



PARLIAMENT OF UGANDA

# PARLIAMENTARY DEBATES

(HANSARD)

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OFFICIAL REPORT

SECOND SESSION - THIRD MEETING

WEDNESDAY, 29 MARCH 2023



IN THE PARLIAMENT OF UGANDA

Official Report of the Proceedings of Parliament

SECOND SESSION - 21ST SITTING - THIRD MEETING

Wednesday, 29 March 2023

*Parliament met at 1.59 p.m. in Parliament House, Kampala.*

PRAYERS

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

*The House was called to order.*

COMMUNICATION FROM THE CHAIR

**THE SPEAKER:** Honourable members, I welcome you to this afternoon sitting. I want to commend you for the principle of Ubuntu that we have instilled in ourselves. The principle of Ubuntu was seen last week when we commemorated the passing of our late Speaker.

I also commend you for the principle of sisterhood and brotherhood. I have seen it when you have had fundraisings. I saw it when the Hon. Fox Odoi was almost being lynched here, but because he is our brother, we just learnt to live with him. *(Laughter)* We must uphold that principle, as Members of the 11<sup>th</sup> Parliament. We should work together towards it, build each other and ensure we are always there for each other.

As we continue seeing what is happening; the rains have come back – I am sorry about my voice; I have an allergy. But what I am saying is that there is increased degradation of the environment.

As we go into the tax Bills, I want Government to be mindful of the taxes, especially on gas,

because people are cutting down trees and that kind of thing - we should look at how to reduce taxes, especially on items like gas because we need to be sensitive to the public.

Once more, I welcome you and wish you nice deliberations.

2.03

**MR PAULSON LUTTAMAGUZI (DP, Nakaseke South County, Nakaseke):**

Thank you, Madam Speaker. As a Member of Parliament, I am concerned about the chaos in Kenya. We have not yet heard of any plans by the Government in the event that the chaos there persists because as of now, Kenyans have made it a standard thing to strike almost every Monday of the week. Thank you.

**THE SPEAKER:** Honourable members, whoever wants to give me information, please, write a note and send it over. It is the Members in this House that gave me a cold; all the time, they want to come and whisper to me.

2.04

**THE MINISTER OF STATE FOR TRADE, INDUSTRY AND COOPERATIVES (INDUSTRY) (MR DAVID BAHATI):**

Madam Speaker, we are watching the situation in Kenya. We have confidence that they will resolve it. However, we are also looking at how that will affect especially the trade and transit of goods. We have no indication so far that this has been affected grossly, and we hope that the situation will be resolved soon.

**THE SPEAKER:** Honourable minister, we also need to look at the fuel reserves. I am not sure whether we have any fuel in the reserves.

**MR BAHATI:** On the fuel reserves, Madam Speaker, we shall crosscheck with the Minister of Energy and Mineral Development and inform the country.

**THE SPEAKER:** Can you report back tomorrow on what strategies and plans you have for Ugandans, especially when our neighbours have problems.

**MR BAHATI:** We will.

**THE SPEAKER:** Thank you.

2.05

**MR SOLOMON SILWANY (NRM, Bukooli County Central, Bugiri):** Thank you, Madam Speaker. In your Communication from the Chair, you talked about the rains. The Minister of Agriculture, Animal Industry and Fisheries was on this Floor - we all remember - and pledged that our farmers were going to get emergency seeds. The rainy season is almost ending yet up to now, the farmers have not got anything.

Madam Speaker, I would like to seek your guidance if it would not be okay for you to direct the minister for agriculture to come and give Parliament an update on the distribution of seeds for the farmers.

**THE SPEAKER:** Government Chief Whip, can we have a statement on the seeds? Government used to give seeds to Members of Parliament to transmit to the voters; what could have happened? Yes, Chairperson of the agriculture committee.

2.06

**THE CHAIRPERSON, COMMITTEE ON AGRICULTURE, ANIMAL INDUSTRY AND FISHERIES (Ms Janet Okori-Moe):** Thank you, Madam Speaker. It is true, like Hon. Solomon has said, that the districts need to be given seeds. We used to get some

seeds, as leaders of the people, on the basis that whenever Operation Wealth Creation and NAADS would give seeds, the leaders – like the ones seated here – would not get. That is why the Ninth Parliament came up with an initiative called “NAADS/Parliament Food Security Arrangement.”

However, from the time we adopted the Parish Development Model, we dealt away with the seeds. There is a saying that when you are moving to a new home, you do not uproot the pumpkins from the old home because you may get stuck the other side and come back to this side. So, we have got stuck yet we already uprooted the pumpkin; we now really need seeds.

On the food security interventions by the Members of Parliament, I want to say that the two seasons required only Shs 4 billion; Shs 2 billion for the first and Shs 2 billion for the second season. The districts needed just about Shs 40 billion.

What is the essence of Government waiting for an area like Karamoja to first starve, and then come on the Floor of Parliament to request for Shs 135 billion, yet they could get Shs 50 billion to make everybody in the country productive?

Madam Speaker, I know your Chair is a big one. We know there are people in this country who are big-headed and so, I pray that you need to direct that seeds be provided to Ugandans - (*Applause*) – *because* the Parish Development Model has not taken off. We cannot pretend that we are okay, yet we are not. We need those seeds. The companies are very ready to supply. The Government just needs to commit itself just like they committed on the coffee seedlings, which were even more expensive - Shs 70 billion.

Food security interventions by MPs require only Shs 2 billion for a season and just about Shs 40 billion for the districts and we do away with food insecurity. That is what I can say, Madam Speaker.

**THE SPEAKER:** I am aware that even the Government Chief Whip was one of the beneficiaries of those seeds. So, can we hear from you and we will want the Minister of Agriculture to come to the House; we want the seeds because you are the ones who taught us how to depend on Government. The dependency syndrome was brought by you; so, continue.

**MR KIBALYA:** Madam Speaker, as the Government Chief Whip comes to reassure us, what is more disturbing is that in the last two seasons, the minister was here and he said that the Parish Development Model money would be for buying the seeds and that it was coming.

Now, two seasons have passed yet nothing has come; we have not seen the Parish Model –

**THE SPEAKER:** Honourable members, what we need are seeds. First of all, the Parish Development Model policies are not ready, and nothing is ready yet. First, give us the seeds and the rest will be sorted out later. Government, I want a statement on the seeds, on the Floor.

2.08

**THE GOVERNMENT CHIEF WHIP (Mr Denis Obua):** Madam Speaker, without any doubt in my mind, we all know that agriculture is the backbone of Uganda. And as directed by you, I have no choice but to move the Ministry of Agriculture to come and present a statement on the Floor of Parliament on a day and date convenient to you, Madam Speaker. Otherwise, I undertake to ensure the sector minister is here to present that statement.

**THE SPEAKER:** We expect the report on the issue of the seeds tomorrow. *(Applause)*

**MR OBUA:** Most obliged, Madam Speaker.

**THE SPEAKER:** Thank you. Government, you are aware that we are supposed to receive the Tax Bills by the 1<sup>st</sup> day of April, pursuant to Section 13(3) of the Public Finance Management Act. However, the 1<sup>st</sup> day of April will be a weekend. So, I am asking Government to present the Tax Bills and the Budget estimates tomorrow, without fail.

Secondly, allow me to amend the Order Paper for us to have the Supplementary Budget Addendum No. 4, laid on the Table.

I also amend the Order Paper to allow the presentation of a statement by the Leader of the Opposition, laying the alternative statement, which he is going to do now. Yes, Hon. Tinkasiimire.

2.09

**MR BARNABAS TINKASIIMIRE (NRM, Buyaga West County, Kagadi):** Thank you very much, Madam Speaker. You talked about the protection of the environment. In my constituency, I have a big problem. Around four families of chimpanzees have been living in some private forest. Due to population pressure, the owner has constantly used the forest land, which has forced the chimpanzees to go into the communities.

We have complained to the Government to relocate these chimpanzees from this private land but that has fallen on deaf ears. We have persistently seen these chimpanzees brutally kill children. In the last four years, they have killed five children –*(Interjections)*– they do not eat them; they only brutally kill by tearing their bodies apart.

Those of you who are on social media may have seen a picture posted by someone in Kagadi; it is a terrible picture. One cannot even look at it for two minutes. A child was buried yesterday after being attacked. He was being carried by his mother on her back; and these animals know the soft targets. They attacked the mother and pulled off the child and tore the entire face of the child and the child died; that child was buried yesterday.

The district is confused and so are the leaders. When people kill an animal like a chimpanzee, UWA and the Government run to see what has happened. A human being has died but there is no Government official that has gone to the ground to at least see what is going on.

I am raising this matter, Madam Speaker, for Government to take immediate action to solve this problem of chimpanzees in this place called

Muhororo at Kajoro Karushiga, or else they allow us defend ourselves from the animals.

**THE SPEAKER:** You have given your message. Do not do what is illegal. I am very sorry about the loss that has happened, and we condole with the families that have lost their dear ones. Government, we need immediate action because we are losing lives.

2.15

**THE THIRD DEPUTY PRIME MINISTER AND MINISTER WITHOUT PORTFOLIO (Ms Rukia Nakadama):** Thank you so much, Madam Speaker. It is very bad about that and we condole with the family of the late child. It is very bad; so sorry! We pray for her soul to rest in peace.

I am going to instruct the Ministry of Tourism to immediately go and relocate those animals so that they do not continue harming our people.

Secondly, I would have expected the district to very urgently have informed Government about such a problem - about this matter. Anyhow, since the MP has brought it here, am going to call the Minister of Tourism to immediately take up this matter and relocate those animals.

**THE SPEAKER:** Government is up to the LC I system - the LC I system must be aware. All you needed to do was to give a report to the Prime Minister's Office and we are going to ask the Minister of Tourism to go to the ground.

The animals should be in a gazetted area, and not on people's farms. So, those animals must be relocated with immediate effect and the family should be compensated for the loss.

Leader of the Opposition - you are laying a paper; first lay the paper.

2.16

**MR JOHN BAPTIST NAMBESHE (NUP, Manjiya County, Bududa):** There is a valid concern, Madam Speaker, arising from your Communication from the Chair, especially when you talked about the rains. The rains are usually a blessing but when it comes to the

heavy pounding rains that occur in the disaster-prone Elgon subregion - those high-risk hills like those in Bududa, Sironko and even in Sebei are full of cracks yet the Bulambuli Resettlement Scheme is moving at snail pace. Currently, they have attempted to resettle 51 households only from Bududa.

I would like to know from the Ministry of Disaster Preparedness how prepared they are. What plans do they have, as stopgap measures, to temporarily resettle the people who are now seeking refuge in places of worship and in schools?

**THE SPEAKER:** As I said before, the rains have started and the floods are going to start unsettling the people and you know the history of Bududa and Bulambuli. So, what plans do we have? The minister in charge of relief, disaster preparedness and refugee needs to make a statement on the Floor. Yes, Government.

2.17

**THE THIRD DEPUTY PRIME MINISTER AND MINISTER WITHOUT PORTFOLIO (Ms Rukia Nakadama):** Madam Speaker, the ministry in charge of relief, disaster preparedness and refugee will come up with a statement on the Floor. As far as this season is concerned, everyone knows what is happening and what might happen anytime. So, they are going to come up with a statement here.

**THE SPEAKER:** The statement on the plan?

**MS NAKADAMA:** Yes, a statement on the plan of action. Thank you, Madam Speaker.

2.18

**MR PATRICK OSHABE NSAMBA (NUP, Kassanda County North, Kassanda):** Thank you very much, Madam Speaker. These days, the people of Kassanda are in fear of the panga-wielding men, normally called the "Bijambiya" men, who have so far cut about five families. Two people have died in the process and three of them are in hospital.

We have informed the local security agencies in Kassanda but I would like to call upon

the Government – we have a history of these panga-wielding men in this country. They were previously in Masaka and now they are in Kassanda. They target the old people and those in isolated places.

My prayer is that the Government swiftly responds to the fears of the people of Kassanda. In the meantime, the Government should guide people on what can be done to solve this problem where innocent people - of 78 years - are being murdered. That is my prayer. Thank you very much.

**MS NAKADAMA:** Madam Speaker, I request the honourable member to link up with the Minister of Security so that - because that is a very urgent matter. We should not wait for the minister to come here –

**THE SPEAKER:** *Hajjat*, can you link the Member of Parliament to your minister?

**MS NAKADAMA:** Much obliged, Madam Speaker.

**THE SPEAKER:** We need a response to that issue.

2.20

**MR ALEX RUHUNDA (NRM, Fort Portal Central Divison, Fort Portal):** Madam Speaker, I seek your indulgence. Sometime back, we tasked the minister responsible for relief, disaster preparedness and refugees to provide a comprehensive plan on how to avert calamities within the country.

In your Communication from the Chair, when you referred to the immediate challenges coming with the rains, I thought that the findings of the study that was conducted by the scientists in the Elgon and Rwenzori areas, mapping out all the vulnerable places, are not being utilised. The scientists are frustrated because they do a lot of work yet the findings are not being followed by the Government.

Therefore, I urge that when the Government tasks these scientists, they should put to use

the findings and that the comprehensive plan of averting calamities in the country must be reinforced.

2.22

**MR RICHARD SEBAMALA (DP, Bukoto County Central, Masaka):** Thank you, Madam Speaker. This Parliament appropriates funds for salaries – it is actually one of the key notes because we have to ensure that all Government servants receive their salaries.

Prisons officers, who are science teachers, have recently been receiving their full salaries of Shs 4,000,000, which was increased from Shs 2.2 million when the President directed so.

However, this month, those prisons officers, under the science fields, had their salaries cut to Shs 800,000 from Shs 4,000,000. These people have loans and different engagements where they have already committed their salaries over the last eight months of receiving these salaries. Unfortunately, they were not informed that their salaries would be cut and the officers responsible are telling them that it is because they are not in their respective fields.

Madam Speaker, it is not their problem that they are not in their respective fields; it is the prisons service that employed and is supposed to deploy them.

My prayer is that the Ministry of Finance, Planning and Economic Development pays the difference of the money that was not paid for March, and continues to pay their full salaries all through until the deployments in the different fields are done because they have already committed their salaries, after the President made that directive.

Madam Speaker, unfortunately, this was not done to the science teachers in the UPDF, the police or any other entity but strictly the prisons officers. We do not want to see these people releasing murderers and the rest on the streets or not taking care of their jobs. I beg to submit.

**THE SPEAKER:** Of course, they cannot release them. They are supposed to do their work despite all this. Minister of Finance, prison officers have not received their money. Why?

2.26

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

**(Mr Henry Musasizi):** Madam Speaker, I have just heard about this issue. I am going to crosscheck and report back.

**THE SPEAKER:** Please report back tomorrow. Next item.

LAYING OF PAPERS

ADDENDUM NO.4 TO SUPPLEMENTARY EXPENDITURE SCHEDULE NO. 1 FOR THE FINANCIAL YEAR 2022/2023

**THE SPEAKER:** Honourable members, Article 156(2) and (3) of the Constitution and Section 25 of the Public Finance Management Act provide for a supplementary budget and require legislative approval of the same.

On 23 December 2022, the Minister of Finance, Planning and Economic Development tabled the Supplementary Schedule No. 1 for the Financial Year 2022/2023. Since then, the minister has continued to table the addenda and today, we have addendum No.4. I am going to ask if we are still expecting another so that we do not hurry.

Otherwise, for now, I ask the minister to lay on the Table addendum No.4 and tell us whether we should expect other addenda.

2.27

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

**(Mr Henry Musasizi):** Thank you, Madam Speaker. I beg to lay on the Table Addendum No. 4 to the Supplementary Schedule No. 1 for the Financial Year 2022/2023.

**THE SPEAKER:** Thank you. Should we now process it or should we still expect others?

**MR MUSASIZI:** Madam Speaker, this is work in progress. *(Laughter)* We can process it but you never know; there can be other new developments. Thank you.

**THE SPEAKER:** Thank you. I refer it to the Committee on Budget for processing and report back to the House.

ALTERNATIVE POLICY STATEMENTS FOR THE FINANCIAL YEAR 2023/2024 PURSUANT TO RULE 147 OF THE RULES OF PROCEDURE

**THE SPEAKER:** Honourable members, under Rule 147 of the Rules of Procedure, the shadow Cabinet or ministers are obliged to present the alternative ministerial policy statements and the deadline is the 29<sup>th</sup> day of March, which is today.

So, I request the Leader of the Opposition to ensure we have all the alternative ministerial policy statements.

2.28

**THE LEADER OF THE OPPOSITION (Mr Mathias Mpuuga):** Much obliged, Madam Speaker. I will invite the Chief Opposition Whip to guide his team in laying the alternative policy statements.

I would also like to remind the House that laying the alternative policy statements on the last day is not our culture, but because the Government Chief Whip did not whip his ministers to lay their ministerial policy statements on time, so, when they are laggard, they make us look as though we are shabby. Otherwise, we normally keep time in laying our alternative policy statements.

**THE SPEAKER:** Honourable members, just a correction: the ministerial policy statements were laid on time. I received all of them on the 14<sup>th</sup> of March. It does not cause any harm for you to lay yours today. We know you are –

**MR MPUUGA:** Madam Speaker, I prefer prudence to shabbiness because even when they were laid, they were not available. That is the whole point. Thank you, Madam Speaker.

**THE SPEAKER:** Thank you.

**MR MPUUGA:** Let me invite the Chief Opposition Whip to guide his team.

**THE SPEAKER:** All the documents that are being laid will go to the respective sectoral committees.

2.30

**THE CHIEF OPPOSITION WHIP (Mr John Baptist Nambeshe):** Thank you, Madam Speaker. The subject matter is the laying of the alternative ministerial policy statements for the Financial Year 2023/2024.

Under Rule 147 of the Rules of Procedure, shadow ministers are mandated to submit alternative policy statements to Parliament by the 29<sup>th</sup> day of March every year.

Pursuant to the above provision, we hereby present copies of the following alternative policy statements - they are going to lay, of course, not as many as yours; we have a lean shadow Cabinet of 21 ministers, ranging from:

1. The Minister of Justice and Constitutional Affairs;
2. The Minister of Finance, Planning and Economic Development;
3. The Minister of Defence and Veteran Affairs;
5. The Minister of East African Community Affairs;
6. The Minister of Gender, Labour and Social Development;
7. The Minister of Health;
8. The Minister of Information and Communication Technology;

9. The Minister of Internal Affairs;
10. The Minister of Kampala Capital City Authority;
11. The Minister of Lands, Housing and Urban Development;
12. The Minister of Education and Sports;
13. The Minister of Energy and Mineral Development;
14. The Minister of Agriculture, Animal Industry and Fisheries;
15. The Minister of Foreign Affairs;
16. The Office of the Prime Minister;
17. The Office of the President;
18. The Minister of Public Service and Local Government;
19. The Minister of Tourism, Wildlife and Antiquities;
20. The Minister of Trade, Industry and Cooperatives;
21. The Minister of Water and Environment, and
22. The Minister of Works and Transport.

Madam Speaker, I now usher in –

**THE SPEAKER:** Can we have the document laid?

**MR NAMBESHE:** I now usher in my ministers to begin laying.

**THE SPEAKER:** You are busy massaging the microphone –(Laughter)- can we have the ministers lay the alternative policy statements?

Clerk, can you read the titles and then they come and lay?



MINISTRY OF JUSTICE AND  
CONSTITUTIONAL AFFAIRS

2.33

**MS HANIFA NABUKEERA (NUP, Woman Representative, Mukono):** Madam Speaker, I proceed under Rule 147 of the Rules of Procedure to lay the alternative ministerial policy statement for the Financial Year 2023/2024, for the Ministry of Justice and Constitutional Affairs. I beg to lay.

**THE SPEAKER:** Thank you. Please lay. It is referred to the Committee on Legal and Parliamentary Affairs.

MINISTRY OF FINANCE, PLANNING  
AND ECONOMIC DEVELOPMENT

2.34

**MS MANJERI KYEBAKUTIKA (NUP, Woman Representative, Jinja City):** Thank you, Madam Speaker. I beg to lay the alternative ministerial policy statement for the Ministry of Finance, Planning and Economic Development for the Financial Year 2023/2024.

**THE SPEAKER:** Thank you. It is referred to the Committee on Finance, Planning and Economic Development.

MINISTRY OF DEFENCE AND VETERAN  
AFFAIRS

**THE SPEAKER:** Doctor is standing in for the Ministry of Defence and Veteran Affairs?

2.35

**MS MANJERI KYEBAKUTIKA (NUP, Woman Representative, Jinja City):** Madam Speaker, I beg to lay the alternative ministerial policy statement for the Ministry of Defence and Veteran Affairs for the Financial Year 2023/2024.

**THE SPEAKER:** Thank you.

MINISTRY OF EAST AFRICAN  
COMMUNITY AFFAIRS

2.36

**MS MANJERI KYEBAKUTIKA (NUP, Woman Representative, Jinja City):** Madam Speaker, I beg to lay the alternative ministerial policy statement for the Ministry of East African Community Affairs for the Financial Year 2023/2024.

**THE SPEAKER:** Thank you. It is referred to the Committee on East African Community Affairs.

MINISTRY OF GENDER, LABOUR AND  
SOCIAL DEVELOPMENT

2.36

**MR HILLARY KIYAGA (NUP, Mawokota County North, Mpigi):** Madam Speaker, I beg to lay the alternative ministerial policy statement for the Ministry of Gender, Labour and Social Development for the Financial Year 2023/2024.

**THE SPEAKER:** Thank you, Hon. Kiyaga. It is referred to the Committee on Gender, Labour and Social Development.

MINISTRY OF HEALTH

2.37

**DR TIMOTHY BATUWA (FDC, Jinja South Division West, Jinja City):** Madam Speaker, I proceed under rule 147 to lay the alternative policy statement of the Ministry of Health for the Financial Year 2023/2024.

For the record, ever since this country existed, it is the first time we are having a programme to eliminate malaria at a cost of only Shs 270 billion.

**THE SPEAKER:** Hon. Batuwa, can you just lay?

**DR BATUWA:** Madam Speaker, I beg to lay this alternative ministerial policy statement of the Ministry of Health.

**THE SPEAKER:** It is referred to the Committee on Health.

MINISTRY OF INFORMATION AND  
COMMUNICATION TECHNOLOGY

2.37

**MS JOYCE BAGALA (NUP, Woman Representative, Mityana):** Thank you, Madam Speaker. I beg to lay the alternative ministerial policy statement for the Ministry of Information and Communications Technology for the Financial Year 2023/2024.

**THE SPEAKER:** Thank you, Hon. Bagala. It is referred to the Committee on Information and Communications Technology.

MINISTRY OF INTERNAL AFFAIRS

2.37

**MS MANJERI KYEBAKUTIKA (NUP, Woman Representative, Jinja City):** Madam Speaker, I beg to lay the alternative ministerial policy statement for the Ministry of Internal Affairs for the Financial Year 2023/2024.

**THE SPEAKER:** Thank you.

KAMPALA CAPITAL CITY AUTHORITY  
AND THE MINISTRY OF KAMPALA  
CAPITAL CITY AND METROPOLITAN  
AFFAIRS

**THE SPEAKER:** Kampala City? That is for the landlord.

2.38

**MR ABUBAKER KAWALYA (NUP, Rubaga Division North, Kampala):** Thank you, Madam Speaker. I proceed under Rule 147 of our Rules of Procedure to lay the alternative ministerial policy statement for Kampala Capital City Authority and the Ministry of Kampala Capital City and Metropolitan Affairs for the Financial Year 2023/2024.

**THE SPEAKER:** Thank you. It is referred to the Committee on Presidential Affairs.

MINISTRY OF LANDS, HOUSING AND  
URBAN DEVELOPMENT

2.38

**MR RONALD BALIMWEZO (NUP, Nakawa Division East, Kampala):** Madam Speaker, I move under Rule 147 of the Rules of Procedure to lay the alternative ministerial policy statement for the Ministry of Lands, Housing and Urban Development for the Financial Year 2023/2024.

**THE SPEAKER:** Thank you. It is referred to the Committee on Lands, Housing and Urban Development.

MINISTRY OF EDUCATION AND SPORTS

2.39

**MS BRENDA NABUKENYA (NUP, Woman Representative, Luweero):** Thank you, Madam Speaker. I beg to lay the alternative ministerial policy statement for the Ministry of Education and Sports for the Financial Year 2023/2024.

**THE SPEAKER:** Thank you. It is referred to the Committee on Education and Sports.

MINISTRY OF ENERGY AND MINERAL  
DEVELOPMENT

2.39

**MS CHRISTINE KAAYA (NUP, Woman Representative, Kiboga):** Madam Speaker, I beg to lay the Alternative Policy Statement for the Ministry of Energy and Mineral Development for Financial Year 2023/2024.

**THE SPEAKER:** Thank you. It is referred to the Committee on Environment and Natural Resources.

MINISTRY OF AGRICULTURE, ANIMAL  
INDUSTRY AND FISHERIES

2.40

**DR ABED BWANIKA (NUP, Kimanya-Kabonera Division, Masaka City):** Madam Speaker, I beg to lay the alternative policy statement for the ministry of Agriculture,

Animal Industry and Fisheries for the Financial Year 2023/2024. I beg to lay.

**THE SPEAKER:** Thank you. It is sent to the Committee on Agriculture, Animal Industry and Fisheries.

MINISTRY OF FOREIGN AFFAIRS

2.40

**MR MUWADA NKUNYINGI (NUP, Kyadondo County East, Wakiso):** Madam Speaker, I beg to lay the alternative policy statement for Foreign Affairs for the Financial Year 2023/2024. I beg to lay.

**THE SPEAKER:** Thank you. It is sent to the Committee on Foreign Affairs.

OFFICE OF THE PRIME MINISTER

2.41

**MR DERRICK NYEKO (NUP, Makindye Division East, Kampala City):** Madam Speaker, I beg to lay the alternative policy statement for the Office of the Prime Minister for the Financial Year 2023/2024.

**THE SPEAKER:** Thank you. It is sent to the Committee on Presidential Affairs.

OFFICE OF THE PRESIDENT

2.41

**MR DERRICK NYEKO (NUP, Makindye Division East, Kampala City):** Madam Speaker, allow me lay the alternative policy statement for the Office of the President. I beg to lay.

**THE SPEAKER:** Thank you. It is sent to the Committee on Presidential Affairs.

MINISTRY OF PUBLIC SERVICE AND LOCAL GOVERNMENT

2.42

**MR HILLARY KIYAGA (NUP, Mawokota County North, Mpigi):** Madam Speaker, permit me to lay the alternative policy statement for Public Service and Local Government for the Financial Year 2023/2024.

**THE SPEAKER:** Thank you. It is sent to the Committee on Public Service and Local Government.

TOURISM, WILDLIFE AND ANTIQUITIES

2.42

**MR KARIM MASABA: (Independent, Industrial Division, Mbale City):** Thank you, Madam Speaker. Pursuant to Rule 147 of the Rules of Procedure, I beg to lay the alternative policy statement for the Ministry of Tourism, Wildlife and Antiquities for the Financial Year 2023/2024.

**THE SPEAKER:** Thank you. It is referred to the Committee on Tourism, Trade and Industry.

MINISTRY OF TRADE, INDUSTRY AND COOPERATIVES

2.43

**MR FRANCIS MWIJUKYE (FDC, Buhweju County, Buhweju):** Madam Speaker, I beg to lay the alternative policy statement for the Ministry of Trade, Industry and Cooperatives for the Financial Year 2023/2024.

**THE SPEAKER:** Thank you. It is referred to the Committee on Tourism, Trade and Industry.

MINISTRY OF WATER AND ENVIRONMENT

2.43

**MS CHRISTINE KAAYA (NUP, Woman Representative, Kiboga):** Madam Speaker, I beg to lay the alternative policy statement for the Ministry of Water and Environment for the Financial Year 2023/2024.

**THE SPEAKER:** Thank you. It is referred to the Committee on Environment and Natural Resources.

MINISTRY OF WORKS AND TRANSPORT

2.44

**MR HILLARY KIYAGA (NUP, Mawokota County North, Mpigi):** Madam Speaker, I beg to lay the alternative policy statement for

the Ministry of Works and Transport for the Financial Year 2023/2024.

**THE SPEAKER:** It is referred to the Committee on Physical Infrastructure.

MOTION FOR RECONSIDERATION OF THE NATIONAL LOCAL CONTENT BILL, 2022, AS RETURNED BY HIS EXCELLENCY THE PRESIDENT, IN ACCORDANCE WITH ARTICLE 91(3)(B) OF THE CONSTITUTION AND RULE 143 OF THE RULES OF PROCEDURE

**THE SPEAKER:** Honourable members, last week, on Wednesday, 2 March 2023, this item came up for consideration. The sponsor of the Bill, Hon. Patrick Oshabe, moved a motion for the reconsideration of the Bill and the chairperson partially presented the report of the committee on the Floor.

However, the House stood over the presentation of the report, pending harmonisation of the proposed amendments between the committee, the Attorney-General and the minority report writers. Now that harmonisation has taken place, could we get a report, first, from the Attorney-General on the status of their harmonisation before we continue?

2.45

**THE DEPUTY ATTORNEY-GENERAL (Mr Jackson Kafuuzi):** Thank you, Madam Speaker. We met with the mover of the Bill, in the presence of the Leader of the Opposition. We went over the clauses that were returned and were able to harmonise and agree on most of them, save for about two or three that we shall have to haggle over on the Floor of Parliament.

**THE SPEAKER:** Thank you. Mover of the Bill, is that the status?

2.46

**MR PATRICK OSHABE (NUP, Kassandra County North, Kassandra):** Thank you, Madam Speaker. Yes, we met with the Attorney-General and the chairperson of the committee. We agreed on many clauses although we failed

to agree –

**THE SPEAKER:** Please, speak on the microphone. I have heard someone behind there saying that they cannot hear you.

**MR OSHABE:** Thank you, Madam Speaker. I was just trying to be polite, but sometimes I am loud. *(Laughter)*

Madam Speaker, we met with the Attorney-General and the chairperson of the committee, in the presence of the LOP. We saw sense in many of the clauses that the President returned and agreed to adjust them although we also failed to agree on some. We said that the House would help us determine those ones that we failed to agree on.

Thank you, Madam Speaker.

**THE SPEAKER:** Thank you. Yes, writers of the minority report.

2.47

**MR ENOSI ASIIMWE (NRM, Kabula County, Lyantonde):** Thank you, Madam Speaker. Unfortunately, we were not part of the reconciliation team – we were not invited. However, luckily, the clauses over which we had issues with the majority report still stand; they did not agree on them. So, the minority report still stands.

**THE SPEAKER:** So, are you okay with us continuing?

**MR ENOSI ASIIMWE:** No, I am okay with arguing my case on the Floor and leaving Members to decide.

**THE SPEAKER:** Are you okay with us continuing: yes or no?

**MR ENOSI ASIIMWE:** Yes, I agree that we continue.

**THE SPEAKER:** I now put the question that the National Local Content Bill, 2022 as returned by His Excellency the President, in accordance with Article 91(3)(b) of the

Constitution and Rule 143 of the Rules of Procedure, be reconsidered by this House.

*(Question put and agreed to.)*

BILLS  
COMMITTEE STAGE

THE NATIONAL LOCAL CONTENT  
BILL, 2022 AS RETURNED BY HIS  
EXCELLENCY THE PRESIDENT

Clause 1

**DR KEEFA KIWANUKA:** Madam Chairperson, after the harmonisation, the committee proposes that clause 1(c) be amended by deleting paragraph 1.

The justification is that the existing legal framework for mining sufficiently provides for local content.

**THE CHAIRPERSON:** Hon. Oshabe -

**MR OSHABE:** I concede, Madam Chairperson, on clause 1(c).

**THE CHAIRPERSON:** Yes, Attorney-General.

**MR KAFUZI:** I concede.

**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

**DR KEEFA KIWANUKA:** Clause 2, on interpretation, is amended by -

i) Inserting, immediately before the definition of “Contracting Authority”, the following

“Authority” means the Public Procurement and Disposal of Public Assets Authority.

ii) Substituting the definition of “Contracting Authority” with the following -

“Contracting Authority” means a ministry, department of government, authority, local Government, statutory body, an agency of Government or any other body established by Government and mandated to carry out a public function in a public-private partnership.

Justification

1. To define “authority” to mean Public Procurement and Disposal of Public Assets Authority.
2. To expand the definition of “contracting authority” to include local Government, statutory bodies and agencies, since they all use public money.

**THE CHAIRPERSON:** Hon. Oshabe?

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

**THE CHAIRPERSON:** Attorney-General?

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

**THE CHAIRPERSON:** I put the question that clause 2 be amended, as proposed.

*(Question put and agreed to.)*

*Clause 2, as amended, agreed to.*

Clause 3

**THE CHAIRPERSON:** Yes, chairperson of the committee -

**DR KEEFA KIWANUKA:** Clause 3 is on the designation of the department for procurement policy and management.

Clause 3 is amended:

In subclause (2), by deleting paragraphs (f), (h) and (k); and by substituting subclause (3) with the following -

“The department shall have the power to institute local content inquiries and make recommendations.”

Justification

1. To avoid duplicity of roles, since the Office of the Auditor-General is mandated to carry out audits and check compliance under Article 163 of the Constitution and the National Audit Act, 2008.
2. To avoid duplicity of roles since the PPDA is mandated to develop guidelines for implementation of local content in Uganda.
3. To avoid confusion with the powers of the Attorney-General, under Article 119 of the Constitution, regarding the termination of contracts.

**THE CHAIRPERSON:** Hon. Oshabe.

**MR OSHABE:** Madam Chairperson, I concede on the proposal to delete paragraphs (h) and (k). I also concede on the amendment in clause 3, but I have reservations on (f).

Madam Speaker, the PPDA can only deal with local content, as far as procurement is concerned. Matters of developing guidelines on other issues of local content should be left to the ministry.

**THE CHAIRPERSON:** Yes, Attorney-General.

**MR KAFUZI:** Madam Chairperson, we did not agree on the position of the mover on (f) because it is our belief that matters of procurement cannot be separated from local content and the powers to make those guidelines are already embedded within the PPDA law.

It would be duplicity for us to have guidelines made under the local content law and other guidelines made under the PPDA law. So, it is our proposal that we delete (f) and leave the powers to make guidelines under the PPDA law.

**THE CHAIRPERSON:** Hon. Bahati.

**MR BAHATI:** Thank you, Madam Chairperson. As the AG has said, most of the things that are covered under the local content are catered for under the PPDA Act. I do not know whether our colleague, the honourable member, can agree that we delete paragraph (f), for us to move forward with this Bill. I do not know any other thing that you are talking about as local content that is not catered for under the PPDA Act.

**THE CHAIRPERSON:** Honourable members, section 3 was returned by the President and it says, “*Section 3 establishes the Local Content Department under the Minister of Finance, Planning and Economic Development to implement the provisions of the Act. The functions of the department include, among others, monitoring and audit compliance with a local content obligation under this Act.*”

*Audit and compliance issues should be left to the Office of the Auditor-General, the internal Auditor-General or to the regulator, which is the PPDA. The department should undertake the monitoring functions, together with other stakeholders.”*

That is why it was returned. When it was returned, paragraph (f) in the old law that was not assented to – (f) was to develop guidelines for the implementation of local content in Uganda. That is what (f) is about, which the Attorney-General is saying that –

**MR KAFUZI:** It is already the authority of the PPDA and the Auditor-General, in this case, to do monitoring and to develop guidelines for that purpose. We would be duplicating those roles if we provide for the creation of guidelines under this local content law.

**THE CHAIRPERSON:** Yes, Hon. Silwany?

**MR SILWANY:** Madam Chairperson, we are making this local content law, not because we have not had it under other Acts. If you remember the argument here, when we were debating the Anti-Homosexuality Bill; we were looking for a one-stop centre. We want a local content Bill, which is going to cater for all this.

So, I want to stand with the private Member that we leave the powers to the minister to decide and say, "At this point, we are going \_"  
(*Interjection*)

Madam Chairperson, I suggest that we leave the powers to the minister to take a final decision because when we take it to the PPDA, the Authority is already handling basically procurement. Now, there are issues that will arise that do not fall under procurement. How will that then be handled, because the mandate of the PPDA is to handle issues of procurement? So, let us not mix the two; let us separate and leave the powers to the minister.

**THE CHAIRPERSON:** I want to find out from the minister: does it have any contradiction with any other law? Does it injure you when we keep it here?

**MR KAFUZI:** When you create a two-way - I do not want to call it a two-way traffic, but you are giving mandate to two different organs to monitor and run the same thing. We all agree that we cannot separate matters of procurement from local content.

If we create a second organ, we are likely to cause confusion. But if it is the finding of the committee -

**THE CHAIRPERSON:** Does it injure you in any way to have two laws so you choose which one to use in a particular case?

**MR KAFUZI:** Madam Chairperson, the ideal thing to do is that if you find a weakness in the PPDA Act, then we can amend and strengthen it, other than creating a parallel one that is likely to create confusion.

**THE CHAIRPERSON:** What is your position?

**MR KAFUZI:** My position is that clause 3(2)(f) be deleted.

**DR APEA:** I stand to seek clarification on whether it is true that procurement is about local content. I am saying this because when I read this law, I notice that it has more comprehensive issues around local content, and procurement is just a component. Kindly clarify that so we do not reduce this law to just procurement. Thank you.

**DR BATUWA:** Thank you, Madam Chairperson. The aspect of local content that procurement is handling through the PPDA is largely done when an international firm undertakes works because that international firm is required to, at least, give 30 per cent of those works to a local company. It is largely in that aspect that the local content from the PPDA is coming out.

What we are trying to drive through clause 3(2)(f) is something bigger than what procurement is handling. So, I support that we hold it in there. Thank you.

**MR OSHABE:** Madam Chairperson, Dr Apea has tried to explain local content - although much of the Bill is focusing on procurement, it has other aspects where we will need guidelines. The PPDA will not be in position to develop guidelines on matters of succession plans and goods and services. The PPDA can only deal with local content in terms of procurement.

Therefore, we cannot give that responsibility to that specific agency. Let us leave it to the minister under a department because the minister will be in a better position to develop guidelines that cut across all other aspects of local content. And I think the Attorney-General understands me better now.

**THE CHAIRPERSON:** Actually, your argument requires us to amend the PPDA Act in order to remove that power.

**MR OSHABE:** Madam Chairperson, when you look at procurement in its sense, you realise that it is a competitive policy that whoever wins a contract - we are coming up with this law as an affirmative action because competition is throwing our people out. This is affirmative action and matters of affirmative action should be left here. Under local content, it is the opposite of procurement.

**MS OPENDI:** There is a contradiction because the President's letter requested that we leave matters of local content to public institutions.

When you read the object of the Bill, you notice that it is about imposing local content obligations on persons using public money. Of course, the other was Uganda's natural resources, which now is being removed because it concerns the mining and Members have already agreed on that.

Madam Chairperson, as a result of that contradiction - unless we do not agree with what the President has said - I would like to agree that there is no harm, for clarity, in maintaining this here. We can amend the PPDA Act because that is where public resources are utilised in procurement so that local content is taken care of by the public institutions. And so, there is no harm in leaving that particular clause here. To me, it is only for emphasis.

**THE CHAIRPERSON:** Attorney-General, let me still ask: does it injure you in any way? We have anti-homosexuality provided for in the Penal Code Act but we also now have the Anti-Homosexuality Act. What is wrong with having the two of them? Because otherwise, someone will just choose which law to use.

**MR OSHABE:** Madam Chairperson, the President never required that. The President's concern was on having the audit function under a department. When you read clause 3 –

**THE CHAIRPERSON:** On monitoring and compliance?

**MR OSHABE:** Yes - now, it is the Auditor-General bringing -

**THE CHAIRPERSON:** Can we hear from the Auditor-General?

**MR KAFUZI:** Madam Chairperson, it does not injure me as a person but when it comes -

**THE CHAIRPERSON:** By the way, you are not here as a person. You are here as Government.

**MR KAFUZI:** Much obliged. My worry is creating an ambiguity; having two laws providing for the same thing. My worry is requiring whoever is enforcing the laws to look at the PPDA Act and the local content law. So, my guidance is that we delete clause 3(2)(f) so we do not create a repetitive ambiguity.

**MR ENOSI ASIMWE:** Thank you, Madam Chairperson. Alternatively, I suggest we amend the wording to read, "Develop guidelines for implementation of local content in Uganda except those that are already covered under the PPDA Act." I think that would resolve the issue.

**MS OSHABE:** Madam Chairperson, the PPDA is one of the entities to implement the local content law; it is not the only entity. Once we understand that it not the only entity, then we leave that to the minister who is above all these other entities.

**MR ENOSI ASIMWE:** The argument is that we do not want to duplicate what already the PPDA is doing. We are saying that the regulations under the PPDA Act can be excluded from this Act.

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

**THE CHAIRPERSON:** Thank you, Attorney-General. I put the question that clause 3 be amended as proposed by Hon. Patrick Oshabe, and the committee.

*(Question put and agreed to.)*

*Clause 3, as amended, agreed to.*



Clause 4

**DR KEEFA KIWANUKA:** Madam Chairperson, we did not agree on clause 4 because there were two entrenched positions; the position of the mover, which is also the position of the minority report.

**THE CHAIRPERSON:** Mr Chairperson, much as you do not agree, when it is a returned Bill, you must report on each clause that has been returned. What is your position?

**DR KEEFA KIWANUKA:** The position of the committee is that we maintain -

**THE CHAIRPERSON:** Even if the position of the committee is to maintain, you must report.

**DR KEEFA KIWANUKA:** Okay. The position of the committee is that we maintain but –

**THE CHAIRPERSON:** What are you maintaining? Read it.

**DR KEEFA KIWANUKA:** Uganda versus East Africa. After persuasion, we are conceding to the position of the minority report.

**THE CHAIRPERSON:** Honourable chairperson, never delegate your powers to a minority holder. You are supposed to read and the minority person will concede. What is your position as the chairperson and what is the position of the committee?

**MR KAFUZI:** Madam Chairperson, clause 4 proposes to give priority to Ugandan goods over East African goods. We are saying that we are bound by the East African Community protocol. We cannot give priority to Ugandan goods but rather the East African goods because that is what the law requires of us. Therefore, we are bound by the East African Community protocol and the East African Monetary Union.

**MR ENOSI ASIMWE:** Thank you, Madam Chairperson.

**THE CHAIRPERSON:** First of all, let me read what clause 4, as returned by the President, says: *“Clause 4 gives preferential treatment to Ugandan goods, works and services. This contradicts the East African Community Protocol on the free movement of goods and services and the East African Monetary Union. This clause should be amended to read, ‘East African goods, works and services’ instead of ‘Uganda’.”* You have a protocol that you have signed and that you are bound to. You have a treaty that you are bound to as a community.

**MR ENOSI ASIMWE:** Thank you, Madam Chairperson. Our position, as the minority, is that we agreed with the President’s position that considering our commitment to the East African Community Treaty, Article 76 and at the same time, the Monetary Union Protocol that we signed as a Community, we ask that we maintain the following: *“Clause 4 is amended by substituting the words ‘Uganda’ and ‘Ugandan’ with the words ‘East African Community’, respectively.”*

This is to bring the provision into compliance with the East African Community Treaty and Protocol, which had already been signed. There are two aspects here: the commitment and at the same time, there is the political message we have been taking out there. Uganda, starting from the President, has been at the forefront of advocating for the integration of the Community.

All Members of Parliament on foreign committees – PAP, CPA and even IPU - when at these conferences, have been advocating for a borderless Africa; free movement of goods and services. Uganda cannot be the one to put restrictive laws on goods and services. That is why we insist that we change to “East African Community” instead of “Ugandan goods”.

**MR KAFUZI:** Madam Chairperson, the amendment as proposed by the minority report is the right one, to replace the word, “Ugandan” with “East African” goods.

**THE CHAIRPERSON:** Honourable Members, when making a law, do not put personal

feelings. Uganda will always remain Uganda but you entered a treaty. There is a protocol that you signed – the East African Treaty – in terms of movement of goods. Therefore, do not make a law that is going to bounce back. You must be flexible. I know Hon. Patrick as –

**MR OSHABE:** Thank you, Madam Chairperson. First of all, the Attorney-General knows that this Parliament cannot make a law to legislate for the rest of the East African Community. We cannot sit here and say this law will be applicable to all East African countries. If that is needed, it has to go to EALA, which can only do that.

Secondly, the purpose of this law is affirmative action for the people of Uganda. In Article 31, we have provided that when using public money and Ugandan goods are not available, the second option should be East African goods. Therefore, we have provided for the East African Community.

Thirdly, whether using a law or policies, all East African countries are doing their best to ensure that their companies and people thrive. Everyone is doing whatever they can. If the effort was here and our country is trying to prioritise Ugandans to favour them, there would be no necessity for me to come up with the law. However, because they are ignored and left on the periphery, this is why I have come up with this law.

**THE CHAIRPERSON:** Does this Parliament have powers to domesticate the law that has been made in the East African Legislative Assembly?

**MR OSHABE:** Yes. Lastly, Madam Chairperson, when you look at the protocol – I want anybody who picks on the East African Protocol because that is where I began from – there is no agreement on matters of security. Every country handles its security the way they want. There is no agreement on matters of health; every country handles it the way they want.

There is no agreement on matters of procurement. Hon. Enosi, you can bring it here and say, “There is an East African Protocol on procurement.” There, we will begin. What you are talking about – the general movement of goods and services – is not my space. That is a space for trade. I am not targeting the general trade but taxpayers’ money. When using taxpayers’ money, we must prioritise the people of Uganda and goods made in Uganda.

**MR KAFUZI:** Madam Chairperson, I am glad Hon. Nsamba has said we are using taxpayers’ money. Also, I want him to admit that we are bound by the protocols that we signed. I also want him to admit that the East African Community Protocol takes precedence over the laws we make. I want Hon. Nsamba to admit that the East African Community Protocol does not allow us to have our goods -

**THE CHAIRPERSON:** We have the market protocols, the monetary - we have them. Let us not pretend.

**MR KAFUZI:** It is the Common Market Protocol and it does not allow us to have our local goods given priority over goods in the East African Community. I understand that other countries may have violated that by imposing what they call “non-tariff barriers”. However, we do not have to do that by embedding it in a law; that we are going to create our own domestic law in order to violate the East African Community protocol. That would be illegal and could be challenged in the East African Court of Justice.

**THE CHAIRPERSON:** Leader of the Opposition?

**MR MPUUGA:** Madam Chairperson, we had occasion to converse over the subject matter, including educating ourselves on what is binding to us as a nation. Of course, I understand the honourable member is very Ugandan and has Uganda at heart. However, as a student of international law, I understand what this says for us.

I know for a fact that if we pass this, it will be challenged in the East African Court of Justice and we will lose it. If it is not challenged, it will obtain and people will partake of the benefits.

However, broadly speaking, the learned Attorney-General has a point. What I had advised was for the learned-Attorney General to probably find a new subclause to accommodate a requirement that states that where need be, priority be given to Ugandan entities. That will calm the nerves of the Parliament of Uganda – to say that probably, we have given an option to Uganda. This is to make sure that we do not legislate blindly. The realities are with us.

I would like to ask you, Madam Chairperson, to give the honourable member a last chance to either make further clarification or make a concession. You see, even when you go to court, a judge will ask you to make your last pleas as a way of mitigation. Therefore, the honourable member should be given an opportunity to mitigate his case.

**THE CHAIRPERSON:** Thank you, I love your diplomacy. What you are talking about – preference for Uganda – is provided for under clause 31. Let me hear from Hon. Wilson.

**MR KAJWENGYE:** Thank you, Madam Chairperson. I have listened to the passionate presentation by Hon. Oshabe and his definition of “Ugandan products”.

I understand the sentiment behind Ugandan products. However, I would like him to clarify on this. We are moving faster and progressively towards a federation. Hon. Nsamba could, tomorrow, invest in Tanzania and produce goods and want the same goods to be bought here in Uganda. Why would he use the law to restrict his business deals?

What is called “Ugandan goods” is not necessarily what is produced in Uganda. It could be produced by Ugandans who are investors in Kenya, Tanzania, Burundi or Rwanda.

I also know, Madam Chairperson, that where we have reached –

**THE CHAIRPERSON:** Honourable members, let us move.

**MR KAJWENGYE:** Thank you.

**THE CHAIRPERSON:** Can I hear from Hon. Bahati and then Hon. Oshabe? Hon. Oshabe, do not mind. I am going to put the question.

**MR BAHATI:** Madam Chairperson, we spend a lot of time, as Government, negotiating these East African Community agreements and protocols. Soon, we will actually be moving from BUBU to BABA because we have now signed –

**THE CHAIRPERSON:** What is BABA?

**MR BAHATI:** It is “Buy Africa, Build Africa”. We have now secured market for all the 54 countries.

**THE CHAIRPERSON:** And Hon. Oshabe is a member of the Pan-African Parliament.

**MR BAHATI:** Yes. Therefore, taking it to the level of goods, I think, would be too much, Hon. Oshabe. If we can say “entities”, as the LOP has suggested, that would be a good middle ground. However, let us not legislate on anything that will affect the implementation of these markets.

**THE CHAIRPERSON:** Honourable members, when you look at clause 31, preference will be on the Ugandan goods. Hon. Oshabe of Kassanda? *(Laughter)*

**MR OSHABE:** Madam Chairperson, it is not true and no one will take us to court. Why? Madam Chairperson –

**THE CHAIRPERSON:** We are now speculating. Even Hon. Fox is taking us to court over the anti-homosexuality *-(Laughter)*

**MR OSHABE:** Madam Chairperson, every one of these East African countries is running a

campaign. Uganda is running a campaign “Buy Uganda, Build Uganda”. It is being done by the Government, through the Ministry of Trade. Who has ever taken Uganda to court? Rwanda is running the “Buy Rwanda, Build Rwanda” –

**THE CHAIRPERSON:** Hon. Oshabe, I want to ask you one thing: do you want your Bill to pass or not? We have spent a lot of time on this Bill; it started in the Ninth Parliament. It is your achievement if this Bill passes this time round.

I want to refer you to clause 31 on priority for goods or services from member states of the East African Community. It answers that question: priority will always be on goods from the member states.

**MR OSHABE:** Madam Chairperson, there is no gain when I come here to cure a mischief and I am defeated by people who just want the East African Community. It is –

**THE CHAIRPERSON:** By the way, the law is not about defeating. We are not about a winner or a -

**MR OSHABE:** Madam Chairperson, the minister has been here claiming that people will take us to court on local content but we have local content in the Mining Act and the Petroleum Act. Kenya has local content in the Infrastructure Act. Every country has local content legislated.

Madam Chairperson, anybody who wants to defeat this law will just make it for East Africa. I will have no purpose going forward with this law. It makes no sense for me to sit here, wanting to give a chance to Ugandans and you tell me to look for Congo and everyone. The purpose would be defeated.

**THE CHAIRPERSON:** Honourable members, in the circumstances – Do you want to give information? Yes, Hon. Kabasharira.

**MS KABASHARIRA:** Since we are now East Africa, I would like you to agree and do – For these people, when it comes to any

Uganda product, they will use their mandate like we are doing with the bombardier. There is also Kenya Airways, but I want to tell you that for any ministry and even Parliament, you must use Uganda Airlines – unless there is no Uganda Airlines plane at that time. It can be done that way and it will not be defeated anywhere. Thank you.

**THE CHAIRPERSON:** Honourable members, I am going to put the question on the amendment of the minority report by Hon. Enosi.

I want you to be mindful that this is provided for under clause 31, as said by the LOP. Leader of the Opposition, thank you very much for being objective.

I put the question that clause 4 be amended as proposed by the minority report.

*(Question put and agreed to.)*

*Clause 4, as amended, agreed to.*

Clause 5

**THE CHAIRPERSON:** Mr Chairman, I want you to be a responsible chairman. Do not leave a clause that has been returned unattended to. Once something is returned, you must look at it. As the chairperson, you cannot just keep quiet. Do not make the House do your work.

**DR KEEFA KIWANUKA:** Clause 5: Rejection of Ugandan goods and services during procurement

Clause 5 is amended by (i) substituting subclause (2) for the following –

(2) “Where a good locally manufactured in Uganda or a service provided by a Ugandan citizen or company does not meet the required quality, quantity, timeline for delivery or completion, the accounting officer of the local entity may, in writing, authorise procurement of the goods or service elsewhere.”

(ii) by substituting for subclause (4) the following -

“(4) The local content entity shall keep a record of the acquisition under subsection (2) and file a monthly report with the department stating –

- (a) the nature of the good or service procured or contracted;
- (b) availability of similar goods and services in Uganda;
- (c) the purpose for which the good or service was required;
- (d) the minimum quality, quantity and timeline for delivery that was required by the local content entity;
- (e) the market price for the good or service;
- (f) the market price for similar goods or services; and
- (g) any other information the minister may prescribe by regulation.

(iii) by inserting immediately after subclause (5) the following -

“(6) An accounting officer shall be liable for breach of this section.”

The justification is:

1. To allow the procurement of goods or services without any delays or inefficiencies.
2. To guide the local content entities on the parameters they can use once they have rejected Ugandan goods or services.
3. To create liability for the accounting officers.

**MR KAFUZI:** I concede.

**MR OSHABE:** Madam Chairperson, I came here to bring a law to support the people of

Uganda; that was my major purpose. Now, I do not know how to proceed. If the House thinks that we shall prioritise all East African countries, I do not know. I have seen Ugandan goods being chased east, west and north, so many times. I really do not know how to proceed, 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

**DR KEEFA KIWANUKA:** Madam Chairperson, in our report, we are reporting the new clauses. Clause 6 regards the reservation of goods and services to be exclusively procured in Uganda. On that one, the President said that clause 6 violates Article 13 of the East African Customs Union. This is consequential to clause 4. The committee recommends that the word “Uganda” is maintained in the Act and –

**THE SPEAKER:** It is consequential. The word “East Africa” -

**DR KEEFA KIWANUKA:** Okay, it is consequential to clause 4. We agree with the President that this be revised to “East Africa.”

**MR KAFUZI:** Madam Chairperson, for purposes of clarity, clause 6 states that the reservation of goods or services should be exclusively procured from Uganda. Our contention is that, that alone creates a contradiction; it puts us at loggerheads with the provisions of the East African protocol. Therefore, in respect of that, we propose that the word “Uganda” be replaced with the word “East Africa” just as a consequence of what we have done in clause 4. I beg to submit.

**THE CHAIRPERSON:** I put the question that clause 6 be amended as proposed by the minority report.

*(Question put and agreed to.)*

*Clause 6, as amended, agreed to.*

Clause 7

**DR KEEFA KIWANUKA:** Madam Chairperson, clause 7 is about the preference of goods or services readily available on the Ugandan market. Clause 7 is amended by –

Substituting for the following –

“(1) Subject to this Act, a local content entity shall give preference to goods and services that are readily available on the Ugandan market and shall exclusively grant contracts for procuring such goods or services to Ugandan entities.”

By deleting subclauses (2) and (3).

The justification is to provide for use of goods or services that are readily available in the Ugandan market, even if they are not locally manufactured.

**MS APEA:** Thank you, Madam Chairperson. I would like to know whether this Local Content Bill is changing to “East African Local Content Bill” because the Leader of the Opposition gave us a very clear position; that instead of considering our goods as local or Ugandan goods, we could talk about an entity. Are we proceeding right if the Attorney-General is telling us to substitute “Uganda” with “East Africa”? Is it possible that we can get a better way of putting this law so that we own it as a local content law?

**THE CHAIRPERSON:** I wish you understood what the Leader of the Opposition was talking about in clause 4. Read clause 4 together with 31. Do you have the law with you there? Read clause 4 together with clause 31.

**MR KAFUZI:** Madam Chairperson, permit me to make some clarification. When the East African Community protocols changed, it was not envisaged or foreseen that we would have a law on local content. We bound ourselves by saying that we will not have a law that gives exclusivity to local goods over East African

goods. As far as we stand, we are bound by that protocol because it stands. Having a law locally in Uganda that gives exclusivity to goods and services in Uganda over those in East Africa - it is bound to be challenged. That is what I can say.

**MR ENOSI ASIIMWE:** I am just going to read the law as is. Article 76 says, “*There shall be established a Common Market among the Partner States. Within the Common Market and subject to the Protocol provided for in paragraph 4 of this Article, there shall be free movement of labour, goods, services, capital, and the right of establishment*”.

76(2) reads: “*The establishment of the Common Market shall be progressive and in accordance with schedules approved by the Council*”. Thereafter, we signed a Common Market Protocol and section (6) is very clear about free movement of goods and services and specifically commits not to restrict trade between partner states. By now – *(Interjection)* - Let me finish.

**THE CHAIRPERSON:** Why don’t you allow the Member to finish?

**MR ENOSI ASIIMWE:** The Bill we are discussing has many clauses but specifically where we are replacing “Uganda” for “East Africa”, it is only clauses 4 and 6.

Section 31 stays the way the mover wants it and gives priority to Ugandan goods and thereafter, to East African goods and gradually to the world market. Therefore, it is either way. Under section 31, we are protecting the Ugandan market. If we maintain sections (4) and (6) in the current format, we are restricting trade, which is against –

**THE CHAIRPERSON:** We have passed clauses 4 and 6. We are now on clause 7.

**MR ENOSI ASIIMWE:** I am just giving you information to the effect that if we passed clauses 4 and 6 in the manner the mover wanted, we would have restricted trade, which is against the Treaty and protocol.

**THE CHAIRPERSON:** Let us look at clause 7. Attorney-General, what is your position on clause 7?

**MR KAFUZI:** Madam Chairperson, we harmonised the position on clause 7 as presented by the committee chairperson. I concede.

**THE CHAIRPERSON:** Chairperson, is that the position?

**DR KEEFA KIWANUKA:** Madam Chairperson, I have presented the harmonised position on clause 7. Should I do it again?

Madam Chairperson, clause 7 is about preference of goods or services readily available on the Ugandan market. Clause 7 is amended by -

Substituting for subclause (1) the following -

“(1) Subject to this Act, a local content entity shall give preference to goods and services that are readily available on the Ugandan market and shall exclusively grant contracts for procuring -”

**THE CHAIRPERSON:** Hon. Solomon, you are not in a market; so, sit down.

**DR KEEFA KIWANUKA:** I will repeat. It reads: “Subject to this Act, a local content entity shall give preference to goods and services that are readily available on the Ugandan market and shall exclusively grant contracts for procuring such goods or services to Ugandan entities.”

Deleting subclauses (2) and (3).

The justification is to provide for use of goods or services that are readily available in the Ugandan market even if they are not locally manufactured.

**THE CHAIRPERSON:** Is that the position you agreed upon?

**MR KAFUZI:** Yes, Madam Chairperson, and I concede.

**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 9

**DR KEEFA KIWANUKA:** Clause 9 is about reservation of contracts for public works. The President is suggesting that instead of using the word “shall”, we use the word “may”.

**THE CHAIRPERSON:** Clause 9 is about reservation of contracts for public works and provides that: “The minister shall, in consultation with the Public Procurement and Disposal of Public Assets Authority, and by notice in this Gazette, reserve certain contracts or public works to be exhaustively granted to Ugandan citizens and companies.” The word “shall” be replaced with “may”. That is the amendment.

**DR KEEFA KIWANUKA:** Madam Chairperson, the committee agrees with the President’s proposal that the word “shall” be substituted with “may”.

**THE CHAIRPERSON:** Attorney-General?

**MR KAFUZI:** I concede.

**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:** Clause 10 is on prohibition and subcontracting. The mover states that the provision is ambiguous and should be revisited. It should be amended to

read: Prohibition and subcontracting by a subcontractor.

It should be noted that a firm that has subcontracted remains liable for the subcontracted works or services. This is likely to raise quality assurance issues. That is the reason that the President gave.

**DR KEEFA KIWANUKA:** Madam Chairperson, the position of the committee is that it should be maintained as it is in the Act.

**THE CHAIRPERSON:** Leader of the Opposition?

**MR MPUUGA:** Madam Chairperson, there was no harmonisation on this and I left it to the discretion of my Member to make his case on clause 10.

**THE CHAIRPERSON:** Has your Member now accepted that he is part of the proceedings?

**MR MPUUGA:** He is part and he has not left the House.

**THE CHAIRPERSON:** You cannot throw it in someone's face as if you do not want to do anything.

**MR NSAMBA OSHABE:** Madam Chairperson, I was lost –

**THE CHAIRPERSON:** Can we look at clause 10?

**MR NSAMBA OSHABE:** Madam Chairperson, I was lost along the way and I am finding my ground now.

**THE CHAIRPERSON:** What is your position on clause 10?

**MR NSAMBA OSHABE:** Madam Chairperson, I think there is a misunderstanding on clause 10. Whereas we are struggling and trying our best to ensure Ugandans benefit through affirmative action, we are aware that many of them can abuse the process.

Clause 10 comes in to cure that. Whereas we are creating a law for someone, that person must not subcontract the works given to him or her under affirmative action. Because of affirmative action, they should not subcontract the works given to them under this.

There is also another “leg” under that clause, which I think they failed to understand. There are contracts that are wholly going to be under reservation where the minister will say, “These ones will be reserved in...” - A Ugandan will take the entire contract. That is the other part of the leg of clause 10. One leg is about subcontracting and the other is where a Ugandan gets a contract under reservation. We are saying, “Do not subcontract these works that you have got under this because you have been favoured”. If we leave Ugandan companies or Ugandans to get work and start selling it off –

**THE CHAIRPERSON:** What amendment do you have?

**MR NSAMBA OSHABE:** Madam Chairperson, I pray that section 10 is left as we proposed it in the Bill because it is intended to cure a mischief where Ugandans will just become middlemen yet we want them to build capacity.

**THE CHAIRPERSON:** First look at the head note.

**MR NSAMBA OSHABE:** Yes, Madam Chairperson, the head note is about subcontracting.

**THE CHAIRPERSON:** I do not have a problem leaving it there but I am saying look at the head note too.

**MR NSAMBA OSHABE:** Yes, Madam Chairperson.

**THE CHAIRPERSON:** Can you improve the head note?

**MR NSAMBA OSHABE:** No, Madam Chairperson. We cannot because the President



is interested in saying, “Do not subcontract subcontracted work” but that section is not only on subcontracted work; it is also a situation where a Ugandan gets a full contract; where he is not a subcontractor but a contractor himself. That is the other leg of it.

**MR KAFUZI:** Madam Chairperson, our proposal is that we improve the head note. Instead of saying, “prohibition of subcontracting” – because if you say “prohibition of subcontracting” out-rightly, it means that whichever individual gets whichever contract is out-rightly prohibited from subcontracting. We all know that nobody – not even a very well-off company – is 100 per cent self-contained or self-sufficient. At some point, there are some aspects of the contract that you would want to subcontract. I would propose that we improve on the head note; instead of calling it “prohibition of subcontracting” – In this case, we are referring – *(Interjection)* Yes.

**THE CHAIRPERSON:** Are you done? LOP.

**MR MPUUGA:** Madam Chairperson, I was looking at the gist of the clause and my thinking is that it was an attempt to limit the extent of third parties in the chain of the contract. If the honourable mover here would appreciate what this would amount to – and I will agree with him that maybe it is a question of nomenclature. We can improve on the framing of the clause because the essence is the same, unless we have not harmonised what you want to deliver. What the clause needs to deliver is what you are saying – that you want this Ugandan contractor to build capacity and therefore, it should not be subcontracting again. That value chain limits the extent of subcontracting, which dilutes the essence of the contract. I do not know whether we are on the same page thus far.

**THE CHAIRPERSON:** Give me the legal amendment.

**MR OSHABE:** Madam Chairperson, the President wants us to change the head note. In the President’s comment, he is saying, change the head note to read, “Prohibition

of subcontracting by subcontractors”. That can sort out only one part of the issue we want to solve. I agree with him on that one part if the concern was only subcontractors. However, there are also Ugandans who are going to get jobs under this law – under affirmative action where they are solely the contractors. This other part is not catered for if we move with the President’s head note where we say, “prohibition of subcontracting by subcontractors”. That is why I pray that we leave the head note the way it is.

**THE CHAIRPERSON:** Clause 9: Reservation of Contracts for Public Works, says, “A minister shall, in consultation with the Public Procurement and Disposal of Public Assets Authority and by notice of a Gazette, reserve certain contracts for public works to be exclusively granted to Ugandan citizens and companies”. Doesn’t it cure your issue? If it does not, let us stand over that and go to the next clause as you think over it.

**MR NSAMBA OSHABE:** Let me explain, Madam Chairperson. This is what takes us to clause 10 because this one is saying there are some specific contracts that will be fully given to Ugandan companies under affirmative action. Once we change the head note in clause 10 and concentrate on only subcontracting, that implies that we will have cured one part on subcontracting but we will not have cured the benefit for the companies that get contracts under clause 9.

**THE CHAIRPERSON:** Attorney-General, the heading of Part 4 is subcontracting of contracts and public works. Doesn’t it help?

**MR KAFUZI:** Madam Chairperson, maybe we can bring clause 9 under Part 4.

**THE CHAIRPERSON:** Under what?

**MR KAFUZI:** Under Part 4 in order to cater for his interest because clause 9 leads us to clause 10.

**THE CHAIRPERSON:** We finished with the 4 -

**MR KAFUUZI:** No. For purposes of -

**THE CHAIRPERSON:** Do not take me back. Let us go to clause 11.

Clause 11

**THE CHAIRPERSON:** We have stood over clause 10, as the two of you reconcile.

**DR KEEFA KIWANUKA:** Madam Chairperson, clause 11 is about requirements to subcontract public works contracts or activities. Clause 11 is amended by -

Substituting for subclause (1) the following: “(1) Every contract for public works granted to an individual or entity other than a Ugandan company or citizen shall, subject to fulfilling the eligibility requirement under section 13, contain a requirement for the individual or entity to subcontract a percentage of the contracted works in the manner prescribed by the minister by regulation to a Ugandan company or citizen.”

By deleting subclause (3) and the justification for this is to provide for the regulations to prescribe the percentages of the works to be subcontracted based on the value, complexity and the size of the works to be performed.

**MR NSAMBA OSHABE:** Madam Chairperson, the challenge with this amendment is that you are leaving it at the discretion to the minister to determine for you how much local content you are likely to get. The minister can come up and say, I got one per cent. Will the country have benefitted from this? I propose that this House determines a percentage and says, “This percentage is for any contract that goes on.” We have tried, as much as possible in this law, to create an easy life for Ugandans. If you are doing a complex project, unbundle it so that at least 40 per cent of that contract is given to local companies. They are the taxpayers.

**THE CHAIRPERSON:** Hon. Oshabe, the letter which returned the Bill has a percentage. Why is the committee quiet on the percentage?

“Clause 11(1) provides that every contract for public works granted to an individual or entity other than a Ugandan company or citizen, shall, subject to fulfilling the eligibility requirements under section 13, contain a requirement for such an individual or entity to subcontract at least 40 per cent of the contracted works to a Ugandan entity.

Forty per cent across the board may not be feasible for every work contracted. This should be transferred to the regulations and a provision for exceptions be incorporated.”

That is the comment on the returned Bill.

**THE CHAIRPERSON:** We need to have a percentage so that the minister will not just say, “Let us give one per cent.”

**MR KAFUUZI:** Madam Chairperson, we are not saying we should not have a percentage. Our argument is that the percentage should not be embedded here. We should give the minister -

**THE CHAIRPERSON:** It should be in the regulation.

**MR KAFUUZI:** It should be in the regulation so that the minister is given some form of flexibility -

**THE CHAIRPERSON:** No, that will be too much for the minister.

**MR KAFUUZI:** Permit me to make my case, Madam Chairperson. When we were discussing this, I gave an example that if a company is going to construct a road from Kampala to Jinja - assuming it is a Chinese company - and they have all the equipment, the only thing they do not have is the murrum - In that respect, the minister can authorise the percentage that is supposed to be covered by the murrum to be given to the local person.

My proposal is that we are going to be too strict and make it literally impracticable if we put this percentage in here. What if we fail to find a local person that is able to provide this percentage?

When I said we might fail to find a local entity to provide this percentage, Hon. Nsamba's proposal was that we unbundle – as in we give several companies these subcontracts in order to get the 40 per cent.

Madam Chairperson, the problem with unbundling or using more than two companies is that they do not all operate at the same pace. Assuming your contract is to install wires and you have bought them and are ready to do electricals but the structure is not put in place, what do you do?

**THE CHAIRPERSON:** Can I hear from the minister responsible? The minister responsible, this time around, is the one for finance.

**MR MUSASIZI:** Madam Chairperson, this law is intended to favour Ugandans. I see no harm in determining a minimum percentage within which –

**THE CHAIRPERSON:** What is your suggestion on the minimum percentage?

**MR MUSASIZI:** The minimum can be anything between 20 and 40 per cent.

**THE CHAIRPERSON:** Give us one figure.

**MR MUSASIZI:** We could take 30 per cent.

**THE CHAIRPERSON:** 30 per cent.

**MR KAFUUZI:** I concede. *(Laughter)*

**THE CHAIRPERSON:** 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

**DR KEEFA KIWANUKA:** Clause 12 is about liability for subcontracted works.

Clause 12 provides that an individual or entity who subcontracts part of its contracted work under clause 11, shall, at all times, be responsible for the performance of the contract and shall, without recourse to the subcontractor, provide the relevant security and funds for the performance of the contract.”

The President says that clause 12 and clause 24(2) and (3) contradict each other. Madam Chairperson, the committee finds no contradiction between the two clauses. We actually find that they complement each other.

Therefore, it is the opinion of the committee that clause 12, regarding liability for subcontracted works be maintained, as in the Bill. The committee further recommends that if Parliament finds it feasible, the two clauses can be merged.

**MR NSAMBA OSHABE:** Madam Chairperson, I agree with the committee's proposal on the grounds that clauses 12 and 24 are intended to cushion both the main contractor and the subcontractor. Clause 12 cushions the subcontractor and clause 24 says the subcontractor must be compliant. It is as simple as that; they are not contradicting in any way.

**THE CHAIRPERSON:** Attorney-General?

**MR KAFUUZI:** I concede.

**THE CHAIRPERSON:** I put the question that clause 12 stands part of the Bill.

*(Question put and agreed to.)*

*Clause 12, agreed to.*

Clause 13

**DR KEEFA KIWANUKA:** Madam Chairperson, clause 13 is about eligibility of a Ugandan entity to be a subcontractor.

Clause 13 is amended in subclause (f) by substituting for the words “ministry or the Public Procurement and Disposal of Public

Assets Authority”, the words “authority under the Public Procurement and Disposal of Public Assets Authority Act”.

The justification is that this is a consequential amendment to clause 25.

**THE CHAIRPERSON:** Hon. Oshabe?

**MR NSAMBA OSHABE:** I concede, Madam Chairperson.

**THE CHAIRPERSON:** Attorney-General?

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

**THE CHAIRPERSON:** I put the question that clause 13 be amended as proposed.

*(Question put and agreed to.)*

*Clause 13, as amended, agreed to.*

Clauses 21 and 22

**DR KEEFA KIWANUKA:** Madam Chairperson, clauses 21 and 22(2), regarding the procurement, planning and evaluation of local content.

Clause 22(2) seemingly provides for the department to approve all local contracts from all Procurement and Disposal Entities (PDEs) in the country. The President notes that the contents under these two provisions do not match the subtitles and in some cases, are confusing.

He recommends that these provisions should be cross-referenced to the PPDA Act and Regulations on Procurement, Planning and Evaluation.

The committee observes that there is no contradiction between the headnotes and the provisions; the two provisions are clearly providing for different things and there is no need to cross-reference with the PPDA Act.

The clauses provide guidance on how the local content aspect can be included in the plans for the procurement and how they are to be evaluated for purposes of checking for responsiveness with the local content laws.

Therefore, the committee recommends that the clauses are maintained in the Act since there is no apparent contradiction.

**MR KAFUZI:** Madam Chairperson, our position is that the two clauses contradict the PPDA Act and we would rather delete them and then amend the PPDA Act to fill the gap.

**MR NSAMBA OSHABE:** Madam Chairperson, as earlier explained, procurement laws are about competition. Attorney-General, the earlier you appreciate that, the better. Matters of local content are a disorganisation of the procurement process. In 21, we have provided -

**THE CHAIRPERSON:** Just a minute; let us hear from the line minister.

**MR MUSASIZI:** Madam Chairperson, there is something cropping up - well, I know the rules of procedure have, over the years, been changing but in the 10<sup>th</sup> Parliament when I was still the chairman, and when I handled the Local Content Bill and other Bills, I know when the President returns a Bill, there is a way we handle it. But from what I see, we are beginning to amend what the President has proposed in the returned Bill. I need to be guided on whether this is the correct procedure for handling a returned Bill.

**THE CHAIRPERSON:** That is what is supposed to be done on reconsideration; tackle the concerns that have been raised.

**MR MUSASIZI:** Madam Chairperson, with your guidance, then the Attorney-General’s position should be supported because the committee is trying to amend what the President has proposed, which is not-

**THE CHAIRPERSON:** Hon. Oshabe, help us on this.

**MR NSAMBA OSHABE:** Madam Chairperson, whereas in the PPDA Act 2003 - provided for reservations and support to the people of Uganda, they failed to implement it because they implement local content at the tail end of the procurement process.

And by the time they consider matters of local content, many Ugandans have already been excluded. So, in clause 21, we are saying that every procurement entity should plan for local content at the stage of advertising and bidding. Every -

**THE CHAIRPERSON:** I want to read to you the President's comment on clause 21, on procurement planning, and evaluation of local content in bids: *"The contents under these two provisions do not match the subtitles, and in some cases confusing. These provisions should be cross-referenced to the PPDA Act and regulations on procurement, planning and evaluation."*

On clause 22(2); *"...provides for the Department of Local Content, which will have powers, among others, to approve all local contracts from the Procurement and Disposal Entities (PDEs) is in the country.*

*The provision is in conflict with Article 119 of the Constitution that mandates the Attorney-General to give his opinion/advice in respect to all contracts, agreements, treaties, conventions or any documents to which the Government is party."*

That is what we are looking at.

**MR NSAMBA OSHABE:** Madam Chairperson, when you look at clause 21 like I have been explaining, we are requiring procurement entities to clarify their interests in terms of local content in clause 21(1) and clause 22, at the bidding stage . It is about planning so that every procurement entity puts it into consideration that we shall consider these Ugandans and these are the priorities that we want.

Madam Chairperson, clause 22(2) reads, "A bid shall be taken responsive to local content under this Act, whereupon evaluation, it contains a local content plan as required in Section 18."

We are saying that everyone should take local content as a process and this is what other countries are doing by the way, only that they have no laws, but they have policies that help them to ensure that their people are part of the process in terms of their procurement.

**THE CHAIRPERSON:** Attorney-General, help us move.

**MR KAFUZI:** Madam Chairperson, I want to move that clause 22 (1)-

**THE CHAIRPERSON:** Clause 21 where there is cross-referencing to the PPDA Act.

**MR KAFUZI:** I concede to that.

**THE CHAIRPERSON:** Thank you. I put the question that clause 21 stands part of the Bill.

*(Question put and agreed to.)*

*Clause 21, agreed to.*

Clause 22

**MR KAFUZI:** Clause 22(2) does not state the correct position of the Attorney-General as far as the signing and execution of his powers are concerned.

**MR NSAMBA OSHABE:** Madam Chairperson, when the bidding process is going on, at the preliminary stages -

**THE CHAIRPERSON:** Let us first understand what clause 22(2) says. It says, a bid shall be taken to be responsive to local content under this Act, whereupon evaluation, it contains the local content plan as required in Section 18.

Now, the President is saying that clause 22(2) is in conflict with Article 119 of the Constitution that mandates the Attorney-General to give his opinion or advice in respect to all the contracts,

agreements, treaties, conventions or any document, which Government is a party to.

**MR NSAMBA OSHABE:** Madam Chairperson, Article 119 is about contracts. Here, on clause 22(2), we are at the bidding stage. Even, they have not evaluated. We are saying that as you look for bid security -

**THE CHAIRPERSON:** Hon. Oshabe, delete clause 22(2). It conflicts with the Constitution.

**MR NSAMBA OSHABE:** Madam Chairperson, allow me to explain. Article 119 comes at the level of the contract but this is at the level of the bidding process; at the beginning. They have not even evaluated the financial ability and preliminary things. The responsiveness we are looking at in clause 22(2) is at that stage.

Article 119 is applicable at the end of the contract. The PPDA has finished the process -

**THE CHAIRPERSON:** Hon. Oshabe, clause 22 is on evaluation of local content in bids. It reads:

“(1) A bid subject to local content obligations shall first be evaluated on its responsiveness to local content obligation and where the bid is not responsive, it shall be rejected without any further evaluation.

(2) A bid shall be taken to be responsive to local content under this Act, where upon evaluation, it contains a local content plan as required in Section 18.”

The responsiveness is already done in (1).

“(3) Upon a preliminary evaluation, a bid shall be ranked in the order of preference with bids containing the highest value of local content assigned a higher mark.”

Under (1), it has passed the responsiveness. Then in (3), you do the higher ranking. Let us first hear from the Attorney-General. He has something to say.

**MR KAFUZI:** Madam Chairperson, I want to concede to the clause as it is. Let us maintain it.

**THE CHAIRPERSON:** As it is in the Bill? I put the question that clause 22(2) stands part of the Bill.

*(Question put and agreed to.)*

*Clause 22, agreed to.*

Clause 25

**DR KEEFA KIWANUKA:** Madam Chairperson, we have a consequential amendment on clause 25 and it is about administrative measures for compliance.

Clause 25 is amended -

“(a) By deleting subclause (1)(a); and

(b) In subclause(2)(a)by substituting the words, “department of local content entity”, the word, “authority”.

The justification is to allow the PPDA to be the only supervisor that blacklists local content entities that violate the provisions of this Act.

**MR NSAMBA OSHABE:** I concede, Madam Chairperson.

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

**THE CHAIRPERSON:** I put the question that clause 25 be amended as proposed.

*(Question put and agreed to.)*

*Clause 25, as amended, agreed to.*

Clause 28

**DR KEEFA KIWANUKA:** Clause 28: Offences and Penalties.

Clause 28 is amended in subclause (2) -

In paragraph (a) by substituting for the word “five,” the word “three”; In paragraph (b) by substituting for the word “ten” the word “seven.”

The justification is to reduce the prison sentence.

**MR NSAMBA OSHABE:** I concede, Madam Chairperson.

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

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

*(Question put and agreed to.)*

*Clause 28, as amended, agreed to.*

Clause 32

**DR KEEFA KIWANUKA:** Clause 32 is about provision of importation of regulated goods and services. The committee recommends that clause 32 is deleted.

**MR NSAMBA OSHABE:** I concede, Madam Chairperson.

**MR KAFUZI:** That is our position, Madam Chairperson.

**THE CHAIRPERSON:** I put the question that clause 32 be deleted as proposed.

*(Question put and agreed to.)*

*Clause 32 deleted.*

Clause 34

**DR KEEFA KIWANUKA:** Madam Chairperson, we have another consequential amendment on clause 34, which is about the National supplier database for Ugandan entities and citizens.

Clause 34 is amended by substituting for the word, “Department,” the word, “authority.”

The justification is to provide for the PPDA to be the supervisory body responsible for developing and maintaining the local content national database.

This is a consequential amendment to the proposal by the President to have the PPDA as the only agency that can blacklist.

**MR NSAMBA OSHABE:** I concede, Madam Chairperson.

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

**THE CHAIRPERSON:** I put the question that clause 34 be amended as proposed.

*(Question put and agreed to.)*

*Clause 34, as amended, agreed to.*

*Clause 35, agreed to.*

Clause 37

**THE CHAIRPERSON:** Honourable chairperson, do you have an amendment on clause 37?

**DR KEEFA KIWANUKA:** Clause 37 is about prohibition of imposition of foreign standards.

Clause 37 is substituted with the following:

“(3) A local content entity, contractor or supplier, for the purpose of this Act, shall comply with the standards issued by the Uganda National Bureau of Standards in providing goods, services or material for public works.

(4) Where there is no standard issued by the Uganda National Bureau of Standards or where an international standard is superior to a standard issued by the UNBS, a local content entity, contractor, provider or supplier shall with the approval of the Uganda National Bureau of Standards use the international standard.”

Justification

To compel a local content entity, contractor, provider or supplier to comply with the standard set by UNBS.

To provide for use of international standards where there are none issued or where the international standards are superior to those issued by UNBS.”

**MR NSAMBA OSHABE:** I concede, Madam Chairperson.

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

**THE CHAIRPERSON:** I put the question that clause 37 be amended as proposed.

*(Question put and agreed to.)*

*Clause 37, as amended, agreed to.*

Clause 38

**DR KEEFAKIWANUKA:** Clause 38 provides for an appeal from decisions made under the Act. Now, here, the President proposes that the clause is cross-referenced with the PPDA Act and regulations. The provision has given the department the first line of reference for any complaint for violation of the local content law and where the complainant is dissatisfied with the decision of the department, then they would have recourse to court.

The reference to court, following dissatisfaction with the decision does not in any way hinder the department from carrying out the process they want to follow while determining these complaints. The department is at liberty to adopt the processes similar to those in the PPDA Act and regulations.

In the event that they desire to have it hard coded in the law, then the processes would be contained in the regulations.

The committee, therefore, recommends that clause 38 regarding appeals be maintained, as currently reflected in the Act.

**MR KAFUZI:** Madam Chairperson, our position is that there is a procedure in the PPDA Act for appeals for whoever is dissatisfied. There is a tribunal.

If you are dissatisfied with the decision of the tribunal, then you appeal to court. Now, for us to make a law on local content providing for direct appeal to court creates a contradiction. That is why the President proposes that this clause be cross-referenced, meaning that with reference to the PPDA, whoever is dissatisfied here, can take the footsteps marked in the PPDA law.

**MR NSAMBA OSHABE:** Madam Chairperson, I associate myself with the committee position. Like I said, the local content law is really not about procurement alone. I will give an example: We have provided for a succession plan – I am an employee, I have had this expert who has been with us for 10 years. I want to make an appeal about it. I cannot go to PPDA. So, matters of local content are not specific on procurement. The procurement process will handle matters of procurement, and we are happy it will have no problem.

But where matters – we are saying that should go to the High Court. So, Madam Chairperson, I plead that the PPDA can only handle matters relating specifically to procurement; beyond procurement, it will not be able to handle. That is why we are referring to the High Court. Thank you, Madam Chairperson.

**THE CHAIRPERSON:** Assuming you substitute “shall”, with “may”? Because they are not basically for procurement alone; you can decide to go to the PPDA or go to the High Court. Assuming you remove “shall” and put “may”?

**MR NSAMBA OSHABE:** Then it reads, “The local content entity/contractor aggrieved by a decision of the department may appeal the decision to the High Court”? I have no problem with that.

**THE CHAIRPERSON:** Leader of the Opposition?



**MR MPUUGA:** Madam Chairperson, I fail to understand the contention by the learned Attorney-General over the subject matter, and I thought if the honourable member concedes to the coaching of the phrase, then I am comfortable.

**THE CHAIRPERSON:** Cross-referencing.

**MR KAFUUZI:** Madam Chairperson, I do not want to appear to be very difficult on this. But you see, the PPDA law says if you are dissatisfied with the process, you appeal to the tribunal.

And if you are dissatisfied with the decision of the tribunal, appeal to the High Court.

**THE CHAIRPERSON:** What we are saying – yes, if no disagreements are on procurement; that is what I think we are saying.

**MR KAFUUZI:** Unless the coaching – You see, that is why the President proposed that we refer to the PPDA Act. Unless you draft it to indicate that you are dealing with activities other than procurement. We can be specific and say, “If you are dissatisfied with the other processes other than procurement,” so that we leave the processes of procurement to be handled under the PPDA law.

**MR OSHABE:** I think that is a better way to look at it.

**THE CHAIRPERSON:** You should re-draft. – No, we are closing; this is the last.

**MR MPUUGA:** No, the House can give the headlines and the drafts person goes to make the impression of the House.

**THE CHAIRPERSON:** Okay, give us the headline.

**MR MPUUGA:** No, we can change the headline as implied by the committee chairperson because definitely, I agree that the PPDA might deal with procurement alone, but the issues therein could be beyond procedural impropriety and the legality.

They could be bordering on fraud and other issues. So, the people who are drafting should take care of those possibilities and then give us something better. I am not good at drafting verbatim, I need to have time. I never did law on drafting but I comprehend when there is proper construction.

**DR KEEFA KIWANUKA:** Madam Chairperson, my senior colleague, the Leader of the Opposition, has talked of fraud, which if followed, would open a Pandora’s box on this because then, one would have to determine at which level fraud was committed; if it was in the process of procurement, then you go under the PPDA.

But for purposes of us moving forward, I would humbly request that the drafts person can rephrase this, after all, we have agreed that the intention is that we have a proviso that any matter in here that does not deal with the procurement, can be dealt with directly by the High Court.

**MR KAFUUZI:** I have received a proposal to re-draft – maybe I can take you through, I can read it for the House.

**THE CHAIRPERSON:** Read it.

**MR KAFUUZI:** Okay. “Subject to the PPDA Act, 2003, a local content entity, contractor, provider or supplier aggrieved by a decision of the department may appeal the decision to the High Court within 14 days from the date of the decision.”

**THE CHAIRPERSON:** That is okay.

**MR NSAMBA OSHABE:** I concede, Madam Chairperson.

**THE CHAIRPERSON:** That is fine. I put the question that clause 38 be amended as proposed by the Attorney-General.

*(Question put and agreed to.)*

*Clause 38, as amended, agreed to.*

Clause 39

**DR KEEFA KIWANUKA:** Clause 39 is about the supremacy of this law. The clause provides for the supremacy of the Act over other legislations on local content.

The committee observed that there are rules of statutory interpretation; one of the rules is that a specific law prevails over a general law. So, this is a specific law and later laws prevail over the earlier laws. Therefore, it follows without question that on matters of local content, where there is no specific law for a particular sector, then this law will apply.

The committee, therefore, recommends that clause 39 is deleted.

**MROSHABE:** I concede, Madam Chairperson.

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

**THE CHAIRPERSON:** I put the question that clause 39 be deleted as proposed.

*(Question put and agreed to.)*

*Clause 39, deleted.*

Clause 10

**THE CHAIRPERSON:** We stood over clause 10.

**MR OSHABE:** Madam Chairperson, I was explaining the intention of clause 10. It was intended to cure two mischiefs. The first mischief is that as a subcontractor, when they give you a subcontract under affirmative action, we wish that you do the work and not sell it off – you do not appear as a middleman. We are worried that these good people of ours might get the contracts and give them to the Chinese or Kenyans. This would defeat the purpose of the law. It is not only about money, but about them building capacity.

So, it has two legs: one is about those who get contracts under subcontracting, and the other is

about those that get contracts under reservation – where the contract is fully theirs. That is why I am praying –

**THE CHAIRPERSON:** Hon. Oshabe has a point. Attorney-General, concede.

**MR KAFUUZI:** Madam Chairperson, we concede. *(Laughter)*

**THE CHAIRPERSON:** I put the question that clause 10 stands part of the Bill.

*(Question put and agreed to.)*

*Clause 10, agreed to.*

MOTION FOR THE HOUSE TO RESUME

4.39

**MR PATRICK OSHABE (NUP, Kassanda County North, Kassanda):** 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 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 members, our work in this House is to make laws. Where you feel that what we have passed today was not sufficient or does not address what we want, bring an amendment tomorrow. We are here to stay.

4.41

**MR PATRICK NSAMBA OSHABE (NUP, Kassanda County North, Kassanda):** Madam Speaker, I beg to report that the House has considered the National Local Content Bill, 2022 as returned by His Excellency the President and passed it with amendments.

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

4.42

**MR PATRICK OSHABE (NUP, KASSANDA COUNTY NORTH, KASSANDA):** Madam Speaker, I beg to move that the House adopts the report of the Committee of the whole House.

**THE SPEAKER:** Clerks, you need to support Members. Do not leave my Members to... I put the question that the House adopts the report of the Committee of the whole House.

*(Question put and agreed to.)*

*Report adopted.*

BILLS  
THIRD READING

THE NATIONAL LOCAL CONTENT  
BILL, 2022, AS RETURNED BY HIS  
EXCELLENCY THE PRESIDENT

4.42

**MR PATRICK OSHABE (NUP, KASSANDA COUNTY NORTH, KASSANDA):** Madam Speaker, I do not know whether it is at this stage, but I desire to recommit –

**THE SPEAKER:** Both of you have recommittals and I have not allowed them. You will bring it as an amendment. Let me first go by what was returned.

**MR NSAMBA OSHABE:** Madam Speaker, we have made a mistake in turning ourselves into the East African Parliament by passing that clause 4 –

**THE SPEAKER:** We will correct that mistake in the next one. You are still on the Floor.

**MR NSAMBA OSHABE:** Madam Speaker, I beg to report that the House has passed the Bill entitled, “The National Content Bill, 2022” and passed –

**THE SPEAKER:** ... that “The National Local Content Bill, 2022, as returned by His Excellency the President, be read the third time and do pass.

**MR NSAMBA OSHABE:** I beg to move that “The National Local Content Bill, 2022, as returned by His Excellency the President, be read the third time and do pass.

**THE SPEAKER:** I put the question that “The National Local Content Bill, 2022, as returned by His Excellency the President, be read the third time and do pass.

A BILL FOR AN ACT ENTITLED, “THE NATIONAL LOCAL CONTENT ACT, 2023”

**THE SPEAKER:** The title is settled and Bill passed. *(Applause)* Thank you so much, Hon. Oshabe, for finally having this Bill passed.

**MR NSAMBA OSHABE:** Madam Speaker, I would like to thank you for the endless effort you have put in passing this Bill. Even when I was thrown off balance at one stage, you allowed me to return. Thank you.

I would like to thank the chairperson of the Committee on Finance, Planning and Economic Development and the members of the committee, who put a lot of effort in reviewing this Bill, as returned by the President. Thank you very much, chairperson.

To the Attorney-General, thank you very much. Thank you very much, the House – except Hon. Enosi, who has disorganised the intention of this Bill. *(Laughter)*

**THE SPEAKER:** Thank you very much, Hon. Patrick, for passing this very important Bill.

**MR KAFUZI:** Madam Speaker, I would like to start by thanking the Leader of the Opposition. He met with us during our harmonisation and helped us smoothen the process. His presence here and guidance was very welcome.

I would like to thank the mover of this Bill, who happens to be a personal friend, but a very hard

man. *(Laughter)* Hon. Nsamba, I thank you. You will go down in history for passing this Bill; not many people can push a Bill through Parliament when they come to Parliament, although it is everybody's dream.

Madam Speaker, allow me to say a special "thank you" to you. Like you intimated, you were feeling unwell but we pushed you through this. I understand that you have to be patient to see us through this, but I thank you. *(Applause)*

I thank the House for allowing us to deliberate. It is normal for us to disagree and that is why we are here to have different opinions but the ultimate goal is that we are legislating for the good of our nation. Thank you very much.

**THE SPEAKER:** Thank you very much. Chairperson?

4.47

**THE CHAIRPERSON, COMMITTEE ON FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Dr Keefa Kiwanuka):** Thank you very much, Madam Speaker. First of all, I would like to thank you very much, for your guidance throughout this process.

I also want to thank the House who have helped to shape it and finally pass it. Thank you v.

**THE SPEAKER:** Thank you.

**DR KEEFA KIWANUKA:** It has been a pleasure to work on this closely with the mover of the Bill. However, as the Deputy Attorney-General said, at times, he was a bit of a "hard man".

Most importantly, I am rising up to thank the members of the Committee on Finance, Planning and Economic Development who worked very hard and within very tight deadlines to make sure that this Bill is passed in time.

Thank you, Leader of the Opposition, and all colleagues, who turned up for the harmonisation meeting that has helped the process to be smoother than it would otherwise have been. Thank you very much, Madam Speaker.

**THE SPEAKER:** Thank you very much, Chairman and the committee, the mover, together with the whole House. At times, you need to use a stick and a carrot. Where we have used a stick, we apologise. Leader of the Opposition?

4.49

**THE LEADER OF THE OPPOSITION (Mr Mathias Mpuuga):** Madam Speaker, thank you. Two things from me: first, to congratulate my member for moving the Bill successfully to the House. Secondly, to remind the House that we have been mulling over a committee for post-legislative scrutiny and it is these kinds of Bills that remind us of the need to have a committee to deal with post-legislative scrutiny, to understand some of these Bills that we pass because it does not make sense for us to make laws that will not work.

Probably, the amendments that would come – this would be one such Bill that we need to follow up very closely and find out the efficacy of each of the clauses we have moved. Therefore, I would like to remind you, Madam Speaker, that you may want to task the Committee on Rules, Privileges and Discipline to consider the task for this committee in the financial year coming. We regard this as very critical.

The lawyers in this House will agree with me that it is a huge gap for us not to have that committee and that is why we are back and forth; we cross-reference, then we talk about conflict of laws and so forth.

Madam Speaker, it is a matter so dear to me and I would like to see that in our House. Thank you.

**THE SPEAKER:** Thank you. We will do that. As already said, I want to thank you, honourable members, and I thank the Attorney-General's Chambers.

We also want to remind the Attorney-General's Chambers that when we send our Bills for scrutiny, they should be able to come back immediately. They should not stay there forever. We have five Bills and to date, they

have not returned from the Attorney-General's Chambers. We need them back so that we are able to send them for assent. Next item.

MOTION FOR ADOPTION OF  
SUBREGIONAL OVERSIGHT REPORTS  
ON THE PARISH DEVELOPMENT  
MODEL (PDM)

**THE SPEAKER:** Honourable members, as you are aware, the Parish Development Model is one of the Government strategies for organising and delivering public and private sector intervention for wealth creation. We went on recess and got reports from the constituencies. We had a meeting with the President who re-echoed his commitment to support this project. But we have our own reports that we got from our constituencies on how the PDM is performing, that is if it is there.

Can we have reports from different subregions and then we will debate on those reports that have been presented to the House?

Acholi Subregion

Ankole Subregion

**THE SPEAKER:** Government Chief Whip, these are your subregions.

Buganda Subregion

**THE SPEAKER:** Which subregion is ready? Can we start with Lango Subregion?

Actually, clap for Lango Subregion. *(Applause)*  
Can we hear from Lango Subregion? The report that I gave to the President came from Lango and Lango really had a very good report.

4.53

**MR SAMUEL OPIO (Independent, Kole North County, Kole):** Thank you, Madam Speaker. I beg to lay on Table the Lango Subregion report on the Parish Development Model, by the Lango Parliamentary Group.

**THE SPEAKER:** Honourable members, take note of what is being submitted because that will inform the debate.

**MR OPIO:** Lango Subregion has nine districts and one city namely: Kole, Dokolo, Apac, Oyam, Kwania, Alebtong, Amolatar, Otuke, Lira; and Lira City, comprising 21 constituencies.

Our terms of reference were:

1. To determine the exact amount of approved funds that have been disbursed to the various parishes.
2. To examine the eligibility of the various categories of beneficiaries of the PDM funds.
3. To assess the effectiveness of utilisation of disbursed funds by PDM beneficiaries.
4. To establish the extent of adherence to the PDM guidelines and procedures by the various actors in the implementation of PDM.
5. To examine any other matters incidental and make recommendations for corrective action.

Methodology

Our methodology involved meetings with district officials and PDM focal persons; meetings with PDM SACCO leaders; meetings with selected SACCOs; and review of PDM district reports and documentation.

I now present the findings, observations and recommendations. The report is already uploaded on the iPad under the northern region reports.

TOR No.1: To determine the exact amount of approved funds that have been disbursed to the various parishes

Lango Subregion registered 597 parish SACCOs and 9,771 enterprise groups. In the Financial Year 2021/2022, the Government committed to disbursing Shs 17 million to each of the parish SACCOs. Out of the 576 parish SACCOs in Lango Subregion, only 175 SACCOs received the full amount equivalent to 29 per cent. A total of 277 SACCOs received

less, while 145 SACCOs did not receive any funds.

Total funds disbursed in the Financial Year 2021/2022 was Shs 5.1 billion out of the expected Shs 10.1 billion, representing 50 per cent of planned disbursements. In the Financial Year 2022/2023, Shs 100 million was to be disbursed to each of the parish SACCOs with Shs 50 million disbursed in quarter one and Shs 50 million in the 3<sup>rd</sup> quarter. A total of 582 SACCOs received Shs 25 million out of the 597 SACCOs equivalent to 97 per cent, and 47 per cent of the planned funds totalling to Shs 14 billion were received by the SACCOs.

In total, Shs 19.1 billion has been disbursed to parish SACCOs in Lango Subregion. Annexures 1 and 2 provide details of the funds disbursed and the status of receipt of the funds at the SACCO level.

Our observations are that only 29 per cent of the parish SACCOs received the Shs 17 million in Financial Year 2021/2022 and these arrears have not been paid to date, while 25 per cent of the SACCOs did not receive any money.

Secondly, in the Financial Year 2022/2023, 97 per cent of the SACCOs received the Shs 25 million in their accounts. Fifteen SACCOs did not receive due to errors in the account numbers and names, while some were not recognised by the finance ministry as parishes. The amount received equates to 50 per cent of the expected Shs 50 million per SACCO that should have been released before the start of the first rainy season.

Failure by the finance ministry to release funds in line with the commitments given during the sensitisation process that was led by the Cabinet at the start of the financial year, has created mistrust by the population about the Parish Development Model Programme and their leaders. This has made a number of MPs to withdraw from active participation of the programme with the fear of non-implementation of some of the PDM talking points that were provided to them from the PDM Secretariat under the Ministry of Local Government.

In the Financial Year 2021/2022, disbursement of funds from the district to the SACCOs for the revolving funds were variedly implemented. Some districts equally distributed the funds across the parishes, while others chose to disburse Uganda Shs 17 million per SACCO, which resulted in some SACCOs failing to receive any funds.

#### Recommendations

1. Parish SACCOs that have not received funds for Financial Year 2022/2023 due to discrepancies in the account names and account numbers, which have been addressed, should have their funds disbursed in a timely manner before the end of this financial year.
2. Arrears from the Financial Year 2021/2022 and the outstanding Financial Year 2022/2023 payments should be made before the end of this financial year to the respective SACCOs.
3. The PDM talking notes dated June 2022 needs to be revised and updated to provide accurate information that is harmonised with the Ministry of Finance and other PDM actors, to avoid variations in communication.
4. Lastly, instructions to districts should be harmonised to ensure uniform implementation across the board.

TOR No.2: To examine the eligibility of the various categories of beneficiaries of the PDM funds

The objective of the PDM is to enable households increase agricultural production and productivity to add value to the produce through improved post-harvest handling, storage, processing and marketing. It also seeks to provide a revolving fund that farmers can borrow from at affordable rates and an appropriate repayment period, and invest in economic enterprises.

The PDM targets 39 per cent of households, which are still in subsistence farming. Majority

of these households own less than four acres of land. Persons under this category are encouraged to focus on intensive farming, specifically looking at livestock farming such as piggery, poultry, fish farming, fruit farming, horticulture, and coffee, among other designated enterprises.

Each household, which comprises the head of the family, the spouse, the children, and the dependents, is allowed to borrow up to a maximum of Uganda Shs 1 million payable over a maximum period of 36 months at six per cent interest. The funding quarters per interest group have also been set out at 30 per cent for women, 30 per cent for youth, 10 per cent for people with disabilities, 10 per cent for the elderly, and others 20 per cent. The PDM SACCOs are required to be registered with a district while the enterprise groups are required to be registered with the subcounties and town councils.

#### Observations

Whereas the PDM targets households that are within the subsistence economy, there is no clear data that shows that the enterprise groups selected fall within the stipulated category. This has majorly been attributed to the fact that the groups were formed before the data collection was concluded. In addition, the parish chiefs have not been facilitated with the needed gadgets in order to ensure adequate capture of relevant data.

Secondly, a sizable number of enterprise groups have taken up cereals specifically maize growing, yet this was discouraged for persons with less than four acres of land. The average land holding in Lango is 2.5 acres. With poor enterprise selection being cited as one of the reasons for subsistence farming, there are concerns that the groups selecting maize farming or inappropriate enterprises may not be positively impacted by the PDM.

A number of SACCOs have already set their borrowing threshold with some at Shs 300,000, that can be borrowed. The enterprises being focused on are not only labour intensive, but at the same time capital intensive. There

are concerns that the enterprise groups or households may not be able to adequately capitalise some of the capital intensive enterprises such as fish farming, poultry rearing, dairy farming, due to the low Ministry of Finance releases, and in the end may fail to repay their loans.

The percentages of the enterprise groups are not adequately aligned with the funding quarters, with some SACCOs having low numbers of certain special interest groups. For example, whereas the elderly are to get 10 per cent of the quarters, in some parishes, it was noted that their participation was very low, and at times even non-existent. This creates a challenge in terms of compliance to the guidelines, as it will imply that a portion of the funds may remain unutilised or has to be reallocated.

Registration of new enterprise groups is currently not on-going, hence leaving out a number of potential and interested households.

#### Recommendations

One, the mapping of the existing registered enterprise groups against the number within the 39 per cent subsistence needs to be done and completed to establish the number of beneficiaries to be targeted.

Secondly, enterprise groups that have selected enterprises, such as maize farming, or those that may not be financially feasible, with a low capital availability, need to be advised or allowed to change to other enterprises.

Thirdly, there is need for the enterprises to be guided on the minimum investment needed with appropriate business plans aligned, to planned amounts to be borrowed in order for their enterprises to be adequately capitalised, and avoid risks of underfunding of their enterprises, which may result in failure to repay the amounts borrowed.

Provision needs to be made for reallocation of funds in cases where the funding quarter has not been utilised by one of the categories of the interest groups.

Options for investment as groups also need to be provided and a threshold for group borrowing put in place to cater for individuals that would like to invest as a group.

Guidance needs to be given on when other groups that did not participate in the five SACCOs will be allowed to register in order to ensure the inclusivity.

TOR No.3: To assess effectiveness of utilisation of disbursed funds by the PDM beneficiaries. Across the parish SACCOs in the subregion, none of the SACCOs have had the funds disbursed to the enterprise groups. The SACCOs are duly registered with the registrar of cooperatives. General meetings have been held, leaders selected, bank accounts have been opened and signatories made. The board committees, the supervising committees and loan committees were found to be in place.

The districts are at stage four of preparing the beneficiaries to access the PDM funds, which is being done through a pilot study. Piloting processes are currently on-going within selected parish SACCOs in the various districts, in order to train the leaders on financial management, profiling of the beneficiary households, development of business plans and work plans by the beneficiaries for the enterprises chosen with the help of extension workers, training on loan application and repayment procedures. The pilot study is expected to be completed by end of February to enable rollout by the 1<sup>st</sup> of March. A number of SACCOs indicated that they had earlier been informed that the rollout will take place on 1 December 2022, which did not materialise.

Our observation is that the delay in allowing SACCOs to disburse the funds coupled with the changing dates for rollout has resulted in loss of confidence of the programme. Planned rollout in March might be too late for those planning to plant various crops in this rainy season.

Some of the districts are ready for the pilot study, but have not received the necessary support from the relevant entities, including

the ICT ministry to enable them proceed with their pilot processes.

#### Recommendations

One, the pilot processes need to be finalised in a timely manner to enable rollout before the commencement of the rainy season.

Secondly, PDM communication needs to be harmonised to avoid loss of confidence coming out of several postponements on the rollout.

TOR No.4: To establish the extent of adherence to the PDM guidelines and procedures by the various actors in the implementation of the PDM

The SACCOs were found to be registered with the Registrar of Companies. The vetting committees were formed, followed by election of board committees (SUPCO) and supervising committees and loan committees. The SACCOs then received introductory letters from their districts to open bank accounts and register with the Ministry of Finance IFMS System. These processes and deadlines were found to have been complied with. Several trainings are yet to be completed to the SACCO leaders on financial management and households on enterprise value chain.

Profiling of the beneficiaries who should be members of an enterprise group, which in turn should be a member of a parish SACCO, is on-going. Beneficiaries are yet to form work plans with the help of extension workers, using the budgets for agricultural extension services.

It was noted that several budgets were repurposed from the original budgets through instructions that came from the Ministry of Finance in the Financial Year 2021/2022.

For example, in Kole District, 50 per cent of the Shs 52 million administrative costs budget received for sensitisation of district and subcounty stakeholders was repurposed for data collection, while Shs 58.9 million released for management information system was repurposed for the revolving fund. These



instructions were to be applied across all districts.

The district and subcounty monitoring teams, which are supposed to monitor and provide reports to the respective local governments and district local government councils, are not fully functionalised across the different districts.

Our observations are that there are new processes and guidelines including pilots, which have emerged from various PDM implementers, subsequently delaying the disbursement processes. The SACCO leaders engaged were not aware about some of the guidelines and procedures, especially on the pilots, the work plan development and were getting to know it for the first time.

Repurposing of the released funds hampered the sensitisation process, limiting engagement with the different stakeholders and contributing to some of the misconceptions and misinterpretations on the Parish Development Model. It further resulted in low coverage on data collections, since the parish chiefs could not be facilitated with computers and gadgets to enable adequate management of information systems to be in place.

Lack of monitoring at the district lower local government level makes it difficult to assess the progress at the implementation stage.

Our recommendations are that:

The processes and guidelines from the different implementers need to be put into one document to enable the parish SACCOs and district leaders to be aware of them in advance.

The Ministry of Finance should streamline funding mechanisms to avoid last-minute repurposing of released funds, as it impacts the implementation of other segments, which have a bearing on the success of the PDM implementation.

The district and lower local government monitoring teams for PDM need to be fully functionalised.

On the last term of reference to examine any other matters incidental and make recommendations for corrective action; during engagements with the various PDM SACCOs, they indicated lack of clarity on how administrative costs will be catered for. Some indicated that they had been told that Shs 5,000 would be charged for each application form for a loan and this would help to cater for their administrative costs. They indicated having been called several times for trainings and travelling to the banks using their own means.

Household data collection coverage was still incomplete and this will impact on access to the funds by the households. Lack of computers for the parish chiefs has further hindered the process of data collection.

A lot of contradicting information and mixed directives coming to the PDM SACCOs and the district officials from the PDM Secretariat, the Ministry of Finance, UBOS and other ministries was highlighted, creating confusion on implementation of some of the PDM provisions.

Other PDM pillars such as infrastructure and economic services, social services, community mobilisation and mind-set change, agriculture value chain development, have not been adequately resourced.

Budgets for subcounties and town councils were reduced in the Financial Year 2022/2023 and directed towards the PDM. Some subcounties are now running reduced budgets with less than half of the previous financial year budget.

Main budget reductions were under the District Discretionary Equalisation Grants (DDEG) that were being used to address some of the most pressing service delivery needs at the subcounty levels including roads, planting materials, among others. These services have been dropped at subcounty and town council level and still remain unavailable at the parish level.

Concerns have also been raised on the limited private sector players' involvement,

which could play a big role in value chain enhancement but have not been integrated within the programme. Their role could be useful in providing guidance on quality markets and breeds or varieties.

#### Observations

Lack of a clear budget to cater for the administrative costs has resulted into several SACCOs coming up with charges or fundraising initiatives to address administrative requirements for stationery, stamps, transport, office space, amongst others. On the part of the districts, a number of officials have had to use their own funds;

Mixed directives have resulted in varying communication and interpretation on the various aspects of the PDM;

Apart from the financial inclusion pillar mainly driven through the revolving fund, the other pillars are either non-functional or not fully functionalised;

Parish Development Model budgets were generated through repurposing of budgets from wealth creation initiatives, DDEG funds from districts, subcounties and town councils. Some of these funds were used for road maintenance but are now no longer available. In effect, road maintenance funds for the lower local government roads have reduced.

#### Recommendations

1. Clear guidelines on how operational costs at the district and the parish SACCO shall be catered for should be prescribed;
2. A tool for monitoring and evaluating the PDM at the parish, district and county level needs to be developed and distributed;
3. The private sector needs to be involved from the planning to the execution stage;
4. The guidelines need to be continuously updated to provide for, among others, the roles of each ministry, district department and officials at each stage;

5. The focus on other pillars, most especially community mobilisation and mind-set change, needs to be improved in order to attain the objectives of the PDM;

6. Funding for the infrastructure pillar, especially roads, needs to be made in the Financial Year 2023/2024 by implementing Parliament's recommendation on the Budget Framework Paper to have each district receive a minimum of Shs 1 billion for road maintenance.

#### Conclusion

Our conclusion is that from the field visits and meetings, it is clear that there are still a lot of grey areas, both in the policy framework and the implementation arrangements of the PDM. This has been further compounded with a large number of stakeholders involved, cutting across different ministries and agencies.

Limited funding and low releases have also presented a number of challenges in implementation, with a number of budgets being repurposed for PDM.

The Ministry of Finance needs to streamline the funding mechanism to avoid disruption of other services through repurposing of funds from other budgets. I beg to submit.

The report is signed by 17 Members of Parliament from Lango Subregion. Thank you.  
(Applause)

**THE SPEAKER:** Thank you, Hon. Opio, for that very good report. I wish you could all borrow a page out of his book and refine your reports. We will continue with the rest of the reports tomorrow. The whole of tomorrow, we are only on the PDM; we must get a solution for the PDM and help Government.

I adjourn the House to 2 o'clock tomorrow.

*(The House rose at 5.15 p.m. and adjourned until Thursday, 30 March 2023 at 2.00 p.m.)*