

**Thursday, 1 April 2021**

*Parliament met at 2.40 p.m. in Parliament House, Kampala.*

PRAYERS

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

*The House was called to order.*

COMMUNICATION FROM THE CHAIR

**THE SPEAKER:** Honourable members, I welcome you to this afternoon sitting. I do not have much to communicate except to thank Members for the work done in the last two weeks and to wish all of us, our families and constituents a very merry Easter.

I hope that today we can try to quickly do as much work as possible on the Order Paper so that we go for Easter free of responsibilities. There is only just one matter of national importance.

2.43

**MR ABDU LATIF SEBAGGALA (Independent, Kawempe Division North, Kampala):** Thank you, Madam Speaker. At the beginning of this year, I raised the issue of Islamic banking and you tasked the minister to come and explain to us the progress; but up to now, we have not received any official communication.

We amended the Financial Institutions Act that opened the door for Islamic banking and five years down the road, we do not see the product on the market.

Through you, to the Minister of Finance, I would like to know what has delayed the operationalisation of Islamic banking in Uganda and yet it was intended to boost and also complement the conventional banking system.

There are so many Ugandans who cannot access other banks due to interest because their faith does not allow them to do so and indeed, when Islamic banking was introduced, we thought that after amending the Financial Institutions Act, we were going to see many of these products on the market. However, up to now they are telling us stories that we cannot explain to those waiting for Islamic banking services.

I know that in the Bank of Uganda, there is the Islamic banking sharia board that has not yet been constituted. What has delayed the operationalisation of Islamic banking and yet outside there it is on high demand? Thank you.

**THE SPEAKER:** Thank you, honourable member. To add to that, each time I meet the Muslim community, they ask me why Islamic banking is not in place long after the law has been enacted but since the minister of finance is here, he should tell us why; and we are going for Ramadan, these are the issues they are going to raise.

2.45

**THE MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Mr Matia Kasaija):** Thank you, Madam Speaker. We are also concerned about this issue but briefly; the law stipulates that we must have a council. We have been trying to look for people who qualify to sit on that council and in Uganda, we do not have that kind of personnel.

We thought of recruiting from abroad but for the current situation, we are going to amend the law to remove that provision because it will not make much difference.

I will be coming to Parliament any moment to amend the law so that we remove that provision and then we can move ahead with Islamic banking. Thank you.

**MR SEBAGGALA:** Madam Speaker, I am yet to be convinced by the explanation of the minister because what the honourable minister is referring to as the sharia board; we have in Uganda more than 8 people qualified as far as the sharia board is concerned.

I do not think that is the reason there is delay because if the honourable minister is asking for people who are qualified in that field, they are there and I can present them at any time without even going outside Uganda. We have so many people with qualifications in sharia, who studied Islamic banking and are waiting for the Government to kick-start the programme and we move on.

I do not agree with the minister that we do not have qualified people and yet we have so many people with sharia degrees that can move on with Islamic banking *– (Interruption)*

**MR BASALIRWA:** Thank you, Madam Speaker and Hon. Latif Ssebaggala for giving way. The information I want to provide to the minister is that the people who are qualified that Hon. Sebaggala is talking about are not only qualified in sharia, they have gone through duo education. They are very conversant even in terms of secular education.

It would be better for you to look out in the Muslim leadership in the country to give you this list so that you are not in any way disturbed about competencies. Otherwise, we think that there is bad faith on your part in delaying to have these people in place.

**MR SEBAGGALA:** Therefore, it requires the ministry of finance to advertise; we have the New Vision, advertise that you need qualified people in these areas and in a blink of an eye, we can bring them to do what they are supposed to do.

I believe that the amendment of the Financial Institutions Act that created Islamic banking was meant to complement and support those who can access loans through conventional banking. If we are talking about empowering Ugandans, talking about how we are going to give more support to all businesses that have suffered because of COVID-19, Islamic banking is the solution because of its interest free arrangement.

**THE SPEAKER:** Minister, any further comment?

**MR KASAIJA:** I am very delighted that these people are available but the people I work with in Bank of Uganda are the ones telling me that that calibre is not available.

We shall put in the press asking for the qualified persons that fit the description of people with the education and experience that we require in setting up that institution. Thank you.

BILLS

FIRST READING

THE APPROPRIATION BILL, 2021

2.50

**THE MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Mr Matia Kasaija):** Madam Speaker, I wish to move and present to Parliament the Appropriation Bill, 2021. However, before I do that, I thought I should say one or two things and there are documents I am supposed to lay prior.

**THE SPEAKER:** Where are those Bills?

BILLS

FIRST READING

EXCISE DUTY (AMENDMENT) BILL, 2021

2.54

**THE MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Mr Matia Kasaija):** Madam Speaker, going by the Order Paper, I beg to move that The Excise Duty (Amendment) Bill, 2021 be laid before Parliament.

**THE SPEAKER:** You are moving that the Bill be read for the first time.

**MR KASAIJA:** Okay. I move that the Bill entitled, “The Excise Duty (Amendment) Bill, 2021” be read for the first time.

**THE SPEAKER:** Does it have a certificate of financial implications, honourable minister?

**MR KASAIJA:** Yes. I am being reminded, Madam Speaker, that the certificate is attached. It is here.

**THE SPEAKER:**  It is sent to the Committee on Finance, Planning and Economic Development for perusal and report back.

BILLS

FIRST READING

THE FISH (AMENDMENT) BILL, 2021

2.55

**THE MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Mr Matia Kasaija):** Madam Speaker, I wish to move that The Fish (Amendment) Bill, 2021 be read for the first time.

**THE SPEAKER:** Is it accompanied by a certificate?

**MR KASAIJA:** Yes, Madam Speaker.

**THE SPEAKER:** It is sent to the Committee on Finance, Planning and Economic Development for perusal and report back.

BILLS

FIRST READING

THE EXTERNAL TRADE (AMENDMENT) BILL, 2021

2.56

**THE MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Mr Matia Kasaija):** I wish to move that the External Trade (Amendment) Bill, 2021 be read for the first time and the certificate of financial implications is attached.

**THE SPEAKER:** Honourablemembers, It is sent to the Committee on Finance, Planning and Economic Development for perusal and report back.

BILLS

FIRST READING

THE INCOME TAX (AMENDMENT) BILL, 2021

2.57

**THE MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Mr Matia Kasaija):** Madam Speaker, I beg to move that the Bill entitled, “The Income Tax (Amendment) Bill, 2021” be read for the first time.

**THE SPEAKER:** Does it have a certificate?

**MR KASAIJA:** It is included, Madam Speaker. The certificates are available for all of them.

**THE SPEAKER:** It is sent to the Committee on Finance, Planning and Economic Development for perusal and report back.

BILLS

FIRST READING

THE MINING (AMENDMENT) BILL, 2021

2.58

**THE MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Mr Matia Kasaija):** Madam Speaker, I beg to move that The Mining (Amendment) Bill, 2021 be read for the first time.

**THE SPEAKER:** Is the certificate available?

**MR KASAIJA:** The certificate of financial implications, Madam Speaker, is available.

**THE SPEAKER:** It is sent to the Committee on Finance, Planning and Economic Development for perusal and report back.

BILLS

FIRST READING

THE STAMP DUTY (AMENDMENT) BILL, 2021

2.59

**THE MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Mr Matia Kasaija):** Madam Speaker, I beg to move that The Stamp Duty (Amendment) Bill, 2021 be read for the first time and the certificate of financial implication is also attached.

**THE SPEAKER:** It is sent to the Committee on Finance, Planning and Economic Development.

BILLS

FIRST READING

THE TAX APPEALS TRIBUNAL (AMENDMENT) BILL, 2021

3.00

**THE MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Mr Matia Kasaija):** Madam Speaker, I move that The Tax Appeals Tribunal (Amendment) Bill, 2021 be read for the first time.

**THE SPEAKER:** It is sent to the Committee on Finance, Planning and Economic Development for perusal and report back.

BILLS

FIRST READING

THE TAX PROCEDURES CODE (AMENDMENT) BILL, 2021

3.01

**THE MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Mr Matia Kasaija):** Madam Speaker, I beg to move that the Bill entitled, “The Tax Procedures Code (Amendment) Bill, 2021” be read the first time.

**THE SPEAKER:** If the certificate is available, it is sent to the Committee on Finance, Planning and Economic Development.

BILLS

FIRST READING

THE TOBACCO CONTROL (AMENDMENT) BILL, 2021

3.02

**THE MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Mr Matia Kasaija):** Madam Speaker, I move that The Tobacco Control (Amendment) Bill, 2021 be read for the first time.

**THE SPEAKER:** Honourable members, the certificate is available. It is sent to the Committee on Finance, Planning and economic Development.

BILLS

FIRST READING

THE TRAFFIC AND ROAD SAFETY ACT (AMENDMENT) BILL, 2021

3.03

**THE MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Mr Matia Kasaija):** Madam Speaker, I beg to move that a Bill entitled, “The Traffic and Road Safety Act (Amendment) Bill, 2021” be read the first time.

**THE SPEAKER:** If the certificate is available, it is sent to the Committee on Finance, Planning and Economic Development.

BILLS

FIRST READING

THE VALUE ADDED TAX (AMENDMENT) BILL, 2021

3.04

**THE MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Mr Matia Kasaija):** Madam Speaker, I move that the Bill entitled, “The Value Added Tax (Amendment) Bill, 2021” be read for the first time.

**THE SPEAKER:** Honourable members, since the certificates are available, the Bill is sent to Committee on Finance, Planning and Economic Development.

BILLS

FIRST READING

THE APPROPRIATION BILL, 2021

3.05

**THE MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Mr Matia Kasaija):** Madam Speaker, I move that the Appropriation Bill, 2021 be read for the first time.

**THE SPEAKER:** Honourable members, since the certificate is available, the Bill is also sent to the Committee on Finance, Planning and Economic Development.

STATEMENT BY MINISTER ON THE STATUS OF FULFILMENT OF GOVERNMENT’S OBLIBATIONS TO FORMER HEADS OF STATE AS STIPULATED IN THE EMOLUMENT OF THE PRESIDENT, VICE PRESIDENT AND PRIME MINISTER ACT, 2010

**THE SPEAKER:** Honourable members, relating to the revenue Bills presented here, I just would like to remind the chairperson and Members of the Committee on Finance, Planning and Economic Development that time is of essence, and we would like to complete the budget process as quickly as possible. So, please burn the midnight oil. Thank you.

3.06

**THE MINISTER OF STATE FOR PUBLIC SERVICE (Mr David Karubanga):** Madam Speaker, I hereby present a statement from my ministry on the status on the fulfilment of Government’s obligations to former Heads of State as stipulated in the Emolument of the President, Vice President and Prime Minister Act, 2010.

On Thursday, 14 March 2011, on the Floor of Parliament, Hon. Ibrahim Ssemujju, Member of Parliament for Kira Municipality, raised a concern over failure by Government to operationalise the Emolument of the President, Vice President and Prime Minister Act, 2010, and failure by Government to return the properties belonging to the family of late Idi Amin Dada, including plot 10 on Prince Charles Drive, Kololo.

On the same note, Hon. Fred Turyamuhweza, Member of Parliament for Rujumbura County, Rukungiri, moved a motion under Rule 55 of the Rules of Procedure of Parliament yesterday requesting Government to pay emolument totalling to Shs 4.5 billion to former Members of the Presidential Commission who had a shared presidency by considering Section 3 of the Parliament (Remuneration of Members) Act, Cap. 259 through a resolution of Parliament each financial year.

My ministry was directed to report to the House in that regard, and we wish to state as follows:

The Emolument of the President, Vice President and Prime Minister Act, 2010 commenced on 08 October 2010. It is an Act which aims at providing for the salaries, allowances and other benefits of a President, Vice President and Prime Minister in accordance with Articles 106, 109, and 108A of the Constitution. This was to repeal and replace the Presidential Emolument and Benefits Act, Cap. 263 and for other related matters.

The benefits of the President ceasing to hold office

A President who ceases to hold office otherwise than by being removed under Article 107 (1) (a) or (b) of the Constitution shall be granted the benefits specified in the Fifth Schedule of this Act.

I wish to report that the 1995 Constitution of Uganda is what the Act refers to, and therefore, the emolument of the former Heads of State are not covered by the Act.

The Ministry of Public Service continues to process the emoluments for the rest of the former leaders as stipulated in the Act as well as those indicated in the Parliament (Remuneration of Members) Act, Cap. 259.

I wish to inform you, here, that on 16 December 2009, the Second Deputy Prime Minister and Minister of Public Service, presented to Cabinet proposals for payment of retirement benefits to former Presidents, Vice Presidents, Prime Ministers, Speakers, and Deputy Speakers of Parliament. Under Minute 581/CT2095, Cabinet deferred the proposal, and instead advised that the President issues directives to extend *ex gratia* payment to all former leaders whose retirement benefits were not previously legislated for.

His Excellency the President directed that former Presidents be paid a one-off *ex gratia* payment of Shs 1.0 billion each and Shs 333 million for the three titular Heads under the Presidential Commission that had a shared presidency comprising of Justice Polycarp Nyamuchoncho (RIP), Justice Saulo Musoke (RIP) and Yoweri Hunter Wacha Olwol (RIP).

The list of other former leaders covered under the presidential directive is attached and I will go to it. I would like members to go through that list under the category of former Presidents. It is at the back of the statement. On that list, we have:

1. The late Sir Edward Mutesa got Shs 1.0 billion.
2. The late Dr Apollo Milton Obote’s estate got Shs 1.0 billion.
3. The late Idi Amin Dada got Shs 1.0 billion.
4. The late Yusuf Kironde Lule got Shs 1.0 billion.
5. The late Godfrey LukongwaBinaisa got Shs 1 billion.
6. The late Justice Saulo Musoke got Shs 333 million.
7. The late Yoweri Hunter Wacha Olwol got Shs 333 million.
8. The late Justice P. Nyamuchoncho got Shs 333 million.
9. The late Okello Lutwa’s estate got Shs 1.0 billion.

Former Vice Presidents

1. The late Sir William Wilberforce Nadiope’s estate got Shs 400 million.
2. The late John Babiiha got Shs 400 million.
3. The late Wilson Gad Toko got Shs 400 million.
4. The late Dr Samson Kisekka got Shs 400 million.
5. The late Paul Muwanga got Shs 400 million.

Former Prime Ministers

1. The late Engineer Abraham Waliggo got Shs 200 million.
2. The late George Cosmas Adyebo got Shs 200 million.
3. The late Erifasi Otema Allimadi got Shs 200 million.
4. Rt Hon. Kintu Musoke got Shs 200 million.

Former Speakers of Parliament

1. Francis Butagira got Shs 350 million.
2. The late James Wapakabhulo’s estate got Shs 350 million.
3. The late Francis Ayume’s estate got Shs 350 million.

Former Deputy Speakers of Parliament

1. The late Betty Okwi’s estate got Shs 300 million.
2. Al Hajji Moses Kigongo got Shs 300 million.

Madam Speaker,I wish to bring to your attention that *ex gratia* payments to the estates of former President, the late Idi Amin Dada and Godfrey Lukongwa Binaisa were paid to the office of the Administrator-General under the Ministry of Justice and Constitutional Affairs for further management due to lack of harmony in the families.

On the issue of failure by Government to return the property of the family of Late Idi Amin Dada, including Plot l0 on Prince Charles Drive Kololo, the matter is outside the mandate of the Ministry of Public Service. I wish to guide that the Ministry of Lands, Housing and Urban Development intervenes in addressing this issue.

As I conclude, I would like to inform the House that it is not true that Government has fulfilled its obligations under the Emoluments of the President, Vice President and Prime Minister's Act, 2010.

I would like to bring to your attention the fact that Government, after fulfilling its obligation on compensations whatsoever, does not carry out tracer studies to assess the impact of the payments to the beneficiaries, be it ex-gratia, pension, war claimants or whatsoever kind of compensation to claimants.

I beg to submit.

**THE SPEAKER:** Honourable minister, we would like to know about the house for Mrs Amin. You mentioned it but you have not told us whether or not she has got it back.

3.12

**MR JULIUS ACON (NRM, Otuke County, Otuke):** Thank you, Madam Speaker. The clarification I would like to seek is: among all the former leaders, Dr Milton Obote led this country twice. Does it mean that he is going to be paid twice?

I am asking that because in sports, they pay you depending on how many times you broke the world record, whether ten times or twice. Thank you.

3.13

**MR CHARLES BAKKABULINDI (NRM, Workers):** Thank you, Madam Speaker. I thank the minister for giving us the information. My concern is about His Excellency, the vice President of Uganda, Edward Ssekandi, who is also a former Deputy Speaker and Speaker of this House. In the list of the people you have given the money, I have heard Kintu Musoke and others but not his name. What explanation do you give? It is important you explain because those were two different capacities for which he has to be paid his money. When the time comes, you also pay for his being His Excellency, the Vice President of Uganda. Thank you.

**THE SPEAKER:** Honourable minister, also the late Alex Waibale was a Deputy Speaker and Speaker but I do not see his name here.

3.13

**MR GEOFFREY MACHO (NRM, Busia Municipality, Busia):** Madam Speaker, I would like to thank the minister for his submission. The minister talked about his docket not having authority to comment on the property of the presidents he mentioned. We see that property affecting the political atmosphere of this country.

Therefore, I request that the minister should not run away from it because it is good that these issues are settled once. I believe my party, the National Resistance Movement, did not perform very well in central region (Buganda) because people in the central keep demanding their property all the time. They demand land and the district headquarters we use, which they call *Amagombolola* in Luganda.

Recently, I also heard His Highness, the Kyabazinga of Busoga demanding for his property. Therefore, it is high time Government came out with a solution on this matter. Government should make a statement on it so that we settle it once and for all. After being sworn in as a new Government, we should begin with a new pace. Thank you.

3.15

**MS CECILIA OGWAL (FDC, Woman Representative, Dokolo):** Madam Speaker, I also beg to seek clarification. I know that Joseph Ekimo was also once a Deputy Speaker but I have not heard his name on the list.

3.15

**MR JOSEPH SSEWUNGU (DP, Kalungu County West, Kalungu):** Thank you, Madam Speaker. I would like to thank the minister for giving us the statement. However, let me advise him that whenever he is citing the Constitution, he should be specific by citing some articles in the report. That is why we have legal departments in the ministries.

Secondly, in the third or fourth paragraph, the minister said that His Excellency, the President directed that former presidents be paid a one off ex-gratia payment of a billion shillings, Shs 300 million each in a staggered way. Honourable minister, can you answer me? Do you expect Mr Museveni to get an ex-gratia of the same and will it be a one off?

These presidents never left power because they wanted. They were overthrown out. Indeed, they were brought in – you talk about Nyamuconco and the other two - because I have taught about them in schools – were in power at a very critical time when political problems were escalating in the country.

Therefore, if they came in to offer their service and you cannot pay them diligently, you are not fair. Let us stop this habit of looking at those people who left power or offices as not being useful after their service.

The president has ruled for 30 years and/or is now going to 40 years in power; do you think he will also get a one off ex-gratia? If there is anything you want to amend, tell us.

As I conclude, I think Parliament must come out to make a law to give them their money. Some of these people are not the ones going to benefit from it but their children who are there. During that time, maybe the children were not studying. Maybe they were suffering in exile because their fathers were trying to solve problems in this country.

Therefore, let us not underrate them by just writing a small report, mentioning the 1995 Constitution and not quoting articles plus not mentioning these people’s names.

Madam Speaker, I pray that with your permission, let us come out with a position. If there is any legislation that needs to be put in place, we do and pay these people to enjoy their lives. Some of them are about to die; others died already.

I visited the place where the late Dr Milton Obote was buried; you can cry – *(Interruption)*

**MR BASALIRWA:** Thank you, hon. Ssewungu. The information I would like to give is that Parliament does not have a law to cater for former presidents, vice presidents or speakers outside the 1995 Constitution.

When Parliament was considering the emoluments and benefits of leaders, it only envisaged those under the 1995 Constitution. That is why the minister is talking about the President directing on ex-gratia payments. It is up to the goodwill of the President. That is why he determined that it should be a billion shillings. That is also why the late Waibale’s name is out of that list. So, it is outside the goodwill of the Presiednt.

The 2010 law is very selective and exclusive. It is not inclusive.

**MR SSEWUNGU:** As I conclude, I thank you, Hon. Basalirwa for the information. I was in Akokoro, where the late Milton Obote was buried. Madam Speaker, when you get there, you will notice that the grave is full of grass and this was the man who nurtured the President, who has been in power for 30 years. The burial place is very bad. They never even tarmacked the road yet they were supposed to look after that place.

Honourable Minister of Public Service, look at yourself. You will leave this place someday. Aren’t you entitled to some payments from your savings when you leave? Look at that as a matter of concern and do not just tell us about the President. Use your authority as the Minister of Public Service.

You are not a mere minister; you are the Minister of Public Service. That is why you took oath and that is why you came to the Appointments Committee. Do not just wait for the President to tell you, “ex gratia” and stuff like that. Do you want them to go and sing in front of the President, “We love you very much?” Should they sing for him Catholic songs so that they are given their payments?

We cannot accept that, Madam Speaker. Let us fight this as Members of Parliament and pay these people. Heaven will see us getting at the right hand of the Father if at all we do this for these people, other than coming here and telling us lies every day as you continue using them to win votes. Thank you, Madam Speaker.

**THE SPEAKER:** Honourable minister, I think that it is time we addressed this issue comprehensively. When I looked at this list, I noticed that all the five Presidents were violently removed. They had no time to end their tenure; so, there were probably no terms for their settlement.

I think it is time for us to make a law for posterity. We should not depend on ex gratia payments. Let us look at it comprehensively and address the leaders who have been doing work for this country.

3.22

**MR ABDU LATIF SEBAGGALA (Independent, Kawempe Division North, Kampala):** Thank you very much, Madam Speaker. There are two issues. I have heard the minister reading the list, especially the one of the former Prime Ministers. I have noticed that some were given Shs 300 million while others got less. What was the criterion for giving others more and others less?

Secondly, he has said that for the case of former President Idi Amin Dada, the money was sent to the Administrator-General. I do not know whether the minister took time to find out whether it was equally distributed.

In any case, Madam Speaker, Idi Amin, as a former President and Muslim, had many spouses like the religion allows. When he sent that money, did the minister have it in his mind that it was going to be shared by some former spouses who were former First Ladies?

What we must get to know from the minister – Hon. Ssemujju raised the issue of Madinah Amin living in a very poor state simply because the Government is not looking after them. I talked to her a while ago and she told me that they had houses in Kawempe North Constituency but up to now, their houses are occupied and have not been given back to them. In fact, there was a presidential directive for these houses to be given back to the family of the late Idi Amin but they have not done so.

Madam Speaker, if the money is being sent, not only for Idi Amin but others, how sure are we that the spouses are catered for, as far as distribution of this money is concerned?

**THE SPEAKER:** Minister, do you have any closing remarks? Let us first hear from Hon. Keefa Kiwanuka.

3.24

**DR KEEFA KIWANUKA (NRM, Kiboga East, Kiboga):** Madam Speaker, when we talk about our former leaders, there is another group of leaders who were here and did a lot of work for this country; our former Members of Parliament.

Recently, I attended the annual general meeting for our pension fund and some of the former Members of Parliament said that the pension they get is not even enough to pay for their transport to travel here and back to where they were coming from.

I understand that there has been a move to have that increased. I am sure that as they listen to us talking about paying the former leaders, they would also be asking about what is happening with the increment of their pension, Madam Speaker.

**THE SPEAKER:** Minister, please answer and then we can conclude this issue.

**MR KARUBANGA:** Madam Speaker, I would like to appreciate the concerns from colleagues. On the issue of His Excellency the Vice-President, he is catered for under the emoluments of the Presidents, Vice-Presidents and the Prime Minister’s Act of 2010.

On the issue of Alex Waibale and Joseph Ekemu, I will crosscheck and see if they were erroneously missed from the list presented or if indeed they missed on the ex-gratia.

On the issue of property *– (Interruption)*

**MS OGWAL:** I would like to let you know that Edward Rugumayo is still alive. He was the Speaker of the National Consultative Council. Therefore, in case you have also left out his name, maybe you should consider adding him to the list. Thank you.

**MR KARUBANGA:** I would like to thank you, Hon. Cecilia Ogwal. I will also check that record.

On the issue of property of former leaders, I was very clear that our ministry is not authoritative enough. I, therefore, request the Minister of Lands, Housing and Urban Development to give a statement on that.

Hon. Ssewungu asked whether the President will also get a one-off. That is the law: The Emoluments and Benefits of the President, Vice-President and Prime Minister Act. I can confirm that he will also get his emoluments under that law.

Hon. Basalirwa, I agree with you that we need to have a law because there is no clear law outside the 1995 Constitution to cater for these past leaders. I would also like to add that the President went out of his way. He listened to the concerns and gave out that ex gratia payment in the absence of the law.

Hon. Sebaggala talked about the criteria for giving others and some being left out *– (Interruption)*

**MR BAKKABULINDI**: Thank you very much, Madam Speaker. I also thank my colleague, the minister, for giving way. Whatever we are talking about here is put on record, so, I expect the minister to be clear on what he is answering when he answers these questions.

My question was that I am aware of the law that caters for the former Vice-Presidents, Presidents and Prime Ministers. However, I said when he was the Deputy Speaker and the Speaker, why are you not mentioning it?

Madam Speaker, you were once a Deputy Speaker and I expect you to get your emoluments as a former Deputy Speaker. Therefore, if you are to set up a principle, it must be clear. This is why I want you to be clear to us. Are you saying that since someone was a former Speaker or Deputy Speaker and now is the Vice President, he or she should forfeit the benefits? Can you clarify on that?

**MR ABBAS AGABA:** Thank you, Madam Speaker. I listened to the list that was read but there are common names that I did not pick. I am happy Hon. Cecilia Ogwal has raised the name of one of the former Speakers, from our area. However, I did not hear the name of Rt Hon. Nsibambi, on the list, as a former Prime Minister and the former Vice President, H.E Bukenya. We would be happy to know if they are catered for. Or is it just one comprehensive list that was read? Thank you.

**THE SPEAKER:** Please conclude, honourable minister.

**MR KARUBANGA:** Thank you, Madam Speaker. The issue of hon. Abbas Agaba is clear. The late Prof. Apollo Nsibambi, was catered for under the Emoluments and Benefits of the President, Vice President and Prime Minister Act, 2010. That law caters for such categories.

Hon. Sebaggala asked why others are getting small and some getting more. When you are giving these payments, it must be commensurate with the office. The Presidents got Shs 1 billion, the Vice Presidents got Shs 400 million, and the Speakers got Shs 350 million. That was the wisdom of the office bearers by that time.

Whether it was distributed equally or not, I think the authority here is the Office of the Administrator-General. I do not dispute the capacity of the Administrator-General because this is an area, which they handle best.

Hon. Kiwanuuka talked about former Members of Parliament. However, that falls under the jurisdiction of the Parliamentary Commission and it is within our hands as Parliament.

The last is from Hon. Baka, who insisted that we have a former Vice President and you, Madam Speaker. The Speaker is catered for under the Emoluments and Benefits of the President, Vice President and Prime Minister Act, 2010. I beg to submit.

**THE SPEAKER:** Okay. Honourable members, consequently, upon the response by the Minister of Public Service, we want to direct that the Minister of Lands, Housing and Urban Development comes and updates us on Thursday, after Easter, on the issue of Plot 10, Prince Charles Drive Kololo - home of the late President Idi Amini Dada and the properties in Kawempe, belonging to the same family.

Now, honourable members, as I was sitting here, I received some sad news about a friend who has died; Hon. Paul Koinange, Member of Parliament for Kiambaa Constituency in Kenya - he is the Chairperson of the Kenya Parliamentary Prayer Breakfast, who succumbed to Coronavirus yesterday in Nairobi.

We would like to send our condolences, as Uganda Parliament and Uganda Parliamentary Prayer Breakfast Fellowship. We remember him because he greatly inspired us in his work towards peace, unity and stability for the Republic of Kenya. We were witnesses to his work, as he served as the Chairperson of the Kenya National Prayer Breakfast, as well as the Kenya National Assembly Department Committee on Administration, National Security, and other parliamentary committees.

We send our condolences to his family, friends, relatives, in-laws, his constituency in Kiambaa, well-wishers, the National Assembly of Kenya, and the people of Kenya. Let me invite members to stand up for a moment of silence in his honour.

*(Members stood and observed a moment of silence.)*

LAYING OF PAPERS

3.36

**THE MINISTER OF STATE FOR LOCAL GOVERNMENT (Ms Jenipher Namuyangu):** Madam Speaker, I beg to lay on the Table the following papers:

1. Local Government Finance Commission Annual Performance Report for Financial Year 2019/2020.
2. Local Government Finance Commission Annual Performance Report for Financial Year 2018/2019.
3. Local Government Finance Commission Annual Performance Report for Financial Year 2017/2018.

**THE SPEAKER:**  Honourable members, they are sent to the Committee of Public Service and Local Government for perusal and report back.

Honourable members, I am sorry because at the beginning, we did not inform you about the death of another enterprising Ugandan, the late Hajj Moses Katongole, who was very key in the transport sector in this country under UTODA. He made a big contribution. He also died of Coronavirus, the day before yesterday. Let me invite you again to stand up for a moment of silence.

*(Members stood and observed a moment of silence.)*

3.38

**MR FRANCIS MWIJUKYE (FDC, Buhweju County, Buhweju):** Madam Speaker, I beg to lay on the Table the report of the Auditor-General on the Financial Statements of the Contingency Fund for the Year ended 30 June 2019.

**THE SPEAKER:** It is sent to the Committee on Commissions, Statutory Authorities and State Enterprises.

**MR MWIJUKYE:** Madam Speaker, I beg to lay on the Table the reports of the Auditor-General on the financial statements for the year ended 30 June 2020, for the following entities:

1. A report of the Auditor-General on the financial statements of the National Population Council;
2. A report of the Auditor-General on the financial statements of Uganda Broadcasting Corporation (UBC);
3. A report of the Auditor-General on the financial statements of Uganda Property Holdings Limited;
4. A report of the Auditor-General on the financial statements of the Uganda Tourism Board for the year ended 30 June 2020.
5. A report of the Auditor-General on the financial statements of the Uganda Wildlife Conservation Education Centre for the year ended 30 June 2020.
6. A report of the Auditor-General on the financial statements of Nile Hotel International Limited, for the year ended 30 June 2020.
7. A report of the Auditor-General on the financial statements of Departed Asians Property Custodian Board for the year ended 30 June 2020.
8. A report of the Auditor-General on the financial statements of Uganda Industrial Research Institute (UIRI) for the year ended 30 June 2020.
9. A report of the Auditor-General on the financial statements of the Contingencies Fund for the year ended 30 June 2020.
10. A report of the Auditor-General on the financial statements of Uganda Revenue Authority (revenue collection account) for the year ended 30 June 2020.
11. A report of the Auditor-General on the financial statements of the Ministry of Science, Technology and Innovation for the year ended 30 June 2020.
12. A report of the Auditor-General on the financial statements of the Ministry of Trade, Industry and Cooperatives for the year ended 30 June 2020.
13. A report of the Auditor-General on the financial statements of the Ministry of Tourism, Wildlife and Antiquities for the year ended 30 June 2020.
14. A report of the Auditor-General on the financial statements of Ministry Of Finance, Planning and Economic Development for the year ended 30 June 2020.
15. A report of the Auditor-General on the consolidated financial statements of the Government of the Republic of Uganda for the year ended 30 June 2020.

Madam Speaker, I beg to lay.

**THE SPEAKER:** The reports from Item 5(3) 1-10 will be sent to the Committee of Public Accounts (Commissions, Statutory and State Enterprises) for perusal and report back.

Item 5(3) 11-14 will go to the Public Accounts Committee (Central Government).

The report of the Auditor-General on the consolidated financial statements of the Government will, similarly, go to the Public Accounts Committee (Central Government). Thank you very much.

**DR BUKENYA:** Thank you, Madam Speaker for allowing me to present my procedural point here. Before I mention the rule under which I am moving, I would like to remind the House that three weeks ago, I stood here and asked the minister of state for finance a simple question. Today, I see the minister is here and the technical bench is also full.

I informed the House that in this running year, 2020/2021, Parliament passed a budget that included an allocation to the Ministry of Works and Transport of Shs 47 billion to buy road equipment for 15 districts, among which is Kassanda, Rwampara, Bugweri, Nabilatuk and Kikuube, among others.

To date, the money has not been released to the Ministry of Works and Transport, despite the fact that the procurement processes have been completed. Madam Speaker, the contracts have been signed but the money has not been availed.

Today, we are privileged to see Hon. Kasaija, who we have not seen for a long time. Members will agree that we usually have Hon. Bahati. At the time, Hon. Bahati said that he did not have information. However, today, Hon. Kasaija is here and I see one of the senior people available on the technical bench too.

So, I am asking you, Madam Speaker, whether we are proceeding well. The issue is not on the Order Paper yet the people concerned are all here. We continue to discuss other business yet the minister had promised that he would come back the following day. Thank you, Madam Speaker.

**THE SPEAKER:** Honourable members, let us go to item 5(5) and thereafter, we can handle the issue of the money you are talking about.  - We shall not allow him to run away –

3.45

**THE MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Mr Matia Kasaija):** Madam Speaker, according to the Order Paper in front of me, I see Item 6. I do not see Item 5(5). Should I assume that what is marked Item 6 is the one I am dealing with? I seek your guidance.

**THE SPEAKER:** We are inviting you to deal with section 13 of the Public Finance Management Act.

**MR KASAIJA:** I am sorry. My documents have been mixed up.

Madam Speaker, I would like to lay on the Floor of Parliament the following:

1. The draft estimates book for Financial Year 2021/2022 – Volume 1 (Central Government votes), Volume II (Local Government votes), Volume III (state-owned enterprises and public corporations) and Volume IV (programme estimates). I beg to lay, Madam Speaker. Can I proceed?

**THE SPEAKER:** It is a long list. They are more than 15 items. Please, proceed.

**MR KASAIJA:** I wish to lay before Parliament:

2. The certificate of compliance of the budget for Financial Year 2020/2021 with the National Development Plan.

3. The list of accounting officers for Financial Year 2021/2022.

4. The statement of tax expenditure of Government for Financial Year 2021/2022.

5. The budgets for self-accounting departments, commissions and organisations set up under the Constitution, and the opinion of Government on these budgets.

6. Statement of multi-year commitments of Government for financial years 2021/2022 – 2025/2026.

7. A statement on the budget by the honourable Minister of Finance, Planning and Economic Development; attesting to the reliability and completeness of the budget.

8. A certificate of gender and equity compliance of the budget for the financial year 2021/2022.

9. Plans for external financing of the budget, borrowing and grants.

10. A plan of the guarantees to be issued in the financial year 2020/2021.

11. A half year Government of Uganda budget performance report for the financial year 2020/2021;

12. The treasury memorandum.

13. Monies recovered as a result of the recommendation of the report of the Auditor-General.

14. Performance of projects for Financial Year 2020/2021

15. A plan for the investment of Government assets.

**THE SPEAKER:** Honourable members, earlier I had sent the Appropriation Bill to the committee on finance inadvertently, I now withdraw it and send to the Committee on Budget and all these that the Minister of Finance has laid will go to the Committee on Budget for perusal and report back.

However, I want to inform the Minister of Finance that what you call a treasury memorandum is only a status of the treasury memoranda but not the treasury memorandum itself. In the future, please, bring the actual treasury memorandum; what you have is the status. Thank you.

**MR PATRICK NSAMBA:** Madam Speaker, I watched the minister reading all his documents but I had not seen him lay them on the Table.

**THE SPEAKER:** Those are the heaps of documents, which he has brought. Honourable minister, come and symbolically lay them. *(Laughter)*

**MR KASAIJA:** Madam Speaker, I beg to lay on the Table the documents that I have read and which were in my hands here. (*Laughter)*

**THE SPEAKER:** Thank you. Concerning the road equipment; on 17th March hon. Bahati had undertaken to work with the minister of works on this issue, I do not know whether it has been done.

**MR OKUPA:** Madam Speaker, as he comes to respond to it, maybe he will respond to this also. The minister of finance should have also stated the years of the treasury memoranda; I did not hear them because he left it open ended. I know that they are always for a particular financial year.

Related to this, we raised this matter two weeks ago; we passed a supplementary budget to the effect that for the financing of the cities but up to date, the cities have not received the money. I can speak categorically for Soroti because I do not think others have received and not only Soroti. Hon. Bahati had promised to give a report on Tuesday this week, even when we asked him in the Committee on National Economy.

After many months since we passed the money for the cities, the cities cannot operate because the money has not been released to the cities. Where is the problem and how do you expect these cities to operate?

Secondly, was the issue of the law for the operationalisation of the cities but the more serious one is why the money that we passed in the supplementary schedule that you presented here has not reached the cities.

**MS OGWAL:** Madam Speaker, now that the minister of finance is here, maybe he could also clarify to us the progress made towards paying the South Sudan grain traders. Parliament passed a resolution and a supplementary budget for the payment of 10 and an additional 23 companies. Can we be also updated on that progress?  Thank you.

**THE SPEAKER:** Were they grain traders or just traders?

3.55

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PLANNING) (Mr David Bahati):** Madam Speaker, I will respond to one issue then the honourable Minister will respond to others. I will respond to the issue of the road equipment for Kassanda and 15 districts.

They were budgeted for in the Financial Year 2019/2020 but because of the revenue difficulties of COVD-19 that all of us know, we did not raise the money to finance that activity. In 2020/2021, we did not budget for them and so, we are going to discuss with the minister of works and see how to finance this expenditure in the following years. Thank you.

**MR PATRICK NSAMBA:** Thank you, honourable minister, for that response but you are aware that these districts were created in 2018 and you have been supplying money for roads. The Road Fund has been providing money for roads and every other time, we are here requesting for the road equipment; all districts. We came to a point where the Speaker begged that the districts should borrow from nearby districts but when we tried that, it never worked because other districts are equally busy working with their machines.

These districts were created and one of the immediate effects of any new district is for people to see that they are travelling on good roads. The money was provided in 2018/2019, they were ever procured. We are in 2020/2021 and the minister of works keeps telling us that we have already made the order for these machines and every other time we keep telling people that the machines are coming soon.

Madam Speaker, I want the minister to clarify on how they expect these districts to operate without road equipment.

**MR SSEWUNGU:** Madam Speaker, I thank the minister but we should avoid using COVID-19 as a scapegoat for failure of Government’s performance in some budgeted areas.

First all, a number of things were halted, including travels and you remember that I took back their Shs 20 million that you had given me to cater for my constituency.  Even your vehicles in the ministry, hon. Kasaija, were not moving. Therefore, you cannot come here and tell us that because of COVID-19, you did not release money for this activity. A lot of activities never took place; where did that money go? It would have catered for those. Where do you put priority? Do you put it on other areas? You have already told me that you are bringing 95 new members of Parliament, meaning that you have money.

You cannot give an excuse for this particular event that there was no money. Money is there and that is what you have always claimed. So, let us not mislead people. Thank you, Madam Speaker.

**DR BUKENYA:** Madam Speaker, I have one point to make. I beg to disagree with Hon. Bahati. I usually come here with my facts; I rarely come to speak on the microphone. This running financial year, we approved that. We can consult Hon. Lugoloobi and Hon. Ssekitoleko, the respective chairperson. The money was approved.

We have been following this for the Financial Year 2020/2021 and we even followed it up with the Ministry of Works and Transport. They even looked at the IPFS. They proceeded with the procurement process. They stopped at signing contracts because the Ministry of Finance, Planning and Economic Development refused to release that money. It is not Financial Year 2019/2020.

Madam Speaker, we can give it time and check the records and see whether Hon. Bahati is not telling lies. He is supposed to be a good Christian. *(Laughter)* I beg to submit.

**MR BAHATI:** Madam Speaker, the information we have – unless the honourable chairperson of the Committee on Health is referring to another Treasury – is that the Treasury of Uganda did not capture that in this financial year. However, we can crosscheck those figures.

Actually, the reason they said we are not going forward to procure is because there is no money in the Budget. If there was money, you do not have to first release it to be able to procure. That is the reason.

The fact is – according to our records – that money was not appropriated for Financial Year 2020/2021.

**THE SPEAKER:** Honourable members, I think we shall ask our Budget Office to check the records and when we resume after Easter, we will table them. *[Member rose]* Money for the cities?

**MR KASAIJA:** Madam Speaker, I have received information that the money for the cities has just been released in this quarter. You know we have now started a new quarter. We release money quarterly; so, the cities have been lucky that the money has been released in the fourth quarter, which started today.

The reason this money –*(Interruption)*

**MR SSEWUNGU:** Madam Speaker, I am at pain raising a point of order against a senior minister and colleague. We know that these ministers are put in the ministries to oversee all the activities taking place in the ministry in the interest of Ugandans.

We have been asking for this money from December. As usual, the minister appears once in a while and might take another three months without appearing, basing on his own decisions. Here we are, asking a very pertinent issue but the minister is saying that he has just received information right now.

However, I have been watching him and he has not got any paper from somewhere. He has not looked at his phone. Is he really in order –*(Laughter)*– to give this House misleading information on how he has got money, yet today is April Fools’ Day –*(Interjections)*– yes; because cameras can bear me witness.

The minister was seated there and nobody came to him; he has not got anything from the House but he says he has just got information. He is not narrating who has given him that information. Is it in order for a senior minister, on a Fools’ Day like this one, to mislead this House –*(Interjection)*– he might have forgotten the time.

**THE SPEAKER:** Honourable members, the Fools’ Day ends at midday –*(Laughter)* – and I think the minister has the capacity to get the information.

**MR KASAIJA:** Madam Speaker, I thought the essence is for the money to be available and that is what I have informed you, Hon. Ssewungu.

One other point that I would like to –*(Interjection)*– why don’t you allow me to make my point -*(Interruption)*

**MS JOY ATIM:** It is on the issue of cities, Madam Speaker. We approved the cities and several of them came up. However, when it came to sending money to the cities, we do not know the criteria under which money was sent to the different cities. Some cities are receiving meagre amounts of money while others are receiving so much money. A case in point is Lira City, receiving only about Shs 14 million, compared to Gulu.

Madam Speaker, I want to know from the minister what criteria the ministry used to allocate money to the upcoming cities. Thank you.

**MR KASAIJA:** Madam Speaker, on that question, there are various parameters when we are budgeting. Indeed, most of these budgets originate from the spending agencies. However, let me go and when I come back next week, I will tell you why we have given city so and so this money and city so and so has been given that money. I will come back next week.

Let me make a point here, colleagues, so that when we are talking about money and releasing it, you understand me. We operate a cash budget. I faced a very hard time in one of the committees here. “Kasaija, you come here and ask us for supplementary and we pass them; but then you do not release the money one or two months after”.

I operate a cash budget. I cannot send air. So, if the Treasury, either because of tax collections – if the money from the tax revenue people is not sufficient or I have not effected a borrowing, then I cannot release. As soon as I realise that the money is in the kitty, we will definitely release the money.

I thought I should make this point, so that we do not misunderstand each other. If we delay to release, it is not because we want to make anybody frustrated. It is simply because at times, the Treasury does not have that money. So, we wait to either get money from the revenue authority people or if there is a borrowing, it has come in and then we release the money.

**THE SPEAKER:** Honourable members, let us go to item 6.

BILLS

SECOND READING

THE EMPLOYMENT (AMENDMENT) BILL, 2019

4.08

**MS AGNES KUNIHIRA (NRM, Workers Representative):** Thank you, Madam Speaker. I beg to move that the Bill entitled, “The Employment (Amendment) Bill, 2019” be read for the second time.

**THE SPEAKER:** Is the motion seconded? It is seconded. Justify it.

**MS KUNIHIRA:** Thank you, Madam Speaker. The Bill that is before you today has the objectives that include, among others, to provide for regulation of domestic workers and casual workers and recruitment of migrant workers, among others.

This Bill considers categories of workers whose rates and working conditions are not expressly recognised and provided for in the Act. These include domestic workers, casual workers and other rights for the members.

Most employers in the private sector have resorted to casualisation of labour and because Ugandans are desperate, they have continuously worked for many years as causal workers where they lose out on everything.

The Bill also provides for protection of breastfeeding working mothers. The Government has put a lot of effort to promote nutrition and care for children and it has put in place a policy on infant and young child feeding by the Ministry of Health. However, working mothers find it difficult to breastfeed exclusively because they are only entitled to 60 working days, which means they have to leave their children home to go back to work.

I would like to request that the House considers this Bill. There are other small issues that I am sure the House will bring up. I beg to move.

**THE SPEAKER:** Thank you very much. Can we hear from the committee?

**MR PATRICK NSAMBA:** Madam Speaker, I tried looking for the committee’s report on the intranet a while ago and it was not uploaded. I would like the chairperson of the committee to confirm that the report has been uploaded before he reads it.

**THE SPEAKER:** Honourable chairperson, proceed with the report.

4.12

**THE CHAIRPERSON, COMMITTEE ON GENDER, LABOUR AND SOCIAL DEVELOPMENT (Mr Alex Ndeezi):** Madam Speaker, I beg to present the report of the Committee on Gender, Labour and Social Development on the Employment (Amendment) Bill, 2019.

The Employment (Amendment) Bill, 2019, herein referred to as a Bill, was read for the first time on 3 December 2019 and it was referred to the Committee on Gender, Labour and Social Development for consideration in accordance with Rule 128 of the Rules of Procedure of Parliament.

The committee considered the Bill through consultation with different stakeholders hence this report.

Background

The Employment Act, 2006 and the legal regime in Uganda pertaining to labour, while progressive, did not cover several challenges in the fast-moving world including the regulation of employment of domestic workers and Ugandan migrant workers abroad, as well as the protection of the labour rights of breastfeeding mothers. The new Bill, therefore, seeks to improve on the current labour laws and take into consideration, among others, the above changes in the socio-economic system governing labour rights in the country.

Policy and Principles of the Bill

The object to the Bill is to amend the Employment Act, 2006 to operationalise the provisions of Article 40 of the Constitution of the Republic of Uganda to all categories of workers in Uganda, specifically making provisions for the regulation of employment of domestic workers in Uganda; i. to provide for an explicit formula for calculation of severance pay;

ii. to provide for the recruitment and employment of Ugandan migrant workers abroad;

iii. to provide for the protection of working breastfeeding mothers;

iv. to require employers to put in place policies and facilities for breastfeeding mothers;

v. to prohibit employment of persons as casual workers for more than three months with the same employer and to provide for conversion of casual employment.

Methodology

The committee held consultative meetings -

**THE SPEAKER:** You can leave that part, Members can read it. Go to the general observations.

**MR NDEEZI:** Most obliged Madam Speaker.General Observations

Regarding the general observations, we tried to examine the extent to which this Bill complies with the provisions of the Constitution. We also tried to determine the extent to which the Bill aligns with the Sustainable Development Goals and Gender and Equity.

In our analysis, we noted that this Bill seeks to operationalise Article 40 of the Constitution and hence, the promotion of rights of workers in this country. Therefore, it is our considered opinion that this Bill is in compliance with the provisions of the Constitution. We reviewed the Bill and also noted that it complies with the provisions of Sustainable Development Goals.

On page 4, we reviewed the Bill and came to the conclusion that it complies with the principles of gender equity especially the requirement for the protection of breastfeeding mothers.

Specific observations on Domestic Workers

The committee observed that domestic work in general is one of the most common and traditional forms of work in Africa generally and Uganda in particular, employing all categories of people most of who are young persons. However, the rights of domestic workers are not fully protected under the current labour law regime. Therefore, this Bill seeks to ensure that these rights are protected.

Our specific recommendations are that the Employment Act, 2006 be amended to protect and promote the rights of domestic workers in this country. We are also recommending that the Ministry of Gender, Labour and Social Development should enact regulations to operationalise the provisions on domestic workers as indicated in the Employment (Amendment) Bill, 2019.

We emphasise the requirements for protection of breastfeeding mothers to be incorporated in this Bill, and also for the Ministry of Gender, Labour and Social Development to enact regulations on the implementation of the provisions on breastfeeding mothers.

We considered the provision regarding casual workers and we noted on page six that the Employment Act, 2006 be amended to expressly provide for the rights of casual workers to transition to term employees as well as the duration of their contracts as casual workers before their transition into term employees.

Our last recommendation is on page six. The committee recommends that the Employment Act is amended to comprehensively protect the rights of both foreign and migrant workers in Uganda and abroad.

Before I lay the report on the Table, I would like to mention that our amendments are attached to this report.

Secondly, I am very happy to report that these amendments have been agreed on with the minister responsible for Labour following very fruitful and cordial discussions. Therefore, we and the Executive are on the same page in regard to these amendments.

On behalf of the committee and on my own behalf, I gladly place on record our appreciation to the minister for the cooperation during the processing and consideration of this Bill.

I beg to lay on the Table, the following documents:

1. Minutes of several meetings held during consideration of the Bill,
2. Submission by the Uganda Association of External Recruitment Agencies,
3. Submission by the Federation of Uganda Employers,
4. Submission by National Organisation of Trade Unions,
5. Submission to the committee by the Platform for Labour Action,
6. Submission to the committee by Uganda Law Society, and
7. This report.

I beg to lay.

**THE SPEAKER:** Honourable members, you have heard the report. You are free to comment.

**MR NDEEZI:** Madam Speaker, I beg to move that the House adopts the report together with the recommendations.

**THE SPEAKER:** Honourable members, any comments? Honourable minister, are you coming in now? I think you need to – no, it is not his Bill so he cannot withdraw it. Let us hear a few comments first.

4.22

**MS JUSTINE KHAINZA (NRM, Woman Representative, Bududa):** Thank you, Madam Speaker. Without a strong labour justice system, Uganda will not attain the aspirations of Vision 2040 and the third National Development Plan.

Amendment of the employment Act will also enable us, as a country, to achieve the Sustainable Development Goals (SDGs) and in particular, goal eight. My particular interest will be in target 8.5, which says that by 2030, we need to achieve full and productive employment and decent work for all men and women including the young people, persons with disabilities and equal pay for work with equal value.

I thank the committee for highlighting, particularly, protection of breastfeeding mothers. We welcome the initiative. Madam Speaker, I thank you for the breastfeeding centre. Therefore, organisations, which can, should put in place breastfeeding centres.

There are also options. We can have daily breaks for mothers who want to breastfeed. If that is not the case, let mothers leave for home early. It will enable them to breastfeed their children. This, of course has to be three months after the official maternity leave. They are additional hours to enable our babies catch up with nutrition as the chairperson has stated.

On the issues of sexual harassment, when you read the report, they said that an organisation that employs 25 people and more should be the ones to put in place these polices. However, we also need to look at numbers, which are less than 25. How do we protect such persons? On the issue of sexual harassment, apart from the numbers, we should also extend and not limit it to the premises of work like this Parliament building. We should also extend to the work of Parliament or an organisation outside the premises.

Sexual harassment can take place during a workshop or fieldwork. Therefore, the law should also cater for that. If it took place during work say on a trip, training or social event, we should also have room for one to raise such a complaint.

On the issue of migrant workers, we welcome the idea of licensing of the recruitment companies. However, my concern is on the issue of repatriation. When some of our daughters or sons go abroad, we find that it is the employers who are supposed to repatriate them. This should not be left to the companies alone. We should open it up so that organisations or even Government participates in repatriation of these employees of Uganda. Thank you.

**THE SPEAKER:** Thank you. Honourable members, as we discuss, we should talk about repatriation of the dead bodies of people who went to work. It is always a problem because they come to our offices looking for how they can bring their bodies back.

4.26

**MR PARTICK NSAMBA (NRM, Kassanda County North, Kassanda):** Thank you, Madam Speaker. I would like to begin by thanking the mover of the Bill, Hon. Kunihira. You have picked out the key matters that concern our workforce in the country. Thank you for representing them very well.

I would like to thank the committee for they have at least approved much of the amendments.

As a Member of Parliament, we once visited one of the companies; Tembo Steels. The environment in which we found these casual labourers working was very terrible. Many of them had burnt hands, legs and were in terrible situation.

This is a time when we are attracting as many investors as possible in the country. This law comes at an appropriate time to ensure that as the investors come, they want to work with the casual labourers. It is our duty to protect these people.

Once we have a law and these employers follow it, we will achieve both the desired and also decent jobs at the end of it all. Otherwise, casual labourers are overworked. At 6.00 a.m., they are supposed to have reported and leave at 8.00 p.m.

When we ask the minister - in the law - that their rights must be protected by amending this Act, we will have done a great service to this Parliament. We normally see them go to work and earn very little. I interacted with some of them who said they earn Shs 4,000 or 5,000 a day.

If the ministry picks interest and ensures that as you employ our workers, we agree we want the jobs, but they must be decent and the rights of our people must be respected.

Madam Speaker, on the issue of repatriation of the dead, many times we have heard on the Floor of Parliament, in terms of migrant workers, situations where Members of Parliament come asking the Minister of Foreign Affairs for people whose whereabouts they do not know. We have companies here that recruit and just send off the people. They have no contract with the person they send the workers to and at the end of the day, our children are maimed or killed. They face so many challenges.

However, if we insist that the person recruiting this worker should take responsibility, I think very many people will be happy to go and probably earn a dollar but also ensure that they are not inhumanely treated. Thank you very much, Madam Speaker.

4.30

**MR JOSEPH SSEWUNGU (DP, Kalungu County West, Kalungu):** Thank you, Madam Speaker. I would like to thank the chairperson of the committee plus the mover of the Bill, Hon. Kunihira.

I support the Bill. However, when I look at the report I notice some areas of concern; the committee members left out a lot of things that they could have told us. For example, when you talk about domestic workers, like you have stated here, a lot is lacking. What do we have to do about these workers at home? Do they have to sign contracts? All those areas were not catered for yet they are key in giving attention to these people.

Even when it comes to their savings, can they save? We expected to see all that. We shall meet all that at the committee stage.

Let me talk about breastfeeding mothers. I am not in agreement with the committee that mothers should only be given the first three months. Hon. Kunihira, you are mother and you know what happens in the first month during which a child can refuse to breastfeed. In the second month, the child may get used to breastfeeding.

I, myself, breastfed for three years. Breastfeeding has a number of advantages. That is why I do not become sick. My mother also spaced us by three years because breastfeeding stops mothers from getting pregnant very fast.

As long as the person has finished their leave and has come back to work, let her breastfeed. You cannot tell me that my wife will be stopped from breastfeeding after the consecutive three months after birth. If she wants to breastfeed for two years, let her do it because it is her right. These are the advantages we have in Africa because in Europe, mothers breastfeed their children on bottles.

Breastfeeding breeds intelligence in the child. He or she can become bright. I think if we leave it to only the first three months, it is not okay.

Madam Speaker, we have to pay a lot of attention to casual labourers who were not given attention by the committee. These companies taking Ugandans abroad do not sign very good agreements with these people. As soon as they get to where they have gone and they unfortunately find problems there, things become very difficult for them to come back yet they will have spent a lot of money paying these companies. We need to look at that.

We must put in place short term contracts as casual labourers work because they do more work than anybody in any company, if you take interest in them, you will realize that they do the donkey work.

The minister should tell us why they have failed to put in place regulations, which are key to any Act, as long as they are necessary. Once regulations are not in place, such problems are bound to emerge.

Hon. Rukutana, senior as you are, could you tell this House, when you will come to address it on why there are no regulations against all this. That would solve some of these problems that are causing amendments and becoming necessary at this time.

Anyhow, you cannot tell me that you will not breastfeed your child for two years but that you will only do it for three months. That is not fair. Thank you, Madam Speaker.

**THE SPEAKER:** The proposal by Hon. Kunihira was that after the maternity leave, they should be given additional time. That was her position.

**MR SSEWUNGU:** You see, once you say “at least three months” the employers will take it that once you have finished the three months – it is common that some parents do not breastfeed. Madam Speaker, when we get to committee stage, I will give my input. Otherwise, it should remain open. We want children to breastfeed, other than feeding on bottles.

For that matter, Madam Speaker, many workers stop breastfeeding their children because of this problem. They breastfeed them for one month and claim their boss will see them –

**THE SPEAKER:** That is why Hon. Kunihira has proposed daycare centres at the places of employment.

**MR SSEWUNGU:** Most obliged.

4.34

**MS JOY ONGOM (UPC, Woman Representative, Lira):** Thank you very much, Madam Speaker. I would like to support the Bill. I will start with the point on the breastfeeding centres. I remember when Parliament proposed and put in place the breastfeeding centre, the country criticised us. We were surely blamed but I think later they got to understand the need for us to have a breastfeeding centre. Our children, especially the young ones, have suffered in the hands of the maids at home for long. The men here will agree that our children have suffered. Maids are stepping on them, squeezing them and others are being killed. We leave the children at the mercy of the maids at home and their rights are truly violated.

Therefore, I agree with the committee, as well as the Bill, that, breastfeeding centres needed to be there. If this law is assented to, that should happen.

I would like to appreciate National Medical Stores. Last week, we visited the new centre they are trying to construct. They are constructing a very large place. The children of about a year, two to three are able to play, when they come from the nursery school, as they wait for their mothers to be taken back home, instead of being left in the hands of the maids.

When we talk of casual workers, Madam Speaker, we only see the domestic worker but can we also consider the ones at the construction sites? They constitute a great majority. They do not have papers. They are not well qualified but are the ones who do the donkey work. The risky jobs of nailing, wood work and the rest of it are put in their hands.

I fell a victim. One of the boys that I took care of died from Kololo here. The gap we have in the law is that the Workman’s Compensation Act only talks about the severe injuries but when it comes to death, there is nothing about it in that law. I feel, as we discuss this, we should consider putting a provision to take care of a casual worker who dies at the place of work, because without it, then what happens?

I would like to ask Ugandans and the people in the world at large that when we get a casual worker, especially at domestic level, we should treat them as part of our families.

Sometimes families get problems with the domestic workers because they treat them as separate people and entities. They cook for us, clean our houses but when it comes to eating, they are taken as separate and secondhand people. The moment you treat them as part and parcel of your family, that is what it takes to be accepted in that family and they will treat your people and children well. Therefore, I would like to support that.

There is the issue of repatriation, Madam Speaker. Our children are taken abroad but these people do not really take care of bringing them back in the event of death. I feel that when the exporters are given the opportunity to register, the component of follow-up and repatriation should also be tasked on them and made part of the agreement.

On sexual harassment at work places, nobody will deny that there is sexual harassment at work places. Many of our girls have come to understand that the issue of carpet interviews is no more and they do not want it.

However, people at work places are still harassing our girls and even boys. The issue of sexual harassment cost one of our Members of Parliament his position, where he was negotiating money to deal with what happened at Aya Hotel. However, up to today, I do not know whether the lady got justice.

Therefore, we support the position of the committee on the issue of sexual harassment; that it should be amended to protect our girls and boys at work places. Thank you.

4.40

**MR RICHARD OTHIENO (NRM, West Budama County North, Tororo):** Thank you, Madam Speaker. I wish to thank Hon. Kunihira for this Bill and the committee for the report. I would like to speak on two things and the first is on the migrant workers.

I would like to acknowledge two things: there are those who go out of the country and those who are working inside the country. I agree with the committee that there is need to regulate them.

However, what we need to note is that those who go out are doing it to solve shortage of manpower in those countries. We have a scenario here where you have investors coming in here but also sneaking in migrant workers, when we actually do not have a manpower gap.

In Tororo, we have many cement factories but they are not employing anybody. Even if you went around and asked how many of the children of Tororo are being employed in these factories, you would be surprised and shocked that our people are not being employed in these factories, yet we have around three factories.

In the past, we used to have only one cement factory but most of our people would go and work there. I think what we should do is that where there is no manpower gap, like in Uganda, we should try as much as possible to regulate in a way that we discourage these migrant workers from coming to compete with Ugandans who are alreadysuffering from high levels of unemployment.

When it comes to casual workers, I also want to implore the committee to consider looking at two scenarios. There are casual workers who are more or less on permanent basis and those on temporary basis. A case in point is that most of these factories in Uganda employ Ugandans on a permanently casual basis.

Madam Speaker, you will recall when a mattress factory caught fire in Ntinda, most of the people who perished in that accident were from our place - Tororo. When they died, the unfortunate thing is that the factory said, “These are not our workers” simply because they were on casual basis. Therefore, we need to regulate that kind of employment modality so that once workers are there on temporary basis, we should put a timeframe within which they should automatically transition into permanent workers.

There is also another category of casual workers on temporary basis. Imagine somebody is building a kitchen and needs to employ these casual workers for just four days, how do we treat those kinds of workers.

I would implore the committee that as we put measures - I have not seen the real proposals but I would implore that as we look at these, we try to create a distinction between the two: the casual on temporary and the casual on permanent so that we basically focus on the casual on permanent - these who work in factories but are perpetually kept as casual workers. I think that is where our efforts should be.

We should not disadvantage those who are working for a few days where construction takes just about one month and they have to look for another job. Therefore, if we put this, we might discourage and disadvantage these people.

That is the same point that I would like to make on domestic workers. I have seen somewhere the committee saying, “household workers” and “domestic…” I do not know whether the two mean the same thing. In some areas, they say, “household workers” and in others, they say, “domestic workers”.

My point is that whenever we come up with such legislation, we should also look at the effect. What is going to be the effect? Right now, I know there are some good relations – people are getting some agreements. Supposing we say that for you to keep somebody in your home, you must issue an employment contract and so on and someone says that they would rather take their children to a daycare centre and lock their home; are we not going to create more problems by making life difficult?

Therefore, sometimes when legislating, we should also be mindful of the likely impact of the proposals that we make because we should not come up with legislation that might look good but may have an overall negative impact on the economy and the people we intend to safeguard. Thank you.

4.45

**DR KEEFA KIWANUKA (NRM, Kiboga East County, Kiboga):** Thank you, Madam Speaker. I would like to build on Hon. Othieno’s submission that these are good suggestions but they are double-edged. They can either work very positively or be detrimental to the economy, if not properly handled. Over all, I would like to thank Hon. Kunihira for having brought this up.

Specifically, on the domestic workers, apart from the mention that their rights are not fully protected and that they are missing here and there, I think the report does not help to give us the actual issues that we are trying to address. These issues are the ones that should lead us into the legislation that is required.

We know from research available that domestic workers suffer abuse, intimidation, threats, bullying, sexual assault, being provided with poor quality food and often denied privacy. These are the issues that we need to think about, of course very carefully, in order not to deter them from being employed but also on the other hand, not to make it difficult for them if they are employed, for instance, being required to pay tax.

On the other issue of breastfeeding, it is a good idea, which I strongly support. We know from research that where breastfeeding is provided, it enables the breastfeeding mother to combine breastfeeding with work, reduces absenteeism and increases job satisfaction. With increased job satisfaction and organisation commitment, then we have increased productivity, which is great for the organisation. However, it is something that has to be handled carefully.

Now, on the casual workers, of course there are many issues here but I do not think the report clearly brings out these issues. It is very important to bear in mind that according to research, most of the casual workers are women and they are paid less. These are the issues that we need to be thinking about as we think about legislation around this area.

Finally, to emphasise that as we get into the committee stage, we have to be very careful not to drive the people who are employed into some sort of black market, where they are not actually recognised. Where even those employed are doing it stealthily to probably avoid being caught up by the law or whatever may be there, that might be inflexible. We require a lot of flexibility and very careful consideration of how this is handled. Thank you.

4.49

**MS JANE PACUTO (NRM, Woman Representative, Pakwach):** Thank you, Madam Speaker for giving me the opportunity. I would also like to thank hon. Kunihira for bringing this Bill and the committee for processing it.

I would like to touch on the issue of recruitment agencies. I implore this House to not only focus on the external recruitment agencies. We also have companies within the country that are duping our people. You find Company A, is a substantive company that needs to recruit or is the one required to employ but it uses Company B to recruit our people. Yet, you find that Company B does not give appointment letters to our people. They do not even give identity cards to them.

At the end, the Government of Uganda and even individuals who are employed are losing in terms of social security. I would implore the minister to take that issue up very seriously so that as we try to create a conducive employment process and employment conditions, we should not be losing revenue for the individual and the country.

I would like to comment on the issue of breastfeeding. This is a welcome idea. This is the first place I have worked, where a provision has been made for mothers to have time to breastfeed their children within the workplace. I remember giving an example of myself. My child refused to breastfeed, when he was going to make five months. I tried in vain because I would go to work in the field and I could not breastfeed him in time. In the end, he rejected breast milk and grew up on bottle milk.

My concern is about the common woman. Most of the vendors around the country are women. In Pakwach main market, women have made some kind of bed under their stalls. You will find women along the road selling fish with children on their back – and moreover, we have allowed road vending without shelters. It is now a rainy season; imagine how they are.

As we think about breastfeeding centres in the formal employment places, we must think of markets and other markets like the roads we have in this country. Thank you.

**MS ROSE MUTONYI:** Thank you, Madam Speaker. I had stood up on a point of information but you did not see me.

**THE SPEAKER:** No. I saw you but I wanted her to first finish.

**MS ROSE MUTONYI:** I would like to remind the House that what hon. Pacuto was talking about the companies duping our citizens - it is not only in Uganda here.  We have two categories of labour exporters. There are companies, which are officially registered by the ministry of gender. We also have the pseudo companies that take our people abroad and abandon them there and they have no one to report to.

I suppose that if we streamline and have the ones going out officially through companies which are registered – those people should be attached to our embassies, wherever they are going. What is there now is that the embassies do not even know them. They are not aware of them. Yet, if they were to make lists through the Ministry of Foreign Affairs and our embassies are aware of our people going there and they know where exactly they have been placed, then it would be better for the embassies to follow them up.

The outcry you hear here is that the embassies are not caring, that our people are suffering. Yet, the embassies are not aware. Right from the initial stage, the companies never send their lists. They do not send the lists to the embassies in the countries, where the workers are going.

I would like to have this streamlined in our Bill so that the migrant workers going out of the country are connected to our embassies so that in case of any eventualities, the embassies can also take up the matters and maybe protect them or handle whatever circumstances that our workers are in. Otherwise, there are those that just go on their own and so, it becomes difficult to follow them up. However, those that are taken by registered companies should be officially reported to the embassies so that embassies can take it up. Thank you.

**THE SPEAKER:** Thank you. As I invite the minister, on the question of markets, I would like to remind the Government that this House resolved on the issue of the markets that there must be a day care centre – especially in the new markets. I am glad the Minister of Local Government is here.

Now, we need to think about the women on the street with their children under some umbrella, where there are no formal markets. Do you have something to say, honourable minister?

4.56

**THE MINISTER OF STATE FOR LOCAL GOVERNMENT (Ms Jenipher Namuyangu):** Thank you, Madam Speaker. For all the markets that we are now building, especially in the municipalities and cities, a day-care centre is a must. We shall gladly take in the advice to cater for the street vendors.

**THE SPEAKER:** Minister of gender, would you like to say something?

4.47

**THE MINISTER OF STATE FOR GENDER, LABOUR AND SOCIAL DEVELOPMENT (LABOUR) (Mr Mwesigwa Rukutana):** Madam Speaker, I would like to thank the sponsor of this Bill, hon. Kunihira, for the immense efforts she has put in preparing this Bill.

Amendments of laws must be guided by the existence of gaps in the existing law. However, we have noted, as we shall be pointing out at committee stage, that some provisions of this Bill do not fill any gap.

As we will note at committee stage, some of the proposed amendments are a duplication of regulations already issued by the minister in accordance with the authority granted by Parliament under the Employment Act, 2006.

Furthermore, the fact that the provisions from these regulations were lifted from the Bill, is testimony that the minister properly exercised the powers delegated by Parliament under the Employment Act. It is, therefore, in our view, for some provisions of this Bill not to be accommodated as we shall be pointing out.

The above notwithstanding, I wish to state that we had an opportunity to hold cordial and constructive discussions with the committee, and the sponsor of the Bill. Consequently, we were able to arrive at a harmonised position on most but not all of the provisions of the Bill.

Madam Speaker, before I take leave of this matter, I wish to inform you and the House that prior to the publication of this Bill, the ministry had already submitted to Cabinet principles to amend the Employment Act, in a holistic manner.

These principles will be considered by Cabinet soon. While the most ideal would have been to consolidate this Bill with what is before Cabinet, the committee did not feel it was proper, hence coming up with this Bill.

We would like to put it on record that at an opportune time, we shall table before Parliament a Bill addressing all the gaps not captured by this Bill that we are going to consider today.

Madam Speaker, I would like to thank the honourable colleagues for their pertinent observations, additions and contributions to the Bill.

Some colleagues raised some few issues which I would like to respond to. Hon. Ssewungu wondered why even with my vast experience, we do not have regulations to the Employment Act and the externalisation of law processes.

I would like to inform this House and Hon. Ssewungu, that the Employment Act has two sets of regulations. The first set is the Employment Regulations, 2011. The second set is particularly for external employment; this is the Employment (Recruitment of Ugandan Migrant Workers Abroad) Regulations, 2005.

Hon. Othieno talked about investors who sneak in foreigners to work in Uganda even when there is no gap; we have noted that but the mandate to oversee who enters Uganda and is granted a work permit is with the Ministry of Internal Affairs - the Immigration Department. We have held talks with them, and even with the Ministry of Trade. We have held multi-sectoral meetings to ensure that we harmonise this.

The law is in place but I agree with you, honourable members, that the enforcement is weak although I would like to assure you that Government is taking action on the matter.

I agree with Hon. Kiwanuka Keefa that domestic or casual workers and the immigrant workers are really vulnerable and need special protection. The new law we are proposing that is before Cabinet seriously considers this category of workers, and as I said, when we bring it to the House, the honourable members will have the right to participate and contribute to the measures that we are proposing.

It is also true that some of the measures are proposed in this Bill and we shall examine them with you once we go to committee stage.

Hon. Jane Pacuto raised the issue of companies which engage in recruitment using other companies as proxies. No company can use another as a proxy to recruit. In order to recruit legally, every company must have a valid recruitment permit from the Ministry of Gender, Labour and Social Development. If they engage in that activity, please report them to us so that we take action.

Hon. Mutonyi talked about two types of companies that recruit Ugandans. She talked about the registered companies and what she called the pseudo companies. In our legal regime, there is nothing like a “pseudo company” which should recruit Ugandans. If there is such a company, “pseudo”, which means that it is not registered, then what they are doing is illegal. And if they are taking our children abroad, they are trafficking them and once we get a report on those activities, we bring them to the law. I think I will address other issues as we consider the Bill.

**THE SPEAKER:** Honourable members, I saw Hon. David Mutebi coming in on zoom; let us get him.

5.05

**MR DAVID MUTEBI (NRM, Buikwe County South, Buikwe):**  Thank you, Madam Speaker, for the opportunity given to me to contribute to this very important Bill. This Bill comes at a time when Parliament has been grappling with very many concerns about the migrant workers, especially those in the Arab countries.

It has also come at a time when we have very serious unemployment challenges in the country, on the basis of which many of our people are employed as casual workers.

Therefore, bringing this Bill at this time is very important for us because it will address some of the challenges that people have been facing, including the massive exploitation of workers and mistreatment. Some of these people have their pay withheld. However, because of the shortage of jobs in this country, the relationship between employees and employers has been one-sided.

Therefore, when this Bill becomes law, it will address and provide a legal framework along which the rights of these people that are employed as casual labourers and those in the migrant section are considered.

At the moment, this one-sided relationship imposes a challenge on our people working in different companies; both home and abroad. Some are conscripted and when you look at these people who are working abroad, there is no framework at the moment or obligation imposed on the recruitment agencies.

Parliament has been grappling with cases where people died from abroad but cannot be repatriated because it is not adequately provided for in the law. We, therefore, need to come out with very clear provisions within this law that define the relationship between casual workers, migrant workers and the recruitment agencies so that we clearly get to understand from the start that when a problem arises, a person can be repatriated.

However, we also need to clearly define the relationship that states how a migrant worker may come back at will because some of them go to work with their own expectations, only to find a different experience. And as a result, they may be interested at will, coming back home to do other things or looking for other opportunities abroad. These are some of the things we need to put clearly within this Bill, so that our people are protected from the onset.

There are some companies that are permanently employing people as casual labourers and because they know there is no choice, they continue being so. This Bill, when turned into law, should define to what extent one should be a casual labourer and at what level they should transition into a permanent employee of a particular company. This one will provide safeguards or job security and indeed motivation for people to graduate from one category to the other.

Instead of us continuing to lament about what these companies are doing, let us entrench some of these within the law, so that our people - and the employers as well - are protected. Some of the casual labourers also at times tend to misbehave and because we think it is always the employer to misbehave, then employers suffer when they are investing enormously in these businesses which employ many of our people.

We need to firmly have a balanced legislation that protects both the employer and employee. I thank you, Madam Speaker.

**THE SPEAKER:** Thank you very much. Honourable members, for the record, I want to note that the minister has a desire to bring a comprehensive law. However, when he does, what he brings will be less. We shall remind us what we are doing now, so that you have less work for that. We are now ready for the Committee Stage.

I put the question that the Employment (Amendment) Bill, 2019 be read for a second time.

*(Question put and agreed to.)*

BILLS

COMMITTEE STAGE

THE EMPLOYMENT (AMENDMENT) BILL, 2019

Clause 1

**THE CHAIRPERSON:** Honourable members, the question is that clause 1 be deleted.

*(Question put and agreed to.)*

*Clause 1, deleted.*

Clause 3

**THE CHAIRPERSON:** Honourable members – *(Mr Ndeezi rose\_)* Chairperson, do you have something on Clause 3? Clause 2 will come last.

**MR NDEEZI:** We beg to amend Clause 2 by deleting sub-clause (d). We also beg to amend by deleting clause 2(e). In the proposed definition of “employer” in Clause 2, it is sufficient to cover household employee. That is our justification.

Clause 2(g) on page 8 of the amendments is deleted; we want to delete it. The justification is to maintain the definition of “migrant worker” as it is in the principal Act. The definition in the principal Act is inclusive of both migrant workers to and from Uganda to other countries.

In Clause 2(h), we propose to substitute for the proposed definition of “recruitment agency”, the following definition:

“Recruitment agency” means an agency, bureau, contractor, sub-contractor or person registered to facilitate the placement of a migrant worker with a prospective employer within and outside Uganda.”

The justification is to enhance clarity and avoid vagueness in the definition of the term “recruitment agency”.

We also propose to delete Clause 2(i). The justification is that this is a consequential amendment, arising out of the amendment in clause 2(g).

Clause 2 (j) is also deleted. The justification is that Section 3 of the principal Act restricts the application of the Act to an employee under a contract of service. A volunteer does not fall in that category and it is thus redundant to have the definition in the Act.

I beg to move.

**THE CHAIRPERSON:** Honourable members, I hope that there are no new definitions. Normally, we leave this until the end, in case there are changes in the definitions. However, we have noted and we shall take  the vote later.

**MR RUKUTANA:** Madam Chairperson, the amendment is generally agreeable. However, I have a few matters to raise. We propose that following definition for “domestic worker” - we are proposing that “domestic worker” should be defined to mean “any person engaged in domestic work within an employment relationship”.

The justification is to align it with the definition of “domestic work” in Convention C189.

**THE CHAIRPERSON:** Honourable minister, I do not know: We have already agreed that there should not be spontaneous amendments. Did you present that to the committee? Did you get that with the committee?

**MR RUKUTANA:** This amendment?

**THE CHAIRPERSON:** You are amending but we do not have your proposals and we do not allow spontaneous amendments.

**MR RUKUTANA:** Well, they are not major. They are just minor and they do not –

**THE CHAIRPERSON:** What is the impact of those proposals on the Bill?

**MR RUKUTANA:** I do not see any impact and that is why I said they are minor.

**MR OTHIENO:** Madam Chairperson, thank you. The minister has indicated to us that he is going to bring other amendments. I think we would accommodate those amendments when he brings his. You had rightly guided that when the minister brings his, it will be an addition to what we have noted on these ones.

I think it is proper that since the minister did not circulate it, it can come in the other Bill, which he is bringing and he said “soon”.

**THE CHAIRPERSON:** Let us note the changes in Clause 2. We shall come back to it in case there are any other changes coming in the Bill on definition. Let us go to clause 3.

Clause 3

**MR NDEEZI:** We propose to delete Clause 3(a). The justification is that it is a consequential amendment, arising out of amendments in Section 2 of the principal Act on the definition of “contract of service”.

**THE CHAIRPERSON:** Honourable members, the question is that Clause 3(a) be deleted.

*(Question put and agreed to.)*

*Clause 3, as amended, agreed to.*

Clause 4

**MR NDEEZI:** Clause 4 is amendment of Section 7 of the principal Act. We propose to substitute for paragraph (a) the following:

“a. By substituting for subsection (4) the following –

1. An employer shall put in place measures to prevent sexual harassment at his or her workplace.”

Justification

The old law required that these measures be put in place by an employer who employs at least 25 employees. In this new amendment, however, we propose that the law should have no limit on the number of employees to be protected against sexual harassment at the workplace.

Clause 4(b)

We beg to delete the entire the paragraph (b) of Clause 4.

Justification

1. The clause is redundant. The minister is already empowered, under Section 97 of the principal Act, to make regulations for the better carrying into effect the provisions of the Act.
2. There is already in place the Employment (Sexual Harassment) Regulation of 2012, which provides the procedure for lodging a sexual harassment complaint and the handling of sexual harassment complaints by the labour office. I beg to move.

**MR PATRICK NSAMBA:** Madam Chairperson, the committee’s report, in Clause 4 says, “An employer shall put in place measures to prevent sexual harassment at his or her workplace”. I am looking at a situation of a person with a domestic worker at home. If it is at the discretion of this person to set up measures to prevent sexual harassment, I find it a challenge because many individuals do not employ very many people. They employ one or two domestic workers and they are the same people who sometimes sexually abuse these employees.

So, I would feel more comfortable if it is the minister who prescribes these measures so that people are protected by the law. Otherwise, every employer is going to come up with his or her own measures, especially those that are not registered as companies and agencies.

**THE CHAIRPERSON:** Honourable member, workplaces are not the same. Can’t you, as the owner of a home, put in place measures in your home, which is a workplace of that domestic worker?

**MR PATRICK NSAMBA:** What I mean is that the minister should be the one to prescribe the regulations; that for every employer, these are the standards, and that you are not supposed to sexually abuse anyone.

**THE CHAIRPERSON:** Honourable members, what this proposal is saying is that in the old law, it was only where there were 25 people that the employer was required to put in place measures to curb sexual harassment. The committee is, however, saying that there may be less than 25 employees. Therefore, even if there are three employees, they should be protected. That is what this proposal is saying.

**MR KIWANUKA:** Madam Chairperson, I actually agree with Hon. Patrick Nsamba. I cannot envisage a situation where across the country, each home has its own measures around sexual harassment. I think this has to be somehow universal and applicable across the board. I do not see how practically having each household setting its own measures will work.

**THE CHAIRPERSON:** Can we look at the principal Act? Because this is one of the clauses. I want to see what the rest are providing. Can I have the principal Act, please?

**MR NDEEZI:** I have the principal Act and this is what it says, *“Every employer who employs more than 25 employees is required to have in place measures to prevent sexual harassment occurring at the workplace”.*

**MR SSEWUNGU:** I think the amendment is very clear. It is just removing the 25 employees to make it general on all employers. As you are here, you cannot tell me that you can fail to put measures in your home against sexual harassment. If you cannot do that, then why are you in that home?

What the committee proposes is that you will put measures against sexual harassment on the people in your home other than limiting the number. For example, let me say this, Hon. Keefa Kiwanuka, you have a home and you have brought a maid.  You are going to give her a special room in your home and introduce her to your family. You are also going to put in place measures and certain regulations in your home regarding this particular person. Are you going to see her as an employee or as a member of the family?

That is what has been happening. The committee is saying that the measures you have put in place may not be written, but they are the parameters that will protect this person from sexual harassment. Beginning with you, if you violate what you have put in place, you are culpable as well. That is what the committee is saying. Every employer, whether a factory or a home, should put in place those regulations as per the Act.

**THE CHAIRPERSON:** For instance, honourable members, supposing there is a factory where people work overnight, are you going to say the women and men will sleep in the same dormitory?

**MR SSEWUNGU:** Actually, that is the same thing I was telling them, that as long as you bring this person, you - these measures are very clear and you have been practising them. Do not hide away from the facts you have. Do your boys sleep in the same room with your daughters? The answer is no.

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

(*Question put and agreed to.*)

*Clause 4, as amended, agreed to.*

Clause 5

**MR NDEEZI:** Madam Chairperson, we have an amendment.

Insertion of Clause 7(A) to the principal Act.

Clause 5, is amended in proposed section 7(A) –

1. By substituting for the headnote, the following:

7(A). Prohibition of mistreatment against an employee.

1. By deleting paragraphs d, e, f of subsection (2);
2. By inserting immediately after subsection (2) the following:

A person who contravenes this section commits an offence and is liable, on conviction, to a fine not exceeding 42 currency points or imprisonment not exceeding seven years or both.

Justification

1. Reference to the words, “abuse, harassment or violence” in the headnote, which are not subsequently referred to in the section renders them redundant.
2. The deletion of paragraphs d, e and f of sub-section (2) is to avoid repetition since the provisions are already provided for in the existing penal legislation and a person against whom an offence has been committed can proceed under this legislation. In addition, Section 95 of the principal Act allows for prosecution of a person for criminal offence committed against a person under the Act.

The insertion of a new sub section is to provide for a penalty for the offences created under the proposed section. I beg to move.

**THE CHAIRPERSON:** Honourable members, I put the question that clause 5 be amended as proposed.

*(Question put and agreed to.)*

*Clause 5, as amended, agreed to.*

*Clause 6, deleted.*

Clause 7

**MR RUKUTANA:** Madam Chairperson, it is our view that the proposed amendment is not necessary because sections 34 and 97 of the principal Act already give the minister powers to regulate complaints procedures under the Act.

**THE CHAIRPERSON:** Here they say, *“*The minister may, by a statutory instrument, prescribe a simplified and accessible complaint handling mechanism for workers with disabilities, domestic workers, casual employees and other categories of employees that he or she determines may require special protection.”

Do you have a Braille complaint system, honourable minister?

**MR RUKUTANA:** My problem is that putting this section here would be superfluous because already when you look at sections 34 and 97 of the principal Act, those, in a general manner, already authorise the minister to regulate complaints. Therefore, it is not necessary to single out these when they are already covered under those sections.

**THE CHAIRPERSON:** Who has the principal Act?

**MR PATRICK NSAMBA:** Madam Chairperson, the principal Act never provided for casual employees and domestic workers. I think the mover inserted or desired to emphasise this by including those domestic workers, workers with disabilities and casual employees. Unless the minister can prove that it is catered for within the principal Act, we cannot delete it.

**MR RUKUTANA:** Madam Chairperson, if you look at Section (34), it states, “*Special categories of employees: Without prejudice to the generality of the proceeding sections of this part, the minister shall, on the recommendation of the Labour Advisory Board, make regulations governing the employment of persons with disabilities, apprentices and other categories of workers who, in his or her opinion, are in need of special protection under the law.”*

Why this section is superior to the proposed section is that it subjects it to the advice of the Labour Advisory Board. It is so wide that the minister can make regulations in respect of any category of workers.

**THE CHAIRPERSON:** Honourable minister, they are not just talking about the regulations but a simplified and accessible complaint. That is why I asked whether you have a Braille complaint system in your ministry. Do you have a system where the deaf can complain? Because this is what they are addressing.

**MR RUKUTANA:** Well, the generality of the section allows for any form or class of special complaints, which would take into consideration Braille and any other specialised categories. Why it is special is that in future, there could emerge other unanticipated special category.

**THE CHAIRPERSON:** Honourable minister, how old is this law? Have you made this since 2006? This is 2021.

**MS KUNIHIRA:** Madam Chairperson, I know there are a number of regulations with the ministry but I am also aware that regulations are expounded from the principles in the Act, unless I am guided otherwise. Therefore, what we are capturing is just limited. The details will be captured in the regulations as the minister is submitting. I beg that we retain that clause.

**THE CHAIRPERSON:** Honourable minister, I think your ministry had no intention of making these regulations. How many years are these now?

Honourable members, I put the question that Clause 7 do stand part of the Bill.

*(Question put and agreed to.)*

*Clause 7, agreed to.*

Clause 8

**MR RUKUTANA:** Again, our view is that this proposed amendment is not necessary because under Section (13)(1)(a) of the law, the labour officer can only use one method of dispute resolution. It is already provided for. Therefore, the proposed amendment seeks to provide what is already provided for in the principal Act and what is practiced by labour officers even as of now.

**MS KUNIHIRA:** Madam Chairperson, on that same issue, there is even a court ruling that the labour officers were applying all the methods. I request our legal person here to give us the details and we shall read the case at the Industrial Court.

**THE CHAIRPERSON:** Let us go to Clause 9 as they get the details.

Clause 9

**MR RUKUTANA:** There is the same problem. Our view is that the proposed amendment is not necessary because the principle behind it is already catered for by Section 34 of the principal Act, which provides that:

*“The minister shall, on recommendation of the Labour Advisory Board, make regulations governing employment of special categories of employees requiring special protection.”*

Therefore, the Labour Advisory Board is already clothed with the mandate to advise the minister on the protection of domestic and casual workers.

Besides, Clause 12 of the Bill proposes to amend Section 34 to specifically provide that domestic workers are special categories of workers. Therefore, it is not necessary now to include this amendment.

**MR PATRICK NSAMBA:** Madam Chairperson, I do not understand the minister because Hon. Kunihira identified a problem that these domestic workers and casual labourers are not protected. Does he want to tell us they are protected? This is because he has kept on referring us to other special categories, which are embedded in the principal Act, Madam Chairperson.

Since they were categorised as “other”, that is why they are ignored by his ministry. I think it is better that we emphasise that, in this process, instead of categorising them as “others”, we say “domestic and casual workers.”  We will be sure that we have done a good job for these people because the reason why they are not protected is that quite often they are categorised as “others.”

**MR BASALIRWA:** Chairperson, I think the minister should also bear in mind that in Section 34, which he is referring to with regard to special categories, the term “special categories” is not defined in the principal Act. That is the reason why they are vulnerable and are not protected. It is what makes this amendment very relevant.

Had the principal law defined what special categories is about, perhaps, there would be comfort. Otherwise, in the absence of that definition, it creates a very big gap necessitating this amendment.

**THE CHAIRPERSON:** Honourable minister, if this person was to go to court today, the court would first determine whether they fall in that category of special employees, before they can give them a remedy.

**MR RUKUTANA:** Madam Chairperson, special categories are indeed special categories. If you attempt to define them, then, you are limiting the principal. This section calls on the opinion of the minister. Special categories are not constant; they change with times. It is upon the minister, on the advice of the Labour Advisory Board to determine, from time to time, what constitutes special categories.

However, if you define them and say “in this law, special categories stand for…” then, you are limiting them. If, in future, something occurs, which in the decision of the minister, should be regarded as special category, then, there will be no way of taking it in that regard.

I plead that we allow the operation of Section 34 to remain general so that the Labour Advisory Board and the minister can, from time to time, decide what constitutes special categories and accord the protection.

The honourable member said that special categories are not protected because they are not specifically mentioned. I would like to say that the legal framework is there. If it is true that they are not protected, it is not a question of inadequacy in the law; maybe it is a problem to do with implementation.

If other conditions are not conducive, even if we state it explicitly in the law, that express provision will not remedy laws in implementation.

It is true that there is a court case. In that case, the court discovered that the particular labour officer was doing it in the wrong way and not in accordance with the law but they did not alter the law but the person who was implementing the law to say that he uses violent methods to determine disputes.

**MS KUNIHIRA:** Thank you, Chairperson. First, on the issue of special categories, I do not know if there is any effect if the two categories of workers appear in this clause. There are already people with disabilities and apprentices recognised in the law so we are just adding the two categories.

I know the law is not static. When the minister identifies more people who need special categories, he will obviously come and amend the law and include them.

Madam Chairperson, on the issue of the case, *Uganda Limited v. Muguru* the labour dispute appeal 2017/2018 – he has also agreed that the labour officer made an error. These days, because of decentralisation, the labour officers are no longer under the Ministry of Labour but are under the Ministry of Local Government. Sometimes, they even use community development officers to work as labour officers. The reason we captured it is to cause clarity in the law.

**MR RUKUTANA:** I can see the spirit of the mover. These two categories; domestic workers and casual employees, be specifically provided for.

In my view, that can be remedied by looking at Section 34 which says:

*“The minister shall, on the recommendation of the Labour Advisory Board, make regulations governing the employment of persons with disabilities, apprentices and others.”*

I would like to add the two categories in this section to read:

“The minister shall, on the recommendation of the Labour Advisory Board, make regulations governing the employment of persons with disabilities, domestic workers, casual employees, apprentices and other categories of employees, who in their opinion are in need of special protection.” Accommodate them in this section.

**MR PATRICK NSAMBA:** Chair, we are on Clause 9. We have clause 12 which caters for what he is talking about so let us work on Clause 9.

**THE CHAIRPERSON**: Honourable members, I put the question that Clause 9 do stand part of the Bill.

*(Question put and agreed to.)*

*Clause 9, agreed to.*

*Clause 10, agreed to.*

*Clause 11, agreed to.*

**MR NDEEZI**: We have an amendment.

Clause 12: Substitution of Section 34 of the Principal Act

Delete the words "household employee, volunteers" appearing in line five of the proposed Section 34.

The justification is consequential amendment arising out of the amendment to Clause 2(e) and (j).

**THE CHAIRPERSON:** The people who write these reports are saying that they are now substituting Section 34 but what they are doing is deleting three words.

**MR NDEEZI:** Substitution –

**THE CHAIRPERSON:** Is that substitution or deleting?

**MR NDEEZI:** Substitution -

**THE CHAIRPERSON:** No, you are deleting. You are not substituting. You are deleting some words. Honourable members, I put the question that Clause 12 be amended as proposed.

*(Question put and agreed to.)*

*Clause 12, as amended, agreed to.*

**MR NDEEZI:** Clause 13: Amendment of Section 37 of the Principal Act.

Substitute for clause 13 the following –

“13. Insertion of new Section 37A in principal Act. The principal Act is amended by inserting immediately after Section 37, the following:

“37A. Obligations of employer of migrant worker

1. An employer employing a migrant worker in Uganda shall;
2. Ensure that the employment is in accordance with this Act, the standard contract of service and other applicable laws, regulations and collective bargaining agreements;
3. Provide the migrant worker orientation on the terms and conditions of employment and other relevant information, including the rights and duties under his or her contract of employment prior to or in the process of engagement;
4. Ensure that the migrant worker has a valid work permit;
5. Keep a register of all migrant workers employed at the work place;
6. File annual returns to the district labour officer of the area in which the work place is located with details of the migrant worker employed; and
7. Repatriate a migrant worker on the expiry or termination of the contract of service for which he or she was recruited notwithstanding the reason for termination.

2. A person who contravenes this section commits an offence and is liable, on conviction, to a fine not exceeding two hundred currency points or imprisonment not exceeding three years or both.”

**THE CHAIRPERSON:** Now, again what I see here - you know, you are saying that you are introducing a new clause but it is the same. Either you are substituting it for 37 but not saying you are introducing a new clause after 37 because that would mean this and a new sub-section would come. Just say, you are amending Clause 37.

**MR PATRICK NSAMBA:** Madam Chairperson, the committee report picked exactly what the mover had proposed in 37. There is no new insertion. They are the same throughout from (a) to (f) in the mover’s Bill.

**MR RUKUTANA:** Madam Chairperson, we think that even these proposed amendments are not necessary because sections 4, 23 and 25 of the principal Act already provide that any employment contract shall be in accordance with the Act.

Furthermore, it is unlawful in the Act for a foreigner to work without a valid permit under Section 39 of the Citizenship and Immigration Control Act.

Again, Section 37 of the principal Act already prohibits the employment of someone who is unlawfully present in Uganda. It is therefore, not necessary to have any other legislation on the matter because it would cause confusion.

Lastly, Regulation 20 of the Employment Regulations, 2011 already provides for keeping and filing of returns by the employers to the Commissioner. I beg to submit.

**MR PATRICK NSAMBA**: We have a situation in this country - these people bring employees here but after they have worked with them, they leave them on the streets. They do not even to know what happens to them. The same situation is happening to our children when they go outside.

I want the Minister to come here and tell us that it is because they fail that this is happening. However, the mover is coming out to bring a solution to a problem that is happening in this country.

Honourable minister, kindly, let us know because you keep insisting that we have these laws but here somebody is providing a remedy for migrant workers who suffer here; they are brought to work and kept in inhuman conditions, in our country.

**MS AMODING:** Madam Chairperson, I think I would like to support the private Member on this particular clause in line with what we see on the streets of Uganda particularly the areas the Minister is talking about. It is not okay for us to maintain (d), (e) and (f)? They provide a solution to the challenges that the labour market has right now.

If we look at the people that come into this country, it is evident that most of the time, when their contracts are terminated with those who bring them to the country, they assimilate into the main market yet no one follows to know where they are. They end up overburdening the already small labour market that we have.

Therefore, keeping a register at the work place is an important thing. Also it is important to file returns with the labour district office so that we can be able to trace these migrant workers and to streamline the labour market in Uganda as much as we can, honourable minister. I pray that we maintain this particular provision.

**THE CHAIRPERSON:** Honourable members, actually, other than the currency points, I have not seen a substantial difference between what is in the Bill and what is purportedly being inserted.

I think let us amend the marginal note to read: “Obligations of employer of migrant worker…” The other amendment is on currency points. Instead of 100 currency points, it is now 200 currency points or imprisonment not exceeding three years. That is the difference. So I put the question that clause 37 be amended as -

**MS KUNIHIRA:** Madam Chairperson, I think there was a problem in clause 13. The proposal in the Bill is going to be an addition under 37A. We are retaining what is already in the Bill under 37. That is why there is 37A.

**THE CHAIRPERSON:** No, but 37A is saying the same thing as old 37. So, let us retain the old 37 and we just change the marginal note and the currency points. Therefore, we have only amended the marginal note and the currency points in Section 37. So I put the question that clause 13 do stand part of the Bill.

(*Question put and agreed to.)*

*Clause 13, as amended, agreed to.*

Clause 14

**MR NDEZI:** Madam Chair, I propose to amend Clause 14 by:

1. By deleting paragraph (a) of clause 14;
2. By deleting the word “Ugandan” wherever it appears in the clause;
3. In paragraph (b):

(i) By substituting the proposed subsection (2b), with the following: “(2b) A recruitment agency shall undertake due diligence on the suitability of an employer under whose employment it intends to place an employee.”

(ii) By inserting a new paragraph immediately after paragraph (d) of subsection (2c) to read as follows: “Comply with any other condition as may be set by the Minister by regulations.”

(iii) by inserting a new paragraph immediately after paragraph (h) of subsection (2d)-

“any other category of persons as may be prescribed by the minister through regulations.”

(iv) by inserting a new subsection immediately after the proposed subsection (2d) the following-

“(2e) A recruitment agency shall repatriate an employee back to Uganda at the expense of the recruitment agency.”

(c) by deleting paragraph (e) of Clause 14.

(d) in paragraph (f), by substituting for the words, “twenty thousand currency points”, the words, “one hundred and twenty currency points”.

Justification

* 1. Paragraph (a) of Clause 14 is redundant given that section 38 of the principal Act caters for the same proposals.
  2. The deletion of the word “Ugandan” is a consequential amendment arising out of amendments by deletion of the proposed clause 2(g) and (i).
  3. The subsection of the proposed sub-section (2b) is for clarity.
  4. The recruitment agency should have obligations to repatriate a Ugandan employee it recruits for external employment so that Ugandan workers do not continue being stuck in foreign countries after losing employment.
  5. Paragraph (e) of Clause 14 is redundant given that the principal Act empowers a minister to make regulations for the carrying into effect the provisions of the Act.
  6. To ensure the penalty is commensurate to the offence.

**THE CHAIRPERSON:** Honourable members, I asked earlier, what happens to the dead bodies? You are repatriating a worker that is alive but what about the dead bodies?

**MR NDEEZI:** The other one was not clear but the minister can answer.

**MR RUKUTANA:** Madam Chairperson, under our regulations, the minister is empowered to make regulations to govern externalisation of labour. He is empowered to formulate standard contracts between the worker and the employer, between a recruitment agency and a receiving agency at the other end.

Those standard agreements are there and they expressly provide for repatriation both of workers who, for any reason, are no longer able to work and also repatriation of their bodies when they demise. That is contained in the standard agreements that we insist on.

I would like to state that the practice has been – and it has been strictly adhered to – that when a person dies abroad, the recruitment agency which deployed him must repatriate the body.

It is true, like the honourable member earlier pointed out, that some people go on their own – either through the pseudo companies which I term “traffickers” or on their own, where there is no responsible company. The problem we encounter arises from those who do not go through our official channels.

On that note, I have no problem with the provision being in the law. I simply wanted to inform the House that there is already a legal framework to cater for the bodies.

**THE CHAIRPERSON:** Minister, since they are providing for those who are alive, let us also provide in this law. If you knew how much pressure we are under from people who write to us telling us that the dead body is here – Speaker, please help us bring it home. It is a nightmare.

**MS AMODING:** Thank you, Madam Chairperson, for raising that concern. This also includes persons who get ill in the course of duty. Many Ugandans out there get sick and companies usually do not take care of them that much. It is important to be very clear on these issues.

There are also companies which are “young” and cannot afford these costs and it sometimes comes back to the family.

Maybe the honourable minister has more information on that but we feel that most of the cases that have challenges of ill health and death while out there usually come back to the families. Many Members have handled such cases.

**THE CHAIRPERSON:** Can we have Hon. Kunihira structure a small paragraph on repatriation of the dead, under Clause 14. That will be an addition. In the meantime, let us go to Clause 15.

Clause 15

**MR NDEEZI:** We have an amendment on page 14.

Clause 15 is amended-

(a) by deleting subsection (2) of the proposed section 38A.

(b) in subsection (4) of the proposed section 38A, by substituting for the words, “ten thousand currency points” the words, “one hundred and twenty currency points”.

Justification

(i) The details proposed under subsection (2) should be provided in the regulations made under the principal Act.

(ii) To make the penalty commensurate to the offence.

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

(*Question put and agreed to.)*

*Clause 15, as amended, agreed to.*

*Clause 16, agreed to.*

Clause 17

**MR NDEEZI:** We have an amendment.

Clause 17: Insertion of a new section 56A to the principal Act.

Clause 17 is amended in the proposed section 56A-

(a) by substituting for sub-section (1), the following –

“(1) A female employee sha11 not be discriminated against on account of being a breastfeeding mother”;

(b) by substituting for sub-section (2), the following–

“(2) An employer shall accord a female employee, a daily thirty-minute breastfeeding break in every two hours of continuous work, or a daily reduction in the contractual daily hours of work to enable the female employee breastfeed her child upon expiry of her maternity leave”;

(c) by deleting sub-section (3);

(d) subsection (5), by inserting the words, “the first” immediately after the word “for”;

(e) by deleting subsection (6).

Justification

1. For clarity.
2. To clearly indicate the time and duration when a female employee should be granted a breastfeeding break or reduction in the daily hours of work.
3. The substitution in sub-section (2) renders sub-section (3) redundant and thus is deleted.
4. To ensure that a female employee is only entitled to the breastfeeding breaks and reduction in hours of work only in the first three consecutive months after maternity leave to allow exclusive breastfeeding up to six months of the child’s life as recommended by the World Health Organisation and the Uganda Policy on Breastfeeding, 2009.

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

*(Question put and agreed to.)*

*Clause 17, as amended, agreed to.*

Clause 18

**MR NDEEZI:** We propose an amendment on Section 59 in the principal Act.

1. Paragraph (a), by deleting the proposed subsection 1(a) and (b)
2. In paragraph (b), by deleting the proposed subsection (6)

Justification

1. The deletion of sub-section 1(a) and (b) is a consequential amendment arising from the amendment of Section 2 of the principal Act, on the definition of “contract of service.”
2. Section 101 of the Evidence Act puts the burden of proof on a party that asserts the existence of these facts. There is no justified ground for shifting the burden of proof to the employee.

**THE CHAIRPERSON:** Members, I put the question that Clause 18, be amended, as proposed.

*(Question put and agreed to.)*

*Clause 18, as amended, agreed to.*

Clause 19

**MR NDEEZI:** We have an amendment in Clause 19; insertion of new Part VIA to the principal Act.

Substitute for Clause 19, the following:

The principal Act is amended by inserting immediately after section 37,the following:

“59A. Conversion of Casual Employment to Term Employment

1. A person shall not be employed as a casual employee for a period exceeding four months.
2. A casual employee engaged continuously for four months shall be entitled to a written contract and shall cease to be a casual employee and all rights and benefits enjoyed by other employees shall apply to him or her.
3. Where a casual employee is laid off by an employer unretired, the service shall be regarded as it continues.”

The justification is –

1. The provision for conversion from casual employment to term employment is to reconcile the Employment Regulations, 2011 with Employment Act, 2006.
2. The proposed Section in 61(a) and (f) provides for volunteers whereas the application of the Act under section 3, excludes volunteers and further, providing for volunteers in the Act shall expose term employees to exploitation by employers who may choose to predominantly permanently employ them as volunteers.
3. The proposed Subsection 61(b) is redundant since domestic workers and casual employees have been recognised as special categories of employees under the amendment of Section 34 of the Act, which therefore, empowers the minister to make regulations governing employment of persons with disabilities, apprentices, guards, domestic workers, and casual employees.
4. The proposals in Section 61(c) and (d) are redundant since domestic and casual workers have been expressly incorporated under Section 2 of the Principal Act. Thus, they are entitled to the same protection as other employees. I beg to move.

**MR PATRICK NSAMBA:** Madam Chairperson, I see a situation, especially where it says “a person shall not be employed as a casual employee for a period exceeding four months.”

We would have gone ahead to define which type of casual employees we are talking about. I will give an example. In homes, we have people who come and take care of our homes once in a while for four months. Yet, you are saying that they should be entitled for a contract. We should specify which type of casual employees *-(Interruption)*

**MR OTHIENO:** Thank you, Madam Chairperson. I have the same fear but supposing we say “four consecutive months”? However, it again alters the concern. Someone may come and work for you for this month and goes away. After sometime, he or she comes back. Once there is an accumulation of four months, it means the person must be permanently employed. We should not create loopholes in a law, which can be exploited.

**MR RUKUTANA:** I am glad our concerns have been adequately captured by hon. Nsamba and hon. Othieno. There are people who work casually for a long period of time, yet they do not become workers. For example, on construction sites, we have plumbers and electricians - same as the example given about the people who come to slash our compounds and they work for a long period of time.

If we say that when someone has worked for four months, there is an automatic conversion from casual to permanent employment, it becomes an absurdity. Unless we get a better way of putting it - those categories of work should be protected.

**THE CHAIRPERSON:** Honourable members, I also think that it is a bit problematic. Look at a construction company. If I employ these people and they finish the construction work and then I, get another site, must I carry them with me and they become my permanent employees?

**MS KUNIHIRA:** Thank you, Madam Chairperson. This particular clause was picked from the regulations under the Ministry of Gender, Labour and Social Development Statutory Instrument, 2011, No.61. It is Section 39 and it appears the way it is.

I would propose that we say “the period exceeding four months continuously.” This will separate the ones we use in our homes to maintain our compounds.

The principal Act is also very clear on the type of the causal workers who maintain our compounds. It defines a casual employee as a person who works on a daily, hourly basis, where payment of wages is due at completion of each day’s work.

In this category, we are mostly looking at people who have worked in factories for years; working there almost as permanent and pensionable but treated as casual.

**MS BBUMBA:** Thank you, Madam Chairperson. We are legislating as if we have low unemployment. This country has very high unemployment rates and we lack places where people go for apprenticeship. These casual workers by working continuously in certain places acquire skills.  Many of the builders; people who have become big masons started by being casual labourers, working on sites and they acquire the skill, which they use elsewhere to get permanent employment.

However, if we say that it has to be contractual beyond four months, people will fire them in the third month. Since we have a lot of abundant labour, people will not be able to acquire the skills and have those jobs to sustain them and their families. Thank you.

**THE CHAIRPERSON:** Hon. Kunihira says this is already what the minister has proposed.

**MR OTHIENO:** This Bill presupposes that everybody works on time-piece basis. Wages can be paid on the basis of the work you have done or the time you have worked.

This Bill presupposes that all payments of workers are time-based. However, there are cases where wages are paid on piece-meal basis; I mean in terms of the work you have done. For instance, somebody may be working on a daily basis but is paid for every hour he or she works, or for a piece of work a person does; not that he is going to be paid on a monthly basis. There must be a clear decision.

Not everybody is paid on a monthly basis but on piece-meal basis. In other words, you are paid for the piece of work you do. So, we need a clear distinction for those who come and work on a particular assignment. For instance, if it is digging or cutting sugarcane, they may say, “For every acre you cut, you get this amount of money”. That is different from a person who comes and says, “You will cut sugarcane and be paid on a monthly basis”.

There is a difference between the two. This Bill only presupposes for those who work on a monthly basis. What about those who work on piece-meal basis? How do we take care of that?

**THE CHAIRPERSON:** Honourable members, what I have here are the regulations under Statutory Instrument No. 61 of 2011, issued by the Minister of Gender, Labour and Social Development and this provision is there under “other special category” - contracts for casual employees.

**MR PATRICK NSAMBA:** Madam Chairperson, yes, it is provided for in the regulations but once we put it in law, it is a whole different story. We want to protect our casual workers, but we do not want to create a situation at the same time, where employers would not wish to take on casual employees just for fear of such laws.

So, in my opinion, as long as we have catered for their other rights - Unless we work better on this one the way it is, we might create a problem.

**MR RUKUTANA:** Madam Chairperson, it is true that provision is there. However, when you look at the law, you find that it has no backing of the law whatsoever; it is hanging. And I would like  to inform this House that it is one of the provisions we intended to amend in our new Bill, which is before Cabinet.

**THE CHAIRPERSON:** So, what do we do? Should we not touch Clause 19? I think it may be difficult for now.

I put the question that Clause 19 do stand part of the Bill.

*(Question put and agreed to.)*

*Clause 19, agreed to.*

Clause 20

**THE CHAIRPERSON:** Did you have something, honourable chairperson?

**MR NDEEZI:** Madam Chairperson, the committee is remaining with only one amendment.

On Clause 20, we propose to delete it and these are our reasons.

1. Enlarging the period of payment of severance allowance to one year is to the detriment of the employee.
2. There is need for clarity on the entitlement to severance allowance and when this is due. The law should thus not be amended to the detriment of the employee.
3. Entitlement to severance allowance is for an employee who is unfairly dismissed by an employer.

Thank you.

**THE CHAIRPERSON:** Members, the question is that Clause 20 be deleted.

*(Question put and agreed to.)*

*Clause 20, deleted.*

*Clause 21, agreed to.*

*Clause 22, agreed to.*

*Clause 23, agreed to.*

Clause 8

**THE CHAIRPERSON:** We wanted some information under Clause 8. We wanted the court ruling. Honourable chairperson, what is the position under Clause 8?

**MR RUKUTANA:** Madam Chairperson, as I explained, I am not sure how the court ruling is going to assist us because the court did not fault the law. It only said that a labour officer was applying the law in a manner it should not be applied because he was using both methods.

As for the proprietor of the law, there was no pronouncement by the court.

**THE CHAIRPERSON:** I think what they are trying to do is not to give an option to use more than one. I do not know whether that is what Hon. Kunihira wanted.

**MS KUNIHIRA:** Madam Chairperson, as I mentioned earlier, there was an error made and they faulted the labour officer. I also mentioned that the labour officers are not directly under the control of the Ministry of Gender, Labour and Social Development because of decentralisation. It is for purposes of clarity.

**THE CHAIRPERSON:** I put the question that Clause 8 do stand part of the Bill.

*(Question put and agreed to.)*

*Clause 8, agreed to.*

Clause 14

**THE CHAIRPERSON:** Regarding Clause 14, have you been able to draft the issue on repatriation of the dead people?

**MR NDEEZI:** This is what we propose to add.

“A recruitment agency shall repatriate an employee back to Uganda at the expense of the recruitment agency under the following circumstances:

1. As determination of the contract of employment of the employee.

2. At the death of the employee.”

**THE CHAIRPERSON:** Is that what you are proposing? Those are additional new sub-clauses under Clause 14.

Honourable members, I put the question that clause 14 be amended as variously proposed.

*(Question put and agreed to.)*

*Clause 14, as amended, agreed to.*

Clause 2

**THE CHAIRPERSON:**  I think there are no more changes on the definition. I now put the question that Clause 2 do stand part of the Bill.

*(Question put and agreed to.)*

*The Title, agreed to.*

MOTION FOR THE HOUSE TO RESUME

6.27

**MS AGNES KUNIHIRA (NRM, Workers Representative, National):** Madam Chair, I beg to move that the House do resume and the Committee of the whole House reports thereto.

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

*(Question put and agreed to.)*

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

REPORT FROM THE COMMITTEE OF THE WHOLE HOUSE

6.28

**MS AGNES KUNIHIRA (NRM, Workers Representative):** Madam Speaker, I beg to report that the Committee of the whole House has considered the Bill entitled, “The Employment (Amendment) Bill, 2019” and has passed it with amendments.

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

6.28

**MS AGNES KUNIHIRA (NRM, Workers Representative, National):** Madam Speaker, I beg to move that the report of the Committee of the whole House be adopted.

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

*(Question put and agreed to.)*

*Report adopted.*

BILLS

THIRD READING

THE EMPLOYMENT (AMENDMENT) BILL, 2019

6.29

**MS AGNES KUNIHIRA (NRM, Workers Representative, National):** Madam Speaker, I beg to move that the Bill entitled, “The Employment (Amendment) Bill, 2019” be read for the third time and do pass.

**THE SPEAKER:** Honourable members, I put the question that the Employment (Amendment) Bill, 2019 be read for the third time and do pass.

*(Question put and agreed to.)*

A BILL FOR AN ACT ENTITLED, “THE EMPLOYMENT (AMENDMENT) ACT, 2021”

**THE SPEAKER:** Honourable members, title settled and Bill passes. Thank you. *(Applause)*

MOTION FOR A RESOLUTION OF PARLIAMENT TO AUTHORISE GOVERNMENT TO GUARANTEE THE UGANDA DEVELOPMENT BANK LIMITED TO BORROW €15 MILLION FROM THE EUROPEAN INVESTMENT BANK, $10 MILLION FROM THE INTERNATIONAL ISLAMIC TRADE FINANCE CORPORATION, $20 MILLION FROM OPEC FUND FOR INTERNATIONAL DEVELOPMENT AND $20 MILLION FROM THE ARAB BANK FOR ECONOMIC DEVELOPMENT IN AFRICA

6.31

**THE CHAIRPERSON, COMMITTEE ON NATIONAL ECONOMY (Ms Syda Bbumba):** Thank you, Madam Speaker. I have three loans under Items 7, 8 and 9. Two of the loans; Items 7 and 8, are both to Uganda Development Bank. Can I be permitted to present them and we discuss them together?

**THE SPEAKER:** Were they for the same purpose?

**MS BBUMBA:** The ones for UDB are for the same purpose. They are from different sources, but for the same purpose. It is because I see time is running out and I wanted to exhaust all of them now.

**THE SPEAKER:** Just present them one by one.

**MS BBUMBA:** Thank you very much, Madam Speaker.

On 25 June 2020, a loan request was presented to Parliament and under Rule 175(2)(b), the same was referred to the Committee on National Economy. The committee considered and scrutinised the request and I now beg to report.

Before I go further, permit me to lay on Table the following documents:

1. The loan request.
2. A report of the Committee on National Economy.
3. Minutes of the meetings.
4. The brief to Parliament on the proposal by Government to guarantee Uganda Development Bank for the various loans.
5. A letter from His Excellency the President approving the loan.
6. A letter from the Ministry of Finance, Planning and Economic Development on the Certificate of Financial Implications.
7. A letter from the National Planning Authority.
8. An update on the utilisation of funding for UDB.
9. The International Islamic Development Finance Corporation intimation notice and final terms and conditions for Murabaha Financing.
10. The Draft Line of Credit Agreement.
11. The third line of credit to Uganda Development Bank.
12. The finance contract between European Investment Bank and Uganda Development Bank.
13. The Arab Bank for Economic Development Terms Sheet for Private Sector Facility.
14. The OPEC Fund for International Development general conditions applicable to the Public Sector loan agreement.
15. The UDB strategic plan.

Madam Speaker, all those are contained in this file, which I lay on Table.

I would like to thank the colleagues on the committee for the effort put in scrutinising this loan.

By way of methodology, we had meetings with the ministry and we considered a number of documents.

Background

Development Financial Institutions are important instruments for Government through which socio-economic transformation is promoted. Development Banks provide relatively low-cost capital compared to commercial banks, and also provide a wider range of advisory services, capacity building programmes to SMEs, large private corporations and commercial banks.

UDB has a renewed vision of being the preferred and trusted development finance services provider for socio-economic development, and more specific to its value proposition in its mission of accelerating socio-economic development through sustainable financial interventions.

The bank currently finances projects in various sectors of the economy that include: agriculture (production and agro-processing), manufacturing, education, health, tourism, infrastructure, minerals, oil and gas, among many others.

Table 1 gives the breakdown of the loans which have been given out by sector.

The bank's lending portfolio is mainly funded by Government of Uganda capital contributions. It has also been supported by Government to obtain funding from outside the country. Under Table 2, the loans which have been acquired, except for two, are all fully utilised, and the other two are above 60 per cent utilised.

Selected Bank Key Performance Indicators

All of them are positive, except for two which are returns on assets and customer satisfaction scope. That table shows the disbursement to projects of Shs 183.9 billion in 2019 compared to Shs 154.5 billion in 2018 increased by 79 per cent.

According to the National Development Plan, which identifies priority sectors and key public and private delivery partners that drive the achievements of the country’s strategic objective of attaining high middle-income status by 2040, Uganda Development Bank (UDB) is among those, which are identified.

The overall goal of the UDB is to promote sustainable growth and remain a key player in social economic development.

The envisaged High Impact Goals of the bank are:

1. Reduce Poverty,
2. Build a Sustainable Food System for Uganda; and
3. Industrialise Uganda.

The justification for the guarantee is that according to the bank's Strategic Development Plan 2020-2024, the bank intends to explore various avenues to increase and diversify its funding sources and leverage its resources to increase and catalyse investment in the initiatives detailed in its strategic plan.

Paragraph 6(1) gives the list of the guarantees, which Government has given. All are to the Islamic University in Uganda and the Uganda Development Bank Limited (UDBL). There is no other institution Government has guaranteed.

On the status of UDB’s capitalisation, its share capital is Shs 2 trillion. Out of that, Shs 860 billion has been capitalised, comprised of Government contribution, which is about Shs 780 billion, retained earnings of Shs 62 billion and the equity from Kuwait Fund of 34.5 billion.

Table 5 breaks downs the capitalisation, which I have just read.

Under seven, the purpose of the proposed lines of credit, Uganda Development Bank Limited has a pipeline of about Shs 709 billion of Small and Medium Enterprises (SMEs) that need long-term financing. That is what we are sourcing money for under these guarantees.

Under paragraph 7.1, there is the purpose of the European Investment Bank Line of Credit of Euros 15 million. This bank is extending a line of credit guaranteed by Government to be used exclusively for the financing of up to 50 per cent of the aggregate cost of the projects of private enterprises operating in Uganda.

The second guarantee is from the International Islamic Trade Finance Corporation Line of Credit of not more than $10 million, which shall be utilised for the purpose of supporting import and pre-export financing of acceptable goods of its clients.

Under 7.3, the purpose of the Arab Bank for Economic Development in Africa (Trade Finance Window), amounts not exceeding $10 million is to be used exclusively to finance eligible import transactions from Arab countries to UDBL’s eligible importer clients in the Republic of Uganda.

7.4. The purpose of the Arab Bank for Economic Development in Africa through the private sector window of $10 million is to enable the Uganda Development Bank to finance projects and transactions in favour of its clients. Those are from the private sector or the commercially oriented public-sector enterprises in the Republic of Uganda.

The purpose of the OPEC Fund for International Development, which is not exceeding $20 million is for extending sub-loans to SMEs and shall be rolled-over. It is not to be repaid but will remain within UDBL.

Under paragraph 8, terms of the loan, table six gives us terms of the loan of EIB and table seven of the Arab Bank for Economic Development. Table eight is the OPEC Fund. The bank will lend the loan to SMEs at an average interest rate of 7 per cent on the dollar loan and 12 per cent on shillings terms.

When their portfolio expands, they will reduce the shillings loan from 12 per cent to about 10 per cent. The conditions of the loan are covered under paragraph 8.

Under paragraph 9, the budgetary implication of the lines of credit, these do not have a direct impact on the loan obligation of Government because these are not loans but contingent liabilities. They are guarantees. Government will have to pay 0.3 per cent per annum to cater for the exchange fluctuations and other costs.

The committee observations and recommendations

The committee noted that the possibility that unforeseen opportunities or threats, including the COVID-19 pandemic economic uncertainties, may render the UDBL strategy ineffective.

The committee, therefore, recommends that the Uganda Development Bank Board and senior management should urgently devise appropriate and effective policies and strategies towards ensuring an appropriate understanding of the Bank’s operating environment.

On the financial sustainability of the bank, the committee noted that adequate and appropriate funding remains a critical success factor for the bank to achieve its strategic aspirations.

The committee, therefore, recommends that in order for the Uganda Development Bank Limited to enhance its capacity of providing development finance solutions as enshrined in its mandate, the bank should seek out an appropriate mix of funding that will generate requisite capital to finance its investment needs and at affordable costs.

The bank should further leverage its paid-up capital to source external funding because as a result of low capital base, they are not attractive to external funders.

The committee noted the operational risk exposure of the Bank that can result from a variety of factors.

The committee recommends that UDBL should further digitise several aspects of its operations with the aim of leveraging technology to transform customer experience and to expand its outreach.

In addition, the bank should focus further on building an adequate stock of competencies amongst its staff to ensure that the bank addresses the institutional needs - both for now and the future.

On the regional presence of the bank in other parts of the country, the committee made a serious observation that the Uganda Development Bank Limited is located only in Kampala. All the borrowers have to travel from different parts of the country to get the service.

Although they have established digital service, the committee recommends that the management of Uganda Development Bank Limited should consider the need to deepen the services of Uganda Development Bank Limited by establishing and equipping regional specific branches in Uganda as the case with Development Financial Institutions (DFIs) in Brazil, China and Ethiopia.

In conclusion, the committee recommends that the request by Government to guarantee Uganda Development Bank (UDB) Lines of Credit of Euros 15 million from the European Investment Bank, $10 million from the International Islamic Trade Finance Corporation, $20 million from the OPEC Fund for international development and USD from the Arab Bank for economic Development in Africa be approved subject to the above recommendations.

I beg to submit, Madam Speaker.

**THE SPEAKER:** Honourable members, you have heard the report. Are there any comments? Honourable chairperson, under 8, I see that there is a certain amount; a minimum of 30 per cent allocated to gender equality and women empowerment. I do not know whether you have the channels through which these people will reach this money.

**MS BBUMBA:** Madam Speaker, we took a lot of interest in this because we know that women are always marginalised when it comes to financing. Uganda Development Bank (UDB) confirmed that in their pipeline, they have a number of projects for women and they are going to be considered under that.

6.48

**MR RICHARD OTHIENO (NRM, West Budama County North, Tororo):** Thank you, Madam Speaker, for this opportunity. I would like to thank the committee for its efforts in scrutinising this loan request.

I do not want to say that I do not support this request but I would also like to sympathise with this committee and the chairperson because the job they are doing is not an easy one.

Yesterday, this very issue was subject to discussion on the Next Media Platform. When I listened to the chairperson, I do not know whether they bothered to understand and internalise the needs of the people they are trying to address.

It is true that UDB needs to be supported but at the same time, I think it has failed to live up to its expectations. Right now, UDB is not helping anybody and I can see why it will be a miracle for this country to transit to middle-income status because we are just misfiring in all angles; we are not making any right decisions.

For instance, the chairperson has said that this loan will help the SMEs but yesterday, the SMEs were very bitter and complained about how UDB has become irrelevant to them. The SMEs said that what they need from UDB is what UDB told them they cannot provide.

The UDB said they cannot lend below Shs 100 million and the SMEs said they need money to the tune of Shs 100 million, which was rejected by UDB. In that case, they were advised to go to commercial banks since they lend to those who need more than Shs 100 million. The SMEs told UDB that they need a loan, which can help them with their small lines of operation to improve their businesses and they do not need more than Shs 100 million.

Secondly, when you look at the way UDB is operating – Recently, there was a list that circulated of them lending money to themselves; UDB top managers, their friends and their connected people. They are the ones getting this money that we give them. The real people who applied for the money were not considered.

When we interfaced with UDB, we discovered what all they do is to give this money to commercial banks. When we give them money, they also give it to commercial banks to lend on their behalf because the terms there are a little more favourable and they cash in on the difference in rates. The Executive Director confirmed this yesterday when she said that they cannot lend money on preferential terms because they are also a profit motivated institution.

There is no difference between UDB and ordinary commercial banks. In such a situation, much as we are guaranteeing this loan, the interests of this country is not being protected by UDB. It is exposing our business community to the same harsh conditions they find with commercial banks.

Madam Speaker, we are talking of industrialisation. If you are to industrialise, then work with the Uganda Manufacturers Association. These are the people who can promote industrialisation in this country. They are telling you that Uganda Manufacturers Association says that UDB has failed to listen to their needs and concerns.

Much as we are giving these people loans, I would like the country to know that UDB is not going to be an engine; an agent of growth and industrialisation,, as the chairperson wants us to believe.

I also do not know whether the committee interfaced with the SMEs that they are talking about. I do not think so because if they interfaced with them, they should have listened to their concerns and you should not have reported the way you have. The way you have reported clearly shows that you are just working on assumptions; what you are getting from UDB and the Ministry of Finance. This is just an official position.

We want you to tell us how you are going to help these SMEs. How are you going to help Uganda Manufacturers Association? These are the groups that need help.

Madam Speaker, it is high time this country came out with another channel of helping our small-scale industrialists, the SMEs and Uganda Manufacturers Association because the way UDB is being structured is not going to help us in getting out of poverty, like the minister says. I do not know who you are going to remove out of poverty. You are lending money at a commercial rate and you are not giving money to small scale people who need small amounts of money like Shs 50 million or Shs 100 million. Who are you driving out of poverty? Nobody.

Therefore, the statement here is not factual. That is why I would like to conclude that yes, the committee has reported but what they have reported is not factual. They have not interfaced with the stakeholders. This is the committee’s own position and assumption.

I would like the committee to go out and interface with stakeholders, small scale business people and come and give us a true report, not this assumption because they want us to come here and approve their money. Yes, we shall give them the money but base it on true facts and realities on the ground. I beg to submit.

**THE SPEAKER:** Honourable members, I see that the committee only met the Minister of Finance and UDB. They did not meet the potential users.

I would also like to place on record that one of our industrialists who wanted Shs US $10 million from these people but instead, they gave him $5 million, which was not enough and so, he had to leave it and go to Kenya to look for money.

We cannot continue like this. Honourable chairperson, we want you to interface with the consumers; the SMEs. Let us postpone completion of these two reports and you interface with the possible users. We cannot go on giving money to UDB, which they do not use.

**MR MUKITALE:** Madam Speaker, I am happy that this afternoon, we started with the minister of finance submitting the much required documents because a loan is a deficit financing - it is part of financing the budget.

Remember, last week on Thursday, I had a preliminary objection to our Committee of National Economy presenting the loan request without Parliament being brought to reality on the issues. The Auditor-General was here not more than two weeks ago, telling us how the loans are not okay and that the loan amounts were in variant with the one of Bank of Uganda.

Now that the minister has brought these papers, I would like to agree, as you have likely guided that it would have been proper - Madam Speaker, I had come to your office much earlier with two documents that at least we get two days. If you see the heap of documents the Ministry of Finance has laid, a Parliament of 430 Members without regurgitating it and we then just come and pass a budget in a COVID-19 time where we are not performing, where UDB wants money when we have not holistically looked - what are the challenges of industrialists? We may end up with this money going to the wrong people.

I would like to seek your procedural guidance, Madam Speaker, that this could be the right time since we are in the budget process. Give us two days in the tent with the Ministry of Finance.

I even have two other concerns as we talk about loans. Article 159 of the Constitution mandates this Parliament to approve any Government commitment in terms of borrowing. We now have a new animal called PPPs. We should not only be informed of only loans and grants but can we be informed of what is happening with PPP? We know what Bujagali has done to us 12 years ago, and may still hammer us for the next 12 years until we disengage.

Madam Speaker, we have a new animal called recoverable costs under the PSA - it is a cost thing. We are very happy the President is talking about the DFID anytime, we welcome it but as oil companies use the recoverable cost which Parliament does not by the way even discuss, we have committed ourselves 48 per cent local content, can we also be informed; how much is Uganda going to spend on this project of oil?

Who in this world does a business without knowing how much they are going to spend and how much they are going to get? The oil companies, which are doing business with us under a PSA agreement know how much they are going to spend.

Finally, in these two days’ submission to all Members of Parliament before we go to our committees, you have heard of the NDP alignment, and other treasury memoranda - a lot of issues which cannot be digested in the remaining three weeks by just the Budget Committee without the other attendant committees because the oil and gas, which we must produce in the next three to four years, is going to involve NEMA, Ministry of Lands, Water - all these ministries.

In addition, Madam Speaker, you helped me and this Parliament to process an inter-ministerial multi-sectoral matrix three years ago and we have it here - it is a record of Parliament, it is costed but when I check the budget process and the loans which are coming, this matter does not come. I have seen a supplementary coming for UNOC but there is no money for the other 11 agencies, which are going to –

In addition, if we do not have that counterpart funding, it will be very costly for us, delaying the oil work and to our cost so, we may end up with oil production with a lot of costs minus profits and that will not be good. I pray *–(Interruption)*

**MR BAHATI:** Madam Speaker, the issue that Hon. Mukitale is raising is very important. But I just wanted to inform him that most of those issues that he is actually raising are going to be discussed, during the time we shall be debating and agreeing on the Budget. They will be discussed in the committees; in the general plenary here when we come. So, I do not think that we need two days when actually we shall be discussing these issues in committees and the general plenary.

**MR MUKITALE:** Madam Speaker, I would like to thank the minister for that information. Actually, you are helping us to amplify that by just going to these committees before understanding - first, we are within the COVID challenges. As Government, have you informed this Parliament what the priority sectors are within this tightening the belt under COVID?

Therefore, every committee is going to demand a budget for its committee without knowing what should be the national priority in line with NDP, aware that we have had challenges of funds.

Therefore, I would like to plead with you, that before we break into individual committees, two days would be very important to bring all committees of Parliament; oil is not going to be produced by PAU and UNOC alone whom you are giving a supplementary budget, what of water for abstraction, NEMA, and other Government entities who have a very important role to produce oil?

The fiscal planning and local governments do not have budgets. The town councils in those regions that are going to host oil do not have budgets; they do not have an engineer nor a town clerk.

Madam Speaker, it is important that Finance allows - the lead ministry is Energy but Finance holds the wallet, it is important that we are brought on board as the whole House so that we internalise these issues. I can even lay on Table - I have given a copy to you, the Ministry of Finance, and the Prime Minister. An inter-ministerial task force was formed three years ago but that costed matrix, which I am going to lay on Table, is not in the budget we are discussing. In addition, Minister of Finance, my good friend David, in charge of planning, this is Year I of NDP III and it is Year I of the oil development phase.

Therefore, if you do not have money for your Government agencies, then how are we going to work with this private sector? Therefore, a PSA is also a PPP- it is also a loan.

Madam Speaker, I would like to request those who are here in the next Parliament to treat recoverable costs as a loan because it is a loan without the legal gymnastics of saying it is a borrowing but not a loan. It is a loan. Article 159 of the Constitution mandates Parliament to approve every Government commitment. Otherwise, we are going to have a very big problem with a lot of cost oil with no profit and we have a challenge.

I pray that you allow two days engagement to digest all the papers they laid. Otherwise, in principle, I have no problem with discussing the loans at the time when you allow.

**MS BBUMBA:** Thank you, Madam Speaker. The biggest problem with UDB is under capitalisation. They do not have enough share capital to carry out the task, which has been given to them. These are the efforts being made because of low share capital base; there is no big lender who wants to give them money. That is why they are picking $5 million here, $10 million there so as to aggregate and have a sound capital base.

Out of the two trillion share capital, somebody cannot borrow 10 million; it will all be wiped out. The money they have is too little. I would like to invite Members to address ourselves on how to capitalise UDB. We can discuss the other issues but with the little money they have, they cannot do much.

Even with that little money, their interest rates are lower than the market. They are at 12 per cent and the market is about 25 per cent. Of course, DFIs do not lend to the smallest. They normally give development finance; they co-finance with commercial banks, which take working capital aspect and they take the development aspect of the loan. Therefore, co-financing with commercial banks is quite healthy in development financing.

The purpose of UDB is to fill in the gaps, which cannot be filled by other financiers. If somebody wants Shs 20 million, let them go to a microfinance institution. They cannot go to UDB because that one is uneconomical for them to handle.

When they talk about SMEs, it is relative. To them an SME might be worth about US$ 5 million. They say they do not handle less than Shs 100 million. That could be micro to them, not SME.

I take the observations and comments from the colleagues in very good faith. I rely on you, Madam Speaker, to guide on how we proceed from here. Otherwise, UDB needs share capital contribution if it is to play its rightful role. Thank you.

7.07

**MS AGNES KUNIHIRA (NRM, Workers Representative):** Madam Speaker, I have heard the chairperson say that they are not handling the small – those with requirements of less than Shs 100 million yet they are talking of SMEs. I thought SMEs are the small and medium enterprises. They should all be considered if there is money.

**THE SPEAKER:** It is a pity that we have not considered the annual reports of the UDB. They would probably give us an idea on what is happening.

Nevertheless, if this money is being borrowed to support the SMEs, I think we should give the committee on National Economy one more week to interact with the SMEs and see how they fit in. We have not even had the list, which was submitted to the committee, tabled here; the one of the people who benefitted from the funding.

Let us give the committee one more week to interact with the SMEs and adjust that area so that we know who it is we are talking for and whether we are planning for them.

7.08

**MR RICHARD OTHIENO (NRM, West Budama County, North, Tororo):** Madam Speaker, they must not only meet SMEs; they should also meet Uganda Manufacturers’ Association and the Private Sector Foundation because these are the key stakeholders in this loan. They are the ones who are crying out loud.

**MR MUKITALE:** Actually, Madam Speaker, I would like to agree with the chairperson of the committee. UDB should be the right place for companies to help us realise BUBU and even the 48 percentage target for oil and gas. Otherwise, if you are saying the money which is there is just change, then we have a problem.

I would have supported the Ministry of Finance, Planning and Economic Development securing a big loan – what we call a big push muscle plan – for all those companies in Uganda, which are capable of participating in big business, be it in oil and gas or in export.

That is the loan I would want to support. We would understand that by the end of the day, Uganda has built capacity and we do not even have these challenges of our cows still moving with heads or our maize still moving in raw form. Value addition and benefits really come with the aspect of Government deliberate industrial policy to invest.

That is why UDB is different from a commercial bank. It does long term financing to avoid a mismatch between long term gestation projects from borrowing for short term sources. That is what is lethal and is killing a bigger portion of the private sector. You borrow big term – agriculture will pay you after 10-12 years but you are borrowing from a commercial bank, which should be lending to somebody downtown in Kikuubo who offloads a container every week. We are responsible for killing the private sector that is already struggling.

I would move that we think seriously of long term financing; UDB is the way to go. Otherwise, this change money you are asking Parliament to approve does not make sense.

Madam Speaker, allow me lay on the Table, the inter-ministerial, multi-sectoral matrix for Parliament to monitor the first oil production. This was envisaged four years ago. It is about to happen. It shows the ministries, MDAs, their mandates and responsibilities, the status in terms of the work they have to do. It even shows how much they are supposed to spend. Remember this is three to four years.

It is really a logical framework, which everybody serious in business would use in their business. I do not know why we think in Government business, we should not be mindful. We would now be saying that in year one budget, we have put this much.

I lay on the Table this commitment that Hon. Lokeris, myself, together with the Permanent Secretary of the Ministry of Energy and Mineral Development got as an answer, through you. It was laid on the Table but we have never got chance to discuss it as Parliament; the FID was delayed.

Now that it is going to happen, can we use this monitoring tool? I would like to encourage the Executive and Parliament to follow this so that Uganda’s oil does not have too much cost but more profits. That is the PSA agreement we have. Uganda will get money depending on how much we have expended and we will only benefit from the profits.

Finally, Madam Speaker, I was at the Hoima International Airport and I can report that it is almost ready.

We gave money for 18 square miles of industrial park. Why don’t we get a loan, Hon. Bahati, and have that industrial park working? It is empty land. We evicted people. Petitions came to Parliament. There are no roads, electricity and/or water. Can we think seriously if we are to benefit from this money? We do not want it to be a white elephant. We have already expended money.

**THE SPEAKER:** Honourable members, we have done quite a bit for today. We shall resume work on Wednesday, 7 April 2021 because Easter Monday is a public holiday and Members will be travelling back on Tuesday.

House adjourned to Wednesday next week. Thank you very much.

*(The House rose at 7.13 p.m. and adjourned until Wednesday, 7 April 2021.)*