC SERVICE PENSION FUND  
BILL, 2024

8.19

**THE MINISTER OF PUBLIC SERVICE (Mr Muruli Mukasa):** Madam Speaker, I beg to move that the Bill entitled, “The Public Service Pension Fund Bill, 2024” is read the third time and do pass.

**THE SPEAKER:** I put the question that “The Public Service Pension Fund Bill, 2024” be

read the third time and do pass.

*(Question put and agreed to.)*

A BILL FOR AN ACT ENTITLED, “THE  
PUBLIC SERVICE PENSION FUND ACT,  
2025”

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

Honourable members, one thing that I want to tell you is that when this Bill is sent for assent, a letter is written to the Attorney-General. If he is not ready for that clause that he has fought for - I saw him keeping quiet because I know that when we send it, he will say: “No, I did not agree with that clause.” It will be returned.

Where we have a chance, even if it comes back, if we feel we need to do an amendment, we can make an amendment. It is not cast in stone.

However, honourable members, I have the following Bills outstanding:

- i) The Contract Farming Bill – that is, agriculture;
- ii) The Human Assisted Reproductive Technology Bill – that is health;
- iii) The Marriage Bill;
- iv) Sexual Offences Bill;
- v) The Administration of Parliament (Amendment) Bill;
- vi) The Constitution (Amendment) Bill;
- vii) The East African Community Mediation Agreement Bill;
- viii) The Engineering Professionals Bill; and
- ix) The Valuation Bill.

Whether the committee chairpersons are here or not, I want all these Bills next week. We are not going for ministerial statements before we pass these Bills. We either pass or throw them out – whichever.

However, this afternoon, I told you that I had a petition and I wanted a brief on the petition to be given to the Attorney-General. I have handed over the petition to one of the Members, Hon. Odur. Give us a brief on the petition.

**HON. MEMBER:** Point of procedure.

**THE SPEAKER:** No point of procedure is permitted – under what rule?

8.23

**MR JONATHAN ODUR (UPC, Erute County South, Lira):** Madam Speaker, I move under Rule 30 of our Rules of Procedure to present a humble petition of the lead petitioner, Mr Bosco Onyik Ogwal and 11 others who jointly petitioned this Parliament to review the provisions of the election of Workers Members of Parliament.

The brief statement of facts read as follows:

“Article 78(2) of the Constitution and Section 8(3) of the Parliamentary Elections Act grants Parliament the powers to review the representation of special interest groups in this Parliament. This review requires a resolution supported by not less than two-thirds of the Members of Parliament, in accordance with Section 8(3).

Your humble petitioners have noted that the election of the Workers Members of Parliament, for the last 25 years, has caused a lot of challenges, in terms of regional balance, equity, and inclusivity and therefore, the northern region has missed out on the opportunity to elect its Workers’ representative to this Parliament.

In the last 25 years, the western, eastern and central regions have been the only regions that elected Workers’ Members of Parliament.

Your humble petitioners, therefore, pray that this Parliament, by a resolution, reviews the provisions of the law relating to the election of the Workers’ Members of Parliament to provide for regional balance, inclusivity and equity to allow the Workers from the northern part of this country to have the opportunity to elect, in line with the special interest groups such as the youth, the elderly and PWDs who are all elected in this Parliament, based on a regional basis.”

This petition is supported by the signatures of 11 petitioners and I am now pleased to lay before this House a copy of the petition for your onward guidance, Madam Speaker. I beg to lay.

**THE SPEAKER:** Thank you so much, Hon. Odur. Attorney-General, do you have anything to say? The petitioners are saying that when we are electing the youth, we specify that these Youth MPs come from Northern, Eastern, Central and whichever. The Persons with Disabilities are also distributed according to the regions. The elderly are also distributed according to the regions.

However, when you look at Section 8(3) of the Parliamentary Elections Act, it says, “There shall be a woman.” It only talks about gender; it does not talk about regionalisation and that is the basis of the petition. So, the humble petitioners are seeking an amendment of section 8(3) to include the different regions; North, East and Central.

8.27

**THE ATTORNEY-GENERAL (Mr Kiryowa Kiwanuka):** Madam Speaker, the election of these workers has been the subject of many Constitutional Court judgements. I think every cycle, we have one where it is reviewed but I will make sure that the Ministry of Gender, Labour and Social Development takes this up.

This is a matter handled by the Ministry of Gender; they are the ones who even handle the election of – (*Interjections*) – yes, it is the Ministry of Gender that runs the non-unionised workers’ elections and others. It is not a matter that I can quite respond to, but I will inform the minister.

**THE SPEAKER:** Honourable minister, we already have a precedent set in this House, where we have youths, Persons with Disability and the elderly who come from different regions. The only special interest groups that are not represented regionally are the workers.

Based on that, honourable members, these people have a point. These laws were made



by us; we had an oversight. For the purpose of equity, inclusivity and fairness - you cannot say that you do not include the North - you cannot just remain a blank law without specifying and saying, "We should have people from the East, the North, the West; let us regionalise this the same way the youth have been regionalised."  
*(Applause)*

I am now going to ask - because it has nothing to do with financial implications. It is just a rearrangement of existing law so that we know this one is coming from one side and this one is coming from the other side, meaning we are going to realign Section 8 of the Parliamentary Elections Act by including the regions.

**MR KIRYOWA KIWANUKA:** Madam Speaker, we need to be careful not to get ahead of ourselves - because I need to go and study how that rearrangement works because that may be an amendment, which may have to go through a process.

I think the easier thing is to have the Minister of Gender, who superintends over this issue –  
*(Interruption)*

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

**MS OPENDI:** Thank you, Madam Speaker. The petition is a valid one and somebody brought this to my attention about two weeks ago. He was happy that one of the MPs who fronted the idea that the top five that receive the highest votes are the ones that should come to this Parliament, actually lost *-(Laughter)-* yes, he was happy.

Madam Speaker, I propose that we do not only look at this. The issue of electoral reforms is necessary. Let us make all the amendments in the Parliamentary Elections Act to deal with it holistically because it is not only that one.

Madam Speaker, you have raised a valid issue; let us proceed. If the Attorney-General does not move, we will bring a Private Member's Bill. We will amend it through a Private Member's Bill, but we need those reforms.

**MR KIRYOWA KIWANUKA:** Just for information, honourable member, the Attorney-General does not bring Bills to the House. The Attorney-General supports the Bill, whether it is a private Member or Government Member.

**MR ODUR:** I would like to provide information for the Attorney-General to verify. Under the Parliamentary Elections Act, we gave powers to the minister - I think under section 100 - to make regulations. If you look at the other elections, the Minister of Justice and Constitutional Affairs has been making regulations; providing for that.

So, beyond the motion - the motion generally reviews - we can increase the number but to give guidelines on how they are selected is within the powers that the minister has. That is why the first option, like you said, is to go and study and consult with the minister, the way they have been doing for PWDs and the rest.

It does not take away the powers of the unions or federations; the federations can still be guided to elect. Just like in the NRM elections, as I understand, the Eastern Vice Chairperson is elected by the whole country but comes from the East. It is the same with the North.

**THE SPEAKER:** Attorney-General, let me guide you this way. I will give you one week to consult with the minister. Then if we do not hear from you, we will have a private Member's Bill to rearrange that.

**MR KIRYOWA KIWANUKA:** Let us put work where it is supposed to be. This is a matter I had not prepared for, I have not studied it and I have not done anything. There is someone who superintends over it. Why doesn't the petition be sent to the ministry where it is supposed to be handled and the ministry reports back?

This is not about the Parliamentary Elections Act; this is about the election - I have told you that there are several decisions that have been made about this particular election.

**THE SPEAKER:** Attorney-General, you are the legal advisor of the Government. By the

time we bring it up to you, we know you are the right person to advise either the ministry or Parliament. That is why we are giving it to you. You are a very big man in this country. We cannot do anything without going through you on matters of the law; we need this in one week.

8.34

**THE MINISTER OF PUBLIC SERVICE (Mr Wilson Muruli Mukasa):** Madam Speaker, I seek your indulgence, as a matter of courtesy, to express our sincere thanks and gratitude to you, the committee, and the Members of this House, for having passed this monumental Bill on the Pensions Fund. We are very grateful. Thank you very much.

**THE SPEAKER:** Thank you. I thank the two ladies there. Those ladies are very disciplined. They are always here; thank you very much.

8.35

**THE CHAIRPERSON, COMMITTEE ON PUBLIC SERVICE AND LOCAL GOVERNMENT (Mr Mapenduzi Ojara):** Madam Speaker, in the same spirit, permit me to thank you for taking us through this Bill, but also to thank very, sincerely, members of the committee that I chair; the vice-chairperson is here and some of the Members were here before.

Madam Speaker, I would like to particularly thank you for sending Members, who are extremely committed to this committee. Some of them are people who are extremely experienced and played a very vital role. I would not want to mention their names, but I thank you very much.

**THE SPEAKER:** Thank you, have a blessed evening. The House adjourned to tomorrow at 2.00 p.m.

*(The House rose at 8.36 p.m. and adjourned until Wednesday, 26 February 2025, at 2.00 p.m.)*