

**PARLIAMENT OF UGANDA**

**Wednesday, 13 April 2022**

*Parliament met at 2.01 p.m. in Parliament House, Kampala.*

PRAYERS

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

*The House was called to order.*

COMMUNICATION FROM THE CHAIR

**THE SPEAKER:** Honourable members, I welcome you to today's sitting. On a special note, I thank the team of the three who are always here on time - No, they are always here. *(Applause)* I really want to thank you so much.

As we are aware, the school term is coming to an end and the students are coming back home. We are also aware that we went through a very hard time during COVID-19; our young girls suffered early pregnancies. I urge all Members to advise their constituents on proper parenting: people should look after their children so that we stop blaming Government on early pregnancies.

Honourable members, I have also learnt that His Excellency the President and Commander-in-Chief of the UPDF has promoted our own colleague, Hon. Col Charity Bainababo, to the rank of Brigadier.

We thank the appointing authority and congratulate our colleague. We are proud of you, Charity. *(Applause)*

Today, we have a Bill to process and in this regard, we need to make sure that we move faster because the first reports are straightforward and we should be able to finish the Electricity Bill today.

Remember once we finish to process this Bill, it will be something good for all Ugandans. I thank you.

**MR SILWANY:** Madam Speaker, I thank you for your communication. I rise on a point of procedure. You have just communicated to us and we are all aware that most schools closed yesterday; some close today and others, tomorrow.

However, today, the whole town is blocked. Students are stranded in most of the places. The taxi operators together with the bus operators have hiked the fare. For example, the usual transport from Kampala to my district Bugiri is always between Shs 20,000 and Shs 25,000. This morning, however, they were charging students up to about Shs 45,000. This comes at a time when parents cannot afford things like soap and salt because they are very expensive.

Now, the transporters are hiking the prices, especially for the students and pupils, who are leaving school and cannot afford to even have a balance of their pocket money to use to go back home.

So, most of the students are stranded on the roads and if you get out of here, you will see this, showing that students are stuck and vehicles are not moving.

Madam Speaker, wouldn’t it be procedurally right to invite the Minister of Works and Transport or the Rt Hon. Prime Minister to explain what are we going to do about the private transport owners hiking prices in such seasons? And also give us the future plan because it is something that always happens at the opening and closure of schools.

Wouldn’t it be procedurally right to invite them to give us both the short-term and the long-term plans that Government has to sort out this issue once and for all, so that we do not have our children suffer on the roads and keep getting stranded? I thank you.

2.07

**THE MINISTER, OFFICE OF THE PRIME MINISTER (GENERAL DUTIES) (Ms Justine Lumumba):** Thank you, Madam Speaker. I also thank the Member who has raised this issue.

I will be honest and say that I am learning of it now because I was in office very early today. Let me inform the Minister of Works and Transport to see what can be done, either today or tomorrow. I beg for your indulgence, Madam Speaker.

**THE SPEAKER:** I think we should really take action on these private taxi operators. How do you start hiking prices for students who are going back home, on top of the skyrocketing prices in the country? We need action to be taken on those taxi owners.

**MR KATUSABE:** Thank you, Madam Speaker. This is in regard to your communication on the elevation of our very own Col Charity Bainababo –

**THE SPEAKER:** She is now a Brigadier.

**MR KATUSABE:** To Brigadier. I add my voice to yours in congratulating our honourable sister upon that well-deserved promotion. Also, I am meant to understand that our honourable sister was also offered a new office. She is now the Deputy Commander of the Special Forces Command (SFC).

Madam Speaker, when we get a woman in the office like we do with you, as a parent, a community or a country, we raise a lot of hopes. We are aware that the SFC and torture had, more or less, become kind of twin sisters; one preceding the other.

I hope that with Brig. Charity Bainababo now heading that unit, the motherly heart and spirit will get into SFC and they will relate well with citizens or be civil enough.

Most importantly, my procedural issue is that I thank the appointing authority: The Vice-President is a woman, the Prime Minister is a woman and by God’s design, the Speaker is a woman and the IGG is also a woman. What does this communicate? Basically –

**THE SPEAKER:** Actually, we are ladies and not just women. The Chairperson of the Uganda Parliamentary Women Association (UWOPA) is also a lady. *(Laughter)*

**MR KATUSABE:** Okay, a woman relates to a mother. However, Madam Speaker, as per your guidance, these are ladies.

My honourable sisters, duty calls upon you to put the issues of ladies or women as the number one priority - the girl-child; that with you in the office, we now have hope that the maternal mortality in this country will go down to zero.

Right now, statistically, a woman is dying in Uganda while giving birth. I hope, now that we have our mothers in those various important offices, they will prioritise women and girl issues. That is my procedural issue.

I congratulate all of my honourable sisters for those very important assignments. We believe in you. We know you will put the country, the women and the girls first for a better Uganda. Much appreciated, Madam Speaker.

**THE SPEAKER:** Honourable members, I would like you to bear with me. I have three important reports that we must process today and finish. Therefore, we cannot have matters of national importance today; we will have them tomorrow.

Secondly, the calls for procedural matters and points of order should be restrained. Can we have the reports?

MOTION FOR ADOPTION OF THE REPORT OF THE PUBLIC ACCOUNTS COMMITTEE (COMMISSIONS, STATUTORY AUTHORITIES AND STATE ENTERPRISES) ON THE OPERATIONS OF THE UGANDA RAILWAYS CORPORATION (URC)

**THE SPEAKER:** Honourable members, the issues of URC are of great concern. They range from termination of employment, failure to secure the land, mismanagement and maladministration.

In the 11th Parliament, this is the first report that we are getting in regard to the challenges that URC is facing. I urge you Members to listen carefully. They have very good recommendations that are direct. I now ask the chairperson to give us a brief on the report. We have had this report for over two weeks.

2.13

**THE CHAIRPERSON, COMMITTEE ON PUBLIC ACCOUNTS (COMMISSIONS, STATUTORY AUTHORITIES AND STATE ENTERPRISES) (Mr Joel Ssenyonyi):** Thank you, Madam Speaker. We have actually had it for much longer but Parliament had to go through the process of sending off our leader.

I rise to present a report of the Committee on Public Accounts (Commissions, Statutory Authorities and State Enterprises (COSASE) on the operations of Uganda Railways Corporation. Before I proceed, I beg to lay the report on the Table. I also beg to lay the minutes of the committee meetings that led to this.

As you have mentioned, Madam Speaker, we paid specific attention to land belonging to URC, locomotives and the staff welfare. Those are the issues that we dwelt on. For want of time, I might skip one or two things but I will endeavour to read the salient issues.

There is a bit of an introduction, I am not too sure I should go through that. Maybe the methodology. In undertaking our task, we held meetings with the board and management of URC, workers of URC and the privatisation unit. We also had an interface with some of the land beneficiaries. We also had one with the Minister of State for Investment. We carried out a field visit to the workshop of the URC in Nalukolongo on Kampala-Masaka Road. We also made reference to several documents.

The first issue is URC land matters. The committee inquired whether URC had in its possession all its land titles and whether the said corporation land was free from encumbrances. The URC management informed the committee that the corporation had most of its land titles as evidenced by the schedule of the URC certificate of titles. However, several pieces of the corporation’s land are encroached upon throughout the entire network. Further, the corporation was the registered proprietor of land and property comprising different freehold register volume, leasehold and sub-lease register volume and mailo land, which was originally owned by the East African Railways and Harbours Administration and the East African Railways Corporation.

I would like to skip a bit of these issues. In doing our work, we assigned some of our members, a small team, to dig up further on land matters, which we later discussed as a committee and adopted this report. One of the issues we interrogated as a committee was disposal of land.

The Public Enterprises Reform and Divestiture Act, 1993, also known as the PERD Act, provides for the reform and divestiture of public enterprises and established the Divestiture and Reform Implementation Committee. It was this committee that implemented the privatisation process.

This Act provides for four classes of enterprises. The URC was put under class two. These are enterprises in which the Government retained majority shareholding. The URC was divested by way of a 25- year concession to RVR, effective 1 November 2006. The URC remained in existence as the regulator and RVR became the concessioner.

URC assets were earmarked as core and non-core assets. The core assets being vital for rail business operations and the non-core assets being mainly assets used for accommodation by staff.

Use of proceeds from the divestiture

According to section 26, the Minister of Finance, Planning and Economic Development may use the proceeds to meet the cost and expenses associated with termination of contract of employment in the different public enterprises under classes one, two, three and four.

Under this same provision, the Government took over the liabilities of the enterprises. The proceeds not used for present and future costs were to be transferred into a redundancy account and to be used for promotion of Uganda entrepreneurs for agriculture and industrial development.

The disposal process – which we had issues with.

The disposal process of URC assets was implemented by PU and directed by the Divestiture Reform and Implementation Committee in accordance with section 22 and the second schedule of the PERD Act.

Privatisation Unit in consultation with URC formed a task force composed of officers from  PU and URC that enumerated all URC non-core assets and prepared an inventory of the same. Privatisation Unit gave the first offer to the sitting tenants and where they were unable to purchase the properties, the assigned their rights to third parties of their choice.

The properties were sold on an “as is, where is” basis. Where these properties were not disposed of, the interest reverted to URC. A sample of the offer letter drafted by PU was availed to COSASE. Whenever someone accepted an offer and paid up for a property, PU furnished URC with the required documents and receipt or proof of payment for purposes of execution of a sale agreement and transfer forms.

We observed a couple of issues therein, Madam Speaker. First, there was non-compliance with the provision of the Public Finance management Act of asset management and inadequate report on the status of the assets.

Secondly, the reports on the status of the URC’s land were irregular since they lacked the period, years, that they were compiled and were not regularly updated. There was, therefore, no proper inventory that was availed to the committee.

Three, URC has the unique capacity to monitor, utilise and protect its vast land that stretches from Kasese to Malaba and to Pakwach. We made recommendations regarding this. The land issue is a lengthy one and so, we broke it up a bit. For this particular one; the Government, in our view, should swiftly move to start negotiations with those who wrongfully acquired interest in the railway land with the objective of having them compensated within the meaning of Article 26 of the 1995 Constitution.

Number two, URC should engage an independent firm to make an inventory of its land. It is important that they get to know how much land belongs to the.

Three, URC should put in place mechanisms to enhance capacity to protect and utilise its land.

Properties disposed of under Phase I

Under Phase I, the following non-core assets were sold between 2007 and 2009 and concluded in 2010. All properties that were not disposed of under Phase I were transferred to Phase II for possible disposal, which we shall look at.

There is a table which indicates the properties disposed of under Phase I.

Observations

1. The criteria that was used to classify those assets as core or non-core was not clear. As a result, some of the properties that were determined to be non-core assets were core assets. Some properties were classified as core while others within the same locality were classified as non-core, for example, Plot 122 Block 264 Kyadondo, Mutundwe and Plot 27-33 Kyadondo Mutundwe.

They say that this property is non-core and so, we must be able to sell it but then just adjacent to it, there is another property in the same area and for the same usage and they say “No, the other one is core and this one is non-core. Let us sell this one.” We queried that. How do they say the other is core and this one is non-core?

1. The committee noted that only 10 out of 15 properties were advertised. There is no evidence to show that those which were not advertised were sold through the right procedure.

This is Government land and for it to be sold, there are procurement processes that have got to be abided by and one of which is advertising. They only advertised 10 properties but eventually sold 15. So, how were the other five sold?

1. There was no evidence of payment for these properties.
2. There was no evidence of a valuer’s report determining the reserve price.

In that particular regard of Phase I, we advised, as a committee, that the Inspectorate of Government should investigate this matter and prosecute all those found culpable because Government land cannot be sold without following particular procurement procedures – and receipts being availed.

**THE SPEAKER:** A minute before you continue. Did the minister for transport know that this report was coming today? This is because what is being raised is very important for his ministry.

2.24

**THE MINISTER, OFFICE OF THE PRIME MINISTER (GENERAL DUTIES) (Ms Justine Lumumba)**: Madam Speaker, somebody from the office of the Government Chief Whip has gone to the ministry. I will report whatever decision they have taken – whether today or tomorrow – within an hour’s time.

**THE SPEAKER:** No, I am saying in terms of this report of Uganda Railways Corporation.

**MS LUMUMBA:** I have told them to come because this report concerns the Ministry of Works Transport and the Ministry of Finance, Planning and Economic Development. The Ministry of Finance, Planning and Economic Development is represented here but I have already requested the Ministry of Works and Transport to send somebody immediately. Thank you.

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

Properties disposed of under Phase II.

Under this phase, the Privatisation Unit in July 2013, Contracted S-M Cathan Property Consult and CB Richard Ellis Joint Venture to provide consultancy services to subdivide Uganda Railways Corporation’s estates, register/create titles and value the new plots, which included land and buildings.

The assets are located within the towns of Tororo, Gulu, Masindi, Jinja and Kampala. The evaluation reports were sanctioned by the Chief Government Valuer and there is a report indicating the properties that were earmarked for subdivision – that is on Table 2 of the report.

It is worth noting that even under Phase II, all the non-core assets in Gulu, Masindi, Jinja and Tororo that did not require subdivision were disposed of on “as is”, “where is” basis. Anomalies arose from the second phase where certain properties were sold to third parties by sitting tenants who were given first priority. They transferred their interests to third parties, whose interest could not be regularised by URC.

Observations

The committee observed that there was no evidence of payment for the properties above. Again, properties are sold off, title changes but there is no evidence that these properties were paid for and this is Government property.

There were anomalies in the disposal process which resulted in several litigations which could cause financial loss to Government. Many people went to court over these matters.

For this particular issue, we recommend that:

1. The officers in the Privatisation Unit that handled this process should be held responsible and punitive action be taken against them. This is because when you handle a process of selling Government land but do not provide evidence of payment, where is the money? That is why action has got to be taken against these individuals.

2. Uganda Railways Corporation should appoint an independent legal firm to verify the claims with the view to settling and resolving these matters.

Now, there are those with claims and we are saying that URC should be able to handle some matters out of court. It would be less expensive at the end of the day.

Disposal of URC land at Nsambya

Arising from a presidential directive and a Cabinet decision, which is attached and marked as annexure “A” in the report, Nsambya land, formerly owned by URC, was transferred to Uganda Land Commission with assurance that Government would pay URC for this land.

However, URC has been persistently engaging the Ministry of Finance, Planning and Economic Development for compensation to the sum of Shs 69.5 billion to no avail. That was the value of this land.

In the last update, the minister for finance directed the PS/ST to effect payment and there is copy of the letter but that money has not been paid yet.

Government cancelled land titles for local investors in the Naguru-Nakawa estate to allow development of a satellite city by OPEC Prime Proprieties.

These local investors challenged the legality of the transaction and Government agreed to settle the matter out of court and compensate them with land elsewhere in the city. URC land in Nsambya was identified for this purpose.

Observations

1. Despite the fact that the presidential directive and a Cabinet memo indicated only 32.35 acres to be allocated to the above beneficiaries, 72.78 acres was allocated bringing an over-allocation of Shs 40.43 acres without authorisation. Who authorised this extra because the presidential directive and Cabinet memo talked about 32.35 acres but the people who we handling this process decided to allocate a lot more whether to themselves or whatever the case might be.
2. Some beneficiaries that were included in the presidential directive and Cabinet memo (annexure “A”) were denied land. For example, National Library (two acres), Nakawa Disabled Vocational Training Institute (0.6 acre), Quakers (0.43) acres and church of Uganda (0.39 acres).
3. Some individuals and entities were not meant to be beneficiaries but were allocated land. For example, Kampala International University, which did not appear in the Cabinet memo and the presidential directive, was allocated 14 acres for the development of the university. However, as we speak now, a shopping mall called Arena Mall was eventually built on the said land and that is problematic. They were not meant to be beneficiaries. Eventually, they were given land to develop the university but today we see a shopping mall on this land. The taxpayer was short-changed as far as we are concerned.

The committee noted that some individuals and entities did not pay premium or ground rent for the land that was allocated to them. For example, the lease for Ms Janet Kobusingye, the proprietor of Mestil Hotel and Residences in Nsambya, was extended from 10 years to forty 49 years and then to 99 years with no premium or ground rent paid for the 89 years.

This was contrary to the law and the terms of the consent judgment. The consent judgment did not waive the requirement for payment of premium and ground rent on public land, or the need for due process to be followed in extension from the initial grant of the release of 10 years.

Madam Speaker, for clarity, Ms Janette Kobusingye was one of those who had been given titles in the Naguru-Nakawa land. So, when they were told opetrine properties is coming here, they went to court. So, the consent judgment was, “Avail to them land somewhere with a lease of 10 years.” That was the consent judgment from the court.

However, she was eventually given a lease of 49 years. What that meant is she had to pay a premium for the extra 39 years; she did not pay and the 49 years were then increased to 99 years. There was no premium paid. Therefore, we are saying that the extra 89 years should have been paid for but she did not, Madam Speaker.

**THE SPEAKER:** Just for clarification, what period of time was the extension from 10 to 49 to 99 years?

**MR SSENYONYI:** It was pretty much in the process of her getting to acquire the leasehold possession.

**THE SPEAKER:** The interval of time.

**MR SSENYONYI:** The interval of time was around the same time, Madam Speaker. Everything was done quickly. So, she has got a lease of 99 years but the consent judgment was 10 years.

So, nothing stops her from acquiring whatever number of years but then, you have got to pay for the extra 89 years. There was no evidence of that, Madam Speaker.

Our recommendations

The committee recommends that the Ministry of Finance, Planning and Economic Development should ensure that the proceeds from the URC land at Nsambya of Shs 69.5 billion should be prioritised and released to the URC in the budget of the Financial Year 2022/2023. The agreement was that URC surrenders this land to the government because there were people we want to compensate; we are going to pay you the worth of that land, which is Shs 69.5 billion.

And to date, that money has not been paid. URC is struggling with many other challenges like paying staff and so on and yet the government owes them money because of this land that has eventually been given to several people.

Madam Speaker, secondly, the Uganda Land Commission and the privatisation unit should be held responsible for the anomalies that transpired in the allocation of the URC land at Nsambya because URC handed over its land and titles to the Uganda Land Commission. So, the Uganda Land Commission is the one that dealt with the parcelling out of these properties in conjunction with the privatisation unit.

Therefore, we would like to say that things like this should not happen and it is not okay. Action should be taken and then people will know that you have got to follow processes. You don't sell land and then get payment, keep it yourself and you don't have any of these payments because this is not your individual money; it is taxpayers’ money.

The other issue is issuance of illegal leases over land belonging to Uganda Railways Corporation (URC). Over time, district land boards in Kampala, Jinja, Mbale, Gulu, Nwoya, etc. and the Uganda Land Commission have created illegal leases over URC land.

Several requests by URC to these land boards to cancel the said illegal leases have been futile. This has made it difficult for URC to recover its land. URC has written to these bodies and the letters have not been responded to. Some of them have been added as parties to litigation cases involving URC and there is a matrix showing these details.

Our recommendations, Madam Speaker:

1. All illegal leases on URC land should be cancelled by the issuing authorities.
2. The officers in the district land boards involved in issuing these illegal leases should be held responsible because what they are doing is illegal. So, action has got to be taken against them.
3. URC should come up with clear mechanisms on how to lease its land so that the appropriate value of the assets can be ascertained. When it is done in a haphazard manner, that is when everybody will grab some land from them and others will pay less for the value, etcetera.

Madam Speaker, the other issue that we interrogated was locomotive engines. The committee inquired from management about the inventory list of locomotive engines for the corporation, the status of operation, engine capacities, location, and whether they possess fuel registers. The committee was informed that URC is maintaining the fleet of all locomotives under its use, indicating the status of operation, etc. Further, the corporation maintained the fuel register.

On further scrutiny, the committee made the following findings: Four locomotives were purchased in August 2021, at a total of Shs 48 billion. However, since they arrived, they have been packed at the workshop, with no work.

The URC workers interfaced with the committee at the time and revealed that the locomotives were imported without knowing that they were too long for the triangles and not able to turn; these are dynamics of railways. The workers of URC also stated to us, in our meeting, that the technical staff were not consulted prior to the commencement of the procurement of these locomotives.

Now, this was not a requirement, really, but they are saying, it is just a good thing because they are the ones to operate these machines. ‘Just inquire from us’. Of course, the bosses take the decision but it is just good practice to inquire from the juniors quote and quote. “What do you think? Give us some advice…” – because they are end users and so, they thought maybe if they had been consulted, they would have been able to give some advice.

Number two, the Uganda railway line of 50 to 80 pounds would not be able to handle the weight of the new locomotives, which required that it runs on a 90 pound railway.

Thirdly, the motors, which propel the locomotives are very low, and that they were unoperational on the Uganda rail lines. These are issues that we found. URC management responded that the corporation was making modifications to the triangles on the rail lines to enable the locomotives to move smoothly, and that this would be completed by 15 November 2021. They were not able to hit that deadline because they acknowledged that they needed to make certain changes on the rails for these locomotives to operate with ease. So, they gave us a deadline, which they didn't meet and so on.

They further stated that the locomotives had been procured with additional spares for three years, and that the line was fixed. However, the turning points were narrower. This was an admission by the management of Uganda Railways Corporation.

The committee was informed that the locomotives would only serve Kampala-Malaba and only the turning point would be modified.

The committee made the following findings:

After carrying out a market survey, a URC select committee recommended that the company purchases locomotives, which are six years old, at Shs 36 billion. However, locomotives, which were eight years old, costing Shs 48 billion, were procured.

Madam Speaker, this is problematic. A select committee put in place by the same entity did market research, made contacts and so on and the recommendation they gave us was, “Look, we have identified locomotives that are six years old, costing Shs 36 billion” but the people who purchased, bought older locomotives and more expensively. It doesn't even make logical sense because what is older should be cheaper. And this was their information, because they are the ones that put in place the select committee, which made all these recommendations after doing market research.

Secondly, the committee notes that this was all because older yet more expensive locomotives than those recommended were purchased. Management stated that of the Shs 48 billion earmarked, Shs 42 billion was for the locomotives and Shs 6 billion was for reach stackers. That is some technical equipment added to that.

Observations

1. The Ministry of Works and Transport deviated from the government policy of procuring new equipment and recommended and approved the purchase of used and refurbished locomotives, because the approval came from the Ministry.
2. The procurement and disposal unit and the contracts committee of URC recommended open international bidding because of the amount of money involved. However, management opted for restricted international bidding without proper justification. So, again, the procurement and disposal unit and the contracts committee of URC said, “Look, because of the monies involved here, let us not get ourselves in trouble. Let us do open international bidding. That is what is required.” However, the people who actualised this decided that “No, we shall deviate from what our committee has advised and do restricted international bidding.” Therefore, they went for a particular individual and said, “Supply to us.” Could that be the reason they bought the older, yet, more expensive locomotives?

Thirdly, URC had to incur unplanned costs of modifications to improve the triangles and provide turning points for these locomotives.

Fourth, the compatibility of the locomotives to the Uganda Railway lines should have been ascertained prior to procurement. We are not saying these things cannot happen but it is important to cross every ‘t’ and dot every ‘i’ before you make a purchase of this magnitude. First, do your homework. We do not think they did that.

Recommendations

1. The Ministry of Works and Transport should take responsibility for failure to follow the Government policy on the procurement of equipment.
2. The management of URC, which was involved in the procurement, should be held responsible for flouting procurement regulations and the unplanned costs incurred and modifications of railway triangles in Jinja and Tororo and the U-turn in Kampala.

You did not do your homework and you are now costing the taxpayer money, - modify here, modify there, and so on.

Secondly, you did not follow the procurement guidelines, which were even advised by your own internal committee. We feel that these things should not be overlooked. People need to know that you have to do the right thing because it is the taxpayers’ money that we are talking about. There are regulations that have got to be followed.

The other issue we inquired into was NSSF remittances. The committee learnt that URC had not made remittances to NSSF for two years and the workers were concerned that this would affect their interest, which is meant to accrue to them. The committee observed that over Shs 2.8 billion is still pending as NSSF arrears, although PAYE had been cleared to date.

Uganda Railways Cooperation prioritised and remitted PAYE without meeting the obligations of NSSF, yet, both are statutory obligations. They are both important. One way of motivating your staff members is not just a good salary but NSSF remittances as well. It is their money. When they retire, they should retire with this money.

Recommendations

1. The committee recommends that URC management should prioritise remittance of NSSF since this directly affects individual employees who are missing out on an annual interest earned on the outstanding NSSF remittance.
2. Uganda Railways Cooperation should ensure that the outstanding NSSF remittances should include interest, which should have been earned by the employees.

Madam Speaker, when this money is not remitted, the workers lose interest for that year. Even when you eventually pay it - I do not know how many years. If they eventually pay, it will be minus the interest to these workers. That is not fair to the workers of this country because they will have missed this interest for, I do not know how many years.

Therefore, even if you get that lumpsum and give it to them, it is minus a lot of money, which they should have earned as interest. We are saying that should be catered for. Remit that money but with interest. Besides, these are your employees. When they are incentivised, they will do a good job. First, you are paying them little money. Secondly, it is minus a critical element like NSSF so we feel that should be addressed.

I am on page 12. I am getting to the conclusion.

Conclusion

Uganda Railways Cooperation management should oversee its assets better given that they have the potential to generate resources that would enable the smooth running of its operations and activities.

The board of URC, as required by law, should pay keen interest in the affairs of URC and always provide appropriate guidance to management to enable the entity to effectively carry out its mandate.

It is our prayer that the committee report be adopted. I beg to submit.

**THE SPEAKER:** Thank you, honourable chairperson, of COSASE. As you have noticed, we are dealing with another Government agency, which is riddled with problems ranging from mismanagement to land issues and NSSF remittance. Of course, you know it disadvantages the beneficiaries. If you are not remitting NSSF, then the interest from it will not be got by the beneficiaries.

Even when I used to be in COSASE with hon. Katuntu, URC has had all these problems. From the time we presented our report, no treasury memorandum has come out. How I pray that this time round, it comes out. We need these things resolved.

The report is here, ready for debate. Can we first hear from the two ministers?

2.47

**THE MINISTER OF STATE FOR FINANCE, PLANNING, AND ECONOMIC DEVELOPMENT (PRIVATISATION AND INVESTMENT) (Ms Evelyn Anite):** Madam Speaker, I did appear before the committee of COSASE in my position as the Minister of Privatisation this time, not Investment. I do agree with the recommendations of the committee, particularly, on the issue of Shs 69.52 billion that Government has to pay as compensation for the Nsambya land.

I did commit to the committee when I appeared that Government undertakes to make good of that obligation. I went back to the ministry and wrote a letter to the Permanent Secretary of Finance and Secretary to Treasury, on 10 February, requesting that the Shs 69.524 billion be made available.

Madam Speaker, it is the understanding of the Ministry of Finance that we have to make good of this obligation and therefore, pay this money to URC. However, when we were doing the budget, due to competing priorities they have not been able to allocate this money again in the financial year. Nonetheless, since we are in the process of budgeting, the understanding of my ministry is that when we get more money through tax collection and other sources of resources, we will be able to pay this amount of money. We commit as Government to pay the Shs 69.524 billion to URC. I beg to submit.

**THE SPEAKER:** Honourable Minister, what is wrong with you including that money in the next financial budget? The budget process is still ongoing. Or, have you included it?

**MS ANITE:** Madam Speaker, as the process is, my job as the minister is to write to the Permanent Secretary to include this. I did that on the 10 February and the response was that because of competing priorities, we were not able to get this money. Therefore, it was not included in the budget.

However, if the wish of Parliament is that we have to put it here since we are in the budgeting process, then we will put it as an underfunded priority. When resources are available, we will be able to make good of the payment.

**THE SPEAKER:** If it is a legitimate claim, then why don't we budget for it? We are in the budgeting process. Include that in your budget.

2.50

**THE MINISTER OF STATE FOR WORKS AND TRANSPORT (WORKS) (Mr Musa Ecweru):** Madam Speaker, I have looked at the report presented by my very eloquent colleague. Indeed, the report is comprehensive and I have – first of all, on the onset, I would like to let this House know that the Uganda Railways Corporation is a very critical agency in the transport sector.

I also want this House to know that Uganda Railways Corporation suffered a lot of ills in the last very many years, which were managerial in nature. I request this House to allow me to go back to my two colleagues, after the debate, and we prepare a comprehensive response to this House, indicating all these, and particularly, capturing areas where we have made interventions. This is in order for us, as a ministry and this honourable House, to be able to appreciate how far we have moved. After appreciating how far we have moved –*(Interruption)*

**MR BASALIRWA:** Thank you, Madam Speaker. The minister has been on the Floor and she did state that she concurs with the report, as presented. The report is now before us. Where the other side concurs with the contents of a report, she particularly said, “I agree with the recommendations.”

Would it be procedurally right for the minister to say they are going back to present a response, and yet they have already said they agree with the recommendations? Would it be procedurally correct?

**THE SPEAKER:** Honourable members, the response I expect from you is a treasury memorandum. Who will adopt this report? You should come with a treasury memorandum on what actions you have taken. That is final. You are not going to start revising this report and say you are coming back to give a response. We are going to give you six months to present a treasury memorandum here.

**MR NSEREKO:** Thank you, Madam Speaker. This is a report of Parliament and every Member here has a stake in it. In this case, we have not processed the entire report. My view and humble prayer is let us exhaustively debate this report, adopt it - whether with amendments or otherwise - and then we can come up with recommendations that can bind the minister to present. However, if we make a ruling, it will be putting the cart before the horse now.

**THE SPEAKER:** We are not putting any ruling. We have not stopped any debate. We wanted to hear from the two ministers that are responsible; the Minister of Finance, who has accepted that the recommendations are okay. She even appeared before the committee. Now, we wanted to hear from the line minister, the Minister of Works, who he is not sure. Thereafter, we debate the report and adopt or reject it.

**MR BAKKABULINDI:** Thank you, Madam Speaker. I thank the Minister of Finance for accepting the recommendations. When you mentioned ways of looking for the monies to be refunded to Uganda Railways Corporation quickly, the issue of NSSF, which is mandatory – and where we know very well that we are in the process of giving mid-term savings – was not indicated. The workers were contributing that money and Uganda Railways Corporation was keeping it. What are you saying about the monies that have already affected the workers as we speak now? This is because they cannot get the exact percentage of mid-term savings if that money is not refunded quickly. Can I get the answer from the minister?

**THE SPEAKER:** Hon. Bakkabulindi, there is a law to that effect and it will be applied to that. Honourable minister, had you finished?

**MR ECWERU:** Madam Speaker, given your guidance, let the Members enrich the report by debate and then I will absorb some of the issues that they will raise on top of this. Then, we shall see how to proceed, but I can assure you that given the fact that we have not studied it thoroughly, as a sector, there is need for us to appreciate the details before we give a comprehensive response. I am ready for the debate.

**THE SPEAKER:** Committee Chairperson, did you interact with the Ministry of Works and Transport?

**MR SSENYONYI:** Madam Speaker, the senior Minister of Works and Transport himself, Gen. Katumba-Wamala, came to the committee.

**THE SPEAKER:** Thank you. Now, we can debate.

2.57

**MR MUHAMMAD NSEREKO (Independent, Kampala Central Division, Kampala):** Thank you, Madam Speaker. I thank the committee for the job they did. I will make reference to the following in enrichment of the report:

The committee, on purchase of locomotives, clearly states that in its findings, it discovered, through research, that the prices of the locomotives acquired were higher. I am not here to disagree with them, but I am only asking them to give us their reference for this research - to clearly state as to whether “what they bought cost this and what is on the market is this” according to this cross research that we have.

Two, the instruction for cancellation of titles cannot come as a recommendation from Parliament. Why? Under the Registration of Titles Act, cancellation of titles, with a few exceptions, is a preserve of the High Court. Therefore, the recommendation would be, in this case, that where it is found that there was fraud, or there was any entry made erroneously, then this Parliament can recommend that. That is the law.

**MR KIBALYA:** Thank you, Madam Speaker. With due respect to Hon. Nsereko, who is not a member of the committee that investigated this matter and came up with its own investigations – on several occasions we have heard reports here where a committee recommends cancellation of titles. Unless Hon. Nsereko is telling us that he is an interested party in the land of Uganda Railways Corporation - is he in order to begin putting in his own recommendations and watering down the recommendations of the committee?

**THE SPEAKER:** Honourable members, the committee is urging the responsible institutions; we are not cancelling, as Parliament. It is saying the responsible institutions must take action on this.

**MR NSEREKO:** Madam Speaker, before I was rudely interrupted by the Member, it is a recommendation of this august House. If you are not recommending to a particular directorate to interest itself in the cancellation, the powers belong to the High Court and therefore, it all remains redundant.

Thirdly, as regards the funds, the funds were transferred by those that paid premium - the Shs 69 billion. It is not compensation to finance and the Ministry of Finance, Planning and Economic Development should only tell this Parliament where this money is. We are not talking about compensation. Those that paid the premium after advertisement paid Shs 69 billion in lieu of which these funds should have been given to Uganda Railways Corporation. The issue in question here is, where are these funds from the Ministry of Finance, Planning and Economic Development? And what were these funds used for?

So, as Parliament, I would not like us to interest ourselves in a matter of compensation, which is inexistent; it is misappropriation of Shs 69 billion and that should be the question. Thank you, Madam Speaker.

**THE SPEAKER:** There is an aspect of money, which was supposed to be paid for the land that was purportedly being sold and the money cannot be accounted for; they do not know where the money was put. Then, there is also money that was supposed to be for compensation from the Ministry of Finance, Planning and Economic Development, which has not reached Uganda Railways Corporation (URC).

3.02

**MR ATKINS KATUSABE (FDC, Bukonzo County West, Kasese):** Thank you very much, Madam Speaker. I want to thank the chairperson for the great job. First of all, I really want to bring it to the attention of my honourable in-law, that I am a little bit disappointed in the sense that you serve the same Government or system –

**THE SPEAKER:** Do we have in-laws in this House?

**MR KATUSABE:** Minister Ecweru, I am a little bit disappointed this afternoon by the fact that your colleagues from the same system – your work or role is supposed to reinforce one another.

Madam Minister did indicate that she had no problem with the report. I thought, as a family, in a government system, if you had a view to the contrary, that should not have been brought to the surface. I just want to place my disappointment before you.

Madam Speaker, corruption is bleeding this country, Uganda, to death. According to the 2022 IGG interim report, headed by an officer appointed by the President, this country loses up to Shs 22 trillion to corruption. From the Shs 22 trillion lost to corruption every year, Shs 1 trillion is lost to procurement fraud alone. Here we are –

**THE SPEAKER:** You have two minutes.

**MR KATUSABE:** Yes. Here we are, Madam Speaker, yet we have our teachers that cannot be paid. We cannot pay health workers. We have hospitals that are not well kept. I really want to thank the committee and the leadership of the committee.

The time is now because we will be confronted with one question, which is: what did you do? I think we have the duty to answer that any report that leads to money or brings to the surface or discovers corruption somewhere must be recovered since the money belongs to the taxpayers. I want to support the recommendations and that the money that has been pointed in the direction of corruption must be recovered, including those that are responsible for the loss. I want to appreciate you, Madam Speaker.

3.06

**MR FREDRICK ANGURA (NRM, Tororo South County, Tororo):** Thank you very much, Madam Speaker. I want to thank the committee for the report they have presented. I will interest myself on a few issues.

Madam Speaker, you are aware that I represent kilometre zero, as far as the railway to this country is concerned; that is from the Kenyan border. It is in our interest that this infrastructure operates to the best of our ability.

Madam Speaker, I am a procurement specialist but in the purchase of the locomotives, I think technical specifications were not observed. Therefore, we need to really get the culprits who were involved in making these specifications to tell us what they really came up with. Imagine buying five locomotives which are not compatible to our railway lines here. This means we were not organised enough in our planning and going for what would help us solve the problems.

Madam Speaker, as I said, I represent kilometre zero. On the Kenyan side, we have got the Standard Gauge Railway and an improved railway from Naivasha up to the border. The jam that is currently on the Kenyan side of Malaba is due to the so many containers that are delivered by the railway and this is making us have sleepless nights at the border. This is happening because of the congestion and inability for our railway to evacuate the cargo coming from that side. Otherwise, the locomotives from the Ugandan side should have been good enough to ensure that the movement is good.

Madam Speaker *–(Interruption)*

**THE SPEAKER:** There is a procedural matter but do we have a railway in Bugiri? What Hon. Angura is saying, on top of non-compatibility of the locomotives, is that that was also a wasteful expenditure; Shs 36 billion vs Shs 48 billion. What is the justification?

**MR SILWANY:** Madam Speaker, I rise on a procedural matter. When we were talking about prices and falsification of prices, Hon. Angura told this Parliament that he is a specialist in procurement. When you bring facts to the table, you have to tell us that this comes from here and you must compare the facts. You do not to just come and speculate that this was expensive. For us to understand as Parliament, we must have a good comparison.

The procedural matter I am raising –

**THE SPEAKER:** Hon. Silwany, there is a report of the select committee on URC that recommended that the locomotive, which was supposed to be bought, was Shs 36 billion yet they bought the one of Shs 48 billion. Why don't you read the report?

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

**THE SPEAKER:** There is a motion this side. If you have conflict of interest, do not discuss this report.

3.10

**MR GEOFREY EKANYA (FDC, Tororo North County, Tororo):** Madam Speaker, I beg to move a motion that the House adopts this report as it is and we give six months for Government to bring a treasury memorandum on this report and even all the others that are pending because URC is a very serious matter. I beg to move.

**THE SPEAKER:** Is the motion seconded? *(Members rose\_)* The motion is seconded. *(Interjections)* Do not shout.

3.11

**MS CECILIA OGWAL (FDC, Woman Representative, Dokolo):** I beg to move an amendment to reduce the time from six to three months. *(Applause)*

**THE SPEAKER:** The amendment is that we receive a treasury memorandum in three months. Is it seconded *–(Interjections)-* By law it is six months, not so? Let us not go against the law “because of the urgency”. Yes, by law, it is maximum of six months but we can even receive it in one day. *(Mr Mpuuga rose\_)* Yes.

3.12

**THE LEADER OF THE OPPOSITION (Mr Mathias Mpuuga):** Thank you, Madam Speaker. Allow me to thank the committee for the wonderful job. These are the kinds of reports that will define the 11th Parliament. The bipartisan approach to this report is very encouraging.

I rose to amend the six-month moratorium, bearing in mind that there are other COSASE reports for which no treasury memorandum was provided as part of the requirement to comply. Aware that even over the last reports no treasury memorandum was provided, we ask, of course not with menace, but as a way of admonishing those responsible for providing treasury memorandum for not giving us prior treasury memoranda, to give us these in three months.

This is because, initially, they were not compliant to the law. So, they are not asking for us to comply with six months because their hands are not clean. Having failed to be compliant, this time round, they should give us not only the new one, but even the old one in three months. This is so that we can really enforce compliance and respect to the law and Parliament. I beg to submit

**THE SPEAKER:** Government -

3.13

**THE MINISTER OF STATE FOR WORKS AND TRANSPORT (WORKS) (Mr Musa Ecweru):** Madam Speaker, if the law says “at most six months”, it means even three months or four months can apply. If this House, in its wisdom, thinks that in three months, we should come here, who are we to challenge the House? We shall put our heads together. We are a system and we shall be back here.

**THE SPEAKER:** Thank you very much. Honourable members, I now put the question that the report of the Committee on Public Accounts (Commissions Statutory Authorities and State Enterprises) on the operation of Uganda Railways Cooperation be adopted by this House

*(Question put and agreed to.)*

*Report adopted.*

**THE SPEAKER:** We need a treasury memorandum report in three months.

MOTION FOR ADOPTION OF THE REPORT OF THE COMMITTEE ON RULES, PRIVILEGES AND DISCIPLINE ON PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE OF THE PARLIAMENT OF UGANDA

**THE SPEAKER:** Honourable members, since the beginning of the 11th Parliament, there have been referrals to the Committee on Rules, Privileges and Discipline on proposed amendments to the Rules of Procedure. As we are aware, the rules are a living document that ought to reflect the dynamic arena that the legislature is on.

Honourable chairperson, can you come and present? Members, as I told you, I want you to be mindful of the fact that we have a Bill that we must process today.

3.15

**THE CHAIRPERSON, COMMITTEE ON RULES, PRIVILEGES AND DISCIPLINE (Mr Abdu Katuntu):** Thank you very much, Madam Speaker. I beg to lay on Table the original report signed by the minimum number of members required, together with the minutes of the committee’s meetings. I beg to lay.

On 19 October 2021 - before I present the report – this House considered the request to amend particular aspects of the rules. Looking at the *Hansard*, at both pages 42 and 45, the presiding officer then – let his soul rest in peace – directed the following, and I quote: *“Thank you. Honourable members, what we are doing at the moment is identification. I see Hon. Katuntu is rising but I do not know on which point he is rising. At this stage, we are doing identification of the problematic areas so that when we make reference to the Committee on Rules, Privileges and Discipline, we give them good guidance. Otherwise, we are not going to start from rule one to the last. It will not work. We know the problem areas and, so, we are going to identify them so that by the time we make a formal reference to the committee, they will be properly guided on the things they need to look at.”*

He emphasised that also on page 45 when he directed: *“Let us do the identification properly and then, we do a formal reference to the committee. I think” –* here, he was addressing me – *“you stay what you have done now. Let us now add you more and then you build on it so that you are comprehensive in what you are going to do, chairman of the rules committee.”*

Madam Speaker, for a long time, we have been waiting to have the guidance and identification of the problematic areas, which this House has not done. That has led to this committee report not to be presented in the 45 days. This is because, literally, there was a stay by the presiding officer or by the House.

That also answers the Leader of the Opposition’s letter to me, because he had asked what had happened. I am sure at that time he had not addressed himself to what the House had directed, that we stay reporting *–(Interruption)*

**MR KIRYOWA KIWANUKA:** Madam Speaker, I seek your indulgence to allow us an opportunity to defer this matter to tomorrow. I am only getting an opportunity to look at it now. If my colleagues would be pleased, allow us to read it and come back tomorrow so we can proceed on it. I seek your indulgence, Madam Speaker and the House.

3.20

**THE LEADER OF THE OPPOSITION (Mr Mathias Mpuuga):** Thank you, Madam Speaker, I have had occasion to look at the report of the committee and have a bit of challenge - not that I disagree with the fundamental contents of the report but you are aware that this committee does not work like others. It only works on referrals of the House and it is rarely interactive to seek the input of Members on how they rather have the rules evolve.

I do not know whether it would, in a way, deter the House from doing work on time and I want to a bit agree with the learned Attorney-General that this report would stay to allow the Opposition in Parliament with the indulgence of the Speaker, not to repair but interact with the leadership of the committee, on what we had considered as the import, initially, of my motion. I want to be sure because I never was given occasion to speak to it in the committee.

I do not know whether the *Hansard* - I am not trying to fault the *Hansard* in any way but I want to be sure that I was properly recorded and the import of what I have seen in the rules is that we are on the same page with the learned Attorney-General and the chairperson of the committee who did a good job.

These are our rules and they speak to the issues that are going to make our work smooth so that we do not work acrimoniously. I move that if it pleases you, Madam Speaker, that this report be stayed, to allow the opposition interact with the leadership of the committee unless the chairperson has an objection clothed in a law, I would then hesitate to push it further.

**THE SPEAKER:** Can I hear from the learned chairperson of the committee.

**MR KATUNTU:** Thank you very much, Madam Speaker. These rules govern the way Parliament conducts its business. So, if we do not address them comprehensively and logically, then the way we do our business may be affected. Therefore, if any colleague would want to have an input or a considered opinion, I would not have any objection. *(Applause)* This helps us to do our work; I do not have any problem.

I would also like to give a reply to the Leader of the Opposition. I know where he is coming from unfortunately, there was a problem with the *Hansard*, it did not capture I think what he thought it would capture. What it captured was the by-election and that is what we handled. He had a little bit of a discussion with me yesterday, we were due to present this report and I said, “That was not captured” but whatever it is we are ready to review whatever this House directs us to do because in the report we are also noting that there are some aspects in our considered view, which we think should be reviewed. For example, how does a House of 500 Members conduct its business? Was that envisaged under our Rules of Procedure? Maybe not.

So, we have to think out of the box to see how we conduct business. I concede let the - my only problem is that even tomorrow I am not so sure whether they will be able to comprehend and even look at the other aspects, which we think they would. If it may please the Speaker, they might need a few more days other than one.

**THE SPEAKER:** Thank you, for conceding. I am giving you two weeks to present the report. Failure to reconcile by that time you will present it as it is.

**MR KATUNTU:** Two weeks is okay with me, Madam Speaker.

**THE SPEAKER:** Failure to reconcile with this group, we will continue with the report.

**MR KATUNTU:** Much obliged, Madam Speaker.

**THE SPEAKER:** Thank you.

BILLS

SECOND READING

THE ELECTRICITY (AMENDMENT) BILL, 2022

**THE SPEAKER:** Honourable members, the Electricity (Amendment) Bill, 2022 was tabled before this House for first reading on the 27 January 2022 and was referred to the Committee on Natural Resources. The committee considered the Bill and it is now for second reading. Honourable Minister of Energy and Mineral Development can you move the motion, please speak to the House.

3.27

**THE MINISTER OF STATE FOR ENERGY AND MINERAL DEVELOPMENT (Energy) (Mr Sidronius Okaasai):** I wish to move that a Bill entitled, “The Electricity (Amendment) Bill, 2022” be read for the second time. I beg to move.

**THE SPEAKER:** Okay, the Bill has been seconded by everybody, thank you. Honourable minister, would you like to speak to your motion?

**MR OKAASAI:** Madam Speaker, the objects and principles of this Bill are to amend the Electricity Act, CAP 125, to provide for a staggered term of office for the members of the authority, additional functions of the authority, increase funds allocated to the Electricity Regulatory Authority from 0.3 to 0.7 per cent of the revenue received from the generated electricity energy; to empower the minister to prescribe the procedure to transfer of generation assets to the Government; and to prescribe the circumstances under which a holder of a generation or transmission licence may supply electricity to persons other than a bulk supplier.

The other objects are: to provide for the deterrent penalties for theft of electricity and vandalism of electricity facilities; to provide for the membership and funding of electricity disputes tribunal; and to provide for the related matters.

The proposal to amend the Electricity Act, Cap 145 is intended to remove inconsistencies in the law and introduce flexibility in its implementation, and streamline operations of the electricity sector. I wish to submit.

**THE SPEAKER:** Thank you so much, Honourable Minister. Can I now invite the chairperson of the committee to present your report?

3.30

**THE CHAIRPERSON, COMMITTEE ON ENVIRONMENT AND NATURAL SOURCES (Dr Emmanuel Otaala):** Thank you, Madam Speaker. I wish to lay on the Table minutes and the documents on “The Electricity (Amendment) Bill, 2022”.

**THE SPEAKER:** Please do.

**DR OTAALA:** Madam Speaker, as leaders, part of my work is to provide mentorship and today, for that purpose, the Vice Chairperson of the committee will be presenting the report and I will come in later to handle the amendments. Deputy chair –*(Laughter)*

3.31

**THE DEPUTY CHAIRPERSON, COMMITTEE ON ENVIRONMENT AND NATURAL RESOURCES (Dr Emily Kugonza):** Madam Speaker and colleagues, for the record, I am Dr Emily Kugonza, Member of Parliament for Buyanja East County in Kibale District and also the Deputy Chairperson of the Committee on Environment and Natural Resources.

Madam Speaker, I beg to present a report of the Committee on Environment and Natural Resources on “The Electricity (Amendment) Bill, 2022”. The committee considered the Bill in accordance with rule 189(C) of the Rules of Procedure of Parliament.

The Electricity Act Cap 145 was enacted in 1999 and there are new developments and changes in the electricity sector. The current law does not effectively address issues of institutional responsibilities and efficiency, enforcement of compliance and adequate penalties for safety and electrical energy, and vandalism of electrical facilities. It has, therefore, become necessary to amend the Electricity Act to fill existing gaps and remove inconsistencies in the law, introduce flexibility and its implementation and streamline the operations of the electricity sector *-(Interruption)*

**MS AVUR:** Madam Speaker, thank you for the opportunity. Many of us have our iPads still being worked on and as such, we cannot follow what could have been applauded. In the past, they used to display the report as a member presented, and coupled with the fact that the doctor is so fast, would we be proceeding right if we continued that way? Could it be possible that they display the report so that for those of us who do not have our iPads, we can follow and so that the doctor can slow down, please?

**THE SPEAKER:** But I have not realised that he is fast. He is not fast. Just display the report and we continue. That is how he speaks and that is why he is a doctor.

**DR KUGONZA:** Thank you, Madam Speaker. And the report was uploaded and I am only giving you just a synopsis because I believe everybody has gone through it at this particular time.

Madam Speaker, a comprehensive analysis, observations, and recommendations to the Bill are contained in the report. I will, however, make brief remarks on some of the pertinent observations and recommendations made by the committee.

1. Funds of the authority

Clause five of the Bill seeks to amend section 22 of the principal Act by substituting the figure point three with the figure point seven to increase funding to the authority, and to provide for additional funding to the authority.

The committee noted that the authority currently has a funding gap of Shs 8.3 billion. The committee further noted that in assessing the resource needs of the authority, the tariff has been forecasted in line with the ongoing efforts to reduce the tariff for manufacturers who consumed nearly 70% of the energy demand in the country to US dollars five cents per kilowatt and energy sales are projected to increase by 11,203 kilowatts by 2024. And thus, a level of point seven of 0.7% on generation revenue has been applied and as such, the authority will be able to achieve financial sustainability in the long-run and ultimately lower the tariffs for consumers.

The committee is in agreement with the proposed amendment and a more detailed analysis of this clause is contained under paragraph 6.3 of the report.

1. The Energy Development Fund:

Madam Speaker and honourable colleagues, the electricity supply industry has a significant deficit in transmission and distribution infrastructure. The committee observed that the transmission and distribution networks require an estimate of $2.5 billion and $1.5 billion in new investments respectively, to repair and rehabilitate the network.

This level of required financing is so high, and it would require additional loans to achieve, which is not sustainable for Uganda. This, therefore, creates the need to establish the Electricity Development Fund, with funding largely coming from monies appropriated by Parliament, surpluses of the authority, and any other grants, donations, and gifts.

The committee contends that the creation of the fund will help to provide financing for electricity infrastructure like transmission and distribution of grid-network infrastructure. This would boost the demand for electricity leading to a further reduction in the distribution tariffs and ultimately, less profitability of the sector companies as they sell more units of electricity and increase the economies of scale. It is, therefore, this committee’s recommendation that an energy development run be created. I refer you to paragraph 6.3.1 of the report for a more detailed analysis.

1. Bulk supply

Madam Speaker, clause 14 of the Bill seeks to amend section 56 of the principal Act to remove monopoly over the bulk supplier and prescribe the circumstances under which a holder of a generation or transmission license may supply the electricity in bulk to a holder of a distribution license or directly to a specified class or category of customers.

The committee, among others, recommends that the supply of electricity to a specified class or category of customers be open to a licensee and not just the holder of a generation license. A more detailed analysis of this clause is contained in paragraph 6.4 of the report.

1. Vandalism:

Madam Speaker, the committee noted that clause 19 seeks to amend section 85 of the principal Act by providing for deterrent penalties for vandalism of electrical facilities. The committee observed that UETCL spent, on average, over Shs 600 million per annum to repair vandalised towers on the existing lines across the country. Given the current rate of vandalism and the growing size of the transmission lines, these costs will increase unless the vice is contained.

The committee is in agreement with the proposed amendment to increase the penalty for interference with meters and electrical lines, vandalism, and illegal connections from Shs 100,000 or imprisonment of one year to Shs 4 million or a 10-year imprisonment or both for receiving vandalised electric facilities, repeated vandalism and interference with electrical works. More information can be obtained from paragraph 6.7 and 6.8 of the report.

In conclusion, energy, especially in form of electricity, is a major driver of socio-economic transformation of any country. For Uganda to transition from a peasant to an industrialised economy by 2014, there is a compelling need for increased electricity production to drive the economy.

Vision 2040 aims at 80 per cent grid coverage and electricity generation at 41,738 megawatts. However, for this target to be attained, the existing challenges in the electricity sector, such as high tariff rates, dilapidated distribution networks and unreliable power supplied to customers must be dealt with.

The Electricity Act, 1999 has been in existence for over 20 years. Therefore, its review is long overdue. The Electricity (Amendment) Bill, 2021 is intended, among others, to address the high tariff rates, remove monopoly of the bulk supplier, prescribe circumstances under which a holder of a generation or transmission licence may supply electricity to persons other than a bulk supplier, render all renewable energy projects liable to payment of royalties; curb theft and vandalism of electrical facilities in addition to strengthening the regulatory function of ERA by increasing its funding.

Therefore, passing the Electricity (Amendment) Bill, 2021 with the proposed amendments will strengthen the legal, regulatory and institutional framework that is pertinent in improving the electricity sector. This, in the long run, will help Ugandans to maximise electricity benefits for social and economic transformation. I beg to report.

**THE SPEAKER:** Thank you very much, honourable chairperson of the committee. You have heard the report. I now open it for a debate.

3.42

**MS JANE PACUTO (NRM, Woman Representative, Pakwach):** Thank you, Madam Speaker. Allow me to thank the Deputy Chairperson and the entire team of the Committee on Natural Resources for this elaborate report.

I agree with the committee on the clause on vandalism. Why I agree is not just about the issue of increased spending but the likelihood - the risk our people are put into. However much we support and pass laws in this Parliament, we must put at the back of our mind the enforcement bit of it. I pray that as we pass this Bill today, the people we have entrusted with the responsibility to undertake the enforcement, must do their work if we are to save this country from such acts being repeated. Otherwise, I support the report. Thank you.

3.43

**MR MILTON MUWUMA (NRM, Kigulu County South, Iganga):** Thank you, Madam Speaker. I have to thank the committee for the good report and also emphasise the issue of increasing the penalty on people who have been vandalising the network materials.

With the emergence of scrap dealers – and steel mills - very many people have been dealing in electricity equipment; vandalising meters, transformers and poles – then selling them as scrap. By us reviewing the penalty, I feel it is the way to go and it is a deterrent.

Therefore, I have to agree with the amendment. If it were possible, instead of Shs 4 million we are talking of, we would even make it Shs 5 million. It would be a bigger deterrent. Thank you.

3.44

**MR SAMUEL OPIO (Independent, Kole North County, Kole):** Thank you, Madam Speaker. I take this opportunity to thank the committee for the report. One of the issues raised is on the establishment of an Energy Development Fund, which is a welcome idea. However, we need to take ourselves back on the HIV/AIDS Fund, which was established by an Act of Parliament more than five years ago. To date, this has not yet been operationalised.

Therefore, we need to ensure that we do not just establish the Fund but we have the Ministry of Finance making commitments to ensure that it is operationalised.

Secondly, I would like to seek clarity on the penalty given from Shs 100,000 to Shs 4 million because, at times, the value of what has been vandalised is more than the Shs 4 million shillings itself. I thought, therefore, that we could put the Shs 4 million as a minimum and instead give a provision for an upper limit.

Lastly, on the renewable energy projects, I need some clarification. It is indicated that they are going to be charged royalties. Is that going to have an impact on the renewable energy, such as solar, that is used? If it is going to impact on the pricing, then that will become a big concern. Otherwise, I thank the committee and support this amendment.

3.46

**MR ABDU KATUNTU (Independent, Bugweri County, Bugweri):** Thank you, Madam Speaker. This country has a problem of respect to public property. Just for those of us who drive on the Kampala-Entebbe Expressway, UNRA tried to have a chain-link along that road. It has all been vandalised - the entire stretch. If you do not drive carefully, a cow might just come up and cross the road and you can imagine what will happen.

The public does not respect public property. The earlier we come up with very strong measures - Shs 4 million shillings is on the minimum; we need to put a bigger deterrent. I would think - Hon. Muwuma is making a point that the Shs 4 million, which the minister and the committee are proposing is on the lower side, especially when the property being vandalised is even more expensive than the Shs 4 million shillings.

What do they do with this? They just get the very expensive materials or property and go and make some - look at what goes on with the solar security lights along the highways; they have been vandalising the batteries. I think it is the time to, first of all, standardise. Anybody who is vandalising public property; to send a clear message - whether it is Umeme, KCCA, UNRA or whichever. No vagabonds should vandalise our property, which we have spent a lot of money to put up.

I would propose, at the right time, that we should move an amendment to increase from Shs 4 million to a minimum of Shs 5 million. That is what it should be. At the Committee Stage, we shall be moving that.

Lastly, about funds - I do not see the Minister of Finance here. It is no use creating Funds and yet, there are no funds. We had the same problem with even the Land Fund. How much have we been putting there annually? Very little money.

We also have the same problem of management of those Funds. You had the Petroleum Fund. Sometimes, when we have problems, we sneak into that Fund and use money for other purposes other than the intended ones.

Therefore, we need an assurance that if we are creating a Fund and it is for energy, it should be strictly used for energy. Any public officer who uses that money for any other reason should be held responsible. We need to put it in the law such that these public officers do not misuse that Fund. We are here enacting Funds for a particular purpose. Why should a public officer divert that money and it is used for a different purpose? Thank you.

**THE SPEAKER:** Thank you. Where is the Minister of Finance? These ministers do not even respect the Prime Minister.

3.49

**MR YUSUF NSIBAMBI (FDC, Mawokota County South, Mpigi):** Thank you very much, Madam speaker. Honourable members, we are falling into a trap of legislating; making laws to create a situation where we are raising fines and failing to appreciate the situation on the ground.

The matter of vandalisation of UMEME equipment and any other public property has to do with our failure to address the issues of the users. For example, we have a power line, which is about 4.6 kilometres, but we only have four users. Why? It is because the people cannot afford it so they have no reason to protect your property. If you are talking about the chain link on public roads, there is no provision for the poor people to access their homes. If it is vandalised, they are happy because they are not really benefiting.

Therefore, we should find a way of involving the communities in matters of public services so that they feel part and parcel of them. If in the entire village you only have two people who can access and afford power, they have no reason to protect your power line. Whether you create fines or not, you will not have the capacity to even arrest the culprits.

However, the villagers are in position to tell you the people climbing power lines, and they will come out to arrest him or her and defend public property. It is our responsibility, as representative of the people, not to just create a class society, but let us try to involve and let people benefit from public property for them to protect public properties. I think that is what is lacking. Otherwise, I support the amendment and the law, but with that kind of consideration as policy makers. Thank you very much.

3.51

**MS ESTHER AFOYOCHAN (NRM, Woman Representative, Zombo):** Thank you, Madam Speaker. I stand to support this Bill for the reasons that they are seeking to remove the monopoly that exists in the electricity department as of now.

Madam Speaker, any form of monopoly is not healthy for this country. As I wait to reject the coffee agreement tomorrow, allow me applaud the committee for a job well done. Thank you.

3.52

**MR DENIS NYANGWESO (Independent, Samia-Bugwe Central County, Busia):** Thank you, Madam Speaker. Allow me thank the committee for the great work they have done on this Bill. I would like to discuss the issue of increasing funding to the regulator and I would like to appreciate the committee for having realised that the regulator has had a big challenge.

The regulator has been and is an arms chair regulator; sitting in Kampala to regulate the entire country. Most times, there have been a lot of challenges coming from the consumers, especially on issues of power outreach. The response rate has been very low and attributed to low funding of the regulator. Therefore, I am very appreciative of the fact that this has been noted by the committee, and they have recommended the funding to increase from 0.3 to 0.7 per cent.

However, my question to the committee still is: with the funding gap of over eight billion, I would like to know whether the increment from 0.3 per cent to 0.7 per cent is able to fill up the difference. Otherwise, thank you so much and I appreciate the committee's work. Thank you, Madam Speaker.

3.54

**MR GEOFREY KAYEMBA-SSOLO (NUP, Bukomansimbi South County, Bukomansimbi):** Madam Speaker, I thank you very much for giving me this opportunity to talk about this Bill. I am going to speak as a lay man from Kiryamenvu.

My question is: why do people pay connection fees, yet the Government gets money out of the *yaka* they use? Most people give out their land for free to put in the electricity poles but during the time of connection, they want the same people to pay money to be connected.

My proposal is that the connection should be free so that the Government can get more taxes out of the *yaka* that the people use and this unused electricity that they talk about every year. I beg to submit.

**THE SPEAKER:** Indeed, you have spoken like a lay person.

3.55

**MR NABOTH NAMANYA (FDC, Rubabo County, Rukungiri):** Thank you, Madam Speaker. I support the Bill. In my constituency, it has become a habit for the public to come and vandalise electricity. Recently, thieves vandalised the electricity line. When it was valued, it was over Shs 84 million.

Madam Speaker, I think it is prudent that we put a heavy punishment for vandalism of electricity. A power transformer is far much higher than the four million, which is proposed here. I propose that the punishment should be equivalent to the value of what has been vandalised so that the public can start respecting public facilities. I thank you, Madam Speaker.

**THE SPEAKER:** Members, you are supporting the report now, not the Bill.

3.57

**DR ABED BWANIKA (NUP, Kimaanya-Kabonera Division, Masaka):** Thank you, Madam Speaker. I rise to support the report. They have proposed to bring down the tariff of those in the industry sector to 5c per unit, which is a welcome direction. However, the ordinary people of Uganda do not have electricity, yet this nation has constantly listened to the President, telling us that we have surplus electricity in Uganda.

Last week, I lost an old lady in my constituency that was attempting to remove a wire from the electricity pole she was tapping. The wires pass everywhere; the connections, but our people do not have electricity. One of the reasons they do not have electricity is because the tariffs for home consumption are very high. While I welcome the amendment that we should reduce the tariffs for the industrial people, I am looking forward to a day, when this Parliament will also be given an opportunity to make suggestions –

**THE SPEAKER:** Doctor, that is provided for in the clauses in the amendments. You will get it.

**DR BWANIKA:** Thank you. Much obliged, Madam Speaker.

**THE SPEAKER:** Hon. Macho, do you have information?

**MR MACHO:** Yes, Madam Speaker. Colleagues, I do not know how sometimes things turn upside down.

In Busia, we have a village called Sofia where almost 70 per cent of the population do not have electricity - because electricity in Kenya, which they import from Uganda, is cheaper in terms of tariff than it is in Uganda!

**THE SPEAKER:** That is what I am saying; it is provided for.

**MR MACHO:** That is the information I wanted to give to my colleague. Thank you, Madam Speaker.

**THE SPEAKER:** The Shadow Attorney-General?

**MR NIWAGABA:** Yes, I know my younger brother, although now senior, appreciates this. I want to congratulate you, Madam Speaker – because this is my maiden speech – upon your ascension to the highest office.

**THE SPEAKER:** Thank you.

**MR NIWAGABA:** Having looked at the Bill and the report, I want, of course, to applaud the committee especially when they went into suggesting an energy development fund. This is because our biggest challenges in the electricity sector are largely two: the efficiency and the security.

I come from a constituency which has two power stations. Of course, one of the power stations called Maziba Gorge Power Station became obsolete and it has never been repaired. It was built by the colonialists. The last one that we have has been constructed by a private company – the Sri Lankans.

However, the biggest challenge I have is that my constituency is the least served in terms of electricity penetration. We only see wires evacuating power to the national grid and we do not get it. Kisoro District, which is part of Kigezi, gets its power from Rwanda. When the President of Rwanda gets annoyed with Uganda, Kisoro remains in darkness.

Kabale, where I come from, with the power station that generates megawatts – Kabale, indeed, because of lack of industries, uses less than five megawatts but – it has power fluctuations on a daily basis *– (Interruption)*

**MR WAKABI:** Madam Speaker, I want to give my colleague information. In my constituency, in 2011, Government constructed a mini power station in Buseruka Subcounty on River Wambabya. However, the communities around that subcounty have never benefited. That is why people vandalise it because they do not see any benefit. I thank you.

**MR NIWAGABA:** So, Members who seem to be looking at this law from the penal section, I beg that you look at the wider problem. How do we ensure that our people access electricity before you talk of penalising them?

We had the Rural Electrification Agency and I am one of the happiest people that it was disbanded because it was only catering for the interests of those who would approach the officials known. Can we have a deliberate move to extend electricity to all areas of Uganda, reduce the tariffs and then talk about penalising those who vandalise what you have delivered?

However, if my people remain in darkness and I am generating power, why can't my people start digging and silting the dams because they do not see the benefits? We are talking of environmental protection to minimise the use of wood for energy and the likes. Unless we really look at extending this power, which you now claim you over produce but it is not anywhere – even in those areas served, they have power fluctuations – we will make these laws that will not benefit the common man.

I beg to move.

**THE SPEAKER:** Hon. Niwagaba, the presumption is that there is electricity in most places, although not fully.

However, we are making this law to penalise people who misuse electricity where it is. Just imagine where they are saying somebody is tapping – illegal connections. We should have a law that regulates that.

The other thing that we will discuss is, how do we have electricity in each and every village at lower tariffs? That is what we shall talk about. *(Applause)* This law even talks about the reduction of tariffs for the local people. When you go to the clauses, you will find it.

4.04

**MS IRENE LINDA (NRM, Woman Representative, Fort Portal City):** Thank you very much, Madam Speaker. I would also like to thank the committee for the commendable work.

Again, I want to seek clarity on the issue of paying loyalties. The committee has recommended, in clause 15 – where they say that renewable energy –

**THE SPEAKER:** Let us not go to committee stage. First discuss the report.

**MS IRENE LINDA:** Okay, Madam Speaker.

**THE SPEAKER:** Hon. Annet?

4.05

**MS MARY NAKATO (Independent, Woman Representative, Buyende):** Thank you, Madam Speaker. I want to congratulate you for attaining that seat, because I have not been here before.

I want to support or second the report that was put forward. However, from Buyende District, I want to take an example of Bukungu Landing Site – where the Prime Minister even happened to visit – where Shs 2.5 billion was injected in an ice plant and people came and vandalised the generators that were set up.

Was that really due to lack of power or was it just out of moral decadence? I want to agree with the committee that the report that was written to penalise should continue and, perhaps, the penalty should be equivalent to the cost of what has been vandalised.

Two, in Bukungu we had one gentleman who came up –

**THE SPEAKER:** Honourable members, I do not want us to discuss constituencies. Let us look at it in general terms – what we should do and how we should amend the law to protect the users to reduce the cost of the tariffs and to punish those people who vandalise.

**MS NAKATO:** Madam Speaker, let me pass it clearly – I am most obliged but allow me to say this. I also humbly appeal that perhaps, we should also increase the funds for the legal aid. This is because this one gentleman came up on behalf of the Government and he was not supported because he was dealing with it as an individual. Thank you.

4.08

**MR ENOS ASIIMWE (NRM, Kabula County, Lyantonde):** Thank you, Madam Speaker, for the opportunity. I want to thank the committee for the good work they have done.

Specifically, I want to support their recommendations on Page 18 on VAT rate for domestic consumers. They made very pertinent observations. One of their observations was that the Uganda Revenue Authority made more collections when the VAT rate was brought down from 18 to 10 per cent because they made power affordable.

Two, they also noted that the policy, when combined with other sector efficiency measures, would clear. This would mean that affordable electricity would clear the power in the system, further saving hundreds of billions of shillings.

Madam Speaker, those observations bring us to one question, which is the same question you have been asking: how can we make electricity cheaper? Already, we have been notified that bringing down the VAT rate made electricity cheaper and affordable, and more revenue was collected.

Madam Speaker, how about we, in this Parliament, during this budget process, allocate funds towards the electricity connection policy? Apparently, the funds that were there in the last financial year were depleted and since then, the project has been stalled.

I will give you an example that in the rural areas where the Rural Electrification Agency extended power lines, there has been failure to connect these lines to the end user. And actually, that has brought vandalism. They vandalised two electricity lines, because for almost a year, we have had these lines installed, transformers installed but because the connection fees of two point something shillings and Shs 700,000 are expensive for the end user, there has been no connection.

Therefore, I stand to support the recommendations on VAT, that VAT be lowered from 18 to 10 per cent on domestic consumers. I also highly support the recommendation that VAT be zero rated for the cost of new connections. I also ask Parliament and the budget team, that we find funds in this budget to deal with those power lines that had been extended, but there is no connection that is ongoing, so that we can have the connections made and possibly, recover from the revenues that we will get from the electricity that we sell to these consumers. Thank you very much, Madam Speaker.

4.12

**DR ABRAHAM ISAMAT (NRM, Kapir County, Ngora):** Thank you, Madam Speaker. I want to thank the committee for the good report.

However, a lot has been said about vandalism of transformers and other items. I am looking at it from a different angle as a scientist and more so, a doctor and a professional. We look at prevention as a better thing than cure. When you look at the way the engineers do their work, there is one aspect that is normally left out. And that is prevention.

In our old setting, most people need electricity. I agree with whoever is supporting that idea. But the question is, how can we prevent the criminals from vandalising things like transformers? In my opinion, other than pushing for a penalty, it is better for the engineers to go an extra mile and see to it that those transformers that are put there are well protected. This is because as we look at them today, it is very easy for anyone to access and then one vandalise them. That is my opinion. Thank you.

4.13

**DR GEORGE BHOKA (NRM, Obongi County, Obogi):** Thank you, Madam Speaker. I rise to thank the committee chair and the entire committee for a job well done. I support the report and the Bill from three perspective.

First is the provision of financing for the regulatory authorities. Sufficient resources for the regulator authority will help them be able to do their work well. We really pray that once these resources are made available, they will be able to do a good regulatory work.

Second is in the breaking of monopoly of generation and supply or power. A case in point for West Nile is when a record that because it is the only supplier of power has made the people of West Nile be in recurrent power outages.

We pray that with a breakage of monopoly, we will be able to see to it that more suppliers and producers of power will be able to improve access to electricity for the common men and women

Lastly, is in the area of theft and vandalism. Whereas on the one hand, I do support the penalties, on the other hand, it would be important to look at why the citizens are vandalising their own assets, so that by understanding the root causes of vandalism, apart from penalties, we will also be looking at public education for them to protect these valuable assets. I thank you.

**THE SPEAKER:** Members, let us limit the debate. Let us use two minutes each. We still have a long way to go.

4.15

**MR ANTHONY ESENU (NRM, Kapelebyong County, Kapelebyong):** Thank you, Madam Speaker. I want to go on record to thank the committee.

I want to comment on one aspect. In the area of the tariffs that we have proposed, I think it is a good idea but I am concerned and I need clarity on two aspects; on biomass projects and the solar projects.

If these are for commercial-based projects, I would have no problem with that. But if they are going to address projects, which are generating power for own use in people's homes or premises, I would beg that that be given an exception so that we can encourage as many people as possible to get their own power supplies and avoid being charged an extra fee. Thank you.

4.16

**MR ISAAC OTIMGIW (NRM, Padyere County, Nebbi):** Thank you, Madam Speaker. I support what has been laid on Table today and presented.

On the issue of vandalism, I wanted to bring out an issue on why some people resort to vandalism. Up to date, we have got a number of people who have not yet been compensated on their land where these transmission towers and also those poles have stood. Despite various applications to the Ministry of Energy, this issue has not been attended to.

In my constituents alone, I have also got a lot of this issue but we do not support it and I condemn it. The issue of vandalism. I think we need to be able to pay these people because usually when transmission lines are running, the money has already been allocated. I do not see the reason as to why we have to delay compensating some of these people.

Lastly, on the issue of the monopoly, I support this very much because it is the main reason electricity is very expensive. If you look at the issue of Umeme, if Umeme is receiving electricity at Shs 288 and selling it at Shs 974 to the consumers, that is a very big margin. I know they will try and bring up the issue of energy losses and incurring loss, which has been covered but this is still a very big margin. I support that more companies should come in and try and regulate so that the power reach our consumers at a less price. I submit. Thank you very much.

4.18

**MR POLYCARP OGWARI (Independent, Agule County, Pallisa):** Thank you very much, Madam Speaker. Thank you, committee for the report. I do support as well.

One, the penalty. The penalty being given is okay even if it becomes 10 million. But honourable members and Madam Speaker, I am not talking in a professional way because that is my field. There are two ways of stealing or vandalising electrical equipment or materials. The first one is the ordinary person who will go and pick a cable that is live when the electricity is not on. I can give you an example. In my constituency, in 2015, they finished installing electricity. In 2017, three transformers blew off. We have 12 poles down with the cables that we are trying to protect. Imagine it is almost five years and those cables are lying down there. Are you going to blame people who are who are going to sell them for scrap? They are poor.

The second one is a professional person, these Umeme staff and Umeme contractors steal these cables direct because they know where the switch is. They remove the circuit breaker, go and steal. So, at the end of the day I support the penalty to be increased.

We have the increment of money for the Electricity Regulatory Authority, the authority that issues certificates for installation both individuals and companies but you find that *-(Member timed out.)*

4.20

**MR GIDEON THEMBO (NRM, Busongora County South, Kasese):** Madam Speaker, I speak from experience of over 10 years having been in the management of utility companies in the distribution sector but I rise on the issue of the cost of electricity to the final consumer.

The cost of electricity takes three components; the cost of generation, distribution, and transmission. That adds up to what the final consumer finally pays.

I have a view that the cost of transmission could be subsidised or borne by the Government because Uganda Electricity Transmission Company is 100 per cent owned by the Government.

So, when Government charges the transmission cost, it is charging the final consumer. I recommend that we consider subsiding the transmission cost so that the cost borne by the final consumer can reduce and consequently the tariff chargeable to the final consumer will come down, I submit.

**THE SPEAKER:** Thank you. At the end of the day we are going to have one single tariff because all those electricity bodies will be merged.

4.22

**MS SARAH OPENDI (NRM, Woman Representative Tororo):** Thank you, Madam Speaker. I would like to appreciate the committee for their report. I want clarification; the tenure of office in the report is five years renewable and yet I thought that we had since adopted three years and most of the Bills that have been coming to this House have been three years renewable.

Secondly, we all do appreciate that we need electricity in the rural areas. We had the rural electricity levy unfortunately, the Rural Electrification Authority is no longer what it was and has since been mainstreamed into the ministry.

By having this Electricity Development Fund, because the other electricity levy was helping us much as the money was going into the Consolidated Fund but part of the reason why Rural Electrification Authority existed was to ensure that it extends electricity to the rural areas.

To reduce the rural-urban migration but also to enable people have electricity and use it for various reasons other than lighting. Once created, I hope it will be ring-fenced for purposes of extending electricity to the rural areas not just for infrastructure as I have seen it stated in the report but we want to ensure that it does the same work as the electricity levy initially.

Madam Speaker, the issue of vandalism is a serious matter. There is no way an ordinary person can vandalise a transformer. These are people who are knowledgeable, educated, have been working with this system and, therefore, know how to remove that transformer oil from these transformers.

The penalty must be a deterrent to discourage anybody from venturing into that short of thing otherwise we shall pass the law here and vandalism will continue. The issue of Rural Electrification Authority has also to be discussed, we all know the bureaucracies in Government systems-

**THE SPEAKER:** Rural Electrification Authority is not part of the Bill.

**MS OPENDI:** It is talked about and I am discussing the report. We need the report of the selected committee on the mergers. I do not know when it is coming but you all know that Government bureaucracy will not allow Rural Electrification Authority to operate in the way that it was operating before.

We need to also have that; we shall not have electricity extended when REA is mainstreamed in the ministry, thank you.

**THE SPEAKER:** I would like you to appreciate that by the time we constituted a committee on the merger, REA was part of the mainstream and truth be told, we imagine these people who do the installation are the same who go back and steal.

So, we must have a very high penalty and as somebody said, we must have protection for these transformers. You just do not leave transformer put in the bush and leave it bare.

4.26

**MR STEPHEN KANGWAGYE (Independent, Bukanga County, Isingiro):** Thank you, Madam Speaker. In the interest of time, I will just tie myself on the issue of vandalism-

**THE SPEAKER:** I am going to send away one Member of Parliament, he has gone.

**MR KANGWAGYE:** The cost unit of a transformer is above Shs 20 million so, once someone is guilty maybe he was found stealing a transformer must pay Shs 5 million and above. People who install these transformers know how to tie and remove them. It is quite hard for a commoner to go into the village down there and remove a transformer.

Prevention is better than cure; we have been seeing how people can be in position to monitor who tampered with either a transformer or something else. We need to have a control unit here at the centre.

Once a transformer is tampered with within the village, these people in the control unit can tell that so and so has tampered with our transformer, so we can be in position to follow up and get that person and give a real penalty. Let us put a gadget in those transformers and wires, the moment those systems are tampered *-(Member timed out.)*

4.28

**MS SHARON LAKER (NRM, Woman Representative, Gulu):** Thank you Madam Speaker. I would like to thank the committee for the well elaborate report. In this country we learn nothing and forget nothing. Why am I saying this? From time immemorial, the electricity poles have been falling down and they put small weak poles - thin poles for that matter. They fall down once the rains come.

When the bushmen are clearing the bushes they burn the poles. Some of them burn them deliberately simply because they say, “The rich have power and we don't have power, yet the lines are moving through our gardens.”

Madam Speaker, I see a lot of money being put on these poles year in, year out. Why can’t Government think of using concrete poles? I have seen a few in some places but most places do not have concrete poles. Why don't we get a lasting solution to these instead of buying poles year in, year out and this money could go to very important priorities such as health, agriculture, among others? Therefore, this is one of my recommendations.

Secondly, we have what they call “rural electrification”. You cannot tell me that a layman or a peasant in my district of Gulu cannot afford to pay for or buy poles of Shs 2 million to install power in a one-roomed house. I would really suggest that the power tariffs be subsidised, especially for the word they use “rural electrification”; it should have a different tariff to be paid, which is affordable by the local person back at the grassroots so that our people get power.

As I conclude, in Gulu District, 90 per cent of my people do not have electricity in their homes and yet poles are running through their compounds and the fields. It really is not very balanced and we should, you know, work on this. I thank you.

4.31

**MR ACROBERT KIIZA (Independent, Bughendera County, Bundibugyo)**: Thank you, Madam Speaker. I take this opportunity also to congratulate you because this is my first time to contribute on the Floor after you assumed that powerful seat. I would like to thank the committee for the good work they have done, especially on this Bill.

However, I would like to bring to the attention of the Members of Parliament a few issues:

I think - and I believe - there is poor planning in terms of utility companies and Government in terms of installation because most of the time, you will find that because of poor planning between utility companies, electricity poles placed in the areas where maybe the water is going to pass and as such, when the water companies, maybe the National Water and Sewerage Company is trying to construct their infrastructure, they tamper with electricity poles. So, I think we need proper planning in this country for us to ensure that everything moves in tandem.

Secondly, these days, especially in other countries, you find that they have concrete poles as opposed to wooden poles. In Uganda, we are still using wooden poles and yet they rot very fast. For example, in my constituency *–(Member timed out.)*

**THE SPEAKER**: Hon. Silwany and then the Leader of the Opposition. Members, we must finish this Bill today.

4.33

**MR SOLOMON SILWANY (NRM, Bukooli County Central, Bugiri):** Thank you, Madam Speaker. I would like to add my voice especially in the area where the electricity companies, especially REA - when installing electricity or when there are power challenges, they take a very long time to intervene.

I have a place that I want to use as an example. There is a landing site called Wakawaka; when the water levels rose - and this is in Bugiri District, Burida Subcounty - when the water levels rose, most of the electricity poles were consumed. However, when these electricity poles were consumed, the electivity company ignored and left this place abandoned, for a period of over three years.

In such a circumstance, what do you expect the population to do? People now think that – *(Hon. Batuwa rose\_)* I will take the information; it is very important; it must allow me take it.

**DR BATUWA:** Thank you very much, honourable colleague, for giving way. I join you in criticising the report in regard to what you are saying. Relatedly, bulk supply has been looked at, at this side of the providers. It was restricted, you have opened it up, but you are not looking at it on the side of the customers. What they are doing is going into small markets, and bulking up all the traders in the market on one meter; one with a fridge and the one without a fridge, then they conflict while paying the bills. The same is also happening with millers; they are bulking them up.

However, overall, can we have a discussion on nationalising electricity because it is a vital service just like water is.  We should not accommodate private players in electricity or else the cost is going to go up. Let this be the first Parliament to discuss the nationalisation of electricity as the case was then.

**THE SPEAKER:** Honourable members, let us not justify the reason for vandalising; it is illegal. Whether the poles were passed through your garden and you have not been compensated, it is illegal. Let us not correct an illegality with illegality. That should not happen.

And now we are talking about the cost of connecting from pole to pole, then pole to house; the rural electrification. I have heard you talk about Shs 2 million something - the connection of rural electrification is Shs 19,000. *(Interjection)* The minister will make clarification on that. Members, we are running out of time, please.

Commissioner, you gave out your time. Can I now hear from the Leader of the Opposition?

4.36

**THE CHIEF OPPOSITION WHIP (Mr John Baptist Nambeshe):** Thank you, Madam Speaker. I will be very brief but let me commence with appreciation to you and the Deputy Speaker and all the Members who stood with me in paying your last respects to my father last week.

Madam Speaker, what is of concern in this report is something on the Uganda Electricity Board (UEB), which was unbundled 23 years ago - that is in 1999. It is still undergoing liquidation. When is the minister completing this liquidation?

The other concern is about the assets that were left by UEB; the successor companies actually have no access to these assets. Where are those assets?

Another important issue in this report is about the vice of vandalism, which I must say, the report is spot on not to leave it go unpunished. It should receive the highest punishment so that it is a deterrent to the Umeme technical staff who are the ones championing this vice.

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

4.38

**THE LEADER OF THE OPPOSITION (Mr Mathias Mpuuga):** Thank you, Madam Speaker. I would like to appreciate the committee for the report and generally for accepting to absorb and accommodate very many criss-crossing issues. I appeared before this committee and made an official position of the Opposition on these amendments. I am happy to report that there was good debate and many of them generated a number of emerging issues I have seen in the report. I want to thank doctor and his team for being receptive.

Madam Speaker, I want to begin with the issue that generates fever in very many people's mind, which is vandalism. Already in our criminal law books, there are penalties for vandalism. I would like to encourage those who will do the final drafting, or even before, to look at what the law says and the attendant penalties to avoid enacting a penal section that has a bigger penalty, than those in other legislations passed by this House so that we do not have a conflict of laws. Probably, consult with people who will draft the final titbits. I have not looked at them but you need to, to avoid the conflict of laws.

Secondly, essentially, the Bill was on strengthening the regulatory function of the industry. However, I am glad that the report is accommodating the emerging issues that were not addressed in the Bill. I addressed the committee that we are missing an opportunity to do a decent job in addressing key gaps in the sector and I think this report, in a way has tried to do that. I want to thank the committee for that observation. *(Applause)*

On the idea of establishing the electricity development fund - there were concerns that the funds created in other agencies were not working and they did not have money. Part of the reason was that these funds were created without necessarily stipulating the sources of the money that runs them. For this particular Bill and the law that will come out, we are very particular. Therefore, I would like to invite the House to support that amendment of creating the electricity development fund because UEB successor companies are profitable and they normally have surplus revenues.

Madam Speaker, they invest these surplus revenues at the stock exchange, buy treasury bills and so on. We are borrowing money to finance infrastructure when we have money that we invest in treasury bills and bonds in billions. Yet, we come here and borrow for the same purpose. I think we are taking care of this void in part but also, we shall be able to reduce the borrowing to finance maintenance of infrastructure and expanding electricity.

Thirdly, there are observations and subsequent appreciation of the need to reduce the VAT on the final consumer. This time around, the domestic consumers constitute about 29 per cent of the overall and the rest are other consumers. Part of the constraint to their enrolment on the grid is the cost, which Members have ably discussed. Reducing the VAT allows for zero rating and exemption. In fact, now that the Minister of Finance is here, we expect the Tax Bills to consider zero rating and exemption under this appropriation undertakings we are making to take care of this VAT variation, at least for domestic consumers from 18 to 10.

Madam Speaker, I can assure you there will be no loss vested on the agency because it will facilitate enhancement of enrolment and more revenue will be generated from the VAT. By getting more people on the grid, you will be able to collect more revenue.

One of the things I appreciate from the report - initially, the Bill had proposed to list the UEB successor companies for share sale. These are the very few profit-making Government entities that people were prepared to partake of. The rejection of this overture is appreciated. Let us retain some Government companies that are profitable. To scavenge on them should be stopped. I appreciate the report for that observation.

Lastly, part of what informed the gist of the Bill was to reduce the bills for industrial consumers, especially from gazetted industrial parks, which the President had promised to be at 5c and the rest of the consumers were not catered for. The report, by coming out for equity, for all the industrialists is acceptable. That should be the case. Industries are not a preserve of industrial parks; they are everywhere. Therefore, we must promote that fairness as proposed by the report.

I thank the committee and the rest of the Members and I want to support the report and await the clause by clause consideration. Thank you.

**THE SPEAKER:** Thank you, the Leader of the Opposition. The beauty behind this money that is being increased from 0.3 to 0.7 is to ensure that we have power at all times; we do not experience blackouts. We have a buffer somewhere that will help us.

Honourable members, I now put the question that the Bill entitled, “the Electricity (Amendment) Bill, 2022” be read for the second time.

*(Question put and agreed to.)*

BILLS

COMMITTEE STAGE

THE ELECTRICITY (AMENDMENT) BILL, 2022

Clause 1

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

*(Question put and agreed to.)*

*Clause 1, agreed to.*

*Clause 2, agreed to.*

4.47

**THE CHAIRPERSON, COMMITTEE ON ENVIRONMENT AND NATURAL RESOURCES (Dr Emmanuel Otaala):** Madam Chairperson, the committee is proposing for an insertion of a new clause immediately after clause 2, as follows:

Amendment of section 5 of the principal Act-

The principal Act is amended in section 5 by inserting immediately after subsection (4) the following:

“4(a) A member appointed under this section shall have a minimum qualification of a university degree.

4(b) At least one-third of the members of the authority shall be women.”

The justification for these proposed insertions are:

1. To provide for a clear academic qualification of a member, considering the nature of the functions of the authority, which require education up to a higher level.
2. In order to cater for affirmative action for women.

I beg to submit.

**MR OKAASAI:** Madam Chairperson, I accept the committee’s proposal.

**THE CHAIRPERSON:** Thank you. I put the question that a new clause be inserted immediately before clause 3, as proposed.

*(Question put and agreed to.)*

*New clause, agreed to.*

Clause 3

**DR OTAALA:** Madam Chairperson, the committee is proposing that clause 3, which amends section 7 of the principal Act, be redrafted to provide as follows:

“(1) A member of the authority shall hold office for a term of five years and is eligible for reappointment for one more term.

(2) The chairperson and two members shall be appointed at the same time, while the other two members shall be appointed one year later.”

Justification

These amendments are to clearly provide for a staggered term of office.

Madam Chairperson, I beg to submit.

**MR OKAASAI:** Madam Chairperson, I request the Attorney-General - he has got an issue on this proposal and I request him to submit.

**MR KIRYOWA KIWANUKA:** Thank you very much, Madam Chairperson. We agree with the principle of a staggered appointment. However, the way it is drafted now will mean that for one year, you will have only three members. It will contradict the requirement to have five members.

I propose that the clause be redrafted to get the same principle - to keep the clause as it is but say “provided the members appointed by the authority for the first term as follows…” That means for the first term, you will appoint and the chairperson and two members shall hold office for five years and the other shall hold office for four years. Eventually, after that, it will just become automatic because when one term ends, the other will take off.

**THE CHAIRPERSON:** You redraft it. How should it read?

**MR KIRYOWA-KIWANUKA:** It should read: “A member of the authority shall hold office for a period of five years and is eligible for reappointment, provided the members appointed to the authority for the first term shall hold office as follows: the chairperson and two members shall hold office for five years and two members shall hold office for four years.”

The rest should remain as it is.

**THE CHAIRPERSON:** Honourable members, I put the question that -

**MR ENOS ASIIMWE:** We are looking at reducing the years to three because most standard boards have a tenure of three years. Making it five years is quite a long time for one person to be on a board. Madam Chairperson, I suggest that we amend the Act to three instead of five years.

**MR KIRYOWA KIWANUKA:** Madam Chairperson, the proposal of five years - these projects that are handled in a sector such as this one are not short-term projects. If, for example, you are handling a dam, you are going to be building it for a period of seven years. Therefore, you do not want to be constantly changing the leadership of the authority. I am proposing that we keep it at five strictly because of the nature of activities carried out in this sector, which are normally very long-term projects.

**THE CHAIRPERSON:** Honourable members, I put the question on the proposal by the Attorney-General to amend clause 3.

*(Question put and agreed to.)*

*Clause 3, as amended, agreed to.*

Clause 4

**DR OTAALA:** Madam Chairperson, we are proposing to amend clause 4 by inserting a new paragraph immediately after paragraph (a) as follows:

1. by deleting paragraph (l).
2. in paragraph (qb), we are proposing to insert the word “research” immediately after the word “consultancies”.
3. We are proposing to delete the proposed paragraph (qc).

The justifications for these amendments are:

1. Paragraph (l) has been catered for under the new insertion of paragraph (qd) in the Bill.
2. “Research” should be inserted under paragraph (qb) because it is one of the crucial roles that should be undertaken by the authority.
3. The insertion of for 4 (qc) seeks to take on some of the powers of the minister who holds the role of overseeing and developing the sector.

Madam Chairperson, I beg to submit.

**MR OKAASAI:** Madam Chairperson, I accept the committee’s recommendation.

**DR BATUWA:** Madam Chairperson, clause 4 seeks to amend the functions of the regulatory body. I suggest that paragraph (d) be amended by inclusion of the words “they should validate the electricity metres”.

The justification for this is that very many Ugandans are uncomfortable with the amount of money they are billed and, in many instances, they feel these metres cheat them. Therefore, it should be within the duties and the function of the regulatory authority to validate the metres that we are using and it is missing in the function. I suggest that we include the validation of metres to be a function of the regulatory authority.

I beg to submit.

**THE CHAIRPERSON:** By the way, the metres are a function of the Uganda National Bureau of Standards. It is not a duty of -

**DR BATUWA:** Madam Chairperson, the amendment I am proposing is to put that noble duty under the regulatory authority of electricity because it is not being done. As we talk now, none of the Ugandans have seen anybody taking the trouble to validate the electricity metres within our homes.

**THE CHAIRPERSON:** Do not remove the duty from the Uganda National Bureau of Standards. It monitors the standards and the quality of what is being brought in. Do not mix up the functions.

**DR BATUWA:** Madam Chairperson, in my wisdom -

**THE CHAIRPERSON:** Members, I put the question that clause 4 be amended as proposed.

*(Question put and agreed to.)*

*Clause 4, as amended, agreed to.*

**THE CHAIRPERSON:** Chairperson?

New clause

**DR OTAALA:** Madam Chairperson, we propose to insert a new clause immediately after clause 4 to read as follows, “The principal Act is amended by inserting immediately after section 17, the following.”

Section 17(a) energy policy and energy plan:

1. The minister shall, in consultation with the relevant stakeholders, develop and publish an energy policy and energy plan, which shall be reviewed every five years.

2. The minister shall prepare and publish a report on the implementation of the energy policy and energy plan within three months after the end of each financial year.

3. The minister shall in consultation with the relevant stakeholders, develop, publish and review energy plans in respect of call, renewable energy and electricity.

4. The energy plan shall take into account the national energy policy.

(b) The energy plan shall serve as a guide for energy infrastructure investments.

(c) The energy plan shall take into account all viable energy supply options, and

(d) The energy plan shall guide the selection of the appropriate technology to meet energy demands.

The justification for these new insertions is to cater for the need for a multi-sectoral team to be involved in planning for the electricity sector.

Madam Chairperson, I beg to submit.

**THE CHAIRPERSON:** Minister?

**MS CECILIA OGWAL:** Madam Chairperson, I beg to make a minor amendment. The use of the word “energy” includes oil and gas. For the purpose of this Bill, we should retain the word “electricity” so that it is focused on electricity.

However, if we make it general energy, it would include oil and gas. I beg to move that amendment.

**THE CHAIRPERSON:** Attorney-General?

**MR KIRYOWA:** Madam Chairperson, I get the principle that the honourable member is raising. However, if you keep it as electricity, we leave out others, which we are trying to cover here: solar, among other things. Maybe, we could define energy here to exclude oil and gas for purposes of the Bill.

**THE CHAIRPERSON:** So, the definition of energy will be –

**MR KIRYOWA:** The definition of energy will exclude oil and gas.

**MS CECILIA OGWAL**: I agree on that.

**MR KIRYOWA:** Thank you.

**MS CECILIA OGWAL**: Thank you too.

**THE CHAIRPERSON:** Hon. Opolot?

**MR OPOLOT-ISIAGI:** Thank you, Madam Chairperson. I would like us to be very specific as far as the stakeholders are concerned. Who are these stakeholders? It can happen that the stakeholders can become “N” in number and even a bicycle rider can claim to have been a stakeholder and he was not consulted.

So, it is better we be specific and state who the right stakeholders to be consulted by the minister are.

**THE CHAIRPERSON:** Yes, chairperson?

**MR MUSASIZI:** Madam Chairperson, I want to bring the chairperson of the budget committee into context.

**THE CHAIRPERSON**: Before you bring the chairperson of budget into context, it is saying relevant stakeholders.

**MR OPOLOT-ISIAGI:** Relevant is also relative.

**THE CHAIRPERSON:** I mean the law is the law.

**MR KIRYOWA:** I think the purpose of relevant is to allow the person who is sitting there at that time - because circumstances change. The person relevant to nuclear energy may not be necessarily relevant to solar energy. So, the persons who are relevant at that time will be addressed. I think it gives us enough room to involve everyone whom we can possibly think about.

**THE CHAIRPERSON:** When you read further, it tells you that in respect of all renewable energy and then electricity, so, it defines the relevant stakeholders.

I put the question that a new clause be inserted immediately before clause 5 as proposed.

*(Question put and agreed to.)*

*Clause 5, agreed to.*

**THE CHAIRPERSON:** There was no amendment on clause 5.

**MR ASIIMWE:** Madam Chairperson, I have an issue on that.

**THE CHAIRPERSON:** You can go to committal.

*Clause 6, agreed to.*

*Clause 7, agreed to.*

Clause 8

**DR OTAALA:** Madam Chairperson, clause 8 seeks to amend Section 44 of the principal Act by substituting the words “21 days” with the words “28 days”.

The justification for this is to maintain consistency with the section 43(4) –

**THE CHAIRPERSON:** Hon. Angura, do we have another chairperson behind? Come and sit here? Come and sit and replace the Prime Minister.

**DR OTAALA:** Madam Chairperson, thank you, for promoting my brother to the Frontbench.

I was saying that clause 8 seeks to amend Section 44 of the principal Act by substituting “21 days” with “28 days”. The justification for this amendment is to maintain consistency with Section 43(4) of the principal Act, which provides for the appeal to the tribunal to be made within 28 days after receipt of the notice.

Madam Chairperson, I beg to submit.

**THE CHAIRPERSON:** Minister?

**MR OKAASAI:** Madam Chairperson, the committee was observant. I concede.

**THE CHAIRPERSON:** I put the question that clause 8 be amended as proposed.

*(Question put and agreed to.)*

*Clause 8, as amended, agreed to.*

*Clause 9, agreed to.*

*Clause 10, agreed to.*

Clause 11

**DR OTAALA:** Madam Chairperson, clause 11 seeks to amend Section 51 of the principal Act. And we are proposing to substitute the words “by notice in the Gazette” with the words “by regulations”.

The justification for this amendment is that the capacity of limiting megawatts should be determined by the authority through regulations. Madam Chairperson, I beg to submit.

**THE CHAIRPERSON:** Minister?

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

**THE CHAIRPERSON:** I put the question that clause 11 be amended as proposed.

*(Question put and agreed to.)*

*Clause 11, as amended, agreed to.*

*Clause 12, agreed to.*

*Clause 13, agreed to.*

Clause 14

**DR OTAALA:** Madam Chairperson, in clause 14, we are seeking to delete subsection (1). And, therefore, we are first of all, proposing that the headnote should read, “Amendment of section 56 of the principal Act” instead of, “Substitution of section 56 of the principal Act”.

We are proposing to delete subsection (1).

In (b) we are proposing to substitute the word “circumstances” with the word “terms” in subsection (3).

The amendment we are making is that in the proposed subsection (3), we are proposing two amendments, one, by substituting the word “circumstances” with the word, “terms”. And secondly, we are proposing to substitute the words, “or a holder of a distribution license” with the words, “a licensee”.

In (c), by inserting immediately after the proposed subsection (3), the following, “the terms prescribed in the regulations under subsection (3) shall not provide for undue preference to a specific class or category of customers.”

The justification here, Madam Chairperson, is that subsection (1) in the principal Act is sufficient and is better captured in legislative terms.

Secondly, the amendment in subsection (3) will eliminate the monopoly of a bulk supplier.

And finally, the insertion is for purposes of fairness. Whereby we are proposing – that is all. I beg to submit.

**MR EKANYA:** Madam Chairperson, I am finding the use of the words – in clause 12, which we passed, we said, “the minister shall, by regulation prescribe”. Then, when we come down here at clause 14 where we are, we are now saying, “the authority may, by regulations”.

So, we have a contradiction. In one clause, the minister is to do regulation; in another clause, it is the role of the authority. I think we need to have uniformity, where the minister is the one that does all the regulations in the Act. I have seen that contradiction as we go forward.

**MR KIRYOWA:** Yes, the contradictions that seem like contradiction in this are actually intentional. There are certain regulations, which have been prescribed for the minister, but the more technical ones have been left to the authority.

To get all of them – because the minister may not have some of the technical capacity for which you want to regulate. So, where you find the authority has been given that function, the authority is dealing with – and then the Minister is dealing with policy regulation. You can address point by point, but not a common thread.

**MR EKANYA:** Madam Chairperson, I wanted to advise the AG because down there –

**THE CHAIRPERSON:** Hon. Ekanya, what AG is saying is that there are some regulations that should be made by the minister and others by the authority, Electricity Regulatory Authority. That you cannot give all the powers to one person; there will be abuse.

**MS CECILIA OGWAL:** Madam Chairperson, I think the minister is right here in the sense that all activities related to performance, day-to-day performance, or whatever is related to a technicality, that one should be left to the authority. This is because the minister may not have the technical know-how. I think I have understood. It should just be a matter of management.

**DR BATUWA:** Thank you very much, Chairperson. I also seek the input of the learned Attorney-General, on this issue of bulking. Here in the law, bulking is looked at only from one side, that is the side of the providers of electricity energy. Yet in practice –

**THE CHAIRPERSON:** Where is bulking in this clause?

**DR BATUWA:** In the definition and that is what we are seeking to amend. We are amending bulking –

**THE CHAIRPERSON:** Let us look at one thing at a go, doctor.

**DR BATUWA:** Much obliged, Madam Chair.

**THE CHAIRPERSON:** Honourable members, I put the question that clause 14 be amended as proposed.

*(Question put and agreed to.)*

*Clause 14, as amended, agreed to.*

**DR OTAALA:** Madam Chairperson, we are proposing an insertion immediately after clause 14 to read as follows;

“Amendment of section 64 of the principal Act -

Section 64 of the principal Act is amended –

1. In the headnote by substituting for the words “Rural Electrification Fund”, the words “Electricity Development Fund”.
2. In subsection (1), by substituting for the words “Rural Electrification Fund” the words “Electricity Development Fund”
3. In subsection (2), by deleting paragraph (c).
4. In subsection (3)(d), by substituting for the words “rural electrification”, the words “development of the electricity supply industry”.
5. By inserting immediately after subsection (3), a new subsection as follows; ‘The minister shall lay before Parliament, approved annual estimates of revenue and expenditure drawn from the fund in accordance with section 13 of the Public Finance Management Act.’”

Madam Chairperson, the justification for these insertions are;

1. The Rural Electrification Programme has been mainstreamed into the Ministry of Energy and Mineral Development
2. The committee observed that the rural electrification levy intended for rural electrification is currently deposited in the Consolidated Fund as part of the national budget. The levy is currently charged at five per cent of the transmission bulk purchases of electricity from generation stations therefore, need not be charged to the end-user consumer.
3. The laying of approval of annual estimates in Parliament is for transparency and accountability.

Madam Chairperson, I beg to submit.

**THE CHAIRPERSON:** Honourable minister -

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

**THE CHAIRPERSON:** Thank you. I put the question that a new clause be inserted immediately after clause 14, as proposed.

*(Question put and agreed to.)*

*New Clause inserted.*

Clause 15

**DR OTAALA:** Madam Chairperson, clause 15 seeks to amend section 75 of the principal Act by inserting immediately after paragraph (b) the following:

(c) By inserting immediately after subsection (10) the following subsection, “(11) An application for a distribution licence shall include a net metering plan for all customer categories.

(12) The application shall be granted after satisfying the requirements of metering as provided for in the regulations.”

Justification

The committee contends that net metering is a standard practice in electricity markets, globally. Each distribution licensee should, upon application, make available net metering services to any electricity consumer or captive power generator that the licensee serves. I beg to submit.

**MR OKAASAI:** Madam Chairperson, I accept the recommendation of the committee.

**THE CHAIRPERSON:** I put the question that clause 15 be amended as proposed.

*(Question put and agreed to.)*

*Clause 15, as amended, agreed to*.

*Clause 16, agreed to.*

*Clause 17, agreed to.*

Clause 18

**MR OTAALA:** Clause 18 seeks to provide for an insertion of a new section 83A and 83B. (a) In the proposed section 83A (2) by inserting the words “under this Act” immediately after the words, “relevant section”.

(b) In the proposed section 83B, by inserting after the proposed subsection (4) the following new subsections. “(4) The penalty imposed under this section for purposes of tariff calculation shall not form part of the licensee’s allowable regulated cost.

(5) A licensee aggrieved by the decision of the authority shall appeal to the electricity disputes tribunal within 28 days.”

Justification

(i) In the proposed section 83A(2), the amendment is meant to avoid ambiguity.

(ii) For the penalty to be effective, it should not form part of the allowable regulated cost for the licensee for purposes of tariff calculation. I beg to submit.

**MR OKAASAI**: I accept the committee’s proposal.

**THE CHAIRPERSON**: I put the question that clause 18 be amended as proposed.

*(Question put and agreed to.)*

*Clause 18, as amended, agreed to.*

New Clause

**DR OTAALA:** Madam Chairperson, after clause 18, we are proposing an insertion of a new clause immediately after it to read as follows:

Amendment of section 85 of the principal Act. The principal Act is amended in section 85 by substituting for the words, “five currency points or to imprisonment for a term not exceeding one year or both” the words “twenty thousand currency points or imprisonment not exceeding 10 years or both.”

Justification: For consistency with the new insertions in the Bill, where penalties have been reviewed to match the current situation. I beg to submit.

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

**THE CHAIRPERSON:** I put the question that a new clause be inserted immediately -

**MR MPUUGA:** Thank you, Chairperson. I did request earlier on whether the Attorney-General has looked at this particular penal provision to assure the House that we are not legislating a conflict of laws given the ongoing revision to ensure that we are fair.

**MR KIRYOWA:** Thank you, Madam Chairperson. I did say here before, the laws to regulate penalties are set by this Parliament. This Parliament never gave away the right to set any other penalty.

So, if the law had set a lower penalty and this House feels that for this particular aspect, it needs to set a higher penalty, it would; it guides everyone else to be bound by that but not the Parliament. So there will be no conflict. Parliament still has the authority to set the parameters.

**THE CHAIRPERSON:** I put the question that a new clause be inserted immediately after clause 18 as proposed.

*(Question put and agreed to.)*

*New clause, agreed to.*

Clause 19

**DR OTAALA:** Clause 19 seeks to amend section 85 of the principal Act.

(a) In the headnote, by substituting for the words “substitution of section 85 of the principal Act” the words “insertion of a new section 85A”.

(b) By substituting for the words, “The principal Act is amended by substituting for section 84 the following” the words “The principal Act is amended by inserting immediately after section 85 the following”

(c) In the headnote of the proposed section 85 by substituting for the figure “85” the figure “85A”.

Justification

For consistency with the new insertions in the Bill where penalties have been reviewed to match the current situation. I beg to submit.

**MR OKAASAI:** Madam Chairperson, I accept the committee’s proposal and substituting the words of the penalty in section 85 with the following, “commits an offence and is liable on conviction to a fine not exceeding fifty thousand currency points or imprisonment not exceeding 15 years or both.”

My justification for that redrafting is the penalty should be brought in tandem with the proposed penalties of the Bill to reflect the severity of the vice.

**THE CHAIRPERSON:** Attorney-General, can you redraft for us this amendment.

**MR KIRYOWA:** The redraft is to read that, “The amendment was interference with metres and works in public lamps” and at the end of section 85A is just to add the words, “commits an offence and is liable on conviction to a fine not exceeding fifty thousand currency points or imprisonment not exceeding 15 years or both.”

**THE CHAIRPERSON:** Is it complementary to the committee’s proposal?

**MR KIRYOWA KIWANUKA:** Yes. It is just adding to the committee’s proposal. At the end of the committee’s proposal, just add the penalty.

**THE CHAIRPERSON:** Okay.

**DR OTAALA:** Madam Chairperson, I agree to the proposal of my minister and learned Attorney-General because most colleagues here articulated the issue of vandalism as a big problem, and the need to have deterrent penalties. So, the proposal is actually increasing from 10 years imprisonment to 15 years imprisonment. I, therefore, agree to that amendment.

**THE CHAIRPERSON:** I put the question that clause 19 be amended as proposed by the committee and the Attorney-General.

**MR PATRICK OPOLOT:** Madam Chairperson, I concur with the years but it is not balancing with the fine; the currency points are so low and it says either/or. How much is that? *[HON. MEMBERS: “Fifty thousand currency points is equivalent to Shs 1 billion”].* Maybe but again, it looks beyond the normal, which is impossible. So, we shall be tagging what you can never charge.

Madam Chairperson, when we put a charge, the one paying must feel the pain while paying it. Otherwise, most of these vandals are like cattle wrestlers *–(Interjection)*

**DR BATUWA:** Madam Chairperson, I would like to believe that a penalty should be deterrent but most importantly, it should enable the Government to recover the loss it has incurred upon some of these activities. So, it should be something realistic that one can actually pay. Why levy a billion on a loss of about Shs 50 million yet you can charge someone Shs 60 million? We need to be careful while handling that.

**DR OTAALA:** Madam Chairperson, most colleagues have submitted on this but I just want to give an example of how grave the issue of vandalism is. Assuming the cost of one tower is about Shs 350 million, when that tower is cut down, it affects people on all sides. Therefore, for us to propose a penalty of Shs 1 billion, we are just perfectly in order. I beg to submit.

**MR EKANYA:** Madam Chairperson, I want to request the minister and the committee that if you charge Shs 1 billion, it will make people bribe the police and the justice system. It is better to recover the value twice. For example, if a transformer is Shs 300 million, then the culprit should pay Shs 600 million. Otherwise, we will not be able to convict any person because people will bribe their way.

**THE CHAIRPERSON:** Honourable members, they are saying that 50 currency points is equivalent to Shs 1 billion.

**MR EKANYA:** Madam Chairperson, if somebody has committed a crime worth Shs 50 million and told to pay Shs 1 billion -

**THE CHAIRPERSON:** No, we are putting a deterrent measure so that you do not do it next time.

**MR KIRYOWA:** To clarify to Members, when you are setting up penal factors like this, anyone trying to vandalize electricity or energy infrastructure should know that they are likely to end up in prison. If you put Shs 50,000 and they vandalize 10 transformers, they are capable of paying. So, we are saying, steal them and if you are not likely to get a billion, you will get 15 years of imprisonment. It is a deterrent; it is like telling them the only option you have is to go to prison. Therefore, the question is, do you really want to vandalise?

Honourable members, the people who carry out these activities are extremely sophisticated people. It is not sustainable to believe that a person who takes down a tower line is just an ordinary person walking the streets. These people are sophisticated; so, we need to deter them from making this a business.

**THE CHAIRPERSON:** Honourable members, I put the question that clause 19 be amended, as proposed by the committee and the Attorney-General, with the additional insertion on penalties.

*(Question put and agreed to.)*

*Clause 19, as amended, agreed to.*

**THE CHAIRPERSON:** Honourable members, this is not a market and those saying no are the ones who vandalize these places. *(Laughter)*

New clause

**DR OTAALA:** Thank you, Madam Chairperson, for that guidance. In clause 20, we are seeking to insert -

**THE CHAIRPERSON:** After clause 19, you have a new clause.

**DR OTAALA:** We propose to insert immediately after clause 19, a new clause as follows: “Amendment of section 86 of the principal Act”.

The principal Act is amended in section 86, by substituting for the words ”thirty currency points or to imprisonment for a term not exceeding three years or both” the words “twenty thousand currency points or imprisonment not exceeding 10 years or both.”

The justification is that this is a consequential amendment. I beg to submit.

**MR KIRYOWA KIWANUKA:** I accept the committee’s proposal.

**THE CHAIRPERSON:** I put the question that a new clause be inserted immediately after clause 19, as proposed.

*(Question put and agreed to.)*

*New clause, inserted.*

Clause 20

**DR OTAALA:** Madam Chairperson, clause 20 is amended by:

1. In the headnote by substituting for the words “substitution of section 86 of the principal Act” the words “insertion of a new section 86A”

The justification is that section 86 has been maintained in the principal Act, and so, the new provision should appear as an insertion into the Bill and not as a substitution. I beg to submit.

**MR KIRYOWA KIWANUKA:** Madam Chairperson, I accept the committee’s proposal to insert section 86A, as maintained in the Bill.

**DR BATUWA:** Madam Chairperson, this section seeks to punish even a person who accidentally, maybe by way of driving, knocks down an electric pole. To subject this person to the punishments we have just been discussing here is unrealistic.

Therefore, this should not be an import of the other punishment here. Otherwise, it reads, “A person who wilfully or negligently causes energy to be diverted from its proper cause or be wasted or breaks, throws down or causes to fall or damages any supply line, post, pole or any other equipment.” I have seen many people driving and they knock these electricity poles accidentally. Therefore, we cannot subject the kind of punishment we have been discussing to section 86. It should not be deterrent. It should be a recoverable punishment - to recover the loss incurred on Government -

**THE CHAIRPERSON:** Are you supposed to drive around the poles?

**DR BATUWA:** Madam Chairperson, mine is not to levy a punishment of Shs 1 billion on a person who has accidentally knocked down an electric pole. It could even be a mechanical damage. Let the punishment be recoverable but not deterrent. Let the person pay for the damage.

**THE CHAIRPERSON:** If it is an accident, that will be determined at that time.

**DR OTAALA:** Madam Chairperson, this clause speaks to “wilful” - it is different from an accident, which he is alluding to. The spirit of the law is different from what he is speaking to. I beg to clarify.

**DR BATUWA:** Madam Chairperson, relatedly it talks of “wilfully” or “negligently”. So, if somebody did not service his vehicle, it could amount to “negligently” - but it is very unfortunate -

**THE CHAIRPERSON:** Doctor, what is the meaning of “negligently”?

**DR BATUWA:** Madam Chairperson, in Uganda, due to circumstances especially subjected to us by Government, sometimes, we find ourselves very negligent, yet we should not. However, overall, the punishment here should not be deterrent. It should enable Government to recover the loss incurred.

**THE CHAIRPERSON:** Doctor - I do not want you to blame Dr Batuwa. He is a veterinary doctor.

**MR BASALIRWA:** Madam Chairperson, let us help the doctor on this matter –

**THE CHAIRPERSON:**  I do not mean Dr Abed.

**MR BASALIRWA:** I think there are two things here. First, for this fine to be given to you, you must go through a due process – you will go to court and make your case. Secondly, an accident is a defence. If you really prove to court that the destruction was occasioned by an accident, court will listen to you.

Let us not create an impression that somebody will wake up and say: “Pay the billion shillings or go to jail?” No, there is a due process. That is what we need to understand when we are talking about penal provisions. They do not exist in the abstract. There is a due process of the law. Therefore, we should be comforted by the fact that somebody will be able to prove their case before a court of law.

**THE CHAIRPERSON:** There is a defence of an accident.

**MR KATUNTU:** Thank you, Madam Chairperson. To be held criminally liable, you have to take two things into consideration: one, what we call *mens rea* – you must have a criminal intention, and; two, put into action that intention – what we call *actus reus*.

The prosecution has a duty to prove that, actually, you had that criminal intention and you put it into effect by doing a particular criminal act. Those are the only two grounds upon which you can be found criminally liable. If you go through that, I do not see any reason why the doctor is worried. There is a process.

Madam Chairperson, the proof in any criminal matter - what we call “the burden” is on the prosecution - the one alleging. However, it also has a standard. The standard is “beyond reasonable doubt”.

Therefore, all the safeguards are there within the law. Doctor, really, your concerns are misplaced. Let us - I do not have a mild English word to use but - let us punish these people who destroy public property.

**THE CHAIRPERSON:** Thank you. I put the question that clause 20 be amended as proposed.

*(Question put and agreed to.)*

*Clause 20, amended, agreed to.*

*Clause 21, agreed to.*

*Clause 22, agreed to.*

*Clause 23, agreed to.*

*Clause 24, agreed to.*

Clause 25

**DR OTAALA:** Madam Chairperson, I am dropping this proposed amendment. I have realised that since the authority consists of five members, if we created two subcommittees, one would have three and the other two. Therefore, I am withdrawing that proposed amendment.

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

*(Question put and agreed to.)*

*Clause 25, agreed to.*

*Clause 26, agreed to.*

*Clause 27, agreed to.*

Clause 28

**DR OTAALA:** Madam Chairperson, we are proposing to amend clause 28 in subsection (3) by inserting the words “in consultation with the Public Service Commission” immediately after the words “appointed by the tribunal”.

Justification

This is for proper procedure of appointment of staff of the registry of the tribunal.

Madam Chairperson, I beg to submit.

**MR KIRYOWA KIWANUKA:** Madam Chairperson, the committee was vigilant. I accept their proposal.

**THE CHAIRPERSON:** I put a question that clause 28 be amended as proposed.

*(Question put and agreed to.)*

*Clause 28, as amended, agreed to.*

*Clause 29, agreed to.*

*Clause 30, agreed to.*

Clause 31

**DR OTAALA:** Madam Chairperson, we are proposing to amend clause 31 in the proposed section (119)-

“(a) In subsection (1) by inserting a new paragraph immediately after paragraph (f) as follows-

“net metering*”.*

b) By inserting a new subsection immediately after subsection (2) the following-

“(3)Regulations made under this section shall be laid before Parliament for information.”

Justification

The insertion of a provision on net metering in clause 15 of the Bill warrants empowering the authority to make regulations for the same.

Secondly, there is need for the authority to lay regulations before Parliament for information to enhance accountability and transparency.

Madam Chairperson, I beg to submit.

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

However, laying of regulations on the Floor of Parliament is a responsibility of a minister. The authority does not come to Parliament. I propose that instead of “the authority”, we say “the minister.”

**MR KIRYOWA KIWANUKA:** Madam Chairperson, that is correct. It is the minister who would bring the regulations to Parliament.

**THE CHAIRPERSON:** I put a question that clause 31 be amended as proposed by the minister, Hon. Okaasai.

*(Question put and agreed to.)*

*Clause 31, as amended, agreed to.*

*Clause 32, agreed to.*

Clause 33

**THE CHAIRPERSON:** Honourable members, I put the question that clause 33 stands part of the Bill-

**MR MPUUGA:** Madam Chairperson, I seek your indulgence. I needed to get the clarification of the chairperson. In our earlier discussion - the chairperson is not attentive – Madam Chairperson, the import of clause 33 seeks to introduce a new section in the principal Act to enable the minister to issue four shares in the successor companies of UEB.

I am looking at the report and I did not see the chairperson rise yet this was part of the discussion where the chairperson and the committee conceded to the effect of clause 33 that sought to empower the minister to float shares in the remaining successor companies.

Chairperson and members, we consider this as a red line. We are aware that these successor companies are public profit making companies. If we do float shares and allow them to become partly owned by private individuals, again, it will be a fleecing of the public using the law.

Public utilities like power are meant to provide services to the population. Here we are inviting private interest. Hitherto we are discussing the problem of tariffs to domestic consumers. The committee moved to ameliorate this by reducing VAT from 18 to 10 per cent. If we leave clause 33 intact, it will be a very serious abdication of public duty and it will be an invitation for speculators into these profit making public companies to buy in shares.

Madam Chairperson, I would like to invite the House to consider clause 33 as a problem. The chairperson of the committee needs to explain to this House where it derives comfort in making no comment on clause 33 -

**THE CHAIRPERSON:** Leader of the Opposition, what is your proposal?

**MR MPUUGA:** My proposal is to completely delete clause 33 because the question that was being put this clause to remain part of the Bill is problematic.

**MR KIRYOWA KIWANUKA:** Madam Chairperson, I think the Leader of the Opposition has a point because in the report it was addressed. I think, the committee, when it was making its presentation, did not raise it. We actually thought he had dropped it. That is why we did not raise it. I think the committee chairperson can advise us on where they are with that.

**DR OTAALA:** Madam Chairperson, I beg for your indulgence. In our recommendation, we made it clear that the committee recommended that clause 33 be deleted. Unfortunately, when we were extracting the amendments, we forgot to extract this for deletion. My apologies, Madam Chairperson. I want to applaud my brother, the Leader of the Opposition, for pointing it out.

**THE CHAIRPERSON:** Dr Batuwa, can you leave my Leader of the Opposition and get back to where you are seated.

**DR OTAALA:** Leader of the Opposition, I would like to applaud you for recognising that we had actually made this omission, but also for having worked very closely with the committee right from the time we were examining this Bill.

**THE CHAIRPERSON:** Honourable members, thank you for being observant.

**MR OKAASAI:** Madam Chairperson, I accept that clause 33 be deleted.

**THE CHAIRPERSON:** Leader of the Opposition, thank you for the observation. I put the question on the proposal by the Leader of the Opposition to delete clause 33.

*(Question put and agreed to.)*

*Clause 33, deleted.*

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

*(Question put and agreed to.)*

*The title, agreed to.*

MOTION FOR THE HOUSE TO RESUME

5.55

**THE MINISTER OF STATE FOR ENERGY AND MINERAL DEVELOPMENT (ENERGY) (Mr Sidronius Okaasai):** Madam Chairperson, I beg to move that the House do resume and the Committee of the whole House reports thereto.

**THE CHAIRPERSON:** Honourable members, I put the question that the House do resume and the Committee of the whole House reports thereto.

*(Question put and agreed to.)*

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

REPORT FROM THE COMMITTEE OF THE WHOLE HOUSE

**THE SPEAKER:** Honourable minister?

5.56

**THE MINISTER OF STATE FOR ENERGY AND MINERAL DEVELOPMENT (ENERGY) (Mr Sidronius Okaasai):** Madam Speaker, I beg to report that the Committee of the whole House has considered the Bill entitled, “The Electricity (Amendment) Bill, 2022” and passed it with amendments. I wish to report.

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

5.57

**THE MINISTER OF STATE FOR ENERGY AND MINERAL DEVELOPMENT (ENERGY) (Mr Sidronius Okaasai):** Madam Speaker, I beg to move that the report from the Committee of the whole House be adopted.

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

*(Question put and agreed to.)*

*(Report adopted.)*

BILLS

THIRD READING

THE ELECTRICITY (AMENDMENT) BILL, 2022

**THE SPEAKER:** Honourable minister?

5.58

**THE MINISTER OF STATE FOR ENERGY AND MINERAL DEVELOPMENT (ENERGY) (Mr Sidronius Okaasai):** Madam Speaker, I beg to move that the Bill entitled, “The Electricity (Amendment) Bill, 2022” be read for the third time and do pass.

**THE SPEAKER**: Honourable members, I now put the question that the Bill entitled, “The Electricity (Amendment) Bill, 2022” be read the third time and do pass.

*(Question put and agreed to.)*

A BILL FOR AN ACT TITLED, “THE ELECTRICITY (AMENDMENT) ACT 2022.”

**THE SPEAKER:** Honourable members, the Bill has been passed and settled.

5.59

**THE CHAIRPERSON, COMMITTEE ON ENVIRONMENT AND NATURAL RESOURCES (Dr Emmanuel Otaala):** Madam Speaker, I would like to convey my sincere appreciation to you, first and foremost, for being there always with us and for providing the environment for us to pass this Bill today.

I recall very well that last night, you were with me up to very late, in your Office –

**THE SPEAKER:** I was not with you. *(Laughter)*

**DR OTAALA:** Madam Speaker, I must say –

**THE SPEAKER:** There is clarification from Busoga.

**MR KIBALYA:** Thank you, Madam Speaker. I am seeking clarification from the chairperson because we are normally informed that parliamentary work is carried out during daytime. However, the chairperson has informed us that due to the requirement and the need for the Bill, he decided to be with you up to late in the night.

So, I am seeking the chairperson to clarify those hours and whether it is provided for in the law for the work of Parliament?

**THE SPEAKER:** Honourable members, I think he wanted to say that we left the office late trying to process the Bill. There should not be any concern; that is my son.

**DR OTAALA:** Madam Speaker, thank you very much, for the clarification. I just want to let honourable members know that Members of Parliament are actually employed to work 24 hours. So, it is not true that the committees can only work during day time.

However, that was for humour and to express how much input the Speaker invested –

**THE SPEAKER:** Chairperson, first sit. Honourable members, I want to thank you very much, for passing this very important Bill. This Bill is going to help us so much with the people who do not appreciate Government property.

I really want to appreciate this House for staying up to this long. I want to thank the Minister of Energy and Mineral Development. You have done a good job and we must appreciate you.

I also want to thank the ministers who have stayed around: Hon. Justin Lumumba, Hon. Henry Musasizi and the Minister of Education but most importantly, thank the attorneys-general from both sides for the legal guidance that they have given.

Similarly, I want to thank the chairperson of the committee, the vice-chairperson plus the entire committee. Special thanks go to my Leader of the Opposition; you have done a great job and my Shadow Attorney-General, Hon. Katuntu, and then my shadow speaker. *(Applause)*

Honourable members, I want to thank all of you for passing this Bill. It is a very important Bill for our country. Miss Uganda, thank you very much, for staying here. I want to really appreciate what you people have done; it is a very good milestone for the country.

I, therefore, adjourn the House to 2.00 p.m. tomorrow.

*(The House rose at 6.05 p.m. and adjourned until Thursday, 14 April 2022 at 2.00 p.m.)*