



PARLIAMENTARY DEBATES

(HANSARD)

OFFICIAL REPORT

FOURTH SESSION - FIRST MEETING

WEDNESDAY, 6 NOVEMBER 2024



PARLIAMENT OF UGANDA
IN THE PARLIAMENT OF UGANDA

Official Report of the Proceedings of Parliament

FOURTH SESSION - 32ND SITTING - 1ST MEETING

Wednesday, 6 November 2024

Parliament met at 10.00 a.m. in Parliament House, Kampala.

(Members rose and observed a moment of silence.)

PRAYERS

THE SPEAKER: Thank you. Next item.

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

BILLS

SECOND READING

The House was called to order.

THE UGANDA NATIONAL ROADS
AUTHORITY (REPEAL) BILL, 2024

COMMUNICATION FROM THE CHAIR

THE SPEAKER: Honourable members - Hon. Macho is an Independent Member of Parliament, and he always sits there. Honourable members, I welcome you to this morning's sitting. *(Applause)*

THE SPEAKER: Honourable members, as part of the Government's effort towards the rationalisation of the public entities - I will allow you - and expenditure, The Uganda National Roads Authority (Repeal) Bill, 2024 was tabled on 24 September 2024. The committee looked at this Bill and is ready to report.

Given the numbers currently present in the Chamber and other Members who are still coming, we will invoke rule 9 of the Rules of Procedure and allow free sitting in the House today. *(Applause)*

However, to begin with, we will invoke rule 130(1) of the Rules of Procedure and invite the minister to move a motion to that effect. Yes, Leader of the Opposition (LOP).

Honourable members, on 1 November 2024, we received unfortunate news of the demise of the husband of one of our colleagues, Hon. Naome Kibaaju, the late Obadiah Ntebekaine, a renowned businessman and entrepreneur.

10.06

THE LEADER OF THE OPPOSITION (Mr Joel Ssenyonyi): Thank you, Madam Speaker. I join you in welcoming colleagues back to the House after a couple of days. When we last met here, there were a couple of occurrences that -

On behalf of the legislature and on my behalf, I convey our heartfelt condolences to the family of Hon. Naome Kibaaju, the entire bereaved family, and the people of Ankole. May we rise and observe a moment of silence in his memory.

THE SPEAKER: Honourable members, can we maintain silence? When somebody is speaking, please, maintain silence. Remember, this is the LOP speaking and you are making noise.

MR SSENKYONYI: Thank you, Madam Speaker. As I was saying, when we last met here, there were some occurrences that I want to draw your attention to, especially in regard to the law. This is the legislature, which makes laws and it is important that even as we make laws, first and foremost, we observe the laws of the land.

I want to first draw your attention to rule 94 of our Rules of Procedure, which provides for declaration of personal interest in any matter before the House. That is the first law I am quoting. I am going to quote about two or three rules. As we were handling the Coffee Bill, as it has come to be known, there was a dispute that eventually led to the division.

THE SPEAKER: Honourable LOP, we have not reached the Coffee Bill. You will raise that when we are on the Coffee Bill. Let us handle the Road Fund, Uganda National Roads Authority. We will handle the rest then we go to the coffee.

When we reach the Coffee Bill, whoever has a conflict of interest must declare.

MR SSENKYONYI: Thank you for your guidance, Madam Speaker. The reason I am raising this matter now is because it will help us procedurally, because you are going to guide. It will help us procedurally with all the business we are going to handle in this House.

Madam Speaker, the Order Paper I have looked at has a couple of items and one of those is the Coffee Bill. Again, let me raise the matter and you will rule. As I was saying, rule 94 of our Rules of Procedure provides for a declaration of interest.

What we saw, Madam Speaker, on the national broadcaster and elsewhere, were remarks made by yourself, showing that you seemed to have a particular interest in the Coffee Bill. You were having a chat with the Government Chief Whip and you asked him if he does have the numbers. Madam Speaker, that was to show that you had interest in this matter – *(Interjection)* - I am on procedure.

THE SPEAKER: There is a point of order.

MR SSENKYONYI: Madam Speaker, in our rules - he is a lawyer – the procedure takes precedence over a point of order. Therefore, let me raise my point of procedure, which you are going to rule on. *(Applause)*

Hon. Fox Odoi is a lawyer in town. I want to believe he has taken time to read the rules.

THE SPEAKER: Can you raise your procedural matter?

MR SSENKYONYI: That is what I was raising before I was rudely interrupted by a fellow lawyer who I expect to know the rules and even guide other Members.

The matter of conflict of interest is a very critical one. As far as I am concerned, based on your conduct, Madam Speaker, I think you have an interest in this matter. Maybe, you should have declared that interest and perhaps, even excused yourself from that matter.

The second and final issue that I am raising is from our Constitution. Article 21 of our Constitution talks about equality and freedom from discrimination, and I want to quote Article 21(2).

“Without prejudice to clause (1) of this Article, a person shall not be discriminated against on the ground of sex, race, colour, ethnic origin, tribe, birth, creed or religion, social or economic standing, political opinion or disability.”

Madam Speaker, we did see you make remarks that seemed to prejudice a particular tribe. What we saw you say was, “Let us make sure these Baganda do not get the numbers”. As we have said, this is not a matter of Buganda. Coffee is grown in different parts of the country.

I was very disappointed to see my leader, my Speaker, make those remarks, as if this is a battle against Buganda. The Government maybe needs to clarify: in bringing this Bill, are you targeting Buganda and Baganda? I do not know.

Madam Speaker, I have brought to your attention our laws: the Constitution and our Rules of Procedure regarding conflict of interest, which would see you decently recuse and excuse yourself from presiding over this matter. However, the tribal sentiments that we did hear you make have got to be addressed by yourself, perhaps beginning with an apology, and then we see how we take things from there.

Thank you, Madam Speaker, and I thank honourable colleagues for following the issues that I have raised very attentively. Thank you.

THE SPEAKER: Honourable members, I am happy that the LOP has raised an issue that I am ready to respond to and I will respond to it when I come to the issue of the coffee Bill. *(Applause)* I will give a very appropriate response to that when we come to the coffee Bill. Next item? Yes, honourable minister? Hon. Tebandeke, sit.

BILLS SECOND READING

THE UGANDA NATIONAL ROADS AUTHORITY (REPEAL) BILL, 2024

10.16

THE MINISTER OF STATE FOR WORKS AND TRANSPORT (WORKS) (Mr Musa Ecweru): Madam Speaker, I beg to move – *(Interruption)*

THE SPEAKER: There is a procedural matter.

MR SSEMUIJU: Thank you, Madam Speaker. I am raising a matter of privilege. I have been here for a while now. We have been subjected to humiliation by security, as we were coming to Parliament this morning and this has not only affected the Opposition MPs -

THE SPEAKER: Honourable members, listen.

MR SSEMUIJU: We were removed from our vehicles; we were being stopped from parking. There are ununiformed security personnel in Parliament who are more than the 530 MPs.

(Laughter)

Madam Speaker, I have no guarantee that we do not - because in our rules, you do not carry guns beyond the main gate. I am not certain that there are no guns inside this building. I am raising this because some of us have fallen victim before, including NRM MPs, by the way. Some of –

Madam Speaker, my point of privilege is for you to subject everybody - and we empty the building to be sure because Parliament must be an atmosphere of free debate. The way we came in and the angry faces - You see, the people who kidnapped us came from here. We need to inspect all these rooms surrounding the Chambers to be sure that a free atmosphere for us to have a debate exists. Madam Speaker, that is the point I wanted to raise.

THE SPEAKER: Honourable members, you must be mindful that we also have the EALA sitting in the same building. When we came in, I was personally subjected to a check and I am not immune to anything. I mean for the safety of the Members of Parliament, I do not have any problem with that.

Honourable – *(Hon. Tebandeke rose_)* let him first move his motion.

MR ECWERU: Madam Speaker, I beg to move that the Bill entitled, “The Uganda National Roads Authority (Repeal) Bill, 2024” be read for the second time.

THE SPEAKER: Is it seconded? *(Members rose_)* It is seconded by Hon. Frank, the honourable minister for finance, Hon. Bahati, Hon. Musasizi, and the whole House on this side. *(Hon. Zaake rose_)*

Hon. Zaake? Give Hon. Zaake the microphone. *(Hon. Tebandeke rose_)* Can you sit? Let Hon. Zaake speak. Honourable members, I am saying, let Hon. Zaake speak first. You do not have to shout. You are going to force me to evoke rule 89(1). Hon. Tebandeke, you do not have to shout at anybody. If Hon. Zaake has an issue, let it be handled.

Honourable members, Hon. Ssasaga is also disturbing - Hon. Wakayima and Hon. Saazi, you are also on the same thing. Wait.

MR ZAAKE: Thank you, Madam Speaker, for this opportunity. I wish to present an issue touching our safety and particularly my life.

Being a victim of gun violence in this country, I have seen one of the security operatives inside this House; the one behind your seat. Let him be subject to a security check because he has a gun. I am worried about –

THE SPEAKER: Which one?

MR ZAAKE: The gentleman behind.

THE SPEAKER: My bodyguard?

MR ZAAKE: I do not know your bodyguard, Madam Speaker, but it is security personnel – *(Interjections)* – Come on, the Speaker guided very well; you must listen in silence.

THE SPEAKER: Just hold on.

MR ZAAKE: We shall not accept to be bullied here. Maintain silence.

THE SPEAKER: Wait. Listen, come, and point to the person. Show me the person from there. Listen.

MR ZAAKE: I know the rules; why do you send me there?

THE SPEAKER: Listen.

MR ZAAKE: You cannot joke with me. Maintain silence and listen to me.

THE SPEAKER: Hon. Zaake –

MR ZAAKE: There is a gun in the House. Madam Speaker, I beg that the security official be subjected to a check to confirm if he does not have a gun.

THE SPEAKER: First wait and be calm. This is a Sergeant-at-Arms. Can you check?

Remove your jacket and be checked. Honourable members, the Sergeant-at-Arms has checked and there is nothing. Can you sit?

MR SSENKYONYI: Madam Speaker, I request your –

(Whereupon commotion ensued.)

THE SPEAKER: Honourable members, first take your seats. - Let the Member be taken out of the Chamber for treatment; he is injured. Let us have the person treated. Okay, first sit. Honourable members, we suspend the House for 30 minutes.

(The House was suspended at 10.28 a.m.)

(On resumption at 11.02 a.m., the Speaker presiding.)

THE SPEAKER: Honourable members, can I have order? Hon. Macho, go and sit behind. Honourable members, I want to register my apology for whatever happened to our colleague. Sincerely, that was not called for; what happened to Hon. Zaake was not called for.

However, honourable members, the Rules of Procedure, under rule 7(2) provide that, *“The Speaker shall preserve order and decorum in the House and shall decide questions of order and practice.”*

Following what happened to Hon. Zaake this morning in the House, I will refer you to rule 89(1), which I had already mentioned which states, *“If the Speaker or Chairperson of any committee considers that the conduct of a Member cannot be adequately dealt with under subrule (2) of rule 88, he or she may name the Member.”* Under this rule, I am proceeding to name the Members and suspend them from this House for three consecutive sittings.

These Members include:

1. Hon. Anthony Akol;
2. Hon. Wakayima Musoke;
3. Hon. Aloysius Mukasa;

4. Hon. Charles Tebandeke;
5. Hon. Isaias Ssasaga;
6. Hon. Francis Zaake;
7. Hon. Asinansi Nyakato;
8. Hon. Derrick Nyeko;
9. Hon. Frank Kabuye;
10. Hon. Ronald Evans Kanyike;
11. Hon. Susan Mugabi; and
12. Hon. Shamim Malende.

Under rule 90, the Members are suspended with immediate effect from the precincts of the House. Honourable members, I am also invoking rule 88(2) to order the above-named Members to withdraw from the House and from today's sitting immediately. I accordingly order the Sergeant-at-Arms to ensure they vacate the Chambers. I, therefore, suspend the House for 15 minutes.

(House suspended at 11.10 a.m.)

(On resumption at 11.46 a.m., the Speaker presiding_)

THE SPEAKER: Honourable members, there are seats up there. You will tell me who carried a chair from home. Leader of the Opposition wait, you are going to speak. I want Members to settle down. Clerk, can I have my mace? The LOP has an issue to raise.

MR SSENKYONYI: Madam Speaker, I am on a point of privilege, which supersedes all other points. This House, which you preside over as a Speaker, the country's number three and the head of this institution, is supposed to be a sacrosanct House; an institution that is looked up to by every Ugandan. Laws are made here, policies are determined here and the progress or retrogression of this country is determined here.

These Members who you lead are your responsibility, and for that matter, it is your responsibility to ensure the safety and the safeguarding of every Member of this institution because we are your Members, including those of us who do not belong to the political party you subscribe to.

However, a couple of things have happened here today that I find unconstitutional and unacceptable and that should have no place in a sacrosanct House like this one.

Firstly, our colleague, Hon. Zaake, was beaten by a colleague in this House. *(Interjections)* Madam Speaker, please, protect me from these fellows who are making noise. You have suspended Members because of this conduct and I am hoping you are going to be fair and impartial and suspend more Members from this side. *(Members rose_)*

THE SPEAKER: Listen.

MR SSENKYONYI: I am listening, Madam Speaker.

THE SPEAKER: Honourable members, the Speaker is speaking -

MR SSENKYONYI: There are many people standing and I do not know why.

THE SPEAKER: They have nowhere to sit, you sit - it is okay, he can carry you. Leader of the Opposition, please, sit. - Honourable members, I want you to listen to each other and I do not mind suspending anybody. I can suspend everybody. If you continue making noise, then we will have a problem. Let us have respect and listen to each other.

This is a House of logic. If you want to do drama, the National Theatre is very near. I want us to listen to what the Leader of the Opposition is saying then I make a ruling.

MR SSENKYONYI: Madam Speaker, thank you. I am hoping Members have taken your guidance and that they will listen to me even when they disagree with me.

(Text expunged.)

(Whereupon, some members the Opposition exited the Chamber.)

THE SPEAKER: Honourable members, next item.

Honourable members, the Leader of the Opposition raised an issue here, but I am not aware of any security that came in. And, when I suspended the House, I went out. I do not have a TV to see what is happening.

Secondly, when he said I was laughing – for me, I do not get annoyed. God gave me a smile, so, I cannot be annoyed by what I do not know. So, can we now proceed?

12.03

THE MINISTER OF INFORMATION, COMMUNICATIONS TECHNOLOGY AND NATIONAL GUIDANCE (Dr Chris Baryomunsi): Thank you, Madam Speaker. A matter has been raised regarding the media and I stand here as the Minister for Information and National Guidance.

I will make reference to our Rules of Procedure. Coverage of the sittings of the House are provided for in our Rules of Procedure. Rule 230, about electronic coverage of parliamentary proceedings, states:

- “(1) *Parliamentary proceedings may be broadcast by electronic media having due regard to the dignity of the House.*
 (2) *Television coverage of the proceedings of the House shall be regulated by the rules set out in Appendix G of these rules.*”

Appendix G (2) – Rules of electronic coverage of parliamentary proceedings – talks about the dignity of the House. It says:

“In covering the Proceedings of the House, the Clerk shall have regard to the dignity of the House and its functions as a Legislature rather than a place of entertainment.”

Therefore, live streaming or coverage of parliamentary proceedings is not mandatory. If, in the opinion of the Chair and the Clerk, there is loss of dignity, the media may be out - and we do not legislate for the media; we legislate for Ugandans.

We have a record of the *Hansard* and, therefore, whether Parliament is being covered by the

media or not, it cannot stop Parliament from proceeding. So, as far as we are concerned, it is not an issue, and Parliament should proceed.

THE SPEAKER: Honourable members, remember that I invoked rule 88(2) of the Rules of Procedure – and the Rules of Procedure were passed by you, Members of Parliament, to ensure that we have order and decorum in the House.

We are supposed to maintain decorum in the House, which we failed to do. I named and suspended Members to that effect, in order for us to bring sanity to this House and that sanity must be maintained, whether they want it or not. Yes?

12.05

MS SARAH OPENDI (NRM, Woman Representative, Tororo): Thank you, Madam Speaker. I would like to take this opportunity to thank the people of the United States of America for having voted in my candidate, Donald Trump, a pro-family – (*Interjection*)-no, he has passed the 270 mark.

A vote for Trump is a vote for the family, a vote for peace and a vote for security in the world, and, we are all proud of the people of America for going through this without any violence.

To the Democrats and the people who supported Kamala Harris, hard luck. Let us wait for the next four years; maybe she can come back and win at that time.

Congratulations, America. Congratulations, Ugandans and those who are supporting. Viva Donald Trump. Thank you. (*Applause*)

THE SPEAKER: Thank you so much.

12.07

MR HENRY MAURICE KIBALYA (NRM, Bugabula County South, Kamuli): Thank you, Madam Speaker. The Chairperson of UWOPA is expected to promote the interests of women. It is very disappointing to see the Chairperson of UWOPA, instead of promoting the interests of women internationally and

nationally, here bringing things that are not in the interests of women. Does she still qualify to be a Chairperson of UWOPA?

THE SPEAKER: Thank you. Hon. Maurice, the Chairperson of UWOPA is promoting family values. Next -

MR KIBALYA: Madam Speaker, we did move -

MR GAFABUSA: Madam Speaker, I am raising a point of procedure. I am scared for my health and the health of my colleagues here. Yesterday, Madam Speaker, I saw on TV Hon. William Museveni confessing that he tested positive for COVID-19, and he was denied access to the State House and is seated comfortably behind me. I am scared. Are we safe, Madam Speaker? He does not even have a mask.

THE SPEAKER: Clerks, can we have some masks? Hon. William, put on a mask.

MS KINYAMATAMA: Order! Madam Speaker.

THE SPEAKER: Whom are you ordering?

MS KINYAMATAMA: I am moving a point of order on Hon. Yoweri. *(Interjections)* Madam Speaker, I am moving on a point of privilege – as you can see me – this has scared me. I am vulnerable. I cannot sit right next to an honourable member who tested positive for COVID-19. He should be out of this House –

THE SPEAKER: Honourable, put on a mask. *(Laughter)*

MS KINYAMATAMA: No, social distance; a mask is not enough.

THE SPEAKER: Honourable members, can I have some silence? We were looking at the UNRA - Can we stand over UNRA and go to the next item?

BILLS
COMMITTEE STAGE

THE NATIONAL COFFEE (AMENDMENT)
BILL, 2024

THE CHAIRPERSON: Honourable members, it is well within your knowledge that during the sitting of Thursday, 24th October 2024, the National Coffee (Amendment) Bill was presented in this House, and the report is ready. We now go to the Committee Stage.

Clause 1

THE CHAIRPERSON: Committee chairperson -

12.12

THE CHAIRPERSON, COMMITTEE ON PHYSICAL INFRASTRUCTURE (Ms Linda Auma): Thank you, Madam Chairperson. We have the proposed amendment to the Bill and we are going to start by insertion of a new clause.

The National Coffee (Amendment) Bill, 2024 is amended by inserting immediately before clause 1 the following:

Commencement

Subject to subsection (2), this Act shall come into force three years after publication on a date appointed by the minister by Statutory Instrument.

The Statutory Instrument made under subsection (1) shall be laid in Parliament for approval.

Justification

To enable effective mainstreaming of the functions of the Uganda Coffee Development Authority (UCDA) into the ministry responsible for agriculture. Thank you.

THE CHAIRPERSON: Honourable minister -

12.14

THE MINISTER OF AGRICULTURE, ANIMAL INDUSTRY AND FISHERIES (Mr Frank Tumwebaze): Madam Speaker, I object to the amendment because I do not feel it helps the situation.

THE CHAIRPERSON: Thank you. Attorney-General –

12.15

MR KIRYOWA KIWANUKA: I object. The proposal being made by the committee has not been considered. It will have a financial implication and cannot be moved at this stage.

THE CHAIRPERSON: Thank you. Hon. Nathan –

MR NANDALA-MAFABI: Thank you very much, Madam Chairperson. The sector we are dealing with is a sector, which has been around for a long time. We believe the committee has carried out research.

We know the Coffee Marketing Board was disbanded; we brought in UCDA. We are saying that for this sector to perform better, the Ministry of Agriculture, Animal Industry and Fisheries - We know it has been around. It would be better for agriculture to be running the same activity parallel to UCDA for the time being until they get ready then we can hand it over.

Madam Chairperson, it would be much better for my colleagues to agree with the committee to have some time because we gave the National Information Technology Authority-Uganda (NITA-U) time. We gave it three years because we said there were some items, which were moving on. Why would it be a problem here for UCDA to be given a period as we run concurrently on the side and soon, even if the Ministry of Agriculture, Animal Industry and Fisheries gets ready within one week, we shall do it?

The competence of the Ministry of Agriculture, Animal Industry and Fisheries is known. If it had been already there, they would have done

it long ago. However, they have even failed on many products. They are not doing so well. Vanilla has collapsed. We are saying, this is the only remaining livelihood of the people. Coffee is very important for the people of Uganda - the growers and even those who benefit from its income.

THE CHAIRPERSON: Yes, please.

MR TUMWEBAZE: Madam Chairperson –

THE CHAIRPERSON: First hear from Hon. Junior.

MR MOSES OKOT: Madam Chairperson, I rarely involve myself in matters that are as controversial as this but when I come to speak, I would be coming to speak the voice of the people. I have decided to sit on this side of the House. I have a lot of literature on the operation of other ministries that have been rationalised. However, I think, I agree with all these colleagues that the coffee sector should be dealt with a lot of caution.

I have had to partake in the wisdom of somebody who has managed this industry for quite some time and I am associating myself with the decision that if this House is to decide to rationalise, coffee should be given a grace period to grow; at least two or three years until the ministry is up to-date to move on. I beg to submit.

THE CHAIRPERSON: Thank you. Honourable members - Yes, minister –

MR TUMWEBAZE: Honourable colleagues, despite the emotive debate, it is important we lay certain facts on the Table. For coffee to be exported out of the country, whether to the European market or to the Chinese market, you need a phytosanitary certificate. It is not from UCDA but from the ministry for agriculture; the ministry they say is incompetent and not ready.

You cannot export coffee - Hon. Nandala knows this - whether Arabica or Robusta, to any market without this certificate issued

by the Department of Crop Protection of the ministry for agriculture. It does this for every agricultural export. Therefore, when you say, “get ready”, get ready with what? It has been here. It was here before you saw the UCDA.

Let us remove the falsehoods. I lay on the Table a sample of the certificate of phytosanitary that the ministry issues for coffee, dry chilli, vegetables and any agricultural product for Parliament to understand.

THE CHAIRPERSON: Thank you. Chairperson, Bugisu Cooperative Union?

MR NANDALA-MAFABI: Thank you very much, Madam Chairperson. Honourable colleagues, when they call “the chairperson”, you should know that I am the chairperson. *(Laughter)*

Madam Chairperson, we are speaking from the lower level of the farmers going up. I have not denied that the ministry for agriculture does not issue the certificate for export. What type of certificate is it? It is just writing a document but not being involved in the sector of quality, the processes and whatever.

I would like to speak from experience. This document he is talking about - after UCDA has cleared - is when these ones write that certificate. It is a certificate – *(Interjection)* - I am talking to you as an experienced person. I grew up in coffee. Therefore, the certificate he is talking about is basically just to accompany and state that this coffee comes from Uganda. However, the quality, the processes and of course, the marketing procedures are under UCDA.

Madam Chairperson, I am happy the minister agrees; they issue certificates but he has not talked about the processes. We are here - like Hon. Okot Moses Junior has told you - we sit this side and we would have gone but because what we are talking about touches our livelihood, it is the reason we are trying to represent the people who deal with it.

THE CHAIRPERSON: Okay, thank you.

MR NANDALA-MAFABI: Madam Chairperson, on that one, there is even a National Coffee Policy, which clearly talks about how coffee runs under UCDA. It is here and the process is here. Now, if you are talking about what you are saying then you must also deal with the National Coffee Policy.

What comes first? They should have first started with the National Coffee Policy and then you come with the amendment of the law because the policy is the one which feeds into the law.

Therefore, Madam Chairperson, I know Members are charged. On this point - *(Interruption)*

MR TUMWEBAZE: Thank you, Madam Chairperson and my former Chairperson of the Public Accounts Committee, for accepting information. I pray that if we had debated soberly, many things would have been appreciated. The quality assurance process of coffee did not start with UCDA. It is done through our laboratories of quality assurance.

The laboratory of quality assurance at Lugogo was given to UCDA to manage because UCDA was designated to manage coffee. However, the laboratory remains an asset of the Government of Uganda, irrespective of which entity will be mandated by law to manage it.

Now, the phytosanitary certificate you are talking about is not just a document. It is a document you issue after you have ascertained the quality of each coffee grade. Besides, we have said that the staff under UCDA, who have commodity-specific expertise, will be transferred to MAAIF. Therefore, what is the issue?

MR NANDALA-MAFABI: Madam Chairperson, because the minister wanted information, I am happy that he has talked about the laboratory being Government property. Even the UCDA is Government property. So, there is nothing different. You have reconfirmed - yes despite - even URA is Government property, so you cannot say the functions of URA - because it is Government property - should quickly be

moved to the ministry for finance because it is responsible for collection of taxes.

THE CHAIRPERSON: Thank you.

MR NANDALA-MAFABI: It is the reasoning, which you are putting across that UCDA would need – *(Interjection)* – yes, the laboratory is yours. Our issue, as the staff will go with you -

THE CHAIRPERSON: Hon. Fox?

MR NANDALA-MAFABI: Why don't you give it time so that you run it co-currently when we are ready and we continue with it?

THE CHAIRPERSON: How much time do you want?

MR NANDALA-MAFABI: Madam Chairperson, I am of the view of 10 years, but for purposes of the committee, I want to go with the committee proposal.

THE CHAIRPERSON: Committee chairperson, what do you think?

MR LINDA AUMA: Thank you, Madam Chairperson and colleagues. As per the committee position, we presented this but it brought up a minority report. It means that earlier on, there was no agreement on the three years.

That is why we brought it before Parliament and by the guidance of the minister, the Attorney-General and conceding effort by our Hon. Nandala-Mafabi that UCDA is Government property, its laboratory is for the Government and all being supervised by the ministry for agriculture, I thereby concede that we should not – *(Applause)*

THE CHAIRPERSON: I put the question that the proposed new clause does not stand part of the Bill.

(Question put and agreed to.)

(New clause negated.)

Clause 1

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

(Question put and agreed to.)

Clause 1, agreed to.

Clause 2

THE CHAIRPERSON: I put the question that clause 2 stands part of the Bill -

MR NANDALA-MAFABI: Madam Chairperson, clause 2's objectives - Under the National Coffee Act, 2021, which we are amending, the objectives, which are already there are enough to deal with the sector. These objectives are under – *(Interjection)* - Madam Chairperson, these procedures are under section 4 of the law. It reads, "Objectives of the Authority." I am assuming we are going to move it.

The objectives are:

To promote good practices in coffee - All these are already covered in the old law. Unless you are saying, you are amending Section 4 of the law. That is why I propose that clause 2 collapses.

THE CHAIRPERSON: Are you looking at the parent Act?

MR NANDALA-MAFABI: Madam Chairperson, if you look at the parent Act, look at the objectives of the Authority. The objectives of the Authority are:

- i. *"To promote good practice in all activities in the coffee value chain;*
- ii. *To regulate on-farm and off-farm activities in the coffee value chain;*
- iii. *To promote research along the coffee..."*

They are all there. Now, you are bringing more objectives here, which are going to be completely contradictory to what is already in the law under section 4 of the Act.

THE CHAIRPERSON: But these are for the Authority; Section 4.

MR NANDALA-MAFABI: Madam Chairperson, I have seen them saying, where the word “authority” is, we are substituting it for “the Ministry of Agriculture, Animal Industry and Fisheries.” Now, the moment you are substituting “the Ministry of Agriculture, Animal Industry and Fisheries”, then it means either you are deleting the objectives or inserting a new one. However, I am very certain the same objectives under section 4 are the same objectives, which the ministry for agriculture would be interested in.

MR KIRYOWA KIWANUKA: Thank you, honourable member. I think the issue here is that we are mixing up the objectives of this Bill with the objectives of the Coffee Act. In this amendment Bill, the objectives in clause 2 are for purposes of rationalisation. They do not at all affect the objectives of the National Coffee Act, as it stands today.

If you notice, as we will go on further, the amendment in clause 4 is only changing the word from “UCDA authority” to “minister.” Therefore, those objectives in the Coffee Act remain.

The provisions provided in clause 2, which is under discussion now, have no contradiction whatsoever with the objectives of the Coffee Act.

MR NANDALA-MAFABI: Madam Chairperson, if that is true, then you cannot create a clause for objectives of the Bill. What you should do, after the long title, is to put the objective of the amendment. For now, the objectives, which appear as a clause which will become a section, is the one which is the main role.

MR KIRYOWA KIWANUKA: It is a matter of form and style and not substance. At least, we agreed that the substance has not been affected, but your issue is the form in which we do it. Both forms work. Your method works

but we found this method more appropriate. Thank you.

MR NANDALA-MAFABI: Madam Chairperson, the reason I am saying it cannot work is because there is already an objective section. What you should do if you are a very good lawyer –

THE CHAIRPERSON: What is your amendment on clause 2?

MR NANDALA-MAFABI: Clause 2 should be shifted to be an objective after the long title. Marry the two, the long title and this, or unweave the two.

THE CHAIRPERSON: Honourable members, can we get legal advice from the advisor of Government on how they want their Bill to be?

MR KIRYOWA KIWANUKA: Thank you very much, Madam Chairperson. (*Hon. Kibalya rose*)

THE CHAIRPERSON: Hon. Maurice, that procedure of yours.

MR KIRYOWA KIWANUKA: We have rationalised 23 other entities in this House. We have employed the same consistent method and standard. We have debated this. I pray that Members accept it. This is a form, and it has no effect whatsoever on the content of the Bill. I pray that Members accept this clause as it stands. (*Interjection*)

THE CHAIRPERSON: Hon. Katuntu –

MR KATUNTU: Thank you very much, Madam Chairperson. Objectives of the Bill are general objectives of why they intend to bring the law. It is different from the objective provided for, for the functions of the UCDA and now the Ministry of Agriculture, Animal Industry and Fisheries. We are really debating over nothing; where to put the objectives and where not to. To me, the general objectives for general rationalisation have been provided for.

Hon. Nandala-Mafabi is talking about the objective, first of all, of UCDA, which is now shifting to the Ministry of Agriculture, Animal Industry and Fisheries. I request my friend to consider and we move on, because there is not much difference.

THE CHAIRPERSON: Thank you. I put the question that clause 2 stands part of the Bill.

(Question put and agreed to.)

Clause 2, agreed to.

Clause 3

MS LINDA AUMA: Thank you very much, Madam Chairperson.

Clause 3 is amended by substituting for the phrase “Act 17 of 2021,” wherever the phrase appears in the Bill, the phrase “Cap. 38”.

Justification

To align the citation of the National Coffee Act 10 of 2001 to the revised laws of Uganda, 7th Edition.

THE CHAIRPERSON: Minister -

MR TUMWEBAZE: I concede. Thank you, Madam Chairperson.

THE CHAIRPERSON: Attorney-General -

MR KIRYOWA KIWANUKA: I concede and thank the committee for that observation.

THE CHAIRPERSON: I put the question that clause 3 be amended as proposed.

(Question put and agreed to.)

Clause 3, as amended, agreed to.

Clause 4

THE CHAIRPERSON: Clause 4. Yes, Hon. Nathan -

MR NANDALA-MAFABI: Madam Chairperson, I would like to make an amendment on clause 4 that the commencement of this Act shall be after three years. *(Laughter)* The justification is that you give it time. They brought it wrongly - because what the chairperson was trying to do to us - but we are now on the law - that it should be done after three years. The justification is to give it time for the process of the dissolution.

THE CHAIRPERSON: Honourable members, we are trying to revise the decision of the House on the new clause, but also when you look at the Act of Parliament, the commencement is upon gazette. Isn't that the case? I want the Attorney-General to -

MR KIRYOWA KIWANUKA: Thank you, Madam Chairperson. What you have stated, I really have nothing useful to add. I pray that the provision does stand as it is.

THE CHAIRPERSON: I put the question that clause 4 stands part of the Bill.

(Question put and agreed to.)

Clause 4, agreed to.

Clause 5, agreed to.

THE CHAIRPERSON: Dr Batuwa, get somewhere to sit.

DR BATUWA: Madam Chairperson, on clause 5, there is a provision to introduce an auction system, which is -

THE CHAIRPERSON: We are on clause 6. I was saying -

DR BATUWA: I had interest on clause 5 and I was accessing the microphone to address my interest on clause 5.

THE CHAIRPERSON: We are on clause 6.

Clause 6

MR KATUNTU: Madam Chairperson, Dr Batuwa may be advised that all is not lost. At the end of this process, he can apply for a re-committal of that particular clause. If he can convince us, then we shall see how to support him.

THE CHAIRPERSON: Yes.

DR BATUWA: Madam Chairperson, were you picking my mind on what I was putting on the Floor?

THE CHAIRPERSON: No, I was telling you to get somewhere to sit. They should move over for you. *(Laughter)*

DR BATUWA: Madam Chairperson, expel one of the NRM Members from my side so that I can sit. Create a position for me to sit.

THE CHAIRPERSON: Come and sit here near *Dubai*.

DR BATUWA: Madam Chairperson, that is the matter of privilege I was trying to raise.

MR NANDALA-MAFABI: Madam Chairperson, I want to interest the Attorney-General. Let us look at the long title. It says, “an Act to repeal and replace Uganda Coffee Development Authority, that will become the Ministry of Agriculture, Animal Industry and Fisheries; to provide for the ministry to regulate, promote and oversee the coffee sector, all on-farm and off-farm activities in the coffee value chain; to provide for the coffee auction system, and for other related matters.”

I would like to ask the Attorney-General; what would be the purpose of this when we are going to put it in the long title?

MR KIRYOWA KIWANUKA: This is a restatement of the long title. The long title is the same as what you have just read. When we amend, you must remember that what is in these clauses is supposed to be carried, so to say, and put in, in the old Bill. It has no contradiction whatsoever.

MR NANDALA-MAFABI: Madam Chairperson, the contradiction is that we would amend the long title, at the appropriate time, and when you amend the long title, you do not have to make a clause for it. I do not think that, that is how we make laws.

MR ODOI-OYWELowo: Thank you very much, Madam Chairperson. I would like to appeal to Hon. Nandala, who is an advocate younger than me. You know the long title of any law is not justiciable. You cannot go to court to enforce the long title of an Act. It does not impose any legal obligation on the state or anybody.

Now, what the Government has done, it has created an object in the main body of the Act, thereby making it justiciable. They have taken over an obligation. Why should you fight over that?

I thank you, Madam Chairperson.

THE CHAIRPERSON: Hon. Katuntu?

MR KATUNTU: Thank you very much, Madam Chairperson. The long title is an explanatory note. You do not have to enforce it. What is enforceable are the substantive sections of the Act. You cannot go to court, as the Hon. Fox Odoi said, and say- for example, what he said was contrary to the long title of the Act. It does not work that way. So, this is purely law, the long title is just to explain what is in the Bill. It is not a clause for enforcement.

THE CHAIRPERSON: Hon. Asuman Basalirwa.

MR BASALIRWA: Information to my senior colleague. Madam Chairperson, a long title, over and above the fact that it is not justiciable, it is not law. One of its fundamental objectives is actually to aid in interpretation, where that becomes necessary. So, my brother, yes, Hon. Nandala, I think we would let it pass.

MR KATUNTU: That is in addition to the marginal notes you see along with the section of the law.

THE CHAIRPERSON: Thank you. That was clause 5. So we already put clause 5 to rest. I put the question that clause 6 stands part of the Bill.

(Question put and agreed to.)

Clause 6, agreed to.

Clause 7, agreed to.

Clause 8, agreed to.

Clause 9

THE CHAIRPERSON: Yes, Chair.

MS AUMA LINDA: Madam Chairperson, clause 9 is amended by substituting for the phrase “section 3”, the phrase “section 2” and thereafter, align the numbering of the sections under the Bill to the numbering in the National Coffee Act, Cap 38.

The justification is to conform the numbering of the Bill to the numbering of the sections under the revised National Coffee Act, Cap 38, in accordance with the revised laws of Uganda, 7th edition.

THE CHAIRPERSON: Honourable minister?

MR TUMWEBAZE: I concede, Madam Chair.

THE CHAIRPERSON: The Attorney-General?

MR KIRYOWA KIWANUKA: I concede, Madam Chair.

THE CHAIRPERSON: I put the question that clause 9 be amended as proposed.

(Question put and agreed to.)

Clause 9, as amended, agreed to.

Clause 10

THE CHAIRPERSON: Chair?

MS LINDA AUMA: Clause 10 is amended by repealing section 5, paragraph (k).

Justification

The ministry and the government are one and the same providing that “the ministry shall advise the government” is not tenable.

THE CHAIRPERSON: Minister?

MR TUMWEBAZE: I concede, Madam Chair.

THE CHAIRPERSON: Attorney-General?

MR KIRYOWA KIWANUKA: I concede, Madam Chair.

THE CHAIRPERSON: I put the question that clause 10 be amended as proposed.

(Question put and agreed to.)

Clause 10, as amended, agreed to.

Clause 11, agreed to.

Clause 12

THE CHAIRPERSON: Yes, Chair.

MS LINDA AUMA: Clause 12 is amended by:

- (a) Substituting the head note for the following, “repeal of section 6 of the Principal Act.”
- (b) Substituting the clause for the following, “section 6 of the Principal Act is repealed.”

Justification

The ministry is the regulator, policy formulator, and implementer of the policies thus the ministry cannot at the same time be an arbitrator. An aggrieved person can seek other remedies in a court other than the ministry.

THE CHAIRPERSON: Minister?

assistance or cooperation while the ministry is executing its functions.

MR TUMWEBAZE: I concede, Madam Chair.

THE CHAIRPERSON: Yes, Minister?

THE CHAIRPERSON: The Attorney-General?

MR TUMWEBAZE: I concede, Madam Chair.

MR KIRYOWA KIWANUKA: I concede, Madam Chair.

THE CHAIRPERSON: The Attorney-General?

THE CHAIRPERSON: I put the question that clause 12 be amended as proposed.

MR KIRYOWA KIWANUKA: I concede, Madam Chair.

(Question put and agreed to.)

THE CHAIRPERSON: I put the question that clause 16 be amended as proposed.

Clause 12, as amended, agreed to.

(Question put and agreed to.)

Clause 13

Clause 16, as amended, agreed to.

THE CHAIRPERSON: Honourable members, I want to advise you that when you want to make an amendment to the Bill, as per rule 134(5), you should supply the Speaker with the proposed amendment a day before. Do not supply me with an amendment on the Table because I should have consulted with the respective ministry. I only have one amendment that was supplied to my office a day before.

Clause 17, agreed to.

Clause 18, agreed to.

Clause 19, agreed to.

Clause 20, agreed to.

Clause 21, agreed to.

Clause 22, agreed to.

Clause 23, agreed to.

Clause 24, agreed to.

Clause 25, agreed to.

Clause 26, agreed to.

Clause 27, agreed to.

Clause 28, agreed to.

Clause 29, agreed to.

Clause 30, agreed to.

Clause 31, agreed to.

THE CHAIRPERSON: I put the question that clause 13 stands part of the Bill.

(Question put and agreed to.)

Clause 13, agreed to.

Clause 14, agreed to.

Clause 15, agreed to.

Clause 16

MS LINDA AUMA: Clause 16 is amended by substituting for paragraph (C) the following—“delete subsection 3.”

Justification

There is no need to spell out in the law that other government agencies need to offer

Clause 32, agreed to.

Clause 33, agreed to.

Clause 34, agreed to.

Clause 35, agreed to.

Clause 36, agreed to.

THE CHAIRPERSON: Members, please.

MR STEPHEN MUGOOLE: Madam Chair, as a matter of privilege, can we get chairs for some of us to sit? Either these long chairs be allowed in here and we sit.

THE CHAIRPERSON: Can we have chairs for members, and there is space on this side.

Clause 37

THE CHAIRPERSON: Chairperson?

MS AUMA LINDA: Madam Chairperson, clause 37 is amended by;

(a) Substituting for paragraph B, the following;

“2. For the purposes of this section, the ministry may, in consultation with other stakeholders in the coffee business, develop a strategy for promoting the cultivation of recommended types and varieties of coffee in Uganda.”

(b) By repealing sub-clause (c)

Justification:

- a) The Minister should be given discretion to develop a strategy for promoting the cultivation for recommended types and varieties of coffee in Uganda in consultation with other stakeholders.
- b) There is no subsection 3 in the principal Act.

THE CHAIRPERSON: There is a hand there.

MR SIMON OPOLOT: Thank you, Madam Chairperson. I am concerned about the clause that the committee chairperson has just read, when she said that “recommended type”, recommended by who? Because we risk other global competitors who would want to introduce GMOs into the sector. So, do away with that issue of recommended, unless we specify by the Government or Cabinet. Thank you.

MS NAMUYANGU: Madam Chairperson, I would like to inform a colleague that this country has a national research institute organisation called the National Agricultural Research Organisation (NARO) with professional researchers, responsible for research and recommendations.

MR KIRYOWA KIWANUKA: Madam Chairperson, we have studied the recommendation by the committee and have no objection. The most important thing that the committee was trying to bring is to have someone take political responsibility for the variety of these products that you are putting out in the market.

If you are going to send anything to the public, someone must take political responsibility for it. Here they are saying that the minister will be politically responsible should a wrong product end up in the market. That is a very good way of checking the authority and ensuring that the minister is hands-on and responsible for the things that are happening in his sector.

MR BIYIKA SONGA: Thank you, Madam Chairperson. I would like to agree with the Attorney-General that when we were in Gulu, I talked about the suitability and capability of our soils. And this was a study done in Uganda. There are areas in Uganda that are not growing coffee yet, but are suitable for certain types of coffee. Those are the areas we are talking about.

When you take a place like my district of Zombo, we are a high-altitude area, of 1,300 metres to 2,300 metres above sea level. It is only suitable for Arabica, but there are areas

below 1,300 metres above sea level that can grow coffee. Therefore, that clause is along that line. Thank you.

MR TUMWEBAZE: Madam Chairperson, I concede.

THE CHAIRPERSON: Let us first hear from - (*Hon. Nandala rose*) Hon. Nandala and Hon. Katuntu, Hon. Basalirwa, I want to thank the patriotic, very brilliant opposition who are in the House. (*Applause*)

MR NANDALA-MAFABI: Madam Chairperson, my colleague from Zombo said that they grow Arabica coffee because they are at a higher altitude. I want to tell colleagues that coffee can be grown even in this House. But it will not taste like the one from other regions.

He grows Arabica coffee; we grow Arabica coffee. Our taste is far different. Theirs has no aroma, nothing. (*Laughter*) Therefore, you come into the House and start talking about Arabica coffee.

Coffee has over 10,000 species, which grow everywhere. That is why I said that, even in this House, we could grow a certain type of coffee.

MR BIYIKA SONGA: I would like to give this information to the honourable colleague. There are many people from the Elgon area who are buying coffee from Zombo, for blending, and they pack it as Elgon coffee because we are not packaging at the moment. Zombo has been growing coffee for a very, very long time and we are not about to stop growing Arabica coffee.

MS NANDALA-MAFABI: Madam Speaker, the colleague has made a very dangerous statement that Zombo coffee is used for blending Bugisu Arabica coffee. I think you are making a fundamental mistake (*Laughter*), and I can state that, all over the world, the best coffee in this world, which is Arabica coffee, comes from Mount Elgon.

THE CHAIRPERSON: Hon. Nathan, blending the Bugisu coffee with Zombo coffee would mean adulteration. Can you withdraw your statement?

MR NANDALA-MAFABI: Madam Speaker, it is him to withdraw -

THE CHAIRPERSON: Aah, I am saying it is him.

MR NANDALA-MAFABI: And, I want to state here -

THE CHAIRPERSON: You first sit. Withdraw – we do not adulterate our coffee in Bugisu.

MR BIYIKA SONGA: Madam Chairperson -

THE CHAIRPERSON: The competitors may understand that we adulterate coffee.

MR BIYIKA SONGA: Blending is not adulteration. I understand that English very well: blending is not adulteration. And, we are all growing Arabica Coffee. We are, apparently, at the same altitude as Elgon, although they are slightly higher. The Arabica Coffee that we are growing is the same; it is not about adulteration. I really pray that we take it that way.

THE CHAIRPERSON: We are calling it blending.

MR NANDALA-MAFABI: Madam Speaker, I want him to withdraw it. The reason is that for Bugisu Arabica Coffee, if you mix it with coffee from Zombo, it ceases to be “Elgon Pride”. If you are the one taking our coffee to brand, and making it “Zombo Coffee”, you are making a mistake. We want to clearly state that our coffee can never - if there are businessmen who are blending it, that is the businessmen, but there is no way Bugisu coffee can be blended with Zombo’s.

MR BIYIKA SONGA: I want to say this: right now, we have many business people from the Elgon in Paidha Town. Should we order

them to stop buying coffee? However, because he does not want to accept it, I withdraw it.

THE CHAIRPERSON: Honourable members, I put the question that clause 37 be amended as proposed.

Question put and agreed to.)

Clause 37, as amended, agreed to.

Clause 38, agreed to.

Clause 39, agreed to.

Clause 40, agreed to.

Clause 41

THE CHAIRPERSON: Committee chairperson?

MS AUMA LINDA: Clause 41 is amended by-

- (c) substituting the headnote, for the following-
“Repeal of section 42 of the principal Act.”
- (d) substituting the clause for the following-
“Section 42 of the principal Act is repealed.”

Justification

- a) There is no need for the ministry to be mandated to promote consumption of coffee by law. Promotion of coffee for domestic consumption is just an administrative measure, and not a matter of law.
- b) Rationalisation is intended to do away with wasteful expenditure, hence rendering the provision unnecessary.

MR KIRYOWA KIWANUKA: Madam Chairperson, the committee proposes to repeal the whole of section 42, but I think the committee intended to repeal section 42(2)(a).

Section 42 provides that:

“(1) The Authority shall promote and support domestic coffee consumption.

(2) For the purposes of this section, the Authority shall-

- (a) create awareness on coffee consumption;*
- (b) conduct behavioural change communication among the public to encourage the drinking of coffee; and*
- (c) build the capacity of local roasters, coffee baristas, coffee brewers, and any other stakeholders.”*

While I agree that it may not be the duty of the ministry to go around promoting the consumption of coffee, I do not think it is harmful because we have the people who are in that, and they are part of the coffee value chain. There is coffee which is exported and coffee, which is consumed locally. So, to remove it may not be in the best interest of completing the entire value chain.

I propose, Madam Chairperson, that we leave section 42 within the Act and the ministry will, then, use its policy directive to manage this value chain. I do not think it is harmful. I beg to submit. *(Applause)*

MR NANDALA-MAFABAI: Madam Chairperson, I want to state that we produce Elgon Pride, and it should be consumed. The committee – why I have brought up this is that we want the ministry to be the advertising agent for people who are producing coffee locally. So, I want to agree with the Attorney-General that, for section 42, we only amend the word “authority”. The rest should remain.

MR KIRYOWA KIWANUKA: Thank you.

MS LINDA AUMA: Madam Chairperson, I concede.

MR KIRYOWA KIWANUKA: For the record, we are proposing that clause 42 should now be amended, in subclause (1), to replace the word “authority” with “ministry” and, in subclause (2), to replace the word “authority” with “ministry”.

I beg to submit.

THE CHAIRPERSON: I put the question that clause 41 be amended as proposed by the Attorney-General - it is section 42 of the parent Act, but clause 41 of the Bill. I put the question that clause 41 be amended as proposed by the Attorney-General.

(Question put and agreed to.)

Clause 41, as amended, agreed to.

Clause, 42 agreed to.

Clause 43

MR NANDALA-MAFABI: Clause 43 is talking about amending section 44 – levy on coffee exports. Madam Chairperson, there is no way a minister can levy – do you understand? *(Interjections)* Yeah, where you are substituting, they are fitting in. However, here, you cannot say, “the minister shall levy a charge”. No!

I think that, to be safe, it should be “the ministry shall levy a charge”, not the minister. You see - because the ministry has a Permanent Secretary (PS).

MR KIRYOWA KIWANUKA: Madam Chairperson, many of these levies and things that have the ability to create a tax are normally signed off by the minister, because it is an executive function.

THE CHAIRPERSON: Yes.

MR KIRYOWA KIWANUKA: So, if you say “the ministry”, that means anyone in the ministry could do that.

Secondly, it is normally done by statutory instrument – and, you will find great difficulty having a PS or commissioner signing a statutory instrument.

I beg to propose that we leave it with the minister to propose and handle.

THE CHAIRPERSON: Thank you. I put the question that clause 43 stands part of the Bill.

(Question put and agreed to.)

Clause 43, agreed to.

Clause 44, agreed to.

Clause 45, agreed to.

Clause 46, agreed to.

Clause 47, agreed to.

Clause 48, agreed to.

Clause 49, agreed to.

Clause 50, agreed to.

Clause 51, agreed to.

Clause 52

THE CHAIRPERSON: I put the question that clause 52 stands part of the Bill.

MR NANDALA-MAFABI: Madam Chairperson, I am on clause 52. We are talking about section 53 of the law. I would like to bring this to the notice of my colleague from Zombo – *(Laughter)*- that under section 53(2)(h), it says:

“Adulterated coffee” –*(Interjections)*- that one –*(Laughter)*- or is in possession of adulterated coffee, including mixing coffee of different types or mixing coffee with non-coffee materials or types.”

So, Madam Chairperson, I would like to put the colleague on notice that if there are people in Zombo who are mixing coffee from other areas, they are committing a crime. You better report them immediately to the police.

THE CHAIRPERSON: Honourable members, I put the question that clause 52 stands part of the Bill.

(Question put and agreed to.)

Clause 52, agreed to.

Clause 53, agreed to.

Clause 54

THE CHAIRPERSON: I put the question that clause 54 stands part of the Bill? Buvuma?

MR NANDALA-MAFABI: Clause 54 is talking about regulations.

MR MIGADDE: You are not “Buvuma”, Sir. *(Laughter)*

Madam Chairperson, under clause 54, I propose to amend section 56(1) of the principal Act by inserting, after the word “Minister”, the following: “The minister shall, with the approval of Parliament, make regulations...”

The justification is to ensure that Parliament examines and approves any regulations made under this Act.

MR TUMWEBAZE: Madam Chairperson, Parliament makes laws, and you task the Executive to implement them, and report to Parliament on the progress on implementation.

On requiring the regulations, I can be required to lay them on the Table. That is in order and that practice is well known. So, I do not support the amendment, Madam Chairperson.

THE CHAIRPERSON: Honourable minister, the Member is saying the minister lays regulations before Parliament. You see, when you lay them in Parliament, we will send them to a committee. The committee will bring it to Parliament, and it is the same thing. It does not differ much.

MR TUMWEBAZE: Madam Chairperson, I am not disagreeing with your guidance, but the framing of the section.

THE CHAIRPERSON: Laying on Table?

MR TUMWEBAZE: Laying on the Table is okay, but with approval. It is a conditioned precedent.

THE CHAIRPERSON: It is laying on Table.

MR NANDALA-MAFABI: No, no. Madam Chairperson, regulations are laws. Please, honourable minister, Frank, my former student. *(Laughter)*

Madam Chairperson, the minister will make regulations to regulate the sector, but these regulations need –*(Interjection)* - listen to me. We have made many laws whereby there are those which can be just laid; there are those which should be approved.

I would like to state that having given the minister all the powers from the beginning to the end, if you make a mistake in allowing him to make regulations and he implements them, you are in danger. This is a leading sector; it is the coffee sector. It has a lot of revenue; he can even change many things.

So, Madam Chairperson, I agree with my colleague from Buvuma that “the minister may, with approval...” I am saying “may”, with the approval of Parliament.

THE CHAIRPERSON: Hon. Nandala, the minister shall lay regulations before Parliament for better carrying into effect the provisions of this Act. *(Applause)*

MR NANDALA-MAFABI: We can improve it. The reason why I am saying “the minister may”, it is right.

THE CHAIRPERSON: “Shall”.

MR NANDALA-MAFABI: Give me your ear for one minute. He may decide not to make the regulation.

THE CHAIRPERSON: Why? We are saying he must.

MR NANDALA-MAFABI: So, are you saying he must?

THE CHAIRPERSON: Yes.

MR NANDALA-MAFABI: So, you are saying, “The minister shall make regulations, with approval of Parliament.”

THE CHAIRPERSON: Yes, Hon. Katuntu?

MR KATUNTU: Thank you very much, Madam Chairperson. Ordinarily, we make the principal Act and under it, the minister is given powers to make regulations or rules, for purposes of implementing the Act.

The reason we require sometimes to have those rules or regulations laid on Table is for us to be certain that he has not exceeded his powers. However, if you say “approval”, then we go back into the process, as Parliament, of looking into those regulations. It is like we are now enacting another law.

In any case, once you say “approval”, it means the House sends them to the committee, then they are brought back, and then we debate them all over again, like we are debating an Act of Parliament.

I suggest - because this is a very honest debate between Hon. Nandala-Mafabi and us. I appreciate my colleague’s contribution, and the reasons are not very difficult to find. Hon. Nandala-Mafabi is a coffee guru, if I may call him so. Therefore, let the minister make the regulations and lay them on Table. Once he lays them on Table, we then have an opportunity to look into them. If we think he has exceeded his powers, we will then take him on at that point. Otherwise, we cannot provide everything to be debated as if we are going to go through another process of enacting a substantive law.

Madam Chairperson, I would like to caution the minister and the entire Cabinet. If you have been given powers to make rules, do not go beyond the powers you have been given. Make sure you only enact rules for purposes of implementing the Parent Act. We have not given you powers to legislate substantively.

THE CHAIRPERSON: So, can we have the amendment?

MR KIRYOWA KIWANUKA: Having listened to the debate, Madam Chairperson, I propose that the proposal by the honourable member from Buvuma be amended to read: “The minister shall make regulations and lay the same before Parliament”.

I beg to submit.

THE CHAIRPERSON: The minister shall make regulations and lay before Parliament.

MR TUMWEBAZE: I concede, Madam Chairperson.

THE CHAIRPERSON: To who?

MR TUMWEBAZE: We are the same.

THE CHAIRPERSON: It is “shall.”

MR KIRYOWA KIWANUKA: “The minister shall make regulations and lay the same before Parliament.”

THE CHAIRPERSON: Thank you. Minister?

MR TUMWEBAZE: I concede to this amendment.

THE CHAIRPERSON: Thank you. Is it the same?

MR BAKKABULINDI: Madam Chairperson, in most cases, regulations are good for implementation but experience has shown that when we tell some ministers to make regulations and lay them on the Table, they sleep completely.

Can we tag a period within which - because this is a very important sector? Can we say within six months? Yes - (*Interjection*) - Information? I propose that within six months, they lay the regulations.

MR KIRYOWA KIWANUKA: Madam Chairperson, the Member has an interesting proposal but I want to correct something, just for information purposes; honourable ministers hardly sleep. (*Applause*) They never sleep on

the job because we even find it difficult to sleep at home.

Honourable members, while we are doing this, we just need to be mindful of one thing; regulations are always evolving. Please, let us not take it to mean that after we have presented regulations in six months, there can never be any other regulations that come.

Are you talking about the first set of regulations? I have no objection to that.

THE CHAIRPERSON: Honourable members, our issue on -

MR NANDALA-MAFABI: Madam Chairperson, first, I agree that the regulations can be made at any time. I think what my brother, Hon. Bakkabulindi - (*Laughter*) - that one - was raising is that we need to differentiate the two cases.

When he has made the regulation, before implementation, it should be laid in the House; there are two things. It is up to him. If he has made a regulation and decides to sit on it, he cannot implement it until he has laid it.

The regulation becomes effective when it has been laid in the House and agreed on. Maybe for the first one - yes, we can say within six months. Anytime you make another regulation, unless it is laid, you cannot use it.

MR KIRYOWA KIWANUKA: Yes. Madam Chairperson, once the law requires you to do some act such as laying them before Parliament, until you have completed those processes, they will have no legal effect.

So, definitely, they will not have any effect until they are laid before Parliament.

THE CHAIRPERSON: Thank you. I put the question that clause 54 be amended as proposed by the Attorney-General.

(Question put and agreed to.)

Clause 54, as amended, agreed to.

Clause 55, agreed to.

Clause 56, agreed to.

Clause 57, agreed to.

Clause 58

MR NANDALA-MAFABI: Madam Chairperson, Clause 58 is talking about savings and compensation. We need the House to understand -

THE CHAIRPERSON: Honourable minister?

MR NANDALA-MAFABI: We have liabilities and employees. What are you committing? It says here, "transfer savings to the ministry."

Now, what about the employees? Those are the liabilities I am looking at. The other one may be the one paying for the coffee nursery but what are you putting in the law about employees?

MR KIRYOWA KIWANUKA: Clause 58 provides for the saving provision and 58(4) provides that the staff of the UCDA may be redeployed to serve in the public service, subject to the availability of positions.

Honourable colleagues, yes it may because, one, you must remember that the purpose of rationalisation was to reduce. So, some people in UCDA are definitely not going to be redeployed.

Where the positions exist, they will be redeployed but some are definitely not going to be redeployed; that has been provided for. Thank you.

THE CHAIRPERSON: Yes, Hon. Yona?

MR MUSINGUZI: Thank you, Madam Chairperson.

THE CHAIRPERSON: On which clause?

MR MUSINGUZI: Clause 58. Madam Chairperson, whereas I agree with the change,

where we are saying, “the board members and staff of the UCDA shall be paid terminal benefits, in accordance with the terms and conditions of their services”, we have been here and we watched the Uganda Polytechnic, Kyambogo being merged with Kyambogo University. We know where the staff are as of today.

THE CHAIRPERSON: Honourable members, I put the question that Clause 58 stands part of the Bill.

(Question put and agreed to.)

Clause 58, agreed to.

Title

THE CHAIRPERSON: Before the title, Dr Keefa?

DR KEEFA KIWANUKA: Thank you, Madam Chairperson, for giving me the opportunity to move this amendment.

THE CHAIRPERSON: Honourable minister, listen to this amendment.

DR KEEFA KIWANUKA: The amendment I am moving is that we insert a new clause immediately after clause 12 to say, “The minister shall report to Parliament on the performance of the functions under section 5 at least once every financial year.”

The objective of this, Madam Chairperson, is that there is fear in the community at the moment - and this is what we are trying to address - that the development of the coffee sector will go down.

This is helping us to put the minister to task to create some accountability and ensure that the minister regularly reports to Parliament on the performance of the sector.

We are assuming that with the investment of the sector, it is likely to perform much better. That is what we are likely to see, which will be reassuring to the community. Thank you very much, Madam Chairperson.

LT COL (RTD) RWAMIRAMA: Thank you, Madam Chairperson. I would like to make a clarification that we appear before the sessional committee every year when we present a policy statement, and it will be covered. *(Applause)*

THE CHAIRPERSON: Honourable members, when you look at the Public Finance Management Act, Section 13, it requires every entity and ministry to report on the financials and physical performance of an entity whenever they are presenting the ministerial policy statement and the budget framework paper. As Members of Parliament, you should take the responsibility in ensuring that you do your oversight role well.

Yes, state minister of finance –

MR MUSASIZI: Madam Chairperson, thank you very much. In addition to the provisions of the Public Finance Management Act, the Ministry of Agriculture, Animal Industry and Fisheries also as a vote is audited annually. The report of the Auditor-General captures both financial, physical and qualitative performance.

Therefore, there are ways provided for through which if we want to check performance of the sector, we do not have to necessarily insert a clause in the law.

So, I invite my friend, Dr Keefa, to concede and withdraw his insertion. Thank you.

MR OGWANG: Madam Chairperson, I also plead with my colleague, Hon. Keefa, to withdraw his amendment with the following. We are all aware, honourable colleagues, that first; you can even write a question to the Prime Minister to answer. We have our able-bodied Prime Minister who has been answering questions here every Thursday regarding any sector. For that matter, why would you want to wait for a financial year and make a law which gives mandate for a full year for you to come here? Why don't you ask as and when you want it every week? I thank you.

DR KEEFA KIWANUKA: Madam Chairperson, we have supported the Bill and agreed

with everything. We request that for political reasons and because of the pressure we are facing, that this is allowed. *(Interjections)*

The Title

THE CHAIRPERSON: Honourable members, I put the question that the title stands part of the Bill.

(Question put and agreed to.)

The Title, agreed to.

MOTION FOR THE HOUSE TO RESUME

1.29

THE MINISTER OF AGRICULTURE, ANIMAL INDUSTRY AND FISHERIES (Mr Frank Tumwebaze): Madam Chairperson, I beg to move that the House do resume and the Committee of the whole House reports thereto.

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

(Question put and agreed to.)

(The House resumed, the Speaker presiding.)

MS LINDA AUMA: Madam Speaker, allow me to thank this House on behalf of -

THE SPEAKER: We have not finished. Honourable members, do not go. We still have UNRA, REA, and Uganda Road Fund.

REPORT FROM THE COMMITTEE OF
THE WHOLE HOUSE

THE SPEAKER: Honourable minister –

1.30

THE MINISTER OF AGRICULTURE, ANIMAL INDUSTRY, AND FISHERIES (Mr Frank Tumwebaze): Madam Speaker, I beg to report that the Committee of the whole House has considered the Bill entitled, “The

National Coffee (Amendment) Bill, 2024”, and passed it with amendments.

THE SPEAKER: Thank you.

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

THE SPEAKER: Honourable minister –

1.30

THE MINISTER OF AGRICULTURE, ANIMAL INDUSTRY AND FISHERIES (Mr Frank Tumwebaze): Madam Speaker, I beg to move that the report from the Committee of the whole House be adopted.

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

(Question put and agreed to.)

Report adopted.

BILLS
THIRD READING

THE NATIONAL COFFEE (AMENDMENT)
BILL, 2024

THE SPEAKER: Honourable members, physically we have 305 Members. *(Applause)* Maybe, to respond to the issue of conflict of interest, honourable members, at the commencement of today’s sitting, the Leader of the Opposition rose, citing rule 94 on conflict of interest.

He sought to indict the presiding officer for allegedly having a conflict of interest in relation to the National Coffee (Amendment) Bill, 2024, that is on today’s Order Paper.

He also referred to a statement that I apparently made upon which he imputed discrimination. From the onset, I wish to state that I was quoted out of context. In any event, this House is a House of record. Being the custodian of the Rules of Procedure, and being the House of

record, if anybody thinks that I said what the Leader of Opposition mentioned, I urge that member to bring documentary evidence and lay it on Table.

Once it is laid on Table, and it is true that I said what he said, then I will be able to apologise to this country and to the persons who are affected. However, before that is done, because it is not true, I will not do it. *(Applause)*

Honourable members, in the event of rule 94 of the Rules of Procedure, clearly speaks on the conflict of interest. It requires a member who has a conflict of interest to declare it, and once this is done, such a member is precluded from discussing or voting on the issue before the House.

We must note that rule 94 refers to a member and not the Speaker or the presiding officer. By whatever name called, a member is defined under rule 2 of the Rules of Procedure as a Member of Parliament. A Speaker, on the other hand, is independently defined as a Speaker of Parliament and includes the Deputy Speaker. It is imperative to note that by command of rule 77, the Speaker shall not be part of the debate but may give guidance to the House on the matter before it.

Similarly, rule 93(4) of the Rules of Procedure states, *“The person presiding in Parliament or committee shall have neither an original nor a casting vote, and if upon any question before the House, the votes are equally divided, the motion shall be lost.”*

The Speaker or Presiding Officer shall not vote. As such, the rule is inapplicable to the Speaker because, as part of rule 77(1) and rule 93(4), the Speaker neither participates in the debate before the House nor does she vote on any issue before the House. That is why under 94(4), the decision on whether a Member fails to declare a conflict of interest is the sole preserve of the Speaker.

In the circumstance, therefore, the cited rule is inapplicable to the circumstances as presented by the Leader of the Opposition. I am not

conflicted in any way.

Two, he cited a wrong rule.

Three, I do not vote.

Four, a Speaker does not become conflicted in any way or the other because she or he does not debate or vote. Where a vote ties, that vote is lost.

Therefore, when we are debating in this House, let us debate with logic, not politics. I want to assure Members, that no amount of intimidation, can move me away from where I am. I will remain the smiling me and now that Trump has even won the election, the sanctions are gone. *(Applause)* Honourable minister?

1.37

THE MINISTER OF AGRICULTURE, ANIMAL INDUSTRY, AND FISHERIES (Mr Frank Tumwebaze): Madam Speaker, I beg to move that the Bill entitled, “The National Coffee (Amendment) Bill, 2024 be read the third time and do pass.

THE SPEAKER: Honourable members, I put the question that the National Coffee (Amendment) Bill, 2024 be read the third time and do pass.

(Question put and agreed to.)

A BILL FOR AN ACT TITLED, “THE NATIONAL COFFEE (AMENDMENT) ACT, 2024”

THE SPEAKER: The title is settled and the Bill has been passed.

On a special note, I thank the Chairman of Bugisu Cooperative Union, Hon. Nandala-Mafabi, Hon. Katuntu, Hon. Basalirwa, Hon. Fox Odoi, Hon. Batuwa, the Whip of Democratic Party and the honourable Member for Dokolo. All the DPs, Uganda People’s Congress, and when we say the Opposition, it is not one party. Forum for Democratic Change is here, National Resistance Movement, UPC, DP, JEEMA, and independents are here. Next item.

1.39

THE MINISTER OF AGRICULTURE, ANIMAL INDUSTRY AND FISHERIES (Mr Frank Tumwebaze): Madam Speaker, thank you for giving me an opportunity to move a vote of thanks.

I wish to express my gratitude as the sponsor of the Bill, to thank you, Madam Speaker, Members of Parliament, His Excellency the President, Her Excellency the Vice President, and the Rt Hon. Prime Minister for the support, explanation, and understanding that coffee is, indeed, our premium beverage for the country. We all love it. We do not only drink it, we grow it, and we shall continue to stand together to consolidate our –

THE SPEAKER: Honourable members, please, do not go. Remember we stood over a Bill. Can you whip your people there? They are going away.

MR TUMWABAZE: Madam Speaker, mine is to register a vote of appreciation to all the Members and to pledge that we shall continue as a ministry with your support, to ensure that the coffee value chain is developed, to ensure that our exports continue to gain access to the international markets.

We shall ensure that our laboratories continue to be fully accredited. With your support, we shall ensure that our research institutes continue to produce the best varieties, and our coffee profile as a country will continue to go up. I thank you.

I want to assure Ugandans and the coffee farmers that despite the emotive debate, the intention behind this is to rationalise, and consolidate our efforts for the betterment of the farmers. I thank you.

THE SPEAKER: Hon. Linda?

1.46

MS LINDA AUMA (Independent, Woman Representative, Lira): Thank you, Madam Speaker. On behalf of the committee, I would also like to extend my appreciation to this

House, and to you in particular, you have suffered with us together, but I am happy that we have reached a positive conclusion, and I do support the ministry and especially the statement of the minister. As a committee, we will work together to consolidate the efforts of all these agencies that have been rationalised under the Ministry for its success –

THE SPEAKER: Honourable members, I need you in the House for second reading before you go.

BILLS SECOND READING

THE UGANDA NATIONAL ROADS AUTHORITY (REPEAL) BILL, 2024

THE SPEAKER: A brief one.

1.44

THE MINISTER OF STATE FOR WORKS AND TRANSPORT (WORKS) (Mr Musa Ecweru): Madam Speaker, in justifying the Uganda National Roads Authority (Repeal) Bill, 2024, I would briefly want to draw the attention of the Members and in doing that also lay their fears to rest.

I was privileged to be a minister in 2006 when His Excellency the President invited the Members of Parliament to Statistics House to particularly mobilise resources for the roads sector –

THE SPEAKER: Can you speak to your motion?

MR ECWERU: That is the justification, Madam Speaker. What happened then was that the money was injected into the road sector about the time the Uganda National Roads Authority was coming into effect. There has been a misconception in the country that the Uganda National Roads Authority is synonymous with good roads. The truth is that the State and the NRM Government injected adequate resources for the making of roads as an affirmative intervention about the time when Uganda National Roads Authority (UNRA) was coming into existence. *(Applause)*

It has been very difficult to separate because UNRA came into effect in 2008 when the first Shs 2 trillion was invested in the road sector, and that is when people started seeing roads.

We have decided that it has outlived its usefulness because we would like to streamline the management of the ministry and reduce the administrative work so that resources that were meant for administration can go to the roads. That is the position, and I would like to invite my members to repeal the UNRA Act. *(Applause)*

THE SPEAKER: Thank you very much. Honourable members, remember that we stood over this Bill. Can the chairperson give us a brief on the repeal pursuant to rule 130(1)?

1.46

THE CHAIRPERSON, COMMITTEE ON PHYSICAL INFRASTRUCTURE (Mr Dan Atwijukire): Thank you, Madam Speaker. This is a report of the Committee on Physical Infrastructure on the Uganda National Roads Authority Act (Repeal) Bill, 2024. I will start with the introduction and try to summarise. The Uganda National Roads Authority Act -

THE SPEAKER: Can you lay the minutes first?

MR ATWIJUKIRE: Thank you, Madam Speaker, for your guidance. I will now lay the minutes, reports, and other attachments. I beg to lay.

THE SPEAKER: Please, do.

MR ATWIJUKIRE: Madam Speaker, the Uganda National Roads Authority Act (Repeal) Bill, 2024 was read for the first time on 24 September 2024 and referred to the Committee on Physical Infrastructure for scrutiny, in accordance with rule 129 of the Rules of Procedure of Parliament. The committee considered the Bill, in accordance with rule 189(c) of the Rules of Procedure of Parliament, and hereby reports.

Background

The Bill is premised on the Government policy of Rationalisation of Government Agencies and Public Expenditure (RAPEX) policy, which was adopted by the Cabinet on 22 February 2021.

The Bill intends to repeal the Uganda National Roads Authority Act, 2006 (currently Cap. 214), under which the Uganda National Roads Authority was established to improve road maintenance through the Roads Maintenance Initiative, which started in 1989 and was implemented under the guidance of the World Bank and Economic Mission for Africa.

However, the Government has, over time, realised a proliferation of agencies established through Acts of Parliament, Executive orders and administrative arrangements, which has led to overlaps in mandates and uncertainties regarding jurisdiction.

The high administrative costs associated with these agencies have strained the national Treasury, compromising effective service delivery and stretching the Government's capacity to sustain them.

Additionally, the generous salary structure within these agencies has created disparities between the employees and those in the traditional civil service, resulting in demotivation among public servants, hence the need to rationalise the agencies to create equilibrium.

The object of the Bill

The object of the Bill is to repeal the Uganda National Roads Authority Act, 2006 (now Cap. 214) to dissolve the Uganda National Roads Authority, established thereunder and mainstream its functions into the ministry responsible for roads.

This is to give effect to the Government policy for rationalisation of Government agencies and public expenditure adopted by Cabinet on 22 February 2021 and contained in Cabinet

Meeting No.43 (CT/2021), aimed at:

- a) Government relieving itself of the financial drain;
- b) Promotion of coordinated administrative arrangements, policies and procedures for ensuring the efficient and effective successful management, financial accounting and budgetary discipline of Government agencies and departments.

Policy and principles of the Bill

As I have highlighted, the Bill is premised on the Government Policy for Rationalisation of Government Agencies and Public Expenditure (RAPEX), which was adopted by the Cabinet.

Madam Speaker –(*Interjections*)- I do not expect heckling from ministers. (*Laughter*)

THE SPEAKER: Honourable chairperson, please –

MR ATWIJUKIRE: I want your protection. The ministers are heckling me.

THE SPEAKER: Honourable chairperson, please, look at observations and recommendations.

MR ATWIJUKIRE: Madam Speaker –

THE SPEAKER: You are protected.

MR ATWIJUKIRE: Madam Speaker, these are the committee observations. The Minister of State for Planning, Hon. Amos Lugolobi – I think this was overtaken by events because the minister later tabled the certificate.

So, the committee recommends that the Government should consider settling the severance package for UNRA staff, as guided by the Attorney-General's office; we attached the correspondences.

On-going works

The committee observed that some of the existing contracts contain clauses that bind

the Government to a specific implementing agency, notably UNRA. Any deviation from the contractual terms, including transfer of projects to alternative agencies, could trigger severe consequences such as partial or full suspension of the project, and we put the examples.

The committee, therefore, recommends that:

- a) While the Government is rationalising UNRA, it should ensure minimal disruption to ongoing projects, conduct thorough contract reviews to identify restrictive clauses, engage stakeholders like contractors and financiers to renegotiate contracts and develop contingency plans to mitigate potential project suspension or penalties;
- b) The Attorney-General pays specific attention to this matter, which may result in litigation and financial loss.

Transitional Management of UNRA Portfolio

The committee supports the Government's decision to rationalise the Uganda National Roads Authority and merge its functions with the Ministry of Works and Transport. However, considering UNRA's subsidised portfolio of Shs 9 trillion, including loans binding the agency as an implementing partner, the committee recommends a transitional management period of three years to ensure a seamless handover.

The phased approach will enable the ministry to absorb UNRA responsibilities, mitigate potential disruptions and guarantee uninterrupted road development and maintenance.

THE SPEAKER: Honourable members, please, listen-

MR ATWIJUKIRE: Madam Speaker, the rest are observations - you can read them; I will go straight to the conclusion.

The committee acknowledges the progress and work undertaken by Uganda National Roads Authority since its establishment, including

the upgrading and maintenance of various national roads, improvement of road safety and enhanced road infrastructure development.

Despite these achievements, the committee notes the Government’s policy shift and strategic decision to rationalise UNRA, aiming at eliminating the duplication of functions with the Ministry of Works and Transport, enhancing accountability and optimising resource utilisation.

Madam Speaker, in light of this policy change, the committee recommends supporting the rationalisation of Uganda National Roads Authority, considering the Government’s objective to streamline agencies and promote efficient service delivery.

The committee, therefore, recommends that the Uganda National Roads Authority Act be repealed, UNRA be dissolved, and its functions be mainstreamed into the ministry responsible for roads.

Madam Speaker, I beg to move that the Uganda National Roads Authority Act (Repeal) Bill, 2024, be passed, with the proposed amendments. Thank you very much.

THE SPEAKER: Thank you. Honourable members, you have all heard and it is self-explanatory. *(Mr Nandala-Mafabi rose)* Yes, Hon. Nathan, I know you want to move a motion that we –

1.56

MR NATHAN NANDALA-MAFABI (FDC, Budadiri County West, Sironko): No, Madam Speaker. Before I move a motion, since we are on rationalisation –

THE SPEAKER: We rationalise.

MR NANDALA-MAFABI: Everything must be rationalised.

THE SPEAKER: Amen. *(Applause)*

MR NANDALA-MAFABI: It will be very dangerous for us to do it for some and for

others and – Everything must be rationalised.

THE SPEAKER: Motion?

MR NANDALA-MAFABI: So, the motion is that I want us to recommit National Information Technology Authority - Uganda (NITA-U) – *(Laughter)*

THE SPEAKER: No, it is a motion that we go to Committee Stage. *(Laughter)*

MR NANDALA-MAFABI: Madam Speaker, I move a motion that we move to Committee Stage.

THE SPEAKER: Thank you. Those in favour stand up; I want to see you. *(Members rose)* The whole House is in favour? The “Ayes” have it.

I put the question that the Uganda National Roads Authority (Repeal) Bill, 2024 be read for the second time.

(Question put and agreed to.)

(Motion adopted.)

BILLS
COMMITTEE STAGE

THE UGANDA NATIONAL ROADS
AUTHORITY (REPEAL) BILL, 2024

THE CHAIRPERSON: Members, we have 218 Members in the House and 15 online, so we have quorum.

Clause 1

THE CHAIRPERSON: Committee chairperson?

1.58

THE CHAIRPERSON, COMMITTEE ON PHYSICAL INFRASTRUCTURE (Mr Dan Atwijukire): Madam Chairperson, we propose to insert a new clause immediately before clause 1 as follows-

“Commencement

This Act shall come into force on a date appointed by the minister by statutory instrument.

The justification is that this is to provide the commencement date of the Act.

THE CHAIRPERSON: Attorney-General?

1.59

THE ATTORNEY-GENERAL (Mr Kiryowa Kiwanuka): Madam Chairperson, Acts of Parliament come into force on the date of publication. Normally, for you to have a specific date or another time when you want it to come into force, that justification has been done: we have considered rationalisation.

I propose that you allow this provision to be dropped and the Act to come into force from the time of publication. I beg to submit.

THE CHAIRPERSON: Thank you. Minister?

2.00

THE MINISTER OF STATE FOR WORKS AND TRANSPORT (WORKS) (Mr Musa Ecweru): Madam Chairperson, I concur with the Attorney-General.

THE CHAIRPERSON: Thank you.

MR ATWIJUKIRE: I concede, Madam Chairperson.

THE CHAIRPERSON: Thank you.

Clause 1

THE CHAIRPERSON: Committee chairperson?

MR ATWIJUKIRE: Clause 1, Madam Chairperson, is amended by substituting for the definition of the word “road” the following-

““Road” means a highway and any other road to which the public has access and includes a bridge over which a road passes or a ferry or a ship;”

Justification

The Ferries Act was repealed by the Inland Water Act, Cap. 345 and the Inland Water Transport Act does not define the word “ship”. The definition of the word “road” has been adopted from the Road Act, Cap. 346.

MR KIRYOWA KIWANUKA: I concede, Madam Chairperson, and I thank the committee for this input.

THE CHAIRPERSON: Thank you. I put the question that clause 1 be amended as proposed.

(Question put and agreed to.)

Clause 1, as amended, agreed to.

Clause 2, agreed to.

Clause 3

THE CHAIRPERSON: Committee chairperson?

MR ATWIJUKIRE: Madam Chairperson, clause 3 is amended by substituting for the phrase “Act 15 of 2008” and wherever the phrase appears in the Bill, the phrase “Cap. 214”.

Justification

To align the citation of the Bill with the new citation of the principal Act as per the revised laws of Uganda, done by the Law Reform Commission that took effect on 1 July 2024.

THE CHAIRPERSON: I put the question that clause 3 be amended as proposed.

(Question put and agreed to.)

Clause 3, as amended, agreed to.

Clause 4, agreed to.

Clause 5, agreed to.

Clause 6

THE CHAIRPERSON: Committee chairperson -

MR ATWIJUKIRE: Madam Chairperson, clause 6 is amended by deleting subclause (2).

Justification

Legislation should not be used to take away a person's right to claim compensation where the right exists.

THE CHAIRPERSON: Minister?

MR KIRYOWA KIWANUKA: Madam Chairperson, I think the committee is correct because they are saying it shall not be as a result of this, but if the right exists, then, the right would exist. I concede to that.

MR NANDALA-MAFABI: What about the one you amended?

For the one of Uganda Coffee Development Authority, you left it. Why not this one? Everything must follow what we have passed. If it becomes illegal, let it be dealt with in the courts of law.

MR ECWERU: Madam Chairperson, I agree with the Attorney-General.

MR NANDALA-MAFABI: Madam Chairperson, I disagree with the Attorney-General and the committee's report. The subclause must be part of the main clause. The justification is that we have passed it in other laws.

MR KIRYOWA KIWANUKA: Madam Chairperson, if we have, indeed, passed it – which I doubt because I do not remember seeing it in any other law. If we have passed it – and, like I said –

THE CHAIRPERSON: What you are talking about in coffee was a levy.

MR KIRYOWA KIWANUKA: This one is saying that compensation is not payable to any

member of the board of Uganda National Roads Authority for loss of office resulting from the dissolution of UNRA. What the committee is saying - (*Interruption*)

MR NANDALA-MAFABI: Order, Madam Speaker. On page 13 of The National Coffee (Amendment) Bill (3), it reads, "Compensation is not payable -" that is clause 58. Attorney General—what you eat, you must eat fully.

Compensation is not payable to any member of the board of the Coffee Development Authority for loss of office resulting from the dissolution of the Coffee Development Authority. So, Madam Speaker, is the Attorney-General a very bright man, to come and say it was not there, yet it was there.

MR KIRYOWA KIWANUKA: What I am saying, Madam Speaker, is that-

THE CHAIRPERSON: Honourable members, if it is in other Bills that compensation shall not be paid to the board, then let it be so.

MR KIRYOWA KIWANUKA: Madam Speaker, we are saying exactly that. What I am saying to the committee is that if this provision is not enforceable in law, it will not be enforced. There is no right lost by this existing here.

THE CHAIRPERSON: Yes.

MR KIRYOWA KIWANUKA: So, there is no contradiction. His proposal is not necessary; it adds no value.

THE CHAIRPERSON: Yes.

MR ODOI-OYWELowo: Thank you, Madam Chairperson. We need to read Clause 6 in totality to understand what they are talking about. Clause 6, sub-clause 1 reads as follows: "*The board members and staff of the Uganda National Roads Authority shall be paid their terminal benefits in accordance with the terms and conditions of their service*".

That is followed by sub-clause (2), which is supposed to be the contentious one in this case.

“Compensation is not payable to any member of the board of the Uganda National Roads Authority for loss of office resulting from the dissolution of the National Roads Authority”. The only thing we are providing for here is, we are not creating a right for them to claim from the Government on account of the dissolution.

THE CHAIRPERSON: Hon. Fox, then there should not have been an amendment. It would have stood part of the Bill.

MR ODOI-OYWELowo: Yes, Right honourable.

THE CHAIRPERSON: That is in line with what Hon. Nandala is saying.

MR ODOI-OYWELowo: So, Madam Chairperson, I plead with the chairperson of the committee to withdraw his proposed amendment.

THE CHAIRPERSON: Yes.

MR ATWIJUKIRE: I concede.

THE CHAIRPERSON: Thank you. Attorney-General?

MR KIRYOWA KIWANUKA: I agree, Madam Chairperson.

THE CHAIRPERSON: Minister?

MR ECWERU: We are moving in tandem.

THE CHAIRPERSON: I put the question that clause 6 stands part of the Bill.

(Question put and agreed to.)

Title

I put the question that the title stands part of the Bill.

(Question put and agreed to.)

Title agreed to.

MOTION FOR THE HOUSE TO RESUME

THE CHAIRPERSON: Honourable minister. Yes. Wait.

MR NANDALA-MAFABI: Madam Chairperson, in the Bill, there is no title. Which title are we confirming? If we are –*(Interjections)*– yes, we have to be very careful. If the title stands per the order of the Act, it is talking of the Uganda National Roads Authority. The true story here is that the minister should have moved an amendment to the title. *(Interjections)* You may refuse it but I am giving you free advice.

THE CHAIRPERSON: Hon. Nathan, the title is “Uganda National Roads Authority (Repeal) Bill, Repeal 2024”. That is the title and it is standing as that. Yes -

2.10

THE MINISTER OF STATE FOR WORKS, AND TRANSPORT (WORKS) (Mr Musa Ecweru): Madam Chairperson, I beg to move that the House do resume, and the Committee of the whole House reports thereto.

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

(Question put and agreed to.)

(The House resumed, the Speaker presiding.)

REPORT FROM THE COMMITTEE OF THE WHOLE HOUSE

THE SPEAKER: Honourable minister?

2.10

THE MINISTER OF STATE FOR WORKS AND TRANSPORT (WORKS)(Mr Musa Ecweru): Madam Speaker, I beg to report that the Committee of the whole House has considered the Bill entitled, “The Uganda National Roads Authority (Repeal) Bill, 2024” and passed it without amendments. I beg to report.

THE SPEAKER: Honourable minister. There was one amendment.

2.10

THE MINISTER OF STATE FOR WORKS AND TRANSPORT (WORKS)(Mr Musa Ecweru): Madam Speaker, I beg to report, that the Committee of the whole House has considered the Bill entitled “The Uganda National Roads Authority (Repeal) Bill, 2024” and has passed it with a few amendments. I beg to report.

THE SPEAKER: I beg to report that the Committee of the whole House has considered “The Uganda National Roads Authority (Repeal) Bill, 2024” - is very important - and will pass with one amendment.

2.11

THE MINISTER OF STATE FOR WORKS AND TRANSPORT (WORKS)(Mr Musa Ecweru): Madam Speaker, I beg to report that the Committee of the whole House has considered the Bill entitled, “The Uganda National Roads Authority (Repeal) Bill, 2024” and passed it with one amendment. I beg to report.

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

THE SPEAKER: Honourable minister-

2.12

THE MINISTER OF STATE FOR WORKS AND TRANSPORT (WORKS)(Mr Musa Ecweru): Madam Speaker, I beg to move that the report from the Committee of the whole House be adopted.

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

(Question put and agreed to.)

Report adopted.

BILLS
THIRD READING

THE UGANDA NATIONAL ROADS
AUTHORITY (REPEAL) BILL, 2024

THE SPEAKER: Our quorum still stands. We still have 215 physically and 15 virtually. Minister-

2.13

THE MINISTER OF STATE FOR WORKS AND TRANSPORT (WORKS) (Mr Musa Ecweru): Madam Speaker, I beg to move that the Bill entitled, “The Uganda National Roads Authority (Repeal) Bill, 2024” be read for the third time and do pass.

THE SPEAKER: I put the question that the Uganda National Roads Authority (Repeal) Bill, 2024 be read for the third time and do pass.

(Question put and agreed to.)

A BILL FOR AN ACT TITLED, “THE
UGANDA NATIONAL ROADS
AUTHORITY (REPEAL) ACT, 2024”

THE SPEAKER: The title is settled and the Bill passed. Congratulations, minister. Next item.

BILLS
SECOND READING

THE UGANDA ROAD FUND
(AMENDMENT) BILL, 2024

THE SPEAKER: Honourable members, as part of the Government’s effort towards rationalisation of public entities and expenditure, the Uganda Road Fund (Amendment) Bill, 2024, was tabled on 24 September 2024.

The committee is ready to report. However, we will invoke rule 131 of the Rules of Procedure by inviting the minister to move a motion to the effect, for us to go to the second reading.

2.15

THE MINISTER OF STATE FOR WORKS AND TRANSPORT (WORKS) (Mr Musa Ecweru): Madam Speaker, I beg to move that the Bill entitled “The Uganda Road Fund (Amendment) Bill, 2024” be read for the second time.

THE SPEAKER: Is it seconded? (*Members rose*) It is seconded by the Member for Bunyoro Affairs, the minister for health, the Vice-President, Prime Minister, Hon. Daudi, minister for finance, Hon. Lokeris, the whole Frontbench, the Leader of the Opposition, Hon. Ariko, Hon. Fox, assistant leader of the Opposition, Hon. Nekesa, Hon. Alanyo, Gen. Elwelu, Gen. Masiko, and the whole House.

Yes, could you speak briefly to the Bill?

MR ECWERU: Madam Speaker, the Uganda Road Fund was established by this Parliament - the Act that established the Uganda Road Fund - to handle a number of things, particularly in as far as supporting the local government community access roads was concerned.

Madam Speaker, the Uganda Road Fund has continued to be a conduit by which resources from the ministry for finance reach the local government. As a conduit, they were not generating any resources on their own. The management and administration of the fund have been a little bit difficult for the ministry, which supervises the operations of the roads, to understand how it happens apart from the circulars that they keep giving it.

It is, therefore, imperative that the Government, in its rationalisation endeavour, brings the road fund – that is why it is not a repeal, it is an amendment - in its entirety to the ministry. It will change the name. It will be a department. The experts will remain, but they will continue to do the work that the road fund has been doing as a conduit for reaching the local governments. The law that established it will now be here so that the Members of Parliament, who are members of the district’s road committee, will retain the positions and the responsibility of overseeing.

Therefore, Madam Speaker, rationalisation and accountability will now be directly under the ministry for works and that is why we think it is urgent.

THE SPEAKER: Thank you. Honourable members, one thing I need to clarify is that I had a meeting with the committee, headed by its chairperson. I was just sitting in as a Member of Parliament of Bukedea. One thing I found out is section 25(2), which gives powers to you and I to chair the district road committees, was not tampered with. We still have it. (*Applause*)

Honourable chairperson – let us first get the report.

2.20

THE CHAIRPERSON, COMMITTEE ON PHYSICAL INFRASTRUCTURE (Mr Dan Atwijukire): Thank you, Madam Speaker. This is the report of the Committee on Physical Infrastructure on the Uganda Road Fund (Amendment) Bill, 2024.

Madam Speaker, the introduction and the background are the same as the other Bills we have handled.

The object of the Bill

The main object of the Uganda Road Fund (Amendment) Bill, 2024, is to amend the Uganda Road Fund Act, Cap. 346, to give effect to the government policy for rationalisation of government agencies and public expenditure, adopted by Cabinet on 22 February 2021.

Policy and principles of the Bill

The Bill’s purpose is to implement the government’s policy of rationalising government agencies and expenditures (RAPEX).

The purpose of amending the Uganda Road Fund Act, 2008, is to empower the ministry responsible for roads to administer the Act and the fund established under the Act. By doing so, the Bill promotes coordinated administrative arrangements, eliminates duplication, and ensures optimal utilisation.

Recommendations

The committee recommends that:

- i. The proposal of mainstreaming of Uganda Road Fund into the ministry responsible for roads be supported.
- ii. The Bill be passed into law, subject to the proposed amendments.

THE SPEAKER: Thank you, committee chairperson. Members, you have heard the chairperson, and the debate is open. If there is no debate, Hon. Dorcas can move a motion. Yes, Hon. Opendi?

2.22

MS SARAH OPENDI (NRM, Woman Representative, Tororo): Thank you very much, Madam Speaker. I am a member of the committee, and when the minister was speaking, he said that the road fund was not actually generating revenue. I have been on the Floor of this House with a motion (*Hon. Musinguzi rose*) - Please, allow me to make my presentation.

Madam Speaker, I have been on the Floor of this House with a motion that was carried by this House to operationalise the road fund, and as we speak – (*Interruption*)

THE SPEAKER: There is a point of order.

MR MUSINGUZI: Madam Speaker, the Member has said she is a member of the committee, and we do not have time to waste. You had all the time to raise your views in the committee.

THE SPEAKER: Honourable members, The Uganda Road Fund Act was formed in 2008. The money that was supposed to go to that road fund account was supposed to be from fuel levy. Now, the money which is going to this account is from the Consolidated Fund. As you heard the minister say, this is basically a conduit to get money from the Consolidated Fund account. It is actually a third party, a broker to the other.

2.24

MS DORCAS ACEN (NRM, Woman Representative, Alebtong): Thank you, Madam Speaker. As a Chairperson of the District Roads Committee of Alebtong District - I know we have many Members here who are also chairpersons and members of the committee - we agree with the honourable minister. I would like to move a motion that we move to Committee Stage. Thank you.

THE SPEAKER: Is it seconded? Stand if you are seconding it. It is seconded by the whole House. The “Ayes” have it.

(Motion seconded.)

THE SPEAKER: Honourable members, I put the question that the Uganda Road Fund (Amendment) Bill, 2024 be read for the second time.

(Question put and agreed to.)

(Motion adopted.)

BILLS
COMMITTEE STAGE

THE UGANDA ROAD FUND
(AMENDMENT) BILL, 2024

Clause 1

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

(Question put and agreed to.)

Clause 1, agreed to.

Clause 2, agreed to.

Clause 3

THE CHAIRPERSON: Committee Chairperson –

2.26

THE CHAIRPERSON, COMMITTEE ON PHYSICAL INFRASTRUCTURE (Mr Atwijukire): On clause 3, the purpose of amendment of Act No.15 of 2008. Clause 3 is amended by substituting for the phrase, “Act 15 of 2008” and wherever the phrase appears in the Bill, the phrase “Cap. 219”.

2.26

Justification

To align the citation of the Bill with the new citation of the Principal Act as per the revised laws of Uganda done by the Law Reform Commission that took effect on 1 July 2024. Thank you.

THE CHAIRPERSON: I put the question that clause 3 be amended as proposed.

(Question put and agreed to.)

Clause 3, as amended, agreed to.

Clause 4, agreed to.

Clause 5, agreed to.

Clause 6

THE CHAIRPERSON: Committee Chairperson –

MR ATWIJUKIRE: Thank you, Madam Chairperson. Clause 6, amendment of section 4 of Act 15 of 2008. Substitute for clause 6, the following –
“Amendment of section 3 of Cap. 219”

Section 3 of the Road Fund Act, in this Act referred to as the Principal Act is amended –

- (a) by repealing the definitions of “Authority”, “Board”, “Executive Director” and “Secretariat”;
- (b) by substituting for the definition of “Minister”, the following-
“minister” means the “minister responsible for roads;” and
- (c) by inserting immediately after the definition of “Minister” the following-

‘Ministry’ means ‘Ministry responsible for roads’”

THE CHAIRPERSON: Minister –

2.29

THE ATTORNEY-GENERAL (Mr Kiryowa Kiwanuka): Madam Chairperson, I thank the committee for the observations, especially on the renumbering. However, we already have a definition of “ministry” in the definition section. So, I propose that we define minister here, but drop your proposal (c), because “ministry” is already defined in the interpretation section.

THE CHAIRPERSON: Committee Chairperson –

MR ATWIJUKIRE: I concede, Madam Chairperson.

THE CHAIRPERSON: Thank you. I put the question that clause 6 stands part of the Bill. Are you amending?

MR KIRYOWA KIWANUKU: Clause 6 be amended as proposed by the committee to read as follows -

That Section 3 of the Road Fund Act is referred to as the principal Act is amended -

- (a) by repealing the definitions of “Authority”, “Board”, “Executive Director” and “Secretariat”;
- (b) by substituting for the definition of “minister” the following-
“‘Minister’ means the minister responsible for roads.” I beg to submit.

THE CHAIRPERSON: I put the question that clause 6 be amended as proposed by the Attorney-General.

(Question put and agreed to.)

Clause 6, as amended, agreed to.

Clause 7

THE CHAIRPERSON: Committee Chairperson –

MR ATWIJUKIRE: Madam Chairperson, clause 7 amendment of section 5 of the principal Act -

Clause 7 is amended by substituting for the phrase “section 5” wherever the phrase appears “section 4”. Therefore, align the numbering of all sections in the Bill to reflect the numbering reflected under the revised Road Fund Act, Cap. 219, as of 1 July 2024.

Justification

To align the numbering of all sections in the Bill to reflect the numbering reflected under the revised Road Fund Act, Cap. 219 as at 1 July 2024.

THE CHAIRPERSON: Minister?

MR KIRYOWA KIWANUKA: Thank you, Madam Chairperson. Yes, we concede to that proposal. Honourable colleagues, may be to just to note that when we are doing the clean-up of the Bills after they have been passed here, all the Bills that were started before 1 July 2024 will be realigned in numbering. We concede to this proposal.

THE CHAIRPERSON: I put the question that clause 7 be amended as proposed.

(Question put and agreed to.)

Clause 7, as amended, agreed to.

Clause 8, agreed to.

Clause 9, agreed to.

Clause 10, agreed to.

Clause 11, agreed to.

Clause 12, agreed to.

Clause 13, agreed to.

Clause 14, agreed to.

Clause 15

MR NANDALA-MAFABI: Madam Chairperson, I would like to seek clarification. The minister said that this has no cost. Can there be a board without staff? I want to move my amendment on that and I want you to help me. Do you have a board and staff? I want the minister to help me to understand.

In short, this Uganda Road Fund had a board and staff. So, the minister said there were no staff and they are just realigning.

MR ECWERU: Honourable colleague, there was duplication. There are staff close to about 36 or so, and all of them, if they do agree, will be moved to the ministry. That is why we are not repealing but amending. This amendment allows this very good staff, who have continued to be a conduit, to now come and continue to be a conduit under the supervision of the ministry.

MR KIRYOWA KIWANUKA: Madam Chairperson, I think we can withdraw the part of conduit.

THE CHAIRPERSON: Let us withdraw the conduit part. *(Laughter)*

MR ECWERU: I withdraw.

THE CHAIRPERSON: I put the question that clause 15 stands part of the Bill.

(Question put and agreed to.)

Clause 15, agreed to.

Clause 16, agreed to.

Clause 17, agreed to.

Clause 18

MR ATWIJUKIRE: Amendment of section 21 of Act 15 of 2008. Clause 18 is substituted for the following; “Amendment of Section 20 of Cap 219”.

Section 20 of the principal Act is amended:

- (a) In subsection 1,
- (i) In paragraph (a), by repealing the words “on the recommendation of the board,”
- (ii) In paragraph c, by inserting immediately after the word “minister” the words “responsible for finance” and by repealing paragraph (i).

THE CHAIRPERSON: Is it responsible for finance or for works?

MR ATWIJUKIRE: By inserting immediately after the word “minister”, “the minister responsible for works.”

THE CHAIRPERSON: Minister responsible for what?

MR KIRYOWA KIWANUKA: Madam Chairperson, we agree with the first proposal to delete “on the recommendation of the board.” It is not necessary to include any definition here because we have already, as you noticed in the previous provision, we have already defined minister, to mean the minister responsible for works. So, we can leave that out.

And, in the third paragraph, we agree with it because Section 34 referred to in paragraph (i) of Section 20 has been repealed by clause 34. We agree with that.

THE CHAIRPERSON: I put the question that clause 18 be amended as proposed by the Attorney-General.

(Question put and agreed to.)

Clause 18, as amended, agreed to.

Clause 19, agreed to.

Clause 20, agreed to.

Clause 21

MR ATWIJUKIRE: Amendment of section 24 of the Act 15 of 2008. Clause 21 is substituted for the following;

Amendment of section 23 of the principal Act. Section 23 of the Principal Act is amended;

- (a) By substituting for wherever the word “board” appears “ministry”
- (b) In subsection 2 by substituting the word “roads” the word “finance”.

THE CHAIRPERSON: Instead of Finance.

MR KIRYOWA KIWANUKA: Madam Chair, we agree with the proposal to amend the principal Act, section 23 to read by substituting the word “board”, wherever it appears, with the word “ministry”.

We do not agree with the amendment of subsection (2) by substituting the word “roads” with the word “finance”.

We propose that the word “roads” be maintained and the second proposal be dropped. I beg to submit.

MR ATWIJUKIRE: I concede, Madam Chairperson.

THE CHAIRPERSON: I put the question that clause 21 be amended as proposed by the Attorney-General.

(Question put and agreed to.)

Clause 21, as amended, agreed to.

Clause 22, agreed to.

Clause 23

MR ATWIJUKIRE: Amendment of section 25 of the principal Act, 15 of 2008. Clause 23 is substituted for the following:

“Amendment of section 25 of the principal Act. Section 25 of the principal Act is amended:

- (a) by substituting for the word “board” wherever the word appears with the word “ministry”.
- (b) - I think I dropped that.
- (c) In subsection (3) by repealing the words “in consultation with the minister responsible for roads”.

MR KIRYOWA KIWANUKA: We concur.
Thank you.

Clause 37, agreed to.

Clause 38, agreed to.

THE CHAIRPERSON: I put the question that clause 23 be amended as proposed.

Clause 39, agreed to.

(Question put and agreed to.)

Clause 40, agreed to.

Clause 23, as amended, agreed to.

Clause 41, agreed to.

Clause 24, agreed to.

Clause 42, agreed to.

Clause 25, agreed to.

Clause 43 agreed to.

Clause 26, agreed to.

Clause 44

Clause 27, agreed to.

MR ATWIJUKIRE: Thank you, Madam Chairperson. Amendment of section 49 of Act 15 of 2008, clause 44 is substituted for the following, “Amendment of section 48 of the principal Act.”

Clause 28

THE CHAIRPERSON: Dr Acuti, which clause were you talking about?

a) by substituting for subsection 1, the following. “The minister shall, in consultation with the minister responsible for finance, by statutory instrument, make regulations for better carrying into effect the purposes of this Act.”

DR ACUTI: Madam Chairperson, it was clauses 18 and 22. I would like to recommit them after.

THE CHAIRPERSON: You will first explain, and we see whether it can be a recommittal. I put the question that clause 28 stands part of the Bill.

THE CHAIRPERSON: Maybe, we need to correct that - where there is “finance”, it should be “minister of works”.

(Question put and agreed to.)

MR ATWIJUKIRE: Madam Chairperson-

Clause 28, agreed to.

THE CHAIRPERSON: The Minister in charge of roads is-

Clause 29, agreed to.

Clause 30, agreed to.

Clause 31, agreed to.

MR ATWIJUKIRE: Madam Chairperson, we are alive to the fact that there is a minister of roads, but who shall, in consultation with the minister - I can read again.

Clause 32, agreed to.

Clause 33, agreed to.

By substituting for subsection (1) the following: “(1) The minister...” who is the minister of roads, “...shall, in consultation with the minister responsible for finance...” - because it is a fund, “...by statutory instrument make regulations for better carrying into effect the purposes of this Act.”

Clause 34, agreed to.

Clause 35, agreed to.

Clause 36, agreed to.

- b) In subsection (2),
 (i) by repealing paragraph (c), and
 (ii) by repealing paragraph (h).

MR KIRYOWA KIWANUKA: Thank you, Madam Chairperson. I would like to convince the committee chairperson and the members of the committee that we should just leave it as the minister for roads, making statutory instruments for regulation and better execution. One of the functions that we are looking to achieve through rationalisation is leanness and efficiency.

However, every time you ask the minister of roads to make a regulation, then go to the ministry of finance, then bring it to the Cabinet, then come here, we are increasing another layer of bureaucracy and delay, which we are trying to remove. *(Applause)*

I pray and hope that you can concede. We leave this responsibility to the ministry of works, and the minister of works becomes responsible for his docket. I beg to submit.

THE CHAIRPERSON: Thank you.

MR ATWIJUKIRE: Madam Chairperson, I concede.

THE CHAIRPERSON: Thank you.

MR KIRYOWA KIWANUKA: On the other two proposals on amendment, we agree, Rt Hon. Chairperson- because they are consequential to the decision to remove the investment arm of this process. Thank you.

THE CHAIRPERSON: Thank you. I put the question that clause 44 be amended as proposed.

(Question put and agreed to.)

Clause 44, as amended, agreed to.

Clause 45

MR ATWIJUKIRE: Madam Chairperson, amendment of section 50 of Act 15 of 2008,

delete clause 45. The deletion is consequential as the Bill proposes to repeal Schedule 2 under clause 46. Thank you.

THE CHAIRPERSON: Minister-

MR KIRYOWA KIWANUKA: Madam Chairperson, while we agree that the repeal of the schedule would be consequential as far as it relates to Schedule 2, a blanket repeal of this may create a challenge because we have Schedule 1.

So, I propose that we amend this provision without deletion and say, "Section 50 of the principal Act is amended in subsection (2) by repealing the words, "in consultation with the board."

So, we can then remove "also shall, in consultation with the board by statutory instrument, amend Schedule 2." That is just to delete only subsection 50(2), not the whole of 50.

50(1), states, "The minister may by statutory instrument with the approval of Cabinet amend Schedule 1."

Schedule 1 is about the currency points. If you remove them, then all the offences you have created in here will not have a corresponding currency point charge. But schedule 2 relates to meetings of the board, which we have already repealed, and I agree with you that that needs to be repealed, so, we only repeal 50 (2). I beg to submit.

THE CHAIRPERSON: Yes-

MR NANDALA-MAFABI: Madam Chairperson, the Attorney-General has brought something of interest. The currency point is not the responsibility of the works ministry, it is the responsibility of the finance ministry. Have we defined the Ministry of Finance in the law we are making? If we have not, we must-

MR KIRYOWA KIWANUKA: Currency points are determined by an Act and this may change from Shs 20,000 that it is today to

become Shs 50,000. When that is changed by the finance ministry, every responsible minister who is dealing with their different pieces of legislation goes into those legislations and by statutory instrument, amends that schedule.

The finance ministry does not by blanket amend all the laws because then you will have the finance ministry in each and every single law as a participant. So, what we do is that the minister changes and the schedule is then done by the responsible minister in their respective dockets. Thank you.

THE CHAIRPERSON: Thank you. I put the question that clause 45, be amended as proposed by the Attorney-General.

(Question put and agreed to.)

Clause 45, as amended, agreed to.

Clause 46 agreed to.

Clause 47 agreed to.

The title, agreed to.

MOTION FOR THE HOUSE TO RESUME

THE CHAIRPERSON: Honourable minister. Let us first listen to Dr Acuti.

DR ACUTI: Thank you, Madam Chairperson, I want to propose a recommittal on clause 18 and clause 22. Clause 18 refers to section 21 on finances of the fund and sub section (c) provides that the monies appropriated by Parliament for purposes of the fund are going to be finances of the fund.

Madam Chairperson, the challenge we have is that currently, if you look at the Shs 1 billion, road fund was not managing it because of restrictions. But also, when you go to other ministries, the agriculture ministry has road projects, local government ministry also has road projects. And right now, we are moving into program-based budgeting.

However, we want all maintenance funds to come into this one fund so that it is supervised by the works ministry and not in all the different ministries. That is the proposal that I wanted to make and I propose the amendment to that effect.

THE CHAIRPERSON: You propose and we hear.

DR ACUTI: The proposal is that all monies for road maintenance and rehabilitation are appropriated by Parliament and monies for purposes of the fund so that it covers all other funds outside the road fund. Because at the district roads committee, we have challenges. The district says we can only oversee the funds from the Uganda Road Fund, but funds that are coming from other ministries do not go through the District Roads Committee. That is where my concern is.

THE CHAIRPERSON: Hon. Acuti, that is very risky. Even our Shs 1 billion will be put under this. Let this money remain like that. The road fund money is different because some of it goes under the Ministry of Water and Environment, and other funds go under the Ministry of Agriculture—NAADs.

MR KATUNTU: Thank you very much, Madam Chairperson. I think my colleague is jumping the gun. There is nothing called “Programme-Based Budgeting” under our laws. Under the Public Finance Management Act, we still have sectors. Our Rules of Procedure provide for sectoral committees.

Until we amend the Public Finance Management Act and provide for programme budgeting, we cannot start legislating for programmes. We can only legislate for sectors because that is what is in the current law.

DR ACUTI: Madam Chairperson, I would like to propose something. If it cannot come under the appropriation, let the District Roads Committee have powers, and we could amend section 25(5) to accommodate that.

THE CHAIRPERSON: The District Roads Committee already has powers under section 25(2).

MR NANDALA-MAFABI: Madam Chairperson, what Dr Opio is raising is very valid. We are trying to rationalise. That means that if it is roads, it must be the Ministry of Works and Transport, if it is building houses, it must be the Ministry of Works and Transport. That is why we are rationalising.

What we are asking is: why should it be that under the agriculture ministry, there is a road, under the health ministry, there is a road and under the local government ministry, there is a road? What he is saying is that the money for the roads must be under the Ministry of Works and Transport. He has a valid point.

THE CHAIRPERSON: Honourable members, what Hon. Acuti is pushing for is consolidating the budget allocation and that can be done administratively by the ministry for finance.

MR ATWIJUKIRE: Madam Chairperson, his issue is a bit wider. While it can be done by the finance ministry or even at appropriation, there are issues of standardisation.

As the supervisors of this sector, the issues that were coming up sometimes were that it was very difficult for the Ministry of Works and Transport to supervise and ensure standardisation on the roads scattered around other ministries.

So, as we debate, we must also take it in context that it is not only about the money, but about the standardisation of the entire infrastructure.

MS NAKUT: Madam Chairperson, what I seem to have understood from Hon. Dr Acuti is about the functions of the District Roads Committee. Regardless of which ministry the money comes from, it eventually ends up in our districts. The roads are not in space.

The normal practice has been restricting the functions of the District Roads Committee to

only the monies coming from Uganda Road Fund. When it comes from any other source, the roads committee is kept off.

We need to define – the roads committees in our districts should be empowered enough to report, investigate and do oversight on all the monies coming from whichever source. As long as it is coming to our districts, we will be safe – including the security roads.

THE CHAIRPERSON: Honourable Prime Minister, you need to look at the issue of transport planning and management in all the districts. Whether these are tourism roads, oil roads, water roads or whichever, you need to see how to manage them.

MR TONNY AYOO: I am wondering whether it will be possible for us to fit that within this Bill.

THE CHAIRPERSON: No, it is not.

MR TONNY AYOO: It is a wider thing that the Government needs to look into. For example, all ministries plan and budget for ICT-related issues, yet all this would be brought under the ministry for ICT to plan and budget for all the ministries. So, the same should apply to the Ministry of Works and Transport.

So, this may not fit into this Bill, but the Government must look into this. Thank you.

THE CHAIRPERSON: It will not. Go to the next clause. We want to understand your clause.

DRACUTI: The next was on clause 22, which is section 25, specifically subsection (5), which talks about the functions of the District Roads Committee. Now, here, the functions have been delegated to the regulations.

Also, Madam Speaker, there are almost three entities that approve road works in the district. There is the District Roads Committee, the Committee on Works and Technical Services and the District Executive Committee.

My proposal is that we define here that the District Roads Committee shall be the supreme body to oversee the road funds within the district from all the sources. *(Applause)* That is the proposal so that though we may not consolidate it under one budget, we should be able to, first of all, have a supreme authority in the district.

Otherwise, what is happening right now, Madam Chairperson, is that the District Roads Committee comes up with a road plan and then the Works and Technical Committee also comes up with their own plan. So, you have two plans and there is conflict as a result.

THE CHAIRPERSON: Thank you.

MR KIRYOWA KIWANUKA: Madam Chairperson, the points that the Member is raising are very valid and need to be looked at carefully. The Government – using a whole-of-government approach, you will find that we are so interlinked. What you have been talking about, from our understanding, now sits in local government. It has a matter in the works ministry, but it actually sits in local government. So, you need to be careful.

I propose, Madam Chairperson, that on such complex issues, I think that is why we have rule 134 (4) and (5) which gives us time. When you are going to make an amendment, which is as detailed as that, it will require some time for the ministers to go and consult. We can write anything that Parliament would like, but it may not be done in this Bill at this time.

I propose that the ministry for works, Ministry of Local Government, ministry for agriculture and the ministry for water, under the Prime Minister, take up this matter and address those concerns that have been raised.

THE CHAIRPERSON: Thank you. Actually, the issue that Hon. Acuti is raising is very valid. The Prime Minister, you need to make a follow-up on that and see how we harmonise.

MR ACHIA: Madam Chairperson, if we are doing financial consolidation and

rationalisation – this has been the challenge even in the Budget Committee. I will give you an example of the ministry for agriculture and the ministry for water. They are always fighting over who is responsible for building dams across the country – *(Interjection)*- irrigation. They came to Karamoja and they were fighting over a site. The agriculture ministry wanted to build a dam in Nakonyen and the ministry for water also wanted to build the same dam.

I am happy my brother, Gen. Elwelu, is there; he is trying to sort out that issue. The ministries are fighting and it is a big thing.

It does not give this country direction, in terms of achievement of targets. How are we moving under the water ministry? What are the achievements? These scattered small projects, where these people fight in the ministry of water, Ministry of Health and others does not give the country a clear direction where we are moving in different specific areas, conflicting in terms of standardisation, as Hon. Kimosho says. Agriculture builds a wide road, water comes with a tiny one, and the local government comes with a zigzag one -

THE CHAIRPERSON: Okay, we have understood.

MR ACHIA: We must seriously clear this matter because it is big. We must be able to say that we are moving in this direction with this standard of roads and water systems to solve this matter.

Otherwise, ministries do fight and are here quietly fighting but at the road level, Dr Acuti is right. We must get that function streamlined now in this amendment to give power to the district roads committee to supervise all road-related funds.

Let us put that function in this road fund amendment. We will capture it from here and now so that we wait for them at the district and supervise that matter.

MR KIRYOWA KIWANUKA: Madam Chairperson -

THE CHAIRPERSON: Honourable members, what we are talking about requires a multi-sectoral approach. You cannot do everything. Let us not do some of the things in annoyance. It needs a lot of work to be done.

MOTION FOR THE HOUSE TO RESUME

THE CHAIRPERSON: Honourable minister.

3.06

THE MINISTER OF STATE FOR WORKS AND TRANSPORT (WORKS) (Mr Musa Ecweru): Madam Chairperson, I beg to move that the House do resume, and the Committee of the whole House reports thereto.

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

(Question put and agreed to.)

(The House resumed, the Speaker presiding.)

REPORT FROM THE COMMITTEE OF
THE WHOLE HOUSE

THE SPEAKER: Honourable minister.

3.06

THE MINISTER OF STATE FOR WORKS AND TRANSPORT (WORKS) (Mr Musa Ecweru): Madam Speaker, I beg to report that the Committee of the whole House has considered the Bill entitled, “The Uganda Road Fund (Amendment) Bill, 2024” and passed it with amendments. I beg to move.

THE SPEAKER: Thank you.

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

THE SPEAKER: Honourable minister.

3.07

THE MINISTER OF STATE FOR WORKS AND TRANSPORT (WORKS) (Mr Musa Ecweru): Madam Speaker, I beg to move

that the report of the Committee of the whole House be adopted.

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

(Question put and agreed to.)

Reported adopted.

BILLS
THIRD READING

THE UGANDA ROAD FUND
(AMENDMENT) BILL, 2024

THE SPEAKER: The quorum still stands. Honourable minister -

3.08

THE MINISTER OF STATE FOR WORKS AND TRANSPORT (WORKS) (Mr Musa Ecweru): Madam Speaker, I beg to move that the Bill entitled, “The Uganda Road Fund (Amendment) Bill, 2024” be read for the third time and do pass. I beg to move.

THE SPEAKER: Honourable members, I put the question that the Uganda Road Fund (Amendment) Bill, 2024 be read the third time and do pass.

(Question put and agreed to.)

A BILL FOR AN ACT ENTITLED, “THE
UGANDA ROAD FUND (AMENDMENT)
ACT, 2024”

THE SPEAKER: The title settled and the Bill passed. *(Applause)*

3.08

THE MINISTER OF WORKS AND TRANSPORT (Gen. Edward Katumba): Madam Speaker, I take this opportunity to thank you for your well-conducted business. *(Applause)* If this is how we were to be conducting business in this House, this country would have moved very far. I thank you,

my chairperson, the Attorney-General and everybody for staying focused on this.

I do not know where the concept of creating agencies came from and what the purpose of creating agencies was. It looked like the idea was weakening the Central Government. Now that the Government has woken up and has decided to get back its authority, you are going to charge us to deliver and it is our responsibility; we shall deliver. *(Applause)*

Madam Speaker, I allay the fears of all Members of Parliament and the country. We are not going to create unemployment. Unlike what has been happening before where an agency comes in and dismisses everybody, we are going to validate all the workers of the Uganda National Roads Authority, using the Public Service. Those willing to work under the Public Service arrangement are welcome to work because these are Ugandans. We are not going to go out to look for other Ugandans. So, nobody should tell you that they are going to be disenfranchised because of the rationalisation.

He will decide on his own that, "I do not want to work" because there is no - the law does not allow forced labour. If you do not want to work, it is okay. If you want to work with the Public Service and us, we have worked out a detailed plan of how to absorb the people.

Secondly, there was fear about the on-going projects. One of the things we are discussing, together with the donor agencies, is that the people who are already on those projects; the engineers who are supervising those projects - Again, unless they do not want to work, they can stay on the projects for continuity so that we do not have gaps created because of the mergers.

I allay the fears of everybody but I think this is a very good move because the arrogance which had been created in some of these agencies is unthinkable. You find an Executive Director, an executive officer, calling the ministry that supervises him a funeral service. Can you imagine? You say that you cannot go to a funeral service; a ministry that supervises you!

I think that arrogance had gone too far. Thank you, Madam Speaker. *(Ms Opendi rose_)*

THE SPEAKER: Let the chairperson finish, then you bring a procedural matter.

3.11

THE CHAIRPERSON, COMMITTEE ON PHYSICAL INFRASTRUCTURE (Mr Dan Atwijukire): Thank you, Madam Speaker, for your steady leadership and how you have -

THE SPEAKER: Members, let us listen to the chairperson.

MR ATWIJUKIRE: Thank you, Madam Speaker, for the steady leadership and how you have managed the business today. I also thank our Government Chief Whip in a special way. *(Applause)* This process has been very hectic.

THE SPEAKER: So, you did not clap for me because I did not manage it. *(Laughter)*

MR ATWIJUKIRE: It needed the composure of the Government Chief Whip that we have. I thank you in a very special way from deep down my heart. At least the pressure and the tempers have been moderate from your side.

To the ministers, certainly, they have to forget what they went through to convince Members because if they do not, they will not enter heaven; they will be very aggrieved. *(Laughter)* For whatever you went through, that is what you took the oath to do. Thank you for doing what you took the oath to do.

Once again, in a very special way, thank you, Madam Speaker, for your support mentorship and steering in the right direction. *(Applause)* May you keep around even in the coming terms. May God bless you. Thank you.

To my committee, thank you for your support, the signing and participation.

THE SPEAKER: Thank you, the Committee on Agriculture, Animal Industry and Fisheries and the Prime Minister. The Vice President, thank you for keeping here the whole day and

the whole team. I am very impressed. I know you promised your boss, who is our boss, that you are finishing rationalisation. We must finish. Next item. - Yes? There is a procedural matter here.

MS OPENDI: Thank you, Madam Speaker. The last time, before we adjourned, I actually raised this matter regarding funds to the districts under the road fund. When the districts were given –

THE SPEAKER: Hon. Dan Kimosho, the Government Chief Whip wants you.

MS OPENDI: Madam Speaker, when this House requested the Government to increase funding to the districts for road maintenance, the Government actually agreed to top up what the road fund was giving us with Shs 1 billion.

Unfortunately, what has happened is that the money that the districts used to get from the road fund was cut and now it is the Shs 1 billion which is available. For example, in Tororo, we used to get Shs 608 million. We thought with the additional Shs 1 billion, we would be able to do something. What the district is getting is Shs 20 million per quarter from Shs 688 million, and yet we have 42 sub-counties. Surely, how do you expect districts to maintain roads with Shs 26 million for a whole quarter?

Therefore, the procedural issue that I am raising is for the Minister of Finance, Planning and Economic Development to inform this House why they cut the monies that districts were receiving under the road fund. This is because the Shs 1 billion was supposed to be additional. Thank you, Madam Speaker.

THE SPEAKER: Honourable minister?

3.16

THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi): Thank you, Madam Speaker. What Hon. Sarah is raising is true. The Shs 1 billion was supposed to be over and above the previous provision under the

road fund. This is still the case, subject to availability of funds.

THE SPEAKER: Hon. Nathan?

MR NANDALA-MAFABI: Thank you, Madam Speaker. I would like to start by thanking Gen. Katumba Wamala for the good statements he has made. Having made those statements that everybody is going to be absorbed, I am worried about those who said “funeral service.” Are you sure you are going to employ those who called you a funeral service? Maybe you are also calling them “funeral service.”

Secondly, we know Ministry of Works and Transport is fond of having engineers; at least engineers are okay but there are some EDs who are social scientists, etcetera. Do you have space for such people in your ministry? Give me that assurance so that I can tell the people of UNRA what is going to happen to them.

THE SPEAKER: Clerk, let us go to the next item.

BILLS SECOND READING

THE PUBLIC ENTERPRISES REFORM AND DIVESTITURE (AMENDMENT) BILL, 2024

THE SPEAKER: Honourable members, as part of the Government’s efforts towards rationalisation, this same Bill was laid on Table on 24 September, 2024. I invite the minister to move a motion to the effect as per Rule 130(1) of the Rules of Procedure. Honourable minister?

3.18

THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PLANNING) (Mr Amos Lugoloobi): Madam Speaker, I beg to move a motion that the Bill entitled, “The Public Enterprises Reform and Divestiture (Repeal) Bill, 2021” be read for the second time.

THE SPEAKER: Is the motion seconded? (*Members rose*) It is seconded by Hon. Musasizi, the Prime Minister, the Vice-President and the whole House. Thank you. Briefly speak to your motion.

MR LUGOLOOBI: Madam Speaker, the privatisation and utility sector reform was a programme under the Ministry of Finance, Planning and Economic Development and the Government of the Republic of Uganda.

The object of the programme then was to divest state interest in certain public enterprises and to improve the efficiency and performance of others. The Public Enterprises Reform and Diversity Act had listed a total of 113 public enterprises, which were grouped in various categories.

In accordance with the Public Enterprises Reform and Divestiture Act, the Government divested a number of these state enterprises leaving only those public enterprises listed in Class I and II of the Public Enterprises Reform and Divestiture Act, for which the Government is required to retain 100 per cent shareholding. Those which the state is required to retain majority shareholding are therefore not available for divestiture.

This makes the Public Enterprises Reform and Divestiture Act spent, since it had had the full effect. The intention of this Bill is to repeal the Public Enterprises Reform and Divestiture Act, 1998, and it has various provisions. Madam Speaker, I beg to submit.

THE SPEAKER: Thank you very much, honourable minister. I now invite the chairperson to give us a brief.

3.21

THE DEPUTY CHAIRPERSON, COMMITTEE ON FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Mr Moses Aleper): Thank you, Madam Speaker. I wish to take this opportunity to present the Public Enterprises Reform and Divestiture (Repeal) Bill, 2024. Before I do that, I wish to lay on the Table a copy of the report and the minutes thereof.

THE SPEAKER: Please lay. Hon. Okot Moses Junior, do not break your leg. Are you okay? Please, help him. Yes -

MR MOSES ALEPER: Thank you, Madam Speaker. I wish to go straight to the report. Introduction –

THE SPEAKER: Give us recommendations.

MR MOSES ALEPER: Thank you, Madam Speaker. I want to go straight to the recommendations.

The Privatisation Unit, which was housed under PERD, is responsible for the day-to-day implementation of the divestiture programme. On matters of privatisation, the director reports to the minister responsible for privatisation, but for administrative purposes, shall report to the Secretary to the Treasury.

To enable it to carry out the divestiture of public enterprises: i) The Privatisation Unit causes detailed financial, legal, and operational analysis of the public enterprises to be carried out by independent auditors, lawyers, and other necessary advisors; ii) Determines how the divestiture of the public enterprise may be implemented; iii) Causes a valuation of the assets of the public enterprise to be carried out by independent valuers.

The committee observed that whereas the Bill seeks to dissolve the Privatisation Unit, it has maintained the Divestiture and Reform Implementation Committee.

The committee further notes that the Bill does not have a commencement date. The absence of the commencement date means that the law will commence on publication and yet the agency may need more time to adequately prepare the rationalisation policy. There is therefore need to provide, in the Bill, a commencement date to accommodate the period for the rationalisation period.

The committee recommends that the Public Enterprises Reform and Divestiture

(Amendment) Bill, 2024 be passed, subject to proposed amendments. Thank you.

THE SPEAKER: Thank you, committee chairperson. Honourable members, you have heard about the National Reform and Divestiture (Amendment) Bill. It is a direct Bill. Anything that you need to - I thought Hon. Ojara was going to speak; I did not know you were just escaping. *(Laughter)* If there is nothing, let us go to Committee Stage. There is a motion.

3.26

MR FOX ODOI-OYWELOWO (NRM, West Budama North East County, Tororo): Madam Speaker, I beg to move that the House do move to Committee Stage for consideration of the Public Enterprise Reform and Divestiture Act (Amendment) Bill, 2024.

THE SPEAKER: Is it seconded? *(Members rose_)* It is seconded by Hon. Omara, Hon. Shartsi, Prof. Mushemeza, the Vice President, Hon. Jessica Alupo Epel, and the whole House.

(Motion seconded.)

THE SPEAKER: Honourable members, I put the question that the Public Enterprises Reform and Divestiture (Amendment) Bill, 2024 be read for the second time.

(Question put and agreed to.)

Motion seconded.

BILLS COMMITTEE STAGE

THE PUBLIC ENTERPRISES REFORM AND DIVESTITURE (AMENDMENT) BILL, 2024

Clause 1

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

(Question put and agreed to.)

Clause 1, agreed to.

Clause 2, agreed to.

Clause 3, agreed to.

Clause 4, agreed to.

Clause 5, agreed to.

Clause 6, agreed to.

Clause 7, agreed to.

Clause 8, agreed to.

Clause 9, agreed to.

Clause 10, agreed to.

Clause 11, agreed to.

Clause 12, agreed to.

Clause 13, agreed to.

Clause 14, agreed to.

Clause 15, agreed to.

Clause 16, agreed to.

Clause 17, agreed to.

The Title, agreed to.

MOTION FOR THE HOUSE TO RESUME

THE CHAIRPERSON: Honourable minister

—

3.31

THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PLANNING) (Mr Amos Lugolobi): Madam Chair, I beg to move a motion that the House do resume and the Committee of the whole House reports thereto.

THE CHAIRPERSON: Honourable members, I put the question that the House do re-

sume and the Committee of the whole House reports thereto.

(Question put and agreed to.)

(The House resumed, the Speaker presiding.)

REPORT FROM THE COMMITTEE OF
THE WHOLE HOUSE

THE SPEAKER: Honourable minister –

3.32

THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PLANNING) (Mr Amos Lugoloobi): Madam Speaker, I beg to report that the Committee of the whole House has considered the Bill entitled, “The Public Enterprises Reform and Divestiture (Repeal) Bill, 2024 and considered all the clauses without amendment.

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

THE SPEAKER: Honourable minister –

3.33

THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PLANNING) (Mr Amos Lugoloobi): Madam Speaker, I beg to move that the House adopts the report of the Committee of the whole House.

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

(Question put and agreed to.)

Report adopted.

BILLS
THIRD READING

THE PUBLIC ENTERPRISES REFORM
AND DIVESTITURE (AMENDMENT)
BILL, 2024

THE SPEAKER: Minister?

3.33

THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PLANNING) (Mr Amos Lugoloobi): Madam Speaker, I beg to move that the Bill entitled, “The Public Enterprise Reform and Divestiture (Repeal) Bill, 2024” be read for the third time and do pass.

THE SPEAKER: Honourable members, I put the question that the Public Enterprise Reform and Divestiture (Repeal) Bill, 2024 be read the third time and do pass.

(Question put and agreed to.)

A BILL FOR AN ACT ENTITLED, “THE
PUBLIC ENTERPRISES REFORM AND
DIVESTITURE (AMENDMENT) ACT,
2024”

THE SPEAKER: Title settled and the Bill passes. *(Applause)*

BILLS
SECOND READING

THE TIER 4 MICROFINANCE
INSTITUTIONS AND MONEY LENDERS
(AMENDMENT) BILL, 2024

THE SPEAKER: Honourable members, the Tier 4 Microfinance Institution and Money Lenders (Amendment) Bill, 2024 was equally read and tabled in this House on 24 September 2024. I will invoke Rule 130(1) of the Rules of Procedure and invite the Minister of Finance to move a motion. Honourable minister?

3.35

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

(Mr Haruna Kasolo): Thank you very much, Madam Speaker. I beg to move a motion that the Bill entitled, “Tier 4 Microfinance Institutions and Money Lenders (Amendment) Bill, 2024” be read the second time.

THE SPEAKER: Seconded? *(Members rose)*

It is seconded by the Vice President, Hon. Sarah, Hon. Baryomunsi, Hon. Lugoloobi, Hon. Musasizi, Hon. Kasolo, Hon. Haruna, Dr Jane Aceng, Hon. Mayanja, Hon. Mbadi, Hon. Elwelu, Hon. Fox, Hon. Katuntu, Hon. Menya and Hon. Wilson – by the whole House. *(Hon. Opendi rose)* I also said Hon. Sarah Opendi, Atkin’s wife. *(Laughter)* Would you like to speak to your motion?

MR HARUNA KASOLO: Thank you very much, Madam Speaker –

THE SPEAKER: I did not see Hon. Kabanda seconding. Did he? Hon. Kabanda, the General Secretary. Hon. Kabanda, your subordinate is here. *(Laughter)*

MR HARUNA KASOLO: Thank you very much, Madam Speaker. This Bill intends to give effect to the Government Policy for Rationalisation of Government Agencies and Public Expenditure, which was adopted by Cabinet on 22 February 2021.

It will promote coordinated administrative arrangements, policies and procedures for ensuring the efficient and successful management, financial accounting and budgetary discipline of Government agencies and departments and also enable the Government to play its proper role more efficiently and effectively. I beg to submit, Madam Speaker. *(Applause)*

THE SPEAKER: Thank you. Chairperson?

3.38

THE CHAIRPERSON, COMMITTEE ON FINANCE, PLANNING, AND ECONOMIC DEVELOPMENT (Mr Amos Kankunda):

Thank you, Madam Speaker. This assignment was given to the committee and we hereby report. Allow me to lay on the Table the minutes and other documentation that the committee went through. I hereby lay.

THE SPEAKER: Please do.

MR KANKUNDA: Madam Speaker, at the 22nd Sitting of the Third Session of Parliament held on 24 September 2024, the honourable Minister of State for Finance, Hon. Henry Musasizi –

THE SPEAKER: Can you give us your observations and recommendations?

MR KANKUNDA: Much obliged. Thank you, Madam Speaker, for your guidance. I hereby go straight to the committee observations.

Performance of the Uganda Microfinance Regulatory Authority

The Uganda Microfinance Regulatory Authority was established by the Tier 4 Microfinance Institutions and Money Lenders (Amendment) Act, Cap. 61 to:

- (i) provide for the licensing and management of tier 4 microfinance institutions;
- (ii) provide for management and control of money lending business;
- (iii) establish a SACCO Stabilisation Fund;
- (iv) establish the SACCO Savings Protection Scheme;
- (v) provide for a Central Financing Facility;
- (vi) provide for licensing of money lenders;
- (vii) provide for self-help groups and commodity microfinance; and
- (viii) provide for receivership and liquidation of tier 4 microfinance institutions.

The Uganda Microfinance Regulatory Authority has several functions under the Act, as enumerated above. The Authority was established in 2016 with a skeleton staffing

capacity and was subsequently supported in the years that followed to execute its mandate.

It is the observation of the committee, therefore, that whereas the Authority managed to license several money lenders and tier 4 microfinance institutions under their mandate, it was not able to fully execute its mandate. For the eight years the Authority has been in operation, it was not adequately resourced to undertake the roles prescribed under the Act.

The committee further observed that with the increased provision of financial services like the Parish Development Model SACCOS (PDM) and similar interests across the country, there is a need for increases and robust regulation in the sector.

Physical performance of UMRA

The Authority had, by the end of 2023, licensed 1,802 institutions, as indicated in the attached table - Table 1. Under the provision of the Authority, the number of regulated institutions has grown by over 600 per cent over the five years. The table below shows the licensing at a glance, showing the number of institutions at UMRA.

1. The money lenders, since 2018, grew from 190 to 1,402;
2. The NDMFIs from 49 to 249;
3. The SACCOS grew from 25 in 2021 to 151. In actual sense, the total equals 1,802.

Unfulfilled mandate of UMRA

The committee has established that whereas the Authority has been in office for six years, including a slowdown of activities during the COVID-19-related lockdown, many of the outputs provided for in the Tier 4 Microfinance Institutions and Moneylenders Act were never delivered.

The Authority failed to deliver on:-

- i. SACCO Stabilisation Fund and SACCO Savings Protection Scheme;

ii. supporting SACCOs to establish a central financing facility for them to borrow from each other;

iii. implementation of the Credit Information Sharing Mechanism. Its purpose is to establish a national database for credit history in the sector to create credit reporting as collateral, similar to the Credit Reference Bureau in commercial banks;

iv. drive digital transformation of the Tier 4 sector through automated licensing and regulatory reporting. This would have helped in monitoring the actual revenue due for the assessment by URA.

This would have enhanced Government revenue collection. Currently, it remains a challenge to aggregate all revenues from the sector;

v. issuance of digital lending guidelines to monitor and supervise digital lenders, which is a tool for curbing money laundering; and

vi. financial literacy and awareness: Adequate financial literacy and awareness campaigns to provide the public interest in money lending transactions, create public awareness of financial services and address complaints have not been done.

Interest Rates

Uganda operates a liberal economy where the private sector makes decisions based on the forces of demand and supply, and whereas for a long time, the cost of borrowing has been generally recognised as being so high from all categories of the financial institutions, the interest rates charged by the SACCOs, microfinance institutions and moneylenders makes it extremely hard for most borrowers to pay back loans resulting into foreclosures. This has stifled businesses, since most of the business capital and income is dedicated to and drained by debt servicing.

Section 89 of the Tier 4 Microfinance Institutions and Money Lenders Act, 2016 mandates the minister responsible for finance to, in consultation with the Uganda Microfinance Regulatory Authority (UMRA), by notice in the Gazette, prescribe the maximum interest rate that money lenders shall charge.

The committee established from the Bank of Uganda that whereas the average lending rate of commercial banks is around 18.3 per cent, a typical SACCO lends at least 3 per cent per month or 36 per cent per annum. Moneylenders on average lend at 10 per cent per month or 120 per cent per annum.

Despite Uganda running a liberal economy, the gap between the lending rate of commercial banks, that is 18.3 per cent, and the moneylenders' annual lending rate of 120 per cent is the reason Parliament passed Section 89 of the Tier 4 Microfinance Institutions and Money Lenders Act for the minister to at least provide some level of control that leaves both the borrower and the lender better off economically.

The committee noted that for the eight years since the Tier 4 Microfinance and Money Lenders Act came into force, Section 89 of the Act which mandates the minister to prescribe the maximum interest that a moneylender should charge, has never been operationalised.

Various statutory mandates and responsibilities of the SACCOs

The committee observed that registration, licensing and regulation of SACCOs is conducted by multiple agencies of the Government. SACCOs report to the Commissioner of Cooperatives in the Ministry of Trade, Industry and Cooperatives. The same SACCOs report to UMRA under the Ministry of Finance, Planning and Economic Development, as provided for in the Tier 4 Microfinance Institutions and Money Lenders Act.

For many SACCOs whose capital base has expanded to at least Shs 25 billion, the

Financial Institutions Act recognises that such institutions should migrate to a higher level of regulation under the Bank of Uganda.

Proposed mainstreaming structure and functions

According to the Ministry of Public Service, a new department; the Microfinance Tier 4 Management Department, will be created in the Ministry of Finance, Planning and Economic Development to take up all the functions of the UMRA as provided for under the Act.

Accordingly, the department shall be headed by a Commissioner under the Directorate of Economic Affairs. The Commissioner shall be assisted by one Assistant Commissioner. Other officers in the proposed department include three principal officers, seven senior officers, 20 compliance officers, two legal officers, as well as seven other staff.

Although the proposed structure in the ministry responsible for finance has been set, the attendant regulations assigning respective roles to the commissioner are yet to be drafted. There may be lost time between drafting, approving and gazetting regulations after the proposed amendment of the Tier 4 Microfinance Institutions and Money Lenders (Amendment) Bill, 2024 and this may create a regulatory vacuum.

Expected savings by the Government

One of the Government's main objectives of rationalisation policy is to relieve the Government of the financial drain on its resources and the burden of wasteful administration and expenditure.

As such, the proposed mainstreaming of Uganda Microfinance Regulatory Authority (UMRA) into the Ministry of Finance, Planning, and Economic Development is expected to make savings for the Government in terms of rent, reduction in the wage structure, the NSSF remittances, gratuity, the Board expenses and other attendant administrative recurrent costs.

In total, the Government is expected to save approximately Shs 6.7 billion in the first year of mainstreaming the Authority and we have put the table to portray exactly that.

Recommendations

The committee recommends:

1. License backlog

The committee recommends that the minister issue the statutory instrument to permit the extension of all expiring licenses and issuance of new licenses in line with the provisions of the Tier 4 Microfinance Institutions and Money Lenders Act, Cap 61. This will solve the problem of the current large stocks of licensing backlog at UMRA;

2. Regulations and Guidelines

The minister should fast-track all the necessary amendments to the regulations and guidelines to ensure that it is in tandem with the amendments.

This will also designate responsibilities in the proposed new structures at the Ministry of Finance, Planning and Economic Development to avoid a regulatory vacuum during the transition.

3. Interest rates

Madam Speaker, the committee recommends that the minister, in compliance with Section 89 of the Tier 4 Microfinance Institutions and Money Lenders Act, Cap 61, operationalises the provision of capping of interest rates.

4. Facilitation of a new departmental structure

The committee recommends that notwithstanding the intention of the Government to make savings from rationalisation, the new department structure in the Ministry of Finance,

Planning, and Economic Development should be adequately resourced to, among others, undertake the following:

- (i) Ensure regulation of all the Parish Developmental Model (PDM) SACCOs, *EMYOOGA* SACCOs, community-based cooperatives and other community savings and loan associations;
- (ii) In compliance with Sections 53, 54, 55, 56 and 57 of the Act, lead to the establishment of the SACCO Stabilisation Fund and the SACCO Savings Protection Scheme;
- (iii) In compliance with Section 60 of the Act, support SACCOs to establish a central financing facility for them to borrow from each other;
- (iv) Continue to play the role of the statutory mediator between borrowers and the Tier 4 microfinance institutions and moneylenders;

5. Digitally transforming the sector

We propose that the ministry digitally transforms the sector by:

- i) Implementation of the Credit Information Sharing Mechanism
The department should establish a national database for credit history in the sector to create credit reporting as collateral, similar to the Credit Reference Bureau, for the underserved while mitigating credit risk for Tier 4 microfinance institutions and money lenders in order to operationalise Section 8(2)(L) of the Tier 4 Microfinance Institution and Money Lenders Act;
- ii) Drive Digital transformation of the Tier 4 sector through automated licensing and regulatory reporting. This is intended to, among others, support the Government in tax assessments, as provided for in the various tax laws of Uganda;
- iii) Issuance of Digital Lending Guidelines to monitor and supervise digital lenders. This is a tool to curb possible money laundering.

6. Financial literacy and awareness
As part of its work plan, the department should enhance financial literacy and awareness campaigns to cater for the creation of public awareness on the financial services and address complaints.

Engaging members of the public on their rights as consumers of financial products builds market confidence, which is a key ingredient in financial inclusion. This will expand the regulatory footprint across the country and improve the coverage into the money economy.

On harmonisation of the SACCO registration, licensing and regulation, the committee recommends that the Attorney-General supports the ministry responsible for cooperatives and the ministry for finance to harmonise the various laws and regulations of the SACCOs.

In conclusion, Madam Speaker, in light of the above committee's observations on the proposed amendments of Tier 4 Microfinance Institutions and Money Lenders Act, Cap. 61 and also aware of the Government's policy of rationalisation of its agencies and the respective objects of RAPEX, the committee recommends that the Tier 4 Microfinance, Institutions and Money Lenders (Amendment) Bill, 2024 be amended and have the functions of UMRA mainstreamed in the Ministry of Finance, Planning and Economic Development. I beg to submit, Madam Speaker.

THE SPEAKER: Thank you very much, Chairperson. Hon. Aza?

3.54

MR TOM ALERO (NRM, West Moyo County, Moyo): Thank you very much, Madam Speaker. I hereby move a motion that the Bill entitled "Tier 4 Microfinance, Institutions and Money Lenders (Amendment), Bill 2024" goes to the Committee Stage. I beg to move. Thank you very much.

THE SPEAKER: Is it seconded? (*Members rose*) It is seconded by Hon. Ekanya, Hon. Alyek, Hon. Olanya, Member for Dokolo, Member for Kwania. Hon. Nelson – the Member for Maruzi North – Hon. Nathan, Hon. Fox, Hon. Ibanda, the Vice-President, Hon. Dr Baryomunsi, Hon. Musasizi, the minister for finance, Hon. Lugoloobi, the minister for finance – by the Whole House, including Dr Aceng.

(Motion seconded.)

THE SPEAKER: Honourable members, I put the question that the Tier 4 Microfinance Institutions and Money Lenders (Amendment) Bill, 2024, be read for the second time.

(Question put and agreed to.)

Motion adopted.

BILLS COMMITTEE STAGE

TIER 4 MICROFINANCE INSTITUTIONS AND MONEY LENDERS (AMENDMENT) BILL, 2024

Clause 1

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

(Question put and agreed to.)

Clause 1, agreed to.

Clause 2, agreed to.

Clause 3

THE CHAIRPERSON: Committee chairperson?

3.56

THE CHAIRPERSON, COMMITTEE ON FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Mr Amos Kankunda): Madam Chairperson, the committee proposes that clause 3 be amended by substituting for

the words, “Act 18 of 2016” the words “Cap. 61” and, therefore, wherever the words appear in the Bill.

Justification

To align the provisions of the Bill with the revised laws of Uganda as of 1 July 2024.

THE CHAIRPERSON: Attorney-General?

3.57

THE ATTORNEY-GENERAL (Mr Kiryowa Kiwanuka): No objection. I thank the committee.

THE CHAIRPERSON: I put the question that clause 3 be amended as proposed.

(Question put and agreed to.)

Clause 3, as amended, agreed to.

Clause 4, agreed to.

Clause 5

THE CHAIRPERSON: Committee chairperson?

MR KANKUNDA: Madam Chairperson, the committee proposes that clause 5 be amended, in the headnote, by substituting for the words “principal Act”, the words “Cap. 61”.

Justification

To align the Bill with the citation of Tier 4 Microfinance Institutions and Money Lenders Act, Cap. 61.

THE CHAIRPERSON: Minister?

MR KIRYOWA KIWANUKA: No objection, Madam Chairperson.

THE CHAIRPERSON: I put the question that Clause 5 be amended as proposed.

(Question put and agreed to.)

Clause 5, as amended, agreed to.

Clause 6, agreed to.

Clause 7

THE CHAIRPERSON: Committee chairperson?

MR KANKUNDA: Madam Chairperson, the committee proposes that clause 7 be amended in the headnote by substituting for the words “section 5”, the words “section 4” and, thereafter, realign the numbering of the Bill with the numbering in the revised Tier 4 Microfinance Institutions and Money Lenders Act, Cap. 61.

Justification

To align the numbering of the section with the revised laws of Uganda as of July 2024 (7th Edition).

MR KIRYOWA KIWANUKA: Thank you, Madam Chairperson. We do agree with that amendment but, at the time of the cleaning up of the Bill, there will be a realignment of all the Bills that had been presented to this House before the 1st of July 2024, to be in tandem with the new laws of Uganda, as approved by this House.

I beg to submit.

THE CHAIRPERSON: So, do you agree with the amendment?

MR KIRYOWA KIWANUKA: Yes, Madam Chairperson. I agree with the amendment.

THE CHAIRPERSON: Thank you. I put the question that clause 7 be amended as proposed.

(Question put and agreed to.)

Clause 7, as amended, agreed to.

Clause 8, agreed to.

Clause 9, agreed to.

Clause 10, agreed to.

Clause 11

THE CHAIRPERSON: Committee chairperson?

MR KANKUNDA: Madam Chairperson, clause 11 is on the amendment of section 8 of the Act.

Clause 11: Amendment of section 8 of the Act 18 of 2016

Substitute for clause 11 of the Bill, the following-

Section 8 of the principal Act is amended;

- (a) in subsection (1),
 - (i) by substituting for the word “Authority”, the word “Ministry”;
 - (ii) by deleting the word “licensing”;
- (b) By inserting immediately after subsection (1) the following-
 - “(1a) The Minister is responsible for –
 - (a) licensing Tier 4 microfinance institutions and money lenders; and
 - (b) prescribing the minimum capital requirement of the Tier 4 microfinance institutions”;
- (c) In subsection (2),
 - (i) by substituting for the word “Authority” the word “Ministry”;
 - (ii) by repealing paragraphs (a), (m) and (n).

Justification

To apportion the functions that were being performed by the authority to the minister and the ministry.

THE CHAIRPERSON: Honourable Attorney- General?

MR KIRYOWA KIWANUKA: Thank you, Madam Chairperson. Section 8, as it reads today, states that, “the authority is responsible for regulating, licensing and supervising Tier 4 microfinance institutions and money lenders”. The proposal being made is to delete the word “licensing” from this provision.

I beg to convince the committee chairperson and its members that we amend that the ministry is responsible for regulating, licensing, and supervising Tier 4 microfinance institutions and money lenders without removing the function of “licensing” from that provision.

The second provision, therefore, is a repetition because in this proposal that you make, you say that, “the minister is responsible for licensing,” which is what was originally in the Bill.

I propose that the amendment be dropped and the Bill be left as it is. However, I agree that the change from authority to minister be adopted by the House.

THE CHAIRPERSON: Yes, Hon. Nathan.

MR NANDALA-MAFABI: Madam Chairperson, thank you very much. As the Attorney-General talks about “licensing”, I get another feeling, and agree with the chairman. How can the Ministry for Finance, Planning and Economic Development licence SACCOs? If it is a SACCO, it should be under cooperatives. If it is a bank, it should be under Bank of Uganda.

THE CHAIRPERSON: Money lenders.

MR NANDALA-MAFABI: Even money lenders should be under Bank of Uganda because that is lending.

THE CHAIRPERSON: No. Money lenders would get their licences from court.

MR NANDALA-MAFABI: From court. You can see that Hon. Kasolo wants to get power –

THE CHAIRPERSON: From Uganda Microfinance Regulatory Authority (UMRA).

MR NANDALA-MAFABI: Yes, from UMRA. He wants to licence money lenders; we shall have a problem. *(Laughter)* Madam Chairperson, on this one, we have to be very careful.

THE CHAIRPERSON: No, we are not looking at the person, but the –

MR NANDALA-MAFABI: No, even if it is not Hon. Kasolo but someone else. Madam Chairperson, having heard what the Attorney-General has spoken, I propose – *(Interruption)* - Okay.

THE CHAIRPERSON: When your boss is speaking, you do not interrupt.

MR NANDALA-MAFABI: No, let me give him a little bit of time.

MR EKANYA: Madam Chairperson, I seek clarification from Hon. Nandala-Mafabi because he taught me economics. We have the Financial Institutions Act, which gives the Bank of Uganda power to licence money lenders of a certain threshold. Then we have the Cooperative Act, which also gives mandate to the ministry for cooperatives. Can you guide us on the approach we should take?

THE CHAIRPERSON: First of all, you should know that we have tier 1, tier 2, tier 3, and tier 4. Educate him on what Bank of Uganda regulates, and what UMRA regulates?

MR NANDALA-MAFABI: Madam Chairperson, again, that is one of the functions in which we made a mistake. If a sector is dealing with money, we should allow it to deal with money. If it is dealing with cows, there is no big or small cow. That is why – *(Interjection)* - yes, it is a cow. If the Bank of Uganda is the one managing financial services, it should be given the responsibility. If a cooperative is managed by the Registrar of Cooperatives, he should manage them because it is a savings and cooperative society. Attorney-General, today, here, we should sort out this problem. The licensing of SACCOs should go to cooperatives. The licensing of moneylenders should go to the Bank of Uganda. We do not have to give it a threshold because everybody –

THE CHAIRPERSON: Why don't you first make an amendment under the Financial Institutions Act?

MR NANDALA-MAFABI: Madam Chairperson, you are right to make an

amendment. Even a law can amend another one. Yes. If we decide that today we are giving the Bank of Uganda the responsibility, it is. If you say the ministry for finance is the one to deal with money lenders, it has no capacity to evaluate credit worthiness of a human being or theft of a human being. If you talk about SACCOs, the person responsible for SACCOs is – *(Interjections)* - you see Hon. Musasizi, you can say yes because you are there now. Tomorrow you will go away; they will bring the wrong person. You may have –

MR MUSASIZI: Madam Chairperson, I want us to be on the same page with the Hon. Nandala-Mafabi. In 2016, we enacted a law called Uganda Tier-4 Microfinance Institutions and Moneylenders Act, and we gave functions. We created an authority called UMRA –

THE CHAIRPERSON: As a regulator.

MR MUSASIZI: As a regulator, we gave it functions, which were to regulate, and licence money lenders, SACCOs, etc.

THE CHAIRPERSON: That is under tier 4.

MR MUSASIZI: Yes, under tier 4, and the Village Savings and Loans Associations (VSLAs). So, from the way Hon. Nandala-Mafabi has submitted, it is like these functions have not been anywhere under the ambit of the ministry for finance. We have been exercising them through an authority called UMRA. I want us to argue along those lines.

MR NANDALA-MAFABI: Thank you very much. Then you were the chairperson of the finance committee. You know how it came up. We said we wanted this function to go to the Bank of Uganda. You will remember that we had to put it here, and said no, we should write some law to manage tier 4. If we had agreed at that time, on that error we made, this function should have gone to the Bank of Uganda in 2016.

THE CHAIRPERSON: Hon. Musasizi, Hon. Nandala-Mafabi said that from tier 1 to tier 4, since they all relate to finances, they should be regulated by the Bank of Uganda.

MR KIRYOWA KIWANUKA: Madam Chairperson, what the honourable member has said sounds quite convincing. I am always cautious with dealing with some of these things holistically on a whim. We have a position right now where UMRA is doing this work, and it has happened since 2016. Obviously, we are saying that we may want to have a rethink on whether it should go there. If we rethink, why don't we deal with the issue that we are dealing with now, and then have the committee address its mind to that issue carefully and holistically, and come back to the House on it.

MR NANDALA-MAFABI: Hon. KK, the Attorney-General, let me tell you what happened. Hon. Musasizi was the chairperson of the finance committee. The committee agreed that the money lenders should go to the Bank of Uganda. It is the Government which said, okay, let us create a tier 4 and put it somewhere, and at an appropriate time when it upgrades - But our argument was that even if it is small, the person responsible for money in a financial institution is Bank of Uganda. That is why we said the SACCOs, too.

Therefore, Madam Chairperson, this is an appropriate time.

THE CHAIRPERSON: Hon. Attorney-General, what mischief are we trying to cure? Why are we removing a tier 4 from UMRA and taking it to a personality?

MR KIRYOWA KIWANUKA: Madam Chairperson, I will be very careful not to get into that mischief right now. Like Hon. Nandala-Mafabi said, in 2016 they made this argument and the Government insisted on this. If we were allowed time to go and read the reasons which convinced Hon. Nandala-Mafabi to pass the law, as it were in 2016, if those positions have changed since that – (*Interjections*) – we do not know.

My caution, Madam Chairperson, is that; to just say here that you replace the authority with Bank of Uganda, without taking time to understand what we are dealing with, how we are managing it; why we insisted that in 2016,

it should come in under tier 4, it would be a bit unfair to all of us and the House. This is because we need to take time, understand the issue that Hon. Nandala-Mafabi has raised.

I am not even saying I do not agree with him. I am actually saying that his proposal is quite interesting but I would rather propose that we give it time, study it, and then come back, so that today we deal with the purpose of the Bill that is here, which is rationalisation.

THE CHAIRPERSON: First, allow the patient.

MR OMARA: Thank you very much, Madam Chairperson. This particular issue has been very contentious in the committee. The issue that my brother Hon. Nandala-Mafabi is raising came up and I was the one who raised it. When the law was created in 2016, the ministry had a regulator, which was the Uganda Microfinance Regulatory Authority (UMRA). The Bank of Uganda, at the time, said that Tier 4 and other small ones were too small for them to handle. Therefore, they housed the responsibility of regulation at UMRA.

With the rationalisation process coming through, the ministry decided to rationalise it and now the most important thing is where that particular function would go. I think that is a point of contention that should the minister or the ministry be licensing the small SACCOs and small ones like that - I think that is the big thing.

If you tell Hon. Nandala-Mafabi to take that function to the Bank of Uganda right now, they will not accept it, unless you engage them. They have a specific department that will handle it. Therefore, it will be created in the structure of the Bank of Uganda then that is where that consideration might be.

MR EKANYA: You said under the Financial Institution Act that Bank of Uganda has a mandate to regulate any financial institution or any organisation with a certain threshold. Whether you are a money lender, a cooperative or a SAACO, when you are within the purview

of the Bank of Uganda, it immediately intervenes.

Madam Chairperson, that has created a problem for the leadership of UMRA for the last four years. If a cooperative credit SAACO in Bushenyi has Shs 4 billion, they will have to seek clearance first from the Bank of Uganda, after that they go to the registry of cooperatives, then they come back to UMRA. That has been a complication. If a money lender has a -

THE CHAIRPERSON: Honourable members, let us first deal with this issue of rationalisation. Then we need the minister to come back and advise the House on how we can harmonise the finance sector. Whether this can go under the microfinance sector or whichever, we need to reorganise.

Truth be told, this is too small to go to the Bank of Uganda. So, we need to reorganise, but let us first rationalise and then we reorganise the finance sector.

MR OMARA: I had given Hon. Ekanya the Floor. Madam Chairperson, I think your proposal would work; we rationalise and allow a certain space of time for us to deal with the issue of who will take responsibility in terms of licensing. I think we can handle that between the Ministries of Finance, Planning and Economic Development and Trade, Industry and Cooperatives as well. Thank you.

THE CHAIRPERSON: Hon. Abdu, what do you think?

MR KATUNTU: Thank you, Madam Chairperson. The truth is, we have been having this discussion since 2016 over and over again. I have not listened to any contrary view to what Hon. Nandala-Mafabi said. Therefore, I do not know what this argument is all about because we had this argument in detail.

Secondly, it is not like Hon. Omara said that there is no department to supervise. Actually, that is not true. There is a bank supervision department within the Bank of Uganda, which deals with the financial institutions. Hon.

Omara, these are things we have interrogated over and over again.

Therefore, I was suggesting -

THE CHAIRPERSON: Hon. Omara, the supervision department deals with all financial institutions, not limited to only Tier 1 and 2.

MR KATUNTU: After our interrogation of the Bank of Uganda, they reorganised that department. It is even more detailed and reassigned some other duties to, taking away, for example, bank closures and so on. However, that is a discussion for another day.

What I think is if the minister can commit himself within two months and a month - because I am trying to have a middle way of handling this - he will come back and report on this. I request my colleague, Hon. Nandala-Mafabi, to concede to this. If you can, make that commitment, but we have had this discussion in the committees, on this Floor and we all seem to agree that these functions should go to one institution. It is part of rationalising - other than placing supervision of financial institutions in this Authority, then you place another one in another - *(Interjection)* - No, I am done with my speech. Thank you.

THE CHAIRPERSON: Honourable minister?

MR KASOLO: Thank you, Madam Chairperson. I do accept the proposal by Hon. Katuntu. I will come back here within two months.

THE CHAIRPERSON: Let us give you three.

MR KASOLO: Most obliged, Madam Chairperson.

THE CHAIRPERSON: Yes, amendment?

MR KIRYOWA KIWANUKA: Madam Chairperson, therefore, the amendment will read that section 8 is amended by substituting the word "authority" with the word "ministry." Then we also propose that we delete the issue of licensing proposed in section 8 (2) and insert

the “b” as proposed as “(1)(a) and (c).” I beg to submit.

THE CHAIRPERSON: Minister? Is that okay with you?

MR KANKUNDA: Madam Chairperson, I just needed to give clarification. I agree with the Attorney-General. I just wanted to make clear the position of the committee when we said we delete the word “licensing” in subsection (1) because we wanted to be specific. The licensing is not for the ministry but rather the minister. Since he has conceded that we take it that way, I agree.

THE CHAIRPERSON: Okay. I put the question that clause 11 be amended as proposed by the Attorney-General.

(Question put and agreed to.)

Clause 11, as amended, agreed to.

Clause 12, agreed to.

Clause 13, agreed to.

Clause 14, agreed to.

Clause 15, agreed to.

Clause 16, agreed to.

Clause 17, agreed to.

Clause 18, agreed to.

Clause 19, agreed to.

Clause 20, agreed to.

Clause 21, agreed to.

Clause 22, agreed to.

Clause 23, agreed to.

Clause 24, agreed to.

Clause 25, agreed to.

Clause 26, agreed to.

Clause 27, agreed to.

Clause 28, agreed to.

Clause 29, agreed to.

Clause 30, agreed to.

Clause 31, agreed to.

Clause 32, agreed to.

Clause 33, agreed to.

Clause 34, agreed to.

Clause 35, agreed to.

Clause 36, agreed to.

Clause 37, agreed to.

Clause 38, agreed to.

Clause 39, agreed to.

Clause 40, agreed to.

Clause 41, agreed to.

Clause 42, agreed to.

Clause 43, agreed to.

Clause 44, agreed to.

Clause 45, agreed to.

Clause 46, agreed to.

Clause 47, agreed to.

Clause 48, agreed to.

Clause 49, agreed to.

Clause 50, agreed to.

Clause 51, agreed to.

Clause 52, agreed to.

Clause 53, agreed to.

Clause 54, agreed to.

Clause 55, agreed to.

Clause 56, agreed to.

Clause 57, agreed to.

Clause 58, agreed to.

Clause 59, agreed to.

Clause 60, agreed to.

Clause 61, agreed to.

Clause 64, agreed to.

Clause 65, agreed to.

Clause 66, agreed to.

Clause 67, agreed to.

Clause 68, agreed to.

Clause 69

MR KANKUNDA: The committee proposes an insertion of a new clause immediately after clause 69 –

THE CHAIRPERSON: You will disorganise my clause 69. I put the question that clause 69 stands part of the Bill.

Clause 62

(Question put and agreed to.)

THE CHAIRPERSON: Committee chairperson?

Clause 69, agreed to.

MR KANKUNDA: Madam Chairperson, the committee proposes an amendment in clause 62, amending section 75 of the principal Act. Clause 62 of the Bill is amended by substituting for the word “minister”, the word “ministry”.

New Clause

MR KANKUNDA: Much obliged, Madam Chairperson. The committee proposes an insertion of a new clause immediately after clause 69. Insertion of a new clause immediately after clause 69 as follows-

Justification

“Amendment of Section 88 of the principal Act

To ensure the correct assignment of the functions that were being performed by the authority.

Section 88 of the Principal Act is amended in subsection 4 by substituting for the word “authority”, the word “ministry”.

THE CHAIRPERSON: Attorney-General –

Justification

MR KIRYOWA KIWANUKA: No objection, I thank the committee.

To provide for a provision, which was inadvertently left out.

THE CHAIRPERSON: I put the question that clause 62 be amended as proposed.

THE CHAIRPERSON: Honourable minister –

(Question put and agreed to.)

Clause 62, as amended, agreed to.

MR KYEYUNE KASOLO: I have no objection, Madam Chairperson.

Clause 63, agreed to.

THE CHAIRPERSON: Attorney-General -

MR KIRYOWA: No objection, Madam Chairperson.

THE CHAIRPERSON: I put the question that the proposed new clause stands part of the Bill.

(Question put and agreed to.)

New clause agreed to.

Clause 70

THE CHAIRPERSON: I put the question that clause 70 stands part of the – Okay.

MR MUTEMBULI: Thank you very much, Madam Chairperson. I remember last year I raised a matter concerning section 90, where the minister is mandated under that section to prescribe by notice in the Gazette the maximum interest rate to be charged by the moneylenders. You then directed the honourable Minister of Finance, Planning and Economic Development and he undertook within 14 days to do that.

The same committee recommended that the ministry does that. They have not done that to date. They have been hiding under the word “may” because the law says, “The minister ‘may’...” Can we now make it mandatory by saying, “The minister ‘shall’...” so that - we even put the timeline within 90 days prescribed?

From 2017 when the law came into existence, for seven years, they have never attempted to come up with any prescription of that nature.

Now that we are amending section 90, isn't it procedurally right that we now provide 90 days, within which the minister must prescribe the maximum interest rate to be charged by moneylenders so that this matter is settled once and for all - *(Interjection)*- You support me? Thank you very much, Madam Chairperson.

THE CHAIRPERSON: Honourable minister, we have suffered in the hands of moneylenders and the interest rates are not regulated and I remember the President said - yes, so even the 90 days is too much. Yes –

MR KANKUNDA: Madam Chairperson, my colleague was submitting, and indeed he submitted well, but he kept referring to Section 90, which could be a wrong record. I would like clarification.

THE CHAIRPERSON: He says clause 70 amends clause 90 of the principal Act, section 90. So he is correct. That is why he is a legal guru.

MR AOGON: Madam chairperson, to make it more urgent, we have seen a situation where moneylenders have gone to the level of picking identity cards from people as security; that is how bad the situation is. I agree with my brother here that we must prescribe the time.

THE CHAIRPERSON: Attorney-General, can you rephrase the amendment?

MR KIRYOWA KIWANUKA: “The minister shall, by notice in the Gazette, prescribe a maximum interest rate which a moneylender shall charge from time to time, provided that the first notice in the Gazette shall be issued by the minister no later than 60 days from the date of the Gazette.” *(Applause)*

THE CHAIRPERSON: I put the question that clause 70 be amended as proposed by the Attorney-General.

(Question put and agreed to.)

Clause 70, as amended, agreed to.

Clause 71, agreed to.

Clause 72, agreed to.

Clause 73, agreed to.

Clause 74, agreed to.

Clause 75, agreed to.

Clause 76, agreed to.

Clause 77, agreed to.

Clause 78, agreed to.

Clause 79, agreed to.

Clause 80, agreed to.

The Title, agreed to.

4.40

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

(Mr Haruna Kasolo): Honourable Speaker. I beg to move that the House adopts the report of the Committee of the Whole House.

MOTION FOR THE HOUSE TO RESUME

THE CHAIRPERSON: Honourable minister?

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

4.39

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

(Mr Haruna Kasolo): Madam Chairperson, I beg to move that the House do resume and the Committee of the whole House reports thereto.

(Question put and agreed to.)

Report adopted.

BILLS
THIRD READING

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

THE TIER 4 MICROFINANCE
INSTITUTIONS AND MONEYLENDERS
(AMENDMENT) BILL, 2024

THE SPEAKER: Honourable minister?

(Question put and agreed to.)

(The House resumed, the Speaker presiding.)

REPORT OF THE COMMITTEE OF THE
WHOLE HOUSE

THE SPEAKER: Honourable minister?

4.41

**HE MINISTER OF STATE FOR
FINANCE, PLANNING AND ECONOMIC
DEVELOPMENT (MICROFINANCE)**

(Mr Haruna Kasolo): Madam Speaker, I beg to move that the Bill entitled, "The Tier 4 Microfinance Institutions and Moneylenders (Amendment) Bill, 2024" be read the third time and do pass.

4.40

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

(Mr Haruna Kasolo): Madam Speaker, I beg to report that the Committee of the whole House has considered the Bill entitled, "The Tier 4 Microfinance Institutions and Money Lenders (Amendment) Bill, 2024" and passed it with amendments. I beg to report.

THE SPEAKER: I put the question that Tier 4 Microfinance Institutions and Moneylenders (Amendment) Bill, 2024 be read the third time and do pass.

(Question put and agreed to.)

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

A BILL FOR AN ACT ENTITLED, "THE
TIER 4 MICROFINANCE INSTITUTIONS
AND MONEY LENDERS (AMENDMENT)
ACT, 2024"

THE SPEAKER: Honourable Minister?

THE SPEAKER: The title is settled and the Bill is passed. *(Applause)*

BILLS
SECOND READING

THE NONPERFORMING ASSETS
RECOVERY TRUST (REPEAL) BILL, 2024

THE SPEAKER: Honourable members, I invite the minister to move a motion to the effect.

4.42

THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PLANNING) (Mr Amos Lugoloobi): Madam Speaker, I beg to move that the Bill entitled, “The Nonperforming Assets Recovery Trust Act (Repeal) Bill, 2024” be read the second time.

THE SPEAKER: Is it seconded? (*Members rose*) It is seconded by the whole House including internal affairs, Hon. Akello Lucy of Forum for Democratic Change (FDC), Hon. Nelson Okello, who is UPC and the whole House. Thank you so much. Would you like to speak to your motion?

MR LUGOLOOBI: Madam Speaker, this Bill intends to repeal the Nonperforming Assets Recovery Trust Act (Cap 95) to enable the mainstreaming of the Trust’s functions into the ministry responsible for non-performing assets. This will relieve the Government of the financial drain on its resources and the burden of wasteful administration and expenditure.

Without going into much detail, the Bill has several provisions - actually ten in number. It provides for the objectives of the Bill, which is very clear, to rationalise the Nonperforming Assets Recovery Trust.

The Bill also provides for the purpose of repealing the Nonperforming Assets Recovery Trust Act, as I already mentioned, to:

- a. To abolish the Trust, the Board of Trustees and the Sinking Fund; and
- b. To mainstream the functions of the Non-Performing Assets Recovery Trust into the

ministry responsible for non-performing assets.

The Bill also seeks to repeal the Non-Performing Assets Recovery Trust Act. Clause 5 dissolves the Trust, the Board of Trustees and the Sinking Fund.

It also deals with the transfer of assets and liabilities of the Nonperforming Assets Recovery Trust to the Government and all the pending cases lying under the Nonperforming Assets Recovery Tribunal.

Finally, it also deals with the enforcement of judgments of the Nonperforming Assets Recovery Tribunal. I beg to submit.

THE SPEAKER: Thank you, honourable minister. Committee chairperson, give us a summary. You are doing a repeal.

4.45

THE DEPUTY CHAIRPERSON, COMMITTEE ON FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Mr Moses Aleper): Thank you, Madam Speaker. With your indulgence, I will go straight away to the observations and recommendations of the committee.

As part of the preparation to introduce the Bill for the formal winding up of the Trust, the Auditor-General undertook an audit of –

THE SPEAKER: First lay the minutes.

MR MOSES ALEPER: Let me lay a copy of the minutes, a copy of the report and attendant documentation. Thank you.

THE SPEAKER: Thank you.

MR MOSES ALEPER: The Auditor-General undertook an audit of the properties on the request of the Cabinet as part of the winding-up process to show the status of the Trust as of 8 October 2007. The committee received a copy of the Auditor-General’s report on the properties, assets and liabilities of the Trust

as of 8 October 2007 and had the following observations:

- a. That it did not have evidence to show the total recovered amounts from non-performing loans during the lifespan of the Trust and the utilisation of the recoveries by the Trust;
- b. The circumstances under which the lending to farmers was defaulted, which was one of the core mandates of the Trust and the recommendations/corrective measures to be taken so that farmers' lending schemes would benefit the farmers at the time;
- c. It was also not able to get copies of the existing Board, Tribunal, staff and consultants; and
- d. It was not also able to get evidence on the transfer of assets report, as recommended by the Auditor-General's report in 2007.

The transition period from 2007 to date

The committee observed that with the legal mandate of NPART set to expire in October 2007, Cabinet, on 5 September 2007, approved the principles for the winding up of the Trust.

Accordingly, the Cabinet resolved that:

- (i) The NPART Act, Cap 95 be repealed;
- (ii) All operations of the Trust, including property rights, obligations and liabilities, were to be transferred to the Government;
- (iii) All the staff of the Trust and the Board of Trustees were disbanded; and
- (iv) The Ministry of Finance, Planning and Economic Development was authorised to retain the services of two or more technical staff to assist in resolving residual matters of distrust.

The committee observed that the effect of the resolution of Cabinet, in Cabinet minute 395 of 2007, was the winding up of NPART. What remained outstanding was for Parliament to repeal the Nonperforming Assets Recovery Trust Act, Cap 95.

Indeed, under the proposed NPART Bill 2024, the repeal has been given a retrospective application and is set to come into force on 9 October 2007, the date on which the functions prescribed under the Act were extinguished.

Winding up status of the Trust after 2007

The committee observed that whereas all the Trust's assets, liabilities, and interests were transferred to the Ministry of Finance, Planning, and Economic Development after October 2007, the Minister of Finance did not submit the status of those assets, interests, and liabilities to the parliamentary committee.

Whereas the repeal of the NPART Act, Cap. 93, has been due since 2007, the actual transfer report of the Trust's assets, interests, and liabilities and the status after winding up is therefore required.

The committee further observed that there is no provision for the immediate dissolution of the Tribunal, notwithstanding the fact that there is no proof of its functionality, and further that the Bill is repealing the Act, which was sought to be repealed since 2007.

Recommendations

The committee recommends that Parliament repeals the Non-Performing Assets Recovery Trust Act, Cap. 95, subject to proposed amendments and a special audit of the Trust from its inception.

The committee further recommends that the minister responsible for Finance lays on the Table a report detailing the assets transferred from the Trust to the ministry and their current status within a period of one month from the date of the repeal of the Nonperforming Assets Recovery Trust, Cap 95.

The committee further recommends that the status of the cases outstanding before the Non-Performing Assets Recovery Tribunal from 9 October 2007 be provided for.

Finally, the committee further recommends that the Nonperforming Assets Recovery Trust Tribunal be dissolved with immediate effect and all the pending cases, if any, should be transferred to the Office of the Attorney-General to cut the administrative costs that would arise in line with the rationalisation policy of Government. Madam Speaker, I beg to submit.

THE SPEAKER: Thank you so much, chairperson. Hon. Faith Nakut, a motion-

4.51

MS FAITH NAKUT (NRM, Woman Representative, Napak): Madam Speaker, given that the committee has provided a very detailed and clear report. I, therefore, move that the report of the committee be adopted, and we go to the Committee Stage.

THE SPEAKER: Thank you very much. Honourable members, are you in agreement with that? It is seconded by the Rt Hon. Prime Minister, Minister of Information and Communication Technology (ICT), the Vice-President, the Minister of Finance, Hon. Musasizi, Hon. Lugoloobi, honourable member from Bunyoro, Minister of Internal Affairs, and Hon. Katuntu. On the other side, Hon. Oboth – by the whole House. Hon. Linos is also here. There is also the Government Chief Whip, Hon. Mudimi, Hon. Fred Opolot, Hon. Cosmas, the Member for Zombo, Hon. Tom Bright Amooti, Hon. Abdallah and the acting Leader of the Opposition, Hon. Ibanda. *(Laughter)*

(Motion seconded.)

I put the question that the Nonperforming Assets Recovery Trust Act (Repeal) Bill, 2024 be read for the second time.

(Question put and agreed to.)

(Motion carried.)

BILLS COMMITTEE STAGE

THE NON-PERFORMING ASSETS RECOVERY TRUST ACT (REPEAL) BILL, 2024

Clause 1

4.53

THE DEPUTY CHAIRPERSON, COMMITTEE ON FINANCE PLANNING AND ECONOMIC DEVELOPMENT (Mr Moses Aleper): Thank you, Madam Chairperson.

Clause 1 - Interpretation

Clause 1 is amended in the definition of the word “Act”, by substituting for the words, “Cap. 95”, the words “Cap. 76”, and, thereafter, wherever the words appear in the Bill.

Justification

To align the chapter of the Bill with the revised laws of Uganda as of 1 July 2024.

THE CHAIRPERSON: Honourable minister?

MR LUGOLOOBI: We have no objection.

THE CHAIRPERSON: Attorney-General?

MR KIRYOWA KIWANUKA: No objection, Madam Chairperson.

THE CHAIRPERSON: I put the question that clause 1 be amended as proposed.

(Question put and agreed to.)

Clause 1, as amended, agreed to.

Clause 2, agreed to.

Clause 3

THE CHAIRPERSON: Committee chairperson?

MR MOSES ALEPER: Thank you, Madam Chairperson.

Amendment of clause 3: purpose of the repeal of Cap. 95

Clause 3 is amended in paragraph (a) by-

- a. substituting for the word “abolish”, the word “dissolve”; and
- b. inserting the words “the Nonperforming Assets Recovery Tribunal” immediately after the word “Trust”.

Justification

To change the terminology used in the Bill to dissolution and to include the tribunal among those entities to be dissolved with immediate effect.

THE CHAIRPERSON: Honourable minister?

MR LUGOLOOBI: We have no objection, Madam Chairperson.

THE CHAIRPERSON: Attorney-General?

MR KIRYOWA KIWANUKA: No objection, Madam Chairperson.

THE CHAIRPERSON: I put the question that clause 3 be amended as proposed.

(Question put and agreed to.)

Clause 3, as amended, agreed to.

Clause 4, agreed to.

Clause 5

THE CHAIRPERSON: Committee chairperson?

MR MOSES ALEPER: Clause 5 - Trust, Board, Sinking Fund to cease to exist

Clause 5 of the Bill is amended –

- a. in the headnote by inserting the words “the Nonperforming Assets Recovery Tribunal”

- immediately after the word “Trust”; and
- b. after the paragraph (c) as follows - “the Nonperforming Assets Recovery Tribunal”.

Justification

To make sure it is in line with the abolition of that trust. Thank you.

THE CHAIRPERSON: Honourable minister?

MR LUGOLOOBI: Madam Chairperson, there is no objection.

THE CHAIRPERSON: Attorney-General?

MR KIRYOWA KIWANUKA: Madam Chairperson, we have no objection.

THE CHAIRPERSON: I put the question that clause 5 be amended as proposed.

(Question put and agreed to.)

Clause 5, as amended, agreed to.

Clause 6

THE CHAIRPERSON: Committee chairperson?

MR MOSES ALEPER: Thank you, Madam Chairperson.

Clause 6: Transfer of assets and liabilities of the Trust to the Government

Clause 6 is amended in subclause (1) by deleting the words “Government under the”.

Justification

To provide clarity and consistency.

MR KIRYOWA KIWANUKA: Madam Chairperson, clause 6 provides that: “All property, assets, interests and rights of the Trust, including monies in the Sinking Fund, are transferred to the Government under the Ministry.”

If you want to move “to the Government”, then, you are saying that you are transferring it to the ministry, but, remember, money going to the ministry is supposed to be through appropriation.

So, if you remove “to the Government”, that means the ministry will have money, which you have not appropriated. When you say you transfer it “to the Government”, under the ministry, that means it is going to the Consolidated Fund.

Removing “Government” means you are giving the ministry money, which has not been appropriated. I propose that we leave this provision as it is. The purpose of this provision was to get all these assets and move them into the Consolidated Fund account.

THE CHAIRPERSON: Assets and liabilities?

MR KIRYOWA KIWANUKA: Yes. Thank you.

MR MOSES ALEPER: Thank you, Attorney-General, for the wise counsel. I concede.

THE CHAIRPERSON: So, it stands part of the Bill. I put the question that clause 6 stands part of the Bill.

(Question put and agreed to.)

Clause 6, agreed to.

Clause 7

THE CHAIRPERSON: Committee chairperson?

MR MOSES ALEPER: Clause 7 - Pending cases

Clause 7 is amended –

- a. in subclause (1) by deleting the words “or his or her legal representative” appearing after the words, “Attorney-General”;
- b. by inserting a new subclause immediately after subclause (2), as follows-

“Cases pending before the tribunal at the commencement of this Act shall be transferred to the High Court.”

Justification

To align with the provisions of Article 119(3) of the 1995 Constitution of Uganda and to provide for the transfer of the cases pending before the tribunal to the High Court. Thank you.

THE CHAIRPERSON: Minister?

MR LUGOLOOBI: Madam Chairperson, no objection.

THE CHAIRPERSON: Attorney-General?

MR KIRYOWA KIWANUKA: Madam Chairperson, we have no objection.

THE CHAIRPERSON: I put the question that clause 7 be amended as proposed.

(Question put and agreed to.)

Clause 7, as amended, agreed to.

Clause 8

THE CHAIRPERSON: Committee chairperson?

MR MOSES ALEPER: Clause 8- cases pending in Nonperforming Assets Recovery Tribunal

We propose the deletion of clause 8 – because we have proposed for the dissolution of the tribunal. So, it is a consequential amendment to clause 7. Thank you.

THE CHAIRPERSON: Minister?

MR LUGOLOOBI: Madam Chairperson, no objection.

THE CHAIRPERSON: Attorney-General?

MR KIRYOWA KIWANUKA: No objection, Madam Chairperson.

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

(Question put and agreed to.)

Clause 8, deleted.

Clause 9, agreed to.

Clause 10, agreed to.

The Title, agreed to.

MOTION FOR THE HOUSE TO RESUME

5.01

THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PLANNING) (Mr Amos Lugoloobi): Madam Chairperson, I beg to move a motion that the House resumes and the Committee of the whole House reports there to.

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

(Question put and agreed to.)

(The House resumed, the Speaker presiding.)

REPORT FROM THE COMMITTEE OF
THE WHOLE HOUSE

5.02

THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PLANNING) (Mr Amos Lugoloobi): Madam Speaker, I beg to report that the Committee of the whole House has considered the Nonperforming Assets Recovery Trust Act (Repeal) Bill, 2024 and passed it with some amendments. I beg to report.

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

5.02

THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PLANNING) (Mr Amos Lugoloobi): Madam Speaker, I beg to move a motion for the adoption of the report from the Committee of the whole House.

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

(Question put and agreed to.)

Report adopted.

BILLS
THIRD READING

THE NONPERFORMING ASSETS
RECOVERY TRUST ACT (REPEAL) BILL,
2024

5.03

THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PLANNING) (Mr Amos Lugoloobi): Madam Speaker, I beg to move that a Bill entitled, "The Nonperforming Assets Recovery Trust Act (Repeal) Bill, 2024" –

THE SPEAKER: Act? Repeat it.

MR LUGOLOOBI: It is actually - this is the title.

THE SPEAKER: You repeat it.

MR LUGOLOOBI: I got it right. It is; Act (Repeal) Bill.

THE SPEAKER: Act (Repeal) Bill. You read again.

MR LUGOLOOBI: Madam Speaker, I beg to move that "The Nonperforming Assets

Recovery Trust Act (Repeal) Bill, 2024”, be read the third time and do pass.

THE SPEAKER: Thank you. I put the question that “The Nonperforming Assets Recovery Trust Act (Repeal) Bill, 2024”, be read for the third time and do pass.

(Question put and agreed to.)

A BILL FOR AN ACT TITLED, “THE NONPERFORMING ASSETS RECOVERY TRUST (REPEAL) ACT, 2024”

THE SPEAKER: Title settled and the Bill passed.

BILLS SECOND READING

THE ADMINISTRATION OF
PARLIAMENT (AMENDMENT) BILL,
2024

THE SPEAKER: Honourable members, the Bill was sponsored by a private Member and I find it prudent that we pass the Bill when the private Member is in the House for him to move his motion.

What do you think Attorney-General?

5.05

MR STEPHEN BAKKA (NRM, Bukooli County North, Bugiri): Under the rules, Madam Speaker, anyone could stand in for the private Member, especially if they have the same conviction as to the contents of the Bill, but even that Member would require I think, some preparation. I concur with you, Madam Speaker, that –

THE SPEAKER: Hon. Fox *(Laughter)*

5.06

MR FOX ODOI-OYWELOWO (NRM, West Budama North East County, Tororo): Madam Speaker, I remember in the Ninth Parliament, the Hon. Wilfred Niwagaba, sponsored the Prohibition and Prevention of Torture Act. He was not in the House on the

day that matter was called, and I presented that Bill, and we passed it.

There is no rule that bars us from handling this matter. It is critical for the democratisation process of this institution. Madam Speaker, anytime you are ready, we are ready to proceed.

THE SPEAKER: Thank you. Hon. Ogwang?

MR PETER OGWANG: Madam Speaker, since Hon. Fox Odoi did stand in for Hon. Niwagaba at that time, could I seek clarification from him whether he is ready to stand in for Hon. Lumu so that we could proceed with the Bill?

THE SPEAKER: We have not heard from the chairperson of finance. Then I will come to ICT.

5.07

MR AMOS KANKUNDA (NRM, Rwampara County, Rwampara): Thank you, Madam Speaker, for giving me an opportunity. I want to take this opportunity first of all to thank you, as our Speaker, for guiding us very well as a committee, the Government Chief Whip and the ministry generally for sharing in the process of these RAPEX reports that we have just submitted.

I also thank my members, particularly my deputy chairperson and the technical team, for a job well done. Thank you.

5.08

THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi): Madam Speaker, on behalf of the Ministry of Finance, Planning and Economic Development, I want to take this opportunity to appreciate you for the support you have given us in this process of rationalisation.

Madam Speaker, I will not refer to the three Bills. I will refer to rationalisation generally since we are seeking efficiency and effectiveness in the way we do things in Government. I want to

thank you and my honourable colleagues for your resolve, and I want to thank our senior leaders, the Vice President, the Prime Minister, the Government Chief Whip, and the Attorney-General, for being in the House.

Madam Speaker, I have to express interest; whenever the Attorney-General is in the House, my confidence levels improve. *(Applause)* I really want to thank him for being there to support the Government and all of us in the process of doing this work. Thank you so much colleagues, God bless you all.

THE SPEAKER: Attorney-General, we told you we could not pass the Bills because you are away, and that now qualifies his statement because you support us a lot in this.

Honourable ministers, the Vice-President, I want to thank you so much for really taking up time and being with us the whole day. The Prime Minister has been everywhere. I want to thank you. She came running - I want to thank you for all that you are doing.

Minister of ICT, you have been trying your best to educate the country on what rationalisation is. I want to urge you, after here today, I want you to go out there and tell the public why we are rationalising. We are not cutting the coffee trees, we are only mainstreaming the functions and the benefits that they will get.

I remember when they brought the petroleum Bill, everybody did not want it. Now the petroleum fuel *-(Interjection)-* Hon. Kabanda, you want to say something?

MR DAVID KABANDA: Yes, Madam Speaker. I want to add on what you have just said, to thank Her Excellency the Vice President, the Prime Minister and the minister for energy, but more importantly, to thank you, Madam Speaker.

When they brought the fuel law here, most of us were against it. We said, "No, some people want to take our fuel; the President wants to take our fuel." But today, when I was coming, I checked on most of the fuel pumps, the prices have gone down.

This shows that every decision that the President and the Cabinet bring to this House is for the good of the country. *(Applause)*

I remember, Madam Speaker, you came from your maternity leave and the Rt Hon. Prime Minister - not from her maternity leave - mobilised us to come here and support that Bill. It is working for us because when the President told us that he wants to remove the middleman so that our fuel can go down, today, everybody can see it. When you go to all the fuel pumps, the prices have gone down. *(Applause)*

We thank His Excellency the President for his strategic and visionary leadership for this country. We are ready to continue supporting him and you, Madam Speaker. *(Applause)*

THE SPEAKER: Thank you. One thing that we need to tell the public out there is that whatever we do is in good faith. We are doing this for the good of the country.

On a serious note, we need to thank the President for his visionary leadership. *(Applause)* We need to thank him for all that he is doing for the good of Ugandans. When you say the President wants to steal coffee and Hon. Anita wants to steal coffee, I do not even know how to take coffee.

Though Hon. Nandala-Mafabi is my own, he does not give me coffee. Therefore, we thank you, the Frontbench. You have been here the whole day.

On a special note, I thank - I will explain later when we are only three; Hon. Oboth and Hon. Muhoozi *-(Laughter)-* I also thank the Government Chief Whip who has been running up and down, but most importantly, Members of Parliament; you are great people. *(Applause)*

I thank Hon. Jane and Hon. Peter. I thank all of you for being in the House. I see my loyal guards. *(Laughter)* Honourable members, I want to repeat that this House is a House of logic. Even when we do not agree, we do not need to walk out or fight. I love Hon. Nandala-Mafabi; he is a gentleman. *(Applause)*

Hon. Katuntu, even when we do not agree - I know the person most passionate about coffee is Hon. Nandala-Mafabi but he remains here and brings his point - whether you take it or not, but he will have brought his point. Hon. Ekanya and Hon. Nelson are also here - Hon. Akol would be here if he was not injured. *(Laughter)*

5.16

THE MINISTER OF INFORMATION, TECHNOLOGY AND NATIONAL GUIDANCE (Dr Chris Baryomunsi): Thank you very much, Madam Speaker. I also add my voice to thank you for steering the House successfully. I just have two comments on your earlier issue of the Bill by Hon. Lumu.

As the other colleagues have said, rules do not prohibit us from proceeding. In the Ninth Parliament, I introduced the Tobacco Control Bill, and when we were concluding it, I was appointed a minister, and another Member concluded.

As you have guided, it would be important that we wait for Hon. Lumu to be back in the House, just out of prudence, especially since the Bill concerns the Opposition. We could stand over it until our colleagues are back, and then we could handle and conclude it.

Secondly and lastly, Madam Speaker, there has been a lot of propaganda and falsehoods, especially on the Coffee Bill, to the extent that some Members were intimidated that maybe your political standing might get low. Our ministry shall work with the Ministry of Agriculture, Animal Industry and Fisheries to come up with information answering the many false things, which have been in the public. We shall share this information so that we have talking points, but also, we shall support all Members of Parliament. Whether it requires coming down to the constituencies to explain the patriotic decision which has been taken by Parliament, we shall do so. Members should feel comforted because we are legislating in the interest of the country and nobody should intimidate us, when we are here doing a patriotic duty.

We are not rationalising coffee. Nobody is cutting the coffee plants. Therefore, we shall detoxify the environment in terms of giving the correct information to the country. I thank you very much.

THE SPEAKER: Thank you. Honourable members, I am hungry. *(Laughter)*

5.18

THE MINISTER OF STATE FOR WILDLIFE, TOURISM AND ANTIQUITIES (Mr Martin Mugarra): I will use one minute, Madam Speaker. I also thank you. The reason mainly is that this House started in 1920 as the Legislative Council (LEGCO). The reason it has stayed to date is because it has been a House of reason, debate, and argument, and whoever carries a better idea carries the day. The moment this Parliament turns into a ring, a battlefield, I do not think - because if you look at the years from 1920 to date, it is actually 104 years.

It is important that we hand over this same Parliament so that it stays for another 200 years. That can only happen if what happens in this House is only debate and reason, as opposed to punches and fists.

Therefore, I thank you, Madam Speaker, for taking this stand and protecting this institution. *(Applause)* I request my colleagues, Members of Parliament, that it is important, at whatever cost, to protect this House and only allow debate and reason here. Fighting should never be tolerated in this House if we are to keep it for another 200 years. So, I thank you, Madam Speaker.

THE SPEAKER: Thank you. Motion? Minister?

5.20

MR DAVID KABANDA (NRM, Kasambya County, Mubende): Thank you, Madam Speaker. I rise to move a motion. Hon. Ssenyonyi, the Leader of the Opposition, when we returned from the suspension of 15 minutes, alleged many things which were not true. *(Text expunged.)*

I would like to move a motion that his statements be expunged from the *Hansard* because whatever he alleged was not true. I beg to move.

THE SPEAKER: Honourable members, the motion is raised under rule 229 of our Rules of Procedure; Expunging from the Official Record, which reads:

“Where the Speaker is of the opinion that the words that have been used in debate are defamatory, indecent, un-parliamentary or undignified, the Speaker shall order that such words be expunged from the official record of Parliament.” Indeed, what was said was un-parliamentary, it was defamatory; it defamed me.

I now, therefore, order that whatever was said by Hon. Ssenyonyi, should be expunged from the record. *(Applause)* I put the question.

(Question put and agreed to.)

(Motion adopted.)

5.22

THE STATE MINISTER, OFFICE OF THE PRIME MINISTER (BUNYORO AFFAIRS) (Ms Jenipher Namuyangu): Thank you, Madam Speaker. I congratulate you and the entire House.

I rise to appreciate honourable colleagues. On the 18th of last month, I lost my dear mom, Mutesi Beatrice Kacha and on the 22nd, we buried her in Kibuku. I would like to appreciate colleagues for their spiritual, financial and moral support. *(Applause)*

Rt Hon. Prime Minister, I would like to thank you, but specifically, Hon. Akol. I was very touched when Hon. Anthony Akol travelled all the way from Amuru to Kibuku *–(Applause)–* and he was the first MP there. I had tears of joy.

So, honourable colleagues, thank you very much for the teamwork and support. I look at you as my heroes. Thank you very much. *(Applause)*

THE SPEAKER: Thank you so much.

5.24

THE MINISTER OF STATE OFFICE OF THE PRIME MINISTER (NORTHERN UGANDA AFFAIRS) (Dr Kenneth Omona): Madam Speaker, I also join the rest to thank you, for the job well done and also guiding the House in achieving what the Government had moved to ensure that there is efficiency and supporting Government’s frugality.

I would like to very briefly mention one thing about coffee. I thank Hon. Baryomunsi for emphasising the need to inform the people and the public, especially with correct information *– (Interruption)*

THE SPEAKER: Honourable members, let us listen.

DR OMONA: Madam Speaker, personally, much as what I witnessed today worried me, at least it ended well. All along, I thought to debate in this House, I must research, learn and come to win by debate. I thought I needed to go back and maybe do other forms of preparation *– (Laughter)* - but my fears were allayed by your ruling. I hope that I will focus on –

Madam Speaker, in the north where I work, we are very happy by the intensity that the debate about coffee caused in this House. It has helped us to emphasise to the people in the north that coffee is a very important commodity –

THE SPEAKER: There is a procedural matter, honourable minister.

MS TAAKA: Madam Speaker, you have taken us through the day and you have ably communicated to us that you are hungry.

THE SPEAKER: The House is adjourned *sine die.* *(Laughter)*

(The House rose at 5.26 p.m. and adjourned sine die)