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**Thursday, 28 February 2019**

*Parliament met at 2.59 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. As I indicated last week, my counterpart, the Speaker of the National Assembly of Hungary, has arrived in the country and he will be coming here this afternoon. When he arrives, we shall suspend proceedings for about 30 minutes for us to go and meet him. He has already met the President and he wants to meet Members of Parliament. Please bear with us when we suspend.

Honourable members, yesterday, I informed you that I was copied in a letter from the Inspector General of Government (IGG) headed “*Alleged misconduct of Members of the Parliamentary Committee on Commissions, Statutory Authorities and State Enterprises (COSASE)”* written to the Director of Internal Security Organisation (ISO), on 19 February 2019; I received it on 25 February 2019.

The letter makes the following allegations:

1. That the Chairperson of COSASE, hon. Abdul Katuntu and his Deputy, hon. Among are known associates of Dr Sudhir Ruparelia and that they regularly met with him, his son Rajiv Ruparelia and their lawyers from Kampala Associated Advocates, during the course of the investigations.
2. That the Chairperson of COSASE, hon. Abdul Katuntu and his Deputy, hon. Among, received cash payments from Dr Sudhir Ruparelia, which is suspected to be the real reason why they refused to yield leadership of the COSASE when its term ended.
3. Hon. Katuntu was one of the debtors of Global Trust Bank, at the time the bank was closed on 25 July 2012 and he owed approximately Shs 180 million, a matter he did not declare yet the debts were among the causes for the bank’s collapse.
4. That the Governor of Bank of Uganda, Prof. Emmanuel Tumusiime Mutebile authorised payment of Shs 400 million to hon. Abdu Katuntu to enable COSASE carryout benchmarking exercise with other central banks and the money was neither declared by hon. Katuntu nor accounted for.
5. That Dr Twinemanzi Tumubweine and members of the COSASE leaked confidential information to Dr Sudhir Ruparelia.

Honourable members, I find the contents of this letter to be an attack on the Parliament of Uganda; an attempt to muzzle parliamentary investigations; stifle the voice of the people, intimidate and blackmail Parliament and its Members, in the performance of its constitutionally granted functions. *(Applause)*

I am very surprised that the IGG did not find it prudent and necessary to first consult my office, on the matters contained in the letter before authoring the letter to ISO. Honourable members, if she had called me, I would tell her that there was no benchmarking, which she wants to investigate. Benchmarking is done with my authorisation and so, I am also being accused of facilitating some benchmarking.

The committee did not apply and did not go but she wants ISO to investigate that. So you are going to see ISO coming here to check the Speaker’s letters, “Did she write or not”. This is what IGG wants to do.

I say this because in the past, we have had a good collaboration. She has called me on many occasions to find out information and clarification on matters surrounding Parliament and I have attended to her request, as the head of this institution.

Honourable members, I also take strong exception to paragraph (2) of the letter, wherein the IGG alleges that Chairperson of COSASE, hon. Abdu Katuntu and his Deputy, hon. Among received cash payments from Dr Sudhir Ruparelia, which is suspected to be the real reason they refused to yield leadership of COSASE, when its term ended.

Honourable members, it is this House, which gave them the opportunity to complete their work. I do not see how the IGG can determine how work is done in this House; it is wrong and an abuse of authority and process. This means that although, I told you that there were witnesses who had not been interviewed, the real reason was that they were getting money. That implies that I was also part of that money; this is what it means.

This allegation insinuates that I championed the need for the committee to be allowed more time, supported and approved it. Those of you Members, who supported this and approved it are part of this network of collecting money because you approved the extension, which I brought here.

I have severally, both in Parliament and indeed in the media, offered the background for the need of this probe to be handled carefully. This caused me to wonder why the IGG felt it necessary to write this in her letter.

Yesterday, I reported to you that one of those people who were subject of inquiry, Mr Sekabira, tried to blackmail me. I reported it to the House yesterday.

Honourable members, I believe that this letter and its contents are an attack on the immunity and indeed an affront on the dignity and honour of the Members of this House, as guaranteed under the Parliament Powers and Privileges Act, Cap. 258. I condemn it in the strongest terms possible. I will not, while I am your Speaker, allow anyone to blackmail this House.

Therefore, I would like to refer the IGG’s letter to the Parliament’s Standing Committee on Rules, Privileges and Discipline to investigate whether this letter does not amount to contempt of Parliament.

First of all, the IGG is an officer of this House; she reports to this House. How can she causally direct ISO to investigate us? Honourable members, the Committee on Rules, Privileges and Discipline should take up this matter and advise us on the way forward. Thank you very much.

3.08

**MR DENIS OBUA (NRM, Ajuri County, Alebtong):** Madam Speaker, I rise under Rule 25 (2) (e) that allows for a short reaction to Communication from the Chair.

Yesterday, this matter was raised by the honourable member of Parliament, representing Pader. Over the night, I kept on asking myself these questions: why now and not yesterday? What is the motive of this letter? Is it meant to detrital a parliamentary process? These questions are not yet answered.

Madam Speaker, I want to salute you for your communication and for referring that letter to our own committee to investigate.

This Parliament has a constitutional mandate to legislate, represent the people of Uganda, do oversight and appropriate. Other organs of the state have their responsibilities. Where we are doing our part, we should be allowed to do our part, Madam Speaker.

I would like to salute you, for that response through Communication from the Chair. I rest my case. Thank you very much.

3.11

**MR ALEX RUHUNDA (NRM, Fort Portal Municipality, Kabarole):** Thank you very much, Madam Speaker. Actually, I kept thinking that this is fake news until you have made it official by communicating the content in that letter.

Madam Speaker, to the best of my understanding, Internal Security Organisation (ISO) has got its own duties clearly specified. I am wondering how the IGG can even get the audacity of directing ISO to investigate when the IGG was established by Parliament to carry out investigations. So, what is wrong with IGG? I think there must be something crafted behind it. As Parliament, we should condemn the way these structures of Government are abused. I do not think this is in good faith. We should really have the IGG come and explain to Parliament why they are interfering with parliamentary investigations. This is something we should not accept, Madam Speaker.

3.12

**MR P.P OKIN (Independent, Chua West County, Kitgum):** Madam Speaker, this is a very serious issue, which we should not take lightly as Parliament. I remember when you gave me the mandate to investigate the mismanagement of Uganda Telecom Limited, which had lost over Shs 700 billion, a similar allegation came around. It was also in the corridor of powers that the committee had taken some bribe.

Therefore, it looks as if whenever there is an investigation being conducted by Parliament, people are very anxious to lay allegation on the members of the committee. I would be very interested to understand the source of the information the IGG based on to write that letter. Where did she get that information from? I am saying this because possibly, it could have been from within Parliament here. There is an expectation that when you are doing investigation, you must always be able to get a bribe. That is a very bad misconception; we need to handle it seriously.

I would like to concur with your ruling that this matter should be referred to our rules committee to look into the details further. The IGG should also be brought on board to explain the source of her information. Thank you.

3.13

**MR KENNETH EITUNGANANE (Independent, Soroti County, Soroti):** Thank you, Madam Speaker. As a Member of this House, I find that letter very disturbing. An attack on you is an attack on this House. When you look at the chronology of events, you realise they are calculated to undermine the constitutional mandate of this august House.

As a Member, I would like to call upon the rest of the other Members to detest this letter in the strongest terms possible. If in any matter – I think it is on record that the IGG was one time asked to investigate the sources of the money for some of these people the Committee on COSASE was handling but that story died. So, if they are trying to find ways of shifting the blame on this House, as Members, we should condemn it because it is unacceptable.

The IGG has a constitutional mandate. If she feels there is a prima facie case, she has to do the investigation herself. Why does she want to use ISO, as an excuse, to carry out an investigation on this House? That means she has failed in her mandate.

So, I would like to encourage you that as our leader, we shall stand with you; we will continue supporting you. Thank you.

3.14

**MR GAFFA MBWATEKAMWA (NRM, Kasambya County, Mubende):** Thank you, Madam Speaker. I think that letter is intended to divert whatever we are planning to do. Every time we come up with an investigation, they try to allege issues to do with bribery. I remember when we were trying to investigate Uganda Telecom Limited (UTL); the issue of bribery came up. When Hassan Basajabalaba was to be compensated for the city abattoir, the issue of bribery also came up. I also remember the days of the constitutional amendment, allegations came up that we, who were not supporting the amendment, got money from Action Aid. So, when shall they allow us to do our part, as Parliament?

Madam Speaker, we commend you for standing strong. We are ready today to make recommendations; we are not going to be diverted. Thank you.

**THE SPEAKER:** Thank you so much. I hereby direct the chairperson of the rules committee and your members, please take up this matter and invite the IGG to explain the content of her letter.

I would like to reassure the other branches of Government that I have been very careful in not interfering, in any way, in the work of the Judiciary. I attacked them when they tried to muzzle us; I cannot accept that one because they were trying to close our mouths. I have also occasionally had skirmishes but because of a reason. Otherwise, for their work, I have not interfered. Thank you. There were a few matters of national concern. Let us listen to them.

3.17

**MR SAM BITANGARO (NRM, Bufumbira County South, Kisoro):** Thank you, Madam Speaker. I rise on a point of national importance. There is a very disturbing development at the Kyanika Border Post on the Uganda-Rwanda border in Kisoro District. For the last three days, the immigration and customs officials on the Rwanda side have stopped vehicles and movement of persons and goods across that border. There is no reason given for the closure of the border.

Madam Speaker, this is contrary to the spirit and understanding of the East African federation protocols. This conduct offends the East African Customs Union Treaty that provides for free movement of people, goods and services across the territory, subject to acceptable and fine immigration status and preferential tariffs.

The restrictions imposed by the immigration and customs officials at the Kyanika Border Post have caused a lot of concerns, anxiety and inconvenience to the people on both sides of the border. This development has a negative impact on trade and business, not only in Kisoro but also in other parts of the country.

I pray that the Ministry of Trade, Industry and Co-operatives, that of Internal Affairs and the Ministry of East African Community Affairs should intervene and normalise the relationship between the two countries.

**THE SPEAKER:** Honourable members, this is quite serious. We are talking about integration and regional co-operation but these are non-tariff barriers. I do not know who will be the lead person on this issue. Is it the Minister of State for East African Community Affairs? Okay, let us listen to the Prime Minister.

3.19

**THE PRIME MINISTER AND LEADER OF GOVERNMENT BUSINESS (Dr Ruhakana Rugunda):** Madam Speaker, the matter being raised by hon. Sam Bitangaro is obviously of grave concern. I share your view that we are all working for deeper and peaceful integration. The Minister of Foreign Affairs, hon. Sam Kutesa, is on top of this situation on behalf of Government. He has contacted responsible persons both locally and in the region and the matter is being handled effectively by Government.

We, nevertheless, regret the inconvenience that the *wanaichi* and the business people have suffered because of this temporary situation.

**THE SPEAKER:** So, shall we have an update? We need to know when the people of Kyaninka can move.

**DR RUGUNDA:** Having an update is a right; you will definitely get an update on Monday.

**THE SPEAKER:** Thank you very much, Rt Hon. Prime Minister.

3.21

**MS BETTY NAMBOOZE: (DP, Mukono Municipality, Mukono):** Thank you very much, Madam Speaker. I beg for your indulgence that before I raise the matter of national importance, you allow me to make one comment because I was seated behind; most probably I did not catch your eye.

Anyhow, we are not saying that we Members of Parliament are above the law but I have been reading something on the website of the Internal Security Organisation (ISO) of Uganda, to understand their mandate and it reads thus: “…*the Internal Security Organisation is Uganda’s Government counter intelligence agency responsible for providing national security intelligence to Uganda policy makers. It also engages in poverty activities at the request of the President of Uganda*.”

That the Inspector General of Government (IGG) chose to report us to ISO is also a matter of concern. For the last 25 years, fraud has been going on at Bank of Uganda according to the report we have here since the 1993 yet the IGG’s office has never interested itself in this matter. The speed at which it has moved to apprehend those who are investigating the fraud at Bank of Uganda is also suspect.

Madam Speaker, let it be known therefore, that - some of us are not even happy that all this fraud has been taking place at Bank of Uganda yet all ombudsman organisations of this country have never taken trouble to investigate that fraud.

Having said that, I also register my disappointment about the fact that the public is being diverted from the real problem we are facing right now, of having people running down a central bank, which is the pillar of our economy - they now want our minds to be diverted from that and focus on Members of Parliament with allegations of bribery. That is very unfortunate.

Madam Speaker, I rise on a matter of national importance. On Tuesday *- (Interjection) -* you will excuse me, I am a person with disability and so when I get an opportunity to get up, you should give me an affirmative action.

On Tuesday, I watched news on NBS and there was a documentary based on facts on a story done by undercover journalist Canary Mugume, showing that our girls in Karamoja and some parts of Teso are being sold by their parents at as low as Shs 50,000.

We are going to begin March tomorrow; it is a month where we should focus more on women and the girl child. I saw with my own eyes, a woman selling her child like a goat and not turning to look back to see where her daughter was being taken. This is a national scandal and a big problem.

I am here to beg you, Madam Speaker, that after us getting an explanation from Government - because we are supposed to protect the girls; our children from this modern day slavery. Those in Kampala are being taken out of the country to Asian countries to work as slaves and those in Karamoja and Teso are being bought and taken to unknown places.

Madam Speaker, would it please you therefore, that one of our committees responsible for that docket takes an interest in the matter, investigates it and gives this Parliament a report? Also that the Leader of Government Business explains to the House what is all this with our girls? How can we in this modern world be running a country where people sell others as slaves?

Madam Speaker, I am so thankful for this time. Thank you very much.

**THE SPEAKER**: Honourable members, I would like to ask the Clerk to Parliament to get the recording of that documentary and the Committee on Gender, Labour and Social Development is invited to quickly investigate this issue. However, Prime Minister, you should also take an interest in this situation.

3.26

**MR MBABALI MUYANJA (NRM, Bukoto County South, Lwengo)**: Thank you, Madam Speaker. I rise on a matter on national importance. On the 18 January 2019, while conducting my constituency meetings in Kaganda and Kasana parishes in Kingo sub-county, I was made to understand that there is a water company by the name of Nkoni Water Supplies System, a central umbrella of water and sanitation, which has been collecting money from the people since 2016 on the pretext of connecting them to water supplies.

When I inquired, I was told this company was authorised by the Ministry of Water and Environment to make parallel water connections to people. So far they have collected Shs 5.2 million from 39 people from Kaganda Parish and another Shs 4.6 million from Kasana Parish and the total of Shs 9.8 million has so far been collected from 100 people.

The money was borrowed from village SACCOs with interest and my prayer is that the Minister of Water and Environment should see how they can refund the money taken from people of Nkoni and Kaganda parishes, in this water supply system fraudulently. At the same time, National Water and Sewerage Corporation should connect water to the people where the fraudulent company has collected the money from the rural people.

Thirdly, the Ministry of Internal Affairs should investigate this company and take action. I beg to lay on the Table, the list of names, telephone contacts and receipts where this company has fraudulently taken money from the people, as evidence. I beg to lay.

**THE SPEAKER:** Honourable members, the Minister of Water and Environment is directed to first come and explain to us whether they contracted that company. If they did, where is the money going? Before we deal with the refund, let him explain whether he knows this Nkoni company and whether the ministry contracted them.

**MR MBABAALI:** Madam Speaker, I beg to lay the evidence on the Table.

**THE SPEAKER:** Allow the member to first lay the papers. Have you finished?

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

**THE SPEAKER:** Hon. Mbabaali, when you lay a document, you name it, state the date and its content.

**MR MBABAALI:** Madam Speaker, I beg to lay on the Table, the evidence on Nkoni Town Water Supplies, which fraudulently took money from the people with the receipts and payments that were made as well as names and telephone numbers of all the people who paid money to the said company.

**THE SPEAKER:** Thank you.

**MR SSEWUNGU:** Thank you, Madam Speaker. I rise on a procedural matter on the fact that I have a similar problem. Would it be okay if I said it now?

**THE SPEAKER:** About Nkoni?

**MR SSEWUNGU:** Yes, it is about the same problem. Kindly allow me raise it now so that I don’t disturb you with a matter of national importance regarding similar issues.

In Kalungu – Kyamulibwa, there is a similar company called Umbrella. Right now we have national water but the money charged by that company is higher than what is charged by national water. We have complained several times but nothing is taking place. They are simply renewing their contract.

Maybe I could also be helped since the honourable member from the same region has raised a similar matter.

**THE SPEAKER:** The Minister of Water and Environment is directed to examine the situation in Kyamulibwa in Kalungu and the related manner in which money has been taken from the population and report back to us.

Honourable members, in the public gallery, we have first year Law Students from Makerere University who are here to study legislative process. They are represented by hon. Naggayi Ssempala and hon. Muhamad Nsereko. There they are. Oh, the bulk are women. You are welcome! (*Applause*) There is another group but I will let you know who they are.

3.32

**MS CAROLYN BIRUNGI (NRM, Kyamuswa County, Kalangala):** Thank you, Madam Speaker. I rise on a matter of national importance affecting the fishing communities in Kyamuswa County, Kalangala District.

I wish to draw your attention to the increasing cases of piracy on the waters of Lake Victoria. The fishermen have reported to me the theft of their boat engines. In the last three months, 18 boat engines belonging to Mr Ssegawa, Mr Kalemba and many others have been stolen. These people have been left with nothing to do as an economic activity.

My prayers are:

1. The Uganda Police Marine Unit carries out 24 hour surveillance on the waters of Lake Victoria with the view to securing the fishermen and their fishing gears.
2. The Uganda Police Force investigates the increasing piracy incidents on the waters with a view to bringing the culprits to book and if convicted, to return the stolen engines to the owners.
3. The Minister of Internal Affairs files an update to this august House on the findings of the crime.

I beg to submit.

**THE SPEAKER:** The Minister of Internal Affairs is here. I do not know whether he can make an undertaking.

3.34

**THE MINISTER OF STATE FOR INTERNAL AFFAIRS (Mr Obiga Kania):** Madam Speaker, I undertake to investigate the extent and report thereto of this situation. Thank you.

**THE SPEAKER:** Thank you.

3.35

**MS ROSE AYAKA (NRM, Woman Representative, Maracha):** Thank you, Madam Speaker. My issue of national importance is: on 6 February 2019, three women from Okokoro Trading Centre were manhandled as a result of scrambling for water. They were admitted at Maracha Hospital as a result of being beaten *–(Interjections)*– the men are the ones who beat them. *(Laughter)*

One of the women, Asizua Jane, was nine months pregnant. As a result of the fight, she is having complications, related to the pregnancy. The fetus is unstable. After being admitted, she has been referred for further management.

Another woman, Bako Joyce, sustained broken ribs while the other called Abaasiku Loyce, sustained a broken kneecap. This is as a result of water shortage in the urban areas in Maracha District as a whole. Water shortage is critical at this material time and it is resulting into violence.

My prayer is that the Ministry of Water and Environment should urgently complete the project, which was started under the Rural Water Growth Centre, where a well was opened four years ago in Lamilapo Village and other water –*(Member timed out.)*

**THE SPEAKER:** Half a minute for you to complete.

**MS AYAKA:** The ministry should complete this water project, which was started urgently so that water is pumped to Okokoro Trading Centre.

Secondly, the ministry should also ensure that National Water and Sewerage Corporation takes the supply to all the urban centres in the district because it is critical in these areas and it is resulting into serious issues.

Access to clean water is a right and therefore the ministry should take this as a matter of seriousness and provide water for the urban centres to avoid these issues. Thank you.

**THE SPEAKER:** The Minister of Water and Environment is not here but we would be interested in knowing how the men beat the women at the tap. *(Laughter)*

3.37

**THE MINISTER OF STATE FOR INTERNAL AFFAIRS (Mr Obiga Kania):** Madam Speaker, I would like to add to what you have said and inquire from the Member whether the women reported this criminal attack on them to the police. It does not mean that when there is no water, men should go around attacking women.

**THE SPEAKER**: Honourable member, was this case reported to the police?

**MS AYAKA:** Madam Speaker, this matter was not reported to the police –*(Interjections)*– the women are just suffering locally.

**THE SPEAKER:** Now, first of all, I do not usually see men at these water points; I normally see women and children. It seems the men of Maracha are good if they go to collect water.

The Minister of Water and Environment, please supply water to Maracha so that men stop beating women. *(Laughter)*

3.39

**MS CAROLINE KAMUSIIME (NRM, Woman Representative, Rukiga):** Thank you, Madam Speaker. I rise on the issue of national importance concerning communal land in Rukiga District. This is the market land that was attached by the court bailiffs and sold. Madam Speaker, this is the only land in Rukiga that helps the people there to sell their commodities.

Madam Speaker, court bailiffs sold off this land when the sub-county failed to appeal in court. Communal land is scarce in Rukiga. So, this only strategic land serves the whole of Rukiga and other neighbouring districts.

Madam Speaker, I pray to the Ministry of Lands and Government to see how they can return the land to the Rukiga people. If this land is taken away, because it is the only land they have, the people will be forced to go to Rukungiri or Ntungamo yet those places are very far.

Madam Speaker, the lands minister is aware of these issues. There is one time when I hosted him in my district and residents raised it.

My prayer is that Government intervenes and see how they can return this land to the residents of Rukiga. Thank you, Madam Speaker.

**THE SPEAKER:** I see the lands minister here, I do not know if she can make a comment on this.

3.42

**THE MINISTER OF LANDS, HOUSING AND URBAN DEVELOPMENT (Ms Betty Amongi):** Thank you, Madam Speaker. Hon. Dr Chris visited the land in question with the Member of Parliament. The report he gave me is that the matter was before court and unfortunately, the sub-county did not file their defense. It did not also reach out to the Resident State-Attorney to defend the case. They did not give facts to Government to help them defend the case. They lost the case and court bailiffs went on to attach the land.

We have advised that sub-county should immediately write to the ministry so that we are able to use the Attorney-General’s Chambers and the Resident State-Attorney to apply to set aside the court ruling because we cannot handle the matter administratively. We have to set aside the court ruling and then be able to either institute a new suit or appeal on the matter.

Therefore, I would request the honourable member to get in touch with the sub-county people and the district so that we are able to work with them to set aside that judgment and rescue the land. Thank you.

**THE SPEAKER:** Hon. Caroline, please work with your sub-county chairperson and district chairman to write a letter to the Government. Thank you. Let us get to the next item.

3.45

**MR WILLIAM NZOGHU** **(FDC, Busongora County North, Kasese):** Thank you, Madam Speaker. On 15 February 2019, the permanent secretary/secretary to the treasury wrote to the accounting officers in local governments stating that town councils and sub-counties which had been newly created will not receive funding for financial year 2019/2020.

Madam Speaker, in the same circular he said that it was only those town councils where the districts had been created that will be operational yet whether a town council is housing headquarters of the district or not, they are all town councils.

Madam Speaker, the areas in my district that have been affected are quite many. They include Mubuku, Maliba, Kyarumba, Kahokya, Kahendero and Mbunga. They are nine in number.

The urgent question that I am putting forth is: why should we allow to create new administrative units, pass a circular that they are going to be operational in a particular financial year but we do not provide funds for the operationalisation of those town councils?

**THE SPEAKER:** Now, honourable members, I do not know whether this matter is not due for answer. I think it was asked by hon. Kafuuzi. There is a Member who asked a similar question.

**MR NZOGHU:** Madam Speaker, my emphasis is on Kasese District where nine local administrative units have been created and are not going to be operational. It is very particular, Madam Speaker.

**THE SPEAKER:** Honourable member, the question the Member asked was on the new town councils and the new municipalities. That one I know. That included Kahendero and all those you are talking about.

**MR NZOGHU:** Madam Speaker, I actually stated the town councils and sub-counties which are affected and my prayer is very clear. That minister of finance finds funds to operationalise these town councils.

**MR ALEX BYARUGABA:** Thank you. I am sorry, Madam Speaker, but this has been an issue. If you may recall, Madam Speaker, I came to your office after putting a question for a written answer from the responsible minister. Unfortunately, last week, I was out of the country and it came on the Order Paper. I do not know exactly whether the ministry came up with an answer to that particular question.

We created districts here and the ministry created sub-counties and town councils. I have about four new administrative units of that nature. To date, none of them has been funded. I am now surprised that they have written to say there will be no funding.

Madam Speaker, today in the morning, I went to the permanent secretary of Ministry of Local Government. He did indicate to me that they have written a circular, which I am not privy to, to the effect that they should encourage these local governments to start with a minimum staff from within the local government set up. That is what he told me today.

Even yesterday, I met the honourable Minister of State for Local Government and she told me almost the same thing. Now I am surprised that actually this -

**THE SPEAKER:** Honourable members, the minister of finance is expected to come and answer all these questions. I do not know where he is. He has been missing for the last two days; I do not know whether he is hiding. We need answers. The new financial year is coming, what do we do? He should come and give us an answer to this on Tuesday next week.

**MR NZOGHU:** Madam Speaker, even one of the town councils which got operationalised in this current financial year 2018/2019, Ibanda-Kyanya, has not also got funds. That is the issue in contention, Madam Speaker.

**THE SPEAKER:** Minister of Finance, Planning and Economic Development, we want you on the Floor of this House on Tuesday to explain the sub-counties and town councils that have not been funded. You must explain this to us because they were created and approved.

Honourable members, join me in welcoming, in the public gallery, members of Platform for Labour Action and Domestic Women’s Association. They are represented by hon. Agnes Kunihira, Workers’ Member of Parliament. You are welcome. *(Applause)*

I would like to go to the Order Paper but first, I would like the Minister of Lands, Housing and Urban Development to take to the Floor because we have been waiting for her to tell us about the report on the border of Tororo. You went to London with my Members. However, we have never got the report and yet there are now physical battles in the council.

3.51

**THE MINISTER OF LANDS, HOUSING AND URBAN DEVELOPMENT (Ms Betty Amongi):** Madam Speaker, I would like to thank the Members of Parliament, whom you permitted to travel to London to ascertain the maps in the archives and the British library.

The assignment was given to us by H.E. the President, who had met the two teams of both the Jopadhola and the Iteso in a span of over three meetings but failed to reach a consensus. That was where we got stuck and he directed that we go and obtain the maps in London. I have brought the matter to his attention and I am constrained to go farther than that at this moment.

However, I request, through the Prime Minister, that you kindly allow us consult with him on Monday and be able to give you a report on Tuesday. Thank you.

**THE SPEAKER:** Okay. Rt Hon. Prime Minister, of course, you are aware of what has been happening. We would be happy if this matter was put to rest. By the way, hon. Odonga Otto, welcome back. We are happy to see you after that accident. *(Applause)*

3.53

**MR ODONGA OTTO (FDC, Aruu County, Pader):** Thank you so much, Madam Speaker, for your prayers and kind words. I am back. I rise on an issue of national importance and I am glad the Minister of Internal Affairs is here. It concerns the cadet police officers. We have 1,156 cadet police officers –

**THE SPEAKER:** Let us suspend the proceedings for 30 minutes because I am going to receive the Speaker of Hungary. I, therefore, suspend the House for 30 minutes.

*(The House was suspended at 3.54 p.m.)*

*(On resumption at 4.50 p.m. the Speaker presiding\_)*

**THE SPEAKER:** Honourable members, I had gone to meet the Speaker of the //Parliament of Hungary, Dr László Kövér. He is here and we welcome him. *(Applause)* He is accompanied by another Laszio Veress, State Secretary of the Head of the Speaker’s Secretariat; Zoltan Szilagyi, Director of the Press Office of the Speaker; Laszio Toth, Maj. Gen. Director of the Guards of Parliament. I think this is an equivalent of the Sergeant-At-Arms.

There is Andrea Rohaly, interpreter – and she is very efficient. Mr Laszio Mathe, Ambassador of Hungary; Dr Janos Terenyi, Head of Office in Kampala; Judith Galambos, Deputy Head of Mission; Zsolt Meszaros, head of the economics section of the embassy in Nairobi; there is a young lady, Sherita Busingye, head of chancery of the Hungarian office in Kampala. *(Applause).* He came with his wife but she is busy in Kampala. You are very welcome.

Honourable members, when we suspended, hon. Odonga Otto was on the Floor. He could make his presentation and then we go back to the Order Paper.

4.53

**MR ODONGA OTTO (FDC, Aruu County, Pader):** Thank you, Madam Speaker. I was raising the issue of our cadet officers. We have 1,156 cadet officers who joined on 1 July 2015. They were passed out on 10 September 2016. The regulations have it that the cadets would be on a six-month probation period.

However, it is now two years and five months and these cadets are still on probation. Many are graduates, lawyers, accountants, ICT specialists and teachers. All over the country they are not sure of their fate – whether they will be confirmed in the Uganda Police Force or they should look for jobs elsewhere. Some have even died on probation, which affects their retirement benefits.

Madam Speaker, can the Minister of Internal Affairs tell this country the status of these cadet officers and when they will be formally accepted in the Uganda Police Force? Thank you, Madam Speaker. Minister of Internal Affairs, most obliged. *(Laughter)*

**THE SPEAKER:** Honourable minister, I do not know whether you are in position to comment. There are even some of them here around Parliament. I do not know whether you are in a position or you will come back to us later on the issue of probation of cadets?

4.55

**THE MINISTER OF STATE FOR INTERNAL AFFAIRS (Mr Kania Obiga):** Thank you**,** Madam Speaker. The facts as stated by hon. Odonga Otto are generally correct. However, the delay in lifting the probation period and, therefore, promotion of these men has been purely a matter of budgetary delay. This is being provided for in the current budget framework.

We do believe that when the budget for 2019/2020 is made, these men –*(Interjections)*– men and women will be – You see, in the forces, when you say “men”, it means both of them. However, I will agree with you to say these “gentlemen and women” will be considered for that. The police authority –*(Interjection)* - I clarify on what? I am still answering and I have nothing to clarify.

**THE SPEAKER:** Can you take your seat?

**MR OBIGA:** The police authority has been considering this matter and the promotions will be carried backwards so that these people do not lose any of their benefits. And they are on continuous assessment. Therefore, there is absolutely nothing that they should worry about.

Those who die in service and their records are correct will be considered to have finished the probation period and will be treated exactly in the same way. Unfortunately, those who died at the probation period, we will only have to wish God to keep their souls in eternal peace. Thank you very much.

**THE SPEAKER:** Honourable members, the Committee on Budget is directed to monitor that issue when the minister comes back with the final budget framework paper.

RESPONSE TO THE QUESTION RAISED BY HON. JOHNSON MUYANJA AND HON. HILLARY LOKWANG ON THE ISSUE OF ARBITRARY INCREMENTS IN SCHOOL FEES BY SCHOOLS AND THE COMMERCIALISATION OF CLASS NOTES IN PRIMARY SCHOOLS

4.58

**THE MINISTER OF STATE FOR INTERNAL AFFAIRS (Mr Kania Obiga):** Madam Speaker, on these two items 3(a) and (b), my colleague the Minister of State for Higher Education has informed me that he had consultations with you just after the suspension. He was not feeling very well and requested that he goes for medical examination. If you please, since none of his colleagues is in the House - they had already prepared the statements and are on our iPads – they will present them on Tuesday.

**THE SPEAKER:** Honourable members, I would like to confirm that the honourable minister told me that he was brought from Nsambya Hospital to come to the House. He said that he was admitted but he was asked by the Government Chief Whip to come. Therefore, let us allow him to come on Tuesday.

RESPONSE TO THE QUESTION RAISED BY HON. PENTAGON KAMUSIIME TO THE ISSUE OF BRUTAL EVICTIONS OF PEOPLE FROM THEIR LAND IN BUTEMBA COUNTY BY MASSA JOSEPH

**THE SPEAKER:** Honourable members, the minister in charge of education and sports is going to answer those issues on Tuesday. Why do you support? I have made a ruling.

5.00

**THE GOVERNMENT CHIEF WHIP** **(Ruth Nankabirwa):** Thank you, Madam Speaker. When the matter was raised, I made an undertaking to make sure that I direct the relevant ministers to take action. I did it in writing and before you suspended the House, the honourable minister in charge of lands was here. She was ready to tell us the instructions she gave to the technical people to go to the ground in Butemba and get the facts so that they can track this man called Massa who has been threatening people.

However, I do not see hon. Betty Amongi here. She would have added on further information on how far they have gone. I did instruct her to really go to the ground and make sure that the people of Butemba are not harassed.

**THE SPEAKER:** Honourable members, this matter involves the human rights of the citizens of Uganda. She was here and she knows she has to – find and bring her here. Yes, find her - No, that one is sick.

RESPONSE TO THE QUESTION RAISED BY HON. LYANDRO KOMAKECH

 ON THE ISSUE OF DETERIORATING SECURITY SITUATION IN GULU DISTRICT

5.02

**THE MINISTER OF STATE FOR INTERNAL AFFAIRS (Mr Kania Obiga):** Madam Speaker, I beg that you allow me to present the answer to items (d), (e), (f), (g), and (h) together. These are matters which have been raised over time and because we had not in one way or another got the reports, they were postponed. I have one report to present on all of them and the Members, who raised them, could then at your direction raise any other issues that they may wish.

These were questions relating to the deteriorating security situation in Gulu District, rampant killings in Lwengo District, border conflict between Uganda and South Sudan, murders in Kyotera District, robberies in Mayuge District, failure to conduct investigations of murder in Ngora District, and wrangles in Tororo District where councillors were arrested. That is how the Clerk communicated them to us. If you agree, I will provide the report.

The killings in Lwengo: From 1 January 2019 to 26 February 2019, the Greater Masaka subregion generally, especially Kyotera and Lwengo districts, registered 11 cases of murder. Investigations were instituted leading to the arrest of 31 persons. Of these, 10 were charged in the courts of law and remanded. Kyotera District registered four cases of murder while Lwengo District registered seven cases – that is why they were 11. Since they are in court, we cannot say much beyond that.

In Mayuge District, a total of 12 cases of robbery were registered between October 2018 and 26 February 2019. Inquiries have led to the arrest of 11 persons, of whom six were charged in our courts of law and remanded and they are undergoing the judiciary process.

Generally, the crime situation in Gulu District has improved and is relatively calm and stable. Crime statistics from January to February 2019 show a decrease in the crimes reported compared to the same period in 2018. In January 2018, we had 198 cases but this year in January, we had 128 cases. In February 2018, we had 195 cases and this year we have 97 cases.

In the year 2017, the total cases registered were 4,896 compared to 3,754 in the year 2018, which is a reduction of 23 per cent in the crime rate. As I have said, all the cases that occurred have been investigated, suspects have been arrested and they have been tried in the courts of law.

Since December 2018, Gulu registered only one violent murder where an unidentified person on 28 December 2018 stabbed the daughter of the Retired Bishop of Northern Uganda, the Rt Rev. Nelson Onono Onweng in Gulu Town. The victim was rushed to the hospital but later died.

Lamwo District was curved out of Kitgum District in 2010 and is composed of only one county. In Ngomorom II, the Sudan People’s Liberation Army (SPLA) – this is at the border with South Sudan – have put up a detach two kilometres inside Uganda for the last five months. At Apiriti border, SPLA have interfered with road maintenance by Uganda National Roads Authority (UNRA) by claiming about seven kilometres from Acasia (Apiriti) to Musingo at the border to be inside South Sudan.

At the Waligo border, SPLA have been disturbing Ugandans in their gardens by putting their border checkpoint two kilometres inside Uganda. However, of late they have moved back to the border but because of their earlier presence, the population is still scared.

There was a border security meeting that was held on Monday, 25 February 2019 in the office of the Lamwo District Chairperson, Komakech John Ogwok, and chaired by Maj. Gen. Paul Lukech. It was also attended by, among others, Brig. Richard Otto, the 3rd Division Commander of the Uganda People’s Defence Forces (UPDF), the District Police Commander (DPC) of Lamwo, the District Internal Secretary Officer (DISO), and the Local Council (LC) V Chairman. In that meeting, it was resolved that the South Sudan team be informed to move to their border and the UPDF will deploy back into those areas to guard the border.

In Tororo District, some councillors of Tororo County held a meeting on 19 February 2019 at Mukuju Subcounty headquarters, chaired by Mr Rogers Imailuk, a councillor for Malaba Town Council. It was attended by Thomas Emurukut, the chairman of boda bodas, Tororo Town; Othieno Otabong, councillor of Molo Subcounty; Okadapau, an elderly opinion leader; and others who addressed the meeting using inciting words.

They went to Rock Mambo Radio Station inciting people from Tororo County into holding a procession to block the district council meeting which was to take place on 20 February 2019 at White House Hall. You all know that the background to this is the troubled division between our brothers, the Iteso and the Jopadhola.

On 21 February 2019, the date of the scheduled council meeting, some councillors from Tororo County, led by Rogers Imailuk and others, went to the venue armed with clubs and dangerous weapons. They wanted to enter the hall with those weapons with the intention to disrupt the council meeting.

The police arrested the ringleaders, namely Langa Okolong, the Mukuju Subcounty councillor, and Patrick Obwana. Both of them were immediately charged with inciting violence. Their statements were recorded and they were later granted police bond as inquiries continue. At the moment, they are out on police bond.

Those are the statements on the six issues. Madam Speaker, I seek your indulgence on the seventh issue, which is about the failure to conduct investigations on murder in Ngora District. It is not correct that investigations were not done. The investigations were actually done and people were also arrested. They were taken to court and charged and are out on police bond. However, we have not included this in the statement but I intend to bring the statement at a later stage. Thank you.

**THE SPEAKER:** Thank you very much, honourable minister.

5.13

**MR LYANDRO KOMAKECH (DP, Gulu Municipality, Gulu):** Thank you, Madam Speaker. I thank the minister for finally responding to the issues we had raised.

I would like to state that from last year to date, I have been getting information from the district security committee, which is chaired by the Resident District Commissioner of Gulu. They state that the greatest challenge in managing security in the whole of Aswa subregion, which consists of eight districts of Acholi, is the lack of vehicles. They have only one vehicle at the Gulu District police headquarters, which is supposed to serve the entire subregion. At the regional level, there is no vehicle.

We are therefore requesting the ministry to add three vehicles to Gulu Central Police Station and two vehicles to Aswa subregion, so that we can have five vehicles, in addition to the one which is there. We can then have a comprehensive security posture that can deter crime and help the police to manage crime. Thank you.

5.14

**MS MOLLY LANYERO (NRM, Woman Representative, Lamwo):** Thank you, Madam Speaker. I thank the minister for his response. However, I would like to get clarification on what he said about deployment at the border with South Sudan. I have raised this issue about three times on the Floor of Parliament but I find the response that the minister has given very open-ended. I implore him to give us a specific timeline as to when the deployment will be made, so that people can have hope.

Secondly, Madam Speaker, he did not give us any feedback on the issue of deployment of police. In the whole of Lamwo District, with a very long borderline expanse with South Sudan, we have only 64 police personnel. I also raised that matter but I did not hear his response to that effect. Thank you very much.

5.16

**MR SILAS AOGON (Independent, Kumi Municipality, Kumi):** Madam Speaker, I say this on behalf of hon. David Abala of Ngora County. The minister has said that it is not true that investigations have not been done. However, on Tororo, the minister gave a report on the issues that ensued at the district council, to the effect that some people came with dangerous weapons intending to disrupt the peace. However, in this case of the failed investigations, according to hon. Abala, the minister has not given any results of the investigations and he has not even told us anything to do with the charges –

**THE SPEAKER:** No, honourable member; maybe you were not listening. I think he said investigations were conducted, people were arrested and they have been charged. If you are not listening, it is not fair. If you have got evidence that they were not charged, you tell us.

**MR AOGON:** Madam Speaker, the minister has not told us exactly what happened. He is only saying these people have been charged; charged with what?

**THE SPEAKER:** Honourable members, if a matter is in court, we cannot go into details on who was sitting where and who was standing how. Please!

5.18

**MR MOSES KASIBANTE (Independent, Rubaga Division North, Kampala):** Madam Speaker, mine is about Lwengo. I have to confess that I have lost a number of relatives during these rampant killings. The honourable minister mentioned that about 30 suspects were arrested, but it was reported that two of the suspects that had been arrested escaped from the courtroom when they were being tried.

I would like to understand whether the two who escaped are part of these mentioned in the report. Otherwise, if they have not apprehended the two that escaped from the courtroom – which is very awkward – we could still be living in danger. Thank you.

5.19

**MR FREDRICK ANGURA (NRM, Tororo South County, Tororo):** Thank you, Madam Speaker. I thank the minister for the statement.

I am not aware that the councillors of Tororo County have ever held a meeting to stop a council session that was to take place, Madam Speaker. No one went on radio in Tororo to mobilise people to stop a council meeting. It is only unfortunate that the councillors from West Budama had held four meetings, preparing for the full council meeting on Thursday.

Madam Speaker, all the councillors from Tororo County came, including women councillors. If it was only men, maybe in one way or the other it could be said that they planned to disrupt the meeting. However, it was all councillors from Tororo County, including women councillors. I know you must have watched on TV a lady who was crying and saying, “I came to represent my people. I came to debate on behalf of my people. My invitation is here.” She was waving it –

**THE SPEAKER:** What are your prayers?

**MR ANGURA:** Madam Speaker, the police acted unprofessionally and beat people. In fact, as we speak now, we have one young man who is badly off. Secondly, it becomes unfortunate when police determines who enters a council meeting and who does not. In case anyone was sighted with a weapon, that person should have been singled out.

Madam Speaker, my prayer is that the issue that has been causing conflict in Tororo be concluded at once. I would like to thank the minister who has told us here that she will be reminding the President on Monday that these issues of Tororo should be concluded at once, so that we can have peace and unity in Tororo. Thank you very much.

**THE SPEAKER:** Fortunately, she is here. She knows the fire that was in the House - the exchanges that have happened on the Floor of this House. Honourable minister, could you respond.

5.22

**THE MINISTER OF STATE FOR INTERNAL AFFAIRS** **(Mr Obiga Kania):** Thank you, Madam Speaker. I would like to thank Members for the issues they have raised and the comments they have made.

Let me start with the issue of inadequate deployment of personnel and means of transport. I acknowledge that this is not only an issue in those areas but in other parts of the country as well. As I said earlier on this Floor, we have created more administrative units which require more police units. We have created townships and other units and our population has increased. All this would necessitate more police personnel and the means to manage them thereof, like transport, fuel among others, which are inadequate.

However, in the short run, the police is trying to do the best they can to deploy these people and vehicles in the most strategic areas. Our immediate, short-term and medium-term solution will be: Since you have given us funds for recruiting more police personnel, we will recruit them this year and in the next 10 or so months, after the recruitment, we should have more personnel.

We also hope to get more money in the next financial year to maintain the vehicles. Actually, we have units for the vehicles, but what is lacking is the maintenance. This is how we are trying to address it. We recognise that there is a problem but we ask for your support, particularly to report these matters to the various units that exist, so that we can handle them together.

On the issue of people moving to Lamwo – the specific time for deployment – I cannot answer it right now. I will have to consult with the security forces so that they can give me a date. I will then get in touch with the Member who has raised the matter.

Madam Speaker, you have correctly reiterated what I said about Ngora. The investigations were carried out. Actually, at the end of my statement, I said that I will bring a separate piece of paper on the issue of Ngora with the details of the persons and where they are.

In Lwengo, the Member said two suspects escaped. I was not aware of that. I am glad you have raised it. However, I will get in touch and find out exactly whether anyone escaped or not. Like I said, the correct statement is the latest. Otherwise, we shall be able to inform the House. Thank you very much.

**THE SPEAKER:** Honourable members, we go to the Ministry of Health. I note that the Minister of Lands, Housing and Urban Development is back; she will answer the issue of Butemba. The Minister of Finance, Planning and Economic Development is also here; you have two pending issues on effectiveness of the administrative units and the issue of South Sudan. Can we hear from the Minister of Health.

Hon. Karungi, are you going to die if you do not speak now? Is this matter related to the Ministry of Health?

5.26

**MS ELIZABETH KARUNGI (NRM, Woman Representative, Kanungu):** Thank you very much, Madam Speaker, for your consideration.

Recently, I raised here an issue of my people who were harassed and chased away from their land. I was informed about an hour ago that Uganda Wildlife Authority (UWA) personnel found people digging that land and beat them up. Imagine, beating women and children who were in the gardens! In fact, they have put all of them in their trucks and have taken them inside the park.

It is a very serious issue. I pray that you take control of the matter so that they can release those people immediately; they should not sleep inside the park. In most cases, when they take people inside the park, they are beaten seriously and harmed a lot. These are women who have been digging on these pieces of land.

Madam Speaker, I would like to beg for your indulgence and that of the House.

**THE SPEAKER:** Which subcounty?

**MS KARUNGI:** Kihiihi Subcounty. I had raised this issue here and the minister promised that he was going to come to me and we go to Kanungu and meet these people together with UWA –

**THE SPEAKER:** Is it the Minister of Tourism, Wildlife and Antiquities?

**MS KARUNGI:** Yes. Nothing has been done up to now. When they found these people in their gardens, they started beating them up and took them inside the park.

**THE SPEAKER:** Honourable members, last week, we discussed the wildlife Act. I know the law is not yet complete but I think the relationship between the population and the national parks has to be regulated. Can the Minister of Internal Affairs find out who the farmers that have been arrested in Kihiihi are and where they are?

5.28

**THE MINISTER OF STATE FOR INTERNAL AFFAIRS** **(Mr Kania Obiga):** Madam Speaker, you heard the Member saying these people were arrested by UWA. Uganda Wildlife Authority is a paramilitary force recognised as such within the Act. They have been taken to the forest. I do not know whether you are asking me to ask the police to go and look for them. Otherwise, the appropriate ministry would be the Ministry of Tourism, Wildlife and Antiquities since the UWA paramilitary force is under them. I think the minister could give directives.

**THE SPEAKER:** We direct the Minister of Tourism, Wildlife and Antiquities to undertake a visit with hon. Karungi as he promised on this Floor. He should then come and update us on Tuesday as to why they have been arrested, whether they are in court or not, so that we know how to move. Thank you.

Honourable member, you said they have been arrested today. Let the minister come and answer on Tuesday and tell us where they are.

**MS KARUNGI:** Madam Speaker, the reason I am requesting for immediate release of these people is because we have experienced women being taken by those game rangers and they end up being raped. I think it is dangerous for us to wait up to Tuesday yet the women are in the bush and we do not know where they are.

**THE SPEAKER:** The difficulty I am experiencing is that I do not see the responsible minister. The Minister of Internal Affairs has said it is not his people that arrested them. I do not see the “*Tulambule*”. Both of them are not here; the ministers in charge of tourism, wildlife and antiquities are not here.

**MS KARUNGI:** Madam Speaker, I pray that you take control and order them to be released.

5.30

**THE PRIME MINISTER AND LEADER OF GOVERNMENT BUSINESS (Dr Ruhakana Rugunda):** Madam Speaker, we have one government and the Minister for Internal Affairs is right; we will collaborate with the minister responsible for wildlife to ensure that this matter is addressed immediately, so that the law takes its course.

**THE SPEAKER**: Thank you. Can we have the Minister of Health. Rt Hon. Prime Minister, are there detention facilities in national parks?

RESPONSE TO THE QUESTION RAISED BY HON. DONONZIO KAHONDA ON THE NEED FOR THE EVALUATION OF THE CAPACITY OF MBARARA REGIONAL REFERRAL HOSPITAL WITH A VIEW OF IMPROVING ITS CAPACITY TO DELIVER QUALITY HEALTHCARE SERVICES

5.31

**THE MINISTER OF STATE FOR HEALTH (GENERAL DUTIES) (Ms Sarah Opendi):** Thank you, Madam Speaker. The issue of Mbarara Regional Referral Hospital being elevated to a national referral hospital to deal with the numbers in that region was raised by hon. Dononzio Kahonda.

I would like to report that Mbarara Regional Referral Hospital was established in 1950 as a general hospital serving a population of approximately 500,000 people in Ankole Region. Currently, however, the hospital serves an estimated population of over 3.6 million people and it is a referral hospital for ten districts: Mbarara, Isingiro, Bushenyi, Sheema, Rubirizi, Mitooma, Ibanda, Kiruhura, Buhweju and Ntungamo.

There have been referrals to Mbarara Regional Referral Hospital from other regions outside the Ankole Region like Kigezi and Rwenzori. Also, people from Rwanda, Tanzania and the Democratic Republic of Congo (DRC) have all been accessing services from this regional referral hospital.

Mbarara Hospital is also a teaching hospital for the Mbarara University of Science and Technology and it receives students from other tertiary training institutions, which include: Bishop Stuart University, Mayanja Memorial Institute and others from across the country. The Faculty of Medicine of Mbarara University, through a memorandum of understanding, provides a total of 62 highly trained medical doctors who support clinical work in the hospital.

The hospital was initially under the Ministry of Education and Sports because of Mbarara University of Science and Technology. However, in 2005, it was reverted to the Ministry of Health as a regional referral facility. The Ministry of Health’s plan is to upgrade Mbarara Regional Referral Hospital to a national referral hospital in three phases and the work has already commenced.

The first phase was completed successfully and covered the construction of eight operating theatres, an eight-bed Intensive Care Unit (ICU), and construction and equipping of the accident and emergency unit, radiology unit, post-operative executive rooms and medicine stores. Under this phase, we have also provided a modern digital x-ray machine, a CT scan and later, an oxygen plant and central suction. This upgrade of the hospital greatly improved the hospital and it has attracted many referrals from other regions.

We have the second and third phases which are still pending. These include working on the wards. Those who have visited this facility might have seen that the wards are like those of a general hospital. Therefore, we need to expand the maternity, paediatric, surgical and medical wards.

Members should note that a number of services, including surgery, obstetrics and gynaecology, paediatrics, cardiology services, oncology and others, are provided by this hospital. The report is on your iPads; therefore, I will not read all the services.

The staffing level of this facility stands at 85 per cent, with 377 staff. As we speak now, we have had discussions with the Ministry of Public Service to consider revising the staffing structure for this facility because of the number of patients that it attends to. We will require finances if we are to increase the number of health workers.

The regional referral hospital also has an ongoing project to improve disease diagnosis, which is, the construction and equipping of a state-of-the-art laboratory using the funding under the East African Public Health Laboratory Networks Project, which was approved by this House. We expect this state-of-the-art laboratory to be completed by July 2019.

As I indicated, we also have a plan to equip this facility using the Netherlands grant of € 22 million that they gave us for equipping our regional referral hospitals. However, Government is supposed to match that grant, and this has commenced this financial year. We are funding for the equipment. This will cover all the 14 regional referral hospitals.

The other plan is to have the hospital also operate cancer and heart centres. Already, the cancer unit at this facility has over 20,000 patients and they already have a cancer registry there. The other centres of excellence like the heart centre will be established in due course.

Therefore, our challenge now is the funding to complete the second and third phases. We need about US$ 30 million to handle the infrastructural development, which I indicated. Once these are in place, we should be having Mbarara Regional Referral Hospital as a national referral hospital. Thank you.

5.38

**MR MICHAEL TUSIIME (NRM, Mbarara Municipality, Mbarara):** Thank you, Madam Speaker. I would like to thank the Minister of Health for clarifying on the matter that was raised by hon. Kahonda. However, in this statement, I have noted two things and I also would like to bring to your attention one other matter that is extremely urgent.

The first thing I have noted is that much as you have made efforts towards the delivery of the first phase, you have not provided timelines for the second and third phases, particularly under the second phase where you are to provide for maternity services.

I would like to bring it to your attention that the situation of that hospital is getting out of hand. Whereas it is true the hospital was built a long time ago, the maternity ward which is supposed to hold 30 mothers right now accommodates over 100. They have three delivery beds and yet we have approximately 30 deliveries a day. It is so pathetic to the extent that even mothers who deliver have to sleep on the floor. Therefore, I would like to urge Government that whereas you have planned for those phases that are yet to come, enhance your efforts towards provision of those emergency services.

The second matter is that whereas the health centre IV for Mbarara Municipality was designed to decongest the regional hospital, it has also remained lacking in terms of services. It is true you are putting up a theatre there, but we request that you provide it with machinery and staff so that it can decongest the main hospital that has become overcrowded. Thank you.

**THE SPEAKER:** Honourable minister, I do not know whether we should finish that and then move to item 3(k) –

**MS OPENDI:** Thank you, Madam Speaker. The Member said I should have given a timeline, but I would like to say it is beyond our control. I have indicated that we need US$ 30 million, which is approximately Shs 120 billion, to complete phase 3. The Ministry of Finance, Planning and Economic Development is represented here. Once they avail us with the money, we shall have the work done. Therefore, the timeline should be given by the finance ministry.

On functionalising the health centre IV, the challenge is that many of the mothers move directly to the regional referral hospital. This is because of the good services the health workers in the hospital provide and also the specialists that are available in this hospital.

The issue of wages: I want it to be clear that it is not only in Mbarara; most of the health centres IV and the lower health facilities do not have 100 per cent staffing levels. The challenge is because the district does not have adequate wages to recruit all the health workers it needs. We had discussions with the Ministry of Finance, Planning and Economic Development and I still want to push that to them. I hope there will be money in the next financial year’s budget so that we can deal with this wage issue for the district local governments.

Government, through Ministry of Health, is committed to ensuring that all health centres III and IV across the country are fully functional. That means equipping them and having the necessary human resources available to provide quality healthcare to Ugandans. Thank you.

**THE SPEAKER:** Honourable minister, you and the Ministry of Finance, Planning and Economic Development are in breach of the Sustainable Development Goals by placing a ban on recruitment. The population has increased; I do not know why you want 100 people to treat 40 million people.

Honourable members, when we discuss and come to the conclusion of the budget, you can speak on those issues. This was just a question from hon. Kahonda. We cannot engage in a debate now.

RESPONSE TO THE QUESTION RAISED BY HON. DAVID ABALA ON THE LACK OF EMERGENCY INTERVENTIONS ON HIGHWAYS WHEN ACCIDENTS OCCUR

5.45

**THE MINISTER OF STATE FOR HEALTH (GENERAL DUTIES) (Ms Sarah Opendi):** On the 22 January 2019, hon. Abala a raised concern about the lack of emergency interventions when accidents occur on highways. He cited an example of an accident that had occurred in Soroti where emergency facilities, including blood, could not be provided to accident victims.

Madam Speaker, the Ministry of Health recognises the challenges faced by accident victims in accessing continuous care in facilities along the highways. Regional referral hospitals situated along the highways right from Gulu, Kabale, Mubende, Lira, Moroto, Hoima, Fort Portal, Masaka, Jinja, Mbale and general hospitals like Kawolo, Kiryandongo, Itojo, Iganga, Luweero, Gombe, Buliisa, Mityana, Atutur and Bwindi receive accident cases daily.

The Ministry of Health has prioritised the establishment of emergency medical services to respond to emergencies on highways. This has been put in place with support from key partners, both international and local, including the Uganda Police Force, the Uganda Peoples Defence Forces (UPDF), Kampala City Council Authority (KCCA), the private sector and Non-Governmental Organisations (NGOs).

The emergency medical services system operates at three levels of care that must be well planned and coordinated for an effective emergency care response to road traffic accidents. These include scene care, transport care (the ambulances), and health facility care.

Madam Speaker, a number of achievements have been made in this area. We have established emergency and accident units at regional referral hospitals on highways and equipped them with health supplies and equipment.

With support from the World Bank, we rehabilitated and equipped eight general hospitals with high grade ambulances, six of which are highway hospitals. These include Kiryandongo, Mityana, Anaka, Entebbe, Nebbi, Iganga, and Moroto regional referral hospitals. Most of you have seen this; if you go to Iganga, you will see wonderful construction that was there similar to Mityana, Kiryandongo and the others.

In addition, in 2018/2019 financial year, with support from the Spanish Government under the Spanish loan funding, we renovated Kawolo Hospital, with the expansion of the accident and emergency unit in order to respond effectively to the high toll of emergencies on that highway. Of course, this funding from the Spanish Government will also renovate Busolwe Hospital.

With support from partners like the Arab Bank for Economic Development in Africa (BADEA), the Saudi Fund for Development and the OPEC Fund for International Development under the Kayunga-Yumbe project, the Ministry of Health will fully rehabilitate and equip these hospitals in Yumbe and Kayunga.

Madam Speaker, currently, we have established an emergency care system at Masaka Regional Referral Hospital, and this covers nine districts, with the support from the Korean Government.

Regional referral hospitals, including Soroti, are in a better position to offer emergency care services to accident victims. However, the functionality of these accident and emergency units vary from hospital to hospital as dictated by other factors, ranging from staffing levels, supplies and equipment.

I would like to acknowledge that while we have rehabilitated the other regional referral hospitals’ emergency units, we have not yet handled Soroti and it is on our priority list once we get funding. Therefore, to address this in the financial year 2018/2019, the Ministry of Health received a grant from the Dutch Government of €23 million. We are going to equip all the other regional referral hospitals including Soroti and also to construct because the infrastructure there is dilapidated. The Ministry of Health will procure imaging x-rays, intensive care units and emergency medical equipment for all the regional referral hospitals.

Madam Speaker, we have also prioritised strengthening of the Uganda Blood Transfusion Services (UBTS) because there were issues concerning blood. The budget for UBTS was increased and their blood collection also increased to 300,000 units up from 240,000 in the last financial year. The increase in the target was based on the overall demand from hospitals of 260,000 units of blood. This blood is needed because of the many accidents, mothers giving birth, the sickle cell patients and others.

Madam Speaker, to deal with the blood challenge, we now have a tracking system for blood that has been developed to monitor every unit and its use. This is because we have also had cases of blood being sold by some of our health workers.

I will not read everything. However, I would like to indicate that the ministry acknowledges that there are still gaps in the response to emergencies in the country, specifically due lack of trained first responders at the scene, lack of coordinated ambulance services, lack of a call and dispatch system and the inadequate emergency medical response teams.

Madam Speaker, we have now just developed an emergency medical service policy that we passed two weeks ago, and an emergency medical services strategic plan that will guide us on how the ambulances will be operating in this country. Once the policy, which we are supposed to table before Cabinet, is approved, the ministry will establish emergency medical services coordination centres in all the regions in the country, taking into consideration also the unique needs of the mountains and islands.

We shall also procure additional land and water ambulances to enhance existing referrals in the country. Under this emergency strategy, we hope to set up a national call and dispatch centre supported by regional call and dispatch centres.

We request Parliament to appropriate adequate funding for us to be able to have this emergency care policy funded. We will work with other agencies, the police and the UPDF in providing these services that we intend to establish. Thank you.

5.49

**MR JAMES WALUSWAKA (NRM, Bunyole County East, Butaleja):** Thank you, honourable minister, for the statement. The minister clearly stated on record that Mbarara Hospital is soon going to be a national referral hospital. She has not mentioned the north, West Nile and the east that are usually badly off when it comes to poverty, and health is one of the key poverty indicators. We do not know whether it is a deliberate effort by the ministry to suffocate the people who have already suffered. They want to take a national hospital to where people are fairly wealthy and can go somewhere else –*(Interjections)*– Yes, if for you can afford transport to go somewhere, there is a villager who cannot.

Secondly, the minister talked about Busolwe. Usually, when funding from a loan comes, it is for a specific period of time. Kawolo is finished but they have not started on Busolwe. I am told we are only left with two months before the loan expires. I was here with the senior minister who told me that Busolwe is not going to be worked on because of lack of counterpart funding.

Madam Speaker, whenever you come to Butaleja, I ask you about the same issue. Rt Hon. Prime Minister, when you came to bury Dr Mungherera, they asked you about Busolwe and you gave confirmations on behalf of Government. Therefore, can I get confirmation from Government, especially from the Minister of Finance, Planning and Economic Development, that next financial year – They want Shs 6 billion. Members of the House, help us. They need Shs 6 billion, because there is already eight billion in some foreign currency, but the Government is not giving this money yet the minister is taking the national referral hospital very far. Lastly, *–(Interjections)-* No, whether they do not provide, I believe in NRM. I cannot use that to change my party anyhow.

Lastly, the minister talked about ambulances. We are going modern now. I have seen sick people in ambulances but the traffic jam is too much. Are you also planning for air ambulances? The other time they had to evacuate people by air. You may be in an ambulance and there is too much traffic jam and you die on the way. Thank you.

**THE SPEAKER:** Honourable members, let the minister answer.

5.53

**MR ABRAHAM BYANDALA (NRM, Katikamu County North, Luweero):** Madam Speaker, I need to make some clarification before the minister comes in.

I genuinely appreciate what Government is trying to do to uplift Mbarara Regional Hospital to a national level as well as other regional hospitals. However, some of us do not even have district hospitals. Our people are suffering.

Concerning the highway emergencies, the minister has said that Luweero is one of the affected districts, but we do not have a district hospital. Can I appeal to Government that before they spend billions and billions turning a regional hospital to a national one, we should also have district hospitals? Thank you.

5.54

**MR ALEX BYARUGABA (NRM, Isingiro County South, Isingiro):** Thank you, Madam Speaker. After all is said and done, at the end of the day, it is over 100 kilometres from Isingiro in Kabuyanda to Mbarara and there is no district hospital. The same applies to the distance from Mitooma to Mbarara. However, there is no district hospital in Mitooma, Bushenyi, Rukungiri, Ntungamo, Kiruhura and in Buhweju. At the day, the situation is the same across the country.

The Speaker did mention that we should be planning for more than 40 million Ugandans. It is all bad! We are not going to improve much if we have not looked at the centre of the problems, and that is, the health centres II. You arbitrarily stopped all of them across the country from operating. Everybody who has a simple ailment from Kabuyanda, Nyamuyanja and far in Mbarara must go to Mbarara Regional Hospital. That is why there is a lot of congestion.

I have been to Mbarara Regional Hospital; half of the mothers that deliver in the hospital sleep outside in the cold. It is that bad. The population is simply overwhelming. Remember, we are next to Rwanda and we have almost a half a million refugees; that is the hospital. We are next to Tanzania and that is the hospital for them too. It is that bad.

Given that, I would like to urge that you and I put our heads together - We do not need only Mbarara; we need Gulu, Mbale, Jinja, Kotido. This is what we should be talking about rather than starting to split hairs by saying, here it is wrong, there it is correct, they should not go to Mbarara; all that is wrong. We all need those services. We are all Ugandans and they are our people. Let us think about that. Thank you.

5.57

**MR JAMES KAKOOZA (Independent, Kabula County, Lyantonde):** Madam Speaker, I have listened to the Minister of Health. Of course, the Government has tried. You remember that this Parliament passed a loan request of US$ 130 million and US$ 30 million was for reproductive health.

The general complaint of the public about all those hospitals, which were rehabilitated on the highways, is the personnel. If you got an accident along the highway, you would not find a surgeon in the referral hospital - absenteeism. You go to another area and find that there are no attendants who are supposed to attend to those emergency units.

There must be a complete strategy from the Minister of Health. They must find out why, even if these structures are put in place, there are no personnel. What happens? The delivery strategy of health system strengthening III was to renovate all these hospitals and recruit the human resource to attend to these emergences. Are all the ambulances, which were bought at that time in partnership with that health system strengthening, functional? What is the monitoring system in the ministry doing?

The general complaint is the personnel because the equipment is there and the health centres are built up. Why is there congestion in these referral hospitals? Diseases, which can be treated in health centres II and health centres III are treated in referral hospitals. This Ministry of Health should embark on that, instead of putting up elephant structures where there is so much absenteeism.

When we were at the National Planning Authority, the performance rose from 35 per cent to 85 per cent as a result of only monitoring the systems and avoiding absenteeism. When patients go to the hospital, they need to be monitored and attended to. However, when you get an accident and go to the casualty ward, you find neither a nurse nor a surgeon. How do you expect that health system to work?

The best way is for the ministry to come out with a comprehensive plan on how to deal with those within the ministry –*(Interruption)*

**MR MBWATEKAMWA:** Thank you, Madam Speaker. I have listened very well to former ministers lamenting when at one time they held the same dockets. The former Minister of State for Primary Health Care is also lamenting when we have been lamenting for the last 30 years.

Is it in order, Madam Speaker, for the former ministers who held positions in Government to persecute the current minister when they also faced the same challenges?

**THE SPEAKER:** Honourable members, the Members are now in the backbench and they are speaking for their people; so it is in order. *(Laughter)*

**MS OPENDI:** Thank you, Madam Speaker. Hon. Kakooza was in the health sector and he knows exactly the challenges that we face. Therefore, there are things we have to look at critically.

First, let me respond to the issue raised by the MP from Isingiro that we arbitrary stopped the health centre IIs from functioning. Madam Speaker, this is not true. The health centre IIs that were functional are still functioning. However, those that were constructed without the budget line for health workers have remained non-functional. Let us differentiate the two.

Madam Speaker, that is the position *–(Interruption)*

**MR KIBALYA:** Thank you, Madam Speaker. The Minister of Health has said that the health centre IIs that were functional by then are still functional but those that were constructed using Government funds under the instructions of the same Government- those structures are there and they were in plan for parishes because these health centre IIs were supposed to cater for parishes. Which plan do they have for those structures? If they had not been constructed, it would be a different story. However, Madam Speaker, these structures were constructed.

**MS OPENDI:** Madam Speaker, it is known that the PHC development funds were always sent to the districts and even when we guided the districts to ensure they first functionalise the health centre IIIs, every councillor wanted a health centre II constructed in their parish without looking at the wage.

We have a policy that every parish should have a health centre II and a health centre III for every sub-county. However, you must look at the wage before you go into that. Therefore, that is where the challenge was; that there was a mismatch between funding the wage bill, medicine’s budget and the construction that was going on.

Even when we stopped them, the districts continued. That is why we had to withdrawal the PHC development budget from the districts and brought it to the centre so that we can have control. They now give us their plans and then we send the money to them to construct either staff accommodation or whatever their priorities are. That is the position, Madam Speaker.

**THE SPEAKER:** Honourable minister, the districts continued building because you have a policy that everyone should be within five kilometres of a health centre. That is why they built. People are actually 10 kilometres away from the health centre. That is why the districts continued with the Health centre IIs. It is your own policy - five kilometres.

**MS OPENDI:** Madam Speaker, I do appreciate that. However, as I indicated, we were constrained with budget for the wage, medicine and that is why these facilities remained non-functional.

**THE SPEAKER:** Why is it that even those which are functional do not have sufficient staff?

**MS OPENDI:** Madam Speaker, this is what I am saying; that the wage bill given to the districts cannot allow them recruit all the health workers that they need. That is why I indicated in my previous statement that we need the Ministry of Finance, Planning and Economic Development - if funds are released the districts will recruit. However, they do not have the wage bill, so they cannot recruit without it.

Therefore, we need to have adequate funds allocated to the districts for the medicines and the health workers’ wages so that health workers can be recruited.

Madam Speaker *–(Interruption)*

**MS KAMATEEKA:** Madam Speaker, what is the hope for this country in the improvement of health services? If you come here and tell us about the wage bill and yet we know that there are not sufficient numbers of staff in these health centres. The promise was that the health centre IIs cease to work so that we concentrate on health centre IIIs, make them operational and then at a later stage, we would go down to the health centre IIs.

Madam Speaker, the minister should be able to tell us how much we require so that when considering the budget, there is hope. However, the minister is not giving us hope at all. Where is the hope?

6.06

**MR MOSES ADOME (NRM, Jie County, Kotido):** Thank you, Madam Speaker. I am happy that the minister has brought this matter in a very timely manner. It is believed that all of us now have health related problems. Karamoja is the worst. In Karamoja, people live by the grace of God.

Madam Speaker, you have just mentioned that the Ministry of Health have a policy that health facilities must be at least five kilometres apart. We have places where people have to go up to 100 kilometres. I come from Kotido District but the hospitals that we go to are either Lacor in Gulu which is about 200 kilometres or Moroto Regional Referral Hospital.

Since Kotido became a district in the 70’s, it has never even had smelt like a hospital. The minister is here busy telling us issues related to the wage bill. Honourable minister, I thought it was your prerogative as a ministry to plan the number of health centres to be upgraded and then the Ministry of Finance, Planning and Economic Development gives you the money. I thought that is how it was supposed to be. Thank you.

**THE SPEAKER:** Honourable minister, I do not know whether you mind if one of these days we hold debate on the state of health in the country.

**MS OPENDI:** Madam Speaker, I was actually going to indicate that my statement was restricted to a response to hon. Abala. However, we now have issues around general hospitals, health centre IIs and the issue of human resources for health.

Madam Speaker, allow us to come up with a comprehensive statement on the state of health, as you said, so that this House can debate and then we know where we are and the challenges that we are facing.[HON. MEMBERS: “When?”] how much time do you want to give me?

**THE SPEAKER:** We shall find out when she brings the statement.

**MS OPENDI:** Within one week, Madam Speaker, we should have a statement to this House. Otherwise, I think, all the other issues that Members raised were related to what will come in the statement.

**THE SPEAKER:** I think let us have that discussion because if Kotido from the 1970s has never smelt a hospital, really it is a serious issue.

Honourable members, we shall get some two hours and legislate exhaustively the state of health in the country so that it can build into the budget. Thank you.

Honourable members, I think let us leave the issues of health for now, we shall discuss them together. For now, let us handle the Ministry of Lands, Housing and Urban Development on Butemba and ministry of finance on those two issues, which are outstanding, and then we will go to the recommendations.

6.10

**THE MINISTER OF LANDS, HOUSING AND URBAN DEVELOPMENT (Ms Betty Amongi):** Thank you, Madam Speaker. The matter of eviction in Butemba County arose out of a matter that was before court. Based on a court ruling, Mr Joseph Massa got a court bailiff to evict the people from a piece of land.

I have requested my technical team to ascertain the number of people that were sued. This is because in many circumstances, the law suit is for a few people yet the eviction might have more tenants than those that have been sued.

There are also times when what is in the law suit is a different piece of land from the one where the evictions are carried out. Therefore, I have requested my technical team to ascertain those who were sued, the exact piece of land and whether those people were able to file a defence in court or not.

We have sent a team of lawyers, under the President’s office, to help bona fide occupants. What we are getting, which is more complicated, is that the registered proprietors sometimes go to court but do not give notice to the tenants. They either get expert judgement or judgement where the other parties have not defended themselves. Afterwards, they evict people who have not defended themselves. Therefore, His Excellency has set a team of lawyers to help *bibanja* holders.

If the honourable member can give me the related court documents, it will fasten the process, although my technical team are already ascertaining the court documents and whether or not those people defended themselves and see how we can handle the matter because we can no longer handle it administratively. We can only handle it through the court process by helping them, if they are unable to pay for legal aid and get our lawyers to help them set aside an appeal to the case.

Therefore, I request that if the honourable member has more information in respect to the court case, he can avail me the documents and then we will be able to help these people set aside the case. Thank you.

**THE SPEAKER:** Thank you, minister. Hon. Kamusiime, do you have a supplementary question?

6.13

**MR PENTAGON KAMUSIIME (NRM, Butemba County, Kyankwanzi):** Thank you, Madam Speaker. I would like to thank the Minister of Lands, Housing and Urban Development for her encouraging statements. I want to know whether this team of lawyers has gone to Butemba Constituency or they have been set for the whole country. If they went to Butemba, we could have probably got information from the local leadership or we could have been consulted to be part of the process.

Secondly, we are seated on a time bomb because as we speak about Joseph Massa, another one called Michael Akampurira yesterday imprisoned two elderly people from another sub county. Therefore, Kyankwanzi is now a field where the rich can come and do anything, which worries me. I would like to tell you and this country that come 2021, we may not harvest the results that we have been harvesting in the past and it hurts.

Madam Speaker, this time bomb that we are seated on – when the poor realise that they are not getting help from those who are supposed to help them, due to lack of an option, they may decide to help and fight for their rights.

I am frustrated but now that the minister has comforted me, I have all the information that her ministry needs to work. However, I would like to call upon everybody in this House and the country to look at the future of this country. Even when you promise a specialised hospital, a very big role –

**THE SPEAKER:** But now honourable member, you are going beyond what the minister said.

**MR KAMUSIIME:** I am only concluding –

**THE SPEAKER:** The minister is ready to help you; just go to her. She is a good person. Let us invite the minister of finance.

6.16

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PLANNING) (Mr David Bahati):** Madam Speaker, you requested me to respond to two questions; the first question is the status of the funding for the local governments.

Madam Speaker, seven districts are due to start next financial year - 1 July 2019. One hundred and three town councils and 196 sub counties are also due. We have so far provided resources in the second call circular for the seven districts that were approved by Parliament. The list is out and we can circulate it.

Concerning the 103 town councils and 196 sub counties, we will debate this matter in Cabinet on Monday and the final decision will be communicated to this House on Tuesday.

**THE SPEAKER:** Okay, it is work in progress. Let us go to the next item on South Sudan.

**MR BAHATI:** Madam Speaker and honourable colleagues, on the next item, I seek your indulgence that I systematically take this House through this process so that each one of us can understand. If there is need for clarification, we can answer them.

Madam Speaker, on 22 December 2016, with a background of what we have been going through with our business people that are suffering, the Government of Uganda signed a bilateral agreement with the Government of South Sudan. The arrangement was that the Government of Uganda should raise resources to help the people that trade in South Sudan and the Government of South Sudan would pay back. This will be a loan to South Sudan.

Part of the agreement was a list of 10 companies which we laid here on the Floor of this House and I will lay them again. These companies have a history of how it came – because they had an agreement. They were part of a memorandum of understanding that was signed in 2010, where the Prime Minister and the Minister of Trade, Industry and Cooperatives participated.

Since we knew that there were other companies that had suffered, we made a provision in the bilateral agreement under Article 10, which stated, *“Unverified claims: that the parties agree that any illegible but unverified claims by Ugandan traders shall be verified by a joint verification team to be constituted within 30 days from the date of this agreement.”*

Also in this agreement, there was a requirement, under (v) which stated that prior to any payment on this matter, the Government of South Sudan hereby covenants to provide in favour of the Government of Uganda, prior to the Government of Uganda effecting any payment on Government of South Sudan, on behalf a sovereign guarantee issued by the Bank of South Sudan in form of the schedules speculated. Therefore, any payment to be made had to receive a sovereign guarantee from the Central Bank. Those were the two important clauses in this bilateral agreement.

This agreement was brought to this House for approval. It was referred to the Committee on National Economy. The Committee on National Economy made recommendations to the House. The House, in its own wisdom, debated this matter and the House was informed that there were other companies which had reached a stage of payment and therefore, they should be added to the agreement.

The 23 companies were approved by this House to be added to the agreement. It was resolved by Parliament that an addendum to the bilateral agreement is signed between the Government of Uganda and the Government of the Republic of South Sudan to pay monies owed to the additional verified South Sudan traders by the Republic of South Sudan as stipulated in Schedule (a).

Therefore, this was an addendum to be made. I beg to lay the resolution which was done and also the agreement.

On 8 August 2018, the Minister of Finance, Planning and Economic Development wrote to the Attorney-General seeking advice on how to implement this agreement.

The Attorney-General concluded with two points - He said, “I have taken note of the concerns raised in your letter. In my opinion, there are two issues that need to be clarified. The first issue is the joint verification by the team as per Article 10 of the bilateral agreement.

Secondly is the requirement of the approval by the National Assembly of the Government of South Sudan.

On the issues of the joint verification, the Attorney-General concluded thus, “Looking at this issue, there is need for segregating the various claims covered by the bilateral agreement - that is the 10 companies and the rest of the other companies including those that were approved by Parliament.

There are mainly two categories of claims covered under the agreement:

a) Claimants under the MoU, those are the 10 companies that was signed on 20 November 2010, which is acknowledged by a preamble in (d) which is a main thrust of this agreement.

b) The unverified claimants that are covered under clause 6.2 of the bilateral agreement.

Article 10 of the bilateral agreement is only applicable to categories of claimants covered under 6.2 of the bilateral agreement. This is because the parties have to agree on the actual supplies that were made and the amounts due. South Sudan and Uganda must agree. The claimants under preamble (d), that is the 10 companies are not subject of joint verification because as clearly stated in the agreement, they draw their credence from the Memorandum of Understanding (MoU) that was signed between the parties on 20 November 2010.”

In the bilateral agreement meeting of 29 October 2016 under clause 1 of the report, this fact is properly captured. He also gave us opinion on the requirement of the approval of the national assembly: “In light of the above, my considered opinion is that the payments to category cover under preamble (d), which are the 10 companies, only require receipt of the sovereign guarantee under Article 5.2 of the bilateral agreement.

The rest of the claim shall need to be subjected to the joint verification in accordance with Article 6.2.” Signed by the Attorney-General, William Byaruhanga.

We sought for advice after the approval of Parliament and the Attorney-General told us that the 10 companies do not need further verification or certification but the rest of them need to be certified. On 15 August 2018, we wrote to the Government of South Sudan.

We requested the then minister of finance to issue a sovereign guarantee from the Bank of South Sudan as stipulated under article 5.2 of the bilateral agreement and also to nominate and send a team of officers to the joint verification committee, which will certify because some of them like the 23 companies had even reached the payment stage. Some even have cheques which never matured. Therefore, they would only need to be certified and others probably needed further verification.

We have followed the Government of South Sudan with calls even to the highest level of the President. After those efforts, on 28 January 2019, the Undersecretary Ministry of Finance wrote to the Minister of Finance, Planning and Economic Development and sent us, on the part of Government referring to this letter that I have referred to, a letter of sovereign guarantee as stipulated under article 5.2 of the bilateral agreement is hereby attached. On the request to nominate other names to the verification committee for the claims that were not verified to be sent in due course. They are yet to send a list of the names to the joint verification committee.

After receiving this guarantee, the Permanent Secretary /Secretary to Treasury (PS/ST) decided to write to the Deputy Governor Bank of Uganda to verify whether this sovereign guarantee meets the standards. The letter was sent to the Deputy Governor and the Bank of Uganda replied and they verified. Remember, this Parliament had appropriated Shs 40 billion which was part of the payment and was paid to the first category of the 10 companies. That is what Parliament appropriated not Shs 41 billion.

Before the payment, I know some Members have been given this information and I would like to give to you because we are doing this in a transparent manner. We know that everybody is suffering, especially those involved in this. I know some people have died and others have lost property. This morning, the minister in charge of investment is a witness; one of the people who is involved in this collapsed in my office. We had to take her to Nakasero Hospital and she is still there. Therefore, this matter is not as simple.

The Permanent Secretary/Secretary to Treasury was of the opinion that we should have an independent audit of all the companies. The minister looked at this and we had a meeting. He responded and the loose minute, which the honourable member has been given by our staff and other people, is here attached and signed by Keith Muhakanizi, saying that we should not pay until we have another independent verification.

However, the audits were already done by the two governments on the 10 companies. A verification committee, in which I think even the Prime Minister here was involved 2010, had a report which certified these companies. It was subjected to the two customs and it was verified by the two customs of the two countries. We subjected it to External Security Organisation and it was certified.

Therefore, the Minister of Finance, Planning and Economic Development, Matia Kasaija again directed the PS/ST that given the information he had and the process that we had gone to, he was of the opinion and answered, “In light of the above, giving all the history and information available, I hereby authorise you to effect the payment as soon as your cash flow permits.” This money is under Vote 130: Treasury Operations.

The Shs 40 billion, which was appropriated, was paid to the 10 companies.

What is the way forward on all other companies that were not – these were partly paid and they are still owed money.

This is the way forward –*(Interjections)*– can I first finish please?

**THE SPEAKER:** Let him give his way forward and then you can comment on it.

**MR BAHATI:** Friends, let us keep listening to each other. If we do that, we get answers to the challenges we are facing. Thank you.

We have requested the Government of South Sudan to quickly send us the names to have a verification committee which we think can be constituted and we look at all these matters in less than a month because some of the companies had reached the payment level.

We know that there are others which have issues but we are committed to making sure that we verify all these companies in one month. After we have verified, we will come to Parliament to make a provision for appropriation so that in July, all these other companies are paid.

As we stand now, according to the principal legal officer of government, we had only to consider the 10 companies and the rest have to have an agreement between South Sudan and others. Thank you. This is also after getting the guarantee about the payment of the rest of the companies.

6.31

**MR OJARA OKIN (Independent, Chua West County, Kitgum):** Thank you, Madam Speaker. I would like to state, without fear or favour, that the process of this payment is going to be another bomb in this country.

When you look at when the agreement was made, as the minister stated - the bi-lateral agreement was made on 22 December 2016. The Parliament resolved here on 2 May 2018. It is very clear in one of the parliamentary resolutions that there should have been an addendum made before proceeding with any other thing. Now it has taken eight months. The payment was done on the 25th for these 10 companies and the letter for sovereign guarantee was given on 28 January 2019, just last month.

This means that making the addendum, which is only one paper, has taken the ministry eight months. Therefore, when the minister comes here and says, “We are still in the process of making an addendum” and yet he is moving ahead to process the payment for the 10 companies, I think this is very unfair.

Secondly, honourable minister, you are well aware that the Shs 40 billion that you have paid went only into one account and not to the 10 companies. It went into one account yet we are paying 10 companies. How come there is list of the 10 companies to be paid and the money is sent to only one account of one of the companies – that is Aponye. What does that imply?

**THE SPEAKER:** Do you have evidence of that?

**MR OJARA:** Yes, I have evidence, Madam Speaker. The PSST advised the ministry through an internal memo – I think the minister has the internal memo – indicating clearly that if an independent audit firm, which has always been the practice because domestic areas were verified using an independent audit firm and the Government saved Shs 40 billion because the list of the domestic arrears was actually inflated –

**THE SPEAKER:** What are your prayers? What do you want us to do?

**MR OJARA:** My prayer is that we should stop this payment until an independent audit firm verifies this company - *(Interjections)*-however, since payments of Shs 40 billion have already been made –

**THE SPEAKER:** Since the Shs 40 billion has been paid, are you saying that there should be no more after the Shs 40 billion?

**MR OJARA:** What we are saying is that even this payment that has been done should be audited. Otherwise, I am afraid that this money is going into somebody’s pocket.

**THE SPEAKER:** So, are you going to issue an injunction against that account? Are you going to issue a garnishee order on the account? If they have paid, how will you stop it? Maybe you save for the next –

**MR OJARA:** If there is a possibility – as we speak now –*(Interruption)*

**MR WALUSWAKA:** Thank you, honourable. The information I would like to give you is that in the statement the minister brought here, he said that they wrote to the deputy governor. According to the procedure, even if you are writing to Parliament, you write to the Speaker of Parliament. It is upon the Speaker to delegate her deputy.

Therefore, I think there was some hidden – why the deputy? They directly wrote to the deputy governor who would maybe just sign without crosschecking or who knew what was hidden. That is the information I wanted to give.

**MR OJARA:** Thank you, Madam Speaker. Lastly, before *–(Interruption)*

**MS OGWAL:** Madam Speaker, this Parliament has debated this matter at length and a lot of details were given on the Floor of Parliament.

It is evident and it was documented that the same 10 companies got US$ 15 million. That is a fact. We also got information that the verification that the minister is talking about was for 33 companies; 33 companies were verified.

Therefore, the Parliament is asking, if 33 were verified, why are you only picking 10 who had already been paid earlier on? That is what we are asking.

We would like to know the criteria – not only that, when you do an analysis, you will find that the 10 companies have the same individuals circulating and we can bring those documents here. They will embarrass us.

Some of us who were here and are leaders, if you have interest, declare your interest. We do not stop anybody from doing business but declare your interest so that we know. We are not going to allow Parliament to pay people whom we know are deliberately robbing this country. We cannot allow it.

**THE SPEAKER:** Honourable member, what do you want this Parliament to do? That is what I want to hear. On the one hand, people are collapsing, they need their moneyand properties are being sold. People are dying. What do you want us to do?

**MR OJARA:** Madam Speaker, before I give the way forward, I would like you to allow me lay on Table, companies that have already been verified. The documents are here with me. I will come and lay on Table so that the minister knows that other than the 10 companies that they have paid, there are others that were already verified by the Republic of South Sudan that were supposed to benefit from this bilateral arrangement. I beg to lay.

**THE SPEAKER:** Thank you, hon. Ojara.

6.40

**MR ROLAND MUGUME (FDC, Rukungiri Municipality, Rukungiri):** Madam Speaker, I would like to add to what hon. Okin Ojara has said. I think we need to set a committee to work hand-in-hand with the Ministry of Finance, Planning and Economic Development *– (Interjection) -* an independent committee.

Madam Speaker, I have a relative who died. He was my brother-in-law. I was at the burial with the Rt Hon. Prime Minister. His eight trailers were impounded in South Sudan. As he tried to save those trailers, he got stressed and died. His orphans and the widow are all suffering. They have actually walked to all the offices.

Sometimes we think these people have conflict of interests. Let us discuss this as a national issue. *(Applause)* The man was from hon. Bahati’s constituency. We have moved to all those offices but we have failed. At first I thought hon. Bahati had an interest. We have moved and I was there with the family to check and see what was happening.

I think that for the 33 companies, let us form an independent committee to come and tell us exactly what is on the ground. Let this committee even travel to South Sudan *–(Member timed out.)*

6.42

**MR MUHAMMAD NSEREKO (Independent, Kampala Central Division, Kampala):** Thank you very much, Madam Speaker. I would like to thank the minister for his submission and for being honest to this House.

We want to follow the principle of fairness and equity. It is not only the 10 companies that Ugandans must help. It is the responsibility of this Parliament to appropriate equitably and fairly. We were here and we debated this matter. I remember on that day, just like hon. Ojara has said, we clearly said “do not go ahead and pay until you have verified all these companies”.

Madam Speaker, verification takes just two hours. Just write to South Sudan. We do not even need the team to travel. Did these companies supply? If the answer is yes, then Uganda will step in so that even if we have $41 billion, it is spread across. If what we are hearing is true that even the Shs 40 billion has been paid to one company, this is appalling and is a betrayal even to the very 10 that must benefit *Ab Initio.*

Madam Speaker, my prayer is simple. Let us form a committee of Parliament and take part in the joint verification. This matter will be laid to rest in one day because our issue is that we are standing in for the people of Uganda who supplied to South Sudan and have not been paid. All Ugandans are equal, not only the 10 companies. If there are 23 companies, we only need two letters – even if the letters are from you, Madam Speaker – to the Government of South Sudan.

Parliament, which is responsible for appropriation, can go ahead and appropriate this money equitably to all companies because all these Ugandans who lost paid taxes equally. We can advise on the addendum to that agreement. Whereas the Attorney-General can advise on payment, we are the ones that bear the responsivity of appropriation and that is why they came with that bilateral agreement for the approval of Parliament.

Therefore, there can be no extra advice if Parliament has approved. The Attorney-General would have come and advised Parliament here, not outside this House. His mandate is to advise Parliament as we approve this bilateral agreement.

My last prayer is that - we know the Shs 40 billion has now gone; we cannot change course. However, if there is any other payment, it should be halted and paid equitably among the 33 companies that are here. It is even very appalling and the minister should explain what criteria he used to pay one company, even out of the 10 ab initio.

**THE SPEAKER:** Do Members support the idea of a committee of verification? If you support, how many people should it have?

6.46

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PRIVATISATION AND INVESTMENT)** **(Ms Evelyn Anite):** Madam Speaker, I love the way you are proceeding and guiding the House. However, before we probably take a decision on whether we should set a committee, there are two issues that we have to clarify.

The first one is the issue of verification. This is an issue between the Government of Uganda and the Government of the Republic of South Sudan. If we do our verification and finish it on our side, we still have to wait for a guarantee and verification on the side of South Sudan *– (Interjection)*

**THE SPEAKER:** Order!

**MS ANITE:** Madam Speaker, the reason the payment for the 10 companies has been possible is because the Government of South Sudan sent a letter saying, “right now we can only guarantee the 10 companies because we have verified that *–(Interruption)*

**MR OKIN:** Madam Speaker, I have a copy of the sovereign letter of guarantee with me here. That letter did not make mention of the 10 companies. They only mentioned the amount of money that they had guaranteed, which was about $41.6 million. Therefore, is the minister in order to allege that in the letter of guarantee, they mentioned 10 companies only?

**THE SPEAKER:** Unfortunately, I have not seen the documents. However, honourable members, it is true that there is verification between the Government of Uganda and the Government of South Sudan but we are the ones who speak for those people here. Therefore, if there is an issue that needs to be clarified, let us sit together and clarify on our side and we send you to finish the deal in South Sudan.

6.57

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PLANNING) (Mr David Bahati):** Madam Speaker, what we need is to solve the problem. If the committee of Parliament can solve the problem, we welcome it. The Ministry of Trade, Industry and Cooperatives is already doing the verification but if you want the committee of Parliament, it is okay.

However, I would like to clarify on who was paid. This matter originated in 2010, when the Government of Uganda signed a Memorandum of Understanding (MoU) with the Government of South Sudan, to help the 10 companies who were there before. These companies formed an association under the MoU and they were paid US$ 15 million out of US$ 56 million in 2010. They have continued to trade together and they were paid through one single account.

Honourable members, you are right and it is not news to us; they were paid to one account according to their instruction; they were paid by the Accountant-General. I have the list of the 10 companies that were paid. I can quickly read out their names -

**THE SPEAKER:** Honourable minister, it seems there are two categories of traders; there are traders of 2010 who you are still dealing with but you have not handled the latest traders. Is that what you are saying?

**MR BAHATI:** Madam Speaker, I can clarify that the 2010 MoU helped us to have an agreement where the Government of Uganda could pay the business people who were suffering, who would be paid back by the Government of South Sudan. That is why the 2010 MoU ended up in the bilateral agreement, which we are implementing. The 10 companies were paid on a single account, under their own instructions, through their lawyer. It is not one company that was paid. Thank you.

**THE SPEAKER:** Are you saying you are still on the 2010 traders?

**MR BAHATI:** No; we are handling both *–(Interjections)–* Madam Speaker, this matter needs to be handled systematically so that –

**THE SPEAKER:** That is why we are suggesting we meet -

**MR BAHATI:** There are 10 principal companies that form part of the bilateral agreement but the 23 companies were approved by Parliament.

As we speak, there are more than 100 companies that have been captured by the Ministry of Trade, Industry and Cooperatives. That is why verification between the two countries should be fast-tracked. Do not think that it is only 23 companies; there are actually 122 companies here that have been captured.

**MR NSEREKO:** Madam Speaker, we are seated here as people’s representatives and we hold the mandate to approve any bilateral agreement that commits Ugandans into payment of funds to anyone, provided you are taking the taxpayers money, which we have to do, following the principles of fairness and equity, that no one objects to at the moment.

As we commit Ugandans – all Ugandans are equal before the law and to access treatment, whether it is judicial or in payment. Uganda does not belong to only 10 companies, neither does the supply in South Sudan belong to the 10 companies. The 10 companies can wait for the others. Therefore, if the principle and the spirit - they have only paid Shs 40 billion, which is equivalent to $10 million; that means that at the moment, Shs 31 billion is still pending. I would like you to get it clearly.

Madam Speaker, we can halt this process, take two weeks to verify and verification through a committee only requires letters and not movement of heads. You just inquire whether these people supplied or not and whether they were on the supply list or not and ask them for the documents. When the documents come back here - even if there are 100 companies, it can take a committee only seven days. Otherwise, it is exchange of information on the Internet. *(Interruption)*

**MS OGWAL:** When you talk about verification – we have information which was actually shared on the Floor of Parliament, when we debated this matter and we discovered that of the 10 companies that were verified, one of them had listed a registration number of a lorry and yet the registration number was for a motorcycle. The records are there. This matter was debated on the Floor of Parliament. You can check the *Hansard*. I did not know we were going to debate this; I would have come with all the documents.

**THE SPEAKER**: Honourable members, I would like to propose that we defer this matter. On Tuesday, I will give you directions on the composition and the terms of reference so that we get this thing out of the way. *(Applause)* Thank you very much.

MOTION FOR ADOPTION OF THE REPORT OF THE COMMITTEE ON COMMISSIONS, STATUTORY AUTHORITIES AND STATE ENTERPRISES ON THE SPECIAL AUDIT REPORT ON THE CLOSURE OF COMMERCIAL BANKS IN UGANDA

**THE SPEAKER:** Honourable members, yesterday, we concluded debate on this report. What remains are the recommendations. They were circulated yesterday. We shall deal with each of the pages. If you have no issue, we will just vote. You will tell us where you have an issue. Kindly read out the terms of reference and we vote.

6.57

**THE CHAIRPERSON, COMMITTEE ON COMMISSIONS, STATUTORY AUTHORITIES AND STATE ENTERPRISES (Mr Abdu Katuntu):** Madam Speaker, the first audit objective, term of reference.

Objective one

“*To establish whether proper inventory of the assets and liabilities of the defunct banks, was undertaken at closure in line with section 89(3) of the Financial Institution Act, 2004 and section 32(3) of the*  *Financial Institutions Statute, 1993*.”

It is recommended that –

1. The Central Bank should strictly fo1low the provisions of section 89 (3) of the Financial Institution Act, 2004 and invoke its mandate of appointing auditors only when it is in statutory management.
2. The Bank of Uganda Board, in consultation with the Minister of Finance, Planning and Economic Development should, by Statutory Instrument in not more than six months, issue procedures and guidelines under the Financial Institution Act, on the resolution of financial institutions in distress.
3. The Financial Institutions Act, 2004 should be amended to make specific provision for the timelines of undertaking all the activities related to and connected with resolution of financial institutions.
4. Whereas the resolution of financial institutions in distress has been under the Bank of Uganda Supervision department, it is recommended that the mandate of resolving financial institutions in distress be independent of the bank supervision function. This would mitigate the risk of conflict of interest.
5. The Central Bank should strengthen the supervision function to ensure that it is able to adequately supervise financial institutions in real time. This may require investment in human resource and systems, technological or otherwise.

**THE SPEAKER:** Honourable members, you have heard the five recommendations. I put the question that those recommendations be adopted.

*(Question put and agreed to.)*

Objective Two

**MR KATUNTU:** Madam Speaker, the second objective was *“to establish whether the liquidator appropriately managed the sale of assets and accounted for the funds resulting from the sale and whether the receiver appropriately transferred assets and liabilities under the purchase and acquisition agreements.”*

 We recommend that –

1. Bank of Uganda should never resolve any financial institution without strictly adhering to the provisions of the 1aw to wit sections 95 (3) (a) and (b) of the Financial Institutions Act, 2004, section 40(3) of the Bank of Uganda Act and section 7 of the National Records and Archives Act, 2001.

2. The individual officers who handled the transaction should be held personally responsible.

3. The Central Bank should, at all times when exercising its mandate as receiver under the Financial Institutions Act, 2004 value all assets and liabilities of a received financial institution before any action is taken in accordance with section 95 (1)(a), (b), (c) and (d).

4. The Central Bank must, at all times, document all processes in the management and resolution of financial institutions as by law required.

5. Maintenance of financial ledgers and records of all financial transactions relating to financial institutions in distress is a requirement which must be adhered to by the Central Bank when exercising its mandate under the Financial Institutions Act.

6. The Central Bank, by instrument, manual guidelines or operating procedures, should prescribe the manners in which liquidators should prepare and keep proper financial ledgers and financial records relating to all liquidation transactions.

7. All officers who flouted the law, as herein above indicated, should take personal responsibility.

8. The committee concludes that the transaction between Bank of Uganda and Miss Octavian Advisors Plc. and her agents lacked transparency and officers involved should be held responsible for commissions and/or omissions which resulted in not marshalling the greatest amount of the assets of the distressed financial institutions.

9. The committee further recommends that the officers involved should be held responsible for conflict of interest.

10. The fraudulent business activities being conducted by M/s SIL Investment on behalf of a non-existent Nile River Acquisition Company (NRAC) should immediately cease; and

a) The Inspector General of Police is required immediately, on adoption of this report, to seize all the land titles in possession of Mr Kakembo Katende of JN Kirkland and Associates and M/s SIL Investment arising from their management of the loan portfolio sold to Nile River Acquisition Company by Bank of Uganda.

b) M/s SIL Investments and Mr Kakembo Katende should render an account to the public trustee of all monies received from the time Nile River Acquisition Company ceased.

11. The agency of M/s SIL Investments Limited cannot legally exist upon dissolution of the principal - that is Nile River Acquisition Company.

12. The Uganda Revenue Authority should take interest in the tax activities of M/s Nile River Acquisition Company and its agents, M/s JN Kirkland and M/s SIL Investments Limited to recover unpaid tax.

13. The committee finds that Bank of Uganda’s failure to observe principles of financial prudence and in the course breaching their statutory duties provided under the Financial Institutions Act, 2004 thereby financially disadvantaging CBL, should make good the loss occasioned to the commercially fair extent of the value of the bad book.

14. The Bank of Uganda having failed to value the assets and liabilities of GTB, NBC and CBL and considering the lapse of time and impossibility in the revaluation of assets should address the probable financial loss occasioned;

15. All Bank of Uganda’s officials who failed to properly execute their duties in accordance with the law should be held responsible for their commissions and/or omissions;

16. All the procurements and negotiations in relation to resolutions of financial institutions should be properly documented and records properly secured in compliance with section 95 (3) of the Financial Institutions Act, 2004;

17. Having noted that the Board of Directors of Bank of Uganda has literally divested itself from its Constitutional and statutory obligations under Article 161 (2) of the Constitution and section 10 (a) and (b) of the Bank of Uganda Act respectively, it is recommended that the current board should carefully re-examine their delegated responsibility and constitute a subcommittee of the board to monitor financial stability and bank resolution matters.

18. Bank of Uganda should rectify the error on the Greenland Bank's statement of affairs for proper financial reporting.

19. Bank of Uganda should take full responsibility for any probable loss to Greenland Bank.

20. Bank of Uganda should expedite the disposal of the shares so as to realise the attendant value.

21. Dr Louis Kasekende, the Board member of the Afrexim Bank, should expedite the process of disposal of the shares.

I beg to move.

**THE SPEAKER:** Honourable members, those are the proposals from the committee. I am allowing only those who presented their amendments in writing. I told you yesterday that if you would like to amend the recommendations, you must present the proposed amendment in writing before this sitting.

7.06

**MS CECILIA ATIM (FDC, Woman Representative, Dokolo):** Madam Speaker, this particular objective is very broad. Therefore, I have two amendments and I think we will need the chairperson of the committee to help synchronise them.

The first one is on payment of compensation to the shareholders

Bank of Uganda’s officials and other public servants and owners of private banks who were engaged in fraudulent activities as spelt out in the report, should be investigated by the criminal investigative agencies of Government and the loss occasioned should not be borne by the taxpayers of Uganda. Rather, the individuals should be personally responsible for the compensation accruing to the shareholders, creditors and bank owners arising from the closure of the bank.

That is the first amendment, which is related to the several recommendations made.

The second amendment is, if Government is seriously committed to the legal and policy reform of Bank of Uganda, Government should within 60 working days, present to Parliament proposals to amend Article 161 of the Central Bank Act to ensure that there is a clear distinction between management and the board of the bank.

The board should be the policy formulation organ of the bank and the management should implement the policy of the board. Section 7 of the Bank of Uganda Act should be amended accordingly to reflect this.

Madam Speaker, those are the two amendments relevant to this particular objective. I, however, have other amendments which will fall under objective 6.

**THE SPEAKER:** Hon. Cecilia Atim, there is no Central Bank Act. Maybe you talked about the Constitution and not the Act. Article 161 of the Constitution is about the Central Bank; that is what it should be.

**MS CECILIA ATIM:** I would like to make a correction that it is Article 161 of the Constitution.

**MR KATUNTU:** Madam Speaker, the proposal being mooted by hon. Cecilia Atim is covered under objective 7 and the recommendations therein. Therefore, we already have it in the report.

**THE SPEAKER:** What about payment in compensation? Is that also covered?

**MS CECILIA OGWAL:** Within 60 days.

**THE SPEAKER:** Honourable members, please. There is a proposal we would like to hear and see how it fits in.

**MR KATUNTU:** Madam Speaker, the timeline, which hon. Ogwal gives was not fixed. However, the committee will not have any problem with giving a timeline and 60 days is reasonable and we have no objection to that. I do not know the view of Government.

**THE SPEAKER:** 60 days or two months.

7.10

**THE PRIME MINISTER AND LEADER OF GOVERNMENT BUSINESS (Dr Ruhakana Rugunda):** The general point being made by hon. Ogwal is okay and in line with what COSASE has recommended and what Government would want. However, giving Government these tight deadlines may interfere with the thoroughness with which Government wants to deal with these recommendations.

Therefore, Madam Speaker, I propose that we do not tie Government to this schedule, which may encumber the capacity of Government to do thorough work in implementation of these resolutions.

**MR KATUNTU:** Throughout this report, we have given some timelines and this was deliberate. Ordinarily, when Parliament gives a timeline and Government does not beat it, it comes back to Parliament and says, *“Y*ou gave us 60 days but it is not possible; we need another 30 or 40 days.”

Therefore, my suggestion to the Rt hon. Prime Minister is, if you are not comfortable with 60 days, which is two months, what period are you comfortable with? Give us a timeline and if we think it is reasonable, we can adopt that. However, for us, as suggested by hon. Cecilia Ogwal, we do not have any problem with the 60 days.

**DR RUGUNDA:** Giving us three months would be good time to do a thorough job.

**THE SPEAKER:** Another 30 days?

**MR KATUNTU:** Madam Speaker, I would like to ask my colleague to concede.

**MS CECILIA OGWAL:** Madam Speaker, my only problem is that I would like a timeline. Therefore, if it is 90 days, I will be very happy if you could come even before the expiry of the 90 days. I concede.

**THE SPEAKER:** Honourable members, the proposal by hon. Ogwal is amended as proposed. I put the question.

*(Question put and agreed to.)*

**THE SPEAKER:** Hon. Katuntu, you did not comment on no. 2; the one she started with.

**MR KATUNTU:** Madam Speaker, whenever public servants make mistakes, they are personally held liable and responsible for those mistakes but the overall responsibility goes with their principal and on this part, it will certainly lie with Government. Government cannot run away from the mistakes of its servants.

The point of compensation is like what we have been talking; traders and so on. It certainly falls back to the principal employer. Therefore, we suggest that Government takes full responsibility on that. However, that does not mean - and I need to emphasise this – that we are exonerating the individual officers. We are saying that they should take personal responsibility.

Sometimes when Government pays this, the officers are liable to other criminal sanctions like causing financial loss and so on. It does not take away that responsibility, which the individual officers should take.

**THE SPEAKER**: Honourable members, I put the question that the proposal be adopted. *(Member rose.)* Please, I am dealing with the issues of hon. Ogwal, which she has presented.

I put the question that the proposal by hon. Ogwal be adopted.

*(Question put and agreed to.)*

**MR WALUSWAKA:** Thank you, Madam Speaker. I would like to add on the justification of the learned friend. Government should be held responsible for corruption. If we say we should get money from their property, most of their properties are not in their names and so, it will be hard.

Therefore, it is upon Government to sort this out with its employees. This time, I think the Leader of Government Business will be hard on the technical officers. I thank you.

**THE SPEAKER:** Is your point covered? Do you concur with the proposal?

**MR WALUSWAKA:** I concur with the committee chairperson that Government pays. Thank you.

**THE SPEAKER:** Honourable members, I do not want you to get too excited over this issue. The Prime Minister is supposed to come back here under section 217 to say, “this is what happened. We have accepted this, we have done this or we have not done that.”

Also, there is a new principle. When a case is lost in court, the parties represented by the Attorney-General have to pay. Therefore, that could also be introduced in this arrangement so that we capture the people.

**MS BETTY AOL:** Thank you, Madam Speaker. We said that Government should not compensate bank owners who have been found to have benefitted from fraud in the process of disposing off banks and those who involved themselves in the mismanagement of their own banks.

He who seeks equity must come with clean hands. Any person claiming for whatever manner of compensation must demonstrate that he or she was not part of the fraud.

**THE SPEAKER:** Hon. Nsereko, did you have a technical issue?

**MR MUHAMMAD NSEREKO:** Madam Speaker, no one has an objection to that. It is a principle of equity of payment. However, in law, I would like to agree with the committee chairperson that it is vicarious liability. For example, if you were beaten by a police officer and someone was talking about compensation, when you sue the Government and they tell you that the police officer will pay you his salary, it might be little. However, it should not exonerate the individual officer from having his property also attached after a court process.

Therefore, I would like Members to also realise that if we want to make recoveries - I will give an example. Those who sold the assets of Cooperative and Greenland Banks at a loss of 97 per cent and you want to recover Shs 198 billion from these individuals, it might be a miracle. They may never live to raise this money.

Prison might not serve the redress to the shareholders who lost their property or directors or customers who did not find money on their accounts. That is why courts can give a sentence of both; you serve a prison sentence and pay money. However, the Government that employed such an irresponsible person shall be vicariously liable to pay these shareholders for the loss that has been occasioned.

Madam Speaker, there is a virement that should be added; that in this case, compensation should be paid to the shareholders who lost in all banks, whether it was National Bank of Commerce, Global Trust Bank, Greenland Bank, Crane Bank and Cooperative Bank as well as all the other banks. It should also be extended to the workers who came to you whose pension was never paid; they were discontinued and these are all suffering people.

That is where we should try to have a persuasive recommendation. We should also realise that creating a charge on the Consolidated Fund should be persuasive. That is why you said that the Prime Minister should come up to accept responsibility. When they do so, according to our new rules, they must report back to this House.

Therefore, my view is that in the amendment to the recommendation, we clearly include shareholders and name the persons and the offices that they hold in form of compensation not the shareholders.

**THE SPEAKER:** Which people are you going to name?

**MR NSEREKO:** The persons who are holding Government offices that made these omissions - when we are talking of compensation, both Government and the persons who committed these omissions –

**THE SPEAKER:** Honourable member, about the naming, the chairperson has explained on two occasions that the reason they could not name was because there were no minutes to show who actually attended the meetings and those who attended said, “we do not remember who we sat with.” Let us stay with the chairman’s position.

**MR NSEREKO:** Madam Speaker, with your guidance, we can accept that other agencies of Government find the findings of our report as persuasive evidence to start carrying out their investigations in lieu of holding these people culpable for the omissions that they did and the losses that occurred.

Therefore, in my view, compensation should go to shareholders – people are telling me that the ruling of the Speaker is final in this House. Thank you.

**THE SPEAKER:** Honourable members, the recommendations have been amended by an addition of three, which have been accepted by the chairperson. I now put the question that all of them –

**MR MUWANGA KIVUMBI:** Information.

**THE SPEAKER:** On the same issue?

**MR MUWANGA KIVUMBI:** Yes. Madam Speaker, when you adopt the recommendation of the Leader of the Opposition, it will literary mean that we collapse the recommendation that specifically concerns Crane Bank. Her recommendation is all encompassing. Once it is adopted, it is omni-bus.

**THE SPEAKER:** Where is the one you are talking about that is going to collapse?

**MR MUWANGA KIVUMBI:** This one.

**THE SPEAKER**: Which page?

**MR MUWANGA KIVUMBI:** Page 23 of the main report. It reads, “The committee finds that Bank of Uganda has failed to observe the principles of financial prudence and in the course breaching their statutory duties provided under the Financial Institutions Act (FIA) thereby financially disadvantaging Crane Bank. It should make good of the loss occasioned to a commercially fair extent of the value of the bad book.”

Madam Speaker, once the recommendation of the Leader of the Opposition is adopted, this should collapse because her recommendation is to the effect that any owner of a bank who has been found to have fraudulently participated –*(Interjections)* No, I know what I am talking about and where it comes from.

When you read this report, the value of the bad book under this report is Shs 480 billion. It is the only bank where the value is mentioned. That is why I am saying that this resolution, which is drafted this way, if carried forward, will mean that we have okayed only one institution.

**THE SPEAKER:** Can you propose an amendment?

**MR MUWANGA KIVUMBI:** Yes, I am proposing that if we adopt the one of the Leader of the Opposition, this one should be deleted because once the process is clean and your financial institution is –

**THE SPEAKER:** Can you speak to the one the Leader of the Opposition has proposed? Let us hear it again.

**MR MUWANGA KIVUMBI:** The one of the Leader of the Opposition is that, “Government should not compensate bank owners who have been found to have benefited from fraud in the process of disposing of banks and those who involved themselves in the mismanagement of their own banks. He who seeks equity must come with clean hands. Any person claiming for whatever manner of compensation must demonstrate that he or she was not part of the fraud.” *(Applause)*

Madam Speaker, once this is adopted as a recommendation, which I think is a popular opinion of this House, the one under the report should collapse. Once he is found not to have been involved, automatically he will get his due compensation. We will have subjected everything to this due process.

With the due process, we cannot go ahead and mention one bank with a bad book. That is why I move an amendment that, that other recommendation should be deleted and we adopt the one recommended by the Leader of the Opposition. I beg to move.

**MR KATUNTU:** If I understood your amendment, it is trying to bar those who have been found to have been fraudulent. At what point do we find that person to have been fraudulent?

**THE SPEAKER:** After due process.

**MR KATUNTU:** It can only be during the process of compensation. In principle, compensation is okay – *(Interjections)* - That is how I understand it.

However, it is only to those who - I would like to use the correct words. Government should compensate all shareholders of commercial banks who shall not have participated in any fraudulent dealings. *(Interjections)* I just want to uphold the principle of compensation, then, I need to have a rider to that – *(Interruption)*

**MR ATIKU:** Thank you, Madam Speaker. I have been constrained to put my senior colleague to a point of order. At this point, I think we are all trying to find an amicable way of resolving this case.

Owing to the fact that a few issues were raised that you rightly prevailed over, this is now the business of the House. Proposals have been made here and we want to request the chairperson to allow Members to give their input on how we should conclude this matter.

Therefore, is it in order for the chairperson to fidget on a straightforward matter that the Leader of the Opposition has presented and we are comfortable with it?

**THE SPEAKER:** No, honourable members. The chairperson was trying to put this into context so that he is understood and covers everybody. He is not fidgeting.

**MR KATUNTU:** At the end of the day, you need to have a resolution, which is clear so that the House knows what they have recommended. If you have various views coming, you have to harmonise them. The only person responsible for this process is actually me under the guidance of the Speaker; to harmonise the ideas that are coming so that they are married together with the recommendations, unless the recommendation has been rejected. That is what we are trying to do and that is the procedure in this House.

Therefore, Government should consider compensating all shareholders of commercial banks for any probable financial loss. However, shareholders who would have participated in fraudulent transactions shall not benefit from this compensation.

**THE SPEAKER:** Okay, we now have the formulation. The principle is there and the conditions attached.

**MS OGWAL:** Madam Speaker, clarification. I would like to know, how do we establish fraud? Is it from a forensic audit?

**THE SPEAKER:** Honourable members, the other stage is not for us. We are setting the principles. There are people who are going to establish the fraud; not this House.

Honourable members, I put the question that the resolutions, as amended, be approved.

*(Question put and agreed to.)*

**THE SPEAKER:** They are now 25.

Objective Three

**MR KATUNTU:** Thank you, Madam Speaker. Objective 3 was to establish whether all liabilities at closure and creditors’ claims after closure were properly ascertained, recorded and settled in line with sections 102, 105, and 106 of the Financial Institutions Act, 2004 and section 34(3) of the Financial Institutions Statute, 1993.

Recommendations

The committee recommends that:

1. Bank of Uganda should immediately put in place procedures and guidelines for the proper functioning of all liquidation related activities;
2. Bank of Uganda should strengthen the legal and compliance functions to ensure compliance with all legal requirements related to resolution of financial institutions;
3. Government should consider amending the FIA, 2004 to provide for sanctions against non-compliance with any provision by the bank or any agent thereof, including but not limited to liquidation agents;
4. Bank of Uganda should end the winding up processes of all defunct banks within a period not exceeding one year;
5. Government should consider amending the FIA, 2004 to provide a time limit within which liquidation of financial institutions in distress should be concluded;
6. Bank of Uganda should, at all times, produce reports regarding the affairs of the financial institutions in issue and share the same with the shareholders who ultimately shoulder the burden of the management costs incurred by the Central Bank as per section 93 of the FIA, 2004;
7. The law and policy regulating resolution of financial institutions should expressly provide a mechanism of sharing information on accountability for funds generated from the financial institutions as well as injected by Bank of Uganda as liquidity support;
8. The law should provide penalties and sanctions against non-compliant bank officers;
9. The statutory manager should be involved in matters regarding the resolution of financial institutions under his or her management;
10. Further investigations should be carried out by the Uganda Police Force to establish if financial loss was occasioned and hold the responsible officers personally accountable to the extent of the loss, if any.

I beg to move, Madam Speaker.

**THE SPEAKER:** Honourable members, those are 10 recommendations. I put the question that those recommendations be adopted.

*(Question put and agreed to.)*

Objective Four

**MR KATUNTU:** Madam Speaker, objective 4 was to ascertain whether the funds from the Depositors Protection Fund (DPF)/ Delivery Instruction Slip (DIS) were properly used to settle insured deposits of closed banks in line with section 34(3) of the Financial Information Systems, 1993 and sections 105 and 108 of the FIA, 2004.

Recommendations

1. The DPF should, within one month, refund the Shs 21.9 billion due to Government, to the Consolidated Fund. As you realise, honourable colleagues, this was money, which was lent out and is still lying on some other account. It should go to the Consolidated Fund.
2. The Minister of Finance, Planning and Economic Development should regularly review and fix the size of the fund to ensure sufficient protection of the depositors’ interests and avoid recourse to the public purse.

**THE SPEAKER:** Honourable members, those are two recommendations. I put the question that those recommendations be adopted.

*(Question put and agreed to.)*

Objective Five

**MR KATUNTU:** Madam Speaker, objective 5 was to establish the total cost of liquidation of the defunct banks.

Recommendations

1. Bank of Uganda should strictly adhere to the requirements of section 106(1) of the FIA, 2004 by keeping proper financial ledgers and financial records in a manner prescribed by the Central Bank in which shall be recorded all financial transactions relating to the liquidation.
2. The fiduciary duty owed to the person who is ultimately bearing the burden of paying the liquidation costs dictates that such costs should be minimised.
3. Decisions to hire external professional help should be done under the authority of the Board upon justification by management.

**THE SPEAKER:** Honourable members, those are three recommendations. Yes, hon. Waluswaka, is it one of your proposals?

**MR WALUSWAKA:** Madam Speaker, I submitted and it is on the iPad. The issue I wanted to bring - when the chairperson brings -

**THE SPEAKER:** Where is your proposal? Read your proposal.

**MR WALUSWAKA:** Madam Speaker, when the chairperson says, “approved by the Board”, the Leader of the Opposition said the lawyers should do the work. Therefore, when they do it like that, the lawyers will have leeway to again hire through the Board. Remember that the Board is supervising itself. Therefore, that business of lawyers, I think -

**THE SPEAKER:** No, what is your proposal?

**MR KATUNTU:** Madam Speaker, I beg the indulgence of this House. What we are trying to discourage is unjustified professional help. However, you cannot rule out instances where you would need specialised help. On that point, you have to look outside the institution.

**THE SPEAKER:** I also recall that among the recommendations was to separate the Board from the management. Therefore, that should cure that. Honourable members, I put the question that those three recommendations be adopted.

*(Question put and agreed to.)*

Objective Six

**MR KATUNTU:** Objective six was to establish whether the statutory manager performed the functions in line with section 90(4) of the FIA, 2004 and ascertained the total cost incurred by Bank of Uganda during the intervention period.

The committee recommends that:

1. In the process of taking a decision to liquidate a financial institution, detailed plans for the revival should be exhausted before taking the most extreme action of liquidating a financial institution, which act has far reaching implications to the financial sector. The absence of such plans would connote premeditated intentions to wind up a financial institution instead of reviving it to the extent that such is possible.
2. The committee further recommends that the statutory manager’s assessment, as may be revealed in his report, prior to liquidation, should be key in forming the basis for the decisions of the Central Bank in relation to liquidation. Such a report would reveal the financial status of the institution, including its ability to return to prudential compliance.

I beg to move.

**THE SPEAKER:** Honourable members, there are two recommendations. I put the question that those be adopted.

*(Question put and agreed to.)*

Objective Seven

**MR KATUNTU:** Thank you very much, Madam Speaker. Objective seven was to carry out any procedures that may be appropriate in the circumstances.

The committee recommends that:

1. Bank of Uganda, Ministry of Trade, Industry and Cooperatives and the Ministry of Finance, Planning and Economic Development resolve the concerns of the Uganda Cooperative Alliance regarding the closure and assets of the Cooperative Bank of 1964.
2. Government reports on this matter to this House within a period of six months.
3. The Secretary to the Treasury or his or her representative (not below the rank of commissioner) like it is in other jurisdictions, should be a non-voting member of the Board. This will be a good safeguard against any likely compromising of the Bank of Uganda independence guaranteed under Article 162(2) of the Constitution.
4. The Board reminds itself of its obligations and mandate under the Constitution of Uganda and the Bank of Uganda Act. The appointing authority may, in the event of any failure on the part of the Board in effective supervision of the management of Bank of Uganda, consider reviewing their appointments.
5. The Constitution of Uganda in Article 161 (4) provides that the Governor and Deputy Governor shall be Chairperson and Vice Chairperson of the Board respectively. Good corporate governance principles would require that the position of Chairperson and Vice Chairperson of the Board is separated from the position of Chief Executive Officer and his Deputy.

In line with G20/OECD Principles of Corporate Governance, 2015, it is observed that in countries with single Tier Board systems, objectivity of the Board and its independence from management may be strengthened by the separation of the role of the Chief Executive and Chair of the Board.

Separation of these two positions is generally regarded as good practice as it can help to achieve an appropriate balance of power, increase accountability and improve the Board's capacity for decision-making independent of management. It is, therefore, recommended that Article 161(4) be reviewed to separate the offices of the leadership of the Board and top management of Bank of Uganda.

As proposed by hon. Cecilia Ogwal and conceded to by the Leader of Government Business, this amendment should be brought to this House within 90 days from the adoption of this report.

1. The Bank strengthens its monitoring and observance of its security policy.
2. All bank officials should strictly adhere to the security policy and anyone found in breach should be subjected to the disciplinary procedures of the Bank.
3. It is recommended that section 40(3) of the Bank of Uganda Act be amended to provide for exceptional circumstances in case of liquidation of banks.
4. The committee, therefore, recommends that Bank of Uganda establishes a mechanism of receiving and resolving complaints, including against its liquidation agents.

I beg to move, Madam Speaker.

**MS OGWAL:** Madam Speaker, I have two amendments to add to objective seven:

1. The fact that some banks were closed 20 years ago and no report has ever been filed detailing the reasons for the closure is evidence that the Ministry of Finance, Planning and Economic Development failed to effectively supervise Bank of Uganda. Therefore, in accordance with Article 164(2) of the Constitution, the Minister of Finance, Planning and Economic Development should be held politically responsible for failing to implement section 48 of the Bank of Uganda Act, which mandates the minister, in consultation with the Governor, to give financial and economic policy directives to the bank.

Madam Speaker, I would like to clarify that this amendment does not, in any way compromise, the independence of Bank of Uganda.

1. The Minister of Finance, Planning and Economic Development should present proposals for amendment of the Bank of Uganda Act to allow Bank of Uganda to concentrate on the monetary policy of the country. Aspects of regulation, supervision, control and discipline should be removed and given to an independent body.

I beg to move.

**MR KATUNTU:** We have a Bank of Uganda Act, which was enacted in 1968 and amended in 1993. The Constitution of the Republic of Uganda, which is the Supreme Law, was promulgated in 1995. Section 48 of the Bank of Uganda Act is actually unconstitutional because in 1995, the bank was, first of all, given a new legal regime.

Therefore, Madam Speaker, what is required is to overhaul the entire Bank of Uganda Act as it is now to bring it in line with the Constitution because there are many other sections in the Bank of Uganda Act that contradict the Constitution. This should have been ordinarily done by the Law Reform Commission but it looks like they are not doing their job. They should update all the laws, especially those that had been enacted before the Constitution and bring them in conformity with the new Constitution.

A general recommendation about amendment of the Bank of Uganda Act would suffice because there are many others. There is nothing you can do about this particular one because it is purely unconstitutional.

May I suggest, if my colleague accepts, that Government brings a Bill for the amendment of the entire Bank of Uganda Act to align it with the 1995 Constitution? We should give it a period of 60 days. Actually, in the course of our interaction, they seemed to be working on it but I would not have any problem with 90 days. Would you have a problem? Okay, we can concede to 90 days like we provided for the constitutional amendment.

**MS BETTY AOL:** One issue is already covered but I have another one; Government should ensure that the plight *–(Interruption)*

**DR RUGUNDA:** Madam Speaker, if this is a new amendment, the law reform process is long and in my view, it requires at least six months to be able to bring a new well-considered revision of the Bank of Uganda law to make it consistent with the Constitution of Uganda.

**THE SPEAKER:** No. Prime Minister, there is a lot of rot in the Bank of Uganda. There are many things that you should have done yesterday.

**MR KATUNTU:** Madam Speaker, I beg the Prime Minister to reconsider that position. We are sitting on a time bomb at the Central Bank. There are very many irregular things going on and some of them may not have even been captured by the report. Therefore, it is quite urgent that these reforms are brought to this House. If they fail after three months, let them come and explain but I think three months is okay. Let us move with the three months. If you need more time, you will come and explain and I am sure that colleagues here will give you the time, if they think you need it.

**THE SPEAKER:** I know the Prime Minister was not here because he had lost a relative. If you were here on the first day of the debate, you would have really felt sick about what is in the Central Bank and it has been going on for many years. Prime Minister, time is of essence.

**DR RUGUNDA:** Madam Speaker, whereas I believe that six months is realistic, it is appropriate that after three months, Government will be able to report on the progress that we would have made.

**MR KATUNTU:** There was another proposal by hon. Cecilia Ogwal about ministers being held politically accountable. First of all, Madam Speaker, as you may realise, I do not know how many Ministers of Finance, Planning and Economic Development we have had from 1997. They have been several, including hon. Mayanja Nkangi who is dead. (*Interruption*)

**MS NAMBOOZE:** I would like to give you information, honourable chairperson, that even when people die, they leave behind estates *– (Interjection)* Yes. However, Madam Speaker -

**THE SPEAKER:** Honourable, do you want to ask Mrs Mayanja Nkangi to be held politically liable? *(Laughter)* Really? No. Do you want her to come and answer for her late husband’s faults? No.

**MS NAMBOOZE:** Madam Speaker, allow me to make this statement. The chairperson said that there are very many ministers but I have seen people being charged for having participated in a crime that involved the mob. Therefore, the possibility that many people can be charged over an offence is there.

Secondly, I know the late Mayanja Nkangi and what he meant to my region of Buganda. However, we should teach Ugandans that if Betty Nambooze causes financial loss, even my grandchildren will one day see people coming to claim my estate. We should set that precedent.

**THE SPEAKER:** Honourable member, we are talking about political responsibility. Do you want the estate to be politically accountable? Please, you are going to fight with ghosts. *(Laughter)*

**MR KATUNTU:** Madam Speaker, political responsibility is political responsibility and you can only take it when you are in public office. I do not think it is correct for us to start running after people that we have not had a chance to listen to. We will never have a chance to listen to hon. Jehoash Mayanja Nkangi. For us to start condemning him is not only immoral but illegal. It offends the human conscience for us to sit here and condemn a dead man whom we have not had the opportunity to ask what happened. What human beings shall we be?

I do not know whether the current Minister of Finance, Planning and Economic Development presided over any closed bank *– (Interjections)* Crane Bank? Yes, I think for that one he did. I remember when he appeared before the committee, he told us that he tried to contact one of the shareholders of that bank and so on.

That notwithstanding, the committee did not examine him so much because we would have had to ask him what happened and that is when we would have heard that side of the story. We never thought about it and so, we never did it. It would be unfair to condemn him to take political responsibility on an issue, which we – I think it was a failure on our part; we could have interrogated it with him and formed an opinion one way or the other. Therefore, I would suggest to hon. Cecilia Ogwal to really abandon this.

**THE SPEAKER:** Actually, it was not part of the terms of reference. Please, let us not create new terms.

**MS BETTY AOL:** We are happy about the fast-tracking of the amendment of the Bank of Uganda Act and giving 90 days. However, I have another amendment, “Government should ensure that the plight of the employees of the closed banks is addressed.”

**THE SPEAKER:** It has already been captured. Honourable members, I put the question that the recommendations, as proposed by the committee chairperson, be approved.

*(Question put and agreed to.)*

**THE SPEAKER:** Honourable members, we have completed the recommendations. Rt hon. Prime Minister, part of the recommendations are to amend the Constitution. I really hope you will not say that Article 161 is also waiting for a Constitutional Review Commission, which has never been appointed and will never sit. This is urgent.

**MR MAWANDA:** Thank you, Madam Speaker. The issue of the legal and policy reforms for Bank of Uganda started as early as 2000. The ad hoc committee of Prof. Ephraim Kamuntu recommended it. The Justice Ogoola Report recommended the same. We would like to get a commitment from the Prime Minister that this time round, something will be done. This is the third committee recommending the same thing in about 20 years.

**THE SPEAKER:** That is why we want it done in 90 days.

**MR MAWANDA:** Madam Speaker, if in 90 days they do not bring the amendments, you should allow me to come and seek leave of Parliament to table a Private Members’ Bill in respect of amendments to the Bank of Uganda Act.

**THE SPEAKER:** Wonderful. Honourable chairperson, would you still like to say something?

**MR KATUNTU:** Yes, Madam Speaker. I would like to support my colleague’s amendment but I think we should have it as a formal recommendation that failure of which a private Member will be allowed by this House to present a Private Members’ Bill. *(Applause)*

**THE SPEAKER:** Yes. Honourable members, I put the question that the recommendation be further amended.

*(Question put and agreed to.)*

**THE SPEAKER:** Honourable members, I put the question that the report of the committee, as amended, be adopted.

*(Question put and agreed to.)*

**THE SPEAKER:** Honourable members, thank you very much. I thank the committee and all the Members for the support. Prime Minister, thank you for coming back despite the personal problems you had. Honourable Leader of the Opposition and members, thank you.

We shall do the other reports on Tuesday. House is adjourned to Tuesday at 2.00 p.m.

*(The House rose at 7.59 p.m. and adjourned until Tuesday, 5 March 2019 at 2.00 p.m.)*