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PARLIAMENT OF THE REPUBLIC OF UGANDA

**REPORT OF THE JOINT COMMITTEE OF THE COMMITTEES ON  
DEFENCE AND INTERNAL AFFAIRS; AND PHYSICAL INFRASTRUCTURE  
ON INVESTIGATIONS ON THE IMPLEMENTATION OF THE INTELLIGENT  
TRANSPORT MONITORING SYSTEM BY M/S JOINT STOCK COMPANY  
GLOBAL SECURITY**

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OFFICE OF THE CLERK TO PARLIAMENT  
PARLIAMENTARY BUILDINGS  
KAMPALA-UGANDA

MAY, 2023

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**2 BACKGROUND**

Following the gruesome killings committed by criminals around the country moving in unidentified vehicles and motorcycles in 2018, H.E., the President of the Republic of Uganda addressed Parliament and presented ten measures that the government was going to undertake to fight the escalating crime among which included smart number plates and a Smart Tracking System for motor vehicles and motorcycles countrywide. He requested for Parliament's support in these endeavors. Subsequently, GoU identified the ITMS project to develop the implementation of a Smart Tracking System in Uganda that will improve crime management, security, traffic management and revenue collection.

The ITMS is an intelligent safe city system based on software that stores information about vehicles and owners, analyses traffic flow through special equipment and checks vehicles' legitimacy.

The project's overall goal is to improve security and reduce crime committed against innocent Ugandans by criminals, who have made it a habit of shooting people and getting away, mainly on motorcycles.

Subsequently, the Government of Uganda, represented by the Ministry of Security and the Ministry of Works and Transport, entered an Agreement with a Russian company Messrs Joint Stock Company Global Security, on 23<sup>rd</sup> July 2021 to set up an Intelligent Transport Monitoring System (ITMS).

The Presidency is coordinating the project specifically under the docket for security, working together with relevant Security Agencies, and the office commenced preparatory arrangements to implement the directive above.

**3 TERMS OF REFERENCE**

The Joint Committee considered the petition under the following Terms of Reference;

Reference; *[Handwritten signatures and notes]*

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1. To establish whether implementing the ITMS protects and preserves people's right to Privacy
- ii. To establish whether value for money will be achieved during the implementation of the ITMS project.
- iii. To establish whether a demonstration of the effectiveness of the project by installing the ITMS on government vehicles, motorcycles, and passenger service vehicles, including taxis, before roll out was done.
- iv To establish whether Government would meet all costs required for installing the ITMS in all vehicles.
- v. To carry out an exhaustive investigation into the existence and operations of MS/Joint Stock Company Global Security
- vi. Any matters incidental thereto.

**4 METHODOLOGY**

The Committee;

a) Held meetings with the following;

- i. The Minister and officials of the Ministry for Security
- ii. The Minister and officials from the Ministry of Transport and Works
- iii. Hon. Sarah Opendi, Woman MP Tororo District, the mover of the motion.
- iv. The ITMS Project Management Team (PMT) composed of nominees from the President's office, Ministries of Finance, Security, Works, NITA Uganda, UTL, Uganda Police, UPDF, NEC, ISO and Attorney General's office.
- v. Representatives of MS/Joint Stock Company Global Security

b) Reviewed the following documents;

- i. The Constitution of the Republic of Uganda 1995
- ii. The Public Finance Management Act 2015
- iii. The Public-Private Partnerships Act 2015
- iv. Memorandum Of Understanding between the Government of Uganda and Joint Stock Company Global Security

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- v. Agreement between the government of Uganda and Joint Stock Company Global Security
- vi. The Technical specifications report by PMT
- vii. The Financial Model by PMT
- viii. Correspondence with the Attorney General
- ix. Articles of Association of Ms Joint Stock Company Global Security and Ms Virtus Global Security Company

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**5 ITMS PROJECT IMPLEMENTATION OVERVIEW**

**5.1 Specific objectives of ITMS;**

The specific objectives of the project are:-

- i. Crime management through detection, tracking, identification and recognition of all vehicles and motorcycles operating in the country;
- ii. Provide additional benefits like improved revenue collection (by URA), improved traffic management (by Uganda Police Force), and enhanced process of registration of vehicles/motorcycles.

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**5.2 Steps taken by the government**

Considering the Security sensitivity and the multi-sectoral approach required towards the implementation of the ITMS, Government undertook the following steps summarised in Table 1 below

*Table 1: Chronology of ITMS project events*

Date	Event	Comments
22 <sup>nd</sup> March 2019	GoU, represented by the Hon. Minister for Security and the Attorney General, entered an MoU with M/s. Joint Stock Company Global Security	To undertake a feasibility study on creating the ITMS
September 2019	Completion of Technical feasibility study pursuant to the MoU	The final technical feasibility report that covered the problem statement, proposed solutions, goals and objectives; the implementing agencies, and the

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technical/engineering requirements, among others

21<sup>st</sup> July 2021 Solicitor General clears the Agreement

In a letter, ref. ADM 7/197/01 dated 21<sup>st</sup> July 2021, the Solicitor General cleared the Agreement. The Hon. Attorney General reinforced this position in his letter ref: AG/2021/3765 dated 4<sup>th</sup> May 2022

July 2021 Cabinet approval under Minute Extract 129 (CT 2021)

Section 33(3) of the PPP Act 2015 requires Cabinet approval where a Contractor has been procured directly, especially in conditions where competition is not feasible, e.g under Security considerations. Accordingly, Cabinet approved the implementation of the ITMS

23<sup>rd</sup> July 2021 GoU, represented by the Office of the President, Ministry of Works and Transport and M/s Joint Stock Global Security, agree to implement the ITMS Although signed in July 2021,

The ITMS Agreement eventually became effective on 20<sup>th</sup> June 2022 upon the Parties approving the Financial Model in line with Art 4 1 of the ITMS Agreement.

7<sup>th</sup> December 2021 The Permanent Secretary, Office of the President, appoints a PMT team

Article 11.1 of the ITMS Agreement provides that: "Immediately upon the execution of this Agreement, the Employer shall constitute a Project Management Team (PMT) whose mandate shall be to oversee the development of the Project by the Contractor and to work closely with the Contractor concerning all the technical, legal and financial aspects of the Project"

Source: MoU between GoU with M/s. Joint Stock Company Global Security and stakeholder submissions

**6 PROGRESS OF THE PROJECT;**

The Project Management Team (PMT) has so far carried out the following:  
 i. Drafted Regulations for the new vehicle registration plates.

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**8 FINDINGS, OBSERVATIONS AND RECOMMENDATIONS**

The Committee's inquiry elicited findings, observations and recommendations in light of the terms of reference as demonstrated below.

**8.1 Tor 1: To establish whether implementing the ITMS protects and preserves people's right to Privacy.**

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The Committee found that Privacy is a fundamental human right enshrined in numerous international human rights instruments and the Constitution of Uganda. It is central to protecting human dignity and forms the basis of any democratic society. The Committee understands that the petitioner's concerns are premised on the fact that a foreign firm will manage the ITMS architecture and, by extension, the data collected. Because the system is inherently vulnerable to state surveillance due to the State's deploying increasingly sophisticated and coercive means to prevent crime, the likelihood of subjecting citizens to surveillance disruption is imminent.

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Whereas the petitioner's concern reflected the fear that installing the monitoring and tracking system would result in the intrusion into people's right to Privacy, the Committee found that the ITMS contract is well clothed within the Law.

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Article 27 (2) of the Constitution of the Republic of Uganda provides thus:

*"No person shall be subjected to interference with the privacy of that person's home, correspondence, communication or other property."*

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However, the right provided for in Article 27(2) of the Constitution is subject to general limitations provided for in Article 43 of the Constitution.

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Article 43 of the Constitution provides thus-

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(1) In the enjoyment of the rights and freedoms prescribed in this Chapter, no person shall prejudice the fundamental or other human rights and freedoms of others or the public interest.

(2) Public interests under this article shall not permit-

- (a) Political persecution;
- (b) Detention without trial
- (c) Any limitation of the enjoyment of the rights and freedoms prescribed by this Chapter beyond what is acceptable and demonstrably justifiable in a free and democratic society or what is provided in this Constitution

Courts in Uganda have defined what amounts to public interests. The case of *Aboneka Michael and Center for Constitutional Governance vs Attorney General HC Msc, no 367 Of 2018*, described public interests as 'something in which the public as a whole has a stake'. It further appreciated the definition of public interest in the case of *R vs Bedfordshire 24L.J.G.B 84* as '*...does not mean that which is interesting as gratifying curiosity or love of information or amusement; but that in which a class of the community have a pecuniary interest or some interests by which their rights or liabilities are affected.*'

Further, the Supreme Court, in the case of *Amoti Godfrey Nyakana Vs Attorney General and others Const. Appeal No.5 of 2011*, the court held that while our Constitution permits limitations on the enjoyment of the rights guaranteed under it, those limitations are only permissible to prevent the prejudicing of the rights of others and to protect public interests, which is justifiable in a 'free and democratic society' or as provided for by the same Constitution.

**Observations.**

The Committee observed that;

- i. The right to Privacy is among the rights under which the State can interfere, as Article 43 of the Constitution provides. Such a right

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is not absolute, and the State is clothed with powers to interfere where necessary for the public interest within what is acceptable and demonstrably justifiable. The gruesome killings by hit-and-run gun-wielding motorcyclists recorded in Uganda pause a great danger to public security if undeterred.

ii. The Data Protection and Privacy Act, 2019 under Section 7(2) (b) (ii) and (iii) allows the State to collect personal data for national security and; prevention, detection, and investigation of an offence or breach of the Law to interfere with your Privacy. Section 20 of the same Act obliges the data collector (ITMS) to ensure the integrity of personal data in their possession by adopting appropriate and reasonable measures to prevent the loss or unlawful/unauthorised access to data collected by the system.

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iii. Article 7.1 of the ITMS Agreement provides that *'The Parties shall ensure that Personal Data is collected, processed and stored in accordance with the Data Protection and Privacy Act, 2019. No party shall use any personal data collected, processed or stored for purposes other than for the objects of this Agreement.* Therefore, the ITMS is mindful of the Data protection and privacy Laws of the Country.

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**Recommendation;**

**The Committee, therefore, recommends that;**

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- i. **Government should take the initiative to sensitise citizens about their rights to Privacy..**
- ii. **The Government should sensitise the public on the benefits of the ITMS system in crime management.**

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**8.2 Tor 2; To establish whether value for money will be achieved during the implementation of the ITMS project.**

The Committee is mindful that in the Constitution of the Republic of Uganda under Article 163 (3) (b) and Section 21, the Auditor General is mandated to carry out value-for-money audits regarding any project involving public funds

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The Committee established that the total investment of the ITMS project would amount to USD 257,033,822.93, and the investor would entirely bear the cost. However, the Committee observes that the investor intends to recover this cost through fines and fees provided in the financial model.

It is noteworthy that for such projects to be undertaken by the government, comprehensive due diligence on the contractor should be conducted to critically review and evaluate their capacity to minimize significant loss after the contract has been closed. The Minister of Security informed the Committee that the Project Management Team undertook due diligence on the Company, and the team gave assurances of value for money in its due diligence report. However, the Committee finds it prudent that for Parliament to pronounce itself on the matter, the Committee should be allowed an opportunity to benchmark on some of the projects already implemented by the M/s JSC Global Security to assess its capacity to deliver on the contract and for government ensure value for money.

**Recommendation.**

**The Committee recommends that;**

- i. **During the implementation of the ITMS project, the Auditor General regularly conducts value-for-money audits on the project to establish whether the total project costs reported are;**
  - **Reflective of the actual costs for the project,**
  - **Prudently incurred following the project implementation design, and**
  - **Reflective of value for money.**
- ii. **Upon adopting this report, the Committee be allowed an opportunity to undertake a benchmark/due diligence on the already implemented projects by the M/s JSC Global Security to assess its capacity to deliver on the contract for government to ensure value for money.**

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8.2.1 *The financial model for the intelligent transport monitoring system.*

The Committee established that the Agreement on the Intelligent Transport Monitoring System (ITMS) between GoU and Joint Stock Company Global Security, under Article 4, set out the conditions precedent to the Agreement's effectiveness, among which was the Financial Model for the ITMS project. The Committee's scrutiny of the Financial Model revealed the following;

8.2.1.1 *The cost structure of the investment.*

The Committee established that from the model, the total investment by the private investor would amount to USD 257,033,822.93 This will cater for initial capital investments for acquiring cameras, speed radars, smart registration plates, electronic devices, control room and software. The government will provide the land on which the facility's headquarters will be set up. No financial investments or guarantees will be required from GoU. Only policy support and integration with existing security infrastructure and legislative support will be expected as support from GoU. The model further reveals that the operational phase will include the following over the contractual period of ten years.

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- i. Expected revenue of approximately USD 974 million from speeding violations, traffic fines and penalties, sale of digital registration plate fees
- ii. Operation expenses of approximately USD 106 million include system maintenance costs, wages and general administration budget,
- iii. Heavy expenditure on capex and infrastructure cumulatively of approximately USD 540 million. The capex key drivers will be electronic devices, speed radars and other related equipment and infrastructure.
- iv. The return on investment over the ten years is at 38.99%, implying a 3.9% return per annum on a linear basis.

8.2.1.2 *The utilisation of funds at source*

According to Article 9.5 of the Agreement, all payments, i.e., fines charged for violation of traffic laws, shall be made quarterly. The Government of Uganda shall make such payment within no more than two months from the date of issuing the invoice by the Contractor. The fines envisaged by the Contractor and also stated in the Financial Model are statutory fines provided for under the Road Fund Act. These are collected from persons who violate the laws

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years. The tax incentive should tie within the first four years of investment, after which the statutory taxes should apply.

8.2.1.4 Financial Model specifications

The model is silent on public investment regarding land acquisition to install ITMS infrastructure and additional traffic lights that may be necessary to install sensors and actuators for easy tracking. This is because some areas in the country do not have a single traffic light, yet criminals may pass through such points.

Recommendations.

The model should include the initial Government investment in the acquisition of land and other assets necessary for the implementation of the project.

8.3 Tor 3; To establish whether a demonstration of the effectiveness of the project by installing the ITMS on government vehicles, motorcycles, and passenger service vehicles, including taxis, before roll out was done.

The Committee found that the PMT visited the MoWT/UNRA regional stations and Police command centres from February 2nd – 8th, 2022, to establish space requirements. The team adopted a general report during the meeting on 18th Feb 2022. The Minister of Security informed the Committee that the Contractor had piloted the installation of the trackers in different vehicles. This exercise began on February 2nd 2022, and installed the trackers as follows:

- 08 Cars (Privately owned vehicles)
- 04 buses each plying each region
- 03 Taxis (Minibuses)
- 05 motorcycles (Boda boda)

Additionally, UTL had provided 21 test sim cards to the service provider for installation in the trackers. All vehicles used during the exercise to

establish space requirements in the regional centres were installed with trackers to establish UTL network coverage nationwide. This was a work in progress of UTL to identify the network dark spots during the piloting phase.

Further, two traffic junctions were identified in KCCA for piloting at Makerere Hill Road and Fairway Hotel Yusuf Lule Road complex junction. The Contractor supplied pilot Number Plate Recognition (NPR) and Surveillance cameras and linking them to the national command and data center at UPDF headquarters to analyse vehicle, driver and human behaviours at different junctions. Makerere Hill was installed with eight cameras, mainly for traffic violation analytics and surveillance. Others were piloted on the Northern bypass for vehicle identification and traffic violation analytics. A facial recognition and traffic density camera had been placed in Kisekka Market for analytics.

**Observation.**

The Committee observes that

- i. The system will be implemented in phases starting with the capital city and rolled out across the country over a three-year period. This covers 238 boundaries and over 83 major road intersections. The new registration plates will start with the replacement of government plates plus first-time registration.
- ii. The service provider, in conjunction with GoU, will operate the system over the ten-year period, which upon expiry, the project will be handed over to the government at no additional cost.
- iii. Piloting the ITMS will help build confidence in the project by demonstrating how it will create a centralised transport monitoring system for all motor vehicles and motorcycles in Uganda. Based on the tracking device installed on all motor vehicles and motorcycles synchronised with the digital number plates enhanced with security features as suitable mechanisms, identifying criminal elements in public will be simplified.

