

BILLS SUPPLEMENT*to The Uganda Gazette No. 59, Volume CXI, dated 23rd November, 2018*

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Bill No. 20*The National Coffee Bill***2018****THE NATIONAL COFFEE BILL, 2018****MEMORANDUM****1. POLICY AND PRINCIPLES**

The object of this Bill is to reform the law to provide for the Uganda Coffee Development Authority to regulate, promote and oversee the coffee sub-sector; and to regulate all on-farm and off-farm activities in the coffee value chain.

The Bill seeks to repeal and replace the Uganda Coffee Development Authority Act, Cap. 325, which was enacted in 1991 and only covered off-farm activities of marketing and processing, leaving on-farm activities like planting materials, nurseries, harvesting and post harvesting handling outside the scope of the law. In addition, since the enactment of the Uganda Coffee Development Authority Act, Cap. 325 twenty years ago, new developments, advances and challenges in coffee research, extension, farmer organisations and climate change have emerged that need to be addressed by the law. It is therefore imperative to reform the law as it does not meet the current needs and long-term goals of Government.

2. DEFECTS IN THE EXISTING LAW

There is need to regulate the entire coffee value chain as is done in other jurisdictions most especially to include the on-farm activities alongside the off-farm ones, especially in regard to generation of planting materials, harvesting and drying of coffee to improve on the quality of coffee that goes to both the local and international market.

This is not adequately addressed in the current law. The current Uganda Coffee Development Authority Act, Cap. 325 provides mainly for the marketing of coffee but does not address the regulation of on-farm activities which has an effect on the quality and price of coffee.

The current legal framework does not adequately provide a strong institutional arrangement with clearly demarcated roles for the institutions involved. The interventions into the sub-sector by the various stakeholder institutions are not holistic. As a result, the sub-sector is not appropriately run and cannot perform to its maximum or expected capacity. Issues relating to the generation of planting materials, harvesting and drying of coffee are not covered under the current law. Additionally, under the existing Uganda Coffee Development Authority Act, Cap. 325 coffee extension services are not provided for.

Further, in the current law, the Uganda Coffee Development Authority's roles are also limited and don't encompass the entire value chain. Ideally Uganda Coffee Development Authority should be regulating both on- farm and off - farm activities including nursery management, pest and disease control in the sector, rehabilitation, harvesting, drying and grading which is not the case in the way the current legislations is framed.

There is also need to amend the Act to allow for Uganda Coffee Development Authority to lead the implementation of coffee specific extension services as well by coordinating the efforts of different agencies and farmer associations.

The Uganda Coffee Development Authority Act, Cap. 325 and the Coffee Regulations, 1994 have a number of redundant clauses that have been overtaken by time including the setting of minimum prices which is not sustainable in a liberal economy since Uganda Coffee Development Authority only publishes indicative prices and also a provision mandating the Authority to put in place a price committee. The fees and penalties in the Act are also weak and therefore need enhancement to make them more meaningful and deterrent to match the objectives of the regulatory framework.

3. REMEDIES PROPOSED TO DEAL WITH THE DEFECTS.

The object of this Bill is therefore to address the gaps that have been identified in the current law by reforming the law to specifically provide for the regulation of the entire value chain in the coffee sub-sector from planting, through harvesting, up to marketing; providing for the Uganda Coffee Development Authority to regulate, promote and oversee the coffee subsector; providing for the Authority to regulate all on-farm and off – farm activities in the coffee value chain; to provide for a coffee auction system and to create and enhance the penalties.

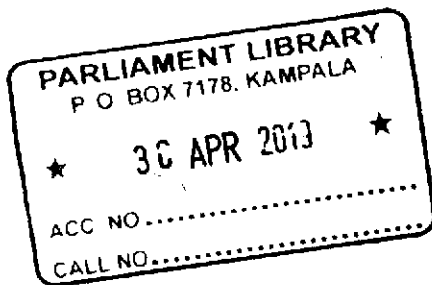
The Bill further seeks to define the roles of different stakeholders in the coffee value chain, including the role of the Minister responsible for the coffee subsector.

The proposed reforms will provide for—

- (a) a more comprehensive regulation of the whole coffee value chain including on-farm activities and processes alongside the off-farm ones especially in regard to generation of planting materials, harvesting and drying of coffee;
- (b) a marketing system by requiring UCDA to establish a voluntary coffee auction system to offer an alternative method of selling coffee. The system should bring dynamism and efficiency in the subsector resulting from increased competition in the selling of coffee;
- (c) coffee specific extension services by making UCDA responsible for coffee extension services in order to remove ambiguity and create responsibility on the UCDA to provide extension services beyond agronomic practices;

- (d) Uganda Coffee Development Authority to register and promote coffee value chain organisations at various levels of the coffee value chain, that will lead to the formation of an apex body;
- (e) a strong institutional arrangement with clearly demarcated roles for the institutions involved;
- (f) enhancement of fees and penalties to make them more meaningful and deterrent to the objectives of the regulatory framework and encourage compliance;
- (g) repeal of redundant clauses that have been overtaken by time.

HON. VINCENT BAMULANGAKI SEMPIIJA (MP)
Minister of Agriculture, Animal, Industry and Fisheries.



THE NATIONAL COFFEE BILL, 2018

ARRANGEMENT OF CLAUSES

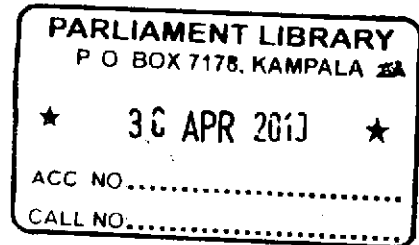
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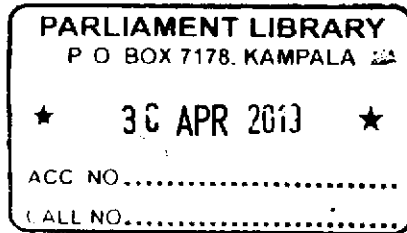
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A Bill for an Act

ENTITLED

THE NATIONAL COFFEE ACT, 2018

An Act to repeal and replace the Uganda Coffee Development Authority Act, Cap. 325; to continue in existence the Uganda Coffee Development Authority; to provide for the Uganda Coffee Development Authority to regulate, promote and oversee the coffee subsector; to provide for the Authority to regulate all on-farm and off-farm activities in the coffee value chain; to provide for a coffee auction system; and for other related matters.

BE IT ENACTED by Parliament as follows:

PART I—PRELIMINARY.

1. Interpretation.

In this Act, unless the context otherwise requires—

“Authority” means the Uganda Coffee Development Authority continued in existence under section 3;

- “bare ground” means open soil surface;
- “Board” means the Board of the Authority established by section 14;
- “cess” means a levy on export of coffee on Free on Rail or Free on Truck or any other form of acceptable contract price;
- “coffee farmer” means a person who grows coffee for commercial purposes;
- “coffee inspector” means any officer of the Authority or other person authorised in writing by the Authority to carry out any inspection under this Act;
- “coffee subsector” means a division or part of the agricultural sector relating to the coffee value chain;
- “coffee value chain” means the activities or processes relating to coffee and includes research, planting and growing coffee, harvesting, drying, storage, sorting, grading, handling, processing, roasting, brewing, marketing, export and consumption of coffee;
- “currency point” has the value assigned to it in Schedule 1 to this Act;
- “Minister” means the Minister responsible for the coffee subsector;
- “Ministry” means the ministry responsible for the coffee subsector;
- “off-farm” means any activity or process relating to coffee that is carried out outside a coffee farm and includes sorting, drying, storing, processing, grading, transporting, marketing, exporting, roasting, brewing and consumption of coffee;
- “on-farm” means any activity or process relating to coffee that is carried out on a coffee farm and includes planting, soil or water management, pest and disease control and harvesting;

“outturn test” means a test conducted to determine the quality and value of coffee obtained from a given quantity of processed coffee; and

“regional coffee extension officer” means any officer of the Authority or other person authorised in writing by the Authority to carry out functions of the Authority including providing extension services and any other function of the Authority under this Act.

2. Purpose of the Act.

The purpose of this Act is—

- (a) to facilitate the development of a competitive, participatory and sustainable coffee subsector in accordance with the National Coffee Policy, 2013;
- (b) to provide for the Uganda Coffee Development Authority to regulate, promote and oversee the coffee subsector; and
- (c) to regulate all on-farm and off-farm activities in the coffee value chain.

PART II—UGANDA COFFEE DEVELOPMENT AUTHORITY

3. Uganda Coffee Development Authority.

(1) The Uganda Coffee Development Authority existing immediately before the commencement of this Act, shall continue to exist subject to the provisions of this Act.

(2) The Authority shall be a body corporate with perpetual succession and a seal and may, for the discharge of its functions under this Act—

- (a) acquire, hold and dispose of moveable and immovable property;
- (b) sue and be sued in its corporate name; and

(c) do all acts and things as a body corporate may lawfully do.

(3) The seal of the Authority shall be determined by the Board and shall be kept in the custody of the Managing Director.

(4) The seal shall, when affixed to any document, be authenticated by the signatures of the Chairperson and the Managing Director.

(5) In the absence of the Chairperson or when the Chairperson is unable to perform this function, a member of the Board appointed by the Board for that purpose shall sign in the place of the Chairperson.

(6) A person performing the functions of Managing Director shall sign in the absence of the Managing Director.

(7) A contract or instrument which if entered into or executed by a person not being a body corporate would not be required to be under seal may be entered into or executed without seal on behalf of the Authority by the Managing Director or any other person authorised by the Board.

(8) Every document purporting to be —

(a) an instrument issued by the Authority and sealed with the seal of the Authority and authenticated in the manner prescribed in subsections (4), (5) and (6); or

(b) a contract or instrument entered into or executed under subsection (7), shall be received in evidence as such an instrument without further proof unless the contrary is proved.

4. Objectives of the Authority.

The objectives of the Authority are —

(a) to promote good practices in all activities in the coffee value chain:

- (b) to regulate on-farm and off-farm activities in the coffee value chain;
- (c) to promote research in processes and products related to coffee;
- (d) to promote value addition to coffee including primary processing and establishing a soluble coffee plant;
- (e) to promote access to easy and cheap credit for coffee value chain actors;
- (f) to promote and monitor the marketing of coffee in order to optimise foreign exchange earnings and payments to farmers;
- (g) to control the quality of coffee at all stages of the value chain in order to ensure that all coffee exported meets the standards prescribed by the Authority;
- (h) to monitor the international price of coffee in order to disseminate indicative prices at which coffee may be traded;
- (i) to conduct market research for the development of the coffee subsector;
- (j) to promote industries related to coffee;
- (k) to develop and promote coffee specific extension services;
- (l) to liaise with key stakeholders to organise farmers in the coffee subsector;
- (m) to promote the production and marketing of final products of coffee; and
- (n) to promote domestic consumption of coffee.

5. Functions of the Authority.

The functions of the Authority are—

- (a) to regulate all activities within the coffee value chain or subsector, on-farm and off-farm coffee activities, coffee

roasting and brewing, sales and marketing and the quality of coffee and coffee by-products, including activities of related industries in accordance with this Act;

- (b) to promote, strengthen and register coffee farmers, farmers groups, associations or cooperatives, processors, roasters, brewers, traders, middlemen, persons or bodies involved in the coffee value chain;
- (c) to register all coffee sales and assess cess;
- (d) to promote the formation and development of value chain organisations at the various levels of the coffee value chain;
- (e) to promote and support research into the coffee industry or processes along the coffee value chain and determine and prescribe through research, the types and varieties of coffee to be cultivated in Uganda, and their management systems;
- (f) to promote and support joint ventures, investments and concessions in the coffee value chain;
- (g) to prescribe the quality control standards for the sale and marketing of coffee, issue indicative prices at which coffee may be traded and protect coffee farmers from exploitation and unfair trade practices;
- (h) to grade and certify grades and quantities of coffee along the value chain;
- (i) to license coffee nursery operators, traders, processors, exporters, management agents, warehouse operators, auctioneers, pulping stations, packers and roasters in accordance with regulations issued by the Minister;
- (j) to coordinate the provision of coffee specific extension services in consultation with the Ministry;
- (k) to advise Government on all coffee subsector policies and reconcile them to the national macroeconomic policies;

- (l) to liaise with the International Coffee Organisation to promote Uganda's coffee on the world market and be responsible for the administration of the stamp of the International Coffee Organisation;
- (m) to organise capacity building initiatives and training for coffee farmers, farmers associations, roasters, brewers, technicians, coffee processors and quality controllers;
- (n) to collect, collate and analyse data, maintain a database on coffee, and to document and monitor the coffee subsector performance; and
- (o) to perform any other function as may be directed by the Minister.

6. Powers of the Authority.

The Authority may, in the exercise of its functions, arbitrate disputes between coffee farmers, coffee exporters, coffee processors, coffee roasters and coffee buyers.

7. Appointment of coffee inspectors.

(1) The Authority may, by Notice in the *Gazette*, appoint fit and proper persons to be coffee inspectors for the purposes of ensuring compliance with this Act and the directives of the Authority.

(2) A person designated under subsection (1) shall be a coffee inspector for five years or such period as the Authority may determine.

8. Qualifications of coffee inspector.

A person shall qualify to be a coffee inspector if he or she possesses a minimum of a diploma in sciences and has extensive knowledge and experience in coffee related matters.

9. Powers of coffee inspector.

(1) A coffee inspector may, at any reasonable hour, enter any place where coffee is grown, pulped, processed, packed, roasted,

stored, warehoused or sold to inspect and examine it for the purpose of ensuring that the provisions of this Act or Regulations made under this Act are complied with.

(2) A coffee inspector may, for purposes of securing compliance with the provisions of this Act, take samples of coffee, found in a store, plant, other place or premises including any land, and subject the samples to such tests as he or she may deem necessary.

(3) A coffee inspector shall, when exercising powers under this Act, produce the instrument of appointment and identification as a coffee inspector when required to do so by any person.

10. Appointment of regional coffee extension officer.

(1) The Authority may, by Notice in the *Gazette*, appoint fit and proper persons to be regional coffee extension officers for the purposes of ensuring compliance with this Act and the directives of the Authority.

(2) A person designated under subsection (1) shall be a regional coffee extension officer for five years or such period as the Authority may determine.

11. Qualifications of regional coffee extension officer.

A person shall qualify to be a regional coffee extension officer if he or she—

- (a) possesses a minimum of a Bachelor of science in Agriculture, agribusiness management or agriculture extension or a related field from a recognized university; and
- (b) has atleast five years working experience in an extension-related discipline.

12. Functions of regional coffee extension officer.

A regional coffee extension officer shall carry out the following functions—

- (a) implement and supervise coffee nursery development programs;
- (b) oversee compliance with distribution procedures of planting materials, and established standard operating guidelines;
- (c) implement coffee extension programs developed by the Authority;
- (d) promote and disseminate new technologies developed by coffee research to farmers;
- (e) maintain surveillance on coffee diseases and pests;
- (f) advise farmers on control of coffee disease and pest measures;
- (g) liaise with and ensure effective collaboration with local authorities and other bodies with an interest in matters of coffee development in the respective regions;
- (h) participate in development of work plans and budgets for the region;
- (i) provide technical support in the collection of coffee production and marketing data;
- (j) monitor the quality of coffee at the farm and enforce coffee regulations;
- (k) compile monthly reports on coffee activities in the region; and
- (l) carry out other functions as the Authority may from time to time assign.

13. Cooperation with other agencies.

(1) The Authority shall cooperate with other ministries, departments, agencies of Government, and with other organisations in the implementation of this Act.

(2) The Ministry shall, in consultation with the Authority and the body responsible for provision of agricultural extension services, coordinate the provision of coffee specific extension services, improved and recommended coffee varieties and technical support to farmers.

(3) For the purpose of subsection (1) all ministries, departments, agencies of Government and other organisations shall accord to the Authority such assistance as may be necessary to ensure the proper discharge of the functions of the Authority.

14. Board of the Authority.

(1) The Authority shall have a Board of Directors, which shall be the governing body of the Authority.

(2) The Board shall consist of—

- (a) a chairperson;
- (b) a representative of the Ministry responsible for trade and cooperatives, at the rank of Commissioner and above;
- (c) a representative of the Ministry responsible for finance at the rank of Commissioner and above;
- (d) a representative of the Ministry responsible for agriculture at the rank of Commissioner and above;
- (e) a representative of the Ministry responsible for local government at the rank of Commissioner and above;
- (f) a representative of the National Agricultural Research Organisation;
- (g) two representatives of coffee farmers;
- (h) one representative of coffee roasters and brewers;
- (i) one representative of coffee processors;
- (j) one representative of coffee exporters; and
- (k) the Managing Director, ex officio.

(3) At least one third of the members of the Board shall be women.

(4) The Minister shall, in appointing the members of the Board, under subsection 2, invite nominations from the respective institution or organization from whom the appointments shall be made.

15. Disqualification from appointment.

A person shall not be appointed to the Board who—

- (a) has been convicted of an offence involving dishonesty or fraud by a competent court in Uganda or elsewhere;
- (b) has been declared insolvent under any law in force in Uganda and has not been discharged;
- (c) has been convicted of an offence and sentenced to imprisonment for six months or more without the option of a fine by a competent court in Uganda or elsewhere; or
- (d) is a member of Parliament, a minister or a member of a local government council.

16. Tenure of office of members of the Board.

(1) A member of the Board other than the Managing Director shall hold office for three years and is eligible for re-appointment for one more term.

(2) The Chairperson and members of the Board shall hold office on terms and conditions specified in their instruments of appointment.

(3) A member of the Board may, at any time, resign from office by giving written notice of not less than one month to the Minister.

(4) The Minister may, at any time remove a member of the Board—

- (a) for inability to perform the functions of his or her office arising from infirmity of body or mind;

- (b) for misbehaviour or misconduct;
- (c) for incompetence;
- (d) for failure to disclose, at a Board meeting, a matter in which he or she has a personal interest;
- (e) for absence without prior notice to the Chairperson of the Board, or without reasonable cause to the satisfaction of the Minister, for more than four consecutive scheduled meetings of the Board, or absence from Uganda for more than twelve months;
- (f) for having been declared insolvent;
- (g) on the written recommendation of the body represented by that member stating reasons for disqualification;
- (h) for conviction for a criminal offence, in Uganda or elsewhere, in respect of which the maximum penalty exceeds six months imprisonment without the option of a fine; or
- (i) where information relating to the conduct of a member, which could have precluded his or her appointment if it had been made available to the Minister, is brought to the attention of the Minister.

17. Filling of vacancies of the Board.

(1) Where a member of the Board resigns, dies, is removed from office or is for any other reason unable to act as a member of the Board the Chairperson shall notify the Minister of the vacancy within one month after the occurrence of the vacancy.

(2) The Minister shall, after being notified of the vacancy under subsection (1), appoint another person to hold office in accordance with section 14.

(3) Where the member of the Board referred to in subsection (1) is the Chairperson of the Board, the Managing Director shall notify the

Minister of the vacancy and the Minister shall appoint another person to serve as Chairperson.

18. Functions of the Board.

The functions of the Board are —

- (a) to formulate and review the policy of the Authority;
- (b) to set targets for the annual performance of the Authority;
- (c) to appraise and evaluate the performance of the management of the Authority;
- (d) to determine the organisational structure and staffing of the Authority;
- (e) to oversee the management of the finances and assets of the Authority;
- (f) to appoint and discipline members of staff of the Authority; and
- (g) to perform any other function assigned to it under this Act.

19. Remuneration of members of the Board.

The Chairperson and members of the Board shall be paid such remuneration as may be determined by the Minister.

20. Meetings of the Board.

The meetings of the Board and related matters shall be conducted in accordance with Schedule 2 to this Act.

21. Committees of the Board.

(1) The Board may appoint committees—

- (a) to inquire into and advise the Board on any matter concerning the functions of the Authority as the Board may refer to the committee;
- (b) to exercise such powers or perform such functions of the Authority as the Board may delegate or refer to the committee.

(2) A committee appointed under subsection (1) shall consist of a chairperson and other persons, whether members of the Board or not, as the Board may determine.

(3) The Board may require a committee appointed under this section to act jointly or in co-operation with any other committee.

(4) Subject to any direction given by the Board, a committee appointed under this section may regulate its own procedure, but shall, in any event, be guided by the procedure in Schedule 2 to this Act.

PART III—STAFF OF THE AUTHORITY.

22. Managing Director.

(1) There shall be a managing director of the Authority who shall be appointed by the Minister on the recommendation of the Board, on terms and conditions specified in the instrument of appointment.

(2) The Managing Director shall be a person of high moral character and proven integrity, with the relevant professional qualifications, skills and experience in coffee related matters.

(3) The Managing Director shall hold office for five years and is eligible for reappointment for one more term.

(4) The Managing Director shall cease to hold office where—

- (a) he or she resigns;
- (b) he or she is declared insolvent or has made an arrangement with his or her creditors;
- (c) he or she is convicted of a criminal offence, in Uganda or elsewhere, in respect of which the maximum penalty exceeds six months imprisonment without the option of a fine;

- (d) he or she is removed from office by the Minister on the recommendation of the Board for inability to perform the functions of his or her office arising from infirmity of body or mind; or
- (e) he or she is removed from office for misbehaviour, misconduct or incompetence.

23. Functions of the Managing Director.

(1) The Managing Director is responsible for the day to day operations and administration of the Authority.

(2) The Managing Director shall be the Chief Executive and Accounting Officer of the Authority.

(3) Subject to this Act and to the general supervision and control of the Board, the Managing Director is responsible for—

- (a) the implementation of the policies and programmes of the Authority and reporting on them to the Board;
- (b) the proper management of the funds and property of the Authority;
- (c) the organisation and control of the staff of the Authority;
- (d) co-operation with other ministries, departments, agencies of Government and organisations to achieve the objectives of the Authority;
- (e) developing an economic, efficient and cost effective internal management structure;
- (f) developing and implementing the strategic plan, business plan and annual plan of the Authority to achieve its objectives;
- (g) ensuring that the policies of the Authority are implemented and that the agreed objectives, targets and service standards are met;

- (h) providing advice as required on all matters within the Authority's responsibility; and
- (i) performing any other duty necessary for the implementation of this Act as may be assigned to him or her by the Board.

(4) In the performance of his or her functions, the Managing Director is answerable to the Board.

24. Secretary to the Board.

(1) There shall be a secretary to the Board who shall be appointed by the Board on terms and conditions specified in the instrument of appointment.

(2) The Secretary to the Board shall be responsible for—

- (a) arranging the business at meetings of the Board;
- (b) taking the minutes of the meetings of the Board;
- (c) keeping the records of the decisions and other policy records of the Board;
- (d) providing legal advice on all activities of the Authority; and
- (e) performing any other function assigned by the Managing Director.

(3) In the performance of his or her functions, the Secretary is answerable to the Managing Director.

25. Other staff of the Authority.

(1) The Board shall appoint other staff of the Authority as may be necessary for the proper and efficient performance of the functions of the Authority.

(2) The staff appointed under subsection (1) shall hold office on such terms and conditions determined by the Board and specified in the instruments of appointment.

(3) The Board shall regulate the manner of appointment, terms and conditions of service and the discipline of the staff appointed under this section.

PART IV — REGISTRATION AND LICENSING OF COFFEE
VALUE CHAIN ACTORS

26. Registration of coffee farmers.

(1) The Authority shall register all coffee farmers in the coffee subsector.

(2) A person shall be registered as a coffee farmer on fulfilling the following requirements-

- (a) he or she shall either be growing coffee at the time of registration or shall have proof of his or her intention to commence growing coffee within a period of six months, from the date of registration; and
- (b) the land where the coffee is grown or is to be grown shall have been evaluated by the Authority and deemed suitable for growing coffee.

27. National register of coffee farmers.

(1) The Authority shall establish and maintain a national register of coffee farmers.

(2) The register shall be maintained as an electronic database or in any other form determined by the Board.

(3) The register shall contain particulars of each coffee farmer including—

- (a) the full name and address of the farmer, and if the farmer is a member of a coffee farmers group or association, the name and address of the group or association;

- (b) where the person who owns the land is different from the coffee farmer, the name and address of the owner of the land;
- (c) the name of the district or village in which the coffee farm is located;
- (d) the acreage of land on which the coffee is grown on the date of its registration;
- (e) where the person being registered has not yet planted coffee, the acreage that is proposed to be planted with coffee;
- (f) the variety and type of coffee grown;
- (g) the age and number of coffee trees; and
- (h) any other information which may be deemed necessary for the purpose of registration.

(3) The Authority shall, on registering a coffee farmer issue the coffee farmer a coffee farmer's registration number.

(4) The Authority shall not charge fees for registration of a coffee farmer.

(5) The Authority shall use the information compiled in the register to facilitate the provision of services to coffee farmers individually or through farmers groups.

28. De-registration of coffee farmer.

(1) The Authority may, after being satisfied that a registered coffee farmer has failed to comply with the terms and conditions of registration, strike off the register the name of the coffee farmer.

(2) A coffee farmer aggrieved by the decision of the Authority made under subsection (1), may appeal to the Minister.

29. Application to operate a coffee nursery.

(1) A person who wishes to operate a coffee nursery shall apply to the Authority in writing.

(2) The Authority shall assess the soil type to determine the type and variety of coffee to be planted by the coffee nursery operator.

(3) The Authority shall assess the coffee nursery after potting and if satisfied issue the coffee nursery operator a certificate to operate a coffee nursery.

30. Registration of coffee nursery operator.

(1) The Authority, shall register every coffee nursery and every coffee nursery operator.

(2) The register shall contain the particulars of each coffee nursery operator including—

- (a) the full name and address of the coffee nursery operator;
- (b) where the person who owns the land is different from the coffee nursery operator, the name and address of the owner of the land;
- (c) the name of the district or village in which the coffee nursery is located;
- (d) the type and variety of coffee grown or to be grown in the coffee nursery; and
- (e) any other information which may be deemed necessary for the purpose of registration.

31. Registration of coffee farmer organisations and cooperatives.

(1) The Authority shall register coffee farmer organisations and cooperatives.

(2) The Authority shall keep a register for coffee farmer organisations and cooperatives.

(3) The register of coffee farmer organisations and cooperatives shall contain the particulars of each coffee farmer organisation and cooperative including—

- (a) the full name and address of the coffee organisation or cooperative;
- (b) the number of members, their names and address;
- (c) the type and variety of coffee in the coffee farm; and
- (d) any other information which may be deemed necessary for the purpose of registration.

(4) The Authority shall, on registration of the coffee organisation or cooperative, issue the coffee organisation or cooperative a registration number.

(5) The Authority shall promote the formation of an apex body to represent all coffee farmers' organisations and cooperatives.

32. Registration of coffee value chain actors.

(1) The Authority shall promote, register and regulate the formation of coffee value chain actors at the various levels of the coffee value chain throughout Uganda.

(2) The Authority shall promote the formation of apex bodies to represent and advocate for the interests of each category of the coffee value chain.

33. Registration of processing factory.

(1) The Authority shall register every coffee processing factory.

(2) The register of coffee processing factories shall contain the particulars of every coffee factory including—

- (a) the name and address of the factory;
- (b) the name and address of each director or partner and the shares held by each shareholder;
- (c) the processing capacity of the factory;
- (d) the planned production capacity of the factory;
- (e) the capacity, number and area of the warehouse; and
- (f) the number and quality of skilled, semi-skilled and unskilled personnel employed or to be employed.

(3) The Authority shall, on ascertaining the particulars submitted under subsection (2) issue a certificate of registration to the owner of the coffee processing factory on payment of the registration fees prescribed by the Authority.

(4) The certificate issued under this section is not transferrable and shall be renewed annually on payment of a fee prescribed by the Authority.

34. National register of other coffee value chain actors.

The Authority shall keep and maintain the following registers—

- (a) a register of pulpers;
- (b) a register of coffee buyers;
- (c) a register of coffee graders;
- (d) a register of coffee exporters;
- (e) a register of coffee store operators or warehousemen;
- (f) a register of processors of coffee of any variety and grade;
- (g) a register of exporters of coffee of any variety and grade;
- (f) a register of certified coffee roasters, coffee shop operators and brewers; and
- (g) a register of coffee hullers.

35. Power to issue licences.

(1) The Authority shall on application, issue the following licences upon such terms and conditions as the Authority thinks fit—

- (a) a pulper operator's licence;
- (b) a coffee buyer's licence;
- (c) a coffee grading licence for internal marketing;
- (d) a coffee processor's licence;
- (e) a coffee exporter's licence;
- (f) a coffee roaster's licence;
- (g) a brewer and operator of a coffee shop operator's licence;
- (h) a coffee store or warehouse operator's licence; or
- (i) a coffee huller operator's licence.

(2) A licence issued under subsection (1) shall be—

- (a) in the form prescribed by Regulations;
- (b) valid for a specified period;
- (c) for a specific location; and
- (d) issued subject to payment of an application fee prescribed by the Authority.

(3) A person shall not operate a pulper, buy coffee, grade coffee for internal marketing, roast coffee, brew and operate a coffee shop or coffee store, operate a warehouse or coffee huller or process or export coffee on a commercial basis without a licence issued by the Authority.

(4) Where the Authority refuses to issue a licence to an applicant, the applicant shall be informed in writing stating the reasons for the refusal.

36. Power to cancel, vary, and suspend licences.

The Authority may if the terms and conditions of the licence have not been complied with, cancel, vary or suspend a licence issued under this Act.

37. Aggrieved party to appeal to Minister.

Any person aggrieved by the decision of the Authority under subsection 35(4) may, within sixty days after being notified of the decision, appeal to the Minister.

PART V—TYPES, VARIETIES AND GRADING OF COFFEE.**38. Types and varieties of coffee.**

(1) The Authority shall determine and regulate the types and varieties of coffee to be grown in the different parts of Uganda.

(2) In determining the type and variety of coffee to be grown in a particular part of Uganda, the Authority shall—

- (a) be guided by the results of coffee research conducted by the National Coffee Research Institute on conditions suitable for growing each recommended variety of coffee; and
- (b) promote the use of high yielding, disease resistant, drought tolerant and cup quality varieties of coffee.

39. Promotion of recommended types and varieties of coffee.

(1) The Authority shall inform and sensitise coffee farmers on the types and varieties of coffee recommended for cultivation in the different parts of Uganda.

(2) For the purposes of this section, the Authority shall, in cooperation with the ministry responsible for agriculture and other stakeholders develop a strategy for promoting the cultivation of recommended coffee varieties in Uganda.

(3) The promotion strategy developed by the Authority under subsection (2) shall include—

- (a) the use of coffee extension services to train and build the capacity of coffee farmers to grow the recommended types and varieties of coffee;
- (b) information on how to access the recommended types and varieties of coffee;
- (c) good agricultural practices in respect of each type and variety of coffee; and
- (d) the means of controlling pests and diseases associated with each type and variety of coffee.

40. Grading and certification of coffee.

(1) The Authority shall in collaboration with the body responsible for standards develop coffee standards.

(2) The Authority shall grade and certify all coffee grown or marketed in Uganda.

(3) For the purposes of this section, the Authority shall take into account international and regional coffee grading and certification standards issued by the International Coffee Organisation or any other international and regional coffee standards organisation.

(4) The Authority shall use a universal standard for outturn tests for locally traded pre-export coffee.

PART VI—VALUE ADDITION AND DOMESTIC CONSUMPTION OF COFFEE.

41. Promotion of value addition.

(1) The Authority shall promote and support value addition at all stages of the coffee value chain.

- (2) For the purposes of this section, the Authority shall—
- (a) promote and support primary processing of coffee at the farm;
 - (b) promote and support bulking and marketing of coffee at the farm or through farmers' associations;
 - (c) facilitate increased export of value added coffee products;
 - (d) promote and support roasting and packaging of coffee for domestic consumption;
 - (e) build the capacity of coffee brewers and coffee roasters;
 - (f) promote and support coffee certification schemes;
 - (g) promote and support branding of coffee produced in Uganda;
 - (h) promote and support the establishment of instant, granulated and soluble coffee plants; and
 - (i) facilitate access to affordable finance to stakeholders along the coffee value chain.

42. Domestic consumption of coffee.

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

- (2) For the purpose of this section, the Authority shall—
- (a) create awareness on the benefits of drinking coffee;
 - (b) conduct behavioral change communication among the public to encourage the drinking of coffee; and
 - (c) build the capacity of local coffee roasters, coffee baristas and coffee brewers.

PART VII—FINANCES.

43. Funds of the Authority.

The funds of the Authority shall consist of—

- (a) money appropriated by Parliament for purposes of the Authority;
- (b) fifty percent of the cess levied on the Free on Rail or Free on Truck or other form of acceptable contract price of exports of coffee under section 44;
- (c) monies received by the Authority for services rendered by the Authority under this Act;
- (d) loans and grants approved by the Minister responsible for finance; and
- (e) gifts or donations from Government and other sources made with the approval of the Minister and the Minister responsible for finance.

44. Levy on coffee exports.

The Authority shall levy a charge not exceeding two percent on the Free on Rail or Free on Truck or other form of acceptable contract price of the export of coffee.

45. Authority to operate on sound financial principles.

In the performance of its functions under this Act, the Authority shall operate on sound financial principles.

46. Power to open and operate bank accounts.

The Board shall, with the authority of the Accountant General open and maintain such bank accounts as are necessary for the performance of the functions of the Authority.

47. Borrowing powers.

Subject to Article 159 of the Constitution, the Authority may with prior approval of the Minister responsible for finance borrow money as may be required for meeting its obligations or for the discharge of the functions of the Authority under this Act.

48. Estimates of income and expenditure.

(1) The Authority shall, in accordance with the Public Finance Management Act, 2015, prepare and submit to the Minister for approval, a budget containing the estimates of income and expenditure of the Authority for the next financial year.

(2) The Authority shall not incur any expenditure exceeding its budget without the approval of the Minister.

49. Accounts.

The Authority shall—

- (a) keep proper books of accounts and all records relating to the transactions and affairs of the Authority;
- (b) within three months after the end of each financial year, prepare annual financial statements for the preceding financial year; and
- (c) within three months after the end of each financial year, submit the annual accounts to the Auditor General.

50. Audit.

(1) The Auditor General or an auditor appointed by the Auditor General shall, in each financial year, audit the accounts of the Authority.

(2) The Auditor General or an auditor appointed by the Auditor General shall, within three months after receipt of the accounts, submit to the Minister and Parliament a report on the audited accounts of the Authority.

PART IX — MISCELLANEOUS.**51. Coffee research.**

(1) The Authority shall oversee the formulation of the National Coffee Research and Development Agenda to guide coffee research.

(2) The National Coffee Research and Development Agenda formulated under subsection (1) shall be validated by the industry stakeholders and approved by the Board.

(3) The National Coffee Research Institute shall be responsible for undertaking coffee research related to her mandate and competence.

(4) The Authority shall engage other research services to undertake research in areas where they have comparative advantage and competence.

52. Coffee auction system.

(1) The Authority shall establish a coffee auction system.

(2) The coffee auction system established under subsection (1) shall be used as an alternative method to the day- to -day method of selling coffee.

53. Protection from liability.

A member of the Authority or member of staff of the Authority or a person acting on the directions of the Authority shall not be held personally liable for any act or omission done or omitted to be done in good faith in the exercise of functions under this Act.

54. Offences and penalties.

(1) Any person who—

- (a) operates an unregistered coffee nursery;
- (b) sells or distributes substandard seedlings or seeds;
- (c) harvests or is found in possession of immature cherries or strips a coffee tree;
- (d) neglects a coffee farm;
- (e) roasts or packages non-coffee material as coffee;
- (f) poorly stores wet cherries or heaps coffee leading to mold formation;

- (g) sets up a store or warehouse that does not meet the requirements for storing coffee;
- (h) being a processor, does not have a husk chamber or store;
- (i) operates a huller without a licence or without an approved structure;
- (j) deals in coffee for internal marketing without a licence or in contravention of any of the provisions of this Act;

commits an offence and is liable, on conviction, to a fine not exceeding forty eight currency points or a term of imprisonment not exceeding two years or both.

(2) A person who—

- (a) operates a coffee processing factory without a licence;
- (b) handles or processes wet coffee with a moisture content above fourteen percent;
- (c) dries coffee on the bare ground or around primary or secondary factory premises;
- (d) processes coffee without a valid licence;
- (e) tampers, replaces, removes or is in possession of a security seal of the Authority without authorisation;
- (f) replaces inspected coffee with uninspected coffee;
- (g) boils, contaminates or rough hulls coffee;
- (h) adulterates coffee or is in possession of adulterated coffee; including mixing coffee of different types or mixing coffee with non-coffee materials; or
- (i) denies access to or blocks an inspector or staff of the Authority or fails to render any reasonable assistance to an inspector,

commits an offence and is liable, on conviction, to a fine not exceeding one hundred and twenty currency points or a term of imprisonment not exceeding five years or both.

(3) A person who grades and exports coffee without a valid licence commits an offence and is liable, on conviction, to a fine not exceeding one hundred and forty-four currency points or a term of imprisonment not exceeding five years or both.

(4) Where any court convicts any person of an offence under this Act or Regulations made under this Act, the Court may, in addition to any penalty it may impose, order that the coffee, vehicle, vessel or other article used in the commission of the offence be confiscated and forfeited to the Government.

(5) Any coffee or article forfeited under subsection (4) shall vest in the Government free of any mortgage, charge, lien or other encumbrance of any kind.

(6) The Authority shall confiscate and destroy—

- (a) coffee found being spread to dry on the bare ground or around primary or secondary factory premises;
- (b) molded coffee; or
- (c) wet coffee with a moisture content exceeding fourteen percent being held or processed by anyone.

55. Memorandum of understanding to warehouse coffee.

(1) A company that intends to warehouse coffee for export shall sign a memorandum of understanding with the Authority.

(2) Notwithstanding subsection (1) a company with a Memorandum of Understanding to warehouse coffee for export which warehouses coffee not cleared for export by the Authority or tampers with coffee cleared by the Authority for export shall have its licence cancelled and the coffee shall be confiscated forfeited to the State.

56. Offences by body corporate.

Where an offence under section 54 is committed by a body corporate—

- (a) every director and employee of that body corporate shall also be taken to have committed that offence; and
- (b) where the body corporate is a firm, every partner of that firm shall also be taken to have committed that offence, unless he or she proves that the offence was committed without his or her knowledge or that he or she exercised due diligence to prevent the commission of the offence.

57. Regulations.

(1) The Minister may, on the recommendation of the Board make regulations for better carrying into effect the provisions of this Act.

(2) Notwithstanding the generality of subsection (1) regulations made under this section may prescribe—

- (a) the procedure for registration of members in the coffee value chain;
- (b) the type and varieties of coffee to be grown and in which areas they are to be grown;
- (c) the procedure for sorting and grading coffee;
- (d) the agronomic practices for storing, handling, processing, brewing, serving, selling, grading, packaging, marketing and exporting of coffee;
- (e) the procedure for keeping of records and the furnishing of returns in respect of coffee;
- (f) the types and categories of coffee value chain organisations and the requirements for registration of the coffee value chain organisations at the various levels of the coffee value chain;
- (g) the procedure for entry by an authorised person on any premises used for growing or handling coffee for the purposes of inspecting the premises, equipment or coffee;

- (h) the manner of application and the registration form, certificate, licence or other form required under this Act;
- (i) the procedure for importation of coffee and coffee products into Uganda;
- (j) the procedure for inspection of coffee;
- (k) the procedure for testing of coffee;
- (l) the methods of conducting outturn tests;
- (m) the manner in which stamps under the International Coffee Organisation may be administered;
- (n) the manner in which traders and middlemen along the coffee value chain maybe regulated in relation to the buying, transportation, storage and quality of coffee;
- (o) the procedure for enhancement of the capacity of researchers;
- (p) the manner in which the quality and quantity incentive scheme or any other scheme shall be operated;
- (q) the procedure and requirements for coffee extension services on good practices in planting material propagation, planting, soil and water management, pest and disease control, harvesting, drying or grading coffee;
- (r) the procedure for the establishment of the coffee auction system;
- (s) the standards for the quality and grading of coffee;
- (t) the quality control standards for the sale and marketing of coffee;
- (u) application fees to be charged for registration and issuance of licences;
- (v) form for issuance of a licence;
- (w) for the procedure for monitoring of seed gardens and nursery operations.

PART X—REPEALS, SAVINGS AND TRANSITION

58. Vesting of assets and liabilities.

(1) The Uganda Coffee Development Authority Act, Cap. 325, is repealed.

(2) Any statutory instrument made under the Uganda Coffee Development Authority Act, Cap. 325 repealed under subsection (1) and which is in force immediately before the commencement of this Act, shall remain in force, so far as it is not inconsistent with this Act, until it is revoked by a statutory instrument made under this Act and until that revocation, shall be deemed to have been made under this Act.

(3) Any registration, licence, certificate, permit or other document issued under the Uganda Coffee Development Act, Cap. 153 repealed under subsection (1) and which is in force immediately before the commencement of this Act—

- (a) shall have effect from the commencement of this Act as if it was granted under this Act;
 - (b) in the case of a registration, licence, certificate, permit or other document issued for a specified period, shall remain in force, subject to this Act, for so much of that period as falls after the commencement of this Act;
- (4) On the commencement of this Act—
- (a) all property, assets, rights and interests of the Authority shall continue to be the property, assets, rights and interests of the Authority;
 - (b) all obligations and liabilities subsisting against the Authority under the repealed Act shall continue to subsist against the Authority;

- (c) any money held by the Authority under the repealed Act shall continue to be held by the Authority;
- (d) all contracts, agreements and undertakings by the Authority and all securities lawfully given to or by it and in force immediately before the commencement of this Act shall have effect as contracts, agreements and undertakings made by and with the Authority and may be enforced by and against the Authority accordingly;
- (e) any proceedings commenced by or against the Authority under the repealed Act may be continued by or against the Authority;

59. Continuation of employment of employees of the Uganda Coffee Development Authority.

(1) The Authority shall, on the effective day of its operations accept into its employment, every person who immediately before the commencement of this Act, was an employee of the Authority.

(2) The terms and conditions, including the salary, on which a person referred to in paragraph (1) was employed immediately before the commencement of this Act, shall not be less favourable than those that applied to that person's office immediately before the commencement of this Act.

(3) For the avoidance of doubt, anything commenced under the repealed Act may be continued under this Act.

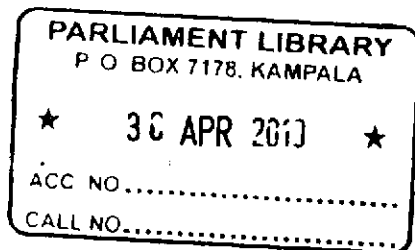
SCHEDULES

SCHEDULE 1

section 2

Currency Point

One currency point is equivalent to twenty thousand shillings.



SCHEDULE 2*section 20, 21(4)***Meetings of the Board.****1. Meetings of the Board.**

(1) The Chairperson shall convene the meeting of the Board as soon as is practicable after the appointment of the Board, and thereafter, the Board shall meet for the transaction of business at times and places that may be decided upon by the Board; and the Board shall meet at least once in every three months.

(2) The Chairperson or, in the absence of the Chairperson, a member appointed by the Board to act as chairperson may at any time call a special meeting of the Board, or shall call a special meeting upon a written request by a majority of the members of the Board.

(3) The Chairperson shall preside at all meetings of the Board, and in his or her absence the members present may appoint a member from among themselves to preside at that meeting.

2. Quorum.

The quorum for a meeting of the Board shall be seven members.

3. Decisions of the Board.

Questions proposed at a meeting of the Board shall be decided by a majority of the votes of the members present; and in the event of an equality of votes, the person presiding shall have a casting vote in addition to his or her deliberative vote.

4. Disclosure.

(1) A member of the Board who has any pecuniary interest in a matter being considered or about to be considered by the Board shall, as soon as possible after the relevant facts have come to his or her knowledge, disclose the nature of his or her interest to the Board.

(2) A disclosure of interest under subparagraph (1) shall be recorded in the minutes of the meeting of the Board.

(3) A member who makes a disclosure under subparagraph (1) shall not be present during any deliberation of the Board with respect to that matter.

(4) For the purpose of the determining whether there is quorum, a member withdrawing from the meeting or who is taking part in the meeting under subparagraph (3) shall be treated as being present.

5. Minutes of proceedings.

(1) The Board shall cause the minutes of all proceedings of its meetings to be recorded and kept.

(2) The minutes kept under subparagraph (1) shall be confirmed by the Board at the next meeting and signed by the chairperson of that meeting, unless a different procedure is adopted by the Board.

(2) The Chairperson shall submit to the Minister a copy of the minutes of each meeting of the Board as soon as such minutes have been confirmed.

6. Board to regulate proceedings.

Subject to this Act, the Board may regulate its own procedure or any other matter relating to its meetings.

CROSS REFERENCES

The Constitution of the Republic of Uganda, 1995.
The Public Finance Management Act, Act 3 of 2015.

