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**Wednesday, 17 May 2017**

*Parliament met at 2.37 p.m. in Parliament House, Kampala.*

PRAYERS

*(The Deputy Speaker, Ms Rebecca Kadaga, in the chair.)*

*The House was called to order.*

COMMUNICATION FROM THE CHAIR

**THE SPEAKER:** Honourable members, I welcome you to this afternoon’s sitting. I will begin by amending the Order Paper to permit the Leader of the Opposition to lay the alternative policy reports from the Opposition’s side.

Secondly, yesterday, we deferred debate on the report of the committee of Human Rights because we wanted to get the response from the Ministry of Internal Affairs so that we can debate comprehensively. However, since matters of human rights are of primary importance, I am directing the Committee of Human Rights to proceed to Nalufenya to examine the facility and give us the report. (*Applause*) Thank you very much.

Let me also call upon the sessional committees again to handle the statements so that they can be laid here and sent to the Budget Committee so that we can complete this process by the end of the month.

2.40

**MR JACKSON MBAJU (FDC, Busongora County South, Kasese):** Thank you, Madam Speaker. I stand in this House to raise a very serious matter that concerns security, specifically Kasese and the Rwenzori Region.

Madam Speaker, you may recall that this House on the 28 November 2016 directed, after the Kasese attack, that Members of Parliament from the area go back to the ground and calm the situation. We went to the ground, joined the local forces in Kasese and indeed the situation had improved.

As we stand today, 240 royal guards surrendered to Government and were returned to their homes. However, Madam Speaker, there is a funny situation going on in Kasese. Last week, when I was in the area, we received information from the locals that a police bus had gone there twice at night and collected some people and taken them somewhere. We liaised with the office of the RDC and the police of Kasese and we discovered that the vehicle was taking the royal guards who had surrendered to Kabalye Police Training School. These people were being taken at midnight.

We are wondering as local leaders and persons who have been on the ground trying to calm down the situation as to why police would go to Kasese without notifying the local police. Kasese, as a region has an RPC, DPC and RDC. All these people did not know anything and it was after we consulted them when they also consulted Kabalye and found out that 45 royal guards had been taken to the police training school without their notice.

We have a fear, Madam Speaker. In 2012, the 85 royal guards were trained by police, but later when things went wrong, they were referred to as militia. We are wondering whether these people going at night may not end up being another militia –(*Interruption*)

**MR NZOGHU:** Thank you, hon. Mbaju. Madam Speaker, in 2014, we raised a matter here on the Floor when there were clashes on 5th of July 2014, specifically regarding Kapilongo who coordinated those attacks of 2014. We put it on the record of Parliament that Kapilongo coordinated those attacks and after the death of so many people, surrendered to Government. Government instead rehabilitated him and gave him the money he needed. The people in Kasese and Rwenzori Region were not comfortable with that.

The same person led a team to State House and said they were the ones who co-ordinated the attacks in 2016. These people were not arrested, but instead State House gave them money and vehicles. These people are doing business.

The people of Kasese are wondering why Government cannot deal with the people who are the source of the problem instead of rehabilitating them. That is the information I wanted to give. We would like Government to explain to the people of Uganda why they are doing this to our people in Kasese. What is the motive of this?

**MR MBAJU:** Thank you for the information, hon. Nzoghu. To add shortly on what he has raised, I followed up this matter and the list of the people who went and confessed to the President was submitted to the Attorney General. I even went to police and made a statement over the matter. One of the witnesses in the name of Kibaganga William also made a statement.

**THE SPEAKER:** Please conclude. There are other members who would like to contribute.

**MR MBAJU:** Madam Speaker, I would like to lay the statement on the Table that was made before the President by these people who confessed to these crimes.

**THE SPEAKER:** Okay, we shall ask our Committee on Defence and Internal Affairs to take up that list so that we can understand this content and give us a report. We are going to call upon the minister to explain what is happening about the people who confessed and are free enjoying life; and also let us know why some people are being taken at night to Masindi if that is where they are being taken.

2.48

**MS RUTH KATUSHABE (NRM, Bukomansimbi North County, Bukomansimbi):** Thank you, Madam Speaker. I rise on the issue of national importance. Farmers in my constituency specifically coffee farmers have faced a problem of pests. There is a pest that is eating coffee branches causing them to dry. Farmers have no idea about the pesticide to use.

I beg through you, Madam Speaker, that Government intervenes. Thank you.

**THE SPEAKER:** Thank you, hon. Katushabe. We shall ask the minister of agriculture to examine the situation and also rescue the farmers in Bukomansimbi and probably in the neighbourhood.

2.49

**MS JOVAH KAMATEEKA (NRM, Woman Representative, Mitooma**)**:** Madam Speaker, thank you. You have already ruled but I wanted to add that this is not only in one constituency but so far now I know that it is over the whole west Ankole and other parts of the country could be affected with the coffee black twig borer disease. The farmers need urgent help.

Madam Speaker, sometime back our people cut coffee because prices on the world market had reduced. However, the Government came out to encourage our farmers to grow coffee. The Government has been distributing coffee through NAADs and operation wealth creation; people have taken up the growing of coffee. It would be unfortunate if now we kept a blind eye and all the coffee went to waste. Thank you.

**THE SPEAKER:** Therefore, I amend our directive to cover all the areas where the pests are threatening the coffee and the farmers.

2.51

**AISHA SEKINDI (NRM, Woman Representative, Kalungu**)**:** Thank you, Madam Speaker. I rise on the matter of national importance. In my district, when President Museveni was campaigning in 2006, he pledged to the people of Kalungu that he was going to tarmac the road from Gomba to Kalungu. However, up to now the Government has done nothing.

There are 34km from Gomba to Masaka and there is a river called Katonga which connects the two districts. However, right now it is impassable because the bridge broke down. People have to travel like 100km; they pass via Gomba-Butambala and go up to Masaka.

Madam Speaker, through you, I am requesting that the Government intervenes because people are suffering. Thank you very much.

**THE SPEAKER:** Thank you. We shall direct the minister for works to expeditiously handle the issue to that broken bridge but also to remind the Prime Minister that the outstanding presidential pledge for Gomba- Kalungu- Masaka should be handled expeditiously.

2.52

**MR PAULSON LUTTAMAGUZI SEMAKULA (DP, Nakaseke South County, Nakaseke):** Thank you, Madam Speaker. I rise up on a matter of national importance regarding to negligence of doctors in Nakaseke main hospital. On 28 April 2017, a lady by the names of Natambi Zaina had gone to deliver and was admitted at Nakaseke main hospital. She was operated and after some few days, she developed serious complications and she was later referred to KCCA hospital in Kampala of which she had to first cough Shs 75,000 to fuel Government ambulance.

Reaching at Kawempe KCCA hospital, the doctor discovered that her intestines had been cut and they had forgotten a piece of cotton wool in her stomach. At this point, the doctors could only manage to remove the cotton wool from the stomach and referred her to Mulago Hospital.

When she reached Mulago Hospital, the doctors discovered that the condition had deteriorated and pus was oozing from the intestines that had been cut by the doctors. They had to first put her on special meal for some few days after which they discovered that the special doctor who was supposed to operate her was out of the country.

Madam Speaker, right now, the woman from Nakaseke is just there almost dying. There isn’t anything that has been done on her since she was taken to Mulago. It is not the first incident; has it become a norm that now doctors forget what they are supposed to do? (*Interruption*)

**MS NAJJUMA:** Thank you, Madam Speaker. In addition to what hon. Luttamaguzi has submitted, Nakaseke Hospital is a referral hospital that receives patients from different districts like Nakasongola, Kiboga, Luweero and Wakiso. When you reach in that hospital, they do not receive enough essential medicines and supplies. The hospital can take like two months without *mama* kits and gloves; the mothers who are going to deliver end up buying the gloves and the *mama* kits.

When you go to health centre IVs, Madam Speaker, it is recently that we received the guidelines that talk about health taxable fund. The financial year is coming to an end and health centre IVs have been using that money without the knowledge of Members of Parliament because we did not have the correct information about the fund.

I am sure that even some Members in this House received the guidelines last month and others are not aware of the funds that go to health centre IVs. I submit. Thank you.

**MR LUTTAGUZI:** Madam Speaker, since the Prime Minister is also a doctor, I would like to know; is it that everywhere doctors are tired in this country? This is not the first case. When we come here, we discuss about them and nothing is being done.

Lastly, are Government ambulances supposed to be fuelled by patients? You cannot see a poor patient and you start asking for fuel yet they are free. I thank you, Madam Speaker.

**THE SPEAKER:**  Honourable members, I hope that the patient can be assisted to file a suit because negligence is a tort in law so that the people responsible and their supervisors can be held liable. However, having said that, we ask the minister to improve supervision of the hospitals so that we are up to date on how our patients are being treated.

2.58

**MS JOSEPHINE BEBONA (NRM, Woman Representative, Bundibugyo):** Thank you, Madam Speaker. I had stood up on another issue not concerning health but on the one you ruled about, that of the Ministry of Agriculture going to check on all those places.

Bundibugyo District has been invaded by some insects I am not sure whether they are locusts or grasshoppers. They are eating up the cassava and banana leaves; we suspect that they must have come from Congo.

We need urgent attention because if they spread further to places such as Fort Portal and other neighbouring districts it will be a disaster. They are in two sub counties and have destroyed the cassava our staple food - we even eat the leaves, which are very delicious. We are worried. Thank you.

**THE SPEAKER:** Thank you, honourable members, the ministry of agriculture should take serious interest; the army worm, the pests are taking up coffee, the other pests in the Rwenzori Region and probably in other parts of the country, please pay attention to those and give us an update.

2.59

**MS CECILIA OGWAL (FDC, Woman Representative, Dokolo):** Madam Speaker, I rise on a matter of national importance. You recall that recently this Parliament declared a state of emergency on the situation of famine in the country.

We were alarmed but despite the fact that the media has got our attention and some people have died for lack of food in the country – I am very surprised that the minister of Trade was yesterday shown on television and probably other media discussing with the rice millers how they should import unmilled rice, mill it and make sure the price is Shs 3,000 per kilogramme.

Madam Speaker, I have two concerns: One, there is an emergency situation of famine in the country at the moment. Although the rain has started people still lack food in the countryside.

When you talk of an emergency situation it means that we needed the food as quickly as possible, for this country which does not even have rice mills scattered all over the country. The Government believes that these few rice millers will be able to bring over 300,000 tonnes of rice, mill them and help the country out of the situation we are in.

I would like to find out where the Government got the authority to defy Parliament which declared that this is an emergency situation. And for Government to ignore our plea to go ahead and order for un-milled rice; and to dictate that the price must be Shs 3,000.

I testified on the Floor of Parliament that just a week before that, passing through Zombo I bought rice from Gulu at less than Shs 3,000, but you are now dictating the price at Shs 3,000 when you know that people are dying of hunger.

Madam Speaker, I do not know whether the Government is not in touch with the reality on the ground, whether the Government is behaving like the historical French leadership; when people were crying for bread the Queen ordered them to eat cakes.

When we are telling Government that people are dying outside there because of hunger they are not bothered; we have to make sure that some people make money out of this situation. Why would anybody order for un-milled rice unless you are just selectively identifying people to make money out of the situation we are in?

Madam Speaker, this is a very serious concern and the Government must come and tell us where they are getting that rice from, whether it is going to be airlifted and if so why the price is Shs 3,000 and not Shs 2,000 as we had indicated? Thank you.

**THE SPEAKER:** Thank you, hon. Ogwal, the matter is not as simple as you think. You remember one of our colleagues mentioned that there were interested parties in this matter. I would like to add that after that session I received the rice growers of Uganda, who came to complain that this company which has got the exemption is the same that got the same exemption in 2015, so it is a project.

That one company that has not even got an industry here was exempted in 2015 and now 2017. We must understand that there are interests in it. It is not as innocent as it looks.

In fact, I called the head of state and asked to talk to him about this rice business. We have people who grow rice but now we are giving facility for the second time to one company to make money. I am going to follow-up this matter up to the end because there are rice growers in the east. *(Applause)*

3.05

**MR JOHNSON MUYANJA (NRM, Mukono County South, Mukono):** Thank you, Madam Speaker. I stand here on a matter of national importance which the minister should take serious. For us who represent people on the islands, water is like the roads and boats are like vans or minibuses.

As we appreciate he good work that is being done by the military team of surveilling and protecting against bad fishing on the lake, we are now being tortured.

As we were here deliberating on torture, the chairperson LC III and the entire team which was coming to meet me were forced to come out of the boat and made to sit in water by the military team - some of you have never been on the lake; when you are approaching the landing site there is some little water. They did it as a punishment. I thought their work was to protect –*(Interruption)*

**MR MACHO:** Thank you, my colleague. Madam Speaker, I would like to inform the august House that what my colleague is informing the House about is true. In Busia Municipality it is worse; the UPDF soldiers, who are in charge of curbing bad fishing methods move up to the market and start measuring the size of fish, imagine from the waters to the markets.

Who is in charge, because these people say that they are only answerable to one person; and nobody stops or controls them, the torture is too much. That is the information I have.

**MR MUYANJA:** Thank you. Madam Speaker, my concern is about the passengers who now fear to use the boats to cross from one area to another. Our humble request is that maybe they give us some number plates for passenger boats so that they can easily be identified because when you are in the water and they come chasing them they drop you in the water because they have no alternative. However, these are boats that carry passengers and my humble request is that the Prime Minister looks into this.

**THE SPEAKER:** Honourable members, I think that a fortnight ago there was another issue raised from the fishing community and we had said that we would like to hear from the President because they are in charge of wealth creation in the Ministry of Defence and we have not got an answer.

However, I think we should be given information about how the lakes and rivers will be managed so that we can advise the people. Rt Hon. Prime Minister, I hope that you can take that up.

LAYING OF PAPERS

3.09

**THE LEADER OF THE OPPOSITION (Ms Winfred Kiiza):** Madam Speaker, in line with Rule 136 of the Rules of Procedure, I humbly submit copies of alternative policy statements for the financial year 2017/18. I lay them on the Table through my shadow ministers in the line as follows: Lands and housing, tourism, health, East African Affairs, agriculture and disaster preparedness. I, therefore, request them to come and lay them on the Table.

3.10

**MR WILLIAM NZOGHU (FDC, Busongora County North, Kasese):** Madam Speaker, I would like to lay on the Table the alternative ministerial policy statement for the Ministry of Lands, Housing and Urban Development. I beg to lay.

**THE SPEAKER:** Thank you. It is sent to the committee on budget and they will come and report back.

3.10

**MR ROBERT CENTENARY (FDC, Kasese Municipality, Kasese):** Madam Speaker, I lay the alternative policy statement for the Ministry of Tourism, Wildlife and Antiquities for the financial year 2017/18. I beg to lay.

**THE SPEAKER:** Thank you. It is sent to the committee on budget for perusal and report back.

3.11

**MS LUCY AKELLO (FDC, Woman Representative, Amuru):** Madam Speaker, I beg to lay an alternative policy statement for the social development sector for financial year 2017/18. I beg to lay.

**THE SPEAKER:** Honourable members, it is sent to the committee on budget for perusal and report back.

3.11

**MR BARNABAS GONAHASA (FDC, Kabweri County, Kibuku):** Madam Speaker, I lay on the Table the alternative policy statement for the Ministry of Agriculture, Animal Industry and Fisheries. I beg to lay.

**THE SPEAKER:** Honourable members, it is sent to the committee on budget for perusal and report back.

3.11

**MR SIZOMU WAMBEDE (FDC, Bungokho County North, Mbale):** Madam Speaker, I beg to lay on the Table the alternative ministerial policy statement for the Ministry of Disaster Preparedness for the financial year 2017/18.

**THE SPEAKER:** Honourable members, it is sent to the committee on budget for perusal and report back.

Congratulations hon. Sizomu you won your petition and hon. Kiiza who is not present in the House also won his petition.

3.12

**MR ALLAN SSEWANYANA (FDC, Makindye Division West, Kampala):** Thank you, Madam Speaker. Ibeg to laythe alternative ministerial policy statement for the Ministry of East African Community Affairs for the financial year 2017/18. I beg to lay.

**THE SPEAKER:** Honourable members, it is sent to the committee on budget for perusal and report back.

3.13

**MS LUCY AKELLO (FDC, Woman Representative, Amuru):** Madam Speaker, I beg to lay an alternative ministerial policy statement for the Ministry of Health for the financial year 2017/2018. I beg to lay.

**THE SPEAKER:** Honourable members, it is sent to the committee on budget for perusal and report back.

**MS WINFRED KIIZA:** Madam Speaker, what may be worth noting is the fact that many of these policy statements that we are laying, the committees looked at them. Therefore, as the committees come to present many of these have been considered. I thank you.

**THE SPEAKER:** That would make our lives much easier. Thank you so much.

3.14

**MS JUDITH NABAKOOBA (NRM, Woman Representative Mityana):** Thank you, Madam Speaker. I beg to lay the report for the Committee of Defence and Internal Affairs on the ministerial policy statement and budget estimates for the financial year 2017/18. Madam Speaker, I also beg to lay the minutes and other relevant documents.

**THE SPEAKER:** Thank you very much, honourable chairperson and the committee on Defence and Internal Affairs; they will be sent to the budget committee for perusal and report back.

MOTION FOR PRESENTATION, CONSIDERATION AND ADOPTION OF THE REPORT OF THE SECTORAL COMMITTEE ON AGRICULTURE, ANIMAL INDUSTRY AND FISHERIES ON THE IMPLEMENTATION OF THE OPERATION WEALTH CREATION PROGRAMME IN UGANDA

3.15

**MS LOWILA OKETAYOT (NRM, Woman Representative, Pader):** Madam Speaker, I would like to thank you and I stand here to present the report of the sectoral committee on Agriculture, Animal Industry and Fisheries on the implementation of the Operation Wealth Creation programme in Uganda. Before, I present the report, I beg to lay on the Table a copy of the report and the minutes of the meetings that were held. I beg to lay.

The sectoral committee on Agriculture, Animal Industry and Fisheries is mandated by Rule 177 of the Rules of Procedure of Parliament to oversee programmes and activities of the Ministry of Agriculture, Animal Industry and Fisheries and report its findings to Parliament.

In accordance with the above rule, the committee undertook a country wide assessment of the Operation Wealth Creation programme in the financial year 2016/2017 by visiting a number of sample districts including Agago, Oyam, Nebbi, Kakumiro, Kyenjojo, Kabarole, Bududa, Kibuku, Buvuma, Nakapiripirit, Soroti and Moroto.

Background

Madam Speaker, Operation Wealth Creation programme was initiated as a presidential directive on Heroes’ Day celebration of 9 June 2014 at which His Excellency the President decided to scrap National Agricultural Advisory Services (NAADs) coordinators and deployed soldiers to implement the NAADs programme. Consequently, Cabinet made its approval on the 7July 2014 under minute No.186. Under the directive of the responsible minister, the Cabinet decision was implemented and over 300 UPDF officers underwent induction training course in Agriculture at Makerere University.

The aim of Operation Wealth Creation was to cure the inefficiency that had arisen in the National Agricultural Advisory Services (NAADS) programme.

His Excellency the President had commissioned a team of military officials to oversee the supply of inputs originally in areas that had supported the military political struggles that liberated the country, and with veterans as the first beneficiaries. This trial worked and hence the programme was rolled out to cover the entire country and is now operational in over 112 districts of Uganda.

The overall goal of Operation Wealth Creation is enhancing household participation in commercial agricultural production through community mobilisation, equitable and timely distribution of input and facilitation of agricultural production chains. Focus was also aimed at reduction of subsistence farming by embarking on serious national socio-economic transformation of the country.

Madam Speaker, the specific objectives of Operation Wealth Creation include:

To mobilise the masses-

**THE SPEAKER:** Honourable chairperson, I think the members can read those. The report has been published, isn’t it? They can read those so go to the findings of the report. However, the full report will be reflected on the *Hansard*.

**MS OKETAYOT:** Thank you, Madam Speaker. The committee gathered the following findings:

Distribution and delivery of input

Operation Wealth Creation distributes inputs late and because of this, people do not pick them, especially seedlings and they go to waste. For example, when the committee undertook the field visit to Agago, Oyam, Nebbi, it was informed that the inputs had been delivered late in September/October and were also planted late.

The crops planted could not withstand the long dry spell that run from late November till March and ended up dying. The seeds are picked by a few people who eat them instead of planting them. This leads to wastage of time and resources.

The committee was advised that planting materials should be delivered in March and in July and August only if the farmers are to gain maximum benefit from them.

In some districts, the committee was informed that some of the inputs are supplied when they are actually not among the priority enterprises of the district. For example, in Moroto and Nakapiripirit, citrus and mango seedlings which were supplied, were rejected. The people of Kabarole District expressed the need to be supplied with seeds of other food crops apart from tea seedlings.

There is no equity in distribution of input; for example, the people in the central region are only given seeds and seedlings. They expressed the need to be given cattle or heifers.

The committee was informed that people who had requested for cattle in Mubende District had been instructed to prepare for them but there was delay and the cattle were not delivered on time.

The committee was informed that the citrus that is being supplied requires fertilisers and pesticides which are not provided. Due to lack of the pesticides, the citrus ends up being affected by pests.

The committee was informed that Alebtong had received a letter to supply its cassava cuttings but the cuttings which the district had were very few. All the products that are grown are being supplied to schools leaving households without food. Operation Wealth Creation was urged to support primary schools because they have land for farming.

The inputs are delivered at sub counties which are far for some people making it hard for them to pick them instead of being delivered at the parishes.

The committee was informed that district headquarters, where the seeds are delivered, for testing and onward distribution to the beneficiaries have inadequate storage facilities. As a result, the seeds are stored under very poor conditions awaiting results of the germination test.

Quantity and quality of inputs supplied

The quantity supplied is usually small and sometimes not the quality that is needed by the beneficiaries. On a field visit to Kalitha Farm in Kabarole District, the committee was informed that the previous year, the farm had received 50 apple seedlings, 70 orange seedlings and 30 mango seedlings. They had however wanted about 500 apple seedlings because apples have a ready market. The heifers distributed are not in calf as per the requirement.

The committee was informed that some of the seedlings supplied did not germinate and farmers get very small quantities yet they move long distances to pick the seeds.

Poor quality of some of the input supplied;

Some of the inputs supplied by Operation Wealth Creation are of poor quality; for example when the committee visited Agago, Oyam and Nebbi, they were informed that beans and maize performed poorly even after passing the germination stage. They started yellowing and withering after germination. Mangoes and citrus seedlings were not well hardened by the time they were supplied and the cassava cuttings were poorly packed.

Most of the suppliers of seeds and seedlings do not own nurseries. They buy from uncertified nursery operators and these end up compromising the quality to meet the demands.

Extension services

Operation Wealth Creation programme does not offer extension services. The few available extension workers are not involved at all in some districts; for example in Agago, the district agricultural staff and extension workers were not being involved at all in the programme. The farmers are given input without proper knowledge on how to take care of them.

Operation Wealth Creation supplies cattle/heifers without offering any technical guidance on how to take care of them and many end up dying. The history of the heifers supplied is not availed to the farmers. Besides, Operation Wealth Creation does not put into consideration the climatic condition of the areas where they are being taken and they end up dying.

Extension workers are not on the ground because they are very few and not facilitated, yet the input supplied must be supported by advisory services in order to benefit the farmers fully.

Mismatch of priority

Operation Wealth Creation emphasises the fact that the supply of tea, coffee, citrus, mango seedlings take long to mature yet people need food. For example, the people in Toro Sub region informed the committee that they plant seasonal crops such as Irish potatoes, beans and onions and these are not supplied under Operation Wealth Creation programme.

People are not given pesticides yet they are among the urgent requirements. Operation Wealth Creation emphasises animal and crop husbandry with less emphasis on fisheries.

Consultation and coordination of the stakeholders

Some people complain that Operation Wealth Creation dumps agricultural inputs that are not required by the beneficiaries. For example, the people of Nakaseke complained that they are given too many mangoes and orange seedlings, yet they would prefer food crops like maize and beans instead.

Operation Wealth Creation uses the top bottom approach; people are not consulted before supplying therefore people are sometimes given what they do not need. For example, people in Kibuku District complained that they were given the variety of mangoes that they did not need.

The committee was informed that there was no communication of input advice slips by NAADS Secretariat leaving the district leadership without information on what to receive. This causes the district leadership to be inadequately prepared to receive and distribute the inputs at the time of delivery. Besides, the dates of delivery inputs are not communicated and it becomes difficult to mobilise farmers on when and where to pick the inputs.

Operation Wealth Creation supplies inputs without informing the district leadership, making it difficult for them to plan how to store and distribute the inputs.

Conduct of Operation Wealth Creation (OWC) staff

In a meeting held with the other Members of Parliament, some MPs were concerned that OWC staff had commanded MPs to facilitate people to attend training in Masindi, which is outside their mandate. Some of the OWC staff are involving themselves in politics, are indisciplined and rude to people.

Monitoring

Operation Wealth Creation does not monitor the programme of the inputs and the performance of the inputs distributed. This leaves the programme without data on which it can base the supply of inputs in the future.

Sustainability

In meetings held with civil society organisations and diplomats, the committee was informed that OWC programme is not sustainable and should therefore be stopped since it would serve to encourage a dependence syndrome among Ugandans. It was also noted that people do not attach value to free things and may not take good care of them compared to the ones for which they pay some money.

There are some challenges identified under OWC programme. The committee was informed that OWC has the following challenges:

1. People ask for inputs and when they are supplied at collection centres, they do not pick them in time and sometimes they do not pick them at all. They end up going to waste. This leads to wastage of time and resources.
2. The procurement of the inputs takes a long time because of the bureaucracy in the system. Procurement is done by NAADS Secretariat and it is not directly done by the OWC Secretariat. Due to this, seed stock and animal breeding stock are sometimes distributed late.

Weak inter-ministerial and sectoral linkages

Although His Excellency the President, in October 2014, directed that an inter-ministerial working committee among Ministries of Agriculture, Finance, Water and Environment, Trade, Industry and Cooperatives work proactively with the overall commander of OWC to implement pertinent interventions that fall under the jurisdiction of the respective ministries, this has not materialised.

Some of the beneficiaries of the input supplied under OWC do not attach value to them and do not therefore take good care of them, leading to wastage of time and resources. The programme has received bad publicity from some people who believe that it should not be managed by the UPDF soldiers since they do not have technical skills in agriculture. They believe that it should be managed by skilled agriculturalists who can offer technical guidance while supplying the inputs.

Lack of local nurseries in most parts of the country

Due to this, the inputs are procured far from the beneficiaries and the distance travelled to deliver the inputs is very long. Besides, the companies, which are contracted to supply the inputs are also sub-contracting the small farmers to supply to them. This compromises the quality of the inputs supplied.

Furthermore, OWC has few suppliers of inputs; about 20 in total and this causes delays in supplying and delivering the inputs. Besides, they lack capacity and deliver inputs in piecemeal hence delaying the processes of verification, distribution and processing the requisite documentation. Taking seedlings from one place across the country also promotes the spread of pests and diseases.

Observations and recommendations

The committee observes that OWC took up most of the roles that were being played by NAADS, which is a body established by an Act of Parliament. However, OWC is operating without a proper legal framework and is only guided by standing orders or procedure.

Madam Speaker, I beg to lay on the Table a copy of the standing orders of procedure for OWC.

The committee therefore recommends that Government puts in place a legal framework for implementing OPW programme.

The committee observed that the input supplied under the OWC programme are sometimes substandard and not the type required by the farmers. The committee recommends that OWC should emphasise quality when procuring inputs to be supplied to farmers and that the inputs supplied should be in tandem with the demands of the farmers.

The committee recommends that Ministry of Agriculture, Animal Industry and Fisheries and the district local government carry out proper needs assessment and enterprise selection so that supply of inputs is demand driven to minimise waste of resources.

The committee also observed that though OWC is helping farmers by supplying them with inputs, especially planting materials, it does not offer extension services. The extension workers under the ministry are few and are not facilitated to carry out their work, hence leaving farmers with no technical guidance on how to maintain their crops and animals and also without knowledge of agri-business and without market information.

The committee was informed by the Ministry of Agriculture, Animal Industries and Fisheries that extension workers were being recruited.

The committee therefore recommends that the ministry recruits at least three extension workers for each sub-county.

The committee further recommends that the ministry facilitates the existing extension workers adequately to enable them to carry out their work.

The committee observes that the inputs are supplied late and due to this, most farmers end up not picking them, resulting in waste of time and resources.

The committee recommends that Minister of Finance, Planning and Economic Development ensures timely release of funds and the Ministry of Agriculture, Animal Industry and Fisheries ensures timely procurement of inputs and mobilisation of beneficiaries prior to the planting season.

The committee observed that the sector is not adequately inspecting the distribution of the agro-inputs and thus not able to ensure that there is value for money.

The committee recommends that the Ministry of Agriculture, Animal Industries and Fisheries supports a robust inspection and monitoring system in order to ensure value for money in the supply of seedlings and other inputs.

The committee further observed that the current design for procurement and supply of seed stock and animal breeding stock is not appropriate.

The committee recommends that Government sets up new procedures for the procurement of agricultural inputs, especially seeds and seedlings, since these are perishables and have a limited time, funds and are needed at a specific time.

The committee observed that people are provided with agricultural inputs like planting materials and animal breeding stocks but they are also in need of pesticides, herbicides, fertilizers and irrigation equipment for proper management.

The committee recommends that Government subsidises planting materials, pesticides and other inputs to enable beneficiaries maintain their farms and achieve maximum benefits from them.

The committee observed that OWC transports inputs from one part of the country to another. This leads to transfer of pests, diseases, waste of time and resources. It also poses difficulties in verifying the quality of inputs.

The committee further observes that OWC has only 20 suppliers in the whole country and these are not enough, which causes delays in supplying and delivering inputs.

The committee recommends that local people should be mobilised to set up nurseries in all districts to enable fast and safe distribution of inputs.

The committee recommends that procurement of the seed stock should be localised. It further recommends that OWC works with the local people by venturing into public-private partnership and enhance their productivity and supply of inputs to the public through legally registered organised groups since they are easy to monitor.

**The committee observed that cereals and pulses are considered strategic cash and food crops. This is because they provide a solid base for food security and also have a great potential for boosting exports.**

**The committee recommends that funding and supply of seeds of cereals and pulses under OWC should be prioritised and also the aspect of value addition.**

#### **The committee observed that though the OWC programme has very good intentions of fighting poverty and steering the country to a** middle-income status, giving free inputs to farmers is not sustainable and will, in the long run, breed a dependency syndrome. Besides, some of the people do not attach value to the inputs, which are given freely.

#### The committee recommends that instead of giving people free inputs, they should instead be subsidised under the e-voucher subsidy programme and offered to farmers at a low price so that farmers can value them and take good care of them.

#### The committee further noted that most of the farmers lack storage facilities and when they harvest, they sell all the produce, leading to lack of food for consumption in the future and seeds for planting in the next season.

#### The committee recommends that the Government revitalizes cooperative societies and sets up silos for storage of agricultural produce to insure the country against famine and stabilise prices.

#### The committee further recommends that the Ministry of Agriculture, Animal Industry and Fisheries promotes the importance of storing food and trains farmers on best practices of post-harvest handling.

#### The committee further observed that local leaders at the district and subcounty levels are not consulted, neither are they involved in distribution of the inputs to their constituencies and areas.

#### The involvement of the local leaders would ease distribution of the inputs by them making sure that the right beneficiaries are given the right inputs, the inputs are picked on time and also help in disseminating important information to the beneficiaries.

#### The committee recommends that OWC involves the local leadership right from the grassroots for proper coordination and distribution of inputs.

#### The committee observed that some suppliers of the inputs distributed under Operation Wealth Creation supply poor quality inputs. Besides, they sometimes supply grains instead of seeds, hence the inability of the inputs to germinate.

#### The committee recommends that seed companies should be certified and that there should be follow up with beneficiaries after the seeds have been delivered to verify the quality of the inputs supplied.

#### The committee recommends that Government should punish suppliers who deliver poor quality inputs as per the Public Procurement and Disposal of Public Assets guidelines.

#### The committee noted that Operation Wealth Creation Programme is not doing enough to support fisheries.

#### The committee recommends that Government, through OWC, should support capture fisheries by distributing legal fishing gear and fish feeds to the local fishermen.

#### Conclusion

#### The committee appreciates the work being done by the Government through Operation Wealth Creation programme in its efforts to reduce poverty, increase household incomes and improve the economy. However, there are many gaps and a lot needs to be done to improve the programme if Uganda is to achieve middle-income status by 2020.

#### Madam Speaker, I beg to report.

#### THE SPEAKER: Thank you very much, the Chairperson of the Agriculture Committee and the members. I think this is the first time we are getting an opportunity to evaluate the performance of OWC. It will help us to move in the right direction.

#### However, listening to the report, I remembered that in both the Eighth and the Ninth Parliaments, zoning meetings were held between the President and all the regions of Uganda. Particular crops were identified to be grown in those zones. Therefore, I do not know whether this distribution is attached to what we discussed regarding the zoning.

#### Secondly, on Saturday I was in my village and the chairperson told me that the inputs are driven by a driver and he arrives at the subcounty and says, “I have been sent to bring this”. I told them not to allow anyone to offload anything from the lorry except if the supplier is there.

#### We want to know the inputs, the variety, its history, which I think the driver does not know. Therefore, I told them not to allow anyone to offload anything.

#### 3.44

#### THE LEADER OF THE OPPOSITION (Ms Winfred Kiiza): Thank you, Madam Speaker. I would like to thank my sister, the chairperson of the committee, for bringing the voices of the people. You have put it rightly, Madam Speaker, that this country facilitated the staff of this Government to go down to the countryside and have our districts zoned. Specific crops were identified for specific areas. Operation Wealth Creation would have meaning if the ones involved in it were following the zoning system.

#### Secondly, it is indeed true that we are creating a culture of dependency amongst our communities, that even the smallest item that a Ugandan can afford, they are now sitting back to wait for Government.

#### Madam Speaker, our people are hard working. Many Ugandans have cried to Government for water for production. If we can only, possibly through OWC, provide money for water for production, you will never see a Ugandan coming to Government for inputs.

#### Our people, since time immemorial, have worked, have kept their seeds and provided their seeds. I think it was the reason why governments of those days put in place the Produce Marketing Boards to gather all the foods from the farmers and create a buffer where farmers can easily access seeds.

#### We had cooperative societies that were linking farmers to the markets and you found farmers becoming wealthier and educating their children out of farming. Today, someone will spend a week trekking long distances to go and receive a cup of beans and another of maize and in some instances, even after spending a week trekking distances to get this cup, it does not germinate.

#### Madam Speaker, we can do much under OWC. Can we, as a country, revert back to the extension services that used to be there for our farmers? Can we allow NAADS to do its advisory services? Can we let our gallant soldiers do the work of protecting citizens and we work through the extension workers to do the work of advising farmers on the best farming practices? Can our Government take water to the population?

#### I come from an area that is well endowed with water, Madam Speaker. The Rwenzoris are well endowed with water; time and again we have been having floods. If we would only be kind to the people in the Rwenzori region, harvest their water from the many rivers that they have, have mini irrigation schemes, we shall not come to the Office of the Prime Minister to beg.

#### The whole country has been turned into a beggar. It is a pity that we are heading towards a middle income economy; we are remaining with just three years - I do not know which miracle we shall do to make Uganda a middle income economy when we are still depending on mother nature for agriculture.

Madam Speaker, while Operation Wealth Creation could have been a well-intentioned programme, I think we have got a raw deal in this programme. I would request that we redirect our thinking and efforts to make it better, if Ugandans are to benefit and progress *–(Interruption)*

**MS OGWAL:** Thank you for giving way. I would like to request the Leader of the Opposition to guide us to understand better because we cannot do what we do not know. It would be better to inform us that during the UPC days *–(Laughter)–* there were marketing boards: Cotton Marketing Board, Coffee Marketing Board, Lint Marketing Board as well as Government ranches for multiplication and so on. Therefore, be specific. I believe that the technocrats know, from the records in the ministry, how they did extension service professionally without involving the army. I just want to inform you that, that would be a better approach.

The second approach, Madam Speaker, is that you could also guide us that during hunger and famine, you do not need zoning. At a time like this, they should give us food crops or seeds, which can mature in two or three months to help people deal with hunger. Thank you.

**MS WINFRED KIIZA:** Thank you very much, *Mama*. That is why we should have people who have been around for some time. She was a secretary-general of that mighty party called Uganda Peoples’ Congress and that was the party that was planning for the people of Uganda. I can say that everybody is fully aware that during those days – even the Rt Hon. Prime Minister is aware – the country was thoroughly planned.

The Mubuku Irrigation Scheme, which is feeding many of our people in western Uganda was constructed and designed during the Government of the Uganda Peoples’ Congress. The ranch schemes that *Mama* Cecilia is talking about such as Kibimba, Doho, Ankole, Masaka as well as Aswa were done during that Government.

It becomes very unfortunate that the people of Masaka, with their environment and climatic conditions, can be provided with mango seedlings yet we know that Masaka may not be the right place to grow lemons and mangoes.

May I therefore request our Government that you do not have to hide your heads in the sand? Go back to those things you destroyed. We are coming back to the cooperative unions. You killed them but you are realising that we cannot do without them. Just come back to Ugandans and say, we are recalling the times. Come back to reality. We had centres that were used for the germination and multiplication of seeds. In Kasese, we had what we used to call “Uganda Seed” and it was basically a centre where seeds were readily available and tested to see whether particular seeds would be relevant in our circumstances. Can we go back to that?

It is unfortunate that those of us who seem to be younger are now the ones telling those who were there and were part of the planners during those days to go back to what they used to plan because those plans were really good plans.

Rt Hon. Prime Minister together with my big daddy, Philemon Mateke, those were the days. As a people we are saying, gone are those days. Can we go back to the times when the people of Uganda were proud and not beggars?

Look at the people of the east. It is known very well that the wise men came from the land of the east. We have turned them into beggars. Look at the Basoga. Even when we passed here a motion for special consideration for those people, we thought that possibly that motion was going to transform the lives of the farmers of Busoga but not much has been done for our people.

Therefore, I would like to thank you, my sister, for collecting the views of the people. Indeed, your report talks about what is on the ground and I would like to thank you for it. I support it and I would like to ask Government to do better if we, as a country, are to get to a middle-income status. Thank you.

**THE SPEAKER:** Thank you. Honourable members, the report was intended to facilitate the budget process with the necessary information. I will send the report to the Committee on Budget but we still expect the Government to come back to us because the recommendations are really directed at the Government. We expect to get a response from the Government, in addition to the treasury memorandum. By the way, since we started, we have not received a single treasury memorandum.

Therefore, the report is sent to the Committee on Budget but we expect the Government to come and give us feedback on each of these observations and recommendations. Thank you.

PRIME MINISTER’S QUESTION TIME

**THE SPEAKER:** Honourable members, as is our tradition, those who had an opportunity last week will not be able to ask questions this time. We had 30 Members who asked questions last time to the Prime Minister. We will have another set today. Let me give you the names:

1. Hon. Sebulime Musoke
2. Hon. Lydia Chekwel
3. Hon. Margret Mbeiza
4. Hon. Joseph Ssewungu
5. Hon. Onesimus Twinamasiko
6. Hon. Margret Aleper
7. Hon. Okin Ojara
8. Hon. Emmanuel Ongiertho
9. Hon. Ssozi Mulindwa
10. Hon. Achia
11. Hon. Milly Mugeni
12. Hon. Olive Katwesigye
13. Hon. Francis Mukula
14. Hon. James Acidri
15. Hon. NoelineBasemera
16. Hon. Catherine Lamwaka
17. Hon. Waluswaka
18. Hon. Lucy Akello
19. Hon. Janepher Mbabazi
20. Hon. Kajungu
21. Hon. Ocen
22. Hon. Akol
23. Hon. Betty Aol
24. Hon. Rwabushaija
25. Hon. Kahunde
26. Hon. **Otieno**
27. Hon. Egunyu
28. Hon. Galiwango
29. Hon. Woboya
30. Hon. Mugume

These will not be able to ask questions today.

3.56

**COL (RTD) FRED MWESIGYE (NRM, Nyabushozi County, Kiruhura):** Thank you, Madam Speaker. My question to the Prime Minister concerns ticks and tick-borne diseases as well as the Foot and Mouth Disease, which are devastating our livestock and the incomes of our people are jeopardised.

I would like the Prime Minister to assure this House as to when the Ministry of Finance, Planning and Economic Development is going to release funds to intervene in this disaster. I would like to know when they will procure acaricides and vaccines to prevent the catastrophe that is about to happen in Kiruhura District and in most of the cattle corridor areas.

3.57

**THE PRIME MINISTER AND LEADER OF GOVERNMENT BUSINESS (Dr Ruhakana Rugunda):** Madam Speaker, the question is clearly an important one because livestock means a lot to the country. Government is taking a number of steps to-

1. make some money available and I have been assured by the Ministry of Finance, Planning and Economic Development that money will soon be released for this;
2. ensure that counterfeit drugs, which have been on the market, are dealt with and removed by the National Drugs Authority;
3. encourage farmers to do whatever they can to get wholesome drugs to use against the ticks.

3.58

**MS JESCA ABABIKU (NRM,** **Woman Representative, Adjumani):** Thank you, Madam Speaker. I would like to ask the Prime Minister the reason as to why there are no specific interventions to handle the problem of *kariba* weeds and also destruction of crops by elephants in Madi subregion. If you have any strategy, when are you getting to Madi subregion to handle these issues?

**DR RUGUNDA:** Madam Speaker, I am aware that Ministry of Agriculture, Animal Industries and Fisheries has been endeavouring to deal with the weed. Therefore, Madi area will not be left out in this effort.

3.59

**MR KEEFA KIWANUKA (NRM,** **Kiboga East County, Kiboga):** Thank you, Madam Speaker. Rt Hon. Prime Minister, the Minister of Finance, Planning and Economic Development has cast a sluggish outlook on the growth of Uganda’s economy due to drought, domestic arrears and a number of other factors. The minister said we will not be able to attain the earlier projected outlook, which is actually the basis of the budget, which we are considering at the moment.

My question is, what is your response to that acknowledgement because in the beginning, we had raised a concern that this is a very ambitious budget that we are considering? The response was that if we cannot raise all the money required then we will borrow. What is your new response in the view of those emerging facts?

**THE SPEAKER:** Honourable members, I arranged for you to watch the House of Commons at work. The CCTV has been on since Monday. Please, just ask questions. Do not meander and elaborate.

**DR RUGUNDA:** Madam Speaker, it is true that the economy has had significant assaults like drought and other related issues such as the insecurity in South Sudan. However, it is true that according to the projections from our economists, there is going to be a rebound of the economy and we expect to be catching up and growing at the rate of 5-7 per cent.

4.01

**MR TOM ALERO (NRM**, **West Moyo County, Moyo):** Thank you very much, Madam Speaker. Rt Hon. Prime Minister, we are talking about alleviation of poverty at household levels, Operation Wealth Creation and security for our people at the border.

Madam Speaker, when will the issue of chasing of elephants from Dufile subcounty take place? Thank you very much.

**DR RUGUNDA:** Madam Speaker, the Minister of Tourism, Wildlife and Antiquities is seized with the problem and he is working out a solution to deal with elephants.

4.02

**MR JAMES NIRINGIYIMANA (NRM,** **Kinkizi County West, Kanungu):** Thank you, Madam Speaker. The Rt Hon. Prime Minister of Uganda is passionate about agriculture and from the report that we have just adopted, we agree that a lot of dumping has taken place in distributing seedlings. In addition, you have participated in stakeholders’ meetings where garden store concepts were recommended.

The question I would like to ask to the Prime Minister is, having that as a method that can address the dumping in agriculture and where the Public Procurement and Disposal of Public Assets Authority (PPDA) cannot address that, when are you bringing the Bill to change that law to accommodate the agricultural inputs that are perishable? Thank you.

**DR RUGUNDA:** Madam Speaker, only this afternoon and following the report on the sectoral Committee of Agriculture, Animal Industries and Fisheries, we have heard some comments and the report deals extensively with dumping. All of us condemn dumping, the policy is clear and it is a question of making sure that the implementation is effected so that the dumping process can stop.

Secondly, the garden store concept especially, which has been successful for tea, is supported by Government and we would like to see it properly actualised.

4.04

**MS ROSE MUTONYI (NRM, Bubulo County West, Manafwa):** Thank you, Madam Speaker. Rt Hon. Prime Minister, my question is, why is Uganda Coffee Development Authority (UCDA) punishing our coffee nursery operators by requiring them to travel to Kampala to demonstrate before they are paid? We have had to intervene several times and it is not good at all.

In addition, who is supposed to carry out evaluation to know the progress, the coverage and the challenges in the whole programme?

**DR RUGUNDA:** Madam Speaker, the aim of Government is to make life for farmers easy and to not to extract them from Kisoro, Kotido or the Elgon Mountains to come to Kampala for payment. That is a gross anomaly and we will pay special attention to it to ensure that it is corrected and not repeated.

4.06

**MR AGNES AMEEDE (NRM, Woman Representative, Pallisa):** Thank you, Madam Speaker. I have three questions to ask the Prime Minister.

**THE SPEAKER:** Ask one only.

**MS AMEEDE:** Rt Hon. Prime Minister, last week you admitted that the manner in which you have handled the famine situation is not the best. In your review, therefore, do you have the intention to supply food to people at a subsided price? People are hungry and they need food.

**DR RUGUNDA:** Madam Speaker, Government has actually done well in distribution of relief. However, there is still some room for improvement and Government will do its best to improve. That is the truth of the matter.

Secondly, food is, to some extent, being sold at subsided prices because Government has decided to waive tax, for example, on rice. We have decided to do this for a few months in order to have enough food in the market so that the prices can be regulated.

We have also decided that schools should be able to procure rice at the lowest possible cost of Shs 3,000 per kilogramme. Therefore, efforts are being made and there is room for improvement, which we are trying to use.

4.07

**MR ABBAS AGABA (NRM, Kitagwenda County, Kamwenge):** Thank you, Madam Speaker. Rt Hon. Prime Minister, just last week the Minister of Trade, Industry and Cooperatives issued a directive that the price of sugar should not go above Shs 5,000 per kilogramme. This has been violated by all supermarkets. I would like to ask the Prime Minister what practical steps the Government is taking to make sure that the price of sugar is kept low and affordable to the people.

**DR RUGUNDA:** Madam Speaker, the minister and I want prices to be kept low. However, as you know, market forces are at work. Therefore, the issues of supply and demand will ultimately be the acid test for our prices.

4.08

**MR LYANDRO KOMAKECH (DP, Gulu Municipality, Gulu):** Thank you, Madam Speaker. Mr Prime Minister, what best practical intervention can you have in Gulu because there is a pending tax riot against the Uganda Revenue Authority by the business community and the market vendors in Gulu Market?

**THE SPEAKER:** Mr Prime Minister, did you get that?

**DR RUGUNDA:** There is a problem with Uganda Revenue Authority and taxpayers in Gulu and other areas; is that correct? Well, when it is an issue, the parties concerned - URA and the taxpayers - should definitely meet and sort it out. As political leaders, we should facilitate and catalyse such an interaction to resolve such a problem.

4.09

**MS VERONICA NAMAGANDA (DP, Woman Representative, Bukomansimbi):** Thank you, Madam Speaker. Mr Prime Minister, I rise to inform you that contractors are demolishing private property belonging to people of Bukomansimbi along the Villa Maria-Sembabule Road. The question is: who is responsible for the mandatory compensation of the people whose belongings are being demolished by the contractors?

**DR RUGUNDA:** Madam Speaker, people who are on road reserves are supposed to be cleared to ensure roads are widened because they are not supposed to be there. However, if people are staying legally on their land and that land is going to be used for road construction, they deserve to be compensated. If there is a delay in compensation, that is a problem that can be handled. I, therefore, ask for details so that the Ministry of Works and Transport can deal with the matter in Bukomansimbi.

4.11

**MR FRED MUDUKOI (Independent, Butebo County, Pallisa):** Thank you, Madam Speaker. We appreciate the efforts by Government to supply food because of the current situation. However, it is very unfortunate that some people did not get the food, which was supplied. In fact, some people just got a quarter of what they eat daily; it was not even enough for a single day.

Rt Hon. Prime Minister, I really do not know the criteria being used to supply food to overcome the current situation. Can you kindly clarify and promise that next week or next month, you will add us more food to overcome the hunger situation? Thank you.

**DR RUGUNDA:** Madam Speaker, the strategy of Government is to ensure that people are producing enough food for themselves. The little food that is being supplied by Government is only for the very vulnerable people - the sick, children and pregnant ladies. Therefore, let us do whatever we can so that we rely on ourselves in terms of food production.

**THE SPEAKER:** Prime Minister, just to pick up on what hon. Namaganda was saying, I do not know whether that is the Villa Maria-Sembabule Road where the money had been taken by the Chinese and it was recovered by this House. We have been told it has gone to the Consolidated Fund account; what is it doing there? It was for these people and up to now, they have not been compensated.

4.13

**MR HERBERT KINOBERE (Independent, Kibuku County, Kibuku):** Thank you, Madam Speaker. One month ago, I raised an issue about the beds that were withdrawn from hospitals and health centres IV. The Prime Minister wrote to Minister of Health and copied me in, directing her to come and update this House on the status of the beds and other medical equipment which was withdrawn from the health centres IV. Remember, that was in 2015.

To date, patients are sleeping on the floors and there is no medical equipment because Sino-Africa, which supplied that medical equipment, came and withdrew all that they had supplied. There is even no proof that this medical equipment was taken back to the ministry. Mr Prime Minister, I request to get updates because since then, the minister has not come here to update the House. As I promised you, I have the documents from the 44 health centres in Uganda where Sino-Africa had supplied the medical equipment.

**DR RUGUNDA:** Madam Speaker, I do not see the Minister of Health in the front row, but the minister will make a statement on this persistent matter in the House next week, if you so permit.

4.15

**MS JOY ATIM (UPC, Woman Representative, Lira):** Thank you so much, Madam Speaker. This House appropriated money and also some money was diverted from the LC I election activities to buy food for the hungry population in the countryside. However, whatever has reached the population is the donation from China. May I know from the Prime Minister when the posho and beans are going to reach the population?

**DR RUGENDA:** Madam Speaker, the Ministry of Disaster Preparedness and Refugees have a prioritisation of areas in the country that are badly hit, the quantities of food needed and when that food will be available to those vulnerable groups. Therefore, you could get these details from that minister. The main foods that we supply are actually three: posho, rice and beans.

**THE LEADER OF THE OPPOSITION (Ms Winfred Kiiza):** Thank you, Madam Speaker. The revelation that was made by you is a serious one and we need to pronounce ourselves as a House on it. It is about the money that was recovered by a committee of this House and it was intended for some beneficiaries that hon. Namaganda talked about, but it went to the Consolidated Fund and has not yet found its way to those intended beneficiaries.

We would like your wise guidance on that matter, Madam Speaker, so that possibly, hon. Namaganda can subsequently take the message to the people. I thank you.

**THE SPEAKER:** Yes, we need answers because I have been getting calls from Musita, Nankoma; those people are also waiting. What is the money doing in the Consolidated Fund account when we had already appropriated it for the project affected persons?

4.17

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PLANNING) (Mr David Bahati):** Thank you very much, Madam Speaker. It is true that the relevant committee recovered Shs 38 billion from these companies and the Shs 18 billion that was not utilised by Uganda National Roads Authority was refunded to the Consolidated Fund. However, this money is available for them to use. We will ask the Ministry of Works and Transport, if there is still need for compensation, that it be done.

**THE SPEAKER:** Honourable minister, the money was appropriated in 2013/2014 financial year to pay the people where the roads were going to be done. It was not only in Villa Maria; it is all over Uganda.

**MR BAHATI:** Yes, Madam Speaker, but I would like you to get it from the perspective of finance. If Government money is not being used, it is kept in the Consolidated Fund account. Therefore, we are telling the Minister of Works and Transport, if that need is still there, the money will be there to do that. (*Laughter*)

**MS OGWAL:** Madam Speaker, the Minister of Finance knows that to execute his mandate, he must use the law. Can he tell and convince Parliament that money already appropriated and money, which has already exited the Treasury and is earmarked for specific jobs that have not been done, the minister has the audacity to stand here and say that once it is not utilised, it can go back?

The purpose for which Parliament approved that money has not been achieved, which means the money has not been utilised. Therefore, as far as I am concerned, Madam Speaker, we should not gloss over this matter. The minister should tell us now that this money will go back to where it was sent from so that it can go to the targeted beneficiaries.

**THE SPEAKER:** Honourable minister, I do not know whether you can sit there and say that you do not know whether the project affected people still need their money, when the roads are already being done and they have not been paid. You want the minister to say, “maybe I want or maybe not”; no!

**MR BAHATI:** Madam Speaker, I beg your pardon. That is not what I meant. What I meant is that we passed the Public Finance Management Act, which specifies that all Government money is kept and spent from the Consolidated Fund. That money is available for that purpose but it is on the Consolidated Fund account. Therefore, it cannot be recovered and be kept somewhere. It has got to be on the Consolidated Fund account and for anybody who wants to utilise it for that purpose, it is available.

Ministry of Works and Transport should come to this House and tell people why that has not been done. Otherwise, it cannot be the Ministry of Finance to explain that because our duty is to keep the money.

**THE SPEAKER:** Honourable minister, that money was appropriated by this House to pay the project affected persons. Out of Government negligence, it ended up in the Chinese accounts. This House recovered the money so that people can be paid, not that it would be returned to the Consolidated Fund. So, we want that money paid before the end of the financial year. People have been waiting for it for four years.

**MR RUHUNDA:** Madam Speaker, as a member of the Budget Committee, I would like to say that there are many issues which the Minister of Finance has got to answer. When we meet these ministries, they tell us that they ask for money but get frustrated by the Ministry of Finance. Even these ministers of finance have defied summons from some of the committees; we call them but they do not appear before us.

Therefore, I do not understand what is in this Ministry of Finance. I am really very mad at the Minister of Finance. We cannot invite you as a committee and you refuse to come and provide information. Madam Speaker, this abuse of Parliament is now being tested and if we do not take a tough stand on the Ministry of Finance, we are not going to get these things being done and we shall continue complaining without action. Something must be done about Ministry of Finance. All those other ministers are very frustrated but they cannot speak out at this point in time.

**THE SPEAKER:** As far as we are concerned, the money should go to where it was supposed to go to in the first place - to the project affected persons on different roads – before the end of the financial year.

4.23

**MR NOAH MUTEBI (NRM, Nakasongola County, Nakasongola):** Thank you, Madam Speaker. Rt Hon. Prime Minister, Nakasongola District has experienced a dry spell, which has led to scarcity of water for both animals and people. There are valley tanks, which were excavated during the late 1960s, but ever since then those valley tanks have never been de-silted.

Madam Speaker, we are getting problems as Members of Parliament. Our communities have gone ahead to contribute money to de-silt those valley tanks, but when they cannot manage or when they can raise only half of the money, the top-up must come from the Member of Parliament. Personally, I have contributed to a number of valley tanks but it is becoming a serious problem. Rt Hon. Prime Minister, what comprehensive plan does Government have to de-silt these valley tanks? That is my concern. Thank you.

**THE SPEAKER:** Very simple question.

**DR RUGUNDA:** Madam Speaker, Government has procured equipment to assist farmers. This equipment is available at the Ministry of Agriculture at a rate which is less than the commercial rate. I advise my brother from Nakasongola and other colleagues to use that equipment for that purpose.

4.25

**MS AGNES KUNIHIRA (NRM, Workers Representative):** Thank you Madam Speaker. Rt Hon. Prime Minister, the Local Governments Act was amended to include workers’ representatives as councillors but up to today, the elections have not been held. Can you give us a reason as to why those elections are not being held? Thank you.

**DR RUGUNDA:** I know that we have not held the Local Council (LC) elections because of financial reasons. However, for the workers, I will need to do some investigation to give you facts on the matter.

4.26

**MS STELLA KIIZA (NRM, Woman Representative, Kyegegwa):** Thank you very much, Madam Speaker. Rt Hon. Prime Minister, I would like you to inform this House how far you have gone with the sexual education policy that we ordered the Ministry of Education and Sports to formulate when we banned the comprehensive sexual health education policy. It is long overdue and we are wondering what is happening in our schools regarding that matter.

**DR RUGUNDA:** I will ask the sector minister to respond to the timetable on the policy coming to the House in the course of next week.

4.27

**MS PAULINE KEMIREMBE (NRM, Woman Representative, Lyantonde):** Thank you, Madam Speaker. Rt Hon. Prime Minister, on 14 April 2015, Uganda National Roads Authority (UNRA) contracted M/s Summit Project Ltd to work on the road from Lyantonde to Nyabitanga, leading to Sembabule; it is a 58km road. However, up to today, there is no work going on and yet this work is supposed to be done by 15 April 2018. Therefore, I am wondering whether in the remaining 11 months, this work will be accomplished.

My people are suffering. We have got accidents on that road. When it rains, it becomes impassable. Therefore, Rt Hon. Prime Minister, what is the status of that Lyantonde-Ntuusi Road? Thank you.

**DR RUGUNDA:** Madam Speaker, I do not have specific information on the Lyantonde-Ntuusi Road but I will ask the Minister of Works and Transport to make information available to you and the House.

4.28

**MR RAPHAEL MAGYEZI (NRM, Igara County West, Bushenyi):** Thank you Madam Speaker. Mr Prime Minister, Ishaka-Katunguru Road is well known to you. Last year, you promised this country that by May 2016, work would begin on this road. This is May 2017 and the road is in its worst state. I bet it is the worst road in Uganda today. Mr Prime Minister, when will the work on Ishaka-Katunguru Road start?

**DR RUGUNDA:** Madam Speaker, I will make a general comment. There have been some significant delays on a number of road projects. I am surprised that today the Kanungu Members of Parliament have not raised issues about their roads. Many of our projects have been delayed because of procurement problems. That is one of the reasons why Government has decided to make further amendments to the procurement law so that our procurement process can be much faster and services to the *wanainchi* can be delivered at a much faster rate.

4.29

**MR ROBERT MUSOKE (NRM, Budiope West County, Buyende):** Thank you, very much, Madam Speaker. In 2015, Government attempted to launch an ice plant project in Bukungu along the shores of Lake Kyoga. However, the community protested because it was not functional. This project cost Government Shs 2 billion.

On 1 December 2015, I moved around with the Committee on Government Assurances and Implementation to help assess that situation. In February 2017, I raised the same question on the Floor of Parliament and the Prime Minister assured us that he was going to instruct the line ministry to make sure this ice plant is operational. We are now in May and the financial year is coming to an end; what plans are there to make sure this ice plant becomes operational?

**DR RUGUNDA:** Madam Speaker, it is clear that the ministry responsible has not responded. I would ask colleagues to take advantage of ministers when they are available in the House or committees to ensure specific issues of this detail are tackled. However, I will ask the minister to make a statement on the matter in the House next week so that this issue of the ice plant can be closed.

4.31

**MS REHEMA WATONGOLA (NRM, Kamuli Municipality, Kamuli):** Thank you so much, Madam Speaker. As a new Member of Parliament –*(Laughter)*– representing Kamuli Municipality –*(Applause)–* this is my maiden speech. *(Laughter)*

My concern is about Kamuli Municipality funds. Kamuli became a municipality in 2015 but up to now, it is still receiving funds like other rural subcounties. Rt Hon. Prime Minister, when is Kamuli Municipality going to start receiving funds like other existing municipalities? Thank you.

**DR RUGUNDA:** Madam Speaker, all municipalities are supposed to be receiving their budgets. If Kamuli has been marginalised, I am surprised that you, Madam Speaker, would have tolerated such a situation. *(Laughter)* However, we are going to check with the Ministry of Finance to ensure that Kamuli Municipality is properly financed. I also take this opportunity to once again welcome my sister, hon. Watongola, and congratulations.

4.32

**MR ALEX MUNGOMA (NRM, Bulambuli County, Bulambuli):** Thank you very much, Madam Speaker. Currently, cancer testing and treatment is centralised here at Mulago Hospital and yet a majority of the patients come from rural areas. What measures are you putting in place, as Government, to see to it that our rural people access timely treatment?

**DR RUGUNDA:** Madam Speaker, this is a common problem known by all of us. It is true that Uganda Cancer Institute at Mulago is heavily congested, and the Government has already taken a decision to have regional treatment centres for cancer. Therefore, eventually we will go to all referral hospitals; it is just a question of operationalisation of the treatment of cancer at the regional centres.

4.34

**MR ODONGA OTTO (FDC, Aruu County, Pader):** Thank you, Madam Speaker and the Prime Minister. I sit in the Committee of Finance and the Budget Committee. In the last financial year, this Parliament appropriated over Shs 94 billion to support the East African Development Bank, Post Bank and Housing Finance Bank. However, their interest rates are not decreasing. Their interest rates are actually more than other banks, which are not being supported by the Government of Uganda. What plan does Government have to pull out any kind of support from these banks, since their interest rates are not favouring Ugandans yet they are benefitting from taxpayers’ money?

**DR RUGUNDA:** Madam Speaker, Government liberalised the financial sector. Therefore, the Bank of Uganda is in charge of those commercial banks. It is in Uganda Development Bank where we have a greater voice. Nevertheless, the point you have raised is taken and these banks must demonstrate why they should receive more Government support.

4.35

**MR ABACACON GUTOMOI (FDC, Erute County North, Lira):** Thank you very much, Madam Speaker. Rt Hon. Prime Minister, why are the authorities in Lira District destroying crops, which are almost ready but which were planted in the wetlands? These farmers were not sensitised about these wetlands and yet there is very serious famine in the region. Why is it that the wetlands in the urban centres are being given out by Government and not preserved yet the sensitisation should have been -

**THE SPEAKER:** Just ask the question, please - He is advising the Prime Minister? Okay; let us have the next Member. *(Laughter)*

4.37

**MS MARY KABANDA (DP, Woman Representative**, **Masaka):** Thank you, very much, Madam Speaker. Rt Hon. Prime Minister, the victims of insecurity in greater Masaka are rotting in various hospitals. When I looked at the bill of one patient, it has gone up to Shs 40 million. How is the Government going to help these people?

**DR RUGUNDA:** Madam Speaker, I regret that our compatriots have had problems of insecurity especially in Masaka. Government is doing everything possible to ensure that that situation is controlled. Those requiring treatment, I am sure are benefiting from the available medical facilities at Masaka Hospital. However, if there are special problems, Government will be interested in getting the details so that we can work together to resolve them.

4.37

**MS FRANCA AKELLO (FDC, Woman Representative, Agago):** Thank you, Madam Speaker. Rt Hon. Prime Minister, the people of Agago District are asking Government of Uganda whether it has plans to construct a tarmac road, even if it just passes Agago District. When is Government planning to do that?

**DR RUGUNDA:** Madam Speaker, Government, through His Excellency President Yoweri Museveni, the Manifesto of the National Resistance Movement and through the second National Development Plan, outlined the projects and roads that are to be constructed and when. If the Agago road is missing, this matter can be handled with the Ministry of Works and Transport but while clearly knowing that its time is coming soon.

4.38

**MR JACK WAMANGA-WAMAI (FDC, Mbale Municipality, Mbale):** Mr Prime Minister, when will you work on Nalugugu-Mutufu-Budadiri-Namagumba Road so that the people of Budadiri valley can deliver food to the other parts of Uganda that are now starving?

**DR RUGUNDA:** Madam Speaker, as I said earlier on, the programme for constructing roads and when is available with Ministry of Works and Transport. If there is an emergency, action can be taken because districts have got some equipment and regional centres of the Ministry of Works too have some equipment. This equipment can be used to ensure key roads are unblocked and food distribution goes on normally.

4.40

**MS ALUM SANTA (UPC, Woman Representative, Oyam):** Thank you, Madam Speaker. Rt Hon. Prime Minister, all the districts in Lango sub region received food with the exception of Oyam District. When will Government deliver food to Oyam District? Thank you.

**DR RUGUNDA:** Madam Speaker, I must congratulate Oyam District for being able to be self-reliant and produce food so that –(*Interruption*)

**MS ALUM:** Thank you so much, Madam Speaker. It is very disappointing that on the Floor of this Parliament, the minister in charge of disaster preparedness presented a report on the distribution of food and Oyam was among those to receive food the following day but up to date, Oyam has not received any food. Is it, therefore, in order for the Rt Hon. Prime Minister to say that we are proceeding well and is he really proceeding well?

**THE SPEAKER:** No; I thought it was a point of procedure. Okay, let us move on.

4.41

**MR JACKSON KAFUUZI (NRM, Kyaka South County, Kyegegwa):** Thank you, Madam Speaker. Rt Hon. Prime Minister, I come from Kyegegwa District where we also have central Government roads. Kyegegwa District is divided into two for purposes of central Government and UNRA roads. The part that belongs to Kyaka North is under UNRA which is based in Fort Portal. However, the part that is in my constituency, which is the road from Kyegegwa to Kabogole and Kazo, is under UNRA that was relocated to Ibanda recently from Mbarara. Rt Hon. Prime Minister, UNRA has not worked on that road for the last six years. That road kills a minimum of two people per week. When will UNRA work on this road?

**DR RUGUNDA:** Madam Speaker, UNRA has been constrained by resources, but they will be reminded of this important road where people are dying due to the condition of the road.

4.42

**MR ROBERT KASOLO (NRM, Iki-Iki County, Budaka):** Thank you, Madam Speaker. Rt Hon. Prime Minister, last week UNRA terminated the contract of Dott Services, which has been meandering on Nakalama-Tirinyi-Mbale Road. When should we expect a new contractor to avert a national tragedy?

**DR RUGUNDA:** If Dott Services was stopped and another company is going to be procured, there will be a time lag because of procurement to get an appropriate contractor to complete the work.

4.44

**MR CUTHBERT ABIGABA (NRM, Kibale County, Kamwenge):** Thank you very much, Madam Speaker. Rt Hon. Prime Minister, Uganda borrowed money to rehabilitate Mulago Hospital, but we now hear that services at Mulago Hospital are going to be purely private. I wonder whether this is a well-known position of Government and if so, we would like to know why. Thank you, Rt Hon. Prime Minister.

**DR RUGUNDA:** Madam Speaker, Government has not taken a formal position on the matter.

4.45

**MR FREDRICK ANGURA (NRM, Tororo South County, Tororo):** Thank you very much, Madam Speaker. Rt Hon. Prime Minister, Malaba receives three-quarters of the cargo that enters Uganda. Kenya has built a new bridge and finished their part of the road as per the East African cooperation arrangement. However, on the Ugandan side, the bridge has become so narrow that not more than two cars can cross heading to Kenya. When shall we have our part of the bridge fixed to avert calamities this side?

**DR RUGUNDA:** Madam Speaker, the road to let cargo in and out of Uganda at Malaba is critical; there is no doubt about that. This is being prioritized and the details as to when the road will be done can be got from the ministry responsible for works.

4.46

**MR TONNY MUHINDO (FDC, Bukonzo County East, Kasese):** Thank you, Madam Speaker. Yesterday, Parliament, under your guidance, ordered for the release of the children that featured in our debates. The twin questions I have are: have the children been released and has Government put in place a resettlement programme for these children, both psychosocial and physical? Thank you.

**DR RUGUNDA:** Madam Speaker, the children have been released and their psychosocial status is being looked into as well.

**THE SPEAKER:** Honourable members, we have now used up the time allocated for this item. However, Prime Minister, have the perpetrators of the abduction and torture been taken to court, because that was also part of our directive yesterday? I hope we can be briefed tomorrow. Honourable members, we have already used the 45 minutes.

4.47

**THE LEADER OF THE OPPOSITION (Ms Winfred Kiiza):** Thank you so much, Madam Speaker. I would like to inform the Prime Minister that we are asking many of these issues the way we are because many of his ministers do not show up for Members to interface with them and be able to ask them the questions they are asking you now.

You said that at an appropriate time we should even interface with our ministers. However, even at committee level, they do not show up. You have heard from hon. Alex Ruhunda when he said that they invited the Minister of Finance and he dodged the committee –(*Interruption*)

**MR ANTHONY OKELLO:** Thank you very much, Leader of the Opposition. For your information, I took a personal initiative and wrote officially to the Minister of Works and Transport about three weeks ago. To date, I have not received any response and yet it was a matter concerning a critical issue in my constituency.

**MS WINFRED KIIZA:** Therefore, Madam Speaker, when you see Members of Parliament bombarding the Prime Minister with issues that are supposed to be handled by the ministers, they just want to use that opportunity because he is the supervisor of those ministers.

The Prime Minister talked about the ministry trying to combat fake chemicals used by farmers. I really do not know what Ugandans have to do in order to know the people supplying the right chemicals, because we do not know which providers are supplying the right chemicals. The chemicals are dumped everywhere and the farmers are given a raw deal in terms of chemicals and seeds. Therefore, Rt Hon. Prime Minister, I would imagine that the Uganda National Bureau of Standards should be actively involved in vetting these particular firms that export the chemicals that we use.

There is a pest called the “army worm”, which farmers say is attacking the crops that the army are supplying under Operation Wealth Creation. *(Laughter)* It has become a problem to them because the issue at hand is the fake chemicals. Ugandans need to know exactly where they should go for appropriate chemicals.

Madam Speaker, as I wind up, I would like to say that it is unfortunate that even when we are in the budgeting process, the Prime Minister is still lamenting about funds for the elections of workers representatives. I would be happier if the Prime Minister informed the Member who asked the question regarding the workers representatives’ elections that since we are in the budgeting process, they should be catered for under a particular budget item. It would have been better if he had told him to go and tell his people that the elections are going to be held in August, after we have passed the budget.

I was looking through the policy statements and I did not even see a provision for the funding of elections of LCIs. That is why even the Prime Minister is non-committal on the elections of the workers representatives at lower levels. It could even be the reason why we are non-committal on elections for the women councils. This being a budgeting process, Rt Hon. Prime Minister, do not strain yourself, just tell the ministers responsible to ensure that they cater for funds for these particular activities.

Finally, I would like to comment on the stray animals from the national parks. Madam Speaker, those of us who are close to the national parks have found a problem. Some of us are promoting tourism and we hinge on national parks that are close to us. However, as we market our country’s beauty in regard to tourism, the farmers down there want to hear from Government - Apart from the revenue that they share from the money that we receive from the national parks, they want to know whether Government has specific action it wants to take to ensure that the farmers can co-exist with the animals neighbouring them.

Some of them have even suggested the possibility of putting up electric fences around the national park boundaries and the population so that the animals cannot stray to destroy people’s crops. That could also be food for thought as we budget. I imagine it would solve the problem of the farmers neighbouring the national parks who are complaining about these animals. Thank you.

**THE SPEAKER:** Rt Hon. Prime Minister, I think there was a Member whom you said should check with the machines for the roads, which are kept at the region. However, I would like to tell you that if you take a census in all the regions, those common user facilities of UNRA are not there. I think we need to make procurements specifically for the regions because they are not there.

Last week I was talking to my Chief Administrative Officer (CAO) and I wanted him to construct particular roads; he told me that the gadgets were in Bugembe but they are all broken down. Instead, the Kamuli people were now funding the repairs in Bugembe so that they can bring them to do work in Namasagali. I know that it is the same thing in all the regions. I think we need a special provision for the regions so that they can support the districts. Thank you very much, honourable members.

BILLS

SECOND READING

THE INTERNATIONAL CONFERENCE ON THE GREAT LAKES REGION (IMPLEMENTATION OF THE PACT ON SECURITY, STABILITY AND DEVELOPMENT IN THE GREAT LAKES REGION) BILL, 2016

4.54

**THE MINISTER OF STATE FOR FOREIGN AFFAIRS (REGIONAL AFFAIRS) (Dr Philemon Mateke):** Madam Speaker, I beg to move that the Bill entitled, “The International Conference on the Great Lakes Region (Implementation of the Pact On Security, Stability and Development in the Great Lakes Region) Bill, 2016” be read for the second time.

**THE SPEAKER:** It is seconded by a number of Members both from the Cabinet and the back bench.

**DR MATEKE:** Madam Speaker, the object of the Bill is to give force of law in Uganda to the pact on the security, stability and development in the Great Lakes Region and for other connected purposes.

The Bill arises out of a pact on security, stability and development in the Great Lakes Region entered into by member states of the Great Lakes Region and other co-opted states. The member states are: the Republic of Angola, the Republic of Burundi, Central African Republic, the Republic of Rwanda, the Republic of South Sudan and the Republic of Zambia. The co-opted states are: the Republic of Botswana, the Arab Republic of Egypt, the Federal Democratic Republic of Ethiopia, the Republic of Malawi, the Republic of Mozambique, the Republic of Namibia and the Republic of Zimbabwe.

The Bill gives effect to the principle in Article 123 of the Constitution, that it is the President or a person authorised by the President to make treaties, agreements or other arrangements between Uganda and any other country, or between Uganda and any international organisation or body, in respect of any matter; and that Parliament shall make laws to govern ratification of treaties, conventions, agreements or other arrangements under Article 123.

Madam Speaker, the Bill contains six provisions and a schedule. Clause 1 of the-

**THE SPEAKER:** No; let me now invite our committee to report.

**DR MATEKE:** I beg to move. *(Laughter)*

**THE SPEAKER:** Honourable members, as the honourable chairperson comes forward, I forgot to introduce hon. Tom Bagalana. He was there but I think I got busy. He was in the Seventh Parliament and he had come to watch the proceedings.

4.58

**THE CHAIRPERSON, COMMITTEE ON FOREIGN AFFAIRS** **(Ms Rose Mutonyi**)**:** Thank you, Madam Speaker. Before I present the report, I beg to lay on the Table a copy of the report of the Committee on Foreign Affairs and Defence and Internal Affairs on the International Conference of Great Lakes Region, together with the minutes of the meetings. I beg to lay.

Madam Speaker, the minister has said almost everything and I would like to just read the introduction and the methodology and then go to the observations.

Introduction

The International Conference on Great Lakes Region (Implementation of the Pact on Security, Stability and Development in the Great Lakes Region) Bill, 2016 was tabled in the House for the first reading by the Minister of Foreign Affairs on Wednesday, 18 January 2017. It was referred to a joint committee of the Committee on Foreign Affairs and the Committee on Defence and Internal Affairs for consideration, in accordance with Rule 118 of the Rules of Procedure of Parliament.

The International Conference on the Great Lakes Region (ICGLR) was established to, among others, promote regional peace, security and development. The ICGLR is a platform to collectively deal with conflict situations in the region, including insecurity and the negative forces in eastern Democratic Republic of Congo (the ADF, M23, FDLR and the *Interahamwe*).

The Bill was examined as required under section 10 of the Budget Act of 2001 and received a certificate of financial implication. There are no additional financial implications other than the current contributions Government pays to the International Conference on the Great Lakes Region.

Methodology

In analysing the Bill, the committee held meetings and received memoranda from the following:

1. Ministry of Foreign Affairs
2. Ministry of Defence
3. The Great Lakes Institute for Strategic Studies

The object of the Bill has already been outlined by the minister. I would, therefore, like to read the observations.

The committee observes that:

i) Uganda signed the ICGLR pact on 15 December 2016 and ratified the pact on 5 February in 2008. The pact entered into force in June 2008 in accordance with Article 33. However, Uganda is yet to domesticate it.

Lack of domestication of the pact is not only an act of noncompliance to the regional instrument but also denies some Government institutions from participating in regional and international business. For instance, the Ministry of Energy and Mineral Development can neither mine nor trade in the four minerals - tin, tungsten, tantalum and gold - due to noncompliance with Article 9 of the Protocol against Illegal Exploitation of Natural Resources. This is due to lack of applicable laws in Uganda to implement the ICGLR regional certification mechanism.

ii) The Bill as it is does not give the minister powers to develop and issue regulations for implementation when it becomes law.

iii) Contributions to International Organisations

Clause 3 of the Bill makes provisions for the finances for enforcing the pact in Uganda and takes into account Article 159 of the Constitution, which provides for the power of Government to borrow or lend. This particular provision is related to the financing of pacts in Uganda, yet there are also Uganda’s international obligations to make contributions to the ICGLR.

Parliament was informed of the huge arrears the country owes the international organisations. On some occasions, Ugandan delegations have either been refused participation in meetings or officers blocked from seeking positions of leadership in international organisations because of non-payment of the country’s subscription. This, therefore, implies that there should be a firm commitment on clearing arrears in international organisations, including ICGLR, to ensure that it succeeds.

The committee was informed that Uganda is currently up to date as far as ensuring that we participate in international meetings, and Ugandans legitimately seek positions of leadership in international organisations.

Recommendation

In view of the observations herein, the committee recommends that the International Conference on the Great Lakes Region (Implementation of the Pact on Security, Stability and Development in the Great Lakes Region) Bill, 2016 be passed to give force of law in Uganda to the Pact on Security, Stability and Development in the Great Lakes Region; to provide for the implementation of Uganda’s obligation and commitments under the pact; and other connected purposes, subject to the following proposed amendment: insertion of a new clause 7 to read as follows:

“Minister’s powers to make regulations *–(Interruption*)

**MR NAMBESHE:** Madam Speaker, it is rather unfortunate that I have been going through my iPad and this report has not been uploaded. I also highly doubt that any Member here has this report. Are we proceeding right?

**THE SPEAKER:** If it is not uploaded on the iPads, can we defer it for now to allow the Clerk to ensure that it is uploaded while we consider something else? Did you hand over a soft copy to the Clerk?

**MS MUTONYI:** Madam Speaker, I was told by the Clerk that it had been uploaded. However, it is only the Bill that is uploaded on the iPads. Madam Speaker, it is just a short report.

**THE SPEAKER:** Honourable members, we are just domesticating this treaty. Therefore, the clauses majorly remain the same unless someone has issues with the treaty, which cannot change. I saw only one proposal for amendment. Can we proceed? Please conclude your presentation.

**MS MUTONYI:** Thank you, Madam Speaker. We propose to insert a new clause 7 to read as follows - (*Interruption*)

**MR ANTHONY OKELLO:** Madam Speaker, I would like to thank the chairperson for the presentation. However, I think what she is presenting now is something we should consider at committee stage. She is now proposing some amendments from the clauses that are available there. Therefore, if we could move to the committee stage, then we would now consider what she is presenting.

**THE SPEAKER:** You cannot present proposals here; it will be when we are at the committee stage.

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

**THE SPEAKER:** Honourable members, the report has been signed by the minimum required Members; you are free to debate now. Are you satisfied with it?

**THE LEADER OF THE OPPOSITION (Ms Winfred Kiiza):** Madam Speaker, I think Members are constrained to debate. Since you guided that it is only one proposed amendment to the Bill, I think it is out of that goodwill that we propose that we go to committee stage and then we will be able to just move the amendment and close the debate.

I imagine that there is goodwill amongst the Members to ensure that the report and subsequently, the amendment to the Bill do pass for the purposes of security, stability and democracy of this country. I, therefore, pray that the Member moves that we go to the next stage - since Members are taking your guidance - and I pray that we just debate in as far as the goodwill requested by the Speaker is concerned.

**THE SPEAKER:** Honourable members, we cannot substantially alter the treaty; it is a treaty of eight countries. Therefore, I would like appeal that we go to the Bill and we see how to move. I put the question that that the question be now put.

*(Question put and agreed to.)*

**THE SPEAKER:** I now put the question that the Bill entitled, “The International Conference on the Great Lakes Region (Implementation of the Pact on Security, Stability and Development in the Great Lakes Region) Bill, 2016” be read for a second time.

*(Question put and agreed to.)*

BILLS

COMMITTEE STAGE

THE INTERNATIONAL CONFERENCE ON THE GREAT LAKES REGION (IMPLEMENTATION OF THE PACT ON SECURITY, STABILITY AND DEVELOPMENT IN THE GREAT LAKES REGION) BILL, 2016

Clause 1

**THE CHAIRPESRON:** Honourable members, I prefer that we defer clause 1 until the end of the Bill.

Clause 2

**THE CHAIRPERSON:** Honourable members, I put the question that clause 2 do stand part of the Bill

*(Question put and agreed to.)*

*Clause 2, agreed to.*

Clause 3

**MR MUGOYA:** Madam Chairperson, I have an issue with clause 3, particularly subclause (2) where it says, “…raise loans by creation and issue of securities…” We can say, “…by creation and issuance of securities…”

**THE CHAIRPERSON:** Which clause is that?

**MR MUGOYA:** Clause 3 (2) on finances: *“Subject to Article 159 of the Constitution of the Republic of Uganda, for the purposes of providing any sums required for giving effect to the pact under this section, the minister responsible for finance may, on behalf of Government, make such arrangements as are necessary or raise loans by creation and issue of securities…”* Instead of the word, “issue” we should use “issuance” because we have already used the word “creation”. We should have used “create”.

Therefore, we should replace “issue” with “issuance” - “…issuance of securities bearing such rates of interest and subject to such conditions as to repayment, redemption or otherwise as the minister considers fit.” That is the amendment I am proposing, Madam Chairperson.

**THE CHAIRPERSON:** Does the minister have any issue with that? He is just changing the nomenclature.

**MS MUTONYI:** Madam Chairperson, we have to look at the statement from, “…make such arrangements as are necessary or raise loans by creation and issuance of securities…” You are right.

**THE CHAIRPERSON:** Honourable members, I put the question that clause 3 be amended as proposed.

*(Question put and agreed to.)*

*Clause 3, as amended, agreed to.*

*Clause 4, agreed to.*

**MR MUGOYA:** I propose to insert immediately after clause 4 subclause - I am sorry this was in relation to clause 3, but I thought we would base it on the Public Finance Management Act, 2015. We should look for a possibility where we can insert a provision stating the utilisation of these funds in accordance with the provisions of the Public Finance Management Act, 2015.

I propose that we create a new provision, immediately after subclause (3) by inserting subclause (4), to say that funds deposited in the Consolidated Fund shall be utilised or expended in accordance with the provisions of the Public Finance Management Act, 2015. I thought that would be proper since we are now trying to domesticate the pact into our domestic laws.

**THE CHAIRPERSON:** I think we may have to recommit. Let us go to clause 5. We shall come back for the recommittal.

Clause 5

**THE CHAIRPERSON:** I put the question that clause 5 do stand part of the Bill.

*(Question put and agreed to.)*

*Clause 5, agreed to.*

Clause 6

**MS MUTONYI:** Madam Chairperson, we seek to insert a new clause 7 to read as follows:

“Minister’s powers to make regulations

(1) The minister may, in consultation with the line ministry, by statutory instrument, make regulations to give effect to the provisions of this Act.

(2) Without prejudice to the generality of subsection (1), the minister may make regulations for-

(a) illegal exploitation of natural resources;

(b) specific reconstruction and development zone;

(c) prevention and suppression of sexual violence against women and children;

(d) protection and assistance to internally displaced persons;

(e) property rights of returning persons;

(f) management of information and communication; and

(g) any other matter incidental for the better carrying out of the purposes of this Act and the prescription of anything required or authorised to be prescribed under this Act.

(3) Regulations made under this Act may, in respect of any contravention of any of the regulations -

(a) prescribe a penalty of a fine not exceeding five thousand currency points or imprisonment not exceeding ten years, or both;

(b) in the case of a continuing contravention, prescribe an additional penalty not exceeding five hundred currency points in respect of each day on which the offence continues;

(c) prescribe a higher penalty not exceeding five thousand five hundred currency points or imprisonment not exceeding 12 years, or both in respect of a second or subsequent contravention; and

(d) provide for forfeiture of anything used in the commission of the offence.”

The justification is: to enable the minister develop and issue regulations to operationalise individual protocols in the pact where there is no adequate or existing legislation regulating a particular area of the pact. I beg to move.

**THE CHAIRPERSON:** Before we move on, why are you telling the minister to provide for illegal exploitation under your sub-clause (2)(a)? If it is illegal, how can the minister provide for it?

**MS MUTONYI:** I think they will be regulations against it.

**THE CHAIRPERSON:** Against illegal exploitation?

**MS MUTONYI:** Yes.

**THE CHAIRPERSON:** Then it will not rhyme with the remaining ones. I think we need to break them and create another provision here to govern paragraphs (b),(c),(d) and (e) onwards.

**MS MUTONYI:** Should we indicate that there should be regulations against illegal exploitation of natural resources?

**THE CHAIRPERSON:** They should also not be against reconstruction and development zones.

**MR ANTHONY OKELLO:** Madam Chairperson, there is also something small to add. The idea of asking the minister to develop regulations is because we want him to develop and issue these regulations, yet we are using the words “the minister may”. My concern here is that if we say, “the minister may”, we then leave it at the discretion of the minister. He or she may or may not develop the regulations.

I would like to propose that we probably use the word “shall” so that we make it mandatory for the minister to develop and issue these regulations. We are also going ahead to give the minister the powers to prescribe the penalties that we are talking about. What would happen if the minister decides not to come up with any?

**MS MUTONYI:** Madam Chairperson, some of these regulations might already be in place. That is why in the justification we are saying, “To enable the minister develop and issue regulations to operationalise individual protocols in the pact where there is no adequate or existing legislation regulating a particular area of the pact.” If we put the word “shall”, we may find that some of these have regulations.

**MR KAFUUZI:** Madam Chairperson, if we use the word “shall”, just like the chairperson has stated, and these regulations already exist, it will be a requirement for the minister to make fresh regulations. Therefore, I think we should leave it as it is so that it will arise as a matter of necessity for the minister to make the regulations.

**THE CHAIRPERSON:** How could the minister have made regulations when the law was not domesticated? It is not possible. It was not a law in our country. It is becoming law today.

**MR KAFUUZI:** Madam Chairperson, let us maintain “may” so that the regulations are made as and when the necessity arises.

**THE CHAIRPERSON:** Who is the minister in charge of this law?

**MR KAFUUZI:** That would be the Minister of Foreign Affairs.

**THE CHAIRPERSON:** Are you giving the Minister of Foreign Affairs authority to move without the ministers of defence and security? Do you want him to make regulations without consulting?

**MR KAFUUZI:** From that point of view, then we would have to create a council of ministers.

**THE CHAIRPERSON:** The proposal is saying, “may, in consultation…”. If you leave it as “may”, maybe the minister will not consult anybody.

**MR MUGOYA:** Madam Chairperson, there was something you raised earlier, on whether we should maintain the word “illegal”.

**THE CHAIRPERSON:** Let us do the first one and we come to that.

**THE CHAIRPERSON:** Honourable members, I put the question that clause 7(1) be amended as proposed.

*(Question put and agreed to.)*

**THE CHAIRPERSON:** Let us go to clause 7(2)

**MR MUGOYA:** We can still delete it and the spirit remains the same.

**THE CHAIRPERSON:** That means we say, “exploitation of natural resources” without the word “illegal”.

**MR MUGOYA:** Once you say it is a regulation, the intent is to circumvent the illegality.

**THE CHAIRPERSON:** Honourable chairperson, if we could remove the word “illegal” and leave “exploitation of natural resources” -

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

**MR MUGOYA:** Madam Chairperson, there was also something pertinent; when do these regulations come into force?

**THE CHAIRPERSON:** We will get there. Let us deal with the amendment first.

**MS FRANCA AKELLO:** Madam Chairperson, don’t you think in clause 7(2) we also need to make it “shall”? “Without prejudice to the generality of subsection (1), the minister shall make regulations for…”

**THE CHAIRPERSON:** When you say “may”, the minister may not. There is no obligation to make laws for protection of internally displaced persons or suppression of sexual violence.

**MS MUTONYI:** Madam Chairperson, I feel the statement, “the minister shall, in consultation with the line ministry” follows the first one in (a). This is because we are saying, “regulations for exploitation of natural resources; regulations for specific reconstruction and development –

**THE CHAIRPERSON:** Honourable Chairperson, let us allow the word “shall” because clause 7(1) relates to the general provision, and (2) relates to these particular areas. Let us say “the minister shall make regulations” from (a) up to (e).

**MS MUTONYI:** I concede, Madam Chairperson.

**THE CHAIRPERSON:** Honourable members, the question is that clause 7(2), be amended as proposed.

*(Question put and agreed to.)*

**THE CHAIRPERSON:** There was a small issue on sub-clause (3), where it reads, “prescribe a penalty or a fine…” It says, “of” and we need to correct to “or”. You said “of” instead of “or”. I think it is harmless. It is just correction of the language.

**MS MUTONYI:** “A penalty of a fine not exceeding five thousand…” -

**THE CHAIRPERSON:** The word “of” should be “or” so that it reads, “a penalty or a fine”.

**MS MUTONYI:** Madam Chairperson, I thought a fine was a penalty.

**THE CHAIRPERSON:** I am talking about the language used. It should read, “prescribe a penalty or a fine…” but the words are “a penalty of a fine”.

**MS MUTONYI:** The word “or” is okay –

**THE CHAIRPERSON:** There is a financial sanction and the other one.

**MS MUTONYI:** We were thinking that a fine is a penalty. So, it is a penalty of a fine.

**MS NAUWAT:** Thank you, Madam Chairperson. My understanding is that a fine is a type of penalty. Therefore, we do not need to use both words. We can choose one of the words. I am proposing that it should read “prescribe a fine not exceeding…”

**MS MUTONYI:** That is what we meant. Thank you. If we say “or a fine” and yet a fine is a penalty -

**THE CHAIRPERSON:** What hon. Nauwat is saying is that we prescribe a fine not exceeding this amount or imprisonment.

**MS MUTONYI:** A penalty is better. It should be, “a penalty of a fine not exceeding five thousand currency points or imprisonment”.

**MS NAKAYENZE:** Thank you, Madam Chairperson. It means to prescribe a penalty that has to be described or a fine. The penalty must be described and then the fine must also be described in the currency points that they have given.

**THE CHAIRPERSON:** You are saying “prescribe a penalty of imprisonment”?

**MS NAKAYENZE:** You prescribe a penalty, which has to be described, like imprisonment for a number of years, or a fine; so, both can work. However, a penalty has to be described.

**THE CHAIRPERSON:** I put the question that clause 7(3), as amended, do stand part of the Bill.

*(Question put and agreed to.)*

*The Schedule, agreed to.*

**THE CHAIRPERSON:** Let us go back to clause 1 for the interpretation.

Clause 1

**THE CHAIRPERSON:** Honourable members, there have been no changes to the interpretation. I put the question that clause 1 do stand part of the Bill.

*(Question put and agreed to.)*

*Clause 1, agreed to.*

*The Title, agreed to.*

MOTION FOR THE HOUSE TO RESUME

5.33

**THE MINISTER OF STATE FOR FOREIGN AFFAIRS (REGIONAL AFFAIRS) (Dr** **Philemon Mateke):** Madam Chairperson, I beg to move that the House do resume and the Committee of the whole House reports thereto.

**THE CHAIRPERSON:** Honourable members, the question is that the House do resume and the Committee of the whole House do report thereto.

*(Question put and agreed to.)*

*(The House resumed, the Speaker presiding.)*

REPORT FROM THE COMMITTEE OF THE WHOLE HOUSE

5.34

**THE MINISTER OF STATE FOR FOREIGN AFFAIRS (REGIONAL AFFAIRS) (Dr Philemon Mateke**): Madam Speaker, I beg to report that the Committee of the whole House has considered the Bill entitled, “The International Conference on the Great Lakes Region (Implementation of the Pact on Security, Stability and Development in the Great Lakes Region) Bill, 2016” and passed it with some amendments.

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

5.34

**THE MINISTER OF STATE FOR FOREIGN AFFAIRS (REGIONAL AFFAIRS) (Dr Philemon Mateke):** Madam Speaker, I beg to move that the report from the Committee of the whole House be adopted.

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

*(Question put and agreed to.)*

BILLS

THIRD READING

THE INTERNATIONAL CONFERENCE ON THE GREAT LAKES REGION (IMPLEMENTATION OF THE PACT ON SECURITY, STABILITY AND DEVELOPMENT IN THE GREAT LAKES REGION) BILL, 2016

**THE SPEAKER:** Hon. Mugoya, you wanted to recommit. This is the stage where you can come in. Are you still recommitting or we leave it?

5.35

**THE MINISTER OF STATE FOR FOREIGN AFFAIRS (REGIONAL AFFAIRS)(DR Philemon Mateke):** Madam Speaker, I beg to move that the Bill entitled, “The International Conference on the Great Lakes Region (Implementation of the Pact on Security, Stability and Development in the Great Lakes Region) Bill, 2016” be read for the third time and do pass.

**THE SPEAKER:** Honourable members, the question is that the International Conference on the Great Lakes Region (Implementation of the Pact on Security, Stability and Development in the Great Lakes Region) Bill, 2016 be read for the third time and do pass.

*(Question put and agreed to.)*

A BILL FOR AN ACT ENTITLED THE INTERNATIONAL CONFERENCE ON THE GREAT LAKES REGION (IMPLEMENTATION OF THE PACT ON SECURITY, STABILITY AND DEVELOPMENT IN THE GREAT LAKES REGION) ACT, 2017

**THE SPEAKER:** Honourable members, title settled and Bill passes. *(Applause)* We congratulate the Minister of Foreign Affairs for this Bill.

**DR MATEKE:** Madam Speaker, I would like to thank you for considering our Bill and passing it with a few amendments. Thank you.

**THE SPEAKER:** Thank you very much. We also thank the chairperson of the committee and the members of the Committee on Foreign Affairs for the work done.

**MS ROSE MUTONYI:** Madam Speaker, I would like to thank you very much for the support and appreciation for our Bill. I would like to also thank my committee members for the effort they have put into this Bill. Thank you very much, Madam Speaker and honourable members.

**THE SPEAKER:** Thank you very much. Let us go to item No.7.

MOTION FOR THE PRESENTATION, CONSIDERATION AND ADOPTION OF THE REPORT OF THE COMMITTEE ON TOURISM, TRADE AND INDUSTRY ON THE STATE OF UGANDA’S TEA INDUSTRY IN COMPARISON WITH NEIGHBOURING COUNTRIES

5.38

**THE CHAIRPERSON, COMMITTEE ON TOURISM, TRADE AND INDUSTRY (Mr Alex Ruhunda):** Madam Speaker, the Committee on Tourism, Trade and Industry, conducted a tea subsector specific study to appreciate why Uganda’s tea has fallen in production and price on the auction market. I have the pleasure and honour to present the findings and recommendations of the committee therein.

Introduction and Background

In 1969, the Government of Uganda established four tea companies under the Uganda Tea Corporation. These were: Mabale Growers Tea Factory Limited, Mpanga Tea Growers, Kayonza, and Igara Tea. The companies were later privatised in 1994 under the divestiture programme.

During the early years of the corporation, Uganda’s tea production levels were in tandem with Kenya’s production levels. Kenya has since gone on to be the world’s largest net producer of tea, registering 400,000 metric tonnes by 2012, while Uganda registered 50,000 metric tonnes in the same year. Whereas Uganda’s tea production acreage was 10,000 hectares of land under cultivation in 1962, Kenya’s was at 20,000 and by 2012, Uganda’s acreage stood at 20,000 hectares as compared to Kenya’s 190,000 hectares.

The political turmoil of the 1970s and early 1980s saw tea production decline to the extent that the country has never recovered. This has been coupled with numerous economic challenges faced by the industry, ranging from lack of a regulatory framework to high cost of capital and lack of farm inputs like fertilisers in particular. The industry is currently crippled and struggling under heavy operational costs, rendering it uncompetitive on the auction market.

Madam Speaker, even with the declined production, tea exports rank as Uganda’s second largest agricultural export commodity only rivalled by coffee. Available statistics show that on average, 93 per cent of tea products are exported while 7 per cent are consumed domestically. More recent statistics from the Ministry of Finance, Planning and Economic Development indicate that Uganda earned US$ 72 million from exporting 63,456 tonnes of tea cultivated on 35,194 hectares in Financial Year 2012/2013. This represented 2.8 per cent of Uganda’s total exports, 1.26 per cent of global tea exports and 0.36 per cent of Uganda’s Gross Domestic Product (GDP).

Tea growing is envisaged as a tool to fight poverty through its ability as a source of employment to households, especially in rural areas. Currently, Uganda is the tenth largest producer of tea in the world and earns about US$ 100 million annually from the cash crop, which is also the third highest foreign exchange earner.

Uganda’s tea industry is characterised by three categories of Ugandan tea growers and these are: plantation growers, mainly owned by foreigners and a few locals; smallholder farmers; and out growers. Amongst these categories are growers with established factories that process tea and export.

It is highly acknowledged that good quality tea is determined by a good rainfall pattern, application of irrigation, particular quality of soils, application of fertilisers and proper handling throughout the tea value chain. The desired harvesting practice is that two leaves and a bud should be plucked to ensure maximum quality. Freshly manufactured tea has a better flavour and aroma.

Based on the above background, Madam Speaker, the committee organised a study visit to Kenya and domestic travels to tea growers. We further interacted with other stakeholders in the industry. During the study visit to Kenya, the committee established a number of issues afflicting the industry and appraised the processes the tea goes through before being exported to the final destination of tea consumers.

Uganda’s tea is sold at Mombasa Tea Auction where the bulk of it is sold as dust while the premium brand fetched the lowest price at US$ 1.6 per kilo compared to Rwanda’s premium brand at US$ 4 per kilogramme. This is attributed to the low quality of Uganda’s tea. Uganda is one of the tea producing countries with one of the lowest per capita consumption of tea, at less than 0.5 kilogrammes per capita, due to the VAT tax imposed on locally consumed tea. This makes our tea costly, compared to neighbouring countries like Tanzania and Kenya, which charge no taxes.

Mombasa Tea Auction is the largest tea auction market in the world that deals in teas exclusively from more than one country. The committee found out that 98 per cent of Uganda’s tea is sold through Mombasa, and tea is the leading export at Mombasa Port. The auction market is moderated and facilitated by East Africa Tea Traders Association (EATTA). East Africa Tea Traders Association’s principal mandate is to run the Weekly Mombasa Tea Auction Centre, currently the largest tea auction centre in the world.

Leading importers of tea from the region through the port of Mombasa are: Pakistan with 26 per cent; Egypt, 17 per cent; UK, 10 per cent; Afghanistan, 9 per cent; United Arab Emirates, 9 per cent; Russia, 5 per cent; Sudan, 5 per cent; and Yemen, 3 per cent. Others are Albania, Hong Kong, Brazil, Cambodia, Tanzania and Chad.

The objectives of the study were:

1. To understand the tea production and value addition chain;

2. To do a comparative study on the value chain of tea in Kenya and Rwanda vis-à-vis Uganda;

3. To assess the benefits of the East African tea industry brought about by EATTA;

4. To understand the roles of all the stakeholders in the tea industry;

5. To learn about best practices in the tea industry and find out the challenges, if any, in the tea industry;

6. To identify possible strategies to address the challenges affecting the tea sector.

Methodology

In pursuit of the above objectives, the committee employed the following methods:

1. The committee held meetings with different stakeholders in Kenya, Rwanda and Uganda.
2. We conducted field visits to tea growers locally and interacted with other stakeholders in the tea industry.
3. Specifically, the committee held meetings with the following organisations in Kenya: Kenya Tea Development Agency, AFA Tea Trade Directorate, Karirana Estates Limited -

**THE SPEAKER:** Honourable chairperson, Members can read that.

**MR RUHUNDA:** Okay; let me go to the findings and recommendations. I would like to expound on this particular one because it is very important on the institutional arrangement of the industry especially in Kenya.

Organisation of the Tea Farmers

There are over 600,000 small-scale farmers organised under the Kenya Tea Development Association (KTDA). This has a number of subsidiary companies including Chai Trading Company Limited (CTCL) and many others. The directors of the company are farmers. The company has a freight division, trading division, warehousing division, finance and support services division and an outlet in Dubai. Farmers get warehousing space, revenue, marketing opportunities and food handling.

Farmers are paid Kshs 14 per kilogramme. The CTCL pays Kenya Tea Development Association dividends. In October, farmers get dividends. Last year, they were paid Kshs 160 million as bonus. This year, they will be paid Kshs 250 million. The dividend is shared as follows: 30 per cent to the farmers, 30 per cent tax and 40 per cent is retained by the company for future development. They get fertilisers at subsidised prices and guarantees for their cheap loans. There is also quick remittance of earnings from tea to the farmers. There are 66 KTDA managed tea factories.

Capacity Building

The farmers and manufacturers have the skills vital for the efficient operation of the industry. The National Research Institute based at Kericho is dedicated to tea development and is charged with testing and quality assurance for the different soil textures to support the industry.

On the production of good quality tea, the Kenyan islands have soils which favour tea growing. Farmers are provided with fertilizers, short loan affordable medical insurances, powering of the factories and fabrication of their machinery but the sister company has greatly afforded some inputs.

The committee noted that in the Uganda tea sector, there is lack of proper guidance and organisation of the industry with a regulatory regime, proper policy and nonexistence of a research institute to guide the farmers. The current players are disjointed competing amongst themselves for the limited green leaves.

The committee, therefore, urges Government to fast-track the regulation of the industry to bring sanity and empower the farmers under the different interventions including Operation Wealth Creation as rolled out by the Government. I think we have already seen the Operation Wealth Creation issues.

Madam Speaker, the East African Trade Association (EATA) is a voluntary non-profit umbrella body representing the interests of the tea industry in Africa. It was registered in 1956 and has 200 members drawn from 10 countries namely, Kenya, Uganda, Tanzania, Rwanda, Burundi, Ethiopia, Democratic Republic of Congo, Malawi, Madagascar and Mozambique; which are all actively engaged in growing, buying, brokering and warehousing of tea.

EATA is governed by a board of directors whose members are drawn from five countries representing the entire value chain. One seat is for a Ugandan nominated by the Uganda Tea Association. The board members serve in five different board committees alongside co-opted members.

I will just quickly move to our observation, the committee observed that currently, Uganda is not represented at the EATA secretariat despite several reminders sent to the Ministry of Trade, Industry and Cooperatives and the stakeholders in the tea industry. Further, there are no Ugandan tea brokers at the tea auction market.

Just briefly on the Tea Auction Market in Mombasa; it is a bi-weekly Mombasa auction at the centre of the tea trade in the region and an important reference point for the global tea industry. It is the only centre where teas from different countries are sold alongside each other and therefore, helps to establish price differentials for teas all over the world. Every Monday and Tuesday, there is auctioning of tea from 10 countries.

The former in grades of tea are sold on Tuesdays. The auction exposes sellers to a large market where producers and buyers meet. In the auction system, four categories are involved; producers who manufacture tea, brokers who value, inspect and auction teas, buyers who buy teas and warehousemen who store the tea.

The committee noted that there were unsuccessful attempts to establish a tea auction market in Kampala. This was viewed as counterproductive because of the developed infrastructure at the Mombasa Auction Market.

The tea brokers

There are 11 tea brokers associations who are members of EATA. Every factory has a representative where tea is sold through a broker. The broker informs the factory about market changes, visits producers twice annually and advises them on the key issues like quality. Brokers are paid a commission based on the realised sale price of the tea and expressed in terms of a percentage.

It is, therefore, in the brokers’ best interest to always strive for the highest price for each tea on offer. The quality determines the price. There is live streaming of the proceedings on an electronic billboard for tea selling. Trademark East Africa, a development partner, has committed to provide $1 million for automation of the auction process to facilitate stakeholders to participate in the auction from their office premises away from the auction market. The e-auction automation is expected to take 1.3 years to be fully implemented.

I can rush down to the observations on the exports; the committee established that the total volume of business through port exports account for only 15 per cent. These are the exports which move from our countries in East Africa to the rest of the world; while 85 per cent were imports, which do not favour the region’s balance of trade position. The committee further noted that the port was operating below capacity.

Recommendations

Uganda should urgently, through the relevant authorities, nominate persons to the EATA and encourage Ugandans to take up tea brokering to support the industry so as to benefit on visibility and proper guidance of players through active participation at the auction market. The committee urges the Government of Uganda to work closely with its counterpart in Kenya through the Kenya Ports Authority to facilitate the tea industry with a yard dedicated to handling tea within the port to allow efficient processing of tea exports.

Madam Speaker, allow me illustrate the Government involvement. The Kenyan Government plays an upper hand in the management of the tea industry. This is carried out through a systematic organised structure affording small scale farmers and holding sufficient support in terms of farm inputs and ultimate final pricing.

There is a clear legal and regulatory regime framework for the tea sector. The Government, from time to time, instituted favourable tax regime including levying zero tax on tea for export, monitoring the auction, and subsidising the prices of inputs. Kenya Revenue Authority has a memorandum of understanding with key industry players. Customs authorities witness packing of the tea and a timeframe is set for transporting the tea.

Uganda’s tea industry currently is unregulated. The tea law was repealed without any successor legislation. Currently, tea is charged VAT at 18 per cent domestically which discourages its consumption locally. The committee further noted the absence of a tea sector policy.

Madam Speaker, giving some details on the Uganda tea industry; Uganda’s tea industry is characterised by disjointed players falling into three categories; plantation growers, mainly owned by foreigners and a few locals, small holder farmers and out growers. Amongst these categories are growers with established factories that process tea and export it.

The committee was able to interact with strategic tea industry players notably Mpanga Tea Growers Limited in Kabarole District, Mabale Tea Growers’ Factory Limited in Kyenjojo and the newly established Kabale and Kisoro Tea Growers.

The following were the committee’s observation as the pertinent issues responsible for the industry’s poor performance at the auction market:

Honourable members, you can read the details on each of our own tea factories. It is quite detailed. Let us move to what some of these companies recommended because they raised a lot of issues.

1. From the Mabale Tea Factory, regulation and licensing of few factory setup based on the location and green leaf catchment area as new factories tend to be predators and fail existing companies.
2. Withdrawal of withholding tax on farmers; the recommendation is premised on the low farm gate price of Shs 300 per kilogramme of which the plucker earns Shs 100 leaving the farmer with only 200 to cater for the other costs including weeding, herbicides, fertilisers among others.
3. Access to agricultural inputs will ease on the operational cost of the factory as the factory purchases inputs including fertilisers and herbicides on behalf of the farmers.
4. Access to long term agricultural credit lines designed to suit the tea industry as the industry is subjected to very high commercial interest rates which are mainly short term in nature.

Madam Speaker, there are new growing areas which are not traditionally for tea and that is Kisoro and Kabale districts. The committee was informed that tea was introduced in Kabale and Kisoro districts in 2008. The major reason was to have a perennial cash crop to provide income to the local communities.

With its conducive environment of a high altitude and acidic volcanic soils, tea was a suitable cash crop that if well managed would be the best to alleviate people from poverty.

The committee further learnt that the Government of Uganda partnered in tea growing with a private company under the name of Good African Tea from 2008 to 2013. Later, a new partner under Kigezi Highland Tea took up the partnerships to construct tea factories in Kanungu, Kisoro and Kabale.

The committee noted that although Kigezi region was among the densely populated areas in Uganda, the area has land available for tea growing. There was a lot of land owned by churches, on bare hills, which could not easily be used for food crop growing. The committee established that tea growing has been effectively adopted by the local authorities, churches and communities.

According to statistics from the production office, 15.3 million seedlings were planted in 2014; 16.3 million in 2015 and 18.3 million planted by March 2016 and a total of 51 million were ready for planting.

The committee noted that there were a lot of irregularities in the supply of tea plantlets like dumping of poor quality teas that do not grow.

The committee was informed that the districts, together with NAADS, adopted a farm store approach where nursery owners supply plantlets, which are planted and payment is done on the basis of which teas have grown.

However, the concern was that most of the suppliers of tea plantlets had not been paid for over two years. There was a claim that even the 80 per cent payment made by NAADS to Kabale farmers was too selective to some people and that some of the tea plantlets suppliers were employees of NAADS. This would lead to conflict of interest.

The committee noted that most of the tea estates had grown ready for plucking but due to the delays in construction of the factory, majority of the tea estate cannot be managed and has been left to over grow.

Tea processing will be done by Kigezi Highland Tea; to this end, it managed to acquire land, constructed the tea factory premises and the machinery was to be leased from Government under the Uganda Development Corporation.

Kigezi Highland Tea had completed the construction of the two processing factories both in Kabale and Kisoro. However, it is important to note that due to poor monitoring by Uganda Development Corporation, there was visibly substandard work on the ground floor where the machines would be installed. This clearly shows lack of supervision by UDC and Kigezi Highland Tea Company. The delay in the establishment of the processing plants has caused losses to farmers who have left the tea plantations to grow into bushes.

The committee was informed that poor quality of green leaf was caused by machine plucking, careless plucking of the leaf by workers, plucking of old leaves, stems and poor farm management.

Further the committee learnt that poor handling practices were responsible for the poor quality where the tea is left lying around for long; coupled with equally very poor transport system as some leaves were transported on *boda bodas* to the factory.

The committee noted the need for good handling practices through the tea process chain and after plucking it; the tea should not be left lying around for long because this affects the quality. More importantly, it requires standardising the means of transporting it to the factory; it is crucial requiring Government intervention to regulate it.

Insufficient soil inputs; the committee established that unlike other crops, for tea to flourish, fertilisers must be applied as this boosts production. However, the amount and quality applied is not enough due to high costs of the inputs.

The committee learnt that a number of factories support their farmers with fertilisers but the farmers were dishonest as they sell the green leaves to other factories other than those that supported them, rendering extension works difficult where the factories will detect stock of prevailing fertilisers’ requirements.

The committee recommends that Government subsidises fertilisers for a period to enable farmers afford them and that a robust legal regime be developed to facilitate a smooth small scale farmers and the factories relationship to rule out cases of dishonesty among the players.

Insufficient knowledge about tea production and processing

The committee noted with concern the collapse of the Tea Research Institute that would ably guide the country on the crop zoning, as highlighted in the NRM manifesto, since not all soil texture can support tea growth. Thus farmers and manufactures were ignorant about good farming practices and processing methods respectively.

The committee recommends the urgent revival of the Tea Research Institute at Rwebitaba to bolster efforts of Government in uplifting the industry. Currently farmers rely on Kericho Tea Research Institute, which is not well versed with the soil textures of Uganda. We just pick what they have done from Kenya.

Further, to improve on the quality of the tea for export husbandry and manufacturing processes, Government should address structural problems faced by the tea producers, manufacturers and extension officers; including the lack of bargaining power at the auction market.

Limited involvement of government

The tea industry has been entirely left to the private sector and it is survival for the fittest. Farmers incur and struggle with all the costs from acquisition of seedlings, nursery beds, management of farms to transportation of the green leaf completely compromising the quality of the tea.

The committee recommends the urgent involvement of Government and synergy with the private sector to join hands in dealing with the challenges facing the cash crop, with Government playing a leading role in the marketing of the crop.

Lack of legal and regulatory regime

There is currently no national policy on tea and no coordinating institution for governing tea growing.

Lack of a harmonised or lead agency has left Kenya in the dominant position of conducting market research, which disadvantages other countries in the region.

Recommendations

The Government should fast-track a national policy on tea and sound legislation and regulations be formulated to facilitate the revival of the once vibrant industry to make it competitive and match efforts in the region.

Government should fast-track the law establishing tea authority or a regulatory agency to govern the management of the tea industry.

The Rwebitaba Research Centre should be re-established to reduce reliance on Kenya for research. This centre would also establish a catalogue of the best types of tea.

There should be an annual national tea conference, which brings together all stakeholders to share information.

On the issue of taxes that are charged on tea and related products like fertilisers and packaging materials, farmers pay 6 per cent withholding tax while the Common Market for Eastern and Southern Africa (COMESA) charges 10 per cent tax on Ugandan tea. Sudan also has charges on Ugandan tea.

The imposition of VAT on tea translates into high supply chain costs which are ultimately born by the farmers. Exporters buying directly from Uganda are required to pay 18 per cent VAT that is claimable.

In order to reduce the multiple levies, taxes and licenses, there is need to streamline the quantum and ensure that all statutory requirements are made through URA. There is need to, among others, consider the removal of green leaf tax as it is discouraging the tea producers.

The Government should zero rate VAT on locally consumed tea or at least exempt tea from VAT. In any case, 95 per cent of the tea is exported when only about 5 per cent is locally consumed. Tea, therefore, does not constitute a significant source of VAT revenue.

Lack of value addition to tea

There are no auxiliary companies that supply parking and branded materials. This makes packaging materials like tags, aluminium wire, filter paper and branding materials expensive. The equipment and machinery for packing is expensive and subjected to import duty. This is beyond the means of ordinary Uganda small medium enterprises.

Recommendations

The committee recommends that Government facilitates value addition to tea exports through removal of import duties on packaging materials. Value addition will significantly increase per kilo price of tea and also open up new markets through free economic zone that will allow our auxiliary industries that support the tea industry to set up operations. This will also provide a common user facility for tea packaging equipment and packaging material.

I would like to request Members to read on the institutional framework. However, if you look at Kenya, they have agricultural food authority and of course, when you come to Rwanda – as a committee, we had illustrated earlier on the institutional arrangement in Rwanda. They have got a thorough institutional arrangement. If you follow paragraph 5.1, we have the national agriculture export promotion board, which takes care of all the agricultural exports in the country and gives technical recommendations to Government.

Madam Speaker, I would like to request that you allow me to talk about cooperatives influence on tea growing in Rwanda. The delegation established that Government offers seedlings only and no other subsidy but keeps a close watch on the development in the sector. It was reported that cooperative societies loan their Members up to 50 per cent of the required capital to start growing tea for new starters and fertilisers. The cooperative societies are supported by Government through trainings, capacity building and legal services. All people are encouraged to register with cooperatives as the first step for identification and access of any service in the industry.

Rwanda Development Board

The delegation visited the Rwanda Development Board, a very strategic institution in facilitating trade. It emerged from consolidation of eight independent institutions to form a one stop centre comprised of Rwanda Revenue Authority, Rwanda Social Security Fund, power company, water, land agency, ICT, registrar of companies, immigration and banks.

The board has enabled and deepened the use of online services for all business transactions as they are highly automated and integrated. It verifies construction permits, integrated court systems and offers full digitalisation of land.

Honourable members, all the land in Rwanda is digitalised meaning that it is computerised; you can just press on the button and get all the information you need including the zoning, soil types among others.

Development Bank of Rwanda

The bank has been in existence for over 50 years but the turnaround time was in 1994 with the advent of a new government. The bank was capitalised by Government to a tune of $270 million to enable it undertake meaningful investment and support to the small medium enterprises in the country.

The bank is more inclined to private investments as opposed to public capital investment in order to stimulate further investment as a business model by lending to the private sector.

It gives priority to farmer groups as a strategic Government intervention for national development and the bank undertakes refinancing of micro finance to secure and lower the interest rates charged on farmers at 14 per cent as compared to the commercial lending rates of 19 per cent per annum. The bank also supports value chain addition and the demand side of the market to guarantee farmers a stable market.

It also supports housing financing for affordability on both sides of supply and demand by offering cheap mortgage loans and loanable development funds for the investments in building of houses.

For these other factories, I can skip and would like to request honourable members to read during their free time.

Madam Speaker, allow me to go to the market prospects for the tea. Although East Africa Tea is exported to over 60 countries, 71 per cent goes to five main markets of Pakistan, Egypt, United Kingdom, Sudan and Afghanistan. East African tea faces low market access for value added products due to protection trade barriers. For example, access to markets like Iran and Iraq requires addressing logistic challenges to enable it export tea to the lucrative markets.

Measures need to be put in place to ensure that tea imported into the country for re-export conforms to quality standards including maximum residue limits. However, it is recognised that tea blending is a legitimate form of value addition and should not be discouraged. The USA-led trade sanctions on a number of countries are impacting negatively on tea export trade flows as many banks are unable to handle documents to destinations such as Iran and Afghanistan leaving exporters exposed to risks of delayed or no payments at all.

In 2007, the USA Government urged banks throughout the world to terminate business with some Iranian banks including Bank Melli of Iran, Atmella and Saderat Iran for security reasons. Tea export documents require a station by the embassies of most Asian and Middle East countries. Exorbitant fees are charged by respective embassies/high commissions as detailed Iran charges Kshs 9,000 per document plus percentage of value, Yemen charges $110 per set of documents, Pakistan 0.5 per cent of the value of invoice of tea. Turkey Kshs 2,175 per document, Joint Arab Chamber of Commerce 600 among others.

As the first step, Madam Speaker, trade missions be organised for regional markets in Africa and Asia. This is a major strategy that competing tea producer countries such as Sri Lanka have adopted in order to grow the export of their tea. There are a number of ways that Uganda can take on promotional activity to raise the profile of our tea. Participating in the international fares conventions and exhibitions is a silent way to raise the profile of the product.

Bilateral trade agreements should be aggressively pursued. Banks are integral part and in a way drivers of foreign trade; they provide safety, security and transparency to trade transactions.

By refusing to recognise documents from Iranian banks, local banks, therefore, effectively imposed an informal ban on exports to Iran. The situation is currently being normalised but the Government can fast-track the process. Uganda has a vibrant mission in Turkey, which should be put to use.

In conclusion, Madam Speaker, Uganda’s Tea industry has the potential to turn around the fortunes of the rural population in those areas where the crop grows favourably and can unlock foreign exchange earnings that will go a long way in addressing the trading balances. However, as obtained today, Kenya continues to enjoy the economies of scale in the production of tea and the well-structured tea value chain. Rwanda on the other hand with less production enjoys economies of high quality beating mass production. The choice is to grow high quality blended with mass production for the different producing zones. World over, countries place more efforts in areas of competitive advantage and Uganda cannot afford to neglect this opportunity.

Government should urgently come up with a regulatory framework to regulate the sector with a proper well thought out policy and legislation and more importantly is the revival of the National Research Institute at Rwebitaba.

There is likely to be a supply deficit of tea in future, a factor which countries in the East African region can capitalise on in addition to other favourable conditions like decreased production from China and India, the second largest growers of tea.

Organic nature of the tea, production of green and herbal tea whose popularity is growing rapidly in virgin markets in Asia, Middle East and the former Soviet; this has been enhanced with the availability of research findings about the shelf life of tea.

With that, Madam Speaker, I thank you for allowing us to have this report read and I thank the honourable members for being patient in listening throughout this very important report. I beg to report. *(Applause)*

**THE SPEAKER:** Thank you very much, honourable chairperson and the Committee on Trade, Industry and Cooperatives. Honourable members, as the chairperson was reading the report, I started thinking about cocoa. Do we have a policy and is anyone taking charge? I thought about the wheat, which is grown in the Elgon highlands. I do not know whether we have a policy. I was just thinking aloud.

6.20

**MS JOVAH KAMATEEKA** **(NRM, Woman Representative, Mitooma):** Thank you, Madam Speaker. I would like to thank the committee for a thorough report and the wonderful recommendations.

In the last Parliament, I was a member of the Committee on Legal and Parliamentary Affairs and we went to Mombasa and visited the port. We were surprised to find that Uganda tea is sold at Mombasa and repackaged and exported as either Kenya tea or Rwanda tea. Therefore, it is not that we do not grow a lot of tea but that we do not market it efficiently.

Secondly, we are not doing enough to encourage our farmers to grow tea. The Government had a policy, whereby we encouraged farmers to put up nurseries; they supplied tea and we promised we would pay them. Our farmers in Mitooma supplied tea and it is now about three years but they have not been paid. This discourages those who had taken up the trade because they had taken it up as of recently in some areas but now, they are discouraged because they have not been paid.

Government should really take this report very seriously and take up the recommendations so that we encourage our farmers to grow more tea as one of the cash crops that will help in increasing household income. I thank you.

6.22

**MR ANTHONY OKELLO (NRM, Kioga County, Amolatar):** Thank you very much, Madam Speaker. Allow me thank the chairperson of the committee for the passion with which he has presented this report. I also want to thank him for the details, the scope and the global analysis that he has given to this wonderful report.

Allow me thank him for the methodology; I think a study of a similar nature should be applied to other tradable commodities. This is because you have generated very interesting findings on tea. I wish you could do the same for coffee, cotton and for *sim sim* and millet heavily grown in Lango sub region. I think it would do a great deal to support us.

It is regrettable, Madam Speaker, that in spite of our fertile soils and favourable climate conditions, we lack the ability to carry out research to promote tea cultivation because that would give a very excellent condition to tea growing. This means that we cannot explore other available opportunities. We also cannot have new brands that would probably compete in the world market and yet, with the analysis that the chairperson gave, you could see that if we concentrated, we could actually propel development.

Therefore, I am greatly disturbed by the fact that just a mere research institute that would inform our intervention is lacking. I think this is fundamental and Government should take note.

In Uganda, everything seems to be wrong, Madam Speaker. There are no regulations and the handling of tea is bad and it affects quality *–(Member timed out.)*

6.24

**MR RAPHAEL MAGYEZI (NRM, Igara County West, Bushenyi):** Thank you very much, Madam Speaker. I would like to thank the chairperson and the committee for a very good report. It should be recorded, especially the recommendations and observations. I think we need to get a package of this so that we follow the map.

Madam Speaker, I am a tea farmer. I grew up and I was educated by tea. I have also been a member of the board of directors of one of the leading tea companies, Igara Tea Company. I was in charge of marketing this crop at the Mombasa auction and I participated there.

What has been reported partly is true but we also need to correct the picture. Our tea quality is not less than that of Rwanda and Kenya. If it was less, they would not be taking it, blending it with theirs and calling it their own tea. We actually have very good tea. We have good climate, good altitude and good soils and those are the most important factors. However, for me, the biggest challenge is the lack of a regulatory framework for this sector.

When you look at the following cash crops, the different authorities have done a great job; for coffee, the Uganda Coffee Development Authority (UCDA) has done a great job; cotton, the Uganda Cotton Development Organisation is there; diary has the Diary Development Authority. We have, therefore, been wondering why, we, the tea farmers are left simply to ourselves. It is as if it is not an important crop in this country.

The third leading foreign exchange earnings with the biggest population in the country, Igara Tea Factory, alone employs 70,000 tea households and 800 full time workers; just one factory. We should be leading in the market.

Recently, in the United Arab Emirates (UAE), the Government opened its doors to us. That is one of the outcomes of that memorandum of understanding, which our Speaker signed with the Speaker of UAE. They agreed that we should take our crops there because they are ready to give us support so that we participate effectively in the expo market in 2020, which is a very big market in Dubai. However, for that to happen, we need a regulatory framework *–(Member timed out.)*

**THE SPEAKER:** You have one more minute to conclude.

**MR MAGYEZI:** Thank you. In the Ninth Parliament, we tried to introduce a private members’ Bill to start a Uganda Tea Development Authority or Board. I was chairing that meeting and we were invited by the Ministry of Agriculture, Animal Indusry and Fisheries and they asked us to leave it to them because they were going to do it since it involved Government funding. We had even developed the Bill and if you want, we can even table it as a Bill because we made a mistake and the Ministry of Agriculture, Animal Industry and Fisheries did not do anything.

You can see the Ministry of Trade, Industry and Cooperatives; where is agriculture? Where is the marketing aspect? In my opinion, out of this; one, we need the authority of the Speaker because we can go ahead and table a private members’ Bill for an authority or board governing the tea industry.

Two, removing the green leaf tax is terrible because it demoralises the farmers. Lastly, subsidy on the input; Kenya and Rwanda do it. Our fertiliser is twice the price of the fertilisers of the Kenyans. We need Government input. Government must come in; this is your crop and production area. I thank you, Madam Speaker.

**THE SPEAKER:** Honourable members, one thing we have not reported on expo 2020 – we are considering establishing a Parliamentary farm so that we can produce our own pineapples, of the right quality and quantity to qualify for expo 2020. That is one of the things we agreed on when we were in China.

6.29

**MR JAMES KABERUKA (NRM, Kinkizi County West, Kanungu):** Thank you, Madam Speaker. I would like to thank the committee and the Chairperson for the elaborate presentation of the issues about tea. I would like also to thank the team for traversing the whole area, even outside Uganda to get the best practices. I would like to thank you.

I think the problem of the Ugandan economy is us and Government in particular. The Prime Minister recently organised meetings of tea players, the Minister of Agriculture, Animal Industry and Fisheries was given a task to fast-track the processes these people are talking about in the report but you can imagine there is no step that has been taken by the Minister of Agriculture, Animal Industry and Fisheries.

The other day, we were in Cotton House - hon. Baryomunsi can bear me witness, we put measures and timelines but the honourable minister of Agriculture, Animal Industry and Fisheries has continued to say that this one is under the Ministry of Trade. Industry and Cooperatives. I can imagine the inputs in Agriculture, especially in this tea, where the farmers are struggling to buy the costly fertilisers. Why shouldn’t there be a deliberate policy by Government to subsidise this input for these people to take off?

I think we need to wake up. I also think that the issue of dumping is deliberate. The Chairman has said it. This is because the NAADS officials are involved. Recently –*(Member timed out.)*

6.31

**MR EMMANUEL SSENGO (NRM, Gomba County East, Gomba):** Thank you, Madam Speaker. I am from an area that does not grow a lot of tea. However, I have some observations to make. In the first place, I would like to thank the presenter for such a wonderful report. It is very detailed and it pointed out all the problems we are facing and comparing us with all the other countries like Kenya and Tanzania.

However, my problem is one. This House produces very good reports but they end up here and nothing is implemented. I would like to propose that from now on, when we make such reports, let something be done to take action on these reports. Otherwise, there is no point in coming up very good reports and then nothing is done.

I am also wondering – this country Uganda has been independent for so long. We have been around for so long but how come countries that came up much later are ahead of us in many things? For instance, this neighbour of ours they have been talking about – I do not want to mention names. They say that their tea is better, they are better organised; what happened to this country Uganda? Why can’t we become organised and some good work?

When the team went to Ethiopia to benchmark, they said that our Standard Gauge Railway was costing far lower than their cost. We need to wake up and pull up our socks. Otherwise as a nation, if we do not do something about it, I fear we may soon drown. I thank you, Madam Speaker.

6.33

**MR RICHARD OTIENO (NRM, West Budama County North, Tororo):** Thank you, Madam Speaker. After Kenya and Malawi, Uganda is the third largest tea growing country in Africa. At $100 million per year, tea is one of the leading foreign exchange earners; actually it is the third in this country. However, the challenge with tea is that it is the only crop, which the price is determined through auctioning. It does not have a fixed price.

This is very much impacted on by the quality of the coffee. However, if we look at our case, the issues that Members are raising here, we do not have a regulatory framework, there is no policy and it is true, whereas we say that Kenya exports much more tea than us, much of the Ugandan tea which is exported under the Kenyan level – they tell you that most of our tea- the moment it adopts a different name once it gets in Kenya.

We were in Mombasa and we happened to sample our tea for export. We were surprised to find that the Kenyans value the tea at the grade – the Kenyan teas, all of them have the same grade. However, when you look at the Ugandan side, our tea products are of varying grades. For instance, I do not know what – but when you look at Namayiba tea estate, their grade was D1, Rusekele, it was also at D1, Kyamuhunga, it was PD, that was their grade but it was different from the others. When you come to Buhweju, it had PD, Igara, had PF1, Gisozi had PB1 –(*Member was timed out)*

6.36

**MR JOHN BAPTIST NAMBESHE (NRM, Manjiya County, Bududa):** Thank you, Madam Speaker. I add my voice to colleagues to applaud the committee on this report. Scientific research is at the very heart of the long-term fight to rejuvenate the plain earnings on our cash crops; tea, coffee among others. I really wish that a similar effort could be made on coffee, which has only one surviving cooperative; the Bugisu Cooperative Union.

I have lived in both Kenya and Uganda. I have been in Kericho. I have seen the national research institute and the efforts and skills they have imparted in the small scale farmers. They are actually given free soil testing kits and they do quality assurances. They know it.

It is appalling that ours here at Rwebitaka collapsed. If this one would be revived and scientific research is given the bridal space, then these good dreams and recommendations will come to pass.

Sri Lanka has out-competed other tea producing countries. This is as a result of the few strategies; they have very goods missions that have aggressively lobbied even in those markets that have protectionism. Uganda would redeem this cash crop through some of these strategies.

6.40

**MR TOM BUTIME (NRM, Mwenge County Central, Kyenjojo):** Thank you, Madam Speaker. I would like to thank the chairman of this committee and the entire committee that produced this first class report. I congratulate them. *(Applause)*

I would like to encourage my colleague here; the Minister of Trade, Industry and Cooperatives who is here fortunately to do everything possible so that this report one way or the other appears in Cabinet so that the entire Cabinet can share the plight of this situation as far as tea is concerned.

Madam Speaker, I am Member of Parliament for tea because my constituency is tea all together. We have eight tea factories in my constituency. Rwebitaba Research Centre is there as well. We have 7,000 tea out-growers. Therefore, the collapse of the tea industry is synonymous with the collapse of my constituency income and everything. Therefore, I am extremely pertinent with this matter and I would like to thank the Member of Parliament for Fort Portal Municipality for presenting the report with a lot of vigour as usual.

Madam Speaker, it is unfortunate that there is instability in Middle East and North Africa. If it were not for this instability, maybe more Uganda tea would find market in these countries. You are talking of Pakistan, Egypt, Sudan, Yemen, and Afghanistan. If all these countries were stable, I am sure Uganda would be exporting more tea to them. I think everything possible must be done, though I do not think we have control there but the security improvement in those countries would also assist Uganda as far as our exporting of tea is concerned.

I do not understand Madam Speaker, why Rwebitaba Tea Research Centre cannot be revamped. This was a centre, which was promoted during the Eighth Parliament to a National Research Institute, and up to now, there has not been any fund put at this centre so that this research centre could be developed and become useful to this country.

I think NARU has to do a lot of explaining as to why they did not move to this. We have now identified where Uganda has a competitive advantage. If we improve the tea industry, we shall compete. Thank you, Madam Speaker.

6.42

**MR GASTER MUGOYA** **(NRM, Bukooli County North, Bugiri):** Thank you, Madam Speaker. I must commend the committee for coming up with such a wonderful piece of research. No wonder the presenter; I know him as one of the international researchers particularly in matters of agriculture. I think we met sometime back in Europe and he was doing the same piece of work.

However, he did not tackle two areas in his presentation. You remember that during Obote 1 regime, we had Uganda Tea Corporation, which had approximately 900 hectares of land under full production across the whole country. You did not carry out research to tell us where these 900 hectares of land are and to what extent they are being utilised.

Secondly, you remember that in 1989, there was a joint venture between Mehta Group through the company called Tematico and the Government of Uganda. There was anxiety to revive tea production in this country and indeed, there were resources that were raised to execute the joint venture. We do not know where and to what extent the joint venture was executed.

Therefore, I thought since there is a promise by Government that this report will find its way into Cabinet, we want you to come up with a report to inform this august House to find out where the 900 hectares of land are and then the resources that were raised for the execution of the joint venture.

Lastly, is the issue of the trade liberalisation regime that came into offing around the time when NRM took power? I do not know whether you are aware that we have a problem of how to market our products vis-a-vis produce into the international market.

When I was attending the Chinese Economic Summit, they said that the problem with Uganda’s products is packaging. We do not know how to package the produce to find its way into the international market.

However, with all said and done, I must thank you for this nice report.

6.45

**MS LUCY AKELLO (FDC, Woman Representative, Amuru):** Thank you, Madam Speaker, for allowing me give my views about the report that was passionately presented by the chairperson. It actually touched my heart. Even as a non-tea grower, I thought it is important to appreciate the work done.

I would like to add on the information that was given about market our tea. Recently, I was in Nairobi for the International Catholic legislators’ Network meeting. As we wound our meeting, the team from Zimbabwe as a gift to the rest of the team, gave us their tea and they were so proud of it; tea being from Zimbabwe. I thought we have so much tea in Uganda but where does it go?

Now, I know where our good tea goes. We need to do more to market our tea and see that it is actually –(*Interruption*)

**MS KAMATEEKA:** Thank you, Madam Speaker and Member for giving way. This is crucial information. You heard the Member who said that in Mombasa, tea is graded and you heard the names that he was reading; small names of places in Uganda. When you get to Mombasa, you find Kenya tea and maybe one or two names from the big Kenya tea estate. You will find Rwanda tea but for Uganda, you will find, Kayonza, Igara, why don’t we have Uganda tea exported as Uganda tea? That is why even Uganda gets lost. Thank you but we need that strategy.

**MS LUCY AKELLO:** Thank you, for that information. Finally, my concern is about the research about soil analysis in Uganda to expand tea growing. Could we recommend that we do more analysis on the soil to see which parts of Uganda can actually grow tea? I am talking about Amuru District. I have a feeling it has a potential of growing tea and as a non-tea grower, I would like to go in that line. Thank you, Madam Speaker and the committee.

**THE SPEAKER:** Honourable members, I think we should be asking ourselves whether liberalisation has actually worked.

6.48

**MS LYDIA CHEKWEL (Independent, Woman Representative, Kween):** Thank you very much, Madam Speaker, for giving me the opportunity. As you have rightly said, I come from Sebei sub-region where tea is not one of the crops grown. However, I stand to thank the committee for this detailed report; it has given us a lot of information.

Like some of the members have mentioned, we make really very good recommendations here but one wonders why we do not follow them up. I want to recall what you said one time, Madam Speaker, that we need a committee that follows up these issues. The Parliament of Kenya has a committee to follow up on implementation. I think that would help us as a House so that for whatever we pass, there is a committee that follows up.

Madam Speaker, one time I visited Igara which hon. Magyezi was talking about and I really benefitted from their factory. We were given packets of tea leaves that were packed as gifts and I really enjoyed it. When the honourable was talking about quality; really that coffee of ours is good. Even the tea is good. Like he has said, maybe these people take our coffee and pack it. When they talked about that I also remembered that we produce a lot of maize in Sebei, but even at this local level when people from Mbale buy our maize, they process it in Mbale and name it “Mbale maize”. Then you wonder; this is I think a problem across board. *(Laughter)*

6.50

**MS SANTA ALUM (UPC, Woman Representative, Oyam):** Thank you very much, Madam Speaker. I do not come from a tea-growing community but would like to thank the chairperson and the committee members for coming up with this very important report which will enrich our Committee on Agriculture. I think we shall have very good information to add to whatever we have as a committee.

Madam Speaker, I think our problem starts from the lack of a legal regulatory framework. This is because without any law, you will see unnecessary competition. That is why you see that a company can invest in the farmers and along the way the produce coming out of that is grabbed by another tea estate. This is a very big problem that we are facing. I would like to encourage us, as Parliament, to come up with a legal framework that will guide this sector if we are to go forward. Tea being the third foreign exchange earner in the country is not a simple thing. We should help this sector to come up with something which can help the country in foreign exchange earnings.

Secondly, we went for a field visit as the Committee on Agriculture and we were very disturbed with the way the out-growers are struggling alone as if we do not have a government. We have ever talked about getting a bank which can help our farmers and we have not seen this come to place. It is high time that as Parliament we stood on our feet and did something towards this so that our farmers out there can be helped and we move together to the level of a middle-income economy.

Then finally *– (Member time out.)*

6.53

**MS FLORENCE NAMAYANJA (DP, Bukoto County East, Masaka):** Thank you, Madam Speaker. I would like to thank the chairperson as well as the members of the committee for having come up with this report and the recommendations that they have made.

Madam Speaker, I would like to make an observation that a lot of money is being used by committees to go and even benchmark. They come up with very good recommendations that would assist this country to go even farther. From all the good recommendations that have been made, we continue to lament and repeat ourselves. We are reminded from time to time – the Eighth and Ninth Parliaments made the same recommendations.

I would like to suggest that we make extracts annually and evaluate how much we have achieved from the recommendations we have made. Maybe if this is done, the Cabinet or whoever is responsible will wake up knowing that they are going to be evaluated so that we do not put our efforts to waste. I think if this is done, we shall also celebrate that our efforts have been put to proper use. Thank you.

**THE SPEAKER:** As hon. Odur comes, when we came back from the UAE, I think I told you that in the Emirates, the minister and the ministry are evaluated; you are given one star if you are below standard and four stars when you are okay. It is done from time to time and the results are published so that everyone knows that this minister is a one-star minister. *(Laughter)*

6.55

**MR JONATHAN ODUR (UPC, Erute County South, Lira):** Madam Speaker, I found great pleasure in listening to this report because of the factual information it provided to us. However, it is also painful to know that a sector that contributes much to this country is being neglected – and I can say, deliberately.

Madam Speaker, I would like to thank the committee for tracing back this sector. Many times in this country when we look at the successes and failures, we trace it from 1986. I am very grateful that the committee found it of merit to look backwards up to the 1960s. In fact, I am very happy that it recognises the contribution of UPC. *(Laughter)*

The principle is that when you borrow a car, normally you have the courtesy of asking the owner so that you are guided such that when you reach somewhere you can manoeuvre. The problem is that we had our second national development plan of UPC which gave that very good foundation on how this sector should grow. I think this government abandoned it and just wanted to destroy everything linked to UPC. I would still invite you that now that we have even donated the ministers to the government, you can take interest and go back and ensure that things are done. *(Laughter)*

Secondly, I want to talk about the aspect of marketing. I know the Minister of Trade, Industry and Cooperatives is responsible for marketing but what linkage do they have to our foreign missions. I expect that our foreign missions should be having economists and marketers that study the environment in those countries and are able to advise on what we can do. If you take China, for example, they send their experts to Uganda to learn about our culture, attitude and what we want. They know Ugandans need cheap things and they make cheap things, bring them here and we buy.

I would recommend that the minister responsible for trade actually takes interest and works with our Ministry of Foreign Affairs to have a foreign trade policy such that we have serious people in those countries who are looking for the market for our products. That could help address the concerns. Thank you.

6.57

**MS FRANCA AKELLO (FDC, Woman Representative, Pader):** Thank you, Madam Speaker. I just want to make a proposal that as we debate this Ruhunda report, which is very good and well presented, this Parliament pronounces itself on three things:

(i) Revival of cooperatives. This Parliament has always been requesting Government to revive cooperatives because the advantages that come with cooperatives have been expressed by this House. We would have handled the issue of post-harvest management and marketing, among others, under cooperatives. These complaints that come from tea-growers, cotton-growers and other cash-crop growers would be handled under the cooperatives.

Therefore, I would like to suggest that this House uses this report to pronounce itself on tasking Government to do this.

(ii) Revival of national research institute. We used to have a very good research institute in this country. Madam Speaker, a research institute helps a lot in terms of guiding the country on what can be best grown where and what variety of crops can do well in the different regions.

(iii) In terms of management of our agriculture – in some parts of the country like Agago that grows cassava, *sim sim* and all other food crops, it would also have the advantage of growing one other cash crop that can make the farmers benefit.

Madam Speaker, therefore, this Parliament must pronounce itself on these three key issues – (*Member timed out.)*

7.00

**MS AGNES AMEEDE (NRM, Woman Representative, Pallisa):** Thank you, Madam Speaker and thank you, the committee for the wonderful report. However, I am taking an issue with one recommendation of forming an authority. As you are aware, the cost of public administration takes a big chunk of resources of this country. As a member of the Committee on Commissions, Statutory Authorities and State Enterprises (COSASE), we have noted that authorities per se are not performing excellently yet government has recommended flattening the wage structure.

Madam Speaker, it would rather be in line with what government is moving towards, by recommending a directorate that can strengthen the existing institutions. The creation of more authorities has distorted reporting systems and has weakened institutions and yet we need to motivate staff in the various ministries across the board. Thank you very much.

7.01

**MR FREDRICK ANGURA (NRM, Tororo County South, Tororo):** Thank you very much, Madam Speaker. I would like to also join my colleagues to thank the committee for a good report.

In Tororo, we do not grow tea. However, I think we can offer a lot to benefit the tea-growing communities. I would like to take this opportunity to ask the Cabinet members who are here; Tororo is supposed to have a very big phosphate project that will help this country get fertilizers for the benefit of many of the food and cash crops, including tea. It is being mentioned in the report that one of the big challenges is fertilizers. Therefore, if Cabinet can fast-track its position on getting the fertilizers factory, I think we may be able to solve that problem.

Madam Speaker, if you visited Mombasa; there are Uganda’s properties there with very big stores. These stores are full of Uganda’s tea. However, it is unfortunate that the name Uganda disappears immediately this tea reaches Mombasa. I would like to believe that the tea that we produce in Uganda is of a very good quality.

Madam Speaker, I would also like to inform you that –(*Interruption)*

**THE SPEAKER:** Some information.

**MR ANGURA:** I am not taking the information. I would like to inform you, Madam Speaker, that when you look at Annex 1 which talks about top buyers of Uganda’s tea, these are the leading tea exporters in the region. We have many companies; where is this tea going? Is this returned to Uganda as rejected tea?

Madam Speaker, we are here to emphasise on marketing - *(Interruption)*

**MS ONGOM:** Thank you very much, my brother, for giving way and thank you, for being a gentleman. Madam Speaker, we used to have lint and coffee marketing boards. These boards were helping us to market our -

**THE SPEAKER:** And Produce Marketing Board.

**MS ONGOM:** Yes, and Produce Marketing Board –*(Interjections)–* he has added that it was during the UPC days. *(Laughter)* Madam Speaker, if we can revive the Lint Marketing Board for cotton; Coffee Marketing Board for coffee and; Produce Marketing Board for our produce and tea that we have, I think we will sell the products of Uganda and we shall earn what we want.

Madam Speaker, this Parliament should pronounce that those marketing boards be put in place. They should be revived. Thank you.

**MR ANGURA:** Thank you very much for that wonderful piece of information. Maybe it is high time government took a lead role in marketing our tea abroad. It is very important that the Minister of Trade, Industry and Cooperatives takes a lead role to market our tea such that we can start exporting this tea directly –*(Member timed out.)*

7.03

**MR DANIEL MUHEIRWE (NRM, Buhaguzi County, Hoima):** Madam Speaker, I must thank the committee for coming up with this enriched information to this Parliament. I would like to thank you for allowing me say something on tea since I am a tea-grower. My father came from Kabale and shifted to Bunyoro to grow tea.

Madam Speaker, the quantity of tea in Bunyoro, specifically in Hoima, has reduced tremendously. We used to have over 10,000 out-growers but now in my constituency, we have reduced to 4,000 out-growers because people think tea is no longer considered a cash crop by our Government.

When you see the roads that lead to the estates, they are impassable. Tea is getting rotten on the road side. When you see the taxation that is levied – for your information, Madam Speaker, tobacco is no longer paying withholding tax and tea is being charged six percent withholding tax. To make matters worse, in the compensation which is ongoing, you will find that the Chief Government Valuer has valued an acre of tea where the pipeline is going to pass at Shs 1.8 million per acre.

Madam Speaker, this is why people are planting eucalyptus while uprooting tea. This is why people are resorting to planting maize while uprooting tea. We should find a way of reviving this crop so that we see it. When I see the housing of this crop; the ministry of Trade, Industry and Cooperatives that is housing tea, I do not think it has the expertise required to grow such an important crop. I would like to suggest that we think about that.

When you talk of the monopoly in Bunyoro in terms of factories, you will find only one tea factory in Hoima - Bugambe Tea Factory – and it dictates the price. There is an alternative factory in Kisaru, in Kabwoya Sub County but it has no electricity. Recently, when we were having electricity supplied to Kyangwali Sub County –*(Member timed out.)*

7.07

**MR GORDON ARINDA (NRM, Bushenyi–Ishaka Municipality, Bushenyi):** Thank you, Madam Speaker. Allow me to thank the chairperson and members of the committee for a well-researched report. If you look at the history of the tea industry in Uganda, before 1980, the industry had almost collapsed until 1981 when Mitchell Cotts came back to revive the industry. Around 1981, we started producing about 1,700 tonnes a year up to 1985 and 1986 when we got around 5,600 tonness a year. After that period, we see a drop again. However, I am happy we have seen a deliberate effort by the Government to ensure that we increase the tea industry in Uganda and it is doing very well.

Madam Speaker, my district, Bushenyi, in the last four years, received over 10 million seedlings of tea. This has gone on well to attract more factories. We now have five factories within Bushenyi. This is very good.

Madam Speaker, smallholder farmers are getting a raw deal because they don’t get the worth of it. This is because tea is an industry where you need to have inputs; fertilisers, herbicides and you need to spray of the weeds. The smallholder farmers are not getting a good deal. I ask the government to subsidise, especially fertilisers and herbicides that the tea farmers are using, particularly, the smallholder farmers.

Of course, after liberalisation, tea auctioneers have formed a cartel, for example those in the Mombasa tea auction market. They are reaping big out of these cartels they have formed. Why don’t we have the auction here in Kampala? The auction in Mombasa is branded “Kenya Tea” when actually it is Uganda’s tea. *(Member timed out.)*

7.10

**DR SAM LYOMOKI (NRM, Workers’ Representative):** Thank you very much, Madam Speaker. I have listened to the report and the debate and I did not have intentions to speak, but there is a very important aspect that has not featured in the report. Given the fact that this report is going to seek Cabinet’s discussion and legal policy, for purpose of records, I would like to bring this matter very briefly. And that is the issue of the rights of the workers – the issues of occupational health and safety. I have visited the key institutions in Kenya and Sri Lanka. They have discussed robustly the aspect of occupational health and safety awareness to the workers and salaries. In this country, this sector pays the lowest wages. Actually, when we are talking about minimum wage, one of the sectors we think about is the tea estates because they pay lowest wages in this country.

Therefore, Madam Speaker, this component is important because without these workers, we cannot have a very good sector. They do great work. In fact, when we are measuring the size of this sector, we have been referring to the number of workers that are employed and the entire livelihood touched by this sector.

I just wanted to bring this aspect so that we do not omit it in future discussions. We also need to understand that some of these structures we are talking about in terms of marketing - (*Member timed out.*)

**THE SPEAKER:** Thank you. Honourable members, there is a report on occupational safety and health coming. Maybe, we will do it tomorrow. It is not entirely lost.

7.13

**MR GEORGE KUMAMA (NRM, Bbaale County, Kayunga):** Thank you so much, Madam Speaker. I also would like to join my friends in thanking the chairperson for giving us a very wonderful report. It has been so moving. All of us have seen the need and what is at stake. This report has revealed to us that there is an issue we must address.

The trade liberalisation regime needs to be revisited. We have left everything at play and this is where we are going with all these lamentations. Hopefully, the Ministry of Trade should embrace some of these important aspects, especially, in the formulation of these regulatory frameworks which is the main key in all these aspects we are looking at. We should get back to regulate some of these issues which are affecting our crops. What affects tea also affects coffee, cotton and other crops.

So, I feel we should revisit some of the issues: Is our liberalisation policy working or not? If not, what should we do? That is what it calls for. Otherwise, benchmarking has shown us a very good picture of what is out there and what is in Uganda.

The Ministry of Trade should actually take charge of all the industries. We used to have Coffee Marketing Board, Lint Marketing Board and other farmers’ associations. All these have been put aside and we are moving in circles. Therefore, I request that we, as Parliament – policy formulators to revisit trade liberalisation issue.

7.15

**MR ABACACON GUTOMOI (FDC, Erute County North, Lira):** Thank you very much, Madam speaker. This is one of the reports that would deserve a special presidential handshake. *(Laughter)*

Madam Speaker, I know of one of the best reports in the world which was made by the first Prime Minister of Britain when he was making a report to Britain about the countries in Africa and in particular, Uganda. That is why today we are called the “Pearl of Africa”. He made his report in only three words: “Concentrate on Uganda”. That is why they came back to ensure that coffee, cotton, copper and tea were seriously addressed to develop this country.

Madam Speaker, I am preparing a report about the history of this country, especially the leaders. One of them who contributed a lot to the development of this country is the former Vice-President (RIP) John Babiiha. Many people do not know what the UPC Government did; they only know one small thing – that Obote was bad. I do not know how bad he was with the development of the 1960s. This is why we are not taking the development of this country seriously. Let us not fear history; history did not start yesterday only. It started right when the British were here. They left and then we took over and we are still taking over.

Therefore, the economic development of this country does not start with the present administration; it started a long time ago. If we could visit some of the *Hansards* of the 1960s and 1970s, we would see how this country can be developed. I remember this very well-researched report we did as the Committee of Trade, Tourism and Industry in the Eighth Parliament. We visited all these tea-growing areas and factories. The research station was the problem. Up to date, we also made recommendations, but nothing has been done about it.

Therefore, Madam Speaker, this report which has been well-done should be taken as serious by the Ministry of Agriculture and the House should recommend – *(Member timed out.)*

7.18

**MR LYANDRO KOMAKECH (DP, Gulu Municipality, Gulu):** Madam Speaker, I also join in to thank my colleague, hon. Ruhunda. If he was presenting a proposal for a PhD, he would pass because the methodology, the use was excellent. It is very easy that from this report, we learn a lot to have a lot of reviews to take.

I was just checking on the iPad here, some of the potential areas in Uganda that can grow tea and the report is very clear that potentially, the entire country can grow tea depending on the pH values of the area – that is the level of alkalinity. These are areas that we need to work on seriously but I think the biggest challenge now is about the frameworks.

The colleague on the other said talked about reviewing liberalisation. I think Uganda in 1987 took a very radical step to completely move away from mixed economy to an open economy. This is where we need to have the reflection at a bigger scale. Is it worthwhile to continue with an open economy where everything is allocated through the market forces or this is time to say, the government of Uganda should begin to ring-fence some of the areas that could be taken as areas of national interest?

You look at tea, Sudan depends on Uganda tea 100 per cent and they say that is a top tea that they can import from Mombasa. I will also request that the committee gets some of the recommendations we got from Khartoum regarding some of the trade that is going between Kenya and Sudan. That is where we get the biggest volume of tea in Africa going to Sudan and that is Uganda tea.

Secondly, I think there should be a review on - we have talked about marketing boards. This is the time we need to see how they should be revamped and tea is one of the core areas that need a very – *(Member timed out.)*

**THE SPEAKER:** Thank you. Honourable members, several members have spoken on this matter and we need to conclude. Does the minister have anything to say? *(Interjection)* Okay.

7.21

**THE MINISTER OF STATE FOR TRADE (Mr Michael Werikhe):** Madam Speaker and honourable colleagues, I would like to thank the Committee on Tourism, Trade and Industry for a very detailed report on the state and status of the current tea industry in Uganda. As a ministry, we join colleagues in the House; this is a very good report and we applaud the chairperson and the committee members. *(Applause)*

It is gratifying to note that the committee report focused very accurately on the tragic history of the tea industry in Uganda. The report highlighted the specific areas that must be addressed for the sustainable growth of the tea industry in this country. In particular, we are glad that the committee highlighted the following areas that are of great concern for the development of the industry, which as a ministry, we take note of very seriously and we have to act on them. We have already started moving on some of the areas.

Low production and productivity, lack of tea specific research and development institution or revitalisation and revamping of the research institute that collapsed. Unutilised land on the mountains of Kigezi, poor harvesting methods, lack of representation at the Mombasa tea auction, lack of Uganda’s participation in the industry, lack of effective tea policy and regulation in Uganda, poor transport and storage infrastructure in the tea sector, low value-addition to tea.

Madam speaker, unlike the coffee, cotton and dairy, in the past - I am not saying right now - which had well established and structured institutions that oversaw their development, the tea industry does not have any effective institutional framework yet. In the mid-2016, the ministry convened a high level meeting of the key tea stakeholders to deliberate on the issues affecting the tea sector. In that meeting it was apparent that the industry faces numerous challenges that need to be -

**THE SPEAKER:** Honourable minister, what you are talking about was in our report. Therefore, I do not know that you are adding value.

**MR WERIKHE:** Okay, I am just concluding, Madam Speaker. *(Laughter)* I would like to assure the House, as proposed by hon. Tom Butime, as we are planning to present the draft policy proposals and regulatory proposals to Cabinet, we will have this report as part of the attachments. This is because we want to provoke the thinking and support of the entire Cabinet as we shape the policy.

Therefore, I would like to assure the House, through you, Madam Speaker that we are going to take note and seriously so all the recommendations that the committee has put across and we are going to come back to the House as we start implementing these recommendations. I thank my colleagues and the chairperson and the committee. Thank you.

**THE SPEAKER**: Thank you. Honourable minister, I hope it will not again take the committee to bring the issues of wheat, cocoa because I see they are equally orphaned.

7.25

**THE MINISTER OF STATE FOR HEALTH (GENERAL DUTIES) (Ms Sarah Opendi):** Thank you, Madam Speaker. A question was posed by my colleague, hon. Angura, wondering whether the phosphate factory will ever take off. I would like to assure him and the House that finally, all the hurdles have been resolved - the issue of financing and everything – and we hope that very soon, maybe even by next month we should be seeing a lot of activity in Osukuru sub-county. Thank you.

**MR MAGYEZI:** Madam Speaker, I like the commitment of the ministers to come up with an action plan following the recommendations in the reports. You can see the honourable minister already telling us that in a month’s time there will be something on the phosphate industry. Honourable minister, what we talking about in terms timeframe? We do not want these important reports to lie on the shelf and then we have to come back after a year and we do not have.

Therefore, in terms of an action plan from Cabinet, what are we talking about?

**MR WERIKHE:** Madam Speaker, I would pray for four weeks – that is one month; we will come back to the House.

**THE SPEAKER:** Let it be recorded. It is now a government assurance that they will come back to us in that one month. Honourable members, I would like to thank you for today’s work but I am still thinking about the Bill that they were proposing to bring in the Ninth Parliament; you know, the ,Ministry of Agriculture unfortunately does not have a good history of bringing Bills here. In the entire Ninth Parliament, not a single Bill came from Agriculture. I am not saying the new minister will not do it but I am just saying that the way they have conducted themselves in the past does not give us hope. However, let us hope that new minister will come with fire.

Honourable members, the House is adjourned to tomorrow at 2.00 p.m. Thank you.

*(The House rose at 7.28 p.m. and adjourned until Thursday, 18 May 2017 at 2.00 p.m.)*