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**Wednesday, 20 July 2022**

*Parliament met at 2.01 p.m. at 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, allow me to welcome you to today’s sitting.

During yesterday’s sitting, I communicated that the Mining and Minerals Bill, 2022 was returned from the President and we referred it to the Committee on Environment and Natural Resources for reconsideration.

During today’s sitting, we will have the report ready and the Bill for passing. The work has been done and this is what we want in the 11th Parliament; the efficiency and effectiveness of committees. I am impressed with the committee. *(Applause)*

Honourable members, Hon. Joan raised a very important matter yesterday on the issue of accidents on the roads. So many matters are coming up on the issue of accidents and we may need a comprehensive report on the issue of accidents that are happening on the roads, both day and night, and what action the ministry is taking to intervene in that.

We also had unresolved issues and all those matters must be resolved tomorrow. The ministers should come tomorrow and update the House on those issues.

I want to thank you so much for coming to the House.

Can we look at matters of national importance? Hon. Oshabe?

2.05

**MR** **PATRICK OSHABE (NUP, Kassanda County North, Kassanda):** Thank you very much, Madam Speaker. I rise on a matter of national importance relating to a press release that indicated enhancement of salaries for Uganda Peoples’ Defence Forces (UPDF) top officials. It came out on 12 July and was signed by the UPDF Spokesperson, Brig Gen. Felix Kulayigye.

Madam Speaker, I do not contend a pay rise to the generals or the top officials in the army. What perturbed me in that communication was that the specific pay rise of 100 per cent was meant only for the senior officers. In the economic times we are in as a country, we have lower ranked officers who are serving this country well and when they see that pay rise and the fact that they are not considered, it puts us in a very difficult situation. Remember, we are still grappling with the indiscriminate pay rise for teachers and here we are dealing with indiscriminate pay rise for the army generals.

Madam Speaker, if there was any kind of pay rise, at the moment, it would have considered the lower ranked officers. If we continue like this, as a country, and we pick some few groups and respond only to those ones, we are dealing with a big problem for the country.

Madam Speaker, it is long overdue; we have demanded a Salary Review Commission in this country so that everyone can be managed properly. Here we are - today the science teachers’ salaries are increased, tomorrow salaries for UPDF generals are increased – how are we going to continue like this?

Madam Speaker, my prayer is that the Rt Hon. Prime Minister or Government comes here to explain the fate of the lower ranked officers. What is going to happen to them, given the economic times?

Secondly, we need a Salary Review Commission in this country so that people are paid equally what they are supposed to get paid. Thank you, Madam Speaker.

**THE SPEAKER:** Thank you, Hon. Patrick. Minister OO?

2.08

**THE MINISTER OF STATE FOR DEFENCE AND VETERAN AFFAIRS (DEFENCE) (Mr Jacob Oboth):** Thank you, Madam Speaker. I want to thank Hon. Patrick, whom I had watched on the same narrative about the selective pay. The intention of the Ministry of Defence and Veteran Affairs and Government as a whole would be to increase pay for everyone. Whereas we are not bothered to know how many generals were considered – if it will interest this House – I think a formal statement can be brought to indicate exactly what happened.

The last time the junior officers from captain and below got a pay rise in 2008, the others from major upwards to the general never got. The number of majors to generals is fewer. Considering the economic situation that we have, which is still unpredictable, it would have been the intention of Government to increase for everyone but as I have said before, if it is something that needs to be clarified, I am trying to clarify that –*(Laughter)-* *[Member: “Clarification*?”*]*

**THE SPEAKER:** There is a point of clarification from your neighbour.

**MR MACHO**: Madam Speaker, I want to thank the senior from Bukedi; the minister, for his submission. However, when issues of increment of salaries of forces come, they only talk about the UPDF - the army. I am, therefore, seeking clarification from the minister; why do we not talk about other forces like the Uganda Police Force and the Uganda Prisons Service whenever you are talking about salary increment? Thank you, Madam Speaker.

**THE SPEAKER:** Honourable members, I think we need to insist that we need a Salary Review Commission. That will cater for all sectors and will equalise people’s salaries. *(Applause)*

Honourable minister, in this economic situation, you cannot say that you are only giving to the big people, if it is true. Everybody needs to be treated equally. *(Applause)*

**MR OBOTH:** Madam Speaker, I think that is the same thought of the Government. Take it from me that the salaries of other categories of officers will have to wait -

**THE SPEAKER:** Honourable members, it is free sitting. Kindly do not stand if you can cross over this side.

**MR OBOTH:** They will have to wait for the general salary review and we believe that the Government is going to come up with a position on this matter that will comfort everyone, including Hon. Macho’s concerns, and everyone in Uganda who is a public servant or a civil servant.

**THE SPEAKER:** When can we have the commission in place?

2.12

**THE MINISTER OF STATE FOR TRADE, INDUSTRY AND COOPERATIVES (INDUSTRY) (Mr David Bahati):** Madam Speaker, we can inform the House when the salary review commission will be in place in the course of next week because it needs consultation with the Cabinet.

**THE SPEAKER:** The Executive, this helps you and whatever is being raised is in good faith. It helps the whole country – everybody. Hon. Macho has talked about the police, someone will talk about prisons and someone else will talk about another institution.

We, therefore, need the commission in place and you report back next week on the status.

2.12

**MS AISHA KABANDA (NUP, Woman Representative, Butambala):** Thank you very much, Madam Speaker. I rise on a matter of national importance. Article 29(1)(c) of the Constitution guarantees that all persons have the right to freedom, to thought, conscience and religion. This right includes the freedom to manifest religion and believe in worship, observance, practice and teaching.

In total violation of this article, the Muslim women are required to unveil when they go to acquire passports. In Islam, a veil is part and parcel of a woman’s clothing. It is neither decorative nor ornamental as may be perceived by the officials at the passport office.

It has been manifested in different schools around the country that Muslim girls are not allowed to adorn headscarves on grounds that such scarves are not part of the school uniforms.

Specifically, in the Quran, chapter 24 verse 31, Allah commands all Muslim-believing women to, among others, wrap a portion of their heads with the exception of the face, with veil over their chest and not expose any unveiled part to any person they are not related to. Exceptions can be made but it cannot be in a way that exposes a Muslim woman forever like a passport photograph does.

For emphasis, according to the guidelines for passport photographs of the International Standards Organisation (ISO) and the International Civil Aviation Organisation (ICAO) which are responsible for standardising travel documents, head covering for religious reasons is permitted for passport photos so long as the facial features from the bottom to the top of the forehead and both edges of the face are shown clearly.

The act of coercing Muslim women to unveil derogates and impairs their freedom to practice their religion and manifests as such. This deprives Muslim women of the right to practice their religion as guaranteed by the Constitution.

Further, these actions are discriminative since persons who manifest other religious practices are not forced by the schools or passport offices to remove their clothing before services are offered.

It is this august House, comprised of the people’s representatives, that can help to redeem the feelings of the Muslim women that feel discriminated.

I pray that this Parliament intervenes in this matter and restrains the passport office and schools from violating the freedom of Muslims to practice their religion and manifest such practice. So, I pray.

**THE SPEAKER:** Thank you very much. I got the same complaint from nuns of the Catholic Church and we must address both of them. Yes, Prime Minister?

2.17

**THE PRIME MINISTER AND LEADER OF GOVERNMENT BUSINESS (Ms Robinah Nabbanja):** Madam Speaker, I would like to thank my colleague for the question. I request that you give Government some little time, like a week, to come up with a report – *(Interjections) -* yes, we are -

**THE SPEAKER:** Of course, the report will include an action -

**MS NABBANJA:** Yes, because the nuns and the Muslims – I think that is the best way I can do it.

**THE SPEAKER:** Let us not squeeze water from a rock. The Prime Minister has said she is going to come up with a report and action taken and what can be done. I am also aware that there was a letter written by the Uganda Muslim Supreme Council on that. It is with immigration. The minister will come with a report to that effect and what we can best do to solve this problem because we must give everybody freedom.

2.18

**MR ALOYSIUS MUKASA (NUP, Rubaga Division South, Kampala):** Thank you, Madam Speaker. I rise on a matter of national importance in regards to the unregulated use of marijuana by some of our citizens with a misconception that it cures the effects of COVID-19 and other diseases.

We all know that at the time the COVID-19 pandemic broke out, no one was prepared for it. Not even the scientists were aware. This state of affairs forced our people to improvise and use traditional remedies, including concoctions made from local herbs in order to fight the Coronavirus infection.

While it is not medically proven to have curative capacity against COVID-19 disease, marijuana is one of the herbs that is believed by our local people as potentially effective in suppressing Coronavirus infections. For this reason, many local people resorted to the use of marijuana leaves both as an immune booster and as a local remedy in fighting COVID-19.

While COVID-19 may no longer be a big threat to Ugandans, the practice of consuming marijuana, especially as an immune booster has persisted. The practice involves drinking fresh marijuana leaves by immersing them in water and consuming that as tea. The belief is that this concoction is a natural remedy in the treatment of cough.

This practice has, however, resulted in serious consequences. As a result, cases of mental disorders are on the rise in the communities, domestic violence has increased, criminality is on the rise and the youth and even juveniles have adopted the use of marijuana, which is classified under drugs in the laws that govern this country.

My plea is that this House moves the Minister of Health to kick off a mass sensitisation campaign on dangers associated with the use of marijuana with an intention to discourage people who are knowingly or unknowingly using it as a natural remedy against certain diseases.

Secondly, the National Drug Authority should clarify on the risks or the benefits of marijuana use.

Finally, if there are health benefits associated with Marijuana use, let the Ministry of Health pronounce itself on the matter and come up with guidance for safe use of this weed.

I beg to submit, Madam Speaker. Thank you very much.

**THE SPEAKER:** Thank you so much. If you remember in 2016, this Parliament enacted an Act on narcotic drugs and Marijuana was part. All we need is to enforce what was passed in the Act.

Yes, Prime Minister.

2.22

**THE PRIME MINISTER (Ms Robinah Nabbanja):** Madam Speaker, you are spot on. The use of Marijuana is illegal in Uganda. Therefore, all those who are using Marijuana are committing an offence. We shall regulate this as a country. We shall continue to sensitise our people.

When I was still with the Ministry of Health - the content of that law that we were putting together - because other countries are using the same treatment. So, we shall come up with a law to regulate that. However, as of now, the use of Marijuana is illegal.

**THE SPEAKER:** Thank you. If you look at schedule two of that Act, you realise that it talks about marijuana. What is left is enforcement. When we pass some of these laws, the ministers should take it upon themselves to popularise them but for this, nothing has been done. A member is asking us to make another law, which law is already there. What we need is implementation*.*

**MR MUWANGA KIVUMBI:** Madam Speaker, I hear the Prime Minister talking about enforcing a law on Marijuana. However, as we speak, large scale Marijuana is being grown commercially in this country. I am aware of farms in Kasese and many other parts of the country – *(Interruption)* - Butambala is *Mira;* I am on a point of clarification.

Two, there is the global trend – most of the countries that we have been to, Marijuana is on the open. The normal trend now is not to abolish but to regulate, sensitise and let people grow it. Because it is medicinal and it is needed for commercial purposes, pharmaceuticals all over the world are milking millions of dollars in growing Marijuana. African countries are lagging behind in pharmaceuticals. That is why, Madam Speaker, in the last Parliament, a trend was here -

**THE SPEAKER:**  Maybe before the member comes in, in the same 2016 Act that you passed, it is called Cannabis, still meaning Marijuana but the same Act allows the Minister of Health to give you permission to grow it for medical purposes, commercial - the big ones - not the one that is being sold around, which causes some mental health.

Yes, Hon. Oboth Oboth.

2.26

**MR JACOB OBOTH (NRM, West Budama Central County, Tororo):** Madam Speaker, you have clearly taken it from the pieces of legislation that I wanted to refer to. However, also for the record, the honourable Member for Butambala, Hon. Muwanga Kivumbi, should have been on record because I have known him very well for the last 12 years. The submission he is making here - he should have made it with a rider after disclosing his interest. He has conflict of interest; he is a Marijuana farmer. He is a *Mira* farmer. *(Laughter)*

**THE SPEAKER:** Hon. Oboth Oboth, I hope that was a joke. *(Laughter)*

**MR MUWANGA KIVUMBI:** Madam Speaker, let me put it on record that I do not have any personal business interests in Marijuana or *Mira* growing. I come from Butambala and I am very clear on the *Hansard* of this Parliament -

**THE SPEAKER:** But you have on Cannabis?

**MR MUWANGA KIVUMBI:** Where *Mira* is hugely commercial and popularly grown. As you remember, I made a very passionate case for continued growth of *Mira* in this country. I am on the record in this Parliament and I cannot run away from it.

However, I am here to also make another case to urge the Government to go the whole way and regularise how individuals who want to grow Marijuana commercially can do so. It is a huge business. It can change lives. It can give us billions of money.

2.27

**THE LEADER OF THE OPPOSITION (Mr Mathias Mpuuga):** Thank you, Madam Speaker. Of course the Hon. Oboth Oboth, tongue-in-cheek, is running away from responsibility and trying to look for the usual soft targets he hits with no success.

Marijuana growing under license is lawful in this country. All we know are people with licenses. Will the Prime Minister clarify to this country whether the Government has track of where the growers supply including quantities and market. I am saying this because we could be blaming consumers that are not growers. The growers are known and they are licensed by the Government. Does she have a record of quantities grown by the licensed growers and, therefore, their channels of supply so that we can track where to stop the vice, Madam Speaker?

**THE SPEAKER:** I think what the Government should do is to popularise the Act and ensure the people that are doing that are brought to book. They can also give us the list of people that have been given the permits to grow Marijuana. Remember the law says - it is only for medical purposes. I do not think there is any minister who sells any Marijuana anywhere.

2.29

**MS VERONICA NANYONDO (NUP, Woman Representative, Bukomansimbi):** Thank you, Madam Speaker. I rise to highlight the plight of the people of Migaju, Lwemiriti, Kyakajiga and Kitemi all in Bukomansimbi District.

Madam Speaker, Bukomansimbi District benefited from the Government programme under which valley dams were dug and constructed for both livestock and domestic use. However, over the last three months, we have lost eight people, among whom are Mr Mutabazi Nsubuga, Musasizi and Mr Kabumbali. They all met their death while drawing water for home use.

My prayer is that the Government should fence off these dams after construction; otherwise, we are likely to lose many people.

I request, on behalf of the people of Bukomansimbi, that pumps be installed to enable communities draw water without having access to the dams.

**THE SPEAKER:** Thank you. First of all, Prime Minister, I want to thank you that the Frontbench is full today. Congratulations! We are happy when you, ministers, are here.

Some time back, Hon. Veronica came and said there was drought in the area. Government took an initiative and put dams, which was a very good initiative. We want to thank Government for the initiative. Now she has come back saying the dams are killing people. *(Laughter)*

2.32

**THE PRIME MINISTER AND LEADER OF GOVERNMENT BUSINESS (Ms Robinah Nabbanja):** Madam Speaker, I have the Minister of Agriculture here. Nevertheless, no life should be lost; so, we need to protect everybody. The dams that were constructed in Bukomansimbi - Now that the Minister of Agriculture is here, I am directing you to go to Bukomansimbi and make sure that those dams are fenced off.

**THE SPEAKER**: Honourable Minister of Agriculture, you are directed to go to Bukomansimbi and ensure that the dams are fenced.

3.32

**THE MINISTER OF STATE FOR AGRICULTURE, ANIMAL INDUSTRY AND FISHERIES (AGRICULTURE) (Mr Fred Kyakulaga)**: Thank you, Madam Speaker. I take the directive in good faith and I will move, as soon as possible, to the field and report back.

**THE SPEAKER**: When going to the constituency, kindly go with a Member of Parliament. Ministers, when you go to our consequences, kindly inform us and go with us. *(Applause)* I would like to thank Hon. Okaasai; he was in my constituency representing and talking for me. Thank you so much.

2.32

**THE LEADER OF THE OPPOSITION (Mr Mathias Mpuuga):** Thank you, for your indulgence. I would like to thank the Prime Minister for the quick directive but the entirety of the Members’ prayers have not been considered. Fencing off means no access.

The Member made a point that the fence is necessary and then pumping. That was the commitment we wanted on record; whether you have resources to provide pumps, not fencing off.

**MS NABBANJA:** Madam Speaker, as long as the NRM is still in power under the wise leadership of Yoweri Kaguta Museveni, we shall be putting things in order and therefore, I want to direct you, honourable Minister for Agriculture, to go and put the pumps for people to enjoy, irrespective of their political affiliation. *(Applause)*

**THE SPEAKER:** Honourable Minister of Agriculture, the pumps should be sent.

**MR KYAKULAGA:** Thank you, Madam Speaker. I would like to take the directive again and promise that I will go to the field, not only to fence off but also to put a micro system to pump water from the dam for the community. Thank you.

**MR SSEWUNGU:** Thank you, Madam Speaker, for guiding us very well but the procedural matter I am raising is in regard to the Prime Minister. I know they are in power, after having “stolen” from us. Would it be procedurally okay if, whenever she comes and says they are in power, we also respond that you stole from us? Would that be procedurally okay in this House?

I have been here and I know how the Prime Minister can respond but sometimes, the statement of “we are in power” – We are saying you stole our power; we won. Would it be procedurally okay to proceed in that form where the Prime Minister will come and Members are raising their serious issues but sometimes it becomes a little funny by maintaining their system of stealing our votes - Kyagulanyi won the presidency.

**THE SPEAKER**: Honourable Member, the Prime Minister did not say it on the microphone; so, I don't take it. Now you are speaking like somebody from where -

That was a light moment for the House. What would happen after a whole day when people have been busy? *(Applause)*

2.36

**MS FLORENCE NAMBOZO (Independent, Woman Representative, Sironko):** Thank you, Madam Speaker. I rise on a matter of national importance concerning news that was on NTV on Sunday night, the 17th of July. It involved a one Amis Mao, the Executive Director of African Centre for Green Economy (AfriCGE).

He was talking about Uganda drilling oil and he said, in his own words, that it is very hazardous to this environment. Oil was discovered in 2006 and that was a commercial discovery. The policies and laws are already in place. From his argument, he seemed to say that it is a one size fits all; issues of other countries may not be the same issues of Uganda.

Madam Speaker, the fuel tankers moving across from the other countries through Uganda to another country are in hundreds or thousands. When you calculate the emissions they leave in Uganda, it is overwhelming.

Uganda did an impact assessment and environmental screening before this was all in place. Approximately 2.5 billion barrels of commercially viable oil worth Shs 2 billion is expected annually for revenue in 20 years.

Uganda is heavily indebted and we are looking at oil to save this nation but when you listen to this executive director, he seems to imply that poverty is better than the risk that we would take.

Madam Speaker, I am praying that the impact assessment report be brought to this House for Members to look at and debate. Two, if indeed the animals are at a great risk, is it possible to extend the national park further north, at least by one or two kilometres in the Albertine Graben?

Lastly, that the Minister of Energy and Mineral Development comes to this House and speaks to the nation about this talk from Amisi Mao because sometimes, it is just a phrase from someone and the country is plunged into a disaster. I thank you.

2.40

**THE MINISTER OF STATE FOR ENERGY AND MINERAL DEVELOPMENT (ENERGY) Mr Sidronius Okaasai):** Madam Speaker, this is negative publicity that is carried around the globe about Ugandan oil. It would be shame for us Ugandans to go and talk against our own country.

This is something that is going to turn the economy and the lives of people in Uganda around and all of us should actually go out and oppose those negative forces. Secondly, an environmental impact assessment was done on what we are doing to extract the oil that we discovered. We are not doing it without science in it. A lot of science has been put in place to make sure that we extract the discoveries of oil in this country in a safe manner, and we shall also endeavour to deliver this fuel to the market in a safe manner; the studies have been done.

Secondly, you said the park should be extended to the north. That is still negative publicity. The environmental impact assessment which was carried out takes care of this and there is going to be little disturbance of the parks. There is no need to talk about moving those animals out of where they are. The oil is going to be extracted and is going to be passed underground, to deliver it to where we want and the animals will be protected.

If anything, we are discussing with the Ministry of Tourism, Wildlife and Antiquities; how do we plough the resources which will accrue from our petroleum to enhance tourism? How do we attract more tourists? The investment that will come is actually going to enhance other parts and not the negative publicity.

The environmental impact assessment report is available and we can make extracts from it for the House to benefit from it. We are actually publishing – we are going to popularise that environmental impact assessment. However, as a country and all of us parliamentarians, I request you to let us go out to fight negative publicity of what we have discovered.

We have talked in international fora about our petroleum products and we are actually fighting hard. As a country, let us not be shy to talk about what is ours. Many times, you ask us about the fuel prices; the only way we can check on the skyrocketing oil prices is when we succeed to produce our own oil to drive our economy. So, thank you very much.

**THE SPEAKER:** Honourable minister, in 2008, there was an oil and gas policy, which clearly spells out the role of every stakeholder in oil and gas; and that includes environmental issues - it was in 2008.

My request to Members is to go and acquaint themselves with these policies with the official Government policy and the laws which are in place and that will help us to counter these kinds of rumours that are outside there. So, speak from an informed point of view - and these policies are there. The laws are there, in regards to oil and gas. So, we should be able to get that.

2.44

**MR JIMMY LWANGA (NUP, Njeru Municipality, Buikwe):** Thank you so much, Madam Speaker. Madam Speaker, I rise on a matter of national importance about the lack of electricity in my electoral area. Madam Speaker, Njeru Municipality is home to two hydropower dams; Bujagali in Works Division and Nalubaale in Njeru Central Division.

Recently, when Government was constructing the Bujagali Hydropower Dam, it promised the people that gave in their land for the construction of the dam and electricity distribution all over the villages in the municipality. However, it is not even 20 per cent of electricity distribution in Njeru Municipality.

Being that Njeru Municipality is now growing into an industrious municipality, Madam Speaker, it is very important and urgent that the communities around these industries also benefit from the electricity that is being powered by the dams.

My prayer, therefore, is that power extension be given the urgency it needs, so that our people don't become a danger to our dear Mabira Forest. I beg to submit.

**THE SPEAKER:** Thank you. Hon. Nakato, on the same?

**MS MARY ANNET NAKATO (**Independent, Woman Representative, Buyende):Thank you, Madam Speaker. On the same note, Madam Speaker, I want to put this at your desk that Buyende is also underserved. With due respect to the leaders representing Kamuli, we face a similar problem.

We had some investors who had brought some factories and small-scale industries in the district but the majority of them have closed them down because there is no power. Even at district level, we also have a nursing school that cannot run - moreover a tertiary institution using a generator.

Madam Speaker, it is good we have the minister concerned with electricity or energy here. Out of 100, Buyende and Kamuli are served 10 per cent of the electricity. During the time of REA and the time of Umeme, we have been left behind.

Madam Speaker, my prayer is that you consider these two districts. Thank you.

**THE SPEAKER:** Honourable minister. Members, whoever has issues of electricity, please get all your issues and forward them to the Ministry of Energy. Honourable minister.

2.48

**THE MINISTER OF STATE FOR ENERGY AND MINERAL DEVELOPMENT (ENERGY) (Mr Sidronius Okaasai):** Madam Speaker, on Buikwe, we understand its fate. The Woman MP Buikwe has been in the office and I have promised that we are going to have a survey of Buikwe – *(Interruption)*

**MR SSEWUNGU:** Thank you, honourable minister. Madam Speaker, in 2015, we passed a loan here and among the beneficiary districts, was Kamuli and Kalungu, Madam Speaker. These districts were about six, which were supposed to be electrified.

Now, when we hear a matter coming from Kamuli, it is not fair. So, honourable minister, could you take keen interest with REA to establish - because I am also going to raise the same matter. There are about six districts, Madam Speaker; they are supposed have electricity everywhere with free metres but up to now, people are demanding for metres. The ministry is saying that those who can afford should go and buy metres and those who cannot afford, should then wait until government brings free metres.

They have metres to sell at Shs 700,000 but do not have free metres, which were part of the contract that was within the loan. *(Applause)* That is not fair. So, Madam Speaker, I think the minister should come back and explain these loans. Kamuli and Kalungu should not be among those districts, but another three.

**THE SPEAKER:** Honourable minister, we need a comprehensive report not only on those districts but on the entire country because there is a loan, which was approved in this House. *(Applause)*

**MR OKAASAI:** Madam Speaker, I take the directive. However, I wish to point out to everybody that we intend to have electricity cover the whole country, one way or the other, by 2030. *(Laughter)*

**THE SPEAKER:** Honourable minister, we approved a loan in this House and that loan was not meant to give us power in 2030. We want an immediate status report and how that loan has been used. Can we have that report next week on Tuesday? *(Applause)*

**MR OKAASAI:** Madam Speaker, most obliged. We shall bring a report on that loan, which was approved by this House.

**THE SPEAKER:** Not on the loan but on the status of connectivity of power in all the districts using that loan.

**MR OKAASAI:** That loan couldn't have covered the whole country.

**THE SPEAKER:** There are areas that were pointed out; they were supposed to be covered by that money. Can you give us a report to that effect?

**MR OKAASAI**: Most obliged, Madam Speaker.

**THE SPEAKER:** Thank you. We will discuss electricity when he brings the report.

2.51

**MR PAUL OMARA (Independent, Otuke County, Otuke)**: Thank you very much, Madam Speaker, for giving me the opportunity. I rise on an urgent matter of national importance regarding the invasion of villages in Otuke District by some armed people who went there and cut down rice gardens, banana plantations and fruit farms.

Madam Speaker, just to give you perspective, the recent UBOS statistics show that Otuke District is the third poorest district in Uganda, with a per capita income of $64. And because of the adverse weather conditions in season one, just like Karamoja has been hit hard because of crop failures - and I have been to the Office of the Prime Minister; I have written a letter there begging for food, which we haven't yet received.

Madam Speaker, we recently, after all these things, witnessed a great sense of trepidation and consternation about this invasion of armed people who went to Otuke District without informing the RDC, the LV Chairman, the Police and DISO and cut down our plants yet we are in famine and poverty.

Madam Speaker, the farms that were affected were for our model farmers and as you know, the President has a model farm in my constituency. And we had picked on these three people to scale up and demonstrate to the rest. However, these people were targeted; we don't know why.

One of the fellows is called Lengagino, His 84 Banana stems were cut off worth about five million shillings. Mr Sam Okullo’s sugarcane plantation, pawpaws and avocados; these are fruits that the President has been advocating for but were all cut down; they were worth about Shs 7,000,000. And then David Okullo had his 30 acres of rice fields chopped down plus his Matooke plantation, totalling to about Shs 5,000,000 was cut down; all these are in Ogeti Ward in Otuke Town Council.

**THE SPEAKER:** Hon. Omara, was it in your district where, on social media, people were slashing down food?

**MR OMARA:** Exactly! What you people saw on social media was actually from Otuke. Two of these farmers, Sam Okullo and David Okullo, were arrested and taken to Otuke District Police Station and each of them was forced to pay a million shillings to be released.

Madam Speaker, the violations against our people’s food rights is a fulcrum that rallies people against an establishment and it is something that we must completely reject. This poor implementation of Government policy and presidential directives, loaded with incompetence and injustice of attacking soft targets and looting from them, must be stopped.

Madam Speaker, instead, what we have witnessed in Kampala is the lack of action by the Ministry of Water and Environment in Kampala - *(Interruption)*

**MR OKUPA**: Thank you, Madam Speaker. I just would like to give the honourable colleagues and the House some additional information while I also seek clarification from the Government. Last Sunday, while I was in Kasilo attending a burial, I was shocked when the LC III Chairperson of Bugondo, while addressing the mourners, said that he had got instructions from the President’s Office, through RDCs and that he had received 1,000 slashers to slash all the rice gardens in the wetlands.

Therefore, Madam Speaker, maybe the Government needs to clarify whether that is its position. We know very well, the President said that some people from the East and Bukedi would be compensated but others who are in the wetlands should be chased.

Madam Speaker, this would be the time Government should think of giving amnesty to these people because we are facing a famine crisis. They should be given amnesty for the season and allow them to harvest, but that they should not return there. So, I was really touched and perturbed; I also watched that video, which the honourable member talked about.

Therefore, we really would like to know whether Government has given this directive and that RDCs have slashers to have rice gardens cut down. It is really very disturbing; or are they doing it on their own? Thank You, Madam Speaker.

**THE SPEAKER:** Can you conclude with your prayers?

**MR OMARA:** Yes. Madam Speaker, we have seen that the Ministry of Water and Environment is implementing this policy in a very wrong way. In Kampala, like the areas of Kulambiro-Kisasi, people have actually taken over the wetlands. If you look at the roads going to Kawempe and Kajjansi, factories have taken over wetlands and have even diverted the water.

Therefore, Madam Speaker, here are my prayers.

**THE SPEAKER:** Can you give us your prayers.

**MR OMARA:** My prayers are four. One is that the victims whose rice fields, banana plantations and fruits were destroyed, should be compensated by the Government of Uganda. The crops destroyed are valued at an estimated Shs 19 million.

The gunmen and the conspirators -

**THE SPEAKER:** How did you arrive at Shs 19 million?

**MR OMARA:** They counted the number of banana plantations and the rice gardens; about 30 acres.

**THE SPEAKER:** That is not -

**MR OMARA:** They can verify. The gunmen and the co-conspirators should be investigated, arrested and charged in the courts of law for criminal trespass, destruction of food crops and getting money from our people forcefully.

The other prayer is that the Ministry of Water and Environment, which we know has not implemented this policy very well and its service delivery has been quite a bit symbolic, be made to apply environmental laws judiciously but not capriciously.

And the last prayer is that the Office of the Prime Minister - and I am happy she is here - should provide urgent food relief to the people of Otuke because right now the RDC has just informed me that 22 Karimojong have arrived in my constituency; we need food. I thank you, Madam Speaker.

**THE SPEAKER:** Honourable member, what have the Karimojong come to do in your area?

**MR OMARA:** I do not know. I have just received that information. Even the picture that the RDC shared with me while having a meeting with them -

**THE SPEAKER:** What is the relationship between the Karamojong and the army men that -

**MR OMARA:** I do not know. The RDC is having a meeting with them and we really need to find a way of handling them. Madam Speaker, with your permission, I would like to lay the evidence.

**THE SPEAKER:** Which evidence is that?

**MR OMARA:** Of the crops that were cut, and the arrests that were made by the police, for record purposes. Thank you.

**THE SPEAKER:** Rt Hon. Prime Minister, that issue was first raised by Hon. Jonathan Odur and we said, as a House, that these people can be allowed to harvest their rice. And you will notice that the rice, which was being slashed, was almost ready for harvest. This would help us even traverse that situation of lack of food.

Therefore, Rt Hon. Prime Minister, I know you are going to take action; please - You are from Otuke; I thought you spoke for Otuke.

**MR ACON:** Yes. I want to thank you so much for the few minutes you have given me - *(Laughter)*

**THE SPEAKER**: Honourable members -

**MR ACON:** Madam Speaker, what my colleague has raised on the Floor happened in my constituency on the 12th and 13th of this month. The information I want to give to our minister is that the community of Otuke is appealing for demarcation of their wetland boundary.

Secondly, those whose crops were destroyed are requesting that if the Government cannot give them money for compensation, it should give them food.

For over 30 years, Otuke has suffered from cattle rustling. Hon. Paul has just mentioned that our RDC called at 12 O'clock to talk to us. Twenty two of our brothers and sisters and mostly women and children, walked from Karamoja region and settled in Otuke, Okwongo Town Council and the community -

 **THE SPEAKER:** You are saying the women have moved from Karamoja?

**MR ACON:** Yes, women and children; 22 in number. They are collecting food to make sure they cook for them but in the evening, they must walk back home. You can see the situation that the Otuke people are going through.

**THE SPEAKER:** And the women are harmless?

**MR ACON:** They are harmless; they are walking majestically as if going for a wedding and the children - *(Laughter)*

**THE SPEAKER:** Thank you. Prime Minister -

**MS NABBANJA:** Madam Speaker, the issue of Otuke has already been reported in my office by the Woman MP and now the information that we have got from our brothers will help us to do thorough investigation.

Honourable colleagues, the ministry has a directive from the Cabinet to see that we restore our environment. However, following the situation we are in and of course knowing that our people are in dire need of food, I request you, Rt Hon. Speaker and colleagues, to allow me handle this in my office as the Leader of Government Business, while involving the Ministries of Agriculture, Water and that of Security.

One, we shall investigate whether - you know my brother has talked of Shs 19 million. I do not know whether he got this figure from the Chief Government Valuer. However, the Office of the Prime Minister - You know we have a problem of our brothers in Karamoja but that does not mean that we shall not provide food to other needy areas; we shall give you food.

Two, we agreed in Cabinet to demarcate the boundaries for our people. We have the known - a number of metres from a wetland - such that our people know that when I am using this garden, at such and such a point, I am not supposed to cross over.

Therefore, this is going to be done across the country, not only in Otuke. We shall start with the wetlands of Kibuku; you are aware *–(Interjection)-* Kampala is a hotspot and we shall handle it head on including all those areas we are talking about; Lweza and everywhere.

So, colleagues, I want you to take note of the following: one, that investigations into those that went to Otuke and destroyed people's food will be carried on –*(Interruption)*

**DR BAYIGGA LULUME:** Thank you, Rt Hon. Prime Minister. When talking about rice growing in wetlands, is the new Cabinet decision to do away with people who are doing agriculture in the wetlands backed with research and good observation that rice growing in a wetland takes it away or degrades it in any way?

We have been in certain countries in which rice growing is done in wetlands and the wetlands have not been taken away. Why shouldn't we allow people to use wetlands profitably and allow this country grow more food and feed this population –*(Interruption)*

**MS ROSE OBIGAH:** Thank you, Madam Speaker. The point of order I would like to rise to my colleagues is, the Government is saying that we must restore the wetlands so that we do not have continued degradation. Therefore, is he in order to say that wetlands should continue to be used for farming other than allowing the current people who have their rice to harvest it and let the wetlands be reclaimed? Thank you.

**THE SPEAKER**: Prime Minister, can you give us your response to that?

**MS NABBANJA:** Madam Speaker, if other countries are degrading their environment, we should not follow suit. You are aware that the ecological benefits we get when, for example, our people engage in the production of fish is more; we have examples *–(Interjection)–* Madam Speaker, protect me from my sister. Madam Speaker, please protect me.

**THE SPEAKER:** Please continue.

**MS NABBANJA:** Honourable colleagues, the Ministry of Agriculture has come up with statistics that if we encourage our people to do fish farming in our wetlands, they will benefit more. There is a pond in one of the districts where our farmers are harvesting fish and getting Shs 65 million per year. How much money do our people get from rice?

So, we agreed in Cabinet that let us encourage our people to go fish farming. I requested you, honourable members, to allow me and my office, the Ministry of Agriculture and Fisheries and the Ministry of Wetlands to do investigation then we shall come up with a report. Thank you so much.

**THE SPEAKER:** Honourable members, I want to refer you to the NEMA Act in regard to the use of wetlands in Uganda. Read it very carefully, I understand the law was passed by you. Therefore, use that law before you start getting emotional.

3.10

**MR JOHN MUSILA (Independent, Bubulo East County, Namisindwa):** Thank you, Madam Speaker, for this golden chance. You made me proud in the last session; I was No.2 in my region of Bugisu after Hon. Nandala on the number of times I rose on this Floor. I hope that you will do the same in this session, Madam Speaker, with your stamina, intellect and undoubtedly, your beauty –

**THE SPEAKER:** Hon. Musila, can you speak? Please, go ahead and make your point.

**MR MUSILA:** Thank you, Madam Speaker. I rise on a matter of national importance, which was an issue and is now a concern in Bugisu. Around the same time, last year, I spoke about the cracks and the possible landslides in Bugisu. I told this House about the 40-Kilometre crack, but now we also have isolated areas, especially in my backyard in Bumbo Town Council in a ward called Bibaale; it is a looming disaster.

I would like to tell the House today that our call has not been heeded. I warned you about this last year. Unlike other regions of this country, which have drought, Bugisu is blessed with rains. Even as I talk, rains are pounding but they also bring possible disaster.

I am worried that we may suffer from landslides again. I have, with your permission, carried evidence of it. I will lay them on Table so that the ministry responsible can move to Bugisu. The ministries concerned have never done whatever they are supposed to do since we passed around this warning. This is in line with our national objective enshrined in Objective 23 of the Constitution of this country.

My prayer, therefore, is that the Ministry of Disaster Preparedness visits these places that are facing looming danger. When it comes to landslides, God is very good; he sends warnings. For instance, we saw the cracks gaping and becoming larger. As of now, it is worse.

My prayer to the ministry is:

1. To expedite the issue of the Bunambutye resettlement.
2. To also, possibly, establish evacuation camps so that in the case of any emergence of a disaster, people can be evacuated to such safe places. Thank you.

**THE SPEAKER:** Hon. Musila reported the same thing and these are disasters that happen in Hon. Nambeshe’s constituency. While you cry about drought somewhere, they have rain; but also rains cause disaster. We need to take action on what he has raised. You also need to see what is happening on the ground.

3.14

**THE PRIME MINISTER AND LEADER OF GOVERNMENT BUSINESS (Ms Robinah Nabbanja):** Madam Speaker, it is not true that the Government has done nothing. Last week, I was in that area under instruction from the President. We saw the crack and saw people hanging on the cliffs.

We already have a plan; that we are shifting people from those areas to Bunambutye in Bulambuli District. Construction is going on. We had stalled a bit because of the COVID-19 pandemic. There was no money due to suppression but we now have money appropriated by this Parliament. We are going to start serious construction by the army brigade.

Two, the meteorological department has given us warnings and they have been there many times. We are saying those people must shift down, especially those in the cliffs.

We are also saying urbanisation - we are using NGOs to get some little funding. You are aware that GiveDirectly brought a budget here and we are going to fund those people to come down to the urban centres to at least protect their lives.

Madam Speaker, we also want to carry out afforestation; to plant forests. This is so that when we remove these people, they do not go back. The fact is even those we shifted last year just marry another wife, take them to the new house and then go back. This is what is happening. After shifting these people, we want to plant trees for the Government or plant avocados and other fruits so that these people can now get money out of them.

Madam Speaker, it is not true that the Government is doing nothing. We have only not given the Member information. Thank you so much.

**THE SPEAKER:** That is why I was saying whenever you go to a Member of Parliament’s constituency, inform him or her of the visit.

**MS NABBANJA:** Colleagues, last week, I was with my brother. He is aware of everything. I was also there with Hon. Nandutu. Hon. Nandutu, please come and give more information on the plan -

3.17

**MR NATHAN NANDALA-MAFABI (FDC, Budadiri County West, Sironko)***:* Hon. Nandutu can speak anytime because they were travelling together in their helicopter that day. Madam Speaker, you have raised a very important issue. This House agreed that any government official, especially ministers - when going to somebody's constituency - they must inform him or her in advance.

I would like to clearly confirm that that weekend, which she is talking about, I was in Mbale. She came with a helicopter – I think she jumped from Malukhu *–(Interjection)*– of course, they just jump. They went to Namisindwa -

**THE SPEAKER:** Hon. Nathan, this is the Prime Minister of Uganda. She did not jump.

**MR NANDALA-MAFABI:** Madam Speaker, you are right. I do not know what happens in helicopters. I thought they jumped but if they do something else -

**THE SPEAKER:** Because you do not know what happens and you have never used them.

**MR NANDALA-MAFABI:** Madam Speaker *–(Interruption)*

**MS NABBANJA**: Madam Speaker, honourable colleagues can bear me witness. I have been moving to all parts of this country, including his area. I have always informed the Members in advance. Even that day, I held a meeting with 16 Members of Parliament from Bugisu.

I respect Members of Parliament and I have always respected my brother. When I was appointed here as the Minister of Health, he abused me. I used to stand up to speak when I was a new person and he used to abuse me. Is it in order for him to continue abusing me, even now, when I am the Prime Minister of this country? *(Applause)*

**THE SPEAKER:** Honourable members, let us not get emotional over this thing. Let us look at how to solve the problem. There is a problem; let it be solved.

**MR NANDALA-MAFABI:** Madam Speaker, that is why I want to thank you for your wise ruling, because I never abused the Prime Minister –

**THE SPEAKER:** Let us not go into abusing. What is your issue?

**MR NANDALA-MAFABI:** Unless abusing is about jumping the – *(Interjections)* – what I was explaining is that on that day, I was in Bugisu –

**THE SPEAKER:** What do you think the solution should be?

**MR NANDALA-MAFABI:** The solution is about informing Members because if you had told Hon. Musila that she was going to Namisindye for that – even I was an interested party.

Secondly, you said you informed all Members of Parliament when you were coming; I am here, my pigeon hole is here, I have not got an invitation to do that and I would love – *(Interjection)* – I will take the information -

**THE SPEAKER:** We are spending a lot of time on this.

**MR SSASAGA:** Madam Speaker, I represent Budadiri East. Budadiri East is where the Wagagai Peak of Mt Elgon is found. The big crack actually runs from the Mt Elgon area. I was also not informed about the meeting.

**THE SPEAKER:** Honourable members, it is not about information now. What we need is action taken on the ground for the situation to be controlled. We cannot continue this kind of talk in the House. Let us have the issues solved. Next item, please.

MOTION SEEKING LEAVE OF THE HOUSE TO INTRODUCE A PRIVATE MEMBER’S BILL ENTITLED “THE COPYRIGHT AND NEIGHBOURING RIGHTS (AMENDMENT) BILL”

**THE SPEAKER:** Honourable members, in furtherance to Article 94(4)(b) of the Constitution of Uganda and Rule 121 of the Rules of Procedure of Parliament, as a presiding officer, I will continue to protect your rights to Private Member’s Bills. *(Applause)*

I, therefore, invite Hon. Kiyaga to move his motion seeking leave of the House to introduce a Private Member’s Bill.

3.23

**MR HILLARY KIYAGA (NUP, Mawokota County North, Mpigi):** Thank you, Madam Speaker, for the opportunity to stand before this august House to present a motion seeking leave of the House to introduce a Private Member’s Bill entitled, “The Copyright and Neighbouring Rights (Amendment) Bill.” I move under rules 56, 121 and 122 of the Rules of Procedure of Parliament.

The motion is thus:

*“WHEREAS Article 79 of the Constitution of the Republic of Uganda, 1995, empowers Parliament to make laws on any matter for the peace, order, development and good governance of Uganda;*

*AND WHEREAS Article 94 (4) (b) of the Constitution and rules 120 and 121 of the Rules of Procedure of Parliament permit a Member of Parliament to move a Private Members' Bill;*

*AWARE that the Copyright and Neighbouring Rights Act, 2006 is the law that governs the protection of literary, scientific and artistic intellectual works and their neighbouring rights in Uganda;*

*FURTHER AWARE that since the enactment of the Copyright and Neighbouring Rights Act, a lot of success has been registered in recognising the literary, scientific and artistic intellectual works and their neighbouring rights and the exploitation of such works for the benefit of their authors;*

*CONCERNED that due to the passage of time, some aspects of the Copyright and Neighbouring Rights Act have become out dated, especially in light of the advances in technological and emerging international best practices, which have all registered an increase in the nature of copyright works that can be protected, changes in how copyright works, can be exploited and infringed and increase in revenue arising from exploitation of copyright works, which all necessitate changes in the law to address these developments – (Interruption)*

**MR KAGABO:** Madam Speaker, I am complaining about the noise here; I am unable to hear.

**THE SPEAKER:** Prime Minister, your Members are making noise. *(Laughter)* Can I have the Members who are outside come in? Thank you. Please continue. Honourable members, if you want to come to the Chamber, please come in and follow the proceedings from in here. Do not come and stay in the corridors gossiping. If you want to gossip, go and gossip in your homes. Here we come for work. *(Applause)*

**MR KIYAGA:** Thank you very much, Madam Speaker. The motion continues are follows:

“…*FURTHER CONCERNED that notwithstanding the success registered by the Copyright and Neighbouring Rights Act, the Copyright and Neighbouring Rights Act –*

1. *has not spurred an uptake in the registration of copyright in Uganda since the Act does not grant any benefits to authors that register under the Act beyond those granted to persons who do not register;*
2. *does not recognise the rights of the composers of artistic works and instead assigns the rights of such persons to producers;*
3. *does not adequately grant easily attainable remedies for infringement of copyright works since it emphasises civil and penal sanctions for most infringements, a process that is tedious and unattainable for most authors;*

*RECOGNISING the role played by copyright in development, social inclusion, cultural diversity and human development, especially through providing financial reward to authors of protected work, the promotion, formalisation, establishment of a domestic, creative and innovative industry, the generation of revenue and the balance of trade through exports of creative arts and services, employment creation for Ugandans, boosting of local and international tourism and preservation of Uganda’s tangible and intangible heritage;*

*COGNISANT that Uganda’s Vision 2040 obligates Government to encourage innovation, to harness a full potential of digital economy and technology innovation and the utilisation of the power of ICT to stimulate growth, innovation and employment;*

*NOW, THEREFORE, be it to resolved that Parliament grants me leave to introduce a Private Member’s Bill entitled, “The Copyright and Neighbouring Rights (Amendment) Bill”, a draft of which is here attached and do order the publication of the Bill in preparation for its first reading.”*

I beg to move.

**THE SPEAKER:** Thank you, Hon. Hillary. Is the motion seconded? It is seconded by the LOP, Hon. Wilfred, Hon. Atkins, Hon. Hanifa, Hon. Kiwanuka, Hon. Rose Obiga, Hon. Aisha, Hon. Aol, Hon. Rachel Magoola and Hon. Abdu. Thank you so much, Hon. Hillary.

Would you like speak to your motion? If you have spoken, can we have the seconder?

**MR KIYAGA:** Thank you very much, Madam Speaker. Honourable colleagues, in memory of the late Jacob Oulanyah who spearheaded the coming up of the Copyright and Neighbouring Rights Act, 2006, we decided to come over and have an amendment to fit the existing situation. There are many things that were left out and the Act needs to match with the existing environment.

As an artist, I know Ugandans are fed up of seeing musicians, artists, creators on the streets as if they are beggars. This has been because their works are not protected and it is this House that has to regulate and come up with policies that can protect the works of creatives, since we are advancing for innovation. I beg to submit.

**THE SPEAKER:** Thank you so much. Hon. Rachel Magoola -

3.34

**MS RACHEL MAGOOLA (NRM, Woman Representative, Bugweri):** Thank you, Madam Speaker. Since enactment of the Copyright and Neighbouring Rights Act, a lot of success has been registered in recognising the literary, scientific and critic intellectual works and their rights and the exploitation of such works for the benefit of the authors.

Due to the passage of time, some aspects of the Act have become outdated, especially in light of advances in technological and emerging international best practices which have all registered an increase in the nature of the copyright works and how copyright works can be exploited and increase in revenue, arising from exploitation from copyright works, which all necessitate changes in the law to address these developments. There is, therefore, a need to amend the Copyright and Neighbouring Rights Act, 2006 to international best practices by:

a) Redefining the definition of the original work in relation to work that can be protected.

b) Include work eligible for copyright protection; political Speeches, interviews and speeches delivered during any judicial proceedings.

c) Recognise and protect the rights of a composer of an artistic work.

d) Enhance the functions of the Registrar of Copyright.

e) Establish a register of copyright and prescribe the mode of registration of copyright.

f) Empower the Registrar of Copyright to improve administrative penalties and statutory damages for infringing copyright works.

g) Empower a holder of a copyright or labouring right registered under the Act to claim statutory damages against a person who infringes a registered copyright or neighbouring right.

h) Empower the Registrar of Copyright to settle disputes under the Act.

**THE SPEAKER:** Honourable Member, you are just seeking for leave. You will explain that at committee level.

**MS MAGOOLA:** Thank you so much, Madam Speaker. I beg to submit.

**THE SPEAKER:** Honourable Members, I want to thank you so much. Hon. Abdulhu, one minute.

3.37

**MR ABDULHU BYAKATONDA (INDEPENDENT, Workers Representative):** Thank you, Madam Speaker. I want to thank you for considering this motion under rule 25 to allow the Member process and present it to the House.

Madam Speaker, I am privy to the matter at hand, to which the honourable colleague seeks to move a motion. Internationally, the practice has been to promote copyright and neighbouring rights. You find that in the USA, for example, the person filing for rights and the holder of such rights is given a minimum of 20 years. The issue of enforceability is actually taken sort of –

Madam Speaker, this industry employs many Ugandans. It is a very attractive industry and can be a foreign exchange earner but you find that the holders of such rights end up very miserable when their rights are reproduced, sold or done otherwise. When you think of the Telecom companies, they actually use those rights so that they give a very meagre percentage to the producer; actually 7 per cent, Madam Speaker. This is a well-placed motion and I beg to second it and really appeal that the House considers it very fast and we process it. I beg to move.

**THE SPEAKER:** Thank you so much, Hon. Kiyaga and the seconders. We are in agreement on the principles and objectives of the motion. I will, therefore, put the question on the motion and in case of anything that you need to add or that you need to debate upon, we will refer this motion to the committee and all your ideas will be captured at the committee level.

I, therefore, put the question that the House grants leave to Hon. Hillary Kiyaga to introduce a Copyright and Neighbouring Rights (Amendment) Bill.

*(Question put and agreed to.)*

**THE SPEAKER:** I direct the Clerk to accord Hon. Hillary all the assistance that is required to have this Bill published and brought for the first reading. We are doing all this as per Article 94(4)c of the Constitution and rules No. 121, 121(3) and (4) of the Rules of Procedure.

MOTION FOR RECONSIDERATION OF THE MINING AND MINERALS BILL 2022, AS RETURNED BY HIS EXCELLENCY, THE PRESIDENT

**THE SPEAKER:** Honourable members, as I communicated yesterday, the House passed the Mining and Mineral Bill, 2022 on 17 February 2022 and the Bill was duly transmitted for presidential assent, pursuant to Article 91(1)2 of the Constitution of the Republic of Uganda.

His Excellency the President, through a letter dated 18 June 2022, returned the Bill for reconsideration of this House, pursuant to Article 91(3)b of the Constitution. I referred this Bill to the Committee on Environment and Natural Resources and the committee’s report is ready.

However, the procedure enshrined under Rule 143 of the Rules of Procedure requires the minister and, in this case, the Minister of Energy and Mineral Development to present a motion to that and I invite the Minister of Energy and Mineral Development.

3.42

**THE MINISTER OF STATE FOR ENERGY AND MINERAL DEVELOPMENT (Energy) Mr Sidronius Okaasai):** Madam Speaker, I rise to move that the House considers the following motion without notice under Rule No. 59 sub rule 1 (j). Motion for reconsideration of *“The Mining and Minerals Bill, 2021”*.

**THE SPEAKER**: It is seconded by Hon. Bahati, Hon. Aber, Hon. Hellen, Hon. Annet, Hon. Bwino and Hon. Nandutu. Thank you, honourable chairperson. Would you love to speak to your motion briefly?

**MR OKAASAI**: Madam Speaker, I am moving a motion for reconsideration of *“The Mining and Minerals Bill, 2021”* by the House. The motion is moved under Rule No. 143(3) of the Rules of Procedure of Parliament. It reads;

*“WHEREAS, the Parliament of Uganda passed the Mining and Minerals Bill, 2021 with amendments on 17th February 2022;*

*NOTING that His Excellency the President returned the Bill to Parliament with a request for reconsideration of the following clauses;*

*(a) Clause 8 on the definition of large-scale mining.*

*(b) Clause 33(1) on the establishment of a tribunal.*

*(c) Clause 31(7) on the exception to competitive bidding.*

*NOW, THEREFORE, be it resolved that Parliament reconsiders the Bill, as requested by His Excellency, the President.”*

*I beg to move.”*

**THE SPEAKER:** Thank you, honourable minister. Chairperson of the committee.

3.44

**DR EMMANUEL OTAALA (NRM, West Budama County South, Tororo):** Thank you, Madam Speaker. Before I present the report of the Committee on reconsideration of “The Mining and Minerals Bill, 2021”, I beg to lay on Table the minutes of the proceedings of the said committee and a copy of the report.

**THE SPEAKER:** Please lay.

**MR OTAALA:** Madam Speaker, this is a report of the Committee on Environment and Natural Resources on the reconsideration of “The Mining and Minerals Bill, 2021”.

As you have already stated, “The Mining and Minerals Bill, 2021” was passed by this House and referred to His Excellency the President for his assent.

The President has considered the Bill and referred it back to Parliament with objection to three clauses. It is against this background that on 19 July 2022, in accordance with Article 91(3)b, and 91(4) of the Constitution of the Republic of Uganda, His Excellence referred this Bill for reconsideration by the Committee on Environment and Natural Resources.

The said Articles require Parliament to reconsider a Bill that has been returned to Parliament by the President, with a request that the Bill or a part provision thereof, be reconsidered by Parliament.

The committee considered the Bill in accordance with rule 143(2) of the Rules of Procedure of Parliament and I hereby report as follows:

General observations about the impugned clauses of the mining and minerals Bill 2021. The first one is on the definition of large-scale mining.

Clause 8 of the Bill defines large-scale mining to mean the intentional mining of minerals in mechanised operations involving the excavation of large surface pits, sinking of shafts, driving of adits or other underground openings, with the limitations to the extent of the mining operation, dictated by the extent of the ore body, and annual ore production volumes or throughput exceeding 1 million tonnes.

His Excellency, the President of Uganda, argues that the current definition, if maintained, has the effect of excluding projects such as Kilembe Mines, Makutu Rare Earth Elements, Rubanda and Mugo Iron Ore, which are complex and capital intensive, but may not meet the annual ore production or throughput exceeding 1 million tonnes.

He recommends that this definition should be deleted and instead a new provision numbered 59: threshold for large scale mining be inserted under cross heading large scale mining.

That this would give the minister powers to prescribe the threshold for large-scale mining under the Act for different minerals.

Madam Speaker, the committee considered the President's submission, justifying the deletion and agreed that the current definition, if maintained, would indeed have the effect of excluding projects such as Kilembe Mines, Makutu Rare Earth Elements, Rubanda and Mugo Iron Ore since what may be considered as large-scale mining, in terms of quantity, may not be the same for another mineral in terms of quality or even in terms of capital investment.

The committee, therefore, recommends as follows:

1. That the definition of the phrase “large-scale mining” be deleted in clause 8; and
2. That a new provision numbered 59 (Threshold for large-scale Mining licences) be inserted under cross heading, “Large-Scale Mining Licences.”

Number 2.2 is in respect to announcement of areas for exploration, medium scale or large scale mining licence.

Clause 31(1) provides that notwithstanding section 30, the minister may, in a manner prescribed by regulations, announce areas open for bidding for exploration licences, medium scale mining licences or large scale mining licences under this Act. Clause 31(7) provides that for the avoidance of doubt, competitive bidding shall not apply to areas under a mineral right.

Madam Speaker, His Excellency, the President argues that this exemption would prevent Government from using competitive bidding for licences in the control of Government, like bidding for Kilembe Mines. He, therefore, recommends that this clause should read as follows:

“*For the avoidance of doubt, competitive bidding shall not apply to areas under a mineral right, except for a mineral right held by a State-owned enterprise*.”

The committee considered the clause and the President’s argument and agrees to the proposed amendment because it will enable Government to use competitive bidding for the licences it controls, instead of handpicking any company.

The committee, therefore, recommends that clause 31(7) be amended to read as follows:

“*For avoidance of doubt, competitive bidding shall not apply to areas under a mineral right, except for a mineral right held by a State-owned enterprise*.”

2.3 was on objection to proposed mining operation

Clause 33(6) provides that a person aggrieved by the decision of the minister, under subsection (2), may appeal against the decision to the tribunal within 30 days of receipt of the decision.

His Excellency, the President argues that the establishment of a tribunal is contrary to Government’s ongoing process of rationalising and merging of agencies. He further argues that the High Court has unlimited jurisdiction on all matters and that it has been strengthened to improve delivery of justice, and it is empowered to handle such grievances.

He, therefore, recommends that such an appeal should be lodged to the High Court and not the tribunal, and that the clause should be substituted to read as follows:

“*An appeal being made to the High Court within 30 days of receipt of the decision.*”

The President recommends that clauses 33(7) and (8) be deleted consequentially.

Madam Speaker, the committee considered the clause and agrees with the President’s argument and recommendation that clause 33(6) be redrafted to read as follows:

“*A person aggrieved by the decision of the minister, under subsection (2), may appeal against the decision to the High Court within 30 days of receipt of the decision*.”

The committee also agrees with the President that clauses 33(7) and (8) should be deleted consequentially.

In conclusion, Madam Speaker, the committee scrutinised the issues raised and agrees with the President in all areas referred to the committee for reconsideration. Madam Speaker, I beg to report. *(Applause)*

**THE SPEAKER:** Thank you so much, honourable chairperson.

**DR OTAALA:** Madam Speaker, I was also alerted by a section of my committee members that there is a minority report and it is your decision, Madam Speaker. Thank you.

**THE SPEAKER:** I have not received the minority report to that effect. Where is the minority report? Honourable members, let us do things smartly. The rules say that a minority report should be appended to the major report. We have not seen the minority report. How do we - I want to refer you to rule 205. How do you just ambush us with a minority report in the House?

When you look at this Bill - and I want to tell my colleagues in the opposition and the Leader of Opposition, that not everything must have a minority report. I have been there - *(Laughter)* - I have also been in the opposition. It is not about having a minority and there is no point of departure on this Bill. This Bill had so many clauses; there is no much departure.

3.57

**THE LEADER OF THE OPPOSITION (Mr Mathias Mpuuga):** Thank you, Madam Speaker. It is not my intention to impeach your guidance to the House. My view - and humble view - is that the chairperson of the committee has a duty not only to inform the Clerk about the availability of a minority view, whichever is contained therein, but also to ensure that they are both uploaded at the same time.

I cede ground to hear from the chairperson whether he is not in receipt of the same and whether you only uploaded the majority and therefore, neglected the minority report, so that the Speaker is in position to properly guide the House.

Secondly, Madam Speaker, it is in the interest of this honourable House even to receive the minutest of a minority view and process it in whichever form. It settles a lot; it enables us a lot to get direction on a number of issues.

Madam Speaker, I implore you to find it in your heart to allow the Member because I think that by mention of the same by the chairperson, probably somebody did not do their job in the process.

**THE SPEAKER:** LOP, I did not want you to put yourself in my shoes. You are the presiding officer; I have just seen that it was uploaded two hours ago. I ought to have received a minority report for me to know what is coming up. Let us not break our own rules. We made these rules and we must respect them to the letter. Present the minority report but this must be the last time such a thing happens.

3.59

**MS AISHA KABANDA (NUP, Woman Representative, Butambala):** Madam Speaker, we apologise for the irregularities –

**THE SPEAKER:** Can I have a copy of the report?

**MS AISHA KABANDA:** At the moment here, I have the one I am going to utilise. Madam Speaker, my chairperson knew about the report and received a copy. There were three areas of dissent by the President and we agreed on two. We only found one area of dissent.

Madam Speaker, we, the undersigned members of the Committee on Environment and Natural Resources, would like to state from the onset that we support legislation that provides legal effect to mining and minerals in our country.

In the Mining and Minerals Bill, 2021 - maybe for technical reasons, we shall have to correct someone because the President replied to the Mining and Minerals Bill, 2022. In his letter, it carried throughout 2022 thus technical and we may have to correct it somewhere. It was tabled and we discussed it as a committee.

Pursuant to rule 205 of the Rules of Procedure, on behalf of the undersigned members, I hereby present a dissenting opinion on the overall opinion of majority of our colleagues. The background of this, Madam Speaker, is that this House passed the Minerals and Mining Bill on the 18th. Four months after passing the Bill, the President returned it to the House for reconsideration of those three areas.

The areas of dissent

We dissent with the majority of the committee on only one ground and that is excessive and open ended delegation of ministerial powers to define and determine the classification of large scale mining.

Madam Speaker, we agree with the President on the reasoning and his concern over the definition of large scale mining. However, we disagree on the proposed amendment to cure the identified mischief.

Excessive and open ended delegation of ministerial powers

Madam Speaker, the power to make laws with significant ramification on the citizens of the country is exclusively vested in the House by Article 79 of the Constitution of the Republic of Uganda. Delegating the authority of determining what is considered large scale mining to just one office of the minister is bad legislation, in our opinion.

Of course you are aware that any one of us can hold that office. That notwithstanding, the inherent self-interest usually demonstrated by individuals holding public office is the reason some countries like Tanzania and Zambia have cured this dilemma by establishing a threshold in the Mining Act and throughout Statutory Instruments.

Madam Speaker, in the Bill, we had proposed that large scale mining be defined by the quantities of minerals that would be mined in a year and we defined it by one million tonnes. The President says that for some precious minerals, you do not have to extract that much to be termed large scale mining and we agreed with him in principle over that.

We have studied and benchmarked two countries and discovered that in Tanzania, the mining law provides for the equivalent of large scale mining licences and defines special mining licence to mean, licence for large scale mining operation whose capital investment is not less than $100 million or its equivalent. The President talked about the heavyweight capital investment and Tanzania looks at it, in the end, as the amount of money they invest in the capital investment.

On the other hand, the Zambian mining law provides the size of licensed area as follows: large scale mining means mining over an area of a minimum of 121 cadastre units and not exceeding 7485 cadastre units. Friends, for cadastre units - if you could define it roughly, it could be an equivalent of 33,400 hectares. So Zambia defines the size of the land.

Madam Speaker, we, therefore, propose that this House would compel the committee to interact with the technical officers from the ministry. It should be noted that the one million proposal was from the ministry; it was not the committee’s idea. For us to reach the conclusions we did, we did not interact with any technical person but only Members of Parliament sat and changed.

We, therefore, think it would be very important for us to sit with the technical members of the ministry to get a befitting definition, taking into consideration the President’s advice. We recommend that this House finds our proposal worth considering and accordingly allows the committee to scrutinise the said part of clause 8 of the Bill.

Madam Speaker, we request you to consider and support the minority part in that effect. I submit.

Madam Speaker, I beg to lay this on Table and I, again, apologise.

**THE SPEAKER:** Please do lay.

**DR OTAALA:** Thank you, Madam Speaker. It is not true that we did not interact with the technical people. In fact after you recommitted the Bill to us, my committee did interact with the technical people and they gave us a submission of the guidance they submitted to the President when His Excellency raised queries on these three clauses and they are in agreement with our submission. I beg to report.

**THE SPEAKER:** Did they give you the submission in writing?

**DR OTIAM:** Madam Speaker, it was forwarded to us. I have it on the phone, we can download it.

**THE SPEAKER:** Can we have that submission laid on the Table? Hon. Aisha, when a Bill is passed by the House, the year that is reflected is the year when it was passed; that is the law. The Mining and Mineral Bill was introduced in 2021 but it was passed on 17 February 2022. That is why you find the Bill is reading in the long title, the year when it was passed.

Therefore, regarding the correction you are making, the Bill was returned by the President and as of 2022 is when it was passed. So the correction was misguided. Thank you.

4.08

**MR WILFRED NIWAGABA (Independent, Ndorwa County East, Kabale)**: Thank you, Madam Speaker. Substantially, we do not have issues with the points raised by the President, specifically on the appeal process and the other clause. However, if we delegate our powers, as Parliament, to the minister to define a very important aspect of the Bill, which runs across the entire Bill, we will have abdicated our role.

I would, therefore, propose a middle ground because you see, minerals are classified; not all minerals are the same. Therefore, we must have a threshold of what amounts to large scale mining. For anybody reading this law, he or she should not wait for the rules. We should be able to provide for a threshold and the threshold I would recommend would be for determination based on each mineral or a classification of the minerals and to be made by the minister but with the approval of Parliament. If the chairperson or the minister could accept, then, we would have made a middle ground and we pass this Bill.

If we do not specify the threshold and if we do not involve Parliament in determining the finality of that threshold and leave the definition hanging to the regulations, then, we would have done a disservice to our people.

**THE SPEAKER**: Thank you. Honourable members, we are looking at a specific clause. Let us, first, hear from – now, your Attorney-General has talked: you mean you are going to talk again?

**DR OTAALA**: Madam Speaker, I listened carefully to the submission of my colleague on the other side, the learned Shadow Attorney-General. I would like to suggest that – because as the mining industry develops in our country, it would require very frequent reviews that would call for the intervention and consideration of the minister every other time and not necessarily coming back to Parliament. I would suggest that it should be the Cabinet to approve as we normally see with statutory instruments and then it is laid here on the Table. Madam Speaker, I beg to submit.

4.11

**MR PATRICK NSAMBA (NUP, Kassanda County North, Kassanda):** Thank you, Madam Speaker. I come from Kassanda. In 2016, about 60,000 people from Kassanda were evicted from the gold mines to pave way for a large-scale miner.

Madam Speaker, when the Ministry of Energy and Mineral Development took us to Tanzania to look at the large-scale miners and the small-scale miners there, the person that caused the eviction of 60,000 people in Kassanda was a small-scale miner in Tanzania. Whereas the ministry had considered him a large-scale miner, in actual sense he was a small-scale miner.

Therefore, whereas the President is right on the threshold or in terms of the value – I agree with him 100 per cent - however, once you leave this matter to the minister, you will have done nothing in terms of legislation.

We must define, in the law, who we call a large-scale miner because then it will give us chance and for the investors who are coming here to just read our law and understand that this is the value if I want to enter at this stage.

Madam Speaker, I plead with this committee that they can come up with a schedule for every mineral. It is possible; for every mineral, this is the definition of a large-scale miner and that schedule can be attached to this law and we move that way. Otherwise, when we just leave it at the discretion of somebody at any time, we will see things changing now and again. Thank you, Madam Speaker, for the time.

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

4.14

**MS SARAH OPENDI (NRM, Woman Representative, Tororo):** Thank you, Madam Speaker. I have carefully listened to both reports from the committee; the majority and the minority report. I want to say that the mining industry in this country is just being developed. As the Government – I was in this sector and my discovery was that this sector would be giving us trillions of shillings – much more than any other. However, we are receiving less than 200 billion annually.

The mineral sector contributes just about 1.4 per cent to the GDP of this country yet if we had proper legislation, we would be receiving between six to 10 per cent contribution from the mineral sector to the GDP.

Now, Madam Speaker, when you talk about large-scale mining, we have a lot of gold in this country. From the last aerial survey, Karamoja is gold-rich, Busia has one of the largest gold mines and we have gold in Kassanda and other parts.

If you have a law that is vague and with what I know in the minerals sector, where there are conflicting interests and where people can be controlled *- (Interjections) -* I refused to be controlled – we shall end up with a challenge.

Therefore, Madam Speaker, it is important that we clearly define what we mean by large-scale mining. As a country, one of our areas of benchmarking is Tanzania and our law is actually based on what has been going on there. They have moved ahead. Since the minority report quotes what large-scale mining means in Tanzania, Zambia and other areas - sometimes we want to pull ropes for nothing. I see no problem with what the minority report has suggested. Thank you, Madam Speaker.

**THE SPEAKER:** Honourable chairperson, is there any problem with defining large-scale mining in the schedule? Is there any problem with having a schedule that shows us what is large-scale and what is small? Is there any problem?

**DR OTAALA:** Madam Speaker, there would not be any major problem except that if we establish a definition, which is entrenched in the law, then as we develop the sector, it would mean that we may have to come and provide revisions more frequently.

Madam Speaker, as I did say that today, what the minister may establish as the threshold might be found, within a very short time, as wanting and then the minister would wish to revise it -

**THE SPEAKER:** Honourable minister, do you have something to say?

**DR OTAALA:** That is why I would beseech this House to allow this threshold to be defined for the different kinds of minerals by statutory instrument. I beg to submit.

4.18

**THE LEADER OF THE OPPOSITION (Mr Mathias Mpuuga):** Madam Speaker, thank you for your indulgence. I was actually waiting for the minister to rise and concede honourably to that very humble amendment because it is what we need as a country.

In addition, there is all manner of danger to consider our positions as eternal because, at the end of the day, we are legislating for posterity.

The middle ground I would like to propose to the honourable minister and the House is that if the proposed schedule per mineral is a position acceptable, and clearly, without endangering the legislation we are making, we would pass the amendment and ask the minister to go and draft the schedule and bring it to the House for approval.

Madam Speaker, that would settle our spirits and we would legislate for posterity. The sector is growing and when it is growing, it is very important to regulate it; the sector is a growing child. A growing child is managed and not left to hollow winds to carry them.

Therefore, the circumstances of what we are proposing now are to let the sector be at large. I believe the submission of Hon. Sarah Opendi says it all. I would like to ask, humbly, that the chairperson concedes and we move on. This is for posterity.

**THE SPEAKER:** Honourable minister, I think what the LOP is saying is correct. You will bring the schedule later. Let us pass the Bill and move on. This is because there is no big point of departure.

4.20

**THE MINISTER OF STATE FOR ENERGY AND MINERAL DEVELOPMENT (ENERGY) (Mr Sidronius Okaasai):** Madam Speaker, I take what the Leader of the Opposition has put forward and I wish to concede to the point that we first pass the Bill. I will bring the schedule to the House later. *(Applause)*

**THE SPEAKER:** Thank you. Honourable minister, how much time do you want, to bring the schedule? How much time do you require?

**MR OKAASAI**: I request for one month because it takes a lot of time.

**THE SPEAKER**: One month is okay. You cannot give what you do not have. Honourable members, I will put the question on the motion so that we can proceed to the Bill’s committee stage to reconsider the specific clauses that constitute the grounds of the returned Bill.

I now put the question that this House reconsiders the amendments to the Mining and Minerals Bill, 2022 as returned by His Excellency, the President.

*(Question put and agreed to.)*

BILLS

COMMITTEE STAGE

THE MINING AND MINERALS BILL, 2022

**THE CHAIRPERSON:** Honourable members, please take your seats.

Clause 8

4.21

**THE CHAIRPERSON, COMMITTEE ON ENVIRONMENT AND NATURAL RESOURCES (Dr Emmanuel Otaala):** Madam Chairperson, since there has been an agreed upon position, I need to reformat - because what we have agreed on is not what I had prepared here. So, I beg to move that we amend clause 8 by deleting the definition of the term “large-scale mining” and inserting a provision numbered “59” under the crossheading “Large-Scale Mining.”

The justification is that clause 8 defines “large-scale mining” to mean “the intentional mining of minerals in mechanised operations involving the excavation of large surface pits, sinking of shafts, driving of adits and other underground openings with the limitations to extents of the mining operation dictated by the extent of the ore body and annual ore production volumes or throughput exceeding one million tonnes.”

The current definition, if maintained, has the effect of excluding projects such as Kilembe Mines, Makutu Rare Earth Element, Rubanda and Muko Iron Ore, which are complex and capital intensive, but may not meet the annual ore production or throughput exceeding one million tonnes.

I beg to submit.

**MS AISHA KABANDA:** Thank you, Madam Chairperson. What the chairperson has presented is actually the original position of the majority committee members. The original position was that the definition of the phrase “large-scale mining” be deleted from clause 8 and we insert clause 59. Now, we are not saying that it should be deleted, but we are saying the phrase “large-scale mining” should be defined in accordance with the schedule that is attached. Therefore, the legal man should help us draft it better but that is the spirit from the House.

**DR OTAALA:** Madam Chairperson, we are actually speaking the same language, except the proposal she is talking about is now going to come under 59 –

**THE CHAIRPERSON:** Under the new clause 59 – is that what you are talking about?

**DR OTAALA:** Yes.

**MR ODUR:** Chairperson, our rules are very clear when we are considering motions for reconsideration of Bills that have been returned by the President. First of all, we address our minds strictly to the issues raised by the President. In the letter, the President said if you define large-scale mining as in the Bill, it will affect Kilembe, Rubanda… He listed them.

If that is his concern, we should then add the second clause and say “…notwithstanding the definition, these projects are excluded…” Then, we shall safeguard the President’s interests only on these ones. In the future, every other large-scale mining is then defined – unless you are hiding something else because the President has listed them here.

**THE CHAIRPERSON**: You know what the President is talking about under clause 8 and it is on the definition of the phrase “large-scale mining” to mean: “The definition under clause 8 should be deleted and a new provision numbered 59 be inserted.” That is the new one we are talking about as having the schedule.

**MR NIWAGABA**: Madam Chairperson, I would prefer we define it by cross reference and retain clause 8 and say, “Large-scale mining shall mean and refer to large-scale mining as provided for in clause 59.”

Now, when we go to clause 59, instead of the wording under clause 59, we provide for a schedule, which should reflect either each respective mineral or a classification of minerals. This is because we have base minerals; those which are stand-alone and the like.

Why are we doing this, Madam Speaker? As we speak, since 2015, the President unilaterally put on halt anything to do with the sector. That is why it is not even generating revenue. If we are to cure what his intentions were, we must be very clear in ensuring that we pass a law that is understandable by everybody.

Therefore, in my view, we can retain clause 8 but say, in parts, “as referred to in clause 59.” Then, we amend clause 59 by being very specific.

**THE CHAIRPERSON**: Hon. Bahati, can you help?

**MR OKAASAI**: Madam Chairperson, what he is proposing could actually subject us to confusion. We want the law to be very clear. I would wish that the position of the chairperson be reconsidered and we bring the schedule at an appropriate opening of the law in 59 – *(Interruption)*

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

**MR ODUR:** Madam Chairperson, the clarification that the minister should provide to us is how that proposal is going to address the specific concern raised by the President about those projects. The President is not worried about large-scale miners in the future. He is worried about, in his thinking, large-scale miners who are already on the ground and he has listed six of them. How do you protect them or exclude them from the other ones? The minister should first clarify.

**THE CHAIRPERSON:** Hon. Nathan?

**MR NANDALA-MAFABI:** Madam Chairperson, I am happy that the committee met this morning. Unfortunately, it never invited the stakeholders to deal with some of the matters. That is why Parliament is raising them because they are representing stakeholders.

Madam Chairperson, if you are saying that the minister should bring a schedule after one month, then we would have not passed the law. We shall have to wait for one month until the schedule comes and then we pass it together with the law. Failure to do that, we are just wasting time.

The minister has asked for one month; it would be an appropriate time for him to go and work on the schedule as the committee goes to reconsider some of the things because in every law, there is an interpretation clause and the interpretation law interprets what might bring a problem tomorrow. Even an A, B, C must be interpreted as far as possible.

Madam Chairperson, you can see the minister speaking. He says, “We shall fail to implement the law” as if he is the one that knows the law better. If you knew the law better, why don’t you give us the schedule now?

Madam Chairperson, I plead with you and the House that instead of doing something that will collapse on our heads tomorrow, we allow the minister and the committee to go and review things again. We shall come-

**THE CHAIRPERSON:** Hon. Nandala, do you have any problem with deleting clause 8 on the definition of large-scale mining?

**MR** **NANDALA**-**MAFABI**: I have no problem with deletion but we talked of the schedule.

**THE CHAIRPERSON**: Now, that is clause 59.

**MR** **NANDALA**-**MAFABI**: Madam Chairperson, we are saying that even if we handle clause 59, we would be waiting for the schedule because the schedule has to be part of the law.

**THE CHAIRPERSON**: Hon. Katuntu?

**MR KATUNTU:** Thank you very much, Madam Chairperson. First of all, I would like to advise that we cannot legislate for particular projects – that we start enacting a law and say project X, Y and Z. No, we cannot do that -

**THE** **CHAIRPERSON**: Hon. Katuntu, if you look at what the President said, “The current definition, if maintained, has an effect of excluding projects such as …” It was an example.

**MR KATUNTU**: Absolutely. So, Hon. Odur is talking about providing it with the law as an exception. You cannot do that. What the President did was to give examples. We just legislate on the principle. The Makuuto project, which is actually in my constituency - *(Interruption) -* I have listened to you twice, let me make my point.

**MR ODUR:** No, let me make my point also. Thank you, my senior brother. I have to put the record straight. We have legislated here and my brother has been part of it. When it comes to income tax and we are exempting, we mention the project. So, it is not the first time that you are going to legislate for a particular project. I wanted that point to be clear; we have done it before and we are going to do it again. Recently, we did for Bujagali; it was a project and it was mentioned here.

**MR KATUNTU:** Actually, that is taxation and that is why we have a law on taxation every year because it changes literally every 12 months. You can afford to do what we did with Bujagali and others but if you are talking about long-term legislation, we talk about the principle and what is the principle? We are talking about the threshold. If we say – I do not know who I am speaking to. *(Laughter)* There is a disruption of the Chairperson -

**THE** **CHAIRPERSON**: Yes, Hon. Katuntu, we are looking for a middle ground with -

**MR KATUNTU**: We cannot mention that it will be in the schedule, yet there is nothing in the schedule. We must sort out the schedule first. Otherwise, are we going to legislate in parts? No, we cannot afford to do that. So, this thing about four weeks does not apply. We have to agree on the schedule. Let the minister reconcile and we have the schedule then we enact the law together.

**THE CHAIRPERSON**: Honourable members, I have a suggestion -

**MR KATUNTU:** I was suggesting, if you could listen to me, kindly.

**THE CHAIRPERSON:** Okay.

**MR** **KATUNTU**: If we can have today, we can be able to agree that the minister goes and burns his midnight oil, comes with a schedule, he shares it and then tomorrow morning, we can pass this without any controversy. Between now and tomorrow is not a long time.

**THE CHAIRPERSON**: Honourable members, what the letter is suggesting is that we delete the definition and the committee’s position was that they want – chairperson, do you want to finish what you suggested?

**DR** **OTAALA**: Thank you, Madam Chairperson, for the opportunity again. I am now persuaded to think that we could modify the definition that is subsisting right now by adding a qualitative value for those minerals that have very high value but we would not be able to extract one million tonnes.

In terms of investment, we could also put a threshold of $100 million. If we add all those to the definition other than just defining the quantity in terms of one million tonnes, we would be able to cover the issues that the President raises.

What I am saying is that we define large-scale mining to mean “extraction of minerals to a threshold of at least one million tonnes or a capital investment of $100 million or extraction of minerals to the tune of $100 million.” I beg to submit.

**MR** **KATUNTU**: Madam Chairperson, we have a crisis here -

**THE CHAIRPERSON:** Honourable members, can I have a team to go and agree on this? Hon. Nathan, you wanted to say something?

**MR BYANYIMA:** Thank you, Madam Chairperson. I am at a loss. This is a very sensitive Bill. It is supposed to have been an Act but it came back for reconsideration. You introduced it yesterday, although you had an opportunity of getting the Bill to the committee - You can see the minister fidgeting.

I would suggest that to have a win-win situation; let us have a day or two. Let these people go back and put things right and we move. *(Applause)*

**THE SPEAKER:** You are clapping your hands for no reason. We are going to finish the Bill. *(Laughter)*

**MR BYANYIMA:** Fine. Do it, but we shall pay for the costs later. Thank you.

**THE SPEAKER:** We will finish the Bill. Can I have the minister, chairman, Hon. Bahati, Hon. Katuntu, Hon. Niwagaba and Hon. Oshabe go and… Can we have the next item?

MOTION FOR A RESOLUTION OF PARLIAMENT URGING GOVERNMENT TO PRIORITISE INTERVENTIONS INTO THE NODDING DISEASE SYNDROME IN NORTHERN UGANDA

**THE SPEAKER:** Honourable members, for a long time, the nodding disease syndrome has continued to affect people in northern Uganda. Lives have been lost. Thousands of children have continued to suffer from the disease, while their families bear the cost. Remember that is one area where people are really poor. Can we first resume the House?

MOTION FOR THE HOUSE TO RESUME

4.41

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

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

*(Question put and agreed to.)*

*(On resumption, the Speaker presiding.)*

REPORT FROM THE COMMITTEE OF THE WHOLE HOUSE

4.42

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, I beg to report that the Committee of the whole House has considered the Mining and Minerals Bill and stood over it.

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

4.43

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

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

*(Question put and agreed to.)*

*Report adopted.*

MOTION FOR A RESOLUTION OF PARLIAMENT URGING GOVERNMENT TO PRIORITISE INTERVENTIONS INTO THE NODDING DISEASE SYNDROME IN NORTHERN UGANDA

4.43

**MS LILIAN ABER (NRM, Woman Representative, Kitgum):** Thank you, Madam Speaker. This is a motion for a resolution of Parliament urging Government to prioritise interventions into the nodding disease syndrome in northern Uganda, moved under Rule 56 of the Rules of Procedure of Parliament.

*“WHEREAS Objective XIV of the National Objectives and Directive Principles of State Policy provides that the state shall endeavour to fulfil the fundamental rights of all Ugandans through social justice and economic development and shall, in particular, ensure that all developmental efforts are directed at ensuring the maximum social and cultural wellbeing of the people and that all Ugandans enjoy rights and opportunities and access to education, health services, clean and safe water, work, decent shelter, adequate clothing, food security and pension and retirement benefits;*

*AND WHEREAS Article 34(3) of the Constitution provides for the rights of a child not to be deprived by any person of medical treatment, education or any other social or economic benefit by reason of religious or other beliefs;*

*AWARE that the nodding disease syndrome, an unexplained neurologic condition that affects children from the age of 5-15 years, was first discovered in northern Uganda in 1997 and is characterised by episodes of repetitive dropping forward of the head, often accompanied by other seizure-like activities such as convulsions or staring spells which prevents them from having a normal course of life;*

*FURTHER AWARE that the nodding disease syndrome is not a new subject of debate in the Parliament of Uganda. In the Ninth Parliament, on 10 May 2012, the Minister of State for Health presented a ministerial statement on the interventions made into the nodding disease syndrome, indicating that different taskforces at the national and district levels, led by the Office of the Prime Minister, were set up to combat the disease;*

*COGNISANT that there were a number of interventions in the 10th Parliament in a bid to alleviate the nodding disease syndrome and its effects to wit;*

1. *on l3 September 2017, Parliament adopted the report of the Committee on Gender, Labour and Social Development on the nodding disease syndrome and resolved that the Centre for Disease Control should carry out comprehensive research on the disease, agricultural intervention measures be introduced by the Government to assist affected families and that rehabilitation centres for victims be set;*
2. *on l4 March 2018, the Minister of Health made a statement on nodding disease indicating that the Ministry of Health continued with comprehensive case management and increased the number of health facilities receiving the medicines in the affected districts in order to take services closer to the people;*
3. *on 28 March 2018, Parliament authorised Government to spend an additional Shs 1,334,233,000 for the revitalisation of the intervention for nodding syndrome in northern Uganda;*

*CONCERNED that despite interventions made so far, the number of affected children remains high, the number of cases now stands at 1,449 in Kitgum District alone, yet the Mental Health Department in Kitgum District is understaffed and unable to carry out outreaches so as to assist the victims;*

*FURTHER CONCERNED that despite the research that has been carried out, there is no medical explanation of the causes of the disease which still remains a mystery and as such, the exact medication to administer is still unclear;*

*NOW, THEREFORE, be it resolved by this House that Government;*

1. *Ensures the appropriate utilisation of funds allocated towards nodding disease syndrome.*
2. *Fast-tracks the operationalisation of the existing rehabilitation centres and training of medical personnel to assist victims of nodding disease syndrome.*
3. *Facilitates and intensifies research into the nodding disease syndrome in northern Uganda.*
4. *Provides food relief and shelter to the affected families. As I speak now –*

As I speak to you, Madam Speaker, there is an NGO called Irene Gleeson Foundation that has taken the mantle to spearhead the mobilisation for food items to support these families. It would be better if the Office of the Prime Minister takes on this and provides these affected families with adequate support.

As you noted earlier, the parents of these victims can hardly do any productive activity. These girls, when left alone, are raped and others defiled. You can imagine the situation when you see a young girl with nodding disease syndrome carrying a pregnancy. It is really touching.

Madam Speaker, we need a structured system – quarterly support being given to the families. We pray that the Government takes this seriously.

Madam Speaker, if these interventions are met, it would be of great help to these Ugandans. I thank you.

**THE SPEAKER:** Thank you so much, Hon. Aber. That is what I was going to ask you – if you were going to speak to your motion but you have already spoken to it. Is it seconded?

Okay, it is seconded by Hon. Mapenduzi Ojara, Musomesa, Hon Nathan Nandala, Hon. Margaret, Hon. Wakayima, Hon. Anifa, Hon. Abed, Hon. Achayo and – by the whole House. It has also been seconded by the LOP. Nodding disease is really a serious thing.

LOP, would you like to speak to it?

4.51

**THE LEADER OF THE OPPOSITION (Mr Mathias Mpuuga):** Thank you, Madam Speaker. I want to thank my sister for the courage and hindsight. I was in the greater north last year *- (Interruption)*

**MR SSEWUNGU:** Point of procedure *– (Interjections) -*I respect my LOP more than many of you. Madam Speaker, I know when a Member moves a motion, they have room to speak to their motion to support -

**THE SPEAKER:** Honourable member, I have the motion with me. She read the motion and spoke to it. Now, the seconders are the ones speaking. Unless you want to tell me that you want to come and start chairing – to define who talks. Otherwise, she has spoken to her motion.

**MR MPUUGA:** Thank you, Madam Speaker. Strictly, in September last year, I toured the greater north. I visited Pader, Amuru, Gulu and parts of Kitgum. Of course my interest was to assess the socio-economic conditions in the region. I met community, religious, cultural and political leaders, Madam Speaker.

I visited communities affected by the nodding syndrome, specifically in Pader. It is mind boggling. I had colleagues with me who almost hesitated speaking about what they saw because it was really heart-rending, Madam Speaker.

My sense of disbelief ran to the fact that we are the leaders in this country today while these communities are going through what we saw.

Madam Speaker, my shadow minister for special regions, Hon. Santa, made a statement on this problem last year. Our expectation was that the Government is alive to the afflictions of these communities and, therefore, through the processes and the allocative function of Government and Parliament, they would have resources specifically voted, first of all, to really go and take care of the immediate social needs of these families; their housing conditions – they have no food. They actually look dejected. They actually question our wisdom as leaders in this country. They are very humble people, Madam Speaker.

The Prime Minister took leave earlier. She should have been here to, probably, assure this House that the Government of 36 years is aware of what is going on in this region.

Madam Speaker, these families can hardly take their children to school. I was informed that the family heads cannot go to grow food because when they go, these children that are suffering are in danger of either falling in fire, starving or actually going to the wells and drowning. It is terrible.

If this motion is carried, I would like to assure the honourable member, first of all, of my total support over this motion. *(Applause)*

Secondly, I request the honourable member to ask the Government to present to this House its assessment of the immediate and long-term needs of these communities – social and economic – so that in the next financing arrangements, we can see clearly-earmarked resources. It is not that other communities have no needs but the state of the communities affected by the nodding syndrome should be a point of shame for every one of us here if nothing is done in the immediacy, Madam Speaker.

The Prime Minister should come here and commit to the assessment as to how much money is going to be voted. She should not talk about the Parish Development Model as one of the areas for their benefit. Nothing! Do not talk about the parish model.

They need affirmative action to lift their spirits and feel an essential presence as a part of this country, Madam Speaker.

I would like to support this motion and encourage the honourable member to keep moving on it. Thank you.

**THE SPEAKER:** We need immediate, medium and a long-term strategy in the areas where these people live.

4.57

**MS JULIET ACHAYO (NRM, Ngora County, Ngora):** Thank you, Madam Speaker. I further rise to support the motion. It is ethically, socially, economically and politically imperative for the Government to make deliberate efforts to prioritise interventions on the nodding disease syndrome the way it prioritised immunisation against diseases in children so that our infants are as healthy as they can be, reasons being:

1. The over 3,000 children suffering from the nodding disease syndrome are being an overwhelming burden to the caretakers who are themselves in extreme poverty;
2. Children are the greatest hope for the future. Every nation, developed or developing, bases its future on the health and wellbeing of its child population. Neglecting children means wasting a supreme national asset and it is a loss to the nation as a whole.

It is in this spirit, Madam Speaker, that the Constitution of Uganda guarantees special protection for the children. Children’s health is our nation’s wealth. I beg to submit.

**THE SPEAKER:** Thank you, Hon. Achayo. Can we now have Hon. Mapenduzi Ojara? *[Ms Christine Akello: “Procedure.]* What procedural matter do you have, Christine?

**MS CHRISTINE AKELLO:** Madam Speaker, I just rise on the issue of procedure to know whether we are proceeding well with the Ministry of Health. I wrote to the Minister of Health concerning the same issue.

I come from Aromo Subcounty in Erute North and I also have 52 people affected by nodding disease but we do not have new cases. The challenge parents are having is that some of them have separated because of this case and -

**THE SPEAKER:** What is your procedural issue?

**MS CHRISTINE AKELLO:** I wrote to the Ministry of Health because the same people suffering from nodding disease -

**THE SPEAKER**: Are you seconding the motion?

**MS CHRISTINE AKELLO:** I am seconding. I am happy with what my colleagues said but the ministry is not doing enough. I raised -

**THE SPEAKER:** The essence of us coming up with a motion is to urge the ministry to act on what we are agreeing on in this House.

**MS CHRISTINE AKELLO**: Yes, that is what I am trying to put across. We have raised the issue to the ministry, but they are not doing enough. They have just left it like that.

People are suffering and I am struggling with these people in Aromo Subcounty. Even last year, before I came to this Parliament, they raised the same issue to the ministry. They are not doing enough.

**THE SPEAKER:** Thank you. Minister, you should implement the resolutions of this motion. As the Leader of the Opposition said, you need to get the immediate, medium and long-term strategy for this. You will respond later. Can we have another seconder?

5.00

**MR MAPENDUZI OJARA (Independent, Bardege-Layibi Division, Gulu City):** Madam Speaker, I stand here in full support of this motion, moved by Hon. Lillian Aber for a resolution of Parliament urging Government to prioritise interventions into the nodding syndrome cases in northern Uganda.

It has taken over two decades from the time this health condition was detected and, to date, the condition is referred to as nodding syndrome due to the constant head-nodding behaviours of those affected by the condition.

It is difficult to call this condition a disease because a disease usually has a defining cause, distinguishing symptoms and treatment.

The definite cause of this head-nodding behaviour and other associated characteristics has not been comprehensively and authoritatively established. For all these years, there has only been symptomatic management. This is nothing to do with what is causing this condition.

This condition causes gross physical deformities, generalised wasting and profound cognitive impairment – *(Interruption)*

**MR OGUZU:** Thank you, Madam Speaker. In the 10th Parliament, there was a resolution passed by this Parliament urging Government to intervene on matters of the nodding disease syndrome. Wouldn't it be procedurally right that we get a report from the Government on the extent to which they have operationalised the resolutions of this Parliament?

Basing on those gaps, we would be able to consider this motion to address any pending issues. Are we proceeding well without a comprehensive report from the Government?

**THE SPEAKER**: We are proceeding very well. At that time, no action was taken and it lapsed with the 10th Parliament. We must resume it because the people are still suffering. We must have a motion to this effect. So, honourable member, we are proceeding well. Can you finish and we open the debate for 20 minutes?

**MR OJARA**: Thank you. For emphasis, the definite cause of the head-nodding behaviour and other associated characteristics has not been comprehensively and authoritatively established. Just to inform you, for all this period, the treatment has been basically to manage the symptoms and not about the exact cause of this disease.

We know that this condition causes gross physical deformities, generalised wasting and profound cognitive impairment. Therefore, there is need to develop holistic intervention to the affected families and the children.

Madam Speaker, Hon. Lillian Aber said that in Kitgum, there are 1,449 people but in the entire Acholi and Lango subregions, there are over 2,500 families and children who feel voiceless, worthless and abandoned.

If we do not take correct interventions, one day, by the grace of God, we will be judged very harshly because it looks like we are not bothered about the plight of these children.

I, therefore, second this motion and it is my hope that this Parliament will play a part in restoring the lost hope of these children and the families. Thank you very much.

5.05

**MR NATHAN NANDALA-MAFABI (FDC, Budadiri County West, Sironko)** Thank you very much. I was looking for our report on the nodding syndrome. I was expecting that the Minister of Health would be here. *(Interjections)* Oh, “Dr” Anifa is around. In that motion, we had clear instructions on what was to be done and one of them was to provide education, food, shelter and clothing to those affected persons.

If since the last Parliament they have not done anything, I am getting worried if this motion we are going to pass will be implemented.

Also, the honourable member from Kitgum would have been interested to have got that and it would have helped us because I was trying to look for our report. Having said that, until you fall sick or you have a sick relative *- (Interruption)*

**MR ONZIMA**: Thank you. Indeed, on 14 March 2018, this same issue was debated here and Parliament passed a supplementary of Shs 1.2 billion, which was supposed to go to Kitgum; that was Shs 267 million. Lamwo was supposed to get Shs 175 million, Oyam Shs 36 million, Pader Shs 324 million, Amuru Shs 78 million, Gulu Regional Referral Hospital Shs 110 million and Gulu Local Government Shs 78 million.

These monies were given to go and carry out interventions. However, just like what she has raised in her motion, it was stated that Government should ensure that money is given to handle the issue of nodding disease and that it should be well managed.

Before this money was approved as a supplementary, Government had advanced Shs 73 million but then there was a challenge as this money was not accounted for. Also, when this Shs 1.2 billion was advanced, much of this money went to allowances, facilitation and coordination, yet the challenge raised here was that this nodding disease was associated with malnourishment; people were not well fed. Part of this money was supposed to go for feeding.

So, there were a number of challenges. Ideally, we would have expected a comprehensive report from the Government after this supplementary was given then. How was this money used? What intervention gaps were there? That was the information I wanted to give you. Thank you.

**MR NANDALA-MAFABI:** Thank you very much. You have given the right figures, but also, the supplementary was purposely to address that specific time and a comprehensive - because there was supposed to be a master plan. The master plan was that all those affected persons should be taken care of because the issue, which was raised, was that they were not capable to help themselves and that they would be treated as if they were disabled people.

So, Madam Speaker, that is the reason we are raising this. I want to ask the minister, maybe when she gets up – “Dr.” Anifa from the Pan-African Parliament. *(Laughter)* Do you really have this report and the plan for dealing with the nodding disease?

Until you have a sick person – for some of you – or you, yourself, have fallen sick; it is when you will know the pain. However, if you have been to northern Uganda and seen how these communities are suffering – I would assure you, Madam Anifa – you would be in northern Uganda, doing what we are telling you. You would not have waited for the motion to come here and then you come to respond.

Finally, Madam Speaker, these diseases are serious. There must be a real comprehensive plan and I think Parliament should have a separate budget put aside to deal with specific diseases, which are not in our normal setting. Recall that COVID-19 came. In fact, many people made money out of COVID-19. Many people also died; we never benefited from the money.

**THE SPEAKER:** Honourable members, let us be brief.

**MR NANDALA-MAFABI:** I am just making a quick one, Madam Speaker. The Centre for Disease Control (CDC) was even asked to research on thisdisease to help us. However, we should, as Parliament, have a permanent emergency fund to – *(Member timed out.)*

5.11

**MS BETTY AOL (FDC, Woman Representative, Gulu City):** Madam Speaker, thank you very much. I would like to completely support this motion.

A week ago, there was a launch by the Irene Gleeson Foundation near - I think it was near the Uganda Museum and they talked about - it was specifically for the victims of the nodding syndrome and we were there. I am sure they did some research and, so, there are new cases. There are new cases of the nodding syndrome in Kitgum, reported by the Irene Gleeson Foundation.

I am wondering what the Ministry of Health is doing. These cases of the nodding syndrome deserve charity and charity is not something that you can do for once and forget. No! It requires constant appropriation of resources to the suffering people.

What the Leader of the Opposition said is right because he went and saw. People should see the conditions of those victims. I call them victims; they are not only children now. Some of them are already big – and the families - if we are kind to our people, to Ugandans, we need to do something better in Parliament.

Somebody asked me about four or five days ago that, please, honourable –*(Member timed out.)*

**THE SPEAKER:** Hon. Akol.

**MS AOL:** Madam Speaker, let me just say this; someone asked me, “Do you have something you are going to give to this nodding syndrome victims in Parliament?” I told him, no. Then, he said: “Yes, you are right; we need to do something ourselves for fundraising.”

So, it is a shame for this Parliament to completely forget about the nodding syndrome victims. Thank you.

**THE SPEAKER:** It is not a shame for this Parliament. This Parliament is not the Executive.

**MS AOL:** To the Executive then, Madam Speaker. Then, to the Executive, it is a big shame. It is something which has always been there. Thank you.

**THE SPEAKER:** Honourable minister, maybe you will need to have this in mind. Do we have a fund that has been appropriated in the Financial Year 2022/2023 for these victims? Then, under innovation, is there a study being taken to understand the cause of this sickness? We are putting money under innovation. Is there a study being done to understand what the sickness is? What is the cause? What can be done to reduce it? Yes, Hon. Akol?

5.14

**MR ANTHONY AKOL (FDC, Kilak North County, Amuru):** Madam Speaker, I happened to be in the field in northern Uganda and there are some figures which were given to me, in this case, related to the nodding syndrome. Unfortunately, Lira or Lango subregion was not included.

As we talk, from the beginning of the problem up to now, the cases reported in Lango are 2,094. Pader is 2,967, Lamwo is 347, Gulu 330, Omoro 288 and Amuru 66. So far, out of these reported cases, 545 have died and those who are sexually abused are 606. Those who have given birth after rape are 516 and the victims, whose parents are also victims, are 67. The new cases reported are five. When the ministry went to the field, in Kitgum only, four were confirmed to be nodding syndrome problems. When I was at a radio station last Saturday, one person called from Aromo Subcounty in Lira and said there was a new case.

So, when you say there is no new case – people are reporting from the community; there is one new case. That person calling was a Village Health Team (VHT) member – who gave me this information.

Madam Speaker, I managed to read a report from the Centre for Disease Control on the nodding syndrome. They are trying to rule out the black flies, which, actually, the Ministry of Health is saying are the cause of the problem.

I, therefore, want to amend the prayer of the motion that let the Ministry of Health lay on the Table the report from the Centre for Disease Control so that we know if there is something being hidden. As we talk, this problem is actually in areas affected by the war.

According to the Centre for Disease Control, it is in northern Uganda where there was a war. It is in South Sudan where there was war. Also, it happened some time back in Tanzania, where there was war. So, we need to handle this issue seriously as a country and I think it is important that Hon. Lillian Aber brought it now. I think this 11th Parliament should do things in a different way.

For a short-term procedure or method of solving the problem, we need, immediately, the food items to these people and the number is not very big; it can be handled by the Government. Then, we have to come up with medium-term and long-term methods –

**THE SPEAKER:** Honourable members, let us not repeat what has already been said.

**MR AKOL:** Thank you, Madam Speaker.

**THE SPEAKER:** *Musomesa*?

5.17

**MR JOSEPH SSEWUNGU (NUP, Kalungu West County, Kalungu):** Thank you, Madam Speaker. I want to thank the mover of the motion, Hon. Lillian Aber. Honourable members, if you have read this motion carefully, the honourable member has given the dates when Parliament handled this matter – before she came in.

Madam Speaker, I am lucky I am among those Members of Parliament who went to these areas under the leadership of Hon. Beatrice Anywar, when she was still with us on this side. We took time and visited even the homes of some of these children. We visited the regional referral hospitals in those areas. That is why after we came back, our findings made Parliament release funds to these affected areas.

We have to go to Purongo. One, we must or, Madam Speaker, with your powers, you can direct the Auditor-General to go and audit all the funds that were sent to this region. The challenges we saw in these areas - the doctors told us they suspected that a certain fly was the one causing problems there. We suggested and recommended that they get the sprays to kill that particular fly to avert the infections that it caused to the people -*(Interjection)-* Members, let me first drive my point home because the Speaker has given me time -

**THE SPEAKER:** One minute.

**MR SSEWUNGU:** After we gave out the money, we went to these regional hospitals and got to realise that the doctors there also looked like the patients themselves. We gave recommendations on how this situation should be taken care of. We looked at the type of food that the patients needed to be fed on, not mere posho and beans that was being offered by the disaster preparedness ministry. These children need energy-building nutritious foods.

However, what took place was that the vultures - Hon. Lillian was a bit reluctant to come out directly but the vultures stole the money; they “ate” everything. That is why Hon. Onzima gave the facts about those figures. How do you spend more money on transport and allowances instead of treatment?

As I conclude, I pray that you direct the Auditor-General to audit the funds that Parliament gave as a major intervention to this region. These children will become - *(Member timed out.*)

**THE SPEAKER:** Honourable members, we need an audit on the funds that were already released for the management of nodding disease victims.

**MR NANDALA-MAFABI:** Madam Speaker, the Auditor-General has already audited. If he has audited, then, there is a report. Unless we are suspicious that the Auditor-General did not do an in-depth audit -

**THE SPEAKER:** Does the Auditor-General audit the funds given to the nodding victims specifically? We are looking at a specific amount that was dispatched.

**MR NANDALA-MAFABI:** Then, what we should do, Madam Speaker -

**THE SPEAKER:** Yes, it is on a specific amount that was given to them.

**MR NANDALA-MAFABI:** Then, you call it a forensic audit because if you take it as an audit -

**THE SPEAKER:** You know you caught me when I was - you and I are from the same profession. *(Applause)* Honourable members, he used to be my chairperson on PAC. We need a forensic audit on the funds released for the nodding disease victims. We need that report, in addition to the prayers.

5.22

**MS SANTA ALUM (UPC, Woman Representative, Oyam)**: Thank you, Madam Speaker, for giving me this opportunity. My district is one of the districts affected by the nodding syndrome, more especially the subcounties bordering Acholi land. It is true that Parliament, in 2018, authorised the Government to spend Shs 1.33423300 billion for this cause.

However, Madam Speaker, the way this money was spent is very questionable, yet the condition of these children is really very pathetic. The parents are very desperate, more so the mothers who are supposed to do a number of things on top of taking care of these children.

Madam Speaker, this financial year, I have been informed that we gave only Shs 5 million for monitoring. These children need much more than monitoring. They also need routine surveys to get to know the conditions of these children and even the families that they live in. As you may be aware, the general population is not sensitised about this disease so much that many of our people believe that this is witchcraft.

About three weeks ago when I was in their constituency, one of the many children who was showing symptoms of nodding syndrome was taken to the witchdoctor. When I tried to convince them to go to the medical facility, they were convinced that this was not a medical issue but witchcraft -*(Member timed out.*)

5.24

**MS LUCY AKELLO (FDC, Woman Representative, Amuru):** Thank you, Madam Speaker, for allowing me to speak to this motion, which is very dear to my heart. I want to thank Hon. Lillian Aber for moving this motion.

Madam Speaker, I would like to remind colleagues that in the Ninth Parliament, we were able to bring Associate Prof. David Kitara Lagoro, who I remember made a presentation on the nodding syndrome.

Madam Speaker, it is not true that information is not there. Prof. Dr Lagoro and Dr Suzanne Gazda from the USA did a very good research. I want to interest my colleagues in a publication - *(Interjections) -* just hold on – in the Journal of the Neurological Sciences, Volume 369 (2016), pages 191 to 203; kindly go and read this because it talks a lot about the nodding syndrome.

Madam Speaker, I would also like to bring to the attention of Members that, actually, nodding syndrome is treatable. Dr Suzanne Gazda, who started hope for humans, which was in Odek, had a facility where they would treat these children, rehabilitate them and they would go back home.

However, she sent me a very emotional email because she felt she was in the fight alone. She packed her bags and went back to America. Otherwise, she said this disease is actually treatable. I can testify that so many of the children who went through this centre were treated, given the right food and actually got out when they were okay.

However, I was also saddened to learn that one family of five children in Amuru District was suffering from this same condition. I pray that Members support this cause and create a specific allocation for this problem in our budget, year in, year out, so that we stop -*(Member timed out.)*

5.27

**MR GILBERT OLANYA (FDC, Kilak South County, Amuru):** Thank you, Madam Speaker. I would like to appreciate Hon. Lillian Aber for moving this very important motion. Right now, we need to go to the way forward. We talked about the nodding syndrome in the Ninth Parliament, in the Tenth Parliament and, now, this Parliament.

I propose, Madam Speaker, to amend Hon. Lillian Aber’s prayer to say that the Government should provide at least 30 pieces of iron sheets to each of the families affected by the nodding syndrome. If you look at where these children live and the kind of grass-thatched buildings they live in - Supporting less than 2,000 families with pieces of iron sheets cannot be a big task for the Government.

Madam Speaker, I pray that Government should provide low-cost houses for these families to live an amicable life.

Two, I pray that every financial year, the Government budgets for the nodding syndrome. By the look of things, the nodding syndrome may not go away; it seems the disease has come to stay and we are not sure whether these children are going to recover. I pray that Parliament resolves that every financial year, at least a budget is allocated to help and support these children.

Finally, Madam Speaker, we would like to know the root cause of the nodding syndrome because up to now, we do not know it. The minister was explaining that it is caused by black flies - *(Member timed out.)*

5.29

**MS JESCA ABABIKU (NRM, Woman Representative, Adjumani):** Thank you, Madam Speaker. I join the rest in thanking my sister, Hon. Aber, for this motion.

Madam Speaker, it is so embarrassing because the level of attention given to the victims is so minimal, yet they exist and we have been watching them. Therefore, I request my Government to prioritise this – to attach a lot of commitment to this cause.

Two, I propose that there should be regular updates of the statistics of the people who get infected because the infection is continuous and we need to budget for it.

Lastly, this is not only a matter of health but it needs a multi-sectoral approach. Therefore, I request that we allow the Minister of Health to sit down with her colleagues and bring a comprehensive report because it has an economic perspective.

In addition, the late Rt Hon. Speaker persuaded Parliament with passion and we voted money. In addition, we made a decision that the ministry in charge of northern Uganda should have a specific action taken - *(Member timed out.)*

5.31

**MS DORCUS ACEN (NRM, Woman Representative, Alebtong)**: Thank you, Madam Speaker. I rise to support the motion by Hon. Lillian Aber.

Madam Speaker, the majority of the communities affected by the nodding syndrome live in very remote settings and this presents very practical challenges, some of them being unavailability of drugs and sometimes drugs being unaffordable or both.

As such, some of the recommendations - for example, I will pick on fast-tracking the operationalisation of the rehabilitation centre as a key area. What we have on the ground is that the rehabilitation centre is a white elephant, yet a lot of money has already gone into its construction.

I would put this prayer that if possible, let us have, in the immediate term, the Government coming forward to strengthen and operationalise what is available and to avoid us moving in circles.

As we have already learnt, this has previously been on the Floor of Parliament and with very serious prayers. We recommend that we amend the prayers so that we can have a comprehensive report from the Government for funds, which were already utilised. Can we know what it has covered and then the gaps, specifically, so that we know where the funding will go? Thank you.

5.33

**MR TOM ALERO (NRM, West Moyo County, Moyo):** Thank you, Madam Speaker. Now is the time to be practical about the issue of the nodding syndrome disease.

Can we have isolation and collection centres where we can have all these people treated, fed and where research can be done? We can isolate them and see whether it is non-communicable or communicable. That is the only way now. Let us have these centres constructed by the Government.

The Minister of Health is hearing; let us have these centres and be practical. Let us isolate them, treat them and accommodate them. Let us not circulate them in the public. Thank you, Madam Speaker.

5.34

**MS RUTH LEMATIA (NRM, Maracha East County, Maracha):** Thank you, Madam Speaker. I am speaking as a person who visited the northern region in the Ninth Parliament due to the plight of the syndrome and it was very pathetic. At that time, we tried to understand the disease by visiting those who were in health facilities, collection centres and even went to houses where these children were. It was very pathetic. If up to this time nothing has been done, I am so sorry for Uganda.

I like the way Hon. Lillian has brought it; she gave short-term, medium-term and long-term measures. Among these things, she mentioned something about research. It is a pity that up to this time, Uganda has not taken a lot of interest to do comprehensive research to understand the disease. Why is it that this syndrome came following unrest in the northern region? When we had war in West Nile, one time on the BBC - *(Interruption)*

**THE SPEAKER**: There is information here.

**DR BWANIKA:** Thank you, honourable, for giving way. There is abundant research that has been done on nodding disease and its cause. The disease is caused by filarial worms and there are proteins associated with that worm. That worm is carried by the black fly - simulium. It breeds in waters that are running. When you go to the north, you will find that disease associated with that. What I am surprised at is why the Ministry of Health is failing to take the necessary steps, first of all, to deal with the blackfly and also to treat people with onchocerciasis,which is a filarial worm infection, so that our people are helped.

There is abundant research that has been done; the Americans have done it in the National Institute of Health and they have produced good information. I want to inform you.

**THE SPEAKER**: Thank you for your information. We need to differentiate between the nodding syndrome and epilepsy; let us not mix it.

**MS LEMATIA**: In fact, when you look at these children, you will find that the disease has affected their muscles, mental capacity and their eyes. For the children who are suffering from this disease, their eyes look quite different. I wish they could tell us what Uganda can do in order to avert this problem. I heard that more children are coming on - then, it is really a grave problem in this country. One of the things we should emphasise here is that the research results should be used to stop the disease.

Secondly, a lot of attention needs to - because when I look at those children, in medical terms, the only thing remaining for them is: when do they die? I am telling you that some of the mothers cannot even go far. They need to be with these children all the time. It is a big problem. Hence, I totally agree with this motion that the families need to be helped. Thank you very much.

5.39

**MR TONY AWANY (NRM, Nwoya County, Nwoya)**: Thank you very much, Madam Speaker, for giving me the Floor. I would like to thank my sister, Hon. Aber, for bringing this motion. I stand here in total support of the motion.

If there has been a lot of research and information on the subject, then, I think there has been negligence somewhere. The very attention that was given to COVID-19 should be given to this disease. I would like to implore this House to use the motion that was brought by Hon. Lillian to heighten the attention towards this disease. Let this research that we have been talking about here not just be limited; it should be sustainable. It should not stop.

In the funds that we are allocating for this disease, there should be special funding for research. It should be an endless endeavour. The results of the findings of the Centre for Disease Control should actually be married with the results of the independent researchers in this country.

Therefore, my prayer is that we should continue to invest in research so that we stop this spiral of running around because it appears like we are trying to look for solutions for the problems that we do not understand. Let us tackle the root cause and not the symptom. I beg to submit.

5.41

**MS SARAH OPENDI (NRM, Woman Representative, Tororo)**: Thank you, Madam Speaker. I do appreciate the motion that was presented by Hon. Lillian Aber. I am speaking as a person who even presented a report to this House, then, as the Minister of State for Health, when this matter was presented to the Floor of this House.

What I want to inform Members about is that it is true; the nodding syndrome is there. However, when we went to the ground, the findings were that while we have children with nodding syndrome, most of the cases that were thought to be nodding syndrome cases were actually epilepsy cases. By statistics, this is a report that I presented then. I led the team that went on the ground. For example, this report was presented in 2019; we had 5,104 epilepsy cases from different districts.

However, the nodding syndrome cases - and most of them were old cases - were 2,143. This is the information that I want to give the House; that, yes, what is true is that most of these children with the nodding syndrome - on testing them - had a high viral load of the onchocerciasis.

What needs to be done by the Government is to continue with the aerial spraying. I do not know whether the ministry has funds for this because when you control the black fly, then you also control that challenge in the district.

Nonetheless, the challenge of epilepsy should not be mixed with the nodding syndrome. It is likely that we are confusing the two cases. Thank you, Madam Speaker.

5.43

**MS SHARIFAH TABAN (NRM, Woman Representative, Koboko)**: Thank you, Madam Speaker. I would like to thank Hon. Lillian Aber for raising such an important matter.

I observed, during my movement, that there is lack of involvement and participation of the community during the implementation of some of these - when the ministry goes down there, they move people from Kampala and the communities are left out. I suggest a bottom-top approach, whereby the community is fully involved in the planning, implementation and management of these patients.

Lastly, most times, we suggest short-term implementation but we have observed that short-term plans do not really work well for the Government of Uganda. I suggest that the Government financially empowers these families, rather than the short-term things of giving the iron sheets. If we give them iron sheets, they will also ask for bricks, cement and so much more. My suggestion is that we would rather financially empower these families so that they are able to take care of their long-term needs. Thank you, Madam Speaker.

5.45

**DR JOSEPH RUYONGA (NRM, Hoima West Division, Hoima)**: Thank you very much, Madam Speaker. I would like to support Hon. Aber for the motion. However, from the research, the cause of nodding syndrome is not known. That is why we are getting conflicting information. In fact, if you see what is happening now, it is one of the neglected tropical diseases. That is why up to now, we are still discussing it.

It seems the Ministry of Health has not done much. We have to do more research and even give feedback because if we do not do that - because there is instability in that area, you find that people lose trust in what is being done by the Government. Therefore, let us put more funds into the research. Then, from there, we can be able to find out what would cause nodding syndrome in those areas.

They are talking of onchocerciasis - we have onchocerciasis in Hoima but we do not have the nodding syndrome. Therefore, the cause is not known up to now.

5.46

**MR ENOS ASIIMWE (NRM, Kabula County, Lyantonde)**: Thank you, Madam Speaker. I rise under rule 81; close of debate. I really believe that my honourable colleagues have exhaustively discussed this motion. I move a motion that we close the debate, make a decision and the ministry will later give us feedback on issues that they have raised. Thank you, Madam Speaker.

**THE SPEAKER**: Thank you. Is it seconded?

5.47

**MR ELIJAH OKUPA (Independent, Kasilo County, Serere)**: Thank you, Madam Speaker. I will definitely second the motion, but before I specifically say that, this is the fourth time we are having motions on the nodding disease. Can we extract the assurance from the Ministry of Health that this time, you are going to give us feedback?

Madam Speaker, I would like to request you to direct the Ministry of Health and the Prime Minister's office to keep updating this House on a monthly basis on what they have done because we do not want to just talk all the time and pass a motion, but the Government does not respond.

Can we extract the assurance from the Leader of Government Business and the Minister of Health that on a monthly basis, they must update us on the issues raised, the motion, the recommendations and prayers from all the reports that are passed? If they do that, then, I will definitely second that we close the debate and proceed. However, let the Government give that commitment and we keep following it up by receiving feedback on a monthly basis.

5.48

**THE MINISTER OF STATE FOR HEALTH (GENERAL DUTIES) (Ms Anifa Kawooya):** Thank you, Madam Speaker. I have been in this Parliament for some time now. I have actively spoken to motions on the nodding disease each time they have come to this House. My seat has always been there.

I, therefore, as a Minister for Health, take note of Hon. Lillian Aber’s concern. We need to align ourselves as a ministry with the concerns raised in her motion, the prayers and the submissions made by all the honourable members.

Being a minister does not mean I do not feel what our sisters and brothers in the northern Uganda feel about this disease. I would like to be very precise and mention two or three things.

One, as a ministry, we appreciate and take note of your guidance, Madam Speaker – and as the Members have also submitted – that there is need to have immediate, mid–term and long-term interventions, which are holistic.

Two, I would like to confirm that, currently, the coordinator of the nodding disease is none other than the Rt. Hon. Prime Minister. That is how serious the Government is taking this issue – by giving it to our Leader of Government Business as the coordinator. It is coordinated at a multi-sectoral level.

Three, Madam Speaker, I would like to take note of the three issues you raised – and correctly so. Members too, in their contributions, talked about the issue of the budget for Financial Year 2022/2023 and wondered whether there is a budget line for the management of the nodding disease.

**THE SPEAKER:** I did not say for the management. I said for the victims. Management is different from the victims getting the money. Actually, Government spends money on management instead of giving it to the victims.

**MS KAWOOYA:** Correct and much obliged, Madam Speaker. I would like to respond like this: initially, the Ministry of Health was receiving the budget for the nodding disease but from Financial Year 2018/2019, as Members have testified, the Ministry of Finance, Planning and Economic Development started sending the money directly – and my honourable colleague mentioned it here – to the districts. As a ministry, we welcome your guidance that there must be a holistic audit *– (Interjections)*

**THE SPEAKER:** A forensic audit. Leave the minister to complete her statement. You are going to disorganise her. Please, continue. You will clarify later.

**MS KAWOOYA:** Thank you, Madam Speaker, for protecting me. Colleagues, you should appreciate the fact that I am responding to an issue that has been with us for a long time and the inquiries into how far we are, as a ministry. I have clarified that as of now, there is no such budget in the Ministry of Health. The reason for this is that the Ministry of Finance, Planning and Economic Development sends the money straight to the districts that are affected. The forensic audit report is going to establish that - *(Interjections) -* I need protection, Madam Speaker.

**THE SPEAKER**: Honourable members, when the “doctor” is speaking, you keep quiet. *(Laughter)* She is being sincere that the money goes directly to the districts and that is the money that needs to be audited.

**MS KAWOOYA:** I would like to say that there is money, which my other colleague mentioned –

**THE SPEAKER:** Minister of finance, can you help and give us evidence that this money goes directly to the districts? Please, come and lay it on Table – evidence that this money has been going directly to the districts. *(Applause)*

**MS KAWOOYA:** It is true, Madam Speaker, that at that time the monies, which my colleague spoke about – Shs 1,334,234,000 –was previously being released to the Ministry of Health. However, as of now, the Ministry of Health, through an NGO called the Carter Center which one colleague alluded to – it is this NGO that is still giving little funds to the Ministry of Health for social support and those small management issues. I have clarified that.

Number two, Members have asked if there is a study or research but some Members have also confirmed that researches have been done. As a ministry, yes, researches have been conducted by many scientists. However, we agree that we need to invest more in this research. During and after the epidemic, it was confirmed that nodding syndrome is caused by a worm that my other colleague there mentioned as Onchocerca volvulus. Onchocerciasis is river blindness. I am giving what the experts have come up with. This is not by me as Anifa –

**THE SPEAKER:** Hon. Anifa, you are protected.

**MS KAWOOYA:** Thank you. Madam Speaker and honourable colleagues, you are asking where we are and I have said we do agree that we need to have short, mid and long-term interventions. I have said that everything about this epidemic is now under the Rt Hon. Prime Minister’s management.

The findings, as per the Ministry of Health, are that this information was disseminated to the stakeholders as way back as 2017. I want to thank my senior, Hon. Sarah Opendi, because she came here at that time and gave a report with findings. As of now, to control onchocerciasis – *(Interruption) -* let me finish. That is river blindness - wait until I finish.

Madam Speaker, I am about to finish with this disease and the word of the disease. What have we done? –

**THE SPEAKER:** Hon. Anifa, can you summarise?

**MS KAWOOYA:** I am about to finish – if they could really listen.

Madam Speaker, what have we done as a ministry? We have emphasised the treatment - and the doctors can bear me witness - with Ivermectin, which we still continue to administer –

**THE SPEAKER:** Can you finish?

**MS KAWOOYA: …** on abi-annual basis, river dousing and all the treatment, which is now our concern – through the National Medical Stores. The budget we have is managed by the National Medical Stores. This is why we are happy and we thank Hon. Aber that, through this Parliament, we can get more funds to address this issue.

Finally, about the report from the Centre for Disease Control, I am the one who represents this country in the East African region – the ministers of health sectoral committees. I was there last week and this issue is on the agenda. It is not a concern of this country only. However, regarding our report, I cannot commit; I have to come back.

On the resolutions - (*Interruption)*

**MR NANDALA-MAFABI:** Madam Speaker, the minister said she is a committee member. Is it confirmed that it is only in Uganda where this syndrome is or it is even in South Sudan, Congo and Tanzania? If it is there, what have they said?

**MS KAWOOYA:** What I can say is that currently, as a region, we are faced with what is called communicable diseases and this is one of them. We are looking within the region -

**THE SPEAKER:** Is it communicable or non-communicable?

**MS KAWOOYA:** Non-communicable diseases. Madam Speaker, protect me as I am winding up.

**THE SPEAKER:** Finish.

**MS KAWOOYA:** Let me wind up. I am answering the few issues that came up.

**THE SPEAKER:** Honourable Members, the minister has given you the information she has. Two, we want the Government to report to this House after every three months on the status – what they have done and what is happening on the ground.

Three, we want a forensic audit on the money that was sent for nodding syndrome and I am directing the Auditor-General to do that and give a report to this House, on top of the prayers of Hon. Lillian Aber.

We need an interim, medium and long-term strategy for these families. That should come out very clearly. Minister, that is okay; that is enough.

**MS KAWOOYA:** Thank you so much, Madam Speaker. We are going to ensure that we take it seriously and note the directives and come back here and report. Thank you so much, colleagues.

**THE SPEAKER:** Honourable members, I put the question that the House adopts the motion for a resolution of Parliament urging Government to prioritise intervention on the nodding disease syndrome in northern Uganda, plus the amendments.

*(Question put and agreed to.)*

*Motion adopted.*

**THE SPEAKER:** Thank you so much.

MOTION FOR A RESOLUTION OF PARLIAMENT TO APPROVE THE PROPOSAL BY THE GOVERNMENT OF UGANDA TO ACQUIRE 150,000 PREFERENCE SHARES WORTH APPROXIMATELY SHS 202.13 BILLION IN ROKO CONSTRUCTION LTD

**THE SPEAKER:** Hon. Members, the proposal for the Government to acquire 150,000 preference shares in Roko Construction Limited was tabled on 7 July 2022 and it was accompanied with a letter of no objection from the Attorney-General’s chambers, who is the advisor of the Government. The proposal was referred to the Committee on Finance, Planning and Economic Development. The committee is ready with its report.

However, this motion needs to be presented by the minister. The wording of the agenda on the Order Paper should have been “Motion for a resolution of Parliament to authorise Government of Uganda to acquire 150,000 preference shares worth approximately Shs 202.13 billion (UGX 207.13 BILLION??) in Roko Construction Ltd”.

The minister’s motion will have to be reflected that way and the Minister of Finance, Planning and Economic Development will move a motion to that effect. Then, the committee report will be presented. I am also aware that there is a minority report. We will debate both. When it is moved, the House will take a decision – I am hearing Hon. Elijah saying “tomorrow”. We are going to finish.

Hon. Minister, can you move your motion?

**MR NANDALA-MAFABI:** Thank you so much, Madam Speaker. The procedural issue I am raising is that a few minutes or an hour ago, we sent a committee to -

**THE SPEAKER:** I am aware of that issue. Honourable, I am the one who sent the committee and I am aware of it. I will act at an appropriate time – with due respect, my former chairman.

6.06

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, I beg to move a motion for a resolution of Parliament to approve the proposal by Government of Uganda to purchase 150,000 preferential shares in Roko Construction Ltd worth Shs 207.13 Billion(is it Shs 202.13 billion??).

I beg to move, Madam Speaker.

**THE SPEAKER:** Thank you. Is the motion seconded? It is seconded by Hon. Amongi, Hon. Victoria, Hon. Anifa, Hon. Ecweru – Arrow Boy – vice-chairperson for finance, Hon. Olobo, Hon. Aber, Hon. Acayo, Hon. Asiimwe, Hon. Max. Hon. Gerald, Hon. Linos – by the whole House. *(Laughter*) So, can you speak to your motion?

**MR MUSASIZI**: Madam Speaker, on 12th of July this year, I presented a proposal to Parliament for the Government of Uganda to acquire 150,000 preferential shares offered by ROKO Construction Company Limited, worth Shs 207.13 billion(Shs 202.13 billion??).

I would like to thank the chairman and colleagues of the Committee on Finance, Planning and Economic Development for considering the proposal and the cordial interactions we had.

I would like to reiterate the objective of the Government's proposal to provide financial support to ROKO Construction Company Limited. The proposed intervention is meant to, first and foremost, ensure that ROKO is restored to be able to complete Government projects that are currently at standstill because of the company's liquidity constraints.

We also want to enable the company to pay its creditors and prevent adverse impacts on the financial sector and the construction industry as it owes money to several suppliers and subcontractors.

This intervention is, therefore, aimed at ensuring that ROKO continues to exist and any potential economy-wide effects of the company’s collapse is prevented. We also want to ensure that the intangible benefits that constitute ROKO, as a 52-year-old quality Ugandan construction brand, are maintained.

Government's intention is not to own ROKO and its intervention is time-bound to end in the next five years, with the company repaying Government the financial support it has provided. As we have stated, we are cognisant of the need to ensure the effectiveness and sustainability of the intervention.

In this respect, we shall embrace all the governance and management safeguards that have been proposed. I would like to reiterate the importance of Government's representation on the company's board of directors and the additional powers that they have, for instance, to veto the company's annual budget, any loan acquisition and the disposal of the company's assets.

The internal controls that will be enhanced by the Government's Chief Internal-Auditor is also key in ensuring that taxpayers’ money is put to good use.

The company has also agreed to restructure its management and recruit a competent managing director.

With these few comments, the committee considered our proposal and I am made to understand that the chairperson is ready to report to the House. Thank you.

**THE SPEAKER:** Thank you so much. We can now have the chairperson to present the report.

**MR NANDALA-MAFABI:** Madam Speaker, under Article 159(2) of our Constitution, it is very clear: “Government shall not borrow, guarantee or raise a loan on behalf of itself or any other public institution, authority or a person, except as authorised by or under an Act of Parliament.”

Basically, what we want to do is to raise a loan on behalf of this company. Here, we have two committees; the Committee on National Economy, which deals with borrowing and the Committee on Finance, Planning and Economic Development, which basically comes to appropriate what they have borrowed.

Would it be procedurally right for a committee on finance to come here and say “give money” Yet the committee which allows us to give money is the one on national economy – which also borrowed money here to go and give away?

**THE SPEAKER**: Under Article 159(3) - that is why we have this motion here.

**MR NANDALA-MAFABI**: Madam Speaker, I do not have intentions of debating with my Speaker. The only thing I want is to give some professional advice. Under Article 159(3) – those are just terms of the loan, but the most important one is Article 159(2) *- (Interruption)*

**DR KEEFA**: The honourable is a member of the Committee on Finance, Planning and Economic Development. He had the opportunity of raising this but he chose not raise it. In any case, there have been some amendments on that and the sectoral committees start with the consideration of these sorts of things -

**THE SPEAKER**: That is under rule 155.

**DR KEEFA**: If Parliament deems that we later refer it to the Committee on National Economy, then, that is fine.

**THE SPEAKER**: Under rule 155, the sectoral committee should look at the report first before it goes to you. Yes, honourable minister, do you have something to say?

**MR MUSASIZI**: Madam Speaker, to allay the fears of my senior in the profession, Hon. Mafabi, we are not seeking to borrow. We are moving under Section 23 of the Public Finance Management Act on multi-year commitment. What we are seeking will result in a commitment. The law does not allow us to do that without the approval of Parliament.

**THE SPEAKER**: Thank you. Honourable chairman, can you go ahead and present the report?

6.16

**THE CHAIRPERSON, COMMITTEE ON FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Dr Keefa Kiwanuka)**: Thank you very much, Madam Speaker. The Government of Uganda is seeking to acquire preferential shares in ROKO, as outlined by the minister. As mentioned, it is moving under Section 23 of the Public Finance Management Act, which requires that multi-year commitments have to be approved by Parliament.

The matter was referred to the Committee on Finance, Planning and Economic Development. Although we have not had much time – it has been within about two weeks that we have considered this – we believe we have the facts to present for you to make the appropriate decision.

Before I go on, I would like to thank my honourable colleagues, who worked day and night, to make sure that we make sense of all this to present to you a credible report. I thank the Members, the honourable minister with whom we had maximum support on this and all stakeholders that were involved, that were called at very short notice, including the Attorney-General –

**THE SPEAKER:** Go straight to the issues.

**DR KEEFA KIWANUKA:** I would like to try to summarise and then concentrate on the observation and recommendations.

Founded in 1969, ROKO Construction Ltd is a leading construction company in Uganda, the first construction company to acquire an international certification. This speaks a lot to its policies, procedures and internal control systems. It is ranked the largest construction company in Uganda.

It has undertaken several constructions and construction of many iconic buildings in Uganda, which include Workers’ House, Crested Towers, Bank of Uganda, Mapeera House, Acacia Mall, the Village Mall, Rwenzori Towers and many others.

As its profile, ROKO has an asset base of Shs 568 billion, calculated on a discounted cash flow basis and has over 400 direct and indirect suppliers, employs over –

**THE SPEAKER:** Hon. Nandala, there is one Chair in the House. You come and sit in here. *(Laughter)*

**DR KEEFA KIWANUKA:** It employs 1,945 staff and 13,000 indirectly. It has a strong reputation for training technicians and craftsmen, and actually, many people in this country proudly talk about having gone through ROKO. It is strongly associated with quality work.

Over the years, it has been the leading taxpayer in the sector, paying on average Shs 15 billion per annum and Shs 1.4 billion in pensions. It has projects at hand on which it has signed contracts worth Shs 1,064 billion. It has Shs 696.6 billion of those projects as Government projects.

Also, Madam Speaker, it has, in the offing, projects that it is negotiating at the moment worth Shs 1,200 billion in the pipeline.

Madam Speaker, over the years, the company has registered deteriorating financial health. Why? First of all, it is the issue of delayed payment. We all know the problems of domestic arrears that we have been talking about in this Parliament for a number of years. I think this is something that we all know, that Government delays to payments. The majority of the contracts that ROKO has have been with Government.

Then, the second problem was failure to refinance expensive loans with cheaper dollar loans due to its financial position. Of course, the other one is COVID-19, which has affected many companies – *(Interjections)* - I am really surprised that this is how Members are reacting to this. Let me tell you a story of one of the – *(Interjections)* – okay. Anyway, just know COVID-19 had a huge impact on the company.

Then, there is a problem of declining revenue in the construction industry. As a result of all these, its loans shot up; then there was the problem of bank guarantees. So, it has loans worth about Shs 154 billion. It has bank guarantees worth Shs 130 billion.

Then, it owes its suppliers; the small subcontractors that have been subcontracting from it, and suppliers for raw materials and these are owed Shs 46.8 billion. So, the company is facing severe liquidity challenges with severe consequences on the projects it is undertaking.

Some of the projects that it is undertaking at the moment includes projects worth Shs 292 billion that have stalled. The projects that have stalled include our own building here for Parliament of Uganda, the Inspectorate of Government building, the Ministry of Finance, Uganda Cancer Institute and a few other projects. It is against that background that ROKO Construction Ltd approached Government of Uganda for Government of Uganda to acquire some of its shares.

Finally, they agreed on 150,000 redeemable participating shares at a nominal value of Shs 1 million per share, payable over five years. This total transaction is costing the Government of Uganda Shs 207.13 billion.

The money is to be used to -

1. raise capital investment to increase operational efficiency in capacity output on projects;
2. create a new line of revenue equipment hire out;
3. increase company competitiveness through on-time project completion and stronger liquidity to uptake more projects; and
4. Increase sourcing competitiveness through liquidity strength.

It should be noted that as ROKO’s financial health was deteriorating, it approached the President in 2019. The President directed the Ministry of Finance to pursue the acquisition of shares in ROKO but within the law. The Permanent Secretary wrote to the Executive Director of Uganda Development Corporation to carry out, first, due diligence and secondly, to do the evaluation of the company.

UDC did the preliminary work. The preliminary work indicated that ROKO required a significant amount of support but also, in order to do what it had been asked to do, the work will cost it Shs 800 million.

In view of the state of the company at that moment in time, UDC concluded that the valuation would not add much value to what the Government was proposing to do, and that what was required was to salvage ROKO Construction Ltd and then look at other possibilities of acquiring shares and whatever, may be later.

So, focus then was salvaging the company as a going concern with deep relationships in Uganda’s banking and construction industry to avoid the threats of its collapse, and how that will impact –

1. on the construction sector;
2. the banking industry itself;
3. the state suppliers; and
4. the subcontractors.

This point is returned to shortly after.

Now, what is Government proposing to do? The mechanism of the transaction. What is being proposed is that three agreements will be signed and one of them is the Share Subscription Agreement, which we will be referring to a few times and that will govern the relationship between ROKO Construction Ltd and the Government of Uganda.

The other agreement will be the master forfaiting agreement, which will be structured for forfeiting facility term sheet agreement, which will be between the Trade Development Bank and ROKO. It is under that agreement that money will be released to ROKO and I will talk about how the money will be released.

Then the other one will be the master forfaiting agreement that will govern the receivable and others. The share subscription agreement provides that after signing the share subscription agreement, ROKO will issue the bill of exchange - *(Interjection)-* I said that I will summarise. I can read, Madam Speaker, if you prefer it that way.

**THE SPEAKER:** Can you summarise? This was uploaded and it is - Why don't people keep quiet?

**DR KEEFA KIWANUKA:** Okay, that is the truth anyway. After the share subscription agreement is signed, ROKO will issue bills of exchange which will be endorsed by the Ministry of Finance, Planning and Economic Development as irrevocable.

After signing them, they will be taken to the Trade and Development Bank and they will be discounted; they will be cashed prematurely and discounted. Under that mechanism, money will be given to ROKO -

**THE SPEAKER**: Hon. Ssewungu, can you sit? Can he finish? Continue. What do you want him to do? I told him to summarise. Can you summarise? You sit. Because you are a teacher, you are used to talk. Let him summarise.

Honourable members, I want us to make a decision on this issue objectively. Let us look at the principles. First leave alone the name ROKO and look at the principles; the essence of this. When you look at the majority report and look at the minority report, the minority report actually improves the majority report which this House can put together and say, “Fine, these are the principles; we must go by these principles. These are the governance issues that we must follow; these are the financial issues that we must handle before anything”. Let us look at the principles.

If we are saying we want to promote BUBU and this is a local company then go for it. Listen. If this has been brought by the Government, we are going to ask the Government if this is the only company. If it is not the only company, can you give us other companies also? *(Applause)*

**DR KEEFA KIWANUKA:** Okay, let me look at what guided our decision, as a committee, and how we reached the decision that we reached.

**THE SPEAKER:** Are you done?

**DR KEEFA KIWANUKA:** No. The first point that governed our decision when we were thinking about this was that first of all, we should consider the macroeconomic impact of failure to intervene. Let me tell you that some people may have changed their mind now but in the committee, agreement on that was unanimous.

Secondly, we said we should look at this in the public interest. Thirdly, we said the decision should be anchored in business case analysis - *(Interruption)*

**THE SPEAKER:** Hon. Ssewungu, you know the rules of this House. If you are shouting “order, order,” go to the National Theatre. Leave him to present; Hon. Kivumbi will present and we will debate. Stop disrupting people.

**DR KEEFA KIWANUKA:** Okay, so just to recap, we said that we should look at evidence of this on the macroeconomic impact of failure, we should look at it in the public interest -

**THE SPEAKER**: Honourable members, kindly listen. We shall put it to a vote. Let us listen and have respect for each other.

**DR KEEFA KIWANUKA:** Then we said that it should be anchored in the business case analysis. There should be evidence that the paid out company will recover, there should be sufficient mechanisms to mitigate a possibility of risky behaviour in the company and finally, that it should be holistic, objective, transparent and sustainable. That is exactly what we have done in the majority report.

First, we have seen it as something worth supporting in the public interest. One, the sector is dominated by foreign companies. ROKO is our leading indigenous company, a quality brand and we are keen to ensure that it continues trading.

There is a perception, which we need to correct; that when you say a “black person” you think that black person is African and when you say a “white person” you think that person is a foreigner. This company –

**THE SPEAKER**: Honourable members, I want you to first listen. As the legislators and learned people, you need to establish what is local and that can be established in the Articles and Memorandum of Association of a company and the owner of the company, the directors and in this case - I am guiding the House.

Before I came here, I had to do a lot of research. I have all the documents here; the Articles and the Memorandum of Association from - Hon. Nandala-Mafabi, can you come and have a look at this from URSB? The certificate of registration of the lady; the owner of ROKO with dual citizenship is here.

She is not Pinetti, I don't know her. The majority shareholder of ROKO, who is Lady Jean, owns 80 per cent of the shares. She is a Ugandan and her citizenship number is 0002292 which is issued under Article 15 of the Constitution and section 19 of the Uganda Citizenship and Immigration Act.

Listen when you start saying that it is “foreign” company, my work is to guide you. Can you go ahead?

**MR NANDALA-MAFABI:** I would like to confirm what the Speaker gave me, please. The Speaker gave me documents.

**DR KEEFA KIWANUKA:** Has the Speaker allowed you?

**MR NANDALA-MAFABI:** Do not worry, she chose me. Why did she leave you? *(Laughter)*

Madam Speaker, I want to confirm that ROKO is a registered company incorporated in Uganda; that is the first thing.

Secondly, I want to confirm that ROKO is indebted to dfcu to a tune of Shs 10 billion -

**THE SPEAKER**: We are still talking - Hon. Nandala, when I delegate you *- (Laughter)*

**DR KEEFA KIWANUKA**: Madam Speaker, there are a number of other documents we are preparing to lay on the Table after I have presented this report, including the citizenship of the shareholders.

Therefore, ROKO is registered in Uganda as a company with a majority shareholder as Mann Fransey Koehler with 12,000 shares and she is a Ugandan*- (Interjection) -* I have mentioned the name; Mann Fransey Koehler.

**THE SPEAKER**: Can you go ahead chairperson?

**DR KEEFA KIWANUKA**: Now let me go to page 9 where we look at the macroeconomic costs if this company is not supported or if there is no strategic intervention by Government. The consequences of lack of action would have serious ramifications for the construction industry.

**THE SPEAKER**: Members, please keep quiet; I have been attacked by a family here.

**DR KEEFA KIWANUKA**: Including the ongoing Government projects that ROKO is implementing.

**THE SPEAKER**: Hon. Nandala, can I have my documents? This business of taking pictures of judgments of Parliament is wrong. It is very wrong and I know when it gets out; Hon. Odur, you are the one with a camera.

**MR ODUR**: Madam Speaker, I will defend before any courts of law in my name if it gets out; I will defend it.

**THE SPEAKER**: Okay.

**DR KEEFA KIWANUKA:** First of all, if ROKO is not supported, it will have serious consequences on the construction sector. And not surprising, the construction sector itself, the Engineers Association under the Uganda National Association of Building and Civil Engineering Contractors (UNABCEC) made a passionate appeal to Parliament to ensure that this is supported. The competitors of ROKO are making a passionate appeal that Parliament should support this proposal; that is one.

The civil society organisations, that normally are very critical, through their representative organisation, made a passionate appeal that this organisation should be supported.

Now, the other thing to consider is the Shs 150 billion that it owes the banking institutions. Can you imagine; what will happen if it is declared that ROKO is closed, rationally, emotions aside -

**THE SPEAKER**: Honourable member, can you summarise?

**DR KEEFA KIWANUKA:** I need to mention on that one, that at the moment, some of the banks are on the knife edge. They have a portfolio of nonperforming loans, some of them at the level of 16 per cent*- (Interjection) -* I can give you evidence, and actually, some of the documents being tabled here have that evidence. That is on the macroeconomic impact- *(Interruption)*

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

**MR ASIIMWE ENOSI**: Thank you, Madam Speaker. We ought to respect ourselves and respect our own rules. Rule 83 of our Rules of Procedure clearly states that during a sitting, while a Member is speaking, all other Members shall be silent and shall not make unnecessary interruptions.

You see, every precedent you set becomes a norm. Now, the honourable members on the opposite side, you are making noise; allow *- (Interjection) -* yes, you are setting a precedent.

The procedural matter I was raising-

**THE SPEAKER**: Honourable members, can you listen?

**MR ASIIMWE ENOSI**: The procedural matter I am raising, Madam Speaker - I do not know whether it is procedurally right for honourable colleagues to fail their own rules by speaking while an honourable colleague has been given the Floor to present a report. We have a choice to reject what he says or to accept, but let us allow him time to present his report and then we make a decision thereafter. Thank you so much, Madam Speaker.

**THE SPEAKER**: Thank you, Hon. Enosi. This is what I said before. Let us have respect for each other. Let us listen to the report from the other side and from this side. When you continue making - especially people who have been in this Parliament longer, like Ssewungu, you cannot start making all this kind of noise. Chairman, can you finish? I am not going to allow any interruption.

**DR KEEFA KIWANUKA**: Madam Speaker, the other point as a strong argument for us is that ROKO is still commercially viable. I have mentioned the projects on which it has contracts. I have mentioned the projects that are in the pipeline, and all these can only be actualised if there is Government intervention.

Then also, this is not entirely a bailout because we are getting shares in the company; although they are not ordinary shares, they are preference shares. ROKO can pay the Government back on a reducing balance; whatever the Government has paid for as a result of the bill of exchange I was talking about. It can be redeemed by ROKO and the projection is that they will be paid in over five years.

Now in the report and again trying to give a balanced report, we dealt with some of the reasons why some people were thinking it should not be bailed or that the Government should not make this strategic intervention.

I invite you to look at pages 10, 11, 12, 13 and I bring all those together; the reasons against and the reasons for, from page 14 and observations, recommendations and conclusion.

On the inadequate and insufficient due diligence - I think that is a strong point that is coming out in the minority report. One, TDB bank had to do due diligence on ROKO and this was robust. It was done by one of the leading Ugandan law firm. TDB had very close working relationships - it shared that report with the Government and ROKO. It gives us a good feel about the state of the organisation -

**THE SPEAKER**: So, do you appreciate what the minority report is raising on due diligence?

**DR KEEFA KIWANUKA**: Yes, Madam Speaker.

**THE SPEAKER**: That it is prudent for due diligence to be done?

**DR KEEFA KIWANUKA:** Yes, Madam Speaker, we are making a recommendation on that but after Parliament has agreed on this. However, before signing the subscription share agreement, our auditor should do the necessary audit.

**THE SPEAKER**: So, do you have that due diligence that was done by the other company?

**DR KEEFA KIWANUKA**: Yes, we do, but we cannot lay it on Table because of confidentiality issues between the parties.

**THE SPEAKER**: No, we will need that agreement of due diligence to be presented here.

**DR KEEFA KIWANUKA**: We have looked at the audited accounts of the organisation, its compliance standard, governance and their recovery plans. With the legal due diligence, we have had clearance from the Attorney-General. We did not think that there is anything further we can do. If there is any information that has emerged and is contrary to what the Attorney-General is telling us, we welcome it. We had a meeting with them yesterday. And so, if there is anything coming out contrary to what they are telling us, then we welcome that information.

I remember in one of the meetings, I think a Member asked them to produce some report. Anyway, what comes out of this due diligence and evaluation check is that the company has a strong –

**THE SPEAKER**: Can you stick to what is in the report and conclude?

**DR KEEFA KIWANUKA**: Okay, what is in the report? That is the first thing I have talked about; inadequate and insufficient due diligence and we have dealt with that.

The other key area -

**THE SPEAKER**: That is in the minority report. Isn’t that so?

**DR KEEFA KIWANUKA**: No, this is our report, Madam Speaker, but we have dealt -

**THE SPEAKER**: I am saying the issue of due diligence is from the minority report.

**DR KEEFA KIWANUKA**: Yes, Madam Speaker.

**THE SPEAKER**: So, leave the authors of the minority report to talk about their issues or areas of dissent; you can respond later.

**DR KEEFA KIWANUKA**: Okay, Madam Speaker, much obliged.

**THE SPEAKER**: So, can you conclude?

**DR KEEFA KIWANUKA**: We have given recommendations on a wide range of things, which are contentious, like on Government coming out with a bailout policy within six months.

The committee recommends that Government treats the prevailing circumstance as exceptional and justifiable because many more companies, especially in the construction industry, will be coming for bailouts.

There were also issues on the Local Content Bill but we are processing those.

Now, on the governance arrangement, the committee recommends - as a condition precedent - that the governance and management of ROKO is undertaken and the emerging issues thereto be addressed.

There was anxiety about what was being proposed - the veto power and others - but I can talk about those after the minority report has been presented.

The committee observes that potentially it would have a severe macroeconomic impact if ROKO is not bailed out. It is in the public interest that ROKO be bailed out because it is commercially viable to return to its old glory. There may be issues weighing against the bailout but the committee notes that the Government and the partners involved in this have tried to address them.

The committee, therefore, strongly recommends that the Government acquires preference shares and reports to Parliament on a regular basis. We have recommended six months on how this proposal should be implemented.

Let me put this very clearly. We had an agreement - and it was unanimous - that we can take the preference shares. However, where we disagreed from is: the minority report said that part of it should go into ordinary shares. That is what brought the – I will talk about that, Madam Speaker, if I am allowed, after they have spoken.

Otherwise, I beg to lay:

1. The report of the committee;
2. Minutes of the meeting held internally with the stakeholders;
3. The brief from the Ministry of Finance, Planning and Economic Development on this;
4. Responses to the issues that the committee raised;

1. A presentation by the Executive Director of UDC;
2. Correspondences between UDC and the Ministry of Finance, Planning and Economic Development regarding this transaction;
3. Talking minutes by the Ministry of Finance on this;
4. Presentation by the Uganda National Association of Building and Civil Engineering Association Contractors where they strongly supported the proposal;
5. Submission by Hon. Yusuf Nsibambi; and
6. Special resolutions which include:
7. Approval of the creation of 150,000 preference shares for purchase by Government of Uganda.
8. A resolution amending the company's Memorandum and Articles of Association.
9. A special resolution allotting the 150,000 preference shares to the Government of Uganda.
10. The amended draft subscription agreement between the Government of Uganda and ROKO.
11. The amended draft share subscription agreement between the Government of Uganda and ROKO where the issues of concern have been addressed.
12. The Constitution of ROKO Construction Limited.
13. ROKO Annual Returns for the year ending 2021.
14. Notice of increase of share capital.
15. ROKO Construction Limited Company Review.
16. ROKO Construction Limited Budget Work Plan for key projects.
17. ROKO Report and financial statement for years 2018/2019 and 2020.
18. ROKO Construction Limited list of Government projects.
19. ROKO risk profile and mitigation plan.
20. Proof of nationality of ROKO directors.
21. Latest company return of allotment.
22. Business evaluation report - one of the key documents that informed this.
23. The Roofing Limited case that was dismissed.

I beg to lay, Madam Speaker.

**THE SPEAKER**: Thank you so much. Honourable minister, do you have something to say? Can we first get a brief on the minority report then you say what you wanted to say? Please give us a brief.

6.57

**MR MUHAMMAD MUWANGA KIVUMBI (NUP, Butambala County, Butambala):** Madam Speaker, I thank you for this opportunity. From the onset, it is prudent to appreciate that ROKO is a powerful brand and it is synonymous with quality. Its contribution in defining landmarks and skylines in Uganda is remarkable.

Irrespective of these accolades, the company that has a competitive edge in winning huge construction projects and holds running projects worth over Shs 1 trillion is unfortunately rocked with governance challenges, huge indebtedness and numerous legal suits.

These factors compounded led to liquidity challenges and motivated the company to seek a bailout from Government through acquisition of 150,000 preference shares. These are worth approximately Shs 207.13 billion as per the proposal laid by the Minister of State for General Duties on 6 July 2022. Subsequently, the proposal was referred to the Committee on Finance, Planning and Economic Development for scrutiny.

I now go to areas of dissent.

Due Diligence

Madam Speaker, this is a Government, by the confession of the minister, that does not have a policy on bailout. This is a Government that does not have guidance or a work plan on bailouts.

In reference to the President's letter, the Minister of Finance, Planning and Economic Development was required to follow all the required legal procedures in acquisition of equity in ROKO Construction Limited. *(Applause)* That is the directive of the President.

On this basis, the Permanent Secretary/Secretary to the Treasury – I remind Members that we are speaking about 2019 before COVID-19 – instructed Uganda Development Corporation (UDC) to contract competent professional accounting firms to undertake the required due diligence. The results of the due diligence were to inform the equity acquisition.

The Executive Director of UDC informed the committee that it did not undertake the required due diligence. This was attributed to failure to access funds amounting to Shs 800 million required to contract a competent professional accounting firm to undertake the due diligence.

It is, therefore, illogical for Government to fail to avail Shs 800 million for the due diligence exercise but instead proceed to seek approval from Parliament for Shs 207.13 billion. Only Shs 800 million was required but they said they had no money. Here we are and they want us to give out Shs 207 billion!

The Budget Directorate of the Ministry of Finance, Planning and Economic Development undertook a brief – and this is from the statement that the minister has filed here and I quote this verbatim. The Directorate of the Ministry of Finance, Planning and Economic Development undertook a brief review on the capital and debt financing plan of ROKO Construction Ltd. A critical examination of the brief clearly indicated that the technical capacity and legal risks of the company were not considered. Therefore, it is improper for the majority report to rely on a report of the ministry that had a limited scope.

Besides, it is important to note that the PS/ST recommended for contracting of a competent professional accounting firm upon which the ministry and UDC were required to do this work.

Additionally, the majority report relied on old constitutional documents of the company filed on 24 July 1969 yet the committee was informed of amendments regarding share capital. For instance, share capital had been increased from Shs 200,000 in 1969 to the current amount of Shs 15 billion.

This is a company that has a share capital of Shs 15 billion. If it is failing, we can buy out. We are the rich people, we can buy it. *(Applause)* Uganda has the money, why not buy it if it has failed?

Despite repeated requests, the committee was not furnished with amended Articles of Association and share allotments. I know what they have; they have a notice. They have given us a notice to file allotment. That is not allotment. And this is after we instigated them. All that was presented to the committee was a notice of increase in share capital and annual returns.

Later on I am going to ask Hon. Nandala-Mafabi, a very professional accountant, to go through the accounts of ROKO as of 31 December 2021 so that you know that if ROKO is honest from its books of accounts, it can sort itself out without coming to Government. It is high time we raised the bar of this Parliament. *(Applause)* How do you come to this Parliament, where there are professionals, with *jua kali* documents? *(Interjections)* No, I cannot say “*kwara kwara”*.

In the extract of the Cabinet Minute of the Cabinet meeting that sat on Monday, there is a precondition set by the President that should have been adhered to before the submission of the proposal to Parliament. It reads, “Note the directive by H.E. the President to the Minister of Finance, Planning and Economic Development to enrich the paper on the Government of Uganda’s preference shares subscription in ROKO Construction Company Limited with relevant data, clearly highlighting the haemorrhage of the country’s resources over the years through profit repatriation before submission to Parliament”. That was on Monday. By Thursday, they were here filing papers without doing any work.

Colleagues, this is what the President directed you to do. The President’s directive referred to –

**THE SPEAKER:** Honourable minister, I hope you are taking note.

**MR MUWANGA KIVUMBI:** The President’s directive referred to in the extract reaffirms the need to contract a professional competent firm to undertake due diligence of the company.

It should be noted that the Cabinet extract was being drawn from minutes of a Cabinet meeting held on 4 July 2022. Please note that this directive was given at most a month after the proposal was tabled in Parliament

In the recent past, due to failure to undertake due diligence, the same ROKO Construction Limited together with FINASI entered into agreement with the Government to construct a specialised hospital in Lubowa. This ROKO was part of a sweetener that came to Parliament and we entered a shoddy deal in Lubowa. To date no substantial -

**THE SPEAKER:** Can I have clarification? Is it the same ROKO building in Lubowa?

**MR MUWANGA KIVUMBI:** Yes. When they brought the Lubowa estate proposal, Madam Speaker - to convince Parliament -

**THE SPEAKER:** Is it the same ROKO building in Lubowa? I want clarification so that we move together.

**MR PAUL OMARA:** Madam Speaker, ROKO is no longer in Lubowa. They had a short stance and they left. They are no longer part of that construction. I submit.

**MR MUWANGA KIVUMBI:** Yes, Chair. The point I am trying to speak to here is that when they were bringing a package to convince Parliament for us to okay the Lubowa deal, a local brand was used. We were told it was ROKO. People said if it is ROKO, work will be done. One month, two months down the road the story is what Hon. Omara is telling you.

**THE SPEAKER:** Maybe there was a disagreement, Pinetti ran away to buy coffee. *(Laughter)*

**MR MUWANGA KIVUMBI:** The question is, that this ROKO -

**THE SPEAKER:** No. Let us go ahead. Move ahead.

**MR MUWANGA KIVUMBI:** To date no substantial progress has been registered and this prompted the House to reallocate Shs 339 billion that was proposed for promissory notes. This too reaffirms the need to contract a competent firm to undertake due diligence before the House pronounces itself.

Our recommendation on this point, Madam Speaker, approval of the proposal be stayed until due diligence is undertaken by independent competent professional accounting firms as earlier required by the Government Permanent Secretary to the treasury. This will inform the decision-making processes of this Parliament.

**THE SPEAKER:** By the way, we are not in a procurement process. We are not doing procurement. So, when you say approval - we are actually seeking permission to acquire shares. The House is not doing the procurement process. You go ahead.

**MR MUWANGA KIVUMBI:** Madam Speaker, what this House is doing, to affirm the full impact of what we do, if we okay it, tomorrow ROKO will walk away with this money; that is a fact. That has been the trend here.

The case for majority shares Vs equity -

**THE SPEAKER:** Members, the member is raising very pertinent issues and as Government you need to develop a policy on bailouts of distressed companies, especially the local companies. We do not want to kill the local companies. You need to have a policy in place; a criterion in place on bailouts. And then you also need institutional safeguards to avert the risk of loss of public funds.

**MR MUWANGA KIVUMBI:** Madam Speaker, let us go for a case of majority shares and equity. Whereas the majority report recommends acquisition of preference shares, we propose that the Government acquires if need be equity in form of majority shares of up to 51 per cent of any amount of share capital. Based on the current share capital, the Government would require only Shs l6 billion. This would be in line with the presidential directive as far as acquiring equity.

**THE SPEAKER:** How much would we require to get the 51 per cent?

**MR MUWANGA KIVUMBI:** Only 16 Billion.

**THE SPEAKER:** One, Six. You are speaking in Luganda -

**MR MUWANGA KIVUMBI:** One, Six.*Kumi na Mukaaga*.

**THE SPEAKER:** Okay. Minister of Finance, are you getting that? That we need 51 per cent if we are to have control of this company, and the fact that we have so many of our institutions that are under ROKO - Your opening statement is really very good. ROKO as a company does quality work. We want to have the majority shareholding. Ministry of Finance note that.

**MR MUWANGA KIVUMBI:** Madam Speaker, it would also not be wise to set the proportion based on the current nominal value for it can be altered at any time. For instance, based on the last annual returns made on 30 March 2021 to Uganda Registration Services Bureau (URSB), Shs l0 billion indebted to dfcu Bank Ltd had not been written off the share capital. In effect, this would reduce the value of the shares to Shs 5 billion in the event of default. This would make dfcu Bank Ltd the majority shareholder.

Suffice to note that, the attainment of majority shares will not extinguish ownership by current shareholders. They will only become minority shareholders. Once the company is afloat they can reacquire all the shares. Therefore, acquisition of majority shares by the Government is the only credible safeguard of taxpayers’ money. It would empower the Government with legitimate rights to influence the governance and the direction of the company.

Our recommendation, Madam Speaker, is that the Government should acquire 51 per cent of the ordinary shares of ROKO Construction Limited as a condition for the acquisition of preference shares. Give us control 100 per cent and we give you our money. Smart deal! Otherwise, there is a risk that if there is no such conditioning, the Government may prioritise preference shares. Majority shareholding will require that the Government has both a stake in ownership and control. It will also be in line with the presidential directive of acquiring equity in the company.

For once let me speak for the President. He was very clear on ROKO. He said, “I want to have local ownership”. And he instructed the Ministry of Finance to acquire equity. The President should not be short-talked by technocrats.

Let me also go to another point. The risk of preference shares, honourable colleagues. Preference shares pose limitations, particularly on control. Unlike ordinary shares, where shareholders enjoy both ownership and control, shareholders of preference shares only enjoy ownership and lack voting power. Hence, a preference shareholder cannot influence the governance and the direction of the company. This is affirmed by the limitations detailed in the rights attaching the redemption preference shares that were laid in Parliament by the chairman.

For instance, Government as a preference shareholder will only attend the annual general meeting of the company but cannot vote. And you have given your Shs 207 billion, irrespective of being entitled to two seats on the board of directors with the veto powers on loan acquisition and the annual company budget.

It is hoodwinking proposition and colleagues, all other agreements where we are losing money, this is what technocrats do; they are called “economic hitmen”. They sit in London and craft these documents for Africa just to cheat our people.

Let me explain and you get to know the gist of the matter. They want us to have two seats on the board as a sweetener. In our two seats, they are saying we have veto power; on the veto power they have given us they say it shall affirm to test code reasonableness.

In all material substance, where do you have the veto power that is subject to another veto? “Reasonableness” as defined by lawyers means the official way of running things. That means if you want to exercise this power and if there is a disagreement, they will take it still to the board where you are a minority shareholder and then vote you out. That is *bufere!*

I wonder if you went to the same school of economics like I did, Hon. Dr Keefa Kiwanuka, you should know this. And if you studied in the London School of Economics - I was taught here in Makerere. The veto powers are distinguishable - our recommendation is that preference shares should only be attained after Government has acquired 51 per cent shares.

Now, let me go to numerous cases against ROKO Construction Company Ltd. Honourable colleagues, this I can speak about quickly. ROKO Construction Company Ltd has 27 lawsuits in a commercial court and this is where you want to put our money without due diligence without knowing the extent of all those lawsuits?

We are not even sure that if we put in our Shs 207 billion, it will be enough to salvage ROKO Construction Company Ltd because there is no professional report to speak to that effect.

Therefore, I recommend that comprehensive due diligence should be critical before Parliament addresses this.

Madam Speaker, let me now go to the question, which you alluded to. Is ROKO Construction Company Ltd domestic or foreign? Because this has been a debate here and we spoke to it. During the committee meeting, the ministry misrepresented ROKO Construction Company Ltd as a domestic investor. It was however, established that while the company is registered in Uganda based on its ordinary shareholders, it is a foreign-owned company.

The 15,000 ordinary shares are owed by Swiss nationals who include Jean Mann Koehler, who owns 12 of the 15 and Mr Friedhelm Jost, who owns 15 and Walter Blaster, who owns another 15.

Section I of the Uganda Investment Act of 2019, defines a local investor to mean: *“(a) A natural person who is a citizen of an East African Community partner state.”* Are they? *“(b) A company incorporated under the laws of an East African company partner, in which the majority of the shares are held by a person who is a citizen of an East African”* -

**THE SPEAKER**: Hon. Muwanga Kivumbi, if I hold dual citizenship, do I become a citizen?

**MR MUWANGAKIVUMBI**: Madam Speaker, it is a question posed to this House. I might be incompetent to answer, as I am not a lawyer.

**THE SPEAKER**: He is not a lawyer, I was only asking. Hon. Muwanga Kivumbi, can you continue. *(Laughter)*

**MR MUWANGA KIVUMBI**: “*(c) A partnership in which the portraying interest is owned by a person who is a citizen of an East African State, and holding an investment license issued in accordance with this Act.’*

Based on the above definition and appended criteria therein, ROKO Construction Company Ltd does not fall under the categorisation of a domestic investor.

Rather, it only satisfies the criteria of a foreign investor as highlighted below. The same section I of the Investment Code Act 2019 defines a foreign investor to mean, “*(d) A natural person who is not a citizen of an East African partner state”*, the Swiss are not.

*“(e) A company incorporated under the laws of any country other than that of an East African partner state.*

*(f) A company operated under the laws of Uganda, in which the majority of the shares are held by a person who is not a citizen of an East African community partner state.*

*(g) A partnership in which the controlling interest is owned by a person who is not a citizen of an East African partner state and holding an investment license issued in accordance with this Act.’*

Unfair selection of ROKO construction

The committee was informed that Government has received several requests from financial distressed construction companies. Unlike ROKO Construction Company Ltd, the rest were a comprehensive viability assessment by Ugandan Government cooperation, UDC. For instance, the committee learnt that the viability assessment was undertaken for Abubaker Technical Services. Subsequently, it was determined that only Shs 50 billion was required for a first year investment.

To the contrary, a proposal of Shs 207.3 billion for ROKO Construction Company Ltd, which was not comprehensively assessed before being presented to Parliament, is four times more than that of Abubaker Technical Services.

This is extremely unfair and it demonstrates the selective approach of Government in supporting financially distressed business.

It should be noted that in the last three years, a number of companies irrespective of size, have faced liquidity challenges. For example, over 4,200 small and medium sized companies, including schools have gone under. These 2200 businesses were making substantial contribution, in terms of tax, employment, human capital development and service delivery.

Unfortunately, they were never considered for bailout. Instead, they were simply referred to Uganda Development Bank, and the Small Medium Enterprises Fund in the commercial banks.

Recommendation

The Ministry of Finance, Planning and Economic Development should brief the House in the next sitting on all the businesses that have approached the Government for financial support and the status of their request.

**THE SPEAKER**: Honourable minister, we need a report in this House in three months on all the local investors who can be given a bailout. Secondly, we need a criteria on how bailouts are given; a bailout policy. Then we see how the local companies should - if you are using ROKO Construction Company Ltd as bedrock then all the other companies should also be bailed out. *(Applause)*

**MR MUWANGA KIVUMBI:** Madam Speaker, the last one is the insensitive timing of the proposal. This proposal was presented at a time when (i) citizens are gripped in financial stress. (ii)Citizens, particularly in Karamoja subregion, are dying of starvation and earlier, we have been having the challenge of nodding disease just before this report. (iii) The country is faced with fuel shortage and runaway commodity prices. (iv)Teachers and local Government workers are striking, demanding for an increment in salaries and Government has assured its citizens to be on their own as they fight for survival. A repeated response to the above challenges has been that Government intervention is bad economics that does not work and we should address them when there are adequate resources.

Madam Speaker, this minority report was signed by Hon. Nandala-Mafabi, Hon. Hanifa Nabukeera, Hon. Muhammad Nsereko, Hon. Karim Masaba from Mbale and myself.

Madam Speaker, the last segment – where we want this House to have an informed decision - is to request Hon. Nandala –

**THE SPEAKER:** No, you have seven areas of dissent. Everybody wants to debate this report. Honourable members -

**MR MUWANGA KIVUMBI:** I beg to move.

**THE SPEAKER:** Honourable members, when I hear what the shadow minister is talking about, he is really raising very important and key issues. When you synchronise both reports, they are very good reports; they complement each other. They help in improving what is being brought in the main report.

As he said before, Government needs a bailout strategy in terms of the criteria, who is eligible and who is not eligible. Governments worldwide take a stake in private corporate entities for strategic purposes but what matters is how do you do it; how is that company?

Of course, in promoting BUBU, Government will always do that. When you look at the preference shares, they are basically to safeguard the public resources. When you look at ROKO that we are talking about, our building has stalled as Parliament because there is no money and they cannot continue working.

The Ministry of Finance, IGG, health ministry, Uganda Cancer Institute and a number of companies that have been undertaken by ROKO are at a standstill. We need to make a decision, as a House, on this issue. Government can secure shares in the company or it can lend a company and then recover when it completes the projects that it is having. Such processes require adequate regulation and clarity of the policies to safeguard the money. *(Applause)*

When you do that, issues of due diligence must be done, audit must be done; you should audit the firm. In case you approve that you are going to buy shares, that firm must be audited first to understand what is available.

This motion is specifically on ROKO. How we wish, as Parliament, that it should not only be on ROKO. Let us look at all the other companies. *(Applause)* Let us look at the principle because when we look at the principle, we shall be able to make an informed decision out of this.

Of course this brings unfair selection of companies for which I have given you a directive to produce within three months. When you look at the legal suits against ROKO, in any business - I happen to share a business with Hon. Nandala-Mafabi and even we have loans and they sue us and we also sue them. So, you cannot choose a person who sues you or what happens at the end of the day.

You will say they have lost all the cases but I want evidence that there are 27 cases. Lay it on the Table and then we proceed on those issues. However, having cases is not – *(Interjections)* - They have rulings? But a ruling comes out of a case.

Do you choose whether you should be sued or not? When they take you on an election petition, do you choose that you should be taken to court? So, what we need to do is to take precaution on all this. Did you say they have a share capital of Shs 15 billion? I am asking Hon. Kivumbi.

**MR MUWANGA KIVUMBI:** Madam Speaker, I know the limitations of my capacity. I always rely on Hon. Nandala-Mafabi when it comes to matters of accounting because he is a reputable accountant. So, can you elaborate?

**THE SPEAKER:** The documents I have here, which Hon. Nandala-Mafabi wanted to leak that they filed –*[Hon. Nandala-Mafabi rose]*– Listen, Hon. Nathan. Section 73 requires that you give a notice for share capital and it should be filed. You have a document there that gives you information that they filed; this was done.

You will speak. *(Laughter)* This was complied with as per section 73(1). A notice was also filed and gazetted in compliance with section 73(2). Therefore, this company has a share capital of Shs 222 billion. That is the position.

**MR NANDALA-MAFABI:** Madam Speaker, you are right. The notice was filed on 22 October 2021 and their final accounts are dated 31 December 2021. It means that by law, at that time of the filing and by the accounts, this should have been reflected in the accounts.

**THE SPEAKER:** I did not refer this report to the Committee on Budget but the members of the Budget Committee who signed the minority report, what I am saying is, you need to correct this. This is a Committee of Finance.

**MR MUWANGA KIVUMBI:** Madam Speaker, I agree that the top should read, “A Committee of Finance” and apart from only I, the rest of the members who signed that report do not even sit on the Budget Committee. They are all members of the Finance Committee. I apologise for that inconsistency.

**THE SPEAKER:** You see how civilised Hon. Kivumbi is? Now, you are already disagreeing with it. Thank you. The minister had something to say –

7.35

**THE MINISTER OF STATE FOR WORKS AND TRANSPORT (WORKS) (Mr Musa Ecweru):** Thank you so much, Madam Speaker. I rise to make a statement to support the Minister of Finance and the Chairperson, Finance Committee, particularly as a sector minister responsible for public works.

Madam Speaker, what we are doing as a sector, as directed by the Cabinet-

**THE SPEAKER**: Honourable members, Hon. Ecweru is making a contribution as a minister in charge of construction. This is a construction company. Hon. Nandala does not even have shame to talk before his in-law like that.

**MR ECWERU:** The Secretary-General of FDC. Madam Speaker, we are working as directed by the Cabinet, my ministry, Ministry of Finance and National Planning Authority to identify construction companies in Uganda that are supposed to replace those that have been coming to Uganda briefly, to just make money and go away. And that has resulted in colossal loss of resources by this country to those companies that have just come to us to transact business and they are there to run away within a short time.

ROKO, the company under discussion here from our records - *(Interruption)*

**MR NANDALA MAFABI**: Madam Speaker, I am sorry and very apologetic to my in-laws. Please do not take away my wife. Madam Speaker, the minister is alleging that companies come here and run away. On page 7 of the audited accounts of ROKO, it defrauded Uganda, and it has tax arrears which came as a result of an audit by the Uganda Revenue Authority on fraud. They are being demanded Shs 9.19 billion.

And you are saying that others run away! What about this one which comes with intentions to defraud us? How do you treat it? Is the minister in order to call others bad yet ROKO is a living example of a bad company?

**THE SPEAKER:** You know, Hon. Ecweru is talking from whatever he is seeing in the report. Just like you could make your own submission; it is just because you are a member of the committee that you are privy to all that information. The minister is doing what he was told to do. *(Laughter)*

**MR ECWERU:** Madam Speaker, thank you for that wise ruling. In the file of the Minister of Works and Transport, ROKO has had an illustrious track record spanning over five decades in Uganda, where there is a lot of evidence of what it has done. The directive that we have, and that we are working on is to identify all companies that are local, that are Ugandan and need one support in different ways.

The kind of intervention that the Minister of Finance has come to request us to do as Parliament is one such intervention; I would like this House to know that in the next few days, we shall be presenting as a ministry working with the National Planning Authority, specifically public works companies, those that are involved in construction, which are local, that need us to employ different tools, some of the tools that we might be asking the Cabinet and then eventually you, Parliament, to know and support include preferential treatment that will give to some local companies help to get on their feet so that they develop the capacity as we face out to the other foreign companies.

Therefore, I beg this House to know that it is true, there might be a white man or two but ROKO has been here for over five decades. ROKO is registered here and ROKO has a local support and local content. I beg to move.

**THE SPEAKER:** Thank you. I am going to give you people to debate on this matter, so long as you are not a committee member. I am going to give you people an opportunity to debate.

7.42

**MR DENIS OGUZU (FDC, Maracha County, Maracha):** Thank you, Madam Speaker.

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

**MR KIBALYA:** Thank you, Madam Speaker. I rise on a procedural matter. We have listened to both reports and in the minority report, they pointed out some issues that required - either the finance minister had not been privy to that information and now that he got to that information, wouldn’t it be procedurally, for the finance minister and given that even Hon. Bahati, who is standing in for the Leader of Government Business is here, to give us a position on what the minority report hinted on, before we debate?

**THE SPEAKER:** Honourable minister, can you respond to what was raised in the minority report for clarification?

7.43

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Thank you, Madam Speaker. Once again, I would like to thank the chairperson of the Committee on Finance for the good majority report, and also my friend, the Shadow Minister of Finance, for clearly highlighting the areas of weaknesses which the Government needs to address and I would like to undertake to address them as follows:

Madam Speaker, on the due diligence, since due diligence is a process and a precondition for some things happening; we undertake that after this stage, we shall continue and do the due diligence.

Madam Speaker, when Hon. Kivumbi was speaking, I was listening -

**THE SPEAKER:** Honourable members, as I said, let us debate and stop populism because you want the cameras to see -

**MR MUSASIZI:** Madam Speaker, on the Cabinet directive, which authorised me to proceed to this House, there is an issue which Hon. Kivumbi raised and when I appeared before the committee, I presented that an estimate of about Shs 950 billion is spent on an annual basis to foreign companies, which do construction work in this country.

On the relationship between ROKO and Lubowa, to the best of our understanding, Madam Speaker, there is no relationship.

Madam Speaker, on the institutional safeguards, for emphasis, I had mentioned the area that this arrangement has an agreement. And in the understanding, we have agreed that we shall have representation on the board of two members. We have agreed that we shall have a Chief Internal Auditor responsible for establishing an internal control environment, which will prevent all the possible risks and flaws, which we as the Government and the Parliament is concerned about.

Madam Speaker, Hon. Kivumbi also raised a point on the lack of policy or criteria on bailout. Yes, it is true. We have been handling bailouts on a case-by-case basis. However, with now the guidance of the House, I undertake that we shall come up with clear criteria on how to handle bailouts and other payments of this nature when they arise.

Madam Speaker, on the 15 billion shareholding; this has since changed; the shareholding is above Shs 200 billion. I have evidence here - *(Interruption)*

**THE SPEAKER**: There is a procedural matter from Hon. Odur.

**MR ODUR**: Thank you, Madam Speaker. Under our rules and they are spread across beginning from the interpretation clause, through to rules 31 and 32, and this is a matter that I require your indulgence to give a substantial ruling, because it will affect how we transact business in this House.

When a report of the committee is laid, it is accompanied - and the definition of the “report” includes all documents that the committee uses to process that report.

However, the practice here has been that the report is uploaded for Members and then the supportive documents are hidden from Members; and Members are expected to debate this matter and yet the committee drew their conclusions from some of those documents.

The minister is now introducing a document that Members do not have and this will be subject, if not addressed, of litigation.

Wouldn’t be procedurally right, Madam Speaker, that the tabling, as defined in our rules and spread across all other rules; whether the virtual Table, must contain all the documents -

**THE SPEAKER**: Hon. Jonathan, what does rule 31 say?

**MR ODUR:** Okay. I will now start with the interpretation clause because they are spread; they are many -

**THE SPEAKER**: You have quoted rule 31, which talks about the laying of papers. The laying of papers is different from the documentary evidence that is presented to the committee.

**MR ODUR:** Madam Speaker, if you allow me, I will define what the paper is. I will even define what it means to lay, I will even define the Table; all these are here.

So let me start with “the paper”. It means any document in any form that may be laid on the Table; it is in our rules, and it is about any document, in any form, that may be laid on that Table. I will go to “laying” which is in our rules here and what it means to lay –(*Interruption*)

**DR KEEFA KIWANUKA:** I do not understand the point that the Member is labouring to bring out because we laid all the documents including the resolution, which the minister has. The minister has his own copy but we have laid that among the documents that are in the file.

**MR ODUR:** You are seeking clarification on the documents you have laid? We have amended our rules to provide for the physical and the virtual laying of papers. In addition, these documents are for the benefit of Members of Parliament.

Of what value -

**THE SPEAKER**: Honourable member, if you want the evidence of what was laid in committee, go to the library and have access to them; look at them. If you want to use them for legal purposes, please get copies from there. They are in the library, please. Let him finish his statement.

**MR ODUR**: Okay, Madam Speaker, much obliged.

**THE SPEAKER**: Thank you. Let him first finish – but okay, continue.

**MR SSEWUNGU**: Madam Speaker, I have been with Hon. Musasizi, the finance state minister in this Parliament for quite long, and he knows what happened to the Hon. Prof. Kidhu Makubuya and the Hon. Syda Bbumba - from the President of Uganda, by the way, you know what he said. He said, “I gave you the directives. Did you take my advice?”

So, my clarification, honourable minister, who is also my good friend; we read and wear the same rosary - you have said that due diligence is to be carried out. You are an economist. What do you really understand by “ascertaining goods” before carrying out due diligence? In your position, you get the goods before carrying out the due diligence? As an economist, tell us what you understand by that.

**THE SPEAKER**: Yes, honourable minister -

**MR MUSASIZI:** Madam Speaker, I do appreciate Hon. Ssewungu’s concerns. However, what I mean - and you heard what the chairman of the committee said. There is due diligence, which has been done. However, because Hon. Kivumbi thinks and he has convinced us, he has really justified that we need to do further due diligence. I commit that we shall do further due diligence.

7.53

**MR NATHAN NANDALA-MAFABI (FDC, Budadiri County West, Sironko):** Honourable minister, you are right. Due diligence has been done and I want to say you have done it. However, one of the procedures of doing due diligence is having audited accounts. The audited accounts, which the Ministry of Finance has relied on, were done by PIM and Company Certified Public Accountants. I do not know for how long they have been there.

However, honourable minister, much as you are consulting the Speaker, it says noncurrent assets are 76 billion and current assets are 393 billion, giving a total of 469 billion. Then shareholders equity is 61 billion, but current assets are 377 billion.

For a company to exist, they say what is your working capital? Working capital, my chairperson, Hon. Dr Keefa Kiwanuka, is current assets minus current liabilities. If the current assets are 393 - if you subtract 377 billion, you have 16 billion. That means this company is worth – (*Interjection*) - that is the due diligence I am talking about!

Now the moment these accounts are not dual, then these accounts are false and PIM and Company Certified Public Accountants should be taken to the institute. And if it is true when they said the going concern - they said that this company has a going concern; it is capable to move on his own.

It never said with the going concern, they needed to go to the Government and get money or go somewhere to get money. The going concern is very clear; it means the company is liquid and the moment the company is liquid, they do not need to come to Parliament to seek money. They only needed to go to banks, stock exchange, because these accounts talk for themselves.

If you are from the London School of Economics, which I am hearing about - if profitability, which is here by 2021, is saying 256, then I do not see you as a chairman from London School of Economics. For us we passed by the doorway. He could come here and tell the people of Uganda to fund a liquid company, as far as these accounts are concerned.

**MR ENOSI ASIIMWE:** Thank you so much, Madam Speaker – *[Member: “He is a member of the committee”] -*

**THE SPEAKER**: He is making a clarification.

**MR ENOSI ASIIMWE**: All of you that have been speaking are members of the committee so I think it is right to clarify, specifically what Hon. Nandala-Mafabi has said.

We all agree that the Government knows that the company is not doing well financially. That is why they are coming in. When you say that they are liquid – yes, they could have been liquid as at 31st December but their liquidity is based on the loans they get from banks. The purpose as to why they are running to Government - Actually, they are not running to the Government. Government is -

**THE SPEAKER**: Order!

**MR ENOSI ASIIMWE**: I am holding the Floor -

**THE SPEAKER**: Okay, all members of the committee should take their seats.

7.56

**MR DENIS OGUZU (FDC, Maracha County, Maracha)**: Madam Speaker, I would like to associate myself with your guidance on why ROKO, out of all distressed companies in Uganda, was picked. Since Hon. Keefa said supporting ROKO will have some micro and macro impacts on the economy, I am now on the Floor to make a contribution.

I think it is very important that the Committee on National Economy quantifies what that contribution to the economy would be because they did not state it. Maybe, just for Hon. Keefa’s information, when you were a member of the Committee on Natural Resources, you were the chairperson. You sent resources for irrigation projects and a number of those projects have stalled. Therefore, you may need to reflect on what kind of recommendations you make as you lure this House into making decisions on a number of issues.

Before the Government or anybody invests in any company, there must be economic viability of such a company to make profits. I have not seen you make a strong case for when we expect to turn around this company. We would have expected that you would lay plans. Usually, turnarounds are a product of corporate governance. We would want to hear how this company has been structured; how the management is? Is it true that if we inject this kind of money, things will be turned around? We have not clearly seen you highlight that.

Madam Speaker, it was mentioned here that the Government is going to be represented on the board of this company. I wanted to know how many voting rights we will have, as a Government, to make decisions on matters of this company. You need to clarify that to us.

You also mentioned several agreements - and this is where Hon. Jonathan's issue comes in. Article 159 (5) and (6) of the Constitution talks about the need for Parliament to look through the terms of the agreements you are talking about and approve them. In the absence of those specific terms, which you claimed you laid here - they are not uploaded and we cannot make reference to the specific clauses. How are we going to approve them? I tend to think –

**THE SPEAKER**: Honourable minister, is the agreement ready? Have you already signed it? What stage are you at?

**MR MUSASIZI**: Madam Speaker, we could not conclude the agreement before parliamentary approval. What we undertake to do, Madam Speaker -

**THE SPEAKER**: Honourable members, listen to what the minister is saying.

**MR MUSASIZI**: Madam Speaker, what we undertake to do after here is that all the recommendations and concerns that Parliament has - specifically from the minority report - shall be included and incorporated in the final agreement before we disburse.

**MR OGUZU**: Madam, I have not finished my submission –

**THE SPEAKER**: No, we are not going to sleep here.

**MR OGUZU**: The implication of the minister’s clarification is that Parliament is *– (Member timed out.)*

8.02

**MS SARAH OPENDI (NRM, Woman Representative, Tororo):** Thank you, Madam Speaker. I would like to appreciate the initiative by the Government to bail out companies, especially local companies.

However, on listening to the report from the committee, the minority report and Hon. Nandala-Mafabi, I have sat and rethought. The statement by the ED of UDC should not be overlooked, especially where he said that ROKO, as a patient, is too ill to undergo an operation. Before the operation, there is need for stabilisation. This is a statement from the ED who was initially charged with the responsibility of doing some due diligence. Also, Hon. Nandala-Mafabi is presenting an audited report that shows that ROKO is liquid. Therefore, there is a serious mismatch. I do not want this Parliament, Madam Speaker, under your leadership, to be used to do the wrong thing. *(Applause)*

**THE SPEAKER**: Honourable member, that is why I said a proper audit must be done.

**MS OPENDI**: Madam Speaker, I hold you in high esteem and under your leadership, I cannot sit, watch and see people try to drive us into committing serious political corruption. *(Applause)*

The President's letter is very clear. Should we disregard that letter, this Parliament will be blamed at the end of the day. The President's letter has been read. What does it cost the Executive to go and do what it is supposed to do; due diligence and then come back? Then we can talk about the report, considering what could have come out of that due diligence.

I beg to submit that this Parliament should not be used to do things the wrong way. Let us follow the right processes. Bailout does a good job. I appreciate the work of ROKO; there are many companies, including Ugandans individually, that are in need of a bailout. Thank you, Madam Speaker.

8.05

**MS JESCA ABABIKU (NRM, Woman Representative, Adjumani)**: Thank you, Madam Speaker. I have listened carefully to the two reports and I have drawn a conclusion that the two reports, in one way or the other, strengthen each other. The minority report has delved into details and provided insight on how best we can do these things. But in principle, even in the conclusion that the presenter read, we have all agreed. Also, the minister has agreed and concurred that steps have to be taken to improve our systems and building institutions to make sure that we ensure safety, equity and sustainability in our ventures.

Madam Speaker, I have one question; we are already in the theatre, we have all these procedures to be followed, if our Government is to do that, how long are we going to do it?

I have hope. When there was admission that there was due diligence that was done, the query was on the extent. That is what I listened to and got right -*(Interjections) –*

Therefore, Madam Speaker, I am of the view that as we know our governance system for now, let us move on as we keep improving our systems. We cannot halt.

Secondly, Madam Speaker, I am pertinent on the issue of equity. I would love that my Government brings that report to say, at least attention across the country on how other local companies are going to be supported. For example, we have Gaaga Company, which is in Adjumani - not only in Adjumani but in West Nile. It is serving the whole of West Nile and it is stuck. Let Government come in and provide the equity content that it is trying to do for ROKO so that also other companies in the country are supported. Thank you.

8.08

**MS LILLIAN ABER (NRM, Woman Representative, Kitgum):** Thank you very much, Madam Speaker. I have listened to the report of the committee and also the minority report and these are my views.

I want to support the recommendations made by both reports on Table. However, I would propose that we need to give support and ensure that the projects which are already lagging behind, which include Parliament's projects, the Cancer Institute, Ministry of Finance and Mulago Hospital - these projects are very important to Ugandans and must be handled. *(Applause)*

Secondly, there are Ugandan suppliers who were meant to supply and made supplies to ROKO; they have not been paid up to date. As we sit here and discuss these issues, it is very important to consider these Ugandan suppliers.

The fact that Government would be reporting to Parliament every six months, it would be imperative that we take this positively and act.

We also need to look at the need for balancing all other companies as proposed. These are very good recommendations. However, putting into consideration all these issues discussed in good spirit, I would move that we support and offer funding to ROKO. I thank you.

8.10

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (MICRO FINANCE) (Mr Haruna Kasolo):** Thank you, Madam Speaker. I have sat and listened to the two reports. They are both good reports, and as a country, we benefit from them. They each show the seriousness of all our Members.

Honourable members, you have been in this country and indeed ROKO has been around. I can assure you that ROKO is one of the companies in Uganda which employs almost 97 per cent of employees are Ugandans. I can assure you – *(Interjections)* – I am giving a testimony on this because I worked with ROKO before; 97 per cent of workers are Ugandans, and I know most of them.

Now, my issue is, as Government is planning for ROKO, we have our own government companies, like the National Housing Construction Company. It is also similarly facing this very problem of money. We need to make sure we support these companies.

Indeed, if we left ROKO to go, Ugandans would suffer a lot – *(Interjections)* - because ROKO has proved to Ugandans that it can do a very good job and it has exhibited high levels of doing work.

Honourable members, I just want to appeal to you that you must think twice - *(Interjections) -* I know the reports talk to each other, they are good. Yet the Government also has an obligation to put right so many things. Personally, I implore you to support ROKO. We have supported many companies - *(Interjections) -* we pray that we support ROKO. Thank you very much.

**THE SPEAKER:** Can we have the LOP, and then we shall have the Prime Minister.

8.13

**THE LEADER OF THE OPPOSITION (Mr Mathias Mpuuga):** Madam Speaker, I would like to confirm that it is coming to a quarter past eight. This is the day the Lord has made. It could easily go down in infamy in this 11th Parliament.

Unlike very many debates here with Bills, this is an ordinary debate and the issues are not very difficult to comprehend. When I listened to my brother and old friend, Hon. Kiwanuka, I initially thought I went to the wrong school of economics.

When he further made his submissions of the report, I thought I never went to law school. I almost requested, as a point of procedure, to ask the members of the committee to rise up so that we can applaud them for this report that bears both the majority and the minority and they are both signed by the same people.

If you read the last three pages, it is the biggest pack of contradictions I have ever witnessed in the last 11 years I have been on this Floor. I would like to invite the honourable gentleman and chairperson, when he goes home, to read the report again. Probably, you will have occasion to come back and say, “*mea culpa, mea culpa”.*

Madam Speaker, the honourable Minister of Finance, Planning and Economic Development has laid the basics to us; that actually in the circumstances, he does not have knowledge of the shareholders of ROKO at the moment. He can only be speculative because that is what due diligence gives you.

At the moment, he has a notice of allotment yet he does not have allotted shares. Really, notice does not mean allotment of shares. Only notice is available. It is not a confirmation of allotment.

Why I said this day could go out in infamy for this Parliament, the Government has a right to donate – actually the minister of finance can come here and make a plea for a donation to ROKO. But for me to be a part of a conversation that this is business – and therefore, I am part of discussing business – this cannot be business! It can only be a debate for a donation.

Therefore, when you want a donation or a grant, you are honest about your challenges. Some of the processes available show that ROKO has over a trillion in contracts. The same company has over Shs 700 billion in already performing contracts. The same company has arrears owed by Government of over Shs 179 billion though it needs Shs 207 billion.

Madam Speaker, on 20 September 2021, the President wrote to the minister of finance instructing them to pay ROKO Shs 17.87 billion on account of money owed to ROKO by the Government of South Sudan. I think the ministry complied. In fact, this report is part of the reports on the Naguru land report; there is a report of Parliament available.

Therefore, it will not be the first time Government is doling out public funds to ROKO for a song. And so, this House should not be invited in duplicity. If it is a grant; it is a grant and we should discuss terms of a grant, not business. This is not how business is done. I am sure there are very many economists and lawyers in this building. They must be ashamed of debating this as business - *(Laughter)* - that we go for preference shares in a company - who does not know the implications of being a preference shareholder? You have no powers to vote. You are only given preference because when the company makes profits, you have the first call on dividend, only. This company, where the vote holders have power, can declare zero dividends for the next century. We should not be invited into this; we should not embarrass ourselves as Parliament.

Madam Speaker, we have already made mistakes as a country. We have precedents of shares we have held in Atiak Sugar, in Speke Resort Munyonyo – those are loss-making companies and they have governance challenges. We are there on those boards and we have failed to influence them. What is new about this particular transaction?

There was no independent verification of indebtedness because the minister has conceded that we do not know the extent of indebtedness of ROKO. This means that there is a possibility that the debt burden is understated – high possibility. I do not even know the owners of ROKO; we thank them for what they have done for this country. We are not here to begrudge them. We are only here to execute a public duty and this public duty is not political. I would like to invite friends across that we ask that the minister humbly goes back and acts neater. This is ugly.

I would like to return to making the same statement that if we coil this is a day in infamy in this House. To be consequential in my submission, I would like to move, under rule 59, a motion without notice –

**THE SPEAKER:** Honourable LOP, I am sorry I had to –

**MR MPUUGA:** I appreciate, Madam Speaker, and especially the minister is negotiating a climb down; I can always patiently wait on.

**THE SPEAKER:** Honourable members, I do not think there is anything new that is coming from both sides. We have debated this issue. I am giving the minister time to come back to the House to tell us what has been done to rectify what has been raised. *(Applause)* We cannot put a question now.

Let us give the minister some days to report back to the House on what action they have taken; on what measures have been put in place. Maybe they will change their statement in terms of giving a loan or giving a grant. Let us give it some day.

Honourable members, we adjourn the House to 2.00 p.m. tomorrow.

*(The House rose at 8.23 p.m. and adjourned until Thursday, 21 July 2022 at 2.00 p.m.)*