



PARLIAMENT OF UGANDA

PARLIAMENTARY DEBATES

(HANSARD)

OFFICIAL REPORT

FIFTH SESSION - SECOND MEETING

TUESDAY, 16 DECEMBER 2025



PARLIAMENT OF UGANDA
IN THE PARLIAMENT OF UGANDA

Official Report of the Proceedings of Parliament

FIFTH SESSION - 6TH SITTING - SECOND MEETING

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THE DEPUTY SPEAKER: Honourable colleagues, I welcome you to today's sitting. I know it has been tough out there. You are on the front line, but I want to thank you for saving time to be with us for today's session. I hope that, afterwards, I will adjourn the House sine die so we can go to the trenches and protect the gains. *(Laughter)* No, no, please, to secure our seats. Leader of the Opposition (LOP), I thought that your seat is a gain which you would need to protect.

Honourable colleagues, as you may remember, the Rt Hon. Speaker promised that we would work with the Electoral Commission so that they could demonstrate to us the use of biometric systems they have brought to use in the next election. I just spoke with the Chairman of the Electoral Commission, Justice Byabakama, and we have agreed that the demonstration exercise for Parliament will be held on Thursday, 18 December 2025, in the Conference Hall at 10.00 a.m. Honourable members, please attend so we can guide our voters.

Later, honourable colleagues, I will amend the Order Paper to allow the Minister of Finance, Planning and Economic Development to lay a loan request before the House for approval.

Honourable colleagues, in the VIP gallery this afternoon, we have very many guests, but most importantly, our colleagues from the Kenyan Parliament and members of Parliament from Kenya, and they include Hon. Caleb Mule, Hon. Beatrice Elachi, Hon. Esther Passaris,

Hon. Mary Maingi, Hon. Kivasu Nzioka, Hon. Christine Ombaka, Hon. Mary Emaase, Hon. Joseph Tonui, Hon. Mark Mwenje, Hon. Felix Oduor, and Hon. Tabitha Mutinda (Senator). They have come to observe the proceedings of this House. Please join me, once again, in welcoming them. *(Applause)*

Also in the VIP gallery this afternoon, we have a delegation of Hansard officers from the County Assembly of Kisumu, Kenya, and they include Mr Patrick Okoyo, Fanuel Okode, Vallery Achieng, Jesca Otieno and Jacklyne Atieno. They have also come to observe the proceedings of this House. Please join me, once again, in welcoming them. *(Applause)*

Honourable colleagues, we will have a brief session. We should not take long because there is a closing ceremony for the East African Community Inter-Parliamentary Games, and I want us to be punctual for that event.

Leader of the Opposition (LOP), do you have an issue? Then Hon. Ssemujju after the LOP.

2.42

THE LEADER OF THE OPPOSITION (Mr Joel Ssenyonyi): Thank you, Mr Speaker. I also want to join you in welcoming our colleagues from the National Assembly of Kenya.

Mr Speaker, you did hint on the electoral process, the fact that people are out there fighting for their political lives. No wonder the House is the way it is.

One, thank you for that update on the biometric voter verification kits. We did raise - I specifically raised that matter here, and my concern was twofold.

Number one, that even as legislators, as stakeholders, participants in the electoral process, we are not too sure about the whole modus operandi of these kits. How do they get to operate? Who does what? What happens when they are non-functional, as has been the case in the last election, during the census thereafter, network issues, operational issues, all these being very critical concerns, and it is important that they get addressed.

It is good that the Electoral Commission interacts with legislators as part of its stakeholder engagement. Beyond that, I think there are questions which need to be answered. Last time we met with the Attorney-General, some answers have not yet come through regarding the legalese.

Are we saying these biometric voter verification kits will be mandatory? And what that means, as I have heard one of the presidential candidates say, is that where the kit does not work, voting shall not take place at that polling station. The concern is what happens in areas where there will be network issues, failures of these kits to operate, power outages, and so on. We have had that challenge. Let us be mindful of that reality.

When you mention that where the kit fails, voting does not occur, we will face a crisis that impacts both sides of the aisle. Even in your constituency, you may find many areas where you believe you have majority support or whatever the case may be. So, if the machine fails, voting doesn't happen, and then what? I think it is important that the Government provides us with clarity.

Are we saying these biometric voter verification kits will be used? If so, what if they fail? As was the case the other time, are we referring to the voters' register? Or are we saying that where it fails, voting does not happen - so that there is clarity, we know exactly what we are dealing with.

Aside from that, Mr Speaker, two other quick issues, again related to the goings-on.

This House is tasked with making laws. It is important that when laws are broken, this House shows particular interest. On the 3rd of December this year, Rev. Fr Deusdedit Ssekabira, a priest of Masaka Diocese, was abducted by armed men using a regular vehicle. For days, everyone was asking about his whereabouts. We kept asking the police, saying, "You are responsible for arresting him. Where is this reverend father?" Police issued a statement saying, "We don't know about his arrest; we don't have him." That became even more concerning.

Days later, the Uganda People's Defence Forces (UPDF) issued a statement, which I would like to share here. It was authored by Chris Magezi, who stated that security forces detained Rev. Fr Deusdedit Sekabira for involvement in subversive activities and is, according to Magezi, in lawful custody.

The concern is twofold: lawful custody presupposes that someone is held in a gazetted detention facility accessible to lawyers, loved ones, and doctors when needed.

As we speak today, Mr Speaker, it is two weeks since this man was abducted. The army has finally acknowledged that they have him, but where are they holding him? Why has he not been produced in court? The law, which was passed in this House, provides for a 48-hour period during which you can hold someone in a gazetted facility. After 48 hours, you have two options: release him or her or produce him in court. Why has he not been produced in court? That is a big worry. It is not enough to say you have him and then claim he is in lawful custody. How is it lawful when his loved ones and lawyers cannot access him, and they do not know where he is?

Mr Speaker, we recently experienced a similar incident. Two Kenyan citizens were abducted in a comparable manner within this country, and it is reasonable to acknowledge that we have Kenyan legislators like Bob Njagi

and Nicholas Ayoo. For days, everyone was wondering about the whereabouts of these individuals. Eventually, the Head of State acknowledged that they had been detained — in a manner he metaphorically described as ‘put them in a fridge’ - and that they have now been released.

The concern is that we are acting against the laws we establish. By the way, none of us is above the law. If it is suspected that I have committed an offence, regardless of who I am — whether I am a priest or a political leader — the law states that I must be produced in court. Maybe the Government needs to advise us: why are they choosing to break the law? Why hasn't this Catholic priest, whom they say was involved in subversive activities, been brought to court? Present the evidence; let there be a trial. It is very important that this occurs. Otherwise, we face a significant challenge.

Mr Speaker, we celebrate Janani Luwum Day. It is now a public holiday. Janani Luwum was abducted by the Idi Amin regime. He disappeared permanently. The last we heard, he was killed. This Government said that we should celebrate this man. The same situation seems to be happening today. We need answers.

There is another citizen, Sarah Nambogo, and her 13-year-old child, who were also abducted outside Kampala Club. A 13-year-old child. This is a minor. I heard from several sources that they were scheduled for release today. I am not sure whether that has happened. The problem is, this person was abducted on 12 December. It has been several days. Where are they being held? Why don't you arrest people properly if you believe they have committed an offence, and then produce them in a court of law?

Finally, Mr Speaker, this is important for us here. On 10 December, the Uganda Government signed a health cooperation agreement with the US Government. This is intended to amount to about \$2.2 billion. The US Government is expected to cover most of it, roughly \$1.7 billion. It aims to support various initiatives, including strengthening our health system and

improving disease surveillance. It should be a positive development when you think about it. However, here is the challenge: as Parliament, we are not informed about this significant fiscal obligation on our country. There has been no parliamentary scrutiny.

There are concerns about data protection, medical data, and so on. Our colleagues in Kenya went to court because there was a similar deal signed by the Kenyan Government with the US Government, and they expressed concerns about data protection. The court has halted that deal. Why is the Government not keeping us in the loop if it is such a good deal, as it is being portrayed? Why do you not want parliamentary scrutiny, so that we can understand what kind of agreement this is? What is in it that so urgently needs to be kept from us?

Mr Speaker, not long ago, I was here again, raising concerns about some arrangement that had been made between the Uganda Government and the US Government, to bring some convicts instead of deporting them to their countries of origin. I said, “Tell us about that. How did this happen? Why can't they be taken to their countries of origin?”

Mr Speaker, transparency is vital. If this deal is as favourable as claimed, bring it here. We serve the people, and you say this deal will benefit them. Allow parliamentary scrutiny. Let us be fully informed. Thank you, Mr Speaker.

THE DEPUTY SPEAKER: Thank you. Attorney-General.

2.52

THE ATTORNEY-GENERAL (Mr Kiryowa Kiwanuka): Thank you very much, Mr Speaker.

Mr Speaker, you have reported that the Electoral Commission will be here on 18 December 2025 at 10.00 a.m. I do not think I need to belabour that point. All the questions the Leader of the Opposition has raised, I am sure we can submit to the Electoral Commission. They will respond to whether it is mandatory and what happens if

it does not work. For those, we can respond on Thursday when the Electoral Commission is here. We will be happy to join and participate in that.

On the violation of the laws and the manner of arrest, Leader of the Opposition, you are correct. It should be done properly, in accordance with the law, and if they are arrested, they should be put in lawful custody and presented in court. If that is not done, it is definitely unlawful. If the facts as you state them here are what they are, then it is unlawful, and there will be a sanction on that. We shall have to look at that.

On the issue of the agreement with the US Government, Mr Speaker, I have a challenge – (*Interjections*) – No, I have a challenge. If the requirement is that we bring every agreement the Government intends to sign to Parliament, we should draft the law accordingly. Otherwise, the Government reports to Parliament in accordance with the law. Every committee interacts with a government agency, and when we are called upon to report on health, we will do so.

However, Mr Speaker, I can assure you that the Government signed an agreement, it is in place, and it is within the law. I am sure that when the sectoral committee reviews it, they will have the magnanimity to come here and tell the country that we did a good job. I thank you.

MR SSENKYONYI: I do acknowledge that there is a lot of business that the Government can transact on behalf of the citizenry; that is why there has to be a government, anyway. The challenge is when there is a significant annual fiscal responsibility for the country. Budgets are passed here by us. When you say that of the \$2.3 billion, the US Government is going to shoulder a part of it, and the rest of it is supposed to be by us, you have gotten us into that agreement without us crossing every “T” and dotting every “I”. Where is this money going to be found, because it means we have to look for it? We, Uganda, either borrow as we usually do - even today, we are going to be here borrowing - or say the taxman, collect

this much, and that kind of thing. That is why I think it is prudent that Parliament is not at the tail end.

We are always here planning and budgeting together because of our fiscal obligations to the country, and it begins here. I disagree with the learned Attorney-General, who is a very well-schooled lawyer, when he says that Parliament should just wait. That we let them deal with these things, and they inform us later. What happens when there is something we should have taken care of, as far as our scrutiny is concerned? That is the issue.

THE DEPUTY SPEAKER: Colleagues, I think what we needed to first, of course, ask ourselves is whether this is one of the agreements provided for to be ratified by Parliament under the Ratification of Treaties Act. The moment we went through that, we would know whether they were required to come here. This is a very critical issue, and both of you seem to be right - the Leader of the Opposition and the Attorney-General. (*Laughter*) I do not see a point of disagreement for sure. What is important is the principle of scrutiny.

We are now going to handle the Budget Framework Paper (BFP). The Sectoral Committee on Health will be looking at these huge sums of money that would be required, and in the process, will study this agreement very well. The Minister of Health is here; she will be able to clarify more when it comes to the committee, but let us give it serious scrutiny to ensure that it is good for this country.

Hon. Ssewungu, sorry, I said Ssewungu, but I had allowed Hon. Ssemujju earlier on - Clarification is allowed by a member holding the Floor, and he did not allow it. That is what our rules say.

2.56

MR IBRAHIM SSEMUJJU (FDC, Kira Municipality, Wakiso): I want to thank you, Mr Speaker, and to join you in welcoming our colleagues from Kenya. I actually thought I would say sorry for their citizens who were recently abducted. Maybe when I go to Kenya,

I will ask them to do the same because my leader, Dr Besigye, was kidnapped from their country, but I will do that when I go to Kenya.

Mr Speaker -

THE DEPUTY SPEAKER: Hon. Ssemujju, who are you addressing because our rules say you only address the Members and the Speaker here.

MR SSEMUJJU: Mr Speaker, my eyes were focusing on the visitors but I am addressing you, Mr Speaker. (Laughter) Let me now focus both my submission and eyes on you, and I hope that the government ministers who are here, four junior ministers and the Attorney-General, will be able to answer these questions, and we do not speak like we are on a radio or television talk show. These are grave matters, matters to do with the elections.

The Chief of Defence Forces (CDF), Gen. Muhoozi Kainerugaba, who also happens to be a son of the President - we are lucky that we are the only country with a President and his son managing the defence - (Interruption) - Mr Speaker, maybe you need to restrain the ever silent military officers from making noise that is not provided for in our rules. The point is, Mr Speaker, the CDF has said, "After voting, do not hang around polling stations." The law on elections is very clear; you can have agents representing you, but the voters can stay at a distance that is prescribed by the law.

While the Attorney-General can answer that, we need to get the Government to tell us whether the military, as it did in December 1980, has now taken over the organisation, management and supervision of the elections.

Recently, I was on a radio station, and there were adverts run by the military telling people, "Go away after elections." We now have the military, and the CDF in particular, speaking more about elections than the Chairman of the Electoral Commission. Can the Attorney-General, Mr Speaker, if you allow, address himself to the law clearly and unequivocally, whether voters are not allowed to stay at a

polling station as prescribed in the law? Then, I do not know who will volunteer to tell us whether Gen. Muhoozi Kainerugaba, the CDF and the military, have now taken over the elections. Leave alone the violence, the beatings and the military hanging all over. Can those two issues be answered, Mr Speaker?

THE DEPUTY SPEAKER: Attorney-General, I was just asking myself because I think it was the Daily Monitor of 27th November, where I saw a story on the Electoral Commission ordering voters to go home after voting. Yes, the Chairman of the Electoral Commission - and I again saw several interviews re-emphasising the same. I just wanted to know, was this a position of the CDF or is it the position of the Electoral Commission, or the law that the CDF was emphasising? I just needed to know.

2.59

THE ATTORNEY-GENERAL (Mr Kiryowa Kiwanuka): Mr Speaker, I can say without fear of contradiction that after voting, even you, the Members of Parliament, must not stay at the polling station -(Interjections)- When you are 20 metres away, that is not the polling station. We are telling you to encourage everyone not to stay at the polling station after voting. When you finish voting, you leave the polling station and stand 20 metres or 100 metres- that is perfectly fine, but not at the polling station.

Lastly, Mr Speaker, no, the military has not taken over the management of the elections in Uganda. Elections are managed by the Electoral Commission.

THE DEPUTY SPEAKER: I have a problem because Hon. Ssemujju -(Laughter)- I can see - I am going to allow you but when you stand up, you hold the microphone, you first give a position, then after you change it - order - When you are seated, you attract my attention very well.

MR SSEMUJJU: Mr Speaker, I know Hon. Kiwanuka Kiryowa is a very intelligent person. The question I asked was very specific; the CDF said, "Go home." He did not say, "Stay

within the distance that is prescribed in the law.” He says, “Go home.” That is the question I asked.

MR KIRYOWA KIWANUKA: I am advising you, as the Attorney-General, and not advising you as to what anyone said outside this House. I am telling you, you cannot stay at the polling station after voting. You stay at a distance allowed as per the law.

THE DEPUTY SPEAKER: Thank you. Maybe he meant those whose homes are 20 metres away from the polling station, you go home -(Laughter)- Colleagues, we need to go on the business on the Order Paper. I know you want to raise the issue of the priest.

3.03

MR JOSEPH SSEWUNGU (NUP, Kalungu West County, Kalungu): Mr Speaker, first of all, allow me to wish His Eminence Emmanuel Cardinal Wamala a happy 99th birthday, and I think that birthday is commendable for us, the Catholic Church and everybody in Uganda.

Through you, Mr Speaker, to the Attorney-General, yes, what you are saying is correct. He is a learned friend - he is the head of the Bar, and practises through our laws, which he knows very well. When you are summoning Members of Parliament, the summonses go through the Office of the Speaker and indeed, even the priest in Masaka, Fr Ssekabira, has the Vicar-General and the Bishop of Masaka Diocese. What I am seeking from the Attorney-General is going back to the grand norms of the country, that there are procedures for arresting somebody. This is a priest who is running a parish, and his place of work is known but the business of arresting and holding him incommunicado is not proper.

Mr Speaker, Masaka’s history is not good about priests. We had a priest, Fr Clement Kiggundu, who disappeared like that. In the letter written by our bishop, he highlighted the same, and that was 1972. Here we are; it has been over two weeks, and the UPDF comes out directly to say that they have the priest but have not produced him before the court. That is not fair

on our Catholic side, and it is not fair even on your side of the Government, because I can assure you, we are going to win votes against you because of that priest, since not everybody is happy.

Mr Attorney-General, as Article 119 states, that is your duty now. How do you advise the Government on the mess they are making in carrying out arrests of that nature because somebody has not run away? He is around. Summon him and let him appear before the court, and then you can detain him.

Mr Speaker, to date, the priest has not been produced before the courts. The Attorney-General currently holds two positions: he is the sitting Attorney-General and is also acting as the Leader of Government Business. However, he is not providing a direct answer regarding our priest.

Mr Speaker, people want to receive sacraments from the priest - I also need to receive sacraments from him. We are going for Christmas - I do not know, but Colonel here is a Catholic. She knows what is happening now that we are in a period of Advent, and our Speaker is also aware of that. Can you kindly do the needful? Mr Speaker, can the priest be brought before the courts of law? If he is to be bailed out, it will be done. If he is to be kept on remand, let it be known. That will solve challenges and a lot of words being said in Masaka Diocese.

Mr Speaker, that is what I wanted to say to the Attorney-General. Otherwise, the Leader of the Opposition has said the same thing - (Member timed out.)

THE DEPUTY SPEAKER: Thank you. I think that was for noting, but if the Attorney-General wants to add on, it is okay because he had already answered it.

Colleagues, we all followed up on this matter when it happened, and we are still following it up to see how we can work with the Government to ensure that the right procedures are followed as the law takes its course.

Hon. Okupa, did you have a matter to raise?

MR OKUPA: Mr Speaker, I think Hon. Ssewungu has just raised the point I wanted to share. We expect the Attorney-General to really - Hon. Ssewungu has stated the law; what needs to be done, and the correct question. What is the way forward now that you have stated the law? That is what Ugandans, the priests and the cardinal are waiting for. You have stated the correct position of the law, so what next?

THE DEPUTY SPEAKER: Thank you. He guided on that. Let us not push him. Hon. Basalirwa.

3.07

MR ASUMAN BASALIRWA (JEEMA, Bugiri Municipality, Bugiri): Mr Speaker, I thank you. The learned Attorney-General did state the law properly, but two issues shocked me. Number one, feigning ignorance of this matter is very shocking, learned Attorney-General.

Attorney-General, from your response, it is as if you really do not know this notorious fact, as we call it in law. Notorious in the sense that it is in the public domain.

Two, Attorney-General, you did mention that if that is the position articulated by the Leader of the Opposition, then there will be sanctions. That is a statement you made. Who exactly will be sanctioned? The document that has been laid on the Table was written and authored by the spokesperson of the Uganda Peoples Defence Forces (UPDF). Evidently, that document reveals that there are glaring violations of the Constitution; that is, the 48-hour rule, the irregular arrest and the irregular detention are very obvious.

Perhaps, to allay our fears and give comfort, if officers in the UPDF are orchestrating the violations of the Constitution, then let it be on record that they will be sanctioned. When you make it light and feign ignorance, it really pains because these are matters that are in the public domain. In fact, if we are talking about

evidence, you and I know that this would be an issue that does not require evidence.

Mr Speaker, may I receive information from Hon. Ssemujju.

MR SSEMUJJU: Thank you, Hon. Asuman. The information I would like to give you is that the Attorney-General was the chairman organising illegal events at which Gen. Muhoozi Kainerugaba was seeking to be the president. He was the chairman. *(Laughter)*

MR BASALIRWA: That does not take away the fact that Kiryowa Kiwanuka is a very good lawyer. It does not take away that fact.

THE DEPUTY SPEAKER: Sorry, Hon. Asuman. Hon. Margaret, please do not access the microphone without permission of the Speaker. Thank you. Continue Hon. Asuman.

MR BASALIRWA: Mr Speaker, given the gravity and sensitivity of this matter - you know when it involves religious leaders - I am not saying religious leaders are above the law. Still, I belong to the Muslim faith where we have confronted these challenges when our sheikhs and imams have been taken in similar circumstances. I think it raises more concerns.

Therefore, Mr Speaker, for the sake of the rule of law, it would be important that - By the way, my mother is the LC1 Chairperson of her village for very many years. Before, when these arrests are being made, they would come and notify her but these days, it does not happen. If we really went back to that system where local authorities are informed of such arrests, it would create harmony and peace.

What is happening will create a lot of tension in the community. Learned Attorney-General, I think that is a matter you need to streamline.

Finally, Mr Speaker, you have talked about a function; as the Chairperson of the Parliamentary Sports Club, I would like to add my voice to invite all Members of Parliament who are here to be part of the closing ceremony, which is the award-giving ceremony of these games.

Mr Speaker, I agree with you that this session should be brief, as we invited our guests at 3.00 p.m., and I am confident a good number of them are there.

Given that Uganda is the overall champion, it would be important that we all come and participate. Honourable members, the Rt Hon. Speaker here did very well in golf. We are going to award him a medal at that function. *(Applause)* The Attorney-General did not play golf. I had expected him to play, but I think next year, he will be there.

THE DEPUTY SPEAKER: He took off.

MR BASALIRWA: Mr Speaker, I invite colleagues to be part of the function. Our guests have been invited to be part of the closing ceremony of the games. Karibuni sana, wandugu.

THE DEPUTY SPEAKER: Thank you, Attorney-General. Chairperson of the Committee on National Economy, I need you in the House.

3.12

THE ATTORNEY-GENERAL (Mr Kiryowa Kwanuka): Mr Speaker, I did not feign ignorance. I did not dispute the document that has been laid before the House. Yes, the Government and the UPDF did state that they have this person in custody, and we are following up, as the Speaker said, to ensure that he is presented in court as fast as possible, and anyone who is found to have violated the law will be sanctioned.

I cannot tell you who, now, because I do not know who carried out these activities. Anyone who is found to have violated the law will be sanctioned.

Hon. Asuman, I take your guidance with great humility and with thanks for reviving the issue of using local councils when arrests are being carried out in areas. I will communicate this and reemphasise it. Thank you.

THE DEPUTY SPEAKER: Did you organise any illegal parties? *(Laughter)*

MR KIRYOWA KIWANUKA: Mr Speaker, I take great exception to my colleague here in Parliament. Even insinuating that I participated in any illegal activity - the parties were legal, and they were also invited, just that they did not show up. Thank you.

THE DEPUTY SPEAKER: That is the problem of express fans. You usually do not agree — next item.

LAYING OF PAPERS

(I) THE NATIONAL BUDGET FRAMEWORK PAPER FOR THE FINANCIAL YEAR 2026/2027-FINANCIAL YEAR 2030/2031

3.14

THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi): Mr Speaker, I beg to lay on the Table the National Budget Framework Paper for the Financial Year 2026/2027-Financial Year 2030/2031. I beg to lay.

Mr Speaker, the Budget Framework Paper is accompanied by the Certificate of Gender and Equity Compliance for the Financial Year 2026/2027, and it is also accompanied by the Certificate of Climate Change Responsiveness. I beg to lay.

THE DEPUTY SPEAKER: Thank you. Honourable colleagues, the Budget Framework Paper is referred to the Committee on Budget and other sectoral committees for processing, consideration, and report back.

Honourable colleagues, be reminded that the medium-term expenditure framework (MTEF) has to be reported back to the House by the 1st of February. Therefore, as we go into elections and Christmas, we shall have to save time to process this very important and critical document.

Yes, Hon. Ssemujju -

3.16

MR IBRAHIM SSEMUJJU (FDC, Kira Municipality, Wakiso): Thank you, Mr Speaker. There is another certificate missing, which is supposed to attest to the truthfulness and completeness of this information you are laying.

THE DEPUTY SPEAKER: What certificate is that? Certificate of Completeness?

MR SSEMUJJU: Yes.

MR MUSASIZI: Mr Speaker, we shall provide the certificate by the time we adjourn.

THE DEPUTY SPEAKER: Okay, by the time we adjourn, they will have brought it, and we shall refer to the committees. Hon. Ssemujju, be kind to your honourable colleague. You know the election period is not good. He has promised to bring it.

MR SSEMUJJU: I am only seeking procedural guidance from you on whether he will not have to repeat the exercise because that is the most important certificate; that the information you are providing to Parliament is complete and accurate.

THE DEPUTY SPEAKER: That is okay. I will give him an opportunity to lay it on the Table, and once we reconcile our positions on the Hansard, we shall capture it very well before the end of this session. Next item?

(II) THE WAIVER OF TAX ARREARS FOR
NEWPLAN LIMITED

3.18

THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi): Mr Speaker, I beg to lay on the Table the recommendation for tax waiver of tax arrears for Newplan Limited. I beg to lay.

THE DEPUTY SPEAKER: Thank you. The waiver is referred to the Committee on Finance, Planning and Economic Development for consideration and report back.

(III) THE TAX EXPENDITURE REPORT
FOR THE PERIOD JULY 2025 TO
SEPTEMBER 2025, FINANCIAL YEAR
2025/2026

3.18

THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi): Mr Speaker, I beg to lay on the Table the tax expenditure report for the period July 2025 to September 2025 for Financial Year 2025/2026. I beg to lay.

THE DEPUTY SPEAKER: Thank you, honourable minister. The report is referred to the Committee of Finance, Planning, and Economic Development.

Procedure, Hon. Ssewungu?

MR SSEWUNGU: Thank you, Mr Speaker. To the minister for finance, I have heard him talking about a tax waiver for a certain Newplan, but there are so many companies that are seeking a tax waiver, and they are not given attention. Why do you bring only one, leaving out local companies?

THE DEPUTY SPEAKER: Hon. Ssewungu, you are debating the report of the committee - that is anticipation. Let us wait. Let it go to the committee, and it will come and report back.

Honourable colleagues, I was cross-checking with the Chairperson of the Committee on National Economy to ensure we can proceed with the next items. Still, he has requested me for a few minutes. Therefore, I am suspending the House for five minutes.

(The House was suspended at 3.20 p.m.)

(On resumption at 3.35 p.m., the Deputy Speaker presiding_)

THE DEPUTY SPEAKER: Honourable colleagues, welcome back. I am happy to see Hon. Lee in a suit. *(Laughter)*

Honourable colleagues, I had instructed the Minister of Finance, Planning and Economic Development to bring the certificate of completeness, but I have cross-checked with Section 9 of the Public Finance Management Act (PFMA), which provides for the Budget Framework Paper; it does not require a certificate of completeness. That is a requirement for the annual budget, which is provided for under Section 13(11) of the PFMA. This one only requires a certificate from the Equal Opportunities Commission.

Next item.

MOTION FOR A RESOLUTION OF
PARLIAMENT TO AUTHORISE THE
GOVERNMENT TO BORROW UP TO
\$162 MILLION FROM KOREA EXPORT-
IMPORT BANK FOR THE MAKERERE
UNIVERSITY IMPROVEMENT PROJECT

THE DEPUTY SPEAKER: Thank you. Before the Minister of Finance, Planning and Economic Development moves the motion, in the VIP Gallery this afternoon, we have other colleagues from the Kenyan Parliament, in addition to the ones that we welcomed earlier. We have Hon. Mpuru Aburi, Hon. Rahab Mukami, Sen. Daniel Kitonga Maanzo and Sen. Enoch Wambua.

What is unique about these people is that most of them are golfers. So, colleagues, if you want to look good, play golf. Leader of the Opposition, come and we play golf. *(Laughter)*

3.37

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

(Mr Henry Musasizi): Mr Speaker, in accordance with Article 159 of the Constitution of the Republic of Uganda, Section 34 of the Public Finance Management Act and Rule 155(1) of the Rules of Procedure, I beg to move a motion that Parliament authorises the

Government to borrow up to \$162 million from the Korea Export-Import Bank to finance the implementation of Makerere University Improvement Project.

THE DEPUTY SPEAKER: Thank you – I had taken a long time without sorting out issues with Hon. Lee. *(Laughter)* Is the motion seconded? *(Members rose)* It is seconded by Hon. Muyingo, Hon. Muruli Mukasa, Hon. Amero, Hon. Rwabushaija, Hon. Ninsiima, the whole of this side, Hon. Josephat and all the UPDF Representatives.

Honourable minister, would you like to justify the motion?

MR MUSASIZI: Thank you, Mr Speaker. The project seeks to develop a modern teaching and learning environment for science, technology, engineering and innovation disciplines. It involves constructing new facilities, upgrading existing laboratories and supplying advanced equipment that meet international standards.

The initiative aims to enhance research capacity, foster innovation and improve the quality of education, ultimately boosting graduate employability.

To achieve this, the project will be implemented through five key components as outlined below:

- i Construction of a science and technology centre with laboratories and innovation spaces in medical, electrical, civil and computer engineering, including an incubation and start-up facility.
- ii Upgrading laboratories and smart classrooms at the College of Computing and Information Sciences, including advanced hardware, software and specialised research tools.
- iii Construction and equipping of a new building to house the departments of mechanical, civil and electrical engineering at the College of Engineering, Design, Art and Technology.

- iv Construction of new facilities for the College of Health Sciences for pre-clinical education and a new building for the School of Dentistry equipped for dental technology education and clinical practice.
- v Capacity building programmes, including local and Korean invitational training to strengthen the ability of Makerere’s staff to operate new technologies and research facilities.

enrolment from the current 17 per cent to 40 per cent by 2029/2030.

The implications of borrowing on the current debt situation

Mr Speaker, as at the end of June 2025, the public debt-to-GDP stood at 51.3 per cent. This borrowing was already planned for in the approved budget for Financial Year 2025/2026 and the attendant fiscal deficit.

Mr Speaker, the total estimated cost of the Makerere University Improvement Project is \$162 million, with financing loan support from Korea Export-Import Bank. The financing terms for the loan from the Export-Import Bank of Korea are highly concessional and will greatly support the long-term education infrastructure development in Uganda.

The loan will, therefore, not increase this debt position as the loan was already included in the debt sustainability analysis conducted in December 2025.

The key terms are as follows:

Mr Speaker, I wish to state that Uganda’s debt remains within sustainable limits, with the total debt stock projected at \$31.5 billion. This is approximately \$116 trillion for Financial Year 2024/2025. This amount includes the budget to support the loan. The total debt stock projected at 31.5 billion comprises \$15.49 billion (approximately Shs 56.3 trillion in external debt) and \$16 billion (approximately Shs 59.77 trillion in domestic debt). Public debt, as a share of GDP, is estimated at 51.26 per cent, aligning with the target set in the Charter for Fiscal Responsibility.

- i. Loan amount is \$162 million.
- ii. Maturity period is 40 years.
- iii. Grace period is 15 years.
- iv. Interest rate is 0.1 per annum.
- v. Service charge is 0.1 of the undisbursed amount.
- vi. Overdue charge is 2.0 per cent per annum over the interest rate period.

Mr Speaker, in light of the above, I appeal to the House to consider and approve this loan request. I thank you.

The benefits of the project are the following:

THE DEPUTY SPEAKER: Thank you. Chairperson, Committee on National Economy?

- i. To increase the national ratio of science and technology to humanities graduates from 2.5 to 3.5 by 2030.
- ii. To improve the STEI learning and research environment at Makerere University from 49 per cent in 2024 to 80 per cent in 2029/2030, as measured by infrastructure and in-built facilities.
- iii. To contribute to the increase in enrolment of students pursuing STEI disciplines from the current 30 per cent to 55 per cent by the Financial Year 2029/2030.
- iv. To contribute to the university’s ambition to increase the threshold of graduate

3.46
THE CHAIRPERSON, COMMITTEE ON NATIONAL ECONOMY (Mr Bosco Ikojo): Thank you very much, Mr Speaker. On the 2nd of this month, this loan request was read before Parliament and referred to the Committee on National Economy, in line with our Rules of Procedure. The committee scrutinised this loan request and is ready to report. However, before I report, allow me lay the minutes of the committee’s meetings as well as the report on the Table.

Mr Speaker, I would like to highlight one thing. Due to the current political situation, many of our members are upcountry, but we scrutinised this loan and they accepted it. Many of them, whom I called, were in line with it but, unfortunately, we could not access their signatures. We were only able to get about seven signatures for each of these reports – (*Mr Kiiza rose*) -

THE DEPUTY SPEAKER: Hon. Kiiza?

3.47

MR ACROBERT KIIZA (Independent, Bughendera County, Bundibugyo): Thank you, Mr Speaker. I beg to move that the House suspends Rule 162(4) because time is running out.

Mr Speaker, you are aware that Members are busy campaigning and the issues raised by the minister are very critical. Many of us, here, are products of Makerere University and what we aim at improving at the university are critical for this country. I would, therefore, appeal to honourable colleagues to approve this loan request – (*Text expunged.*)- because the issues are very critical -(*Interjections*)- I beg to move.

THE DEPUTY SPEAKER: Thank you. Honourable colleagues, listen to one another. Please, let us live in reality.

Honourable colleagues, what don't you see? Getting you here - and the country has to move on; the country has to work. So, the honourable colleague is right to give his view and then you can subject it to your own views. Okay? Do not rule him out of order – that he should not be allowed to speak in the House.

Is the motion seconded? There is a motion on the Floor. (*Members rose*) It is seconded by Hon. Fox Odoi, Hon. Lugoloobi, Hon. Musingo, Hon. Tibasiimwa, Hon. Edakasi, UPDF Representative and Hon. Kibalya.

Honourable colleagues, I now put the question that Rule 162(4) of the Rules of Procedure be suspended as proposed by the honourable colleague.

(*Question put and agreed to.*)

THE DEPUTY SPEAKER: Honourable colleagues, with that, we are going to proceed and process the loan. However, Hon. Ssewungu, please, raise your issue.

MR SSEWUNGU: Thank you, Mr Speaker. I am the Shadow Minister of Education and Sports. I have been in this Parliament for three terms, and I have never left the Committee on Education and Sports. Kasese, where the honourable member comes from, has a university called Mountains of the Moon, and it is crippling.

Our rules – [*Hon. Kiiza: "Order."*] They stopped you from -

THE DEPUTY SPEAKER: Honourable member, you do not access the microphone without permission.

MR SSEWUNGU: I was stopped from raising a point of order against your side. Now you are raising it against my side. Kindly be patient.

THE DEPUTY SPEAKER: Honourable member, raise the procedural matter.

MR SSEWUNGU: The procedural matter that I am raising is that we have many crippling universities. I am a product of Makerere University, with two degrees by the way, in law and education. Why do we come out for Makerere University only when a number of universities are crying for money? When I see Members of NRM standing up very comfortably to support that motion, yet the majority of those universities that are crying are from their own constituencies and districts, I feel like crying.

Mr Speaker, the procedural matter I am raising is that we have UPE schools that are all condemned. Would it not be procedurally okay for the minister to bring a loan request for all universities in Uganda, including Universal Primary Education schools, which are all condemned by now, other going for Makerere

University only, which is even collecting a lot of money from students - (*Member timed out.*)

THE DEPUTY SPEAKER: Thank you. Hon Ssewungu, if you have followed the trend of money, these days getting a concessional loan – concessional support – is a tug of war. The South Korean government - I am one of the people who went to Korea sometime back to lobby for the support. For these people to agree to give this kind of concessional support is not easy. Once you finish Makerere, you never know. You may go to another university, and another, and another, and you support them. You cannot say “because they have not given this other university, therefore, we should not also support this one”.

Makerere is your premier university. You cannot run away from it. (*Applause*) Many projects from Makerere have been used to support all these other universities. By the way, let me tell you.

(*Mr Ssewungu rose*) Honourable member, take your seat. I was on the Makerere University Council. All these universities, which started, were getting seconded staff from Makerere. So, if you had not developed the capacity of Makerere, you would not be supporting them. All these universities around are standing on Makerere. So, to me, that business of saying “because you have not given so and so, do not give so and so” is not the right one.

However, what I pick from it, Hon. Ssewungu, is that we also need to support other universities. Honourable minister, please, look into that.

Hon. Muyingo -

DR MUYINGO: Thank you very much -

THE DEPUTY SPEAKER: Hon. Ssewungu, you are on the Committee on Education and Sports. You will follow up on this matter.

DR MUYINGO: Thank you very much, Mr Speaker. We have a plan for each and every educational institution in this country, including

these other universities that we are talking about. However, this is special -(Interruption)-

MR SSEWUNGU: No, do not cry, honourable member. They have given me a chance and the minister is -

THE DEPUTY SPEAKER: Hon. Ssewungu, take your seat. Honourable colleagues, I now put the question that the motion for a resolution of Parliament to authorise the Government to borrow up to \$162 million from Korea Export-Import Bank for Makerere University Improvement Project be approved by this House.

(*Question put and agreed to.*)

THE DEPUTY SPEAKER: (*Mr Ssewungu rose*) I do not know what Makerere did to you, but I will request the Vice-Chancellor to link up with you so that you settle your issues.

Next item.

Let me allow the Leader of the Opposition as we go to the next item. By the way, honourable colleagues, I request that we take it easy. For me, how you come here - I have seen you when you are calm, I have seen you when you are sober, but I ask myself: why? Okay? (*Mr Ssewungu rose*) No! No prayer; I do not need any prayer here, honourable member, unfortunately. Leader of the Opposition?

3.54

THE LEADER OF THE OPPOSITION (Mr Joel Ssenyonyi): Mr Speaker, I would like to draw our attention to, maybe, about two issues that are important for our modus operandi here. I do not want, whether it be in my capacity as the Member of Parliament for Nakawa West or as the Leader of the Opposition, to be seen to stand in the way of development or a project like a road - the Bbaale-Galiraya Road and many others – that are in such a shambolic state and need to be fixed. The Government comes and says “let us borrow to fix this” and when you oppose it, you might be seen as anti-progress and anti-developmental.

Makerere University - many of us studied there. I also have two degrees from Makerere. Makerere and many other public institutions should be supported to thrive for the good of our country. My challenge is twofold - and these are things that we need to clean up even as we push for development. Procedure is important. That is why this House has an entire booklet called “Rules of Procedure”. We must, as much as we possibly can, operate within that.

One colleague rose – and, I do not know why he chose to be on record for that, because these Hansards are read years later. He said *-(Text expunged.)* You can actually justify your motion without descending into that arena.

THE DEPUTY SPEAKER: Was that today?

MR SSENKYONYI: Yes, if you heard him right. He said *-(Text expunged.)*

THE DEPUTY SPEAKER: No, please, that should be expunged from the record – that component.

MR SSENKYONYI: When we raise these issues, we do not want to be seen as anti-development. We must also be seen to operate smoothly and all of that. These are critical concerns.

I know that Members are out there campaigning and, so, there will be challenges of quorum. Look at us here, for example. I do not think we are even a quarter. My honourable colleague, the shadow minister, was availing some information. Look, I do not think we are even a quarter of the number that is required to vote. Yes, there is critical business to be taken care of, but can we begin to operate procedurally?

When a loan is availed today, the committee is called to sit at 10 o’clock, and then everything is passed hurriedly. The perception out there is that there is something to hide, yet it is not. I want to be able to stand here and say “this loan is a good one”, “it is for development”, and so on. We must be able to clothe all of these things nicely, even for the public because the public

is always very suspicious of Parliament – now, what are they doing surreptitiously? What is under the table? Yet it is a loan for good – for a road and all of that –

THE DEPUTY SPEAKER: LOP, kindly, conclude.

MR SSENKYONYI: Of course, later on, we shall be quarrelling: so, money has been availed, how come it is being stolen? How come the road project is not starting on time? How come it is not ending on time? We have been here, and the Auditor-General’s reports reveal all of these different things.

Finally, Mr Speaker, our debt-to-GDP ratio is now 51.3 per cent. We are entering the red zone. We are no longer borrowing from a point of strength and comfort. That is the reality about our fiscal situation. We are in what is called “debt limbo”, so we have to keep borrowing continuously. You borrow to fix this; you borrow to pay this; you have got to continuously live on debt. We have got to be careful about how we operate.

We want to develop – we want to build roads, but can we plan better and apportion our budgets better? There are things we spend a lot of money on that are not very relevant. We can reallocate those funds to road repairs, so no one says we are opposing a road or this development, and so on.

I thought that, since my responsibility is to keep the Government in check, I would raise these issues so that we read our thermometer, follow the law and follow procedures, so that we are not blamed tomorrow for not clothing up these processes nicely.

THE DEPUTY SPEAKER: Thank you. That is really very important to note, LoP. Honourable colleague, for that part where they said that *-(Text expunged)-* I would like to invoke my authority, under Rule 238(2) of our Rules of Procedure, to expunge it from the record of Parliament. That is how we operate. Let us do item four.

MOTION FOR A RESOLUTION OF PARLIAMENT TO AUTHORISE THE PRE-FINANCING OF THE DESIGN AND BUILD OF KAYUNGA-BBAALE-GALIRAYA ROAD (87 KILOMETRES) FROM GRAVEL TO PAVED STANDARD

THE DEPUTY SPEAKER: Honourable Minister of Finance, Planning and Economic Development? (*Member rose*) I have invited the honourable minister.

4.02

THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PLANNING) (Mr Amos Lugoloobi): Mr Speaker, I am moving a motion from the Government for a proposal to pre-finance the design and build of Kayunga-Bbaale-Galiraya Road (87 kilometres) from Kayunga, from gravel to paved standard project.

Mr Speaker, this motion was moved on 2 December 2025, and the relevant documents were laid then and referred to the Committee on National Economy.

If you allow me, Mr Speaker -

THE DEPUTY SPEAKER: Honourable minister, move the motion and, once it is seconded, I can allow you.

MR LUGOLOOBI: Thank you very much. I am moving a motion to Parliament for approval of the design and construction of the Kayunga-Bbale-Galiraya Road from gravel to paved standard.

THE DEPUTY SPEAKER: No, honourable minister, that is not the motion. You need a motion to authorise you to borrow. You are saying for the design – you do not need a motion to design.

MR LUGOLOOBI: A motion -

THE DEPUTY SPEAKER: Use the Order Paper, and you mention the amount.

MR LUGOLOOBI: Mr Speaker, I am moving a motion for a resolution of Parliament to authorise the pre-financing of the design and build of Kayunga-Bbale-Galiraya Road (87 kilometres) from Kayunga, from gravel to paved standard. I beg to move.

THE DEPUTY SPEAKER: Is the motion seconded? (*Members rose*) It is seconded by your colleague, Hon. Musasizi, Hon. Okupa, Hon. Nelson – no, we are seconding, honourable member. It is okay; we will capture the amount. It is also seconded by Hon. Tebandeke - (*Laughter*)- I think this will be the first motion for him to support. I think he has now seen how he also needs others. It is also seconded by Hon. Kibalya, Hon. Timuzigu, and Hon. Odoi. I can see our elders there, Hon. Wako, Hon. Tibasiimwa, Hon. Muyingo, Hon. Amero – honourable colleagues, many of you have supported it.

Honourable minister, justify it in just a minute, and I will also ask Hon. Charles Tebandeke to join you in justifying why we need this.

MR LUGOLOOBI: Mr Speaker, the Kayunga-Bbale-Galiraya Road was actually prioritised for upgrading to paved standard since NDP II. Even in NDP III, it was there, and in NDP IV, it is still persistently there. We are lucky that we received a proposal that is very competitive from one of the contractors. The China Railway and Bridges Corporation gave us a very competitive proposal on a pre-financing arrangement with a grace period of two years and payment happening in the third and fourth year.

The pre-financing period, or the entire period of this loan, does not carry any interest payment requirement. That is why it is very competitive. Also, the principal price for constructing this road is very attractive, with a maximum of \$1 million per kilometre, including a landing site at the end of this road on Lake Kyoga.

This road must have been done years ago because, considering the time taken to travel all the way to Lira in the current arrangement, I think people take more than six hours to reach

Lira. With this road, they will be in Lira in about two and a half hours, saving about four hours. It is, therefore, a very important road because Kayunga is strategically located in the middle of the country, and this is where the road is going to be found. Whereas it is going to benefit the people of Kayunga, the people who benefit most are the ones travelling to the northern region.

At the moment, the road is very busy in terms of transporting sugarcane and other products. It is a very busy road, and we have been suffering for a very long time because the maintenance of this road has to be done after every two months if it is going to remain at the standard required for trucks to move in the current arrangement of a gravel road standard.

Therefore, it is very important that we upgrade the standard of this road. We want to thank the Government for taking this decision.

Mr Speaker, I believe that is enough justification for the construction of this road.

THE DEPUTY SPEAKER: Thank you, honourable minister. Hon. Tebandeke – just before Hon. Tebandeke, Hon. Okupa wanted to say something.

4.06

MR ELIJAH OKUPA (Independent, Kasilo County, Serere): Thank you, Mr Speaker. I stand here to support the motion.

The southern part of Lake Kyoga lacks infrastructure to connect to the northern part of the lake. I am here to support it because this is one of the roads we have been advocating for in the physical infrastructure committee for the past 10 to 15 years. I am pleased that today this has reached what it is.

Mr Speaker, additionally, the people of Serere – Kasilo – Kaberamaido and Kalaki will be beneficiaries of this project. It will improve the connectivity between the northern part and the southern part of Lake Kyoga. Needless to add, the Minister of Finance, Planning and Economic Development should also look into

adding a stop in Nakasongola to Galiraya, so that if you are coming from Masindi, you do not have to go to Kampala. You can connect from Masindi, Nakasongola, Kayunga, Isimba Dam, then to Kamuli, Kaliro, and finally to Pallisa.

The other two roads that the minister for finance needs to look into are: Kamuli to Irundu and then Kaliro to Irundu. Once you do those roads on the southern part of Lake Kyoga, you would have improved the connectivity between the northern and the southern parts of the country. Definitely, with the ferries that are already operating and those that we are proposing to introduce on Lake Kyoga, you would reduce the time that we spend getting to Kampala. I could sleep in Kasilo and come here; within two hours, I would be in Kampala from Kasilo, rather than spending five hours.

On that note, Mr Speaker, I stand here to support this loan for the construction of this road. Thank you.

THE DEPUTY SPEAKER: Thank you. Committee chairperson?

4.09

THE CHAIRPERSON, COMMITTEE ON NATIONAL ECONOMY (Mr Bosco Ikojo): Thank you very much, Mr Speaker.

On the 2nd of this month, the Ministry of Finance, Planning and Economic Development presented a loan proposal for the Government to pre-finance the design and build of Kayunga–Bbaale–Galiraya Road (87km) from gravel to paved standard.

THE DEPUTY SPEAKER: Honourable member, do you have a report with enough signatures?

MR IKOJO: Mr Speaker, as I stated earlier, due to the political season, many of the members of the committee are in their constituencies canvassing for votes. Therefore, the committee was only able to raise about six signatures for this particular report.

THE DEPUTY SPEAKER: Thank you. Hon. Tebandeke?

4.10

MR CHARLES TEBANDEKE (NUP, Bbale County, Kayunga): Mr Speaker, I appreciate the House for the consideration of the motion on the Floor. Before I continue any further, regarding the need to respect the rules and by the power entrusted in you by this House in the Rules of Procedure, and given the urgency, need and importance of the road that we are discussing, I request that we suspend rule 162(4), that entitles the Committee on National Economy to present this report, and thereby the House passes it in consideration of the pre-financing loan without any further delay.

THE DEPUTY SPEAKER: I will allow you. Let me first put the question. Depending on the outcome, I will allow you because I know you are an affected Member from that area.

Is the motion seconded? *(Members rose)*
Seconded by Hon. Lugolobi, the whole House has supported Hon. Tebandeke, apart from the LOP and Hon. Ssewungu. *(Laughter)* Oh, even the LOP and Hon. Ssewungu. So, the whole House has supported. Thank you.

Colleagues, I now put the question that rule 162 (4) be suspended as proposed by Hon. Tebandeke.

(Question put and agreed to.)

THE DEPUTY SPEAKER: Thank you. Hon. Tebandeke?

MR TEBANDEKE: Thank you, colleagues, for standing with the people of Bbale, Kayunga and Uganda on the need to upgrade this road.

Mr Speaker, allow me to put forward only three matters. Much has been said about the same road, but I see it as a way to reduce traffic congestion in Kampala and on Bombo Road.

Given Uganda's geography, goods exported from the east to the West Nile and the north

must pass through Kampala and the Bombo Road. When this road is paved and tarmacked, it will reduce all of that. It will benefit not only the people of Bbale but also the business community and Ugandans in the city.

Mr Speaker, I also request that, after tarmacking this road, the Ministry of Works and Transport assess the connectivity from Bbale to Nakasongola, as this is how the objective of reducing the traffic jam can be achieved. This way, all vehicles from the east can branch off from the Nile Bridge to Jinja, Kayunga, Nakasongola and Masindi. Then, the entire burden of the traffic jam will have been reduced.

Mr Speaker, for the good of the Members on the other side, this is a road that the NRM Government has promised for a long time to the people of Kayunga. For your information, President Museveni has, on three consecutive occasions while campaigning in Kayunga, promised this road. It is a debt owed by the Government to the people of Kayunga. By tarmacking it, you are paving the way to justify at least some reasonable action for the people of Kayunga.

Mr Speaker, I would also like to remind Members about the safety — it is not just security but safety. The connectivity of northern to central Uganda is not only serving a security matter, but ensuring the safety of the people in transit, and the goods can easily move.

Lastly, Mr Speaker, the Obote government had promised to tarmac this road; in fact, we have the Obote Memorial Portrait in Kayunga, in Hon. Amos Lugolobi's constituency. The Obote government aimed to tarmac this road and name it "Obote Road". Now that Obote is not in government and he did work on this road, and Tebandeke Charles, on behalf of the people of Bbaale, has toiled a lot and moved *-(Interjections)-* Members, I even reached the extent of going to the bush and people misunderstood my action. I think the bush has got a lot of results. I am thinking that for any demand, maybe we should go to the bush.

Mr Speaker, I want to apologise to those that I disappointed and those who misinterpreted my actions of demanding for this road. Some of the ministers – I cannot mention their names here – reached a point of hiding away from me while I knocked on their office doors in demand for the same road.

Now that this road has come into fulfilment, Mr Speaker, I request that the House resolves to call it “Tebandeké Highway” –(*Laughter*)– because I have done the needful. I have toiled to see that the people of Bbale and Kayunga are liberated. This is our very first time looking at a tarmacked road. We have toiled in dust. People have died.

Mr Speaker, in 2003, we lost close to seven people around Lugasa because of the dust. The road is very busy. In a – (*Member timed out.*)

THE DEPUTY SPEAKER: Thank you, Hon. Tebandeké. I think you have gone beyond what we can do here. I know the MPs from that side such as Hon. Tebandeké, Hon. Lugolobi and Hon. Nantaba – and team – have been pushing for this road. However, I know you fought a lot and I want it to go on record.

Unfortunately, we do not have the power to start – please, correct that.

MR LUGOLOOBI: Mr Speaker, I want to correct the impression. It is not because he ran to the bush and started rioting that a decision was taken to construct this road. This has been the plan of the NRM Government to actually upgrade this road. (*Applause*)

A decision was taken by the President of Uganda that it was fully justified to construct this road, and to fulfil this commitment. It is not because he ran to the bush. That impression should be corrected. The desire that it is named after him should be expunged from the Hansard.

THE DEPUTY SPEAKER: No, that is a request. I thought you were going to say that we should name it after Yoweri Museveni since Obote failed to work on it.

Yes, Hon. Oguzu and then Hon. Edakasi.

4.18

MR DENIS OGUZU (FDC, Maracha County, Maracha): Mr Speaker, thank you for the opportunity. In this year’s budget, we allocated Shs 21.05 billion for this road and, according to the pre-financing demands of the contractor, they needed about Shs 25 billion to commence work. That means there is a financing gap of Shs 4.23 billion that we should have provided. Here, we are committing the Government for up to Shs 300 billion. I am wondering why we cannot mobilise Shs 4.23 billion and deal with the other issue next financial year.

Mr Speaker, we are literally putting money in a basket for people to eat. I do not see any urgent demand for more than Shs 4.23 billion, unless someone is able to justify that. Otherwise, we have many stalled road projects across the country. The finance and works ministries cannot explain why road projects are stalling.

Just a few months ago, we borrowed money to reactivate some of the stalled projects. There is a big risk of leaving a lot of money in the hands of the administrators of the finance ministry as constituted now. It would be appropriate, if this country still has a Parliament working for it, to address the current need of the Ministry of Works and Transport, which is Shs 4.23 billion.

Mr Speaker, we are supposed to borrow money, out of which, we will commit 10 per cent. So, where will the other money go? That is a very big risk that this country should deal with.

Mr Speaker, the committee actually made some good recommendations, which needed to be considered. You need to guide us on how we can start incorporating some of those recommendations into what we are going to do.

THE DEPUTY SPEAKER: No, we do not incorporate what we do not have here. I just wanted a clarification on the Shs 4.23 billion that is needed, vis-à-vis the whole amount. Honourable minister?

MR LUGOLOOBI: Mr Speaker, during appropriation, the Shs 21 billion was part of the budget and it has already been appropriated. What caused this was the idea that we construct the landing site. The Ministry of Works and Transport felt that the road would not be useful without a landing site. When they added this, the 10 per cent then moved from Shs 21 billion, which is already in the budget, to Shs 25 billion. The gap is actually very small. It can be addressed within the budget. It is not a problem.

THE DEPUTY SPEAKER: let us have Hon. Migadde and then Hon. Edakasi. Colleagues, we still have a lot of business to handle.

4.21

MR ROBERT MIGADDE (NRM, Buvuma Islands County, Buvuma): Thank you, Mr Speaker. As far as the Shs 4 billion is concerned, today, we interacted with the Permanent Secretary and officials from the finance ministry, and the Permanent Secretary assured us that they will provide the Shs 4 billion in the remaining two financial quarters.

Mr Speaker, the other request that maybe the Government can take on, one of the quickest projects which is under implementation, is the Greater Kampala Metropolitan Project. One of the reasons is that people were offered free land. This is the first time that we approved a loan for a road in a term of Parliament and actually drove on the same road completed within the same term of Parliament.

For the Kayunga-Galiraya road project, people also offered free land. This helps to cut down costs and fast-track the implementation. If we can adopt this procedure - if people are offering land within Kampala, where it is the most expensive, what about in the rural areas? Probably, we need to change the narrative. We should educate people so that they start offering land. The minister said that even in Karamoja, where land is huge, people are demanding compensation. Probably, that will help us to save lots of money and also fast-track the implementation of projects.

4.23

MR ALFRED EDAKASI (NRM, Kaberamaido County, Kaberamaido): Thank you, Mr Speaker. I would like to underscore the importance of what Hon. Lugoloobi said about the landing sites.

This investment is very strategic. As we speak, like Hon. Okupa said, we have two ferries that have been built, but they are floating on the water because we do not have Shs 2.9 billion. I think it would be important for the Ministry of Finance, Planning and Economic Development to find that money. Truly, with this investment on Lake Kyoga, those landing sites become a catalyst to all this infrastructural development. Therefore, the finance ministry should focus on making sure that the money is provided for Bukungu, Kagwara and Akampala landing sites in Kaberamaido.

The second is the issue of Parliament passing loans here, and those loans not being applied to work. I remember this House passed the Katine-Ochero Road loan in 2023. If the Minister of Works and Transport were here, we would have asked why, up to now, the contractor has not been given work, and yet this House approved that loan. All of these are within the same Lake Kyoga area, which would unlock significant potential for the people in that area. I thank you.

THE DEPUTY SPEAKER: Honourable colleagues, I put the question that the motion for a resolution of Parliament to authorise the pre-financing of the design and build of the Kayunga-Bbale-Galiraya Road, 87 kilometres, from gravel to paved standard, be approved by this House.

(Question put and agreed to.)

MOTION FOR A RESOLUTION OF PARLIAMENT TO AUTHORISE THE GOVERNMENT TO BORROW UP TO EURO 385 MILLION, APPROXIMATELY UNITED STATES DOLLARS 448 MILLION FROM RAND MERCHANT BANK AND OTHER FINANCIAL INSTITUTIONS TO FINANCE THE GOVERNMENT OF UGANDA INFRASTRUCTURE AND DEVELOPMENT BUDGET FOR THE FINANCIAL YEAR 2025/2026

4.25

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

(Mr Henry Musasizi): Mr Speaker, in accordance with Article 159 of the Constitution of the Republic of Uganda, Section 34 of the Public Finance Management Act, 2015, and Rule 155(1) of the Parliamentary Rules of Procedure, I beg to move that Parliament authorises Government to borrow up to €385 million, approximately \$448 million from the Rand Merchant Bank and other financial institutions to finance the Government of Uganda's infrastructure and development budget for the Financial Year 2025/2026, as appropriated by Parliament.

THE DEPUTY SPEAKER: Is the motion seconded? *(Members rose.)* It is seconded by Hon. Kyoto, Hon. Muruli-Mukasa, Hon. Babungi, Member for Namisindwa, Member for Youth Eastern, Hon. Okaasai, Chairperson of the Committee on National Economy, Hon. Ssewungu - you are not standing - UPDF and Hon. Charles Tebandeke.

Honourable minister, use one minute. You do not need to go into the whole statement.

MR SSEWUNGU: Thank you, Mr Speaker. When they gave us the notice for this sitting, I dressed very smartly and appeared here, without hesitation, and I have remained seated, in support of these motions. Why can't the finance minister procedurally create anything for Kalungu or Masaka, so that I can also follow suit in supporting the motion?

THE DEPUTY SPEAKER: Or Mitooma -

MR SSEWUNGU: Or Mitooma. We have roads, and I have no relatives in the finance ministry, but at least Hon. Lugoloobi and Hon. Tebandeke are now at par with this loan, whatever is coming, because it is going through their area. However, we, who have nobody there, no minister, what do we do?

THE DEPUTY SPEAKER: Hon. Ssewungu, I will join you in demonstrating at the finance ministry, but let us plan very well. We do not need to ambush them here.

MR SSEWUNGU: Let him plan something small, and he comes and tells us that Kalungu will get this -

THE DEPUTY SPEAKER: We shall go to the bush like Hon. Tebandeke. *(Laughter)*

MR SSEWUNGU: Thank you, Mr Speaker.

MR OGUZU: Mr Speaker, some decisions of this House have been impeached on grounds of procedural impropriety. I would like you to set the record clear that in all the decisions we have made from when we started, we have quorum and the decisions are right. I am sure that the financiers are watching to see if we are moving well. You could just guide in terms of the numbers.

THE DEPUTY SPEAKER: Let me guide you. Honourable, you came late, but we have quorum, both online and physically, and I had already established it. Honourable minister, please. I will not continue to rotate these matters.

4.29

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

(Mr Henry Musasizi): Mr Speaker, since you have given me one minute, let me just say that we are borrowing this money to finance the budget for the Financial Year 2025/2026, as approved by this House.

Mr Speaker, in the sources of financing the budget, we approved a component of budget financing loans through external sources, and along with this decision, we have been mobilising resources. We are seeking that you give us the authority to mobilise budget support to specifically finance the development side. This is where the roads and major constructions in water, electricity and hospitals fall.

I pray that the House considers this request so that we can ably and fully finance the budget for this financial year. I submit, Mr Speaker.

THE DEPUTY SPEAKER: Thank you. Hon. Ikojo? Chairperson, Hon. Migadde, do you have a report on this?

4.30

THE DEPUTY CHAIRPERSON, COMMITTEE ON NATIONAL ECONOMY (Mr Robert Migadde): Yes, Mr Speaker, we do have a report.

THE DEPUTY SPEAKER: Fully signed?

MR MIGADDE: With a few signatures, Mr Speaker, aware of the time given to us.

THE DEPUTY SPEAKER: Thank you. Honourable colleagues, once it is not fully signed, then it is not a report that qualifies to be read on the Floor. It cannot go.

Hon. Emely Kugonza, do you have an issue?

4.31

MR EMELY KUGONZA (NRM, Buyanja East County, Kibaale): Yes. Thank you, Mr Speaker. I beg to move that this House suspend rule 162(4) because the funding we are seeking for this project is urgently needed. It is critical because it is dealing with infrastructure and development projects as part of the budget that this House approved.

THE DEPUTY SPEAKER: Is the motion seconded? (*Members rose*) It is seconded by Hon. Fox Odoi, Hon. Mutembuli, Member for Lwengo; I am happy to see you and the Member for Kapchorwa.

Honourable colleagues, I now put the question that rule 162(4) be suspended as proposed by Hon. Emely Kugonza.

(Question put and agreed to.)

MR OKUPA: Thank you, Mr Speaker. I only request that the responsible committee follow up after because we cannot pass a loan and say, “Merchant Bank and other financial institutions.” We needed to know those other financial institutions. The committee should take this up such that it is clarified and we know which banks we are borrowing money from. Thank you.

THE DEPUTY SPEAKER: Thank you. Honourable colleagues, I put the question that the motion for resolution of Parliament to authorise the Government to borrow up to €385 million, approximately \$448 million from Rand Merchant Bank and other financial institutions to finance the Government of Uganda’s infrastructure and development budget for the Financial Year 2025/2026, be approved by this House.

(Question put and agreed to.)

LAYING OF PAPERS

(I) A BRIEF TO PARLIAMENT ON THE PROPOSAL FOR UGANDA NATIONAL OIL COMPANY TO BORROW UP TO UNITED STATES DOLLARS 2 BILLION FROM VITOL BAHRAIN E.C. (VBA), TO FINANCE GOVERNMENT INFRASTRUCTURE PROJECTS

THE DEPUTY SPEAKER: Colleagues, at the start of this session, I informed you that I would amend the Order Paper to accommodate this item. Honourable minister for finance?

4.33

THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi): Thank you, Mr Speaker. I beg to lay on the Table a brief to Parliament on the proposal for Uganda National

Oil Company to borrow up to \$2 billion from Vitol Bahrain E.C. to finance government infrastructure projects. I beg to lay.

THE DEPUTY SPEAKER: Thank you, honourable minister. Attorney-General, do you have something you want to say?

4.34

THE ATTORNEY-GENERAL (Mr Kiryowa Kiwanuka): Mr Speaker, this brief from the Government is for the financing of UNOC, the commercial arm of the Government in its oil operation. I am alive to the fact that Parliament is about to adjourn sine die. I seek your indulgence, Mr Speaker, to suspend rule 162(2) and (4), which requires us to refer this to the committee so we can deal with this matter today, as it is quite urgent to facilitate the operations of UNOC as a commercial arm of our oil and gas sector. I beg to submit.

THE DEPUTY SPEAKER: Attorney-General, before I put the question on it or ask for secondment, anyway, let me first ask for secondment. Is it seconded? It is seconded by Hon. Fox Odoi, Hon. Ikojo, Hon. Edakasi, the front Bench ministers, UPDF and Hon. Charles Onen. Thank you.

Before I put the question, Attorney-General, would you - because this is a new item, I would like to know the urgency and why you feel we should suspend this rule. Speak to it.

MR KIRYOWA KIWANUKA: Thank you, Mr Speaker. This facility is being sought to finance the operations of the Uganda National Oil Company. This is for purposes of financing. It is really about our fuel security. The development of the Kampala storage terminal, development of the pipeline jetty and associated terminal at Jinja storage terminal, acquisition of a storage facility for gas oil at Mombasa Port, at least one year's financing towards the refinery project, acquisition of shares in the Kenya Pipeline Company and the extension of the pipeline projects from Eldoret to Kampala.

If you may recall, when we were discussing an amendment to the Public Finance and

Management Act (PFMA), we did mention to the House at the time that, at times it is very important and difficult for commercial arms of Government to consistently come here. As we speak, UNOC is ready to start investing in all these projects. It has found very cheap financing, which is available now and is on an overdraft basis. It is now going to be available to them to use as and when these projects come on stream.

If Parliament breaks off and any of these things come on stream, then we cannot deal with them. We request that Parliament really consider this because it is a commercial business of UNOC.

Mr Speaker, for example, we have the Kampala storage terminal. Right now, all the products that we import have to be released into the stations. We do not have any fuel security; the same applies to the Jinja storage terminal. Currently, all our oil that is transported through the pipeline has to be evacuated at Eldoret and then trucked here. An effort is being made to do the pipeline to Kampala.

This is quite urgent. We request that you allow UNOC to carry out its operation even when Parliament is on recess. I beg to submit. Thank you.

THE DEPUTY SPEAKER: Thank you. Colleagues, I now put the question that rule 162(2) and (4) be suspended as proposed by the Attorney-General.

(Question put and agreed to.)

THE DEPUTY SPEAKER: We should have a motion. Let us first have a motion, and then we debate. I will allow you, honourable colleagues.

MOTION FOR A RESOLUTION OF THE
PARLIAMENT AUTHORISING THE
GOVERNMENT TO BORROW UP TO
\$2 BILLION FROM VITOL BAHRAIN
E.C. TO FINANCE GOVERNMENT
INFRASTRUCTURE PROJECTS

THE DEPUTY SPEAKER: Honourable minister?

4.38

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

(MR Henry Musasizi): Mr Speaker, I beg to move a motion for a resolution of Parliament to allow the Government to borrow up to \$2 billion from Vitol Bahrain E.C. to finance Government infrastructure projects under the National Oil Company, UNOC.

THE DEPUTY SPEAKER: Is the motion seconded? It is seconded by Hon. Kugonza, Hon. Alanyo, Hon. Nekesa, Hon. Charity, Hon. Masiko, Dr Lagen is the one I started with, Hon. Onen, Hon. Niringiye, Hon. Phyllis Chemutai and Chairperson of the Committee on National Economy.

Honourable minister, justify the motion, and on this one, you can go into details so that we bring Members on board.

MR MUSASIZI: Thank you, Mr Speaker. As a way of background, in August 2023, the Government, through the Uganda National Oil Company, entered into a petroleum products supply agreement with Vitol Bahrain, a global leader in crude oil and petroleum product supply and marketing, for sole importation of all of Uganda's demand for petrol, diesel and aviation fuel.

UNOC, together with Vitol, commenced sole importation business in July 2024 and has, as of December 2025, successfully delivered this mandate, attaining the principle objectives of market supply stability and competitive prices while generating revenue. To date, UNOC has generated a gross profit of up to a net of \$150 million.

In addition to the sole importation mandate, UNOC is engaged in several projects across the petroleum value chain, which include the following:

1. Development of the Kampala storage terminal.
2. Development of pipeline jetty and associated terminal enhancement at Jinja

storage terminal.

3. Acquisition of Mombasa storage to handle gas oil through the purchase of a terminal.
4. At least the first year of construction of Uganda's refinery.
5. Acquisition of shares in the Kenya Pipeline Company.
6. Extension of the finished products pipeline from Eldoret to Kampala.

In addition, there is an urgent need to revamp and build key national roads to support the 10-fold growth strategy, inclusive of enabling and facilitating oil and gas infrastructure to ease the movement of petroleum products across the country.

On the backdrop of the successful partnership on sole fuel importation, Vitol indicated willingness to provide financing support for the implementation of UNOC projects and other critical Government infrastructure. In May 2025, UNOC and Vitol concluded a memorandum of understanding for financing cooperation to explore the potential funding of UNOC projects and critical infrastructure projects.

Since the signing of the Paris Agreement at the United Nations (UN) Climate Change conference of parties, COP21, in Paris, France in December 2025, the global energy systems have experienced a policy shift, what they call energy transition, away from fossil fuels to alternative energy sources that are considered to have a lower carbon emissions footprint and by some measures more sustainable in the long term.

The outcome of this energy transition has been a shift in public policy and global capital investment away from traditional petroleum investments, as well as increasing climate activism against fossil fuel investments.

Honourable colleagues, the mentioned Uganda National Oil Company (UNOC) projects have not been insulated from this global policy shift and its repercussions. For example, the East African Crude Oil Pipeline (EACOP), the flagship project of Uganda's oil and gas

sector, experienced significant environmental activism and challenges in raising finances to achieve Financial Close and yet EACOP has maintained the highest international environmental and social standards, enjoys the support of the host Governments of Uganda and Tanzania, as well as significant investment from internationally-recognised companies such as Total Energies and China National Offshore Oil Corporation(CNOOC).

Mr Speaker, Government infrastructure has equally faced challenges, whereby the sources of financing for infrastructure have become increasingly expensive, and several infrastructural projects have experienced a slowdown or stoppage due to limited funding. Therefore, the purpose of the VBA financing proposal presents an opportunity to access non-traditional financing to implement UNOC projects and support the Government in developing national infrastructure.

Whereas VBA is not a traditional lender, it has become common practice for global commodity traders and other investors who have strong cash flows, balance sheets, and access to cheaper capital to enter into similar tailor-made financing agreements with host governments and national parastatals worldwide.

In accordance with Section 34 of the Public Finance Management Act, 2015, I present to the House the details of the loan facility that include the terms of the facility, additional conditions, and investment priorities. The proposed \$2 billion will be used to finance the following projects:

1. \$1.2 billion will be utilised to finance the following UNOC projects;
2. Development of Kampala Storage Terminal;
 - i. Development of Pipeline Jetty and associated terminal enhancement at Jinja Storage Terminal;
 - ii. Acquisition of Mombasa storage to handle gas oil through the purchase of a terminal;
 - iii. At least the first year of construction of the Uganda Refinery;

- iv. Acquisition of shares in Kenya Pipeline Company;
- v. Extension of the finished products pipeline from Eldoret to Kampala.

B. \$800 million will be utilised to finance national roads infrastructure projects.

Financing Terms

VBA will provide UNOC with a loan facility amounting to \$2 billion, on the following terms:

1. The lender is Vitol Bahrain E.C. (BVA);
2. The borrower is Uganda National Oil Company (UNOC);
3. The repayment party is UNOC through capitalisation from the Ministry of Finance, Planning, and Economic Development;
4. The loan facility is \$2 billion;
5. The tenure is 84 months (seven years), including a grace period;
6. The grace period is 24 months (two years); interest accrues, i.e., instead of being paid on each disbursement, this interest is deferred (“accrued”);
7. The repayment profile - after the two-year grace period, the Government will pay \$100 million of principal plus interest every quarter on the utilised amounts only;
8. The interest rate is three three-month term Secured Overnight Financing Rate(SOFR), currently at 3.92 per cent plus 1 per cent margin, which brings it to 4.92 per cent all in;
9. Other fees are nil;
10. Other key features:
 - i. Cash flows up to an agreed minimum amount from UNOC projects funded by the facility are deposited in Escrow Accounts as security for the term of the loan (seven years);
 - ii. Option to increase the loan amount;
 - iii. Utilisation to be made within five years after the execution of the facility.

Conditions attached to the Loan

Mr Speaker, VBA has provided additional conditionalities to enhance the Facility Interest (SOFR + 1 per cent) in order to secure their expected return. These conditionalities are outlined below:

- 1. UNOC will open Escrow Accounts called Rules-Based Accounts (“RBA”) in international banks operating in Uganda. The accounts will be operated as follows:
 - i. UNOC will pay into the Accounts all revenue derived from the projects financed by the loan facility (Projects RBA);
 - ii. UNOC will also pay into the Domestic Product Accounts all the proceeds from the sales of finished petroleum products to oil marketing companies in Uganda (Domestic Products RBA); and
 - iii. The Petroleum proceeds and project revenues that will flow through the above-mentioned Accounts shall act as security in case the Government defaults on loan repayments when they fall due.

Justification of the loan

In addition to the macroeconomic impacts that the projects will have on the economy, UNOC will be able to generate revenues of up to \$5.6 billion from the projects when implemented.

In addition, these projects that have been approved by the UNOC Board and the Cabinet would have required Government funding through the Consolidated Fund over the next five years. This loan thus eases the debt burden of funding UNOC and enables the quick realisation of revenues from the projects. Please note that these revenues will be in addition to the revenues generated from the projects in the upstream sector.

Loan repayment plan

After the two-year grace period, the Government will capitalise UNOC over the loan repayment period, and these funds will be

used for repayment of the loan. The repayment details have also been provided as an annex to the statement. There will be no interest payment made during the grace period.

In conclusion, I would like to request Parliament to:

- i. Note the need to acquire financing for the implementation of UNOC and other Government infrastructure projects;
- ii. Authorise UNOC by passing a resolution of Parliament in line with the requirements of Article 159 of the Constitution, to borrow up to \$2 billion from VBA to finance UNOC and other Government infrastructure projects on the terms and conditions stated therein;
- iii. Authorise the Government to capitalise UNOC after the two-year grace period throughout the amortisation period of the facility;
- iv. Authorise UNOC to open and operate the Escrow Accounts Rules-Based Accounts (“RBA”) for payments of all revenues derived from the projects financed by the loan facility, and pay into the Domestic Product Account all proceeds from the sale of finished petroleum products to oil marketing companies in Uganda (Domestic Products RBA);
- v. To approve the use of the funds deposited in the Rules-Based Accounts and the Domestic Product Accounts in line with the conditions as set out above.

I submit for your consideration, Mr Speaker.

THE DEPUTY SPEAKER: Thank you, honourable minister. Hon. Oguzu?

4.54

MR DENIS OGUZU (FDC, Maracha County, Maracha): Mr Speaker, this is an eye-opening request which I invite Members to pay attention to.

The Attorney-General moved to suspend Rule 162(2), which meant that we cannot refer this request to the Committee on National Economy for scrutiny, but that was not a waiver on other requirements under Rule 162.

For example, we needed to look at how this project will be structured, the procurement plans, and whether there are going to be any environmental impacts arising from this project. All this should have been perused if there was a documentation laid here, but that document does not exist.

What we get now is that there is urgency. The urgency, I am sure, is within a few months. I wanted to be guided on how we will answer all those other calls in the law.

Secondly, there is a requirement that we need to approve expenditure - first of all, opening of an escrow account and then approving expenditure from that account. As far as I know, all Government expenditure must move through an Appropriation Bill, and as constituted now, can we move to approve expenditure without an Appropriation Bill?

Attorney-General, you needed to guide on that, because if we are going to put all the revenue Uganda National Oil Company (UNOC) generates in an escrow account, what powers do we have as a country to spend? As far as I know, all Government resources are supposed to go to the Consolidated Fund, and then they are appropriated before we actually approve.

Therefore, I see some of the demands there are going to lead us into breaching some of our financial management frameworks, and this Parliament must stay alive to some of those. Otherwise, they lay very good grounds for a challenge of the process.

Lastly, Mr Speaker, Bahrain Vitol is now a partner of the Government, and the minister has indicated that we have worked with them successfully in the current environment. I do not know what is necessitating this demand to borrow not a little money, two billion dollars, when Parliament cannot be able to pay keen attention and scrutinise.

Two billion dollars is not a little money for a country like Uganda to just play with. I see a very big risk given our debt management approaches in this country. There is a likelihood that this money may not be used properly.

THE DEPUTY SPEAKER: Honourable Attorney-General?

4.58

THE ATTORNEY-GENERAL (Mr Kiryowa Kiwanuka): Thank you, Mr Speaker. The revenue that is generated by UNOC as a business arm does not go to the Consolidated Fund. It is business.

Therefore, the monies they are talking about here are not akin to the revenues made from the petroleum products. These are the monies made from the business. Say, you do the Kampala Storage Terminal, and you make revenue from that. That is what is supposed to be put in the Rules-Based Account.

Actually, it is good for us because then we have been given an opportunity to make sure that the money, as it gets out of there, there are rules that we can actually follow. So, it is not left to UNOC alone. VBA is a partner, yes. I think what we are saying here is that the urgency is the commercial aspect of the business. That UNOC wants to do business. However, UNOC still has to report to Parliament in terms of its business.

THE DEPUTY SPEAKER: So, Attorney-General, UNOC, out of just trading oil, has made a profit of \$150 million.

MR KIRYOWA KIWANUKA: UNOC, by trading oil - when Parliament approved that all the oil be imported by UNOC by December 2025 - by trading oil alone, UNOC made a gross profit of \$150 million.

THE DEPUTY SPEAKER: And now, you are saying that is the money which will be servicing the loan.

MR KIRYOWA KIWANUKA: It should be on a rules-based account, and only when UNOC fails to pay, that we get to that rules-

based account. So, that is the kind of proceed that is required to go into the Rules-Based Account.

MR SSEWUNGU: Mr Speaker, if I may seek clarification from the Attorney-General, who is in control of the Jinja storage terminal now? Who is controlling that facility? Thank you.

THE DEPUTY SPEAKER: The minister for energy is also here in case you need help.

MR OKAASAI: Mr Speaker, it is actually UNOC that is managing the Jinja storage terminal. Thank you.

THE DEPUTY SPEAKER: Hon. Okupa, followed by the Leader of the Opposition.

5.00

MR ELIJAH OKUPA (Independent, Kasilo County, Serere): Mr Speaker, to me, because we took a decision here that we should not deal with the middlemen. I think that is when we formed the Uganda National Oil Company.

So, the infrastructure that needs to be built or rehabilitated in Jinja, I support it. The issue of building a facility in Mombasa, I support it. The issue of doing the pipeline from Eldoret to Uganda, we support it.

I think what needs more clarification is on the operations, because if Uganda National Oil Company is making a profit, how is it treated when we are budgeting? Because it is not the first private or public company the Government is involved in. I think that is where more clarity is needed; how do you handle these issues? I think that is what needs to be clarified. How is it going to be reflected in our budgeting and appropriation? I think that is what you need to clear.

Otherwise, I support it. But we need to clarify that, because that has helped us stabilise the price of fuel in this country. So, can you provide some clarification, especially the minister for energy and the minister for finance? The Attorney-General is handling the legalities of this, but can you, the finance people and the

energy people help the Attorney-General on those operational issues?

THE DEPUTY SPEAKER: Because we have been borrowing for UDB hundreds of millions of dollars, and I do not see us coming here to appropriate that UDB used this money to buy oil.

If we have Government business arms, do we also go in and say, even the profit you make, we appropriate it? Honourable minister for finance, how do you handle that or Attorney-General, if you can help?

MR KIRYOWA KIWANUKA: Thank you, Mr Speaker. UNOC is supposed to meet its obligation under this arrangement through its business, and that is what they have attached as the cash flows. It is only when UNOC cannot meet its obligation that is when they come to Parliament under Section 56 of the PFMA to finance that business. But UNOC is supposed to meet its obligation under this arrangement.

THE DEPUTY SPEAKER: So, the money it makes –

MR KIRYOWA KIWANUKA: The money it makes should pay for the facility, and it is only when they fail that they will come - because it is business. If they fail in the business, that is when they come under Section 56 of the PFMA to move Parliament for assistance.

THE DEPUTY SPEAKER: Thank you. LOP?

5.03

THE LEADER OF THE OPPOSITION (Mr Joel Ssenyonyi): Mr Speaker, three issues.

I have been trying to work the numbers for them to make sense. So UNOC has generated a gross profit of – that is on page one of your presentation. UNOC “has generated a gross profit of up to a net profit of \$150 million”.

First of all, that does not make sense. So, is the \$150 million gross or net – (*A Member responded*) This is gross. So, we need to

know what a net is because you see, gross is all that you have earned. What are the operational expenses for this to make economic sense?

So, now this is gross. What is the net? When you go to the second last page of your presentation, it says that, "There will be a generation of up to \$5.6 billion from the projects when implemented." I think there was a need to see an adumbration of that for it to make sense.

When you say you are going to generate \$5.6 billion and you leave it there like that, how? You want a buy-in from this House. This has got to make sense to us, as opposed to you just putting it there and say, "When we implement this, \$5.6 billion is what we are going to generate." That should be exciting to us, but before we get excited, how does that accrue? That is why there was a bit of need for time to scrutinise all of these details.

THE DEPUTY SPEAKER: LOP, and in how long, and in what period?

MR SSENKYONYI: Yes. Is this \$5.6 billion on an annual basis? That would sound exciting, would sound exciting, but is it true? I do not think so. There is no clarity on that. This MOU - because it was in May 2025 that UNOC and Vitol concluded this MOU for financial cooperation- you see now there are many things we are doing quickly and hurriedly for want of time. We are in recess; people are out there campaigning. In May, we did not get very busy politically. Why were we not kept in the loop so that we could move together and get to know? The Attorney-General, earlier on, when we were quibbling over another agreement, we were saying, 'But why was it not brought?' and he said, "We can do what we want to do, and then we shall inform you later."

As much as I disagree with that, it has not even been applied here because you already finished with this in May. Where have you not brought it? Even though my school of thought is, we move alongside each other, as opposed to you making steps, signing, and then come to Parliament much later saying, "Here is what we signed." What if we want to punch holes in

that agreement? It becomes difficult to rescind that agreement.

We dealt with an interesting - something similar, although much smaller, \$200 million; a loan to rehabilitate the airport. That is over Shs 700 billion. That agreement had so many issues right from the escrow account. That agreement was very problematic. Civil Aviation Authority; each time it made its budget, it had to first submit that budget to China to approve. Can you imagine that? Before they would expend any money, forget the escrow account, expending any money as an entity, they had to first seek permission from China. I said, "What kind of agreement is this?" At that time, the minister for finance, Hon. Matia Kasaija, said, "Yes, I am sorry, I signed, I did not read all these details." I said, "Wait a minute; this is not forgivable." Therefore, we do not want to run into similar issues, and that is why it is important that we move together.

Finally, colleagues have talked about the environmental concerns. Again, these are boxes you must be able to tick; "Environmental impact assessments," concerns there have been for everybody that is to be affected, communities and all the different stakeholders. You get shoulder when we move together, and we know this is what is happening, so then you can be defendable. When environmental concerns come out, what is your explanation? What I am saying is, we have got to get detailed information for us to move along together. I do not quite see that here.

We do not want people to think that there is anything you are hiding because some of these things outlive governments. Most of these things, anyway, that is the reality. My concern is not just that the NRM is the one in charge today. Tomorrow you will not be here, and we will still be dealing with issues. We would like to handle posterity, and not just the now. That is why we are interested in knowing the nitty-gritty of the issues of concern that we are raising. I do not know if the Speaker captured the concerns I raised.

THE DEPUTY SPEAKER: Very well. I captured them very well. Let the Attorney-General and the finance respond.

MR KIRYOWA KIWANUKA: Yes, thank you. I will deal with the issue of the MOU. This MOU, on trading, was actually brought to the House before we passed the law allowing us to trade. It was brought here, vetted, and discussed - I will check the record. Then again, even if it was not brought at the time, by now, during this budgeting cycle, UNOC must have reported, or it must report, because when they close the financial year, they must report even the monies that they have made in that period.

I agree with you, yes, that there are issues. The ministry of finance will address the issue of the numbers. What I am saying to the House is that we do appreciate where we are coming from. The concern is, if you go away now, these commercial operations will remain unattended for a while, and that will leave UNOC unattended. That is the concern.

However, we do appreciate that we should not be railroading you with this kind of thing at this time. Maybe to give the House a bit of comfort, this is essentially an overdraft facility, as the minister presented, it is only for money disbursed. Some of these projects may come on stream before we come back; others may not come on stream, but the funds will be available to UNOC to carry out its business in order for it to do its work. That can give you some comfort that maybe by the time we come back and we are done with the elections, definitely the \$2 billion would not have been used, but it will be available to UNOC to do its business.

THE DEPUTY SPEAKER: Attorney-General, what I was sharing with Hon. Lee is on the infrastructure projects, like the road. You know, have you worked out on a list of - are they those just under NDPIV you will prioritise? Which ones are those that will take a lot of this money?

MR KIRYOWA KIWANUKA: Mr Speaker, in my understanding, these are the roads that are supposed to support the sector. The roads

that would support UNOC to be able to carry out its activities. That is why it is an overdraft facility. It has been made available and can be called upon, and as they go through these processes, they will have to continue getting the necessary approvals and the plans and the procurements and that kind of thing.

THE DEPUTY SPEAKER: Honourable colleagues, I put the question on the motion for a resolution of Parliament to authorise the Government to borrow up to \$2 billion from Vitol Bahrain EC to finance Government infrastructure projects under the Uganda National Oil Company be approved by this House.

(Question put and agreed to.)

THE DEPUTY SPEAKER: Now, Attorney-General and - No, let me start with the Committee on Physical Infrastructure - the committee in charge, and the Committee on Environment and Natural Resources. Please, when we are in the process of doing our work, please follow up on this.

We need a very clear reporting mechanism on this. The House has put its trust in you because UNOC has been performing very well. UDB, at least those two, have been performing very well. We do not want to frustrate UNOC or treat it like another Government entity where we have to struggle to get things done.

With this trust, honourable Attorney-General, kindly ensure that UNOC fulfils its part of the bargain. Honourable colleagues, the games - the other Speakers have already entered. Kindly allow, let us adjourn the House sine die.

(The House rose at 5.12 p.m. and adjourned sine die.)