

**PARLIAMENT OF UGANDA**

**Thursday, 27 January 2022**

*Parliament met at 2.05 p.m. in Parliament House, Kampala.*

PRAYERS

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

*The House was called to order.*

COMMUNICATION FROM THE CHAIR

**THE DEPUTY SPEAKER:** Honourable members, I want to welcome you to this afternoon sitting. This is the first time we are sitting since the year began. As we approach the ninth month, since we were sworn in as Members of the 11th Parliament, I urge you to execute your roles as the people’s representatives with diligence and dedication as we continue to shape and reshape the future of this country. I want to welcome you back and wish you a happy new year.

Pursuant to Section 9(5) of the Public Finance Management Act, 2015 and Rule 144 of the Rules of Procedure of the Parliament, the Minister of Finance, Planning and Economic Development tabled the National Budget Framework Paper for the period 2022/2023-2026/2027 on 21 December 2021. This paper was referred to the Budget Committee and various sectoral committees.

Rule 145(2) of the Rules of Procedure requires sectoral committees to consider the National Budget Framework Paper and report to the Budget Committee not later than the 20th Day of January. I commend the sectoral committees that have tirelessly worked during this period to consider the National Budget Framework Paper. Thank you.

I saw Members here running up and down, busy in the sectoral committees. I commend you for that. Despite the COVID-19 situation in which we have been, we have managed to do that.

In pursuit of Rule 145(3) that requires the Budget Committee to scrutinise the National Budget Framework Paper and reports from the sectoral committees before reporting to the House not later than 1 February of a financial year, today, we shall consider the report of the Budget Committee on the National Budget Framework Paper.

In the same vein, I want to commend the Budget Committee - although they have not yet finished it - for making sure we meet the constitutional timelines. We should not be seen to be the first Parliament that has failed to meet it as per the provisions of the Public Finance Management Act.

Honourable members, as we strive to appropriate the budgetary resources in pursuit of balanced growth and national transformation, we need to be cognisant of the threat of COVID-19 that has, for the last two years, wrecked the economy. We should be cognisant of that and look at the challenges that we have gone through and consider them in whatever we are doing.

On a sad note, because of this COVID-19, most of our people have lost relatives. We have lost friends and colleagues, one of whom we paid tribute to this morning. We also lost one of our former colleagues who was with us in this House, hon. Gordon Arinda, the former Member of Parliament of Bushenyi-Ishaka Municipality. He was laid to rest and he died of this deadly disease.

Therefore, I still urge Members to be careful. Observe the SOPs. When you feel any slight difference in your body, kindly seek medical attention. I have got messages of even our Members of Parliament who have lost relatives. The hon. Maj. Gen. Jim Muhwezi has lost a sister. Most of us have lost relatives during this period. Let us rise and observe a moment of silence in memory of those who passed on.

*(Members rose and observed a moment of silence.)*

**THE DEPUTY SPEAKER:** Thank you. Honourable members, we have a congested Order Paper. How I pray that when we are debating, we go to the point. For matters of national importance, I have three people.

**MR SILWANY:** Thank you, Madam Speaker. As you may recall, about two weeks ago, a police officer in the name of Robert Mukebezi was shot at while on duty on a Sunday. Madam Speaker, you took it upon yourself and delegated me, on behalf of the Parliamentary Commission, to visit this police officer in hospital, which I did.

While there, we made a commitment to the officer, his family and Ugandans that when Parliament reconvenes, the first thing would be to request the Minister of Internal Affairs and the Minister of Security to explain this unfortunate incident. However, when I looked through the Order Paper, I did not see it.

Wouldn’t it be procedurally right for us, as we handle the congested business of today’s House, to invite the ministers concerned to give us a statement on this unfortunate incidence? The police constable was shot and he lost a leg. I beg to submit.

**THE DEPUTY SPEAKER:** Thank you, hon. Silwany. I watched the news that gave an account of a police officer who had been shot at while on duty by an army officer. I took it upon myself to check who this person was. What kind of impunity is this that an officer can shoot another? That is why I sent the Commissioner to the Hospital. He had an interaction with the family. I personally called them to check how the patient was. The gentleman that lost his leg is the breadwinner. His children have not gone to school. He is in hospital and it would be prudent enough for us to hear from Government on what happened and how far they have gone with the investigation. What is the way forward?

**MR SILWANY:** Thank you, Madam Speaker –

**THE DEPUTY SPEAKER:** What is it?

**MR SSEWUNGU:** Thank you, Madam Speaker -

**THE DEPUTY SPEAKER:** Is there a word in our Rules of Procedure called “before”?

**MR SSEWUNGU:** No. It is upon your discretion, Madam Speaker.

**THE DEPUTY SPEAKER:** Go ahead.

**MR SSEWUNGU:** I thank you and I greet you and the honourable members in the name of the Lord.

**THE DEPUTY SPEAKER**: Amen.

**MR SSEWUNGU:** Madam Speaker, as the minister comes, there are a number of issues with the army. Recently, we saw a senior journalist clad in an army uniform commanding the army in the DRC; all these are issues.

We have a number of National Unity Platform (NUP) supporters court-martialled for wearing a red beret. Recently, there was another soldier that knocked a civilian, again, in an army vehicle. All these issues rotate around the army. However, the issue of Andrew Mwenda wearing an army uniform to the extent of sitting in a chopper, yet he has never held an arrow and bow by himself, is unprecedented. He is supposed to be court martialled.

All those are issues we wanted the minister to respond to; to know why Mwenda is still at large when Kitalya Prison is full of NUP supporters for putting on a mere red beret, which is not in any way against the laws of this country.

**THE DEPUTY SPEAKER:** Hon. Ssewungu, I appreciate your concern. However, let the issue raised by hon. Silwany first be handled. It is about life. Somebody has lost a leg and the family is suffering. Let us first put that issue of the uniform aside. I did not see the uniform. If anybody saw the uniform, where did they report? Have you reported it to police? Give me the reference number.

**MR SSEWUNGU:** Madam Speaker, I have called the Army Commander and the Minister of Defence who is born in Kalungu *–(Interruption)*

**MR SSEMUJJU:** Madam Speaker, the commander for Operation Suja, Kayanja Muhanga, is Mwenda’s big brother. In a country where families conduct public affairs like family - because we have a Minister of Foreign Affairs but you saw the President dispatching his son to go to Rwanda to conduct foreign affairs.

Is hon. Ssewungu in order not to know that in this country if your brother is in charge of an operation, you become a deputy? If you are President, in matters of foreign affairs, you can send family members. Is he in order?

**THE DEPUTY SPEAKER:** Honourable members, this is a very serious matter. What hon. Ssewungu has said is very important. We want an explanation on what the commissioner raised.

In the same vein, an army truck knocked two girls. Those two girls were also amputated and one died. What do not we understand? That is what we need to understand. Government, can we understand what is happening? If you are saying the person is still at large, how difficult is it to arrest him? With the victim of the accident, we can imagine it was an accident. However, there is this one who picked a gun and shot a poor man while executing his duty. Can we get a statement from Government?

2.20

**MR ASUMAN BASALIRWA (Jeema, Bugiri Municipality, Bugiri):** Madam Speaker, I would like to thank you and to emphasise the issue raised by the commissioner. Perhaps the Government should consider that specific issue. They should consider addressing the issue of human rights violations in the broad sense, in this country.

I am a practising lawyer and every day the courts are being moved to issue orders of unconditional release of people who are being illegally detained. Courts are issuing orders directing that the people in police and army custody be subjected to medical treatment because of torture. The Kakwenza story is still fresh.

Madam Speaker, there is a big human rights problem in the country that the Governments should come and address over and above the army. We are only citing one aspect, which is very important, but Government needs to come out and address the issue of violation of human rights by security agencies at large. I beg to submit.

**MS OGWAL:** Thank you, Madam Speaker. We have a Committee on Human Rights. Usually, the committee report is laid on table and we are not given an opportunity to discuss it. If we take the trouble to read these reports individually, we will find that they are loaded with a lot of facts, which if discussed, could help us change some of the behaviours or the excesses of the soldiers; the military personnel.

I beg you, Madam Speaker, that we get an opportunity to discuss the Human Rights reports so that we can understand why the police abuse the rights of the people, whom they are supposed to protect. Why is the army behaving the way it does? Could there be some administrative problems? Maybe these people are not being properly facilitated; maybe they have welfare problems, which we need to address. If there are accommodation problems or family problems, we need to address all of them holistically.

Therefore, Madam Speaker, I beg the House to take time and study the Human Rights reports. I beg to submit

**THE DEPUTY SPEAKER:** Thank you, hon. Cecilia. I really do not think that if you are not facilitated and are not happy that you should go on rampage and just shoot anyone that you find on the road.

2.23

**THE GOVERNMENT CHIEF WHIP (Mr Thomas Tayebwa):** Thank you, Madam Speaker. This was a very unfortunate incident. I also saw it in the media. I would like to thank you for taking that personal initiative -

**THE DEPUTY SPEAKER:** Members, it is free sitting, so, do not squeeze yourselves. COVID-19 is still real.

**MR THOMAS TAYEBWA:** I would like to thank you, Madam Speaker -

**THE DEPUTY SPEAKER:** Keep social distance.

**MR THOMAS TAYEBWA:** I would like to thank you, Madam Speaker, for taking personal initiative in coming to the rescue of our fellow Ugandan. Madam Speaker, I request you to give us one week and we come and report back to the House, giving a comprehensive statement on the matter. I thank you.

**THE DEPUTY SPEAKER:** The report I would like from Government is on the action taken on the culprit and how far they have gone with the treatment of the person, compensation issues and the welfare of the family; that is the report that we need. We may not be able to get it in one day.

2.25

**MR GILBERT OLANYA (FDC, Kilak South County, Amuru):** Thank you, Madam Speaker. I am happy that you directed the Government on what is expected of them.

In addition, these days when we are moving along the road, police traffic officers are so fearful. When they realise that you are a Member of Parliament, they send us to air out their views. They say that dealing with the UPDF is becoming a tug-of-war. These days, army officers do not respect police officers at the checkpoints.  Whenever they come with their vehicles and the police take long to make way, they can even crush them on the way.

Madam Speaker, let the UPDF respect our police officers. The police officers are doing their duty on the road but the UPDF takes itself as the alpha and omega.

**THE DEPUTY SPEAKER:** You see, what you are saying is hearsay. However, the truth is that these people must be brought to order. I will not take what you have said because it is hearsay. However, I am also afraid because anything can happen, but these people should be brought to order.

**MR CHEMASWET:** Thank you.

**THE DEPUTY SPEAKER**: First, introduce yourself.

**MR CHEMASWET:** Thank you, Madam Speaker. This is Chemaswet Kisos,MP for Soi County. Thank you, hon. Gilbert Olanya for accepting information.

Madam Speaker, the rights of a soldier are in the barracks. The rights of the UPDF are not within the civilian life. That is why the issue of military officers who are not police dressed in uniform within or among civilians is not acceptable at all.

The question of social media should not be part of the UPDF especially *Twitter* accounts, *Facebook*; military officers should not be managing those accounts at all. We have the UPDF spokesperson, who should be managing the affairs of the UPDF.

A precedent has been set whereby other military officers are reading accounts of senior military officers violating the rights of civilians and speaking recklessly about the affairs of the army - we must desist from this. In fact, it will spoil the army if every other person makes comments pertaining to the military.

Senior officers must cease from this –*(Interruption)*

**MR OKUPA:** Madam Speaker, the honourable member is talking in parables. He is talking of the army officers on *Twitter*, social media; can he be specific? Is he in order to just speak in tongues and spoiling the name of the army in general without pinpointing those on social media or *Twitter* when they are not supposed to be there? Is he in order?

**THE DEPUTY SPEAKER:** I am not sure whether he is the right person to do that because he is a deserter himself. *(Laughter)*

Government, this is a very serious matter; it concerns all of us. Please, give us a response.

**MR SILWANY:** Madam Speaker - I do not always do this, but I want to seek clarification from the Government Chief Whip. When you delegated me to go to the hospital and see this family, I realised that it was only you who had sent contribution for treatment to this family.

The clarification I want to seek from the Government Chief Whip is; from the time this person was shot, what has the Government done? Sincerely speaking, it is now coming to three weeks - and because we were in recess.

Of course, the Government Chief Whip is asking for a week. However, before you ask for a week, what has the Government done so far so that we know, as Parliament, that we are moving on the right track? To be on record, it is only the Deputy Speaker who sent a small package from her personal - and I want to really thank you for this. To the hospital, what has Government done?

2.31

**THE GOVERNMENT CHIEF WHIP (Mr Thomas Tayebwa):** Madam Speaker, I do not want to go into speculation where a colleague is pushing me. I have requested for one week and in one week, he will get all the information he needs.

**THE DEPUTY SPEAKER:** Honourable Government Chief Whip, as you report in one week, I know you are humane, kindly pass via Victoria Hospital and check on that young man. Thank you.

2.32

**MR TOM AZA (NRM, West Moyo County, Moyo):** Thank you very much, Madam Speaker and my dear colleagues. *(Interruption)*

**THE DEPUTY SPEAKER:** There is a procedural matter. I am about to nickname –*(Laughter)*

**MR SSEMUJJU:** Madam Speaker, you did promise this Parliament that you would follow the matter of our two colleagues who are in jail.

I remember, the late Abu Mayanja was jailed by former President Milton Obote and he did not allow him to get out. The two colleagues - I have visited them as well as many other colleagues have. We were promised a speedy trial and that evidence was available but they are not being tried. You have spoken about issues of COVID-19.

Madam Speaker, since you, personally as our leader, promised that you would follow their matter and brief Parliament; I am wondering whether it would not be procedurally right for you, since you made an undertaking, to brief us on their fate.

We have had MPs arrested before and Parliament intervenes, probably we will have MPs arrested tomorrow and will need Parliament to intervene. That is the procedural issue I am raising, Madam Speaker.

**THE DEPUTY SPEAKER:** Thank you. We communicated both in writing and verbally to the President on the issue requesting for a speedy trial of the Members since they could not be given bail. From that time, we do not have any feedback.

I am going to once more make a follow-up and I will give you feedback. I will also ask the Attorney-General, who is the legal advisor to the Government, to be here to give a report on that.

However, we have done our best; we wrote and we communicated but there is some information that we have shared with their lawyers on our findings, which we cannot discuss here.

In the next sitting, we will ask the Attorney-General to come and give the House feedback on that. *(A member rose\_)*

On the same? No, I am talking about my two Members. Okay.

2.35

**MR ASUMAN BASALIRWA (JEEMA, Bugiri Municipality, Bugiri):** MadamSpeaker, I would like to thank you for the effort in trying to seek freedom for our colleagues. Again, this should go beyond our two colleagues; hon. Ssegirinya and hon. Ssewanyana. They are part of us and they are entitled to all their rights.

Perhaps, as the Attorney-General and the Government address this issue, there are many people languishing in prisons. They have been remanded and some have been there for five, eight or 10 years.

Hon. Ssemujju and I are fortunate to have been political prisoners in Luzira Maximum Security Prison. When we were there, there were people we left there many years ago and they are still there. I represent Muslims who were arrested from Bugiri and other parts of the country. Those Muslims up to now, have never been brought to court even for the mention of their cases. Therefore, it is a serious problem that goes beyond our colleagues.

Madam Speaker, in your request to the Attorney-General and the Government, let them explain this idea of arresting people without evidence and then, investigating later because it undermines our criminal justice system. We cannot be a country that arrests people and then looks for evidence after the arrests. Yet, you keep people on remand between five or 10 years. By the time they are released, their lives are shattered.

**THE DEPUTY SPEAKER:** Hon. Basalirwa, that will be answered by the Attorney-General when he comes. I am going to give him the information and he will explain to this House. He is the legal advisor to the country. He ought to know the law more than anybody else and he will be able to do that. Maybe, what we need to do is to just put down what we need him to respond to and then forward it to him. Is that okay?

2.37

**THE LEADER OF THE OPPOSITION** **(Mr Mathias Mpuuga):** Thank you, Madam Speaker, for the indulgence. The subject matter of rights and arrests easily brings this House into a kind of “cold”. With your indulgence, I beseech you to give the Attorney-General timeline to report to the House. I tabled on the Floor of this House a list of citizens that have disappeared for more than a year and a list of citizens that have never been produced in any court for more than a year. Those that were produced in an arbitrary court, somewhere in somebody’s house and remanded in various prisons, are all on the record of this Parliament.

At the beginning of this Parliament, the Rt Hon. Speaker promised this House to have a debate on the Uganda we want to see for the coming years. Probably, this debate may not arise soon. Let me say this in a minute.

Madam Speaker, there is a political contest in this country; this country and the contest attendant is legitimate. The ruling party was elected to settle the contest by arresting, detaining and torturing those opposed to it, as a way of settling the contest. As Members of Parliament, we must express our position on this subject because we are either beneficiaries tasked to direct from the torture, the illegal arrest and detention of citizens without being produced in court, and therefore, we shall continue being part and watch, and then ask people to come here and make flowery statements and we go home.

The Attorney-General should come and inform us of the position of the ruling party, in settling the political question in this country. Every day NUP supporters are arrested countrywide. Two weeks ago, three NUP supporters were picked from Kasese District and they are not known to be in any prison or court. They were taken by men in uniform. These are very chilling stories.

On my side, we are ready with a motion to the House. I want to put the House on notice to investigate the abuse of people’s rights in this country over the last two years and then, we can give people a platform to come and express their grievances in the face of a state apparatus, that is unable to confront a political question but has chosen to settle it using the military. The citizens eventually can decide the fate of this country. I so submit.

**THE DEPUTY SPEAKER:** Thank you, the Leader of the Opposition. Definitely, we will have that moment of brutal truth and honesty, one day, in this House. We will talk and heal ourselves.

The Government Chief Whip, the Attorney-General should report to the House with the issues raised in two weeks’ time. I know why I am saying two weeks; he is not in the country. Can I have hon. Aza?

2.42

**MR TOM AZA (NRM, West Moyo County, Moyo):** Thank you very much, Madam Speaker. I rise on an urgent matter of national importance. The issue is about the decision by Uganda National Roads Authority(UNRA) and Ministry of Works and Transport to conduct a major mechanical maintenance on the current Laropi Ferry, connecting Adjumani, Moyo, Obongi, Yumbe, Congo and South Sudan for communication.

As I talk, we have already received letters from the Ministry of Works and Transport to the effect that the ferry has to be grounded so that it can be mechanically maintained. Madam Speaker, there was a time when the Obongi ferry was also suspended from operating. This affected traffic flow between Adjumani, Arua, Congo as well as South Sudan. Therefore, the suspension of the operation of these two ferries have affected the whole West Nile subregion up to Sudan and Congo. This is bound to paralyse business as well as trade in these areas. What is the implication of this?

First, Madam Speaker, the ferry is like a bridge and once there is no bridge, of course, there will be no communication and business.

Secondly, Moyo General Hospital normally refers emergency patients to St Mary’s HospitalLacor, others to Kampala and of course, some to various hospitals within Kampala as well as Mulago National Referral Hospital.

Thirdly, we are hosting refugees. As you are aware, the traffic flow there is very dense such that, if the ferry is suspended at this material time, our refugees are going to face problems.

We have been given an alternative route via Arua, which is over 1,000 kilometers to Kampala. How can we come up with this?

**THE DEPUTY SPEAKER:** What are your prayers?

**MR AZA:** My prayers are:

If the Ministry of Works and Transport or UNRA wants to service our ferry, then they should bring an alternative ferry to replace the one that is going to be repaired.

I know there is already an arrangement where there is going to be the building of a bridge at Laropi in Moyo District. Therefore I request the Minister of Works and Transport to fast-track the procurement process for the construction of this bridge so that we are able to move and communicate. Thank you very much, Madam Speaker.

**THE DEPUTY SPEAKER:** Government -

2.44

**THE GOVERNMENT CHIEF WHIP** **(Mr Thomas Tayebwa):** I appreciate the issue raised by my colleague, hon. Tom Aza. I appreciate the fact that he has brought out that the ferry is being taken for repair – which is to improve safety – because the moment we continue with a ferry which is not in safe conditions, we might have a catastrophe.

Madam Speaker, I am going to liaise with the minister responsible for works to see if we can have an alternative. However, I also understand that, that ferry is fairly new and it will not take long to be repaired. I am going to refer the issue so that we report back on it on Tuesday next week.

**THE DEPUTY SPEAKER:** Thank you. Give us feedback on Tuesday.

2.46

**MR ROBERT MIGADDE (NRM, Buvuma Islands County, Buvuma):** Thank you, Madam Speaker. I rise on a matter of national importance and these concerns the increasing cases of piracy on Lake Victoria. I represent a fishing community. Since the beginning of December last year, 62 boat engines have been stolen from Buvuma alone and I know the case is not any better -

**THE DEPUTY SPEAKER:** Hon. Tinka, I want the Government Chief Whip to be attentive.

**MR MIGADDE:** The case is not any better as far as Namayingo, Kalangala and the other island districts are concerned. A boat engine is Shs 10 million so, 62 engines in one district is over Shs 600 million. We continue to encourage our people to use the acceptable fishing methods but there is no way we shall push this forward when whatever they buy is being picked from them. These people nowadays even pick fuel. They come in a big boat and go on picking fuel from every boat, leaving them floating.

I contacted the police in the district and region and they said they do not have capacity to respond to the issues on the lake.

Madam Speaker, it is the cardinal role of Government to protect people and their property.

I call upon the Ministry of Internal Affairs to brief this Parliament on the steps our people should take and what Government is undertaking to ensure safety of their property.

In the past, such things happened and the community worked out a formula to do patrols themselves. However, since the fisheries protection force entered the lake, they disbanded all these initiatives. My prayer is that Government briefs this Parliament on how and when they are going to ensure that this stops.

Madam Speaker, my last prayer is that previously, you have given directives to the ministers and some appeared six months later to bring statements here. If we go that way, our people will lose more. I appeal that you direct, with a timeline, so that the relevant minister can come and brief Parliament.

I so pray.

2.49

**THE GOVERNMENT CHIEF WHIP (Mr Thomas Tayebwa):** Madam Speaker, hon. Migadde made a clear prayer; that the minister comes here and briefs the House and I am going to ensure that it is done in a week’s time.

2.50

**MS CECILIA OGWAL (FDC, Woman Representative, Dokolo):** Madam Speaker, we have entered a new year and I am sure that all of us, in our individual capacities, worked on our new year’s resolutions and I believe that Members of the Cabinet did the same.

Madam Speaker, we seem to be going through the same situation we faced in 2021 when the ministers – although we increased the number of ministers and I am one of those who uncomfortably supported the motion to increase the number of ministers.

We would want our Government Chief Whip to remain alive. He is now holding the docket of very many ministers. A human being cannot manage – for every situation, it is the Government Chief Whip!

The same thing happened with hon. Ruth Nankabirwa and we rebuked her on the Floor of Parliament that since every minister earns a salary; why should you come and work for them?

I am seeing it happening now with our new whip. We have all worked on our new year’s resolutions and would like the Cabinet ministers to give us some good impression that they have changed –*(Interruption)*

**MR SSEWUNGU:** Thank you, hon. Cecilia, for giving way. I managed to attend meetings of the Committee on Budget when we were passing supplementary for different ministries and entities. These ministers were coming there in full numbers. The ministers of education, apart from the First Lady, were all there. We had the ministers of finance, defence, trade, energy – all of them were there, apart from the Government Chief Whip.

The information I would like to give is that when it comes to money, they are alive and kicking and when it comes to parliamentary work, there is nothing but outside there, their vehicles and lead cars are full of sirens, making noise.

Ministers are not supposed to have right of way but we give them way and we suffer within vehicles. Their policemen push us off the roads yet the right of way is for you, Madam Speaker, and some few people.

My brother here was there for a supplementary. Why do you come for a supplementary but after the money, you refuse to carry out your job?

**MS OGWAL:** Thank you for the information.

**THE DEPUTY SPEAKER:** Can you conclude on that?

**MS OGWAL:** My neighbour had some urgent issue.

**MR BASALIRWA:** Madam Speaker, I am a member of the Appointments Committee and the information I would like to give is that there as an undertaking from these ministers, who appeared before the committee. For whoever came to be approved, there was a concern on attendance of Parliament and they all undertook to behave. Unfortunately, they seem to have reneged on their undertaking.

The information I would like to give is that these ministers have now turned out to be untruthful because they have reneged on their undertaking. When they were before the Appointments Committee, they were humble and said that they would be coming to the House all the time.

**MS OGWAL:** Thank you. Madam Speaker, the information I would like to add to my submission is that, who are the people’s ministers? When you look at them, they are the same. Henry who was ours, hon. Nankabirwa, hon. Bahati, our former Minister of Internal Affairs and Obua – they are the same. Where are the others? These are the people’s ministers. Madam Speaker, we must come up with a performance assessment of these ministers and the President must listen to us.

**THE DEPUTY SPEAKER:** Members, the issue has been taken note of. Hon. Tayebwa, it is really a fact that we need ministers in the House. One time when I walked out of here because there were no ministers – and I want you to listen to this – it is the same ministers who went running to Cabinet, saying I was mistreating them. Instead of coming to defend - there is a Budget Framework Paper for their ministries - you are in an air-conditioned office. Next item.

BILLS

FIRST READING

THE SUPPLEMENTARY APPROPRIATION (NO. 4) BILL, 2021

**THE DEPUTY SPEAKER:** There is a procedural matter.

**MR SSEMUJJU:** Madam Speaker, in our rules, the attendance of ministers in Parliament – at least Rule 50 – is mandatory. Generally, in our rules, matters of urgent attention are not supposed to be brought back. They are supposed to be responded to immediately.

When you look at our Order Paper, for example item 9, you realise that it has responses by ministers to urgent questions, yet urgent questions are supposed to be responded to instantly.

So, the procedural issue I am raising – because this touches our work and performance as an institution - we come here with a very big Order Paper that has matters that are supposed to have been dealt with.

I sympathise with hon. Tayebwa - and I have said it many times and this is what hon. Bahati used to do - for every matter, it is like they have to go and inform others. Today, his work has been to take notes on behalf of others, “They will come, they will come, they will come.”

So, Madam Speaker, the procedural issue I am raising, after citing the rules, is whether this Parliament must not take a stand on the attendance of ministers when our rules say that they must attend House. The word actually is “shall.”

**THE DEPUTY SPEAKER:** The Government Chief Whip has taken note of that and next time, Parliament must take a position on this matter. We must take a position on whether we need ministers in the House or not. You get it? The rules are very clear.

BILLS

FIRST READING

THE SUPPLEMENTARY APPROPRIATION (NO. 4) BILL, 2021

2.58

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, I beg to lay on the Table, the Supplementary Appropriation (No.4) Bill, 2021. I beg to lay. It is accompanied by the Certificate of Financial Implication.

**THE DEPUTY SPEAKER:** Is it for 2021 or 2022?

**MR HENRY MUSASIZI:** Sorry, Madam Speaker. There is a small anomaly, which I need to correct. This is a Bill, which I am supposed to read for the first time –*(Interjection)*- Yes.

Madam Speaker, I beg to move that the Bill entitled, “The Supplementary Appropriation (No. 4) Bill, 2021” be read for the first time.

**THE DEPUTY SPEAKER:** Is the Certificate of Financial Implication attached?

**MR HENRY MUSASIZI:** Madam Speaker, the Bill is accompanied by the Certificate of Financial Implication, which I beg to lay on the Table too. Thank you.

**THE DEPUTY SPEAKER:** Is it seconded? Okay, the Bill is seconded and it is hereby referred to the Committee on Budget, under Rule 129 of the Rules of Procedure.

3.00

**THE LEADER OF THE OPPOSITION (Mr Mathias Mpuuga):** Thank you, Madam Speaker. On 29 September 2021, two supplementary appropriation Bills were laid in the House, namely: Supplementary Appropriation (No. 2) Bill, 2021, which pertained to supplementary expenditure approvals for Financial Year 2018/2019 and Supplementary Appropriation (No. 3) Bill, 2021, which pertained the expenditure approvals for Financial Year 2019/2020.

Madam Speaker, it has been four months since they were laid with no reports being made to this House. This is contrary to Rule 129 of our Rules of Procedure.

Today, the Minister is laying No. 4 yet we have no report on No. 2 and No. 3, in utter contravention –

**THE DEPUTY SPEAKER:** When was No.2 and No.3 laid?

**MR MPUUGA:** On the 29th of September. Madam Speaker, a related matter is that the Auditor-General already closed off and reported to Parliament, regarding Financial Years 2018/2019 and 2019/2020 when the appropriation process was still incomplete.

Until a report is brought to the Floor, the process is incomplete but the Auditor-General has already reported on those two financial years.

Madam Speaker, this raises issues regarding the implications of the Bills when passed by Parliament, given the fact that we are now on Financial Year 2021/2022, which the Minister has presented.

Madam Speaker, the procedural matter, specifically under rule 43, is whether it would not be procedurally right that the Chairperson of the Committee on Budget briefs the House on the status of the two Bills and the implications they would have when passed or rejected by Parliament. Remember, we are in a new financial year. The 4th appropriation is being laid; No.2 and No.3 have never been reported on.

Madam Speaker, are we proceeding right? Is the Ministry of Finance alive to this procedural anomaly that has the potential of descending us into procedural illegality as a House?

3.03

**THE MINISTER OF ENERGY AND MINERAL DEVELOPMENT (Ms Ruth Nankabirwa):** Thank you very much, Madam Speaker. I thank hon. Mathias Mpuuga for the pertinent issues he has raised.

Madam Speaker, I thought that when this Bill is tabled for first reading, the relevant committee will process it, see whether the issues, for example, that have been raised by the LOP, cannot be raised thereto.

When the Minister appears with his team to interface with the committee, that committee should come here with a report and probably at Committee Stage or at the Bill’s second reading, wouldn’t it be procedurally okay to move along that line? The committee receives this Bill and then, brings the report. I am just seeking your guidance.

**THE DEPUTY SPEAKER:** What hon. Mpuuga is saying is the correct position. However, the committee had some unavoidable circumstances that they reported to us on what was happening. And maybe the chairman can say a word but we regret the unavoidable circumstances.

You know, what we have been going through, there are some people who could not even come near each other, you know what was happening. However, now that we are able to recollect ourselves, the report is going to be presented. We should be able to give them a timeline now that they are even finishing the Budget Framework Paper, just bear with us.

3.05

**MR ELIJAH OKUPA (Independent, Kasilo County, Serere):** Madam Speaker, maybe, before the chairman responds - because we have also been getting complaints from the entities that we passed money under the supplementary that apart from the two supplementary budgets that we passed here; that apart from Statehouse, they have never received the money. Yet, at that time, they were showing us their sources of funding, for the supplementary. Maybe the minister or the chairperson can comment on that.

**THE DEPUTY SPEAKER:** Members, let us try to move faster. Money can only be given when it is available. You cannot give what you do not have but the money will be available. Let me hear from the chairperson. I have apologised for and on behalf of the institution - just make a clarification.

**MR MPUUGA:** Thank you, Madam Speaker. Well, as I can understand the circumstances of the committee, I cannot understand the failure of the Minister of Finance to understand the implications of a reported-upon financial year, by the Auditor-General, by simply proceeding to the House without even asking what became of the former Bills, the two Bills, two and three, to which you are a supervisor.

Therefore, as the committee has business to transact, I thought the minister would take responsibility too as the supervisor of this entity to ask for these reports and have resisted coming to the Floor of Parliament with a backlog. Because what is the implication of us deliberating upon four when two and three are already pending?

Remember the danger is that the Auditor-General reports close the financials when there is unfinished business. Therefore, probably, a comment by the minister would also help us know how to proceed because I can already see a very serious flow in the way we are processing this business. We need assurance from the minister whether he actually understands what we are doing.

3.08

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Thank you, Madam Speaker. I spent some time with hon. Mathias Mpuuga in the Public Accounts Committee. I, therefore, clearly understand and appreciate what he is talking about.

Madam Speaker, sometimes, from these debates, we pick lessons which can help this House in future. And also like he says, when the Auditor-General does his reports, we normally use his recommendations to improve systems and methods of work. How I wish that as you have guided, we take this as a lesson and going forward, we do things differently. I beg to submit.

**THE DEPUTY SPEAKER:** Thank you. You have learned your lesson. And it is not about a winner or loser; it is about the learning process and how we correct our processes and correct each other. The Budget Committee, you should also take note of that.

BILLS

FIRST READING

THE ELECTRICITY (AMENDMENT) BILL, 2022

**THE DEPUTY SPEAKER:** Honourable Minister of Energy and Mineral Development.

3.10

**THE MINISTER OF ENERGY AND MINERAL DEVELOPMENT (Ms Ruth Nankabirwa):** Thank you very much, Madam Speaker and colleagues. I beg to move that the Bill entitled, “The Electricity (Amendment) Bill, 2020” be read for the first time. I have the certificate of financial implication.

**THE DEPUTY SPEAKER:** Please, lay it.

**MS NANKABIRWA:** I would like to lay it on Table.

**THE DEPUTY SPEAKER:** The Bill stands referred to the Sectoral Committee on Natural Sources in accordance with rule 129. Is the Bill seconded? *(Members rose\_)* It is seconded by hon. Rita, hon. Solomon, Dr Nekessa, hon. Ssewungu, hon. Bahati, hon. Obiga, hon. Cheptoris and hon. Kalwanga. So, the Bill is referred to the Committee on Natural Resources.

MINISTERIAL STATEMENT ON THE FUEL CRISIS IN THE COUNTRY

**THE DEPUTY SPEAKER:** Members, have you got the document on your iPads? Is it uploaded? I will strictly allow you to debate this for only 20 minutes. If you want more time, I am making a request; if you want more time, then we defer it to Tuesday. We have a constitutional debt to pay and this is a very crucial thing that we must handle with care.

We have the Charter of Fiscal Responsibility now and we have the Budget Framework Paper that we must finish today. So, if Members want to debate this issue of fuel crisis, which has affected everybody, then we defer it to Tuesday. If you want to debate, I will give you 20 minutes.

**MR SSEMUJJU:** We can have it presented and as you have guided, have limited debate and if you allow, we continue the debate next week.

**THE DEPUTY SPEAKER:** Can we have it uploaded? Read it and then we debate it on Tuesday?

3.13

**MR BARNABAS TINKASIIMIRE (NRM, Buyaga West County, Kagadi):** Madam Speaker -

**THE DEPUTY SPEAKER:** Hon. Tinkasimire, you came on a bicycle. Where is it?

**MR TINKASIIMIRE:** Whereas we agree with the ruling, Madam Speaker, that she can make a presentation and we do the debate, we would also pray that as we wait for the debate on Tuesday, critical decisions be taken because the issue of fuel is adversely affecting the economy of this country in every sector. If we keep saying, “We postpone,” Ugandans are becoming very desperate, including us Members of Parliament. The other day, I had to ride a bicycle to come to work. I would not want to continue riding a bicycle and I am knocked by these people who have lead cars – *(Interjections)* - No, I will be knocked by these people. *(Interruption)*

**Mr olanya:** Thank you, hon. Tinkasiimire. The information I would like to give to the House is that currently in the villages, there are no bars of washing soap. Right now, the price of a bar of soap in my district is Shs 10,000. Madam Speaker, the scarcity of fuel is affecting everything in this country -

**The Deputy Speaker:** Hon. Gilbert Olanya of Kilak –

**Mr olanya:** Yes, Madam Speaker.

**The Deputy Speaker:** Can you have a seat.

**Mr olanya:** Thank you.

**The Deputy Speaker:** I made a ruling that the report will be presented, debated upon and resolutions arrived at on Tuesday. For now, I am the chairperson. Can we go to the next item?

Motion for adoption of the report of the Budget Committee on the charter of fiscal responsibility and Economic and Fiscal Update for the financial yearS 2021/2022-2025/2026

**The Deputy Speaker:** Honourable members – hon. Nankabirwa, we are in the House. Honourable members, section 4 of the Public Finance Management Act, 2015 provides for the development of a National Fiscal Policy based on the number of principles, which include:

 Sufficiency in revenue mobilisation to finance Government programmes,

Maintenance of prudence and sustainable level of public debt,

Management of fiscal risk in a prudent manner,

Efficiency, effectiveness and value-for-money in expenditure, and

Consistency in the medium-term expenditure framework in the National Development Plan, among others.

The Charter of Fiscal Responsibility, therefore, is a Government strategy to ensure that the fiscal balances and total public debt level are sustainable over a medium-term and long-term.

Section 5 of the Public Finance Management Act, 2015 requires the Minister of Finance, Planning and Economic Development to table a Charter of Fiscal Responsibility for parliamentary approval - that is what we are doing today - within three months after the first sitting of Parliament after the general elections. We are late on that. We do apologise.

On 9 September 2021, the Minister of Finance tabled the Charter of Fiscal Responsibility and it was referred to the Committee on Budget in compliance with the Rules of Procedure of Parliament of Uganda.

Given the import of the Charter of Fiscal Responsibility, it is prudent that the House considers the prior consideration of the National Budget Framework Paper so that we can ensure that the National Budget Framework Paper is consistent with the charter. That is why we are looking at the charter before the Budget Framework Paper.

Accordingly, I invite the chairman to present the committee report on the Charter for Fiscal Responsibility.

3.20

**The DEPUTY chairperson, committee ON budget (Mr Wamakuyu Mudimi):** Thank you, Madam Speaker for the opportunity. Since this is the first sitting of the year, Happy New Year, everyone.

The Charter for Fiscal Responsibility, which is referred to as CFR and the Economic and Fiscal Update, which is abbreviated as EFU were presented in the House on 09 September under section 5(5) of the Public Finance Management Act (PFMA), 2015. It was referred to the committee.

Background

The Charter for Fiscal Responsibility sets a framework for economic management in order to attain socio-economic transformation while maintaining macroeconomic stability. The purpose of this charter is to enhance credibility, predictability and transparency for financial fiscal policy. The charter fosters fiscal responsibility through numerical fiscal rules or objectives based on the following principles set out in section 4(2) of PFMA. The Speaker has elaborated on that.

To support the socio-economic transformation agenda while ensuring macroeconomic stability and the fiscal sustainability during the period for the Financial Year 2021/2022 to the Financial Year 2025/2026, Government has proposed to adopt the following measurable fiscal objectives:

Public debt in nominal terms is reduced to below 50 per cent of GDP by the Financial Year 2025/2026 as shown on the table. This charter was uploaded. I hope Members are all there. If you look at that small table, nominal debt to GDP in the Financial Year 2021/2022 is 52.7 per cent, Financial Year 2022/2023 is 53.1 per cent, Financial Year 2023/2024 is 52.4 per cent, Financial Year 2024/2025 is 51.2 per cent and Financial Year 2025/2026 is 49.3.

The overall fiscal balance, including grants should gradually adjust to a deficit of not exceeding three per cent of GDP by 2025/2026 as shown. It has indicated an overall fiscal balance including grants. Financial Year 2021/2022 is -6.4 per cent, Financial Year 2022/2023 is -5.4 per cent, Financial Year 2023/2024 is -4.6 per cent, Financial Year 2024/2025 is -4.2 per cent and Financial Year 2025/2026 is three per cent.

A maximum of oil revenue worth 0.8 per cent of the preceding year estimated non-oil GDP outturns shall be transferred to Petroleum Fund for budget operation. The balance shall be transferred to petroleum revenue investment reserve for investment in accordance with PFMA 2015 as amended. It is important to note that the charter takes into consideration the start of commercial oil production in 2024/2025.

Therefore, the measurable fiscal objectives are mindful of the existence of petroleum revenues in the medium term fiscal framework.

Methodology

Members, you can read that. We adopted a methodology. We looked at documents such as:

The Public Finance Management Act (as amended), 2015;

National Development Plan III (NDP III);

The East African Monetary Union Protocol, 2013;

Public and other Financial Liabilities Management Framework Financial Year 2018/2019 to 2020/2023;

Medium-term Debt Management Strategy for Financial Year 2021/2022;

Domestic Revenue Mobilisation Strategy for Financial Year 2019/2020 to 2023/2024;

The Opposition Response to the Charter for Fiscal Responsibility (CFR) September 2021;

Stakeholders consulted included:

The Minister of Finance;

Bank of Uganda;

National Planning Authority;

Economic Policy Research Centre;

Civil Society Budget Advocacy Group; and

The Office of the Leader of the Opposition.

Performance of the First Charter for Fiscal Responsibility for the period Financial Year 2016/2017 to 2020/2021

The measurable fiscal objectives of the first charter include:

Objective One: The Government fiscal balance coding grants should be reduced to a deficit of not greater than 3 per cent of GDP by 2020/2021.

Objective two: Public debt in net present terms is maintained below the 50 per cent GDP, of which, net present value of external data is maintained below 30 per cent of GDP and a net present value of domestic debt is maintained below 20 per cent.

The committee observed the following:

An assessment of fiscal outturn against fiscal target indicates deviation from the proposed CFR. At the end of the Financial Year 2020/2021, the fiscal deficit (including grant) was Shs 14,563.6 billion, equivalent to 9.8 per cent of GDP, while the present value of public debt was reported at Shs 33,362.55 billion, equivalent to certain $39.38 of GDP. This indicates that only objective two of the first charter was met. The table highlights that because the deficit went beyond.

The fiscal deficit expanded from 7.1 in Financial Year 2019/2020 to 9.8 in Financial Year 2020/2021, following the outbreak of the COVID-19 pandemic. This was driven by revenue shortfalls caused by a slowdown in economic activity and increased fiscal expenditure required to meet the impact of the COVID-19 crisis. Members, you can read table one and look at it.

The fiscal deficit over the first charter period was substantially financed through increased external and domestic borrowing. The present value of external and domestic debt, as a percentage of GDP grew from 14.4 per cent and 12.7 per cent respectively in Financial Year 2016/2017 to 22.5 per cent and 16.8 per cent respectively in Financial Year 2020/2021.

A fiscal deficit financed by domestic borrowing has a huge implication on costs of doing business due to its effect of crowding out of the private sector in the credit market and consequently lead to high interest rates or higher cost of capital. It is well known that one of the bottlenecks to the development of the private sector is limited access to and the cost of capital. Therefore, domestic borrowing should be discouraged.

Members, look at the summary of fiscal operations from Financial Year 2016/2017 to Financial Year 2020/2021, in table two. In table three, look at the financial physical operations for the same period of the Financial Year 2016/2017 and Financial Year 2020/2021

Committee observations and the recommendation on the Charter of Fiscal Responsibility for Financial Year 2020/2021 to Financial Year 2025/2026

Compliance with legal framework

Submission of CFR to Parliament

Section 5(1) of the Public Finance Management Act, 2015 requires the CFR to be submitted to Parliament not later than three months after the First Sitting of Parliament, following the general elections. The First Sitting of the 11th Parliament was held on 24 May 2021 and the CFR was submitted on 9 September 2021; 16 days after splitting time.

The committee sought an explanation from the Minister of Finance on this anomaly and the minister provided an explanation to the committee.

The committee recommends that in accordance with section 78(1) of the Public Finance Management Act, 2015, the Minister responsible for Finance should also make a report to Parliament on failure to meet the requirement of the Public Finance Management Act, 2015.

 Period of the CFR

Section 5(1)(a)(i) of the Public Finance Management Act, 2015 stipulates that the CFR shall provide a statement indicating measurable objective for fiscal policy for a period not less than three years, of which, are consistent with principles set out in section 4 of the Public Finance Management Act (as amended), 2015.

The committee observes that the CFR is specified for a period of five fiscal years; 2021 to 2022, 2025 to 2026. Therefore, it is consistent with the law.

Methodology to be used to measure performance

Section 5(1)(a)(ii) of the Public Finance Management Act, 2015 stipulates that a CFR shall provide an explanation of the methodology to be used to measure the performance of the Government against the fiscal policy objectives required in subsection (1)(a)(i).

The committee observes that Chapter Four of the CFR provides an explanation of the methodology to be used to measure the performance of the Government against the fiscal policy objectives.

Sources of data

Section 5(1)(a)(iii) of the Public Finance Management Act, 2015 stipulates that the CFR shall provide a list of the sources of data to be used to report the development against fiscal objectives required in subsection (1)(a)(i).

The committee observes that Chapter Five of the CFR provides for the sources of data for monitoring the performance of the fiscal, measurable objectives in this charter. Therefore, it is consistent with the law.

Macroeconomic and fiscal projections

Section 5(1)(a)(iv) of the Public Finance Management Act, 2015 stipulates that the CFR shall provide a demonstration of how the fiscal objectives set under subsection (1)(a)(i) are consistent with the principles set out in section 4 using macroeconomic and fiscal data, assumptions and projections provided in the economic and fiscal update referred in subsection (1)(b).

The committee observed that the economic and fiscal update provides the macroeconomic and fiscal projections for the five-year period of the CFR.

Format of the CFR

Section 5(7) stipulates that the CFR shall be in the format provided in Schedule 2 of the Public Finance Management Act, 2015.

The committee observed that the CFR has been provided in the format prescribed in the Public Finance Management Act, 2015 and, therefore, compliant with the law. Members, you can read the format and all that is included.

Consistency with the National Development Plan (NDP) III

The overall goal of NDP III’s macroeconomic management is to accelerate and sustain inclusive economic growth, while maintaining macroeconomic stability and debt sustainability. The macroeconomic objectives underpinning the strategy include, among others;

 Pursuing a prudent fiscal policy with the aim of supporting macroeconomic stability consistent with regional and domestic fiscal rules. This includes a ceiling on debt-to-GDP of 50 percent in present value terms and a gradual achievement of a fiscal deficit of three per cent by Financial Year 2024/2025.

Domestic revenue annual growth of 0.5 per cent of GDP.

The committee observed that the two fiscal objectives of the CFR –

total public debt in nominal terms is reduced to below 50 per cent of GDP by the Financial Year 2025/2026 and

the overall fiscal balance, including grants, should gradually adjust to a deficit of not exceeding three per cent of GDP by Financial Year 2025/2026 – are, in principle, consistent with the NDP III.

However, the CFR fiscal deficit target of - 4.2 per cent in Financial Year 2024/2025 is not consistent with the NDP III and EAC convergence criteria target of - 3 per cent by Financial Year 2024/2025. This raises implications on implementation of the NDP III. This could, therefore, imply that NDP III is reviewed in line with CFR.

Revenue mobilization

The committee observed that Uganda has implemented a wide range of tax and non-tax reforms, which were meant to form the foundation for stronger revenue outcomes. These reforms, together with compliance initiatives, have resulted in increase in revenue-to-GDP growth from 11.9 per cent in Financial Year 2016/2017 to 13.3 per cent in Financial Year 2020/2021.

However, revenue mobilisation efforts have largely been hindered by the existence of the large informal sector that constitutes about half of economic activity.

Tax-to-GDP has marginally grown from 11.5 per cent in Financial Year 2016/2017 to 12.4 per cent in Financial Year 2020/2021, despite Government initiatives like the Taxpayer Register Enhancement Programme (TREP) that commenced in 2015/2016 and the Domestic Revenue Mobilisation Strategy (DRMS) in 2019/2020-2023/2024.

In this regard, the committee recommends that Government strengthens the implementation of the Domestic Revenue Mobilisation Strategy (DRMS) and an evaluation of DRMS be expeditiously carried out in order to ascertain its efficacy.

In addition, the committee recommends that the Local Government

Domestic Revenue Mobilisation Strategy, currently under formulation, be fast-tracked and implemented to support revenue mobilisation efforts at the sub-national level.

The committee recommends a speedy formulation of a tax policy to

guide revenue mobilisation efforts.

Domestic arrears

The committee observes that whereas Government has implemented several measures to tackle the problem of arrears, including implementation of Commitment Control System, the total stock of domestic arrears has grown from to Shs 517 billion in Financial Year 2006/2007 to Shs 4.1 trillion as of Financial Year 2019/2020.

It should be noted that out of the stock of domestic arrears amounting to Shs 4.1 trillion, only Shs 1.68 trillion has been verified by the Auditor-General as at 30 June 2020.

The main reasons for continued accumulation of arrears include, among others;

Court awards.

Diversion or use of funds for purposes other than what they were intended for.

Salary shortfalls caused by delays in Ministries, Departments and Agencies (MDAs) enrolling new staff on the Integrated Personnel and Payroll System (IPPS), arbitrary and erroneous drop-offs of staff from the payroll, interdictions and reinstatements after a very long time.

Pension and gratuity arrears caused by delays in processing pension files beyond a financial year, errors and inaccuracies on the pension payroll and weak accountability for pension funds.

Insufficient budget allocations for utilities and other mandatory recurrent expenditures and failure by some MDAs to install prepaid utility metres.

 Budget shortfalls for counterpart funding obligations for development projects.

 Non-remittance of tax deductions on salaries (Pay As You Earn) and development projects (withholding tax) by some accounting officers.

The committee recommends that;

Government fast-tracks the verification of all outstanding domestic arrears.

Government clears all verified outstanding domestic arrears within a period of three years.

Sections 78 and 79 of the PFMA, 2015 (as applicable) are fully enforced for accounting officers who commit Government to an expenditure outside the approved cash flow plans and quarterly cash flow projections.

Government should budget for utilities, obligations, salaries, pensions, gratuities and other compulsory obligations. Otherwise, deductions in the Vote MTEF ceiling should be made to clear the outstanding arrears.

Audit of Petroleum Fund

The committee observes that the petroleum recoverable costs have not been audited for the last six years. Hence, Government cannot be able to realistically quantify the recoverable costs by the oil companies involved in petroleum exploration. If not tracked, these costs may escalate to unmanageable levels and impact on revenue generation from petroleum.

The committee, therefore, recommends that the Auditor-General should fast-track the audit of recoverable costs since 2016 to date to establish credible recovery costs.

Public debt

The total debt stock as at end December 2020 was $17.96 billion, equivalent to Shs 65.83 trillion compared to $13.3 billion equivalent to Shs 49.0 trillion at end December 2019. This represents an increase of 35.0 per cent in debt stock.

This increase was on account of a rise in external borrowing and its disbursements to address the socio-economic impact of COVID- 19 as well as growth in domestic debt issuances to finance the fiscal deficit.

The nominal debt-to-GDP as at December 2020 stood at 47.2 per cent, compared to 38.0 per cent as at December 2019.

In this regard, therefore, one of the factors driving up the cost of borrowing is proportional of non-concessional debt. While highly concessional loans still make up 58.8 per cent of the external debt stock, semi-concessional loans from the China EXIM Bank have rapidly grown over time and now make up 23.4 per cent of the debt stock. Unlike concessional loans from the IDA and the African Development Fund (Uganda’s two largest lenders), which have interest rates below 1 per cent, Chinese loans come with interest rates averaging to 2 per cent.

Debt sustainability analysis indicates that Uganda is not under debt distress –

**THE DEPUTY SPEAKER:** Members, I would like to advise you that we have a very important document coming - the National Budget Framework Paper. The Members who are going away should not blame us who will remain here. Do not say that you were not considered. Summarise your submission, please.

**MR WAMAKUYU:** However, in this regard, we recommend that:

The Government should explore means of contracting concessional debts other than non-concession; and

Option of debt swap if possible.

Fiscal risks

The committee observed that the PFMA includes a fiscal principle on “management of fiscal risks in a prudent manner” and that the objective of the CFR must be based on that. However, the committee was informed by BOU that contingent liabilities like government loan guarantees, government-back guarantee schemes, legal proceedings and termination clauses in PPPs are not part and parcel of public debt stock and consequently, have not been considered in the current objectives of the CFR.

The committee recommends that this principle should be reinforced with specific objectives on managing of fiscal risks, such as putting caps on government guarantees, the size of public-private partnership commitments, and other contingent liabilities that are not captured in public debt statistics. Once these materialise, they form part of debt.

Value for money audits

We have an observation and it is part of what Madam Speaker read as the last one. We note that since 31 March 2009 when the first set of value-for-money Audits were submitted to Parliament, the Auditor-General has submitted 118 value-for-money Audit reports to Parliament to-date, of which 29 audit reports have been discussed.

The committee, therefore, recommends that Parliament fast-tracks the consideration of the value-for-money audits. This would support the attainment of the objectives for CFR in line with the fiscal policy council. There is a proposal that in order to effectively monitor and formulate a credible fiscal policy, there is need to strengthen the institutional mechanisms governing through an independent fiscal council. We propose that we establish a fiscal council as an independent body.

Madam Speaker, we looked at the costs because Government is proposing to merge some of the institutions. We propose that the Parliamentary Budget Office be mandated to undertake this function. Therefore, there is need to strengthen the budget office to carry out this function.

Proposed amendments to the charter

The committee proposed the following amendment to the charter:

5.1 Objective 1: Public debt

(a) The total public debt in nominal terms is reduced to below 50 per cent of GDP by Financial Year 2025/2026, of which domestic debt to total public debt shall not exceed 34 per cent, while external debt to total public debt shall not exceed 66 per cent as shown in the table below.

Justification

This is in line with the public debt and other Financial Liabilities Management Framework for Financial Year 2018/2019 -2022/2023.

The committee proposes that the public debt, in nominal terms, is disaggregated to ensure that both external and domestic debt levels are explicitly monitored at prudent levels to support a strong and sound economy.

(b) Total domestic debt interest payments to total revenues (excluding grant is reduced to 12.5 per cent as shown in the table below.

Justification

The Government has focused on solvency indicators in setting the Charter’s objectives. Solvency indicators determine the country’s ability to meet its debt obligations in the future. While liquidity indicators, on the other hand, determine the country’s ability to pay its debt now. It is against this backdrop that the committee sought it necessary to include a liquidity indicator that is consistent with the public debt and other Financial Liabilities Management Framework Financial Year 2018/2019-2022/2023.

(c) Government borrowing from the Bank of Uganda will cease by 2025/2026.

Justification

Government borrowing from the Bank of Uganda (BoU) can be inflationary if the BoU cannot fully mop the excess liquidity created by Government borrowing from the central bank. In addition, mopping the additional excess liquidity is costly, in terms of interest payments, which in turn erodes BoU capital. In this regard - and in line with the requirements of the EAMU protocol - a commitment to fully phase out Government borrowing from the Bank of Uganda should be targeted.

Honourable members, you have been receiving requests to recapitalise BoU. This is one of the causes.

(d) Nominal Publicly Guaranteed Debt to GDP is maintained below 5 per cent.

Justification

Contingent liabilities pose a fiscal risk to Government. A contingent liability is a possible obligation that arises from past events and those existences will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of an entity.

These contingent liabilities may result into expenditure by the Government to settle the confirmed obligation of the entity. To ensure that Uganda’s total public debt exposure remains sustainable, the committee thought it prudent to include this objective because it is consistent with the Public Debt and other Financial Liabilities Management Framework for Financial Year 2018/2019 -2022/2023.

5.2 Fiscal balance

In addition to the current objective two of the CFR, the committee proposed two additional sub-rules or objectives as follows:

a) The ratio of non-oil to GDP shall grow by at least, 0.5 per cent points on an annual basis as shown in the table.

Justification

Section 4(3) of the Public Finance Management Act, 2015; the minister is mandated to set measurable fiscal objectives based on the fiscal principles highlighted in section 4(2) of the Public Finance Management Act. The first fiscal principle as per section 4(2) is sufficient in revenue mobilisation to finance Government programmes.

The committee observed that there is no explicit fiscal rule relating to first fiscal principle sufficient in revenue mobilisation.

It is against this back drop that the committee proposes an additional fiscal rule or objective in line with the fiscal principle of sufficient in revenue mobilisation to finance Government programmes. It is important to set a rule that would foster Government to enhance its revenue effort.

(b) The growth rate in recurrent expenditure as a percentage of GDP shall not exceed the growth rate of revenue excluding oil revenue as a percentage of GDP.

Justification

This fiscal objective will ensure that the rise in recurrent expenditure matches the efficient in revenue mobilisation. By default, expenditure increases are supposed to be in line with growth in revenue collection.

5.3 Petroleum fund transfers to the budget and petroleum revenue investment reserve. The principle in section 4(ii)d of Public Finance Management Act, 2015 relates with the management of revenue from petroleum resources and other finite resources for the benefit of the current and future generation.

The committee observed that the proposed measurable objective No.3 is selective given that it targets only the Petroleum Fund leaving out other finite natural resources particularly, minerals; this underplays the contribution of the mining sector to the economy.

In this regard, the committee noted that the fiscal rule on petroleum and other finite natural resources are necessary because of the need to insulate the budget from volatile revenues from extractive industry that could cause harmful macro-economic effect.

In this regard, the CFR objective No.3 is amended to align with section 4(2)d of the Public Finance Management Act, (as amended), 2015.

In addition to objective No.3 of the CFR, the committee proposed an additional rule to cater for mineral revenue as follows; a maximum of minerals revenue worth 0.8 per cent of proceeding year estimated non-oil GDP outturn shall be for budget operations, the balance shall be saved for both current and future generation.

In addition, the committee recommends that Government fast-tracks the quantification of the present minerals and the establishment of the Minerals Fund and minerals revenue.

Justification

This is in confirmatory of section 4(3) of the Public Finance Management Act, which has that measurable objective.

Deviation from the charter

Section 7 of the Public Finance Management Act; the minister, with the approval of Parliament, diverts from the objective of the CFR where Government experiences a natural disaster, unanticipated severe economic shock or any other significant unforeseen event that cannot be funded from the Contingency Fund or other funding mechanisms provided in this Act or using prudent fiscal policy adjustment.

The committee observed that whereas it may be obvious to determine a significant natural disaster that has occurred, it is not clear or obvious to determine severe economic shock. In this regard, the CFR should provide a quantifiable or measurable indicator of what constitutes economic shock.

The committee recommends that the charter be amended to incorporate the following definition of a severe economic shock.

“Severe economic shock constitutes unexpected or unpredictable events resulting into a large-scale economic downturn measured by a contraction in real GDP by over 1 per cent for at least two consecutive quarters in a quarter-to-quarter comparison from the previous period.”

The justification is that this definition is consistent with the first charter and it is a more quantifiable, measurable definition that will support effective monitoring of the charter.

Conclusion

The objective of the charter for fiscal responsibility is to ensure that Government is fiscally responsible, transparent and accountable in its fiscal decision-making.

Fiscal responsibility is about ensuring that fiscal decisions are not dominated by present considerations at the expense of the future one.

I, therefore, request that this House adopts the recommendations and proposed amendments by the committee.

I beg to report.

**THE DEPUTY SPEAKER:** Thank you, honourable chairperson of the Committee on Budget.

**MR WAMAKUYU:** There are some attachments, Members. Those are figures you can read for yourselves, thank you.

**THE DEPUTY SPEAKER:** Thank you, for the report. Can we first hear from the Shadow Minister, he may simplify our work?

4.01

**MR MUWANGA KIVUMBI (NUP, Butambala County, Butambala):** Madam Speaker, we came up with a response to the Budget Framework Paper, which Parliament referred to the Committee on Budget, and in the committee, we had a back-and-forth discussion about the principles and there was deep interaction both with the Government side over several occasions.

The report presented here by the Chairperson is harmonised and we largely think that it will help this country in revenue mobilisation, debt sustenance and efficient running of Government.

We largely agree with the principles and in the spirit of compromise of what the committee has presented, we find if fit because we have a tight schedule. I beg you put a vote.

**THE DEPUTY SPEAKER:** Members, we have learnt to have a working relationship of harmonising issues before we come to the House. Does the minister have something to say?

4.02

**THE MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Thank you, Madam Speaker. I agree with the spirit of harmonising positions before we come to the House. However, the harmonisation which hon. Kivumbi was talking about probably was between him and the committee and not between him and us as the Ministry of Finance.

Therefore, I beg to make a few comments. I want to start with a clear one where we disagree strongly. On the idea of introducing eight per cent on revenue from minerals, Madam Speaker, we strongly disagree with –*(Interruption)*

**MS CECILIA OGWAL:** Thank you, Madam Speaker. The ministries submit their requests to us and the House normally sends those reports to the relevant committees for processing and scrutinising and return them to us.

It is important that the ministries understand that Parliament has a duty to understand what they want the money for. Once the committee has processed your document and come with a common report, are you trying to say that you are writing a minority report, as the ministry, on this document because the committee has harmonised its position? We do not have a minority report on this and we are all very excited that for the first time, the Committee on Budget has come with a unified position. *(Applause)*

So, this is a success and I thought the ministry should stand up and applaud the Committee on Budget for the first time to come with a unified position. *(Applause)*

Madam Speaker, I only wish the Government Chief Whip could allow the Speaker –*(Laughter)* The House should now understand how we should work. As a Parliament, we must listen to the voice of the committees. The committees have said, “For us, we have agreed and disagreed but we have agreed to come with a unified position to make our work easy” and that is why we are not bothered to even delay your report to debate. *(Applause)* So, what is your problem?

Now, the ministry is complaining. What do you want us to do, Madam Speaker? It is better you come up with a strong position on this because the moment we falter on this, that is now going to be the trend. The moment the committee has resolved its differences at the level of discussions and agreeing, I think we must adopt that position. *(Applause)*

Madam Speaker, I stand today to congratulate the Committee on Budget and I pray that other committees will do the same, so that we do not have to spend too much time debating the differences. I beg to submit.

**THE DEPUTY SPEAKER:** Thank you, hon. Ogwal. I think whatever was done is in good spirit. If the committee is chaired by your own from NRM and if – I do not know. Did you go to the committee; did they call you to the committee? However, if you have some slight change that you feel you are not comfortable with, those are things you can go and harmonise. This is not the final document.

**MR WAMAKUYU:** Madam Speaker, the honourable minister is trying to object on income revenue from minerals. Recently, there was a law brought before this House on minerals – a comprehensive one – to fast-track the minerals. This charter is for five years. If we do not set an objective here, that means we have to do it after another five years. Assuming now that law is taken into force –

He is talking about anticipation but we are setting it for five years. If the issues cannot work midway, there is a provision already in Section 7, where the Minister can come here. That is our submission.

4.08

**THE GOVERNMENT CHIEF WHIP (Mr Thomas Tayebwa):** Thank you, Madam Speaker. The matter raised by the chairperson of the committee, after discussion with the minister – because the Minister had raised very many points, where he was saying we need to debate. However, he has said we can leave those ones, apart from one which we feel offends Rule 80 of our Rules of Procedure, where we are saying, “0.8 per cent for minerals”.

This is a matter where we have a Bill before the House and rule 80 says:

“*1. It is out of order to anticipate a Bill by discussion of a motion dealing with a subject matter of the Bill, on a day prior to that appointed for the consideration of that Bill.*

*2. It is out of order to anticipate a motion by discussion of a matter directly relating to the subject matter of the motion, prior to the date appointed for the consideration of the motion.*

*3. In determining whether a discussion is out of order on the ground of anticipation, the Speaker shall have regard to the probability of the subject matter in anticipation being brought before the House within reasonable time*.”

So, we are saying, Madam Speaker, that we can leave out the rest but on that one, instead of fixing, we give ourselves to consider that matter when we come to the minerals Bill, which is before this House. For the rest, the Minister does not have a problem.

4.10

**MR WILFRED NIWAGABA (Independent, Ndorwa County East, Kabale):** Thank you, Madam Speaker and thank you, honourable minister, for giving way. I would like to seek clarification from you. This is a fiscal charter, the secret to deal with financial discipline, based on your promises in the next five years.

You were talking about a Bill but we still have a law that is yet to be amended – the Mining Act of 2003. All that is within the charter is in respect of the existing laws. Do you mean to say that if mention is made on minerals when we have an existing law, you were talking about something that you are anticipating, when we still have a law in place?

**MR MUSASIZI:** Thank you. Madam Speaker, the charter we are considering comes from the Public Finance Management Act. The Act did not envisage revenue from minerals; it only envisaged revenues from petroleum. That is why we are saying let us deal with the matters in accordance with the provisions of the Public Finance Management Act and minerals is not one of them.

**THE DEPUTY SPEAKER:** Honourable minister, your issue is on the 0.8 per cent only. Do we agree that is the point of contention. Is the rest okay?

**MR MUWANGA:** Madam Speaker, I can see why there is an objection to the setting of minerals. We have to be very careful. Uganda’s potential in minerals far exceeds our potential in oil. Actually, we agreed on this with the National Planning Authority.

We harmonised this principle with the National Planning Authority and Bank of Uganda and these are institutions under you. They actually think, Madam Speaker –*(Interjections)*- I will give you time –*(Interruption)*

**MS OGWAL:** Thank you for giving way –

**THE DEPUTY SPEAKER:** *Imat*, before you go ahead, when you look at your own report – 5.3 – *“*On the other hand, Madam Speaker, the exploration of other finite mineral resources is still on-going to ascertain the amount, which will facilitate the process of determining how much revenue to expect.” If it is on-going, then you should anticipate there should be something. You should plan for it.

**MS OGWAL:** Madam Speaker, I wanted to give information to hon. Kivumbi. I am aware – and I think the minister should be open on this – that we have already been receiving money from minerals, including gold. Why is the minister behaving as if we are not receiving revenue from minerals?

**MR MUWANGA KIVUMBI**: Additionally, the argument that they are still exploring the potential for minerals is half-truth. We are even still exploring more potential oil for Uganda. What we have is not definite. In the oil Bill passed, we anticipated more oil going forward and our capacity is clear *– (Interruption)*

**MR LOKERIS:** Thank you, Madam Speaker. Mineral development is a continuous process. There are some mineral substances which people know how much they are, in certain areas. There is also exploration for others which have not been ascertained and this is a continuous process. Others are being mined and we get the royalties out of that money.

If you look at oil in the Albertine Graben, we have done exploration in some areas yet, where we have got the plots, we have only done 40 per cent. For the others, we have continued with licensing. It is the same for gold and iron ores.

Madam Speaker, we have continued to discover this. So, it is on-going and this does not mean that we are not getting the royalties and mineral cash; the cash is coming. Thank you very much.

**MR MUWANGA KIVUMBI:** Madam Speaker, the minister is simply confirming my argument that our potential for oil and minerals is still on-going and it will be for eternity. Even Saudi Arabia, Qatar and Russia are still exporting more oil. So, it is an on-going principle.

Therefore, let us enshrine the principle and we begin on a road that captures mineral revenue for Uganda. Otherwise, it is crowded in some darkness we do not know and yet, this is very positive for the Government. I do not know why the Government should fight this. We are trying to clear for you a source of revenue so that you can begin to follow revenue from oil.

Our exports in oil exceeded our coffee exports in the past financial year.

**THE DEPUTY SPEAKER:** Honourable members, the way we are moving - Originally, I thought we were at par but the way we are moving is not - we may even stay here up to morning.

There is a provision in the law for deviation from the objective of the Charter of Fiscal Responsibility. It stipulates *“the Minister may, with approval of Parliament, deviate from the objectives in the CFR where Uganda experiences a natural disaster, unanticipated severe economic shock or any other significant unforeseen events…*”

Now, if we are providing the 0.8 per cent in anticipation - where we do not meet or get what we expect, you come back here and say “We want to deviate from what was presented in the House”. There is a section, where we may say we will not borrow from the Bank of Uganda by 2025/2026. However, when we feel we must borrow, we come back and seek permission and borrow. It is not cast on stone.

**MS OGWAL:** I just want to put it on record that in the Financial Year 2020/2021, the mineral production alone contributed $3.5 billion of which, $2.2 was from gold. So, it is already on record.

Madam Speaker, you told us you have a lot of work to do. I beg to move that the question be put. *(Laughter)*

4.18

**THE LEADER OF THE OPPOSITION (Mr Mathias Mpuuga):** Thank you, Madam Speaker. First of all, the honourable minister needs to understand that the charter is part of the Government’s prospective planning and in doing so, prospectively, there are restrictions and the essence is to create fiscal discipline along the way in targets, and utilisation of revenue generated. Therefore, for us to be haggling over this, is a bit of a puzzle and the senior Member, hon. Lugoloobi, should be able to guide the honourable member to cease fire and allow this to pass.

The position the Member is taking actually means that we have to go back to the committee to process this. Now, if the minister wants us to go back to the committee, I will allow my Members to come back. Of course, in essence, we are delaying an otherwise time bound process.

Madam Speaker, this can be resolved here. The proposal of the minister has been subjected back to the committee to reprocess them and consider the implication; the overall charter. Therefore, if he is willing to go back to the committee, I will ask my minister to proceed to the committee.

**THE DEPUTY SPEAKER:** Members, I would like Hon. Musasizi, Hon. Lugoloobi, Hon. Cecilia Ogwal, the chairperson of the committee, the shadow minister and the Leader of the Opposition to go out and harmonise their position and come back in five minutes.

Honourable members, we had asked in the last sitting, before we adjourned, the minister to present the Memorandum of Understanding between the Government of Uganda and the Continental Tobacco (U) Ltd for the farmers in Bunyoro to be paid.

There was a budget of Shs 11 billion that was put aside for farmers in Bunyoro. However, I am not going to say - since you have laid a document - that you go ahead and pay tomorrow. No. I want that document to be looked at by Counsel Mutembule and Counsel Niwagaba and report back to this House on how genuine the memorandum of understanding is and whether the Government can commit its money. You can go ahead and lay but subject to that confirmation.

4.23

**THE MINISTER OF STATE FOR TRADE, INDUSTRY AND COOPERATIVES (Ms Harriet Ntabaazi):** Thank you very much, Madam Speaker. Before we went for Christmas, I had been given a task to lay on Table the agreements of the two companies that the farmers of Bunyoro supplied tobacco to. Here with me are the two documents. The first one is the agreement between the Government of Uganda, which is represented by the Minister of Trade, Industry and Cooperatives and NIMATABAC, one of the companies that received tobacco from the farmers.

I beg to lay it on the Table.

The second agreement - because of the challenges that we got with Continental Tobacco, which did not agree to sign an agreement with the Government directly but the money was already in place and the Government was ready to pay but the farmers were uncomfortable - Government agreed, under the advice of the Attorney-General, to enter into deeds of assignment with the farmers directly.

We have had an exercise of two weeks in Bunyoro and collected the deeds of assignment. A deed of assignment is an agreement made directly with farmers, which later on can be used by Government to recover money from the companies if they do not, willingly, pay. Here with me are deeds of assignment for 11 districts, which I am going to lay one by one.

I beg to lay:

The Kakumiro District deeds of assignment.

The deeds of assignment from Kyankwanzi District.

Deeds of assignment from Mubende District.

Deeds of assignment, one of the biggest, from Kikuube District.

Deeds of assignment from Kiryandongo District.

Deeds of assignment from Kibaale District.

Deeds of assignment from Buliisa District.

Kagadi District deeds of assignment.

 Hoima District deeds of assignment. This is the second biggest, I would say.

 Masindi District deeds of assignments.

 Lastly, deeds of assignment from Kyegegwa District.

I want to thank you very much.

**The Deputy Speaker:** Thank you. Honourable minister, can we get confirmation that the Attorney-General looked at those? Has he signed anywhere?

**Ms ntabazi:** Madam Speaker, before we went for the deeds of assignment, a team was set in place, which included the Minister of Trade, Industry and Cooperatives, office of the Internal Auditor-General, the Attorney-General and the companies themselves. A table was a very long one and we had even the local leaders – the RDCs, the LCV chairpersons – and all the interested parties in the payment for tobacco. Therefore, all the stakeholders were at table during the collection of the deeds of assignment – *(Interruption)*

**Dr isingoma:** Thank you, Madam Speaker. I to thank the minister for the job well done so far. I think this is so far so good. However, I have not heard the minister mention Hoima City. I want her to clarify whether Hoima City is covered under Hoima District. What I know is that we have many farmers who fall under Hoima City.

**The Deputy Speaker:** I asked the minister to lay what she had brought - the documents – subject to a debate on Tuesday when our team will bring back the report on whether they are authenticated documents that can warrant us to pay out the money. Therefore, let us save all our debate for Tuesday. We will have you on the Order Paper then. That is when we will tell whether you should go ahead and do the payment or not.

Dr Isingoma, you can have a look at the documents. They are now our documents. So, you do not have to worry. Do not ask me – *(Mr Baba rose\_)* - I know hon. Baba wants to talk about West Nile. That will also come. This was a presidential pledge. Have you been in the budgeting process? Can you get involved in the budgeting process and budget for West Nile? Is that okay?

**Mr baba:** That is okay, Madam Speaker, provided West Nile is on because in this country it is the leading tobacco producer.

**The Deputy Speaker:** Have it in the National Budget Framework Paper.

**Mr baba:** We are happy that Bunyoro is being handled but we do not want West Nile left behind.

**The Deputy Speaker:** You see how Bunyoro was handled. It was a political statement. Now that we know that West Nile also has the same issue, we can factor it in the budget. Thank you.

**Ms ntabazi:** Madam Speaker, thank you for the guidance. I wanted to allay the fears of my brothers from West Nile that the Ministry of Trade, Industry and Cooperatives has gone ahead to collect data and information from West Nile, which lists we already have. We have sent them to the office of the Internal Auditor-General for verification, which exercise they are going to do in February. So, we are on track. Thank you.

motion for adoption of the national budget framework paper for the financial years 2022/2023 to 2026/2027

**The Deputy Speaker:** Can we first defer that and go to item nine. I have got communication from the chairperson.

Bills

second reading

the landlord and tenant Bill, 2021

**The Deputy Speaker:** I have got communication from the chairperson and Deputy chairperson of the committee. They are indisposed. They cannot be here today. They have requested that a member could lay the report on Table and Members go through it. Where you have anything contrary to what the amendment is, please, pass on that contrary view to Mr Okema by Monday. We do not want a debate in the House; let us arrive at a harmonised position. You can give it to Okema and the shadow Attorney-General.

BILLS

SECOND READING

THE LANDLORD AND TENANT BILL, 2021

4.25

**MR SOLOMON SILWANY (NRM, Bukooli County Central, Bugiri):**  Thank you, Madam Speaker. I beg to lay the Report of the Committee on Physical Infrastructure on the Landlord and Tenant Bill, 2021. I beg to lay.

**THE DEPUTY SPEAKER:** Thank you, hon. Solomon. Leader of the Opposition, can I have my people back?

**MS ALUM:** Thank you, Madam Speaker. I rise on a procedural issue concerning the - I can call it a stalemate - where we are waiting for our minister in charge of the Charter of Fiscal Responsibility and our shadow minister for the same docket.

When the report was presented to us, we were told that that was a harmonised position. Unfortunately, after the presentation of the harmonised position, the minister came up again, saying he was not satisfied with some of the parts of the report.

Therefore, my issue is: if something is harmonised, it should be in the best interest of every one of us and deserves time. Secondly, because we thought we were going to save time but as you see, there is nothing pointing to that direction.

We are all Members of Parliament representing our different constituencies. If there is going to be harmony, let it involve each and every one of us in a way that we can be satisfied with. I belong to the Opposition. It would only be good enough for our shadow minister to tell us the harmonised position. Otherwise, sitting here and hearing that people had a harmonised position – I am a Member of Parliament representing my people but I am not part of that harmonised position - and I go on to see confusion on the Floor of Parliament. I think going forward, if there is any form of harmonisation, the minister should get involved early, not to waste our time, because we are short of time. There is a more important issue, which deals with deadlines.

Madam Speaker, my procedural concern is that going forward, we should get a better way of organising this thing to cater for every member of this Parliament. Thank you.

**THE DEPUTY SPEAKER:** That is the better way of organising it, hon. Alum. As I said before the budget, the Charter of Fiscal Responsibility basically looks at the principles. I do not know why we have sharp arguments because these are things that we can amend anytime; Parliament has powers to amend it according to the law.

**MR BASALIRWA:** Madam Speaker, in light of what is happening in the House now, wouldn’t it be procedurally right to have a short break to allow the harmonisation take place and we come back later? It is looking ugly.

**THE DEPUTY SPEAKER:** Can we have those people back? If it means debating the report, then, we do so. If they have failed – please, have those people back.

4.37

**MS LILLIAN ABER (NRM, Woman Representative, Kitgum):**  Thank you very much, Madam Speaker. Look at objective three of this report on the management of revenues from petroleum resources and other finite natural resources. The point of contention here is between the word “minerals” and “petroleum.”

I suggest two options. First of all, we should frame this objective three as petroleum. When we mentioned the word “minerals”, that is where we ended up capturing quite a number of the minerals in this country; even those that we still do not understand how much they contribute to the revenue perspective.

There is, indeed, an agreement on the report. However, there is need to be specific on the word “petroleum.” This law will be governing petroleum. So, in an event that the next time this House or the committee makes a recommendation, we will now be discussing minerals and be specific, even mention the minerals we are talking about. It would be very wrong to generalise all this and call it “minerals” and yet, they all contribute in different amounts. I so move, Madam Speaker. Thank you.

**THE DEPUTY SPEAKER:** Hon. Aber, do we have any minerals that we get money from? Do we earn from any minerals? If we do, my thinking is that they are talking about the minerals - they have a section where they talk about the oil and petroleum. In this one they are talking about the minerals? They are specific to minerals. The only thing they have not done – they have done an omnibus kind of announcement, not gold. Maybe that is what you needed.

4.40

**MR ENOSI ASIIMWE (NRM, Kabula County, Lyantonde):** Madam Speaker, the observation by the committee is derived from the Public Finance Management Act, which puts a percentage of 0.8 on petroleum revenue or revenue that we shall derive from the sale of petroleum resources.

This implies that they are trying to manage the windfall revenue that will come with the petroleum resources. What the committee is trying to tell us is that we should not limit the 0.8 on petroleum revenues; we should spread it on all mineral resources. However, in reality, if by now we have not quantified the amount of minerals, where we are going to derive 0.8 per cent or where we expect a windfall, I think, as a committee, they should not worry about this windfall, which we have not established at this moment.

Therefore, I am of the view that we proceed to limit the 0.8 per cent to petroleum revenues because we are already in the process of identifying that windfall that might come in the next five years. If we have not quantified any mineral by now, this clause in the Public Finance Management Act has no effect in reality.

Madam Speaker, whether they harmonise or not, I believe whatever they get, the committee should let it pass; allow the minister concentrate on the windfall that will come from petroleum resources, but not all the minerals. This is because at this moment, we only have gold, which is only tax based on exports.

Therefore, I do not expect any windfall resource to come from taxation of minerals that we have not yet quantified. Madam Speaker, I suggest that we let the minister’s position stay and we move forward. Thank you very much.

**THE DEPUTY SPEAKER:** Thank you and I would like you to be mindful that this is for five years and subject to any changes that come in between there. As we wait for that team to come back, can we look at item 10?

MOTION FOR RESOLUTION OF PARLIAMENT TO APPOINT AN AUDITOR TO AUDIT THE ACCOUNTS OF THE OFFICE OF THE AUDITOR-GENERAL

**THE DEPUTY SPEAKER:**  Hon. Dr Keefa Kiwanuka -

4.42

**THE CHAIRPERSON, COMMITTEE ON FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Dr Keefa Kiwanuka):** Thank you, Madam Speaker. Before I move the motion, let me start by giving the background to this motion. It is about appointing an auditor, for the Office of the Auditor-General, which is also audited, just like any other organisation or institution or entity.

Secondly, the Office of the Auditor-General is an institution of Parliament- it is independent but it is under the institution of Parliament according to the National Audit Act and the Constitution as well- *(Interruption)*

**MR SILWANY:** Thank you. The clarification I seek is; if you appoint this institution or this person to audit the Office of the Auditor-General, then who audits that individual or that institution?

**THE DEPUTY SPEAKER:** Hon. Silwany, we are appointing a private institution like KMPG, a private firm to go and audit for us, the Office of the Auditor-General.

**DR KEEFA KIWANUKA**: The auditor who will be auditing the Auditor-General is ordinarily audited as a private entity.

Therefore, as an institution of Parliament, the Parliamentary Commission has undertaken the process of recruiting the auditor for the Office of the Auditor-General. They have gone through the required process, which I understand started back in April last year, has gone through the Parliamentary Commission approval and then finally the Solicitor-General’s approval.

Therefore, what we need to do now is to do the final approval of the auditor for the Office of the Auditor-General as an institution of Parliament.

Against that background, I now move the motion for a resolution of Parliament to appoint an auditor to audit the accounts of the Office of the Auditor-General. This is moved under Rule 56 of our Rules of Procedure of Parliament:

*“WHEREAS Article 163(9) of the Constitution of the Republic of Uganda and section 36 of the National Audit Act, 2008 mandate Parliament to appoint an auditor to audit the accounts of the Office of the Auditor-General;*

*NOTING THAT Parliament is a public entity and all its procurements must be in accordance with the Public Procurement and Disposal of Public Assets (PPDA Act, 2003);*

*AWARE THAT in accordance with the PPDA Act and Regulations, the Parliamentary Commission, which is the procuring and disposal, entity or Parliament, invited bids through the open international bidding method for the procurement of an auditor to audit the accounts of the Office of the Auditor-General, for the period running from Financial Years 2021/2022, 2022/2023 and 2023/2024;*

*FURTHER AWARE THAT M/S Kisaka & Company Certified Public Accountants emerged the best evaluated bidder to provide the audit services;*

*NOW THEREFORE, be it resolved by this Parliament that;*

*Parliament appoints M/S Kisaka & Company Certified Public Accountants to audit the accounts of the Office of the Auditor-General for the period running from financial years 2021/2022, 2022/2023 and 2023/2024.”*

Madam Speaker, I beg to move.

**THE DEPUTY SPEAKER:** Thank you very much. Is the motion seconded? *(Members rose\_)* It is seconded by hon. Muwuma, hon. Silwany, hon. Leku Joel, hon. William, hon. Mutembule, hon. Aza, hon. Aber, hon. Musiime, hon. Isingoma. Can you speak to your motion or you finished?

**DR KEEFA KIWANUKA:** There is not much to add. It is a very straightforward process. It has gone through the procurement process as required by the PPDA Act and there was no objection.

The bid was displayed as required to give anybody with contention about the procurement to make their objection or whatever it might be and there was no problem.

It had been approved by the Solicitor-General, as I said, so we now just come to the final process of making that final approval. Then, after the Parliamentary approval, a contract can be issued to M/S Kisaka & Company Certified Public Accountants.

**THE DEPUTY SPEAKER:** Thank you. Remember, what he said is that the Auditor-General is an officer of Parliament. Therefore, it would be prudent that much as they auditor us, somebody also should be able to audit them. That is the basis of this motion. This comes every year. The Committee of Finance brings this motion, seeking our authority - you see how much authority you have as Parliament, seeking authority to allow a firm to be procured to audit the Office of the Auditor-General

I am allowing only three people to debate because it is a straightforward thing.

4.51

**MR MILTON MUWUMA (NRM, Kigulu County South, Iganga):** Thank you, Madam Speaker. Just like you have stated it, like any other MDA, the Office of the Auditor-General draws resources from the Consolidated Fund. Hence, calling for it to be audited to ensure transparency and accountability.

I support the motion on the floor that we endorse and approve the read company to audit the Office of the Auditor-General. I thank you

4.51

**MS BETTY NALUYIMA (NUP, Woman Representative, Wakiso):** Thank you, Madam Speaker. Before, I support the motion, let me just get to know and get assured that the due process has been all followed such that in time, we are not questioned at all in this moment of harmonisation. Let me be assured and after that, all is going to be okay.

**THE DEPUTY SPEAKER:** Governments have systems. In this system, the procurement process takes place and must be authorised by the Solicitor-General.

Our work is to give permission that go ahead and procure- ours is not technical, it is as per the law that go ahead and procure a person and follow the due process. That is what we are trying to do; that we are giving them permission, to do their technical part.

4.52

**MS AISHA KABANDA (NUP, Woman Representative, Butambala):** Thank you, Madam Speaker. It is a very good arrangement that everyone should be audited. I just think it is necessary for us to know who is that; did I hear Kisaka- which company is that? He said it went through the international bidding process. Is it a Ugandan company or Kenyan company? Who owns that company before we approve? We are here to approve, but who owns that company that I am going to approve?

**THE DEPUTY SPEAKER:** We are not approving a particular company. He says they are international companies like KMPG and Ernst & Young. Those are the companies that do audit for the Auditor-General.

**MR SILWANY:** Madam Speaker, what I would like Members to know is that the other bit of the work is done by the technical people. If there is anything that has not been followed, it falls on the technical people and they must do things right because we operate within the confines of the laws of this country. The Office of the Auditor-General is under Parliament and that is why this whole procurement is under the Parliamentary Commission because we host the Office of the Auditor-General.

Now that this was done and followed, wouldn’t it be procedurally right for us to go ahead and approve?

**MS AISHA KABANDA:** Thank you very much, honourable colleague, for giving way. Unless I misheard the colleague, he said an international bidding process was followed and some company was successful. He further mentioned the name and wanted us to approve. Is it not right for us to approve unless I did not hear him well? However, a name has been mentioned and many of us do not remember the name that we are about to approve.

**THE DEPUTY SPEAKER:** Hon. Tonny Ayoo, do you have something to say?

4.45

**MR TONNY AYOO (NRM, Kwania County, Kwania):** Thank you, Madam Speaker. I rise to support the motion that Parliament do give authority to the Parliamentary Commission to recruit somebody to audit the Auditor-General, who is a staff of Parliament.

As a member of the Committee on Public Accounts sometime back, we were raising this question. The need for the Auditor-General’s Office to be audited came from the need to improve - because audit is to improve something and not only finding fault, but to improve their work and bring in new innovations so that whenever they do auditing, we are sure of the quality of the work they do. This has been coming as a result of having sometimes, conflict between the Auditor-General’s report and the entities that they do audit.

For Parliament, this is just to enhance improvement of our work because as they were auditing Government, nobody was looking into their house on what they were doing. Therefore, we thought this was necessary to improve on the work. I would like to call upon Parliament that let us give the Commission an opportunity. However, we only request them to follow all the due processes and they get for us the best company to do the audit in order to improve the work of the Auditor-General and ensuring that Government is performing well. Thank you.

**THE DEPUTY SPEAKER:** Members, I am not sure whether we should subject this to too much debate. What hon. Aisha Kabanda is asking is that you said that we have already got a company. Is that what you said? Who got the company? Did the Parliamentary Commission get the company?

**DR KEEFA KIWANUKA:** Madam Speaker, I think what hon. Aisha Kabanda is asking is very simple and straight forward. Who is Kisaka Public Auditors? It is a certified Ugandan accountancy firm. I would like to assure Members that the law actually provides for a very transparent process; where if other bidders have any objection they can always petition *– Interruption)*

**MR CHEMASWET:** Thank you, hon. Kiwanuka.

**THE DEPUTY SPEAKER:** Just a minute. What hon. Aisha Kabanda is asking; who got the company and who owns it? As Parliament of Uganda, our role is to pass the principle that an audit company must be got to do the auditing. As the Commissioner said, we leave the technical work to the technical people. We do not have the competence to know whether this is the best company or not.

Of course, when you say Parliamentary Commission got the company, which Parliamentary Commission? I chair the Parliamentary Commission. Is it the other Parliamentary Commission or the current one?

**DR KEEFA KIWANUKA:** Madam Speaker, as I mentioned this process has been on-going since April last year. Therefore, the process has just been concluded. Now, I am not sure which part this Commission did but this has been a long and lengthy process. Let me first take this information *–(Interruption)*

**MR OLANYA:** Thank you, hon.Kiwanuka. We support the idea of having an auditor to audit the Auditor-General. That is a good idea and it will bring in the question of value for many. However, there was some contradiction a bit when hon. Silwany said, “Let us leave the technicalities to the technical people.” In addition, he is a Commissioner to the Parliamentary Commission.

Now, it worries us that Kisaka is in your report. Is it an adoption by the Parliamentary Commission or it is your own making to propose the same? He has left everything to the technical people and yet he is a Commissioner, who is supposed to hold parliamentary duties.

**THE DEPUTY SPEAKER:** Thank you. Can we hear from the Minister of Finance, Planning and Economic Development?

5.00

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Thank you, Madam Speaker. I rise to share my experience as somebody who chaired the Committee on Finance, Planning and Economic Development for five years, where the Office of the Auditor-General was supervised on behalf of the Speaker of Parliament.

We spent quite a number of years with the accounts of the Auditor-General not being audited. The question arose; who audits the Auditor-General? The response resulted into the Parliamentary Commission requiring that an external auditor be appointed.

The first audits we examined came around 2018. If I am not mistaken, the same auditor, who hon. Kiwanuka is bringing was the same person who first did the audit. I would like to propose to the House that we adopt the principle of auditing accounts of the Auditor-General’s office.

However, the question of who does the audit? We allow the Parliamentary Commission time to go back and advertise so that they get an appropriate auditor. By the way, Madam Speaker, auditors do professional work; they should not be even debated in this House. I want to suggest that we adopt the principle and allow Parliamentary Commission to get us the auditor to audit the books of the Auditor-General. Thank you.

**THE DEPUTY SPEAKER:** I am putting the question because I believe in the amendment that has been made - I am the Chairperson of the Parliamentary Commission but I have never chaired that committee. *(Applause)*

You cannot plant a person on us. My other member of the Parliamentary Commission is here. Have you ever seen that being brought to the Commission? Other people should be given a chance.

**DR KEEFA KIWANUKA:** Can I respond to what the minister has suggested?

**THE DEPUTY SPEAKER:** Okay.

**DR KEEFA KIWANUKA:** Madam Speaker, I have objections to what the minister has proposed. The main objection stems from the fact that to get to this process has taken close to a year. This started way back in April - I was not involved with the Committee on Finance, Planning and Economic. It is a very lengthy process. *(Interruption)*

**MR OLANYA:** Madam Speaker, the minister has been very clear. What the minister is saying is that we give time to our commissioners to source who is more qualified to do the work.

From this motion, you are imposing the name of someone called Kisaka & Company and you want Parliament to resolve and approve this person, which is very wrong and we are not allowing. Is the honourable Member in order to insist on what is clear and what has been resolved?

**THE DEPUTY SPEAKER:** Honourable members, I want to tell you our very painful experience in that Commission. I even fear coming to the House because people will ask you about the new Chamber.

Honourable members, we were not involved in the issue regarding the new Chamber but we are answering questions for it. Why should we go and answer questions for what we were not involved? What we are saying is that let us approve the principle. Then, the process of getting a person to do the audit will be done by technical people in our watch.

**MR ENOSI ASIIMWE:** Thank you, Madam Speaker. My honourable chairperson of finance knows that we had an argument on appointing Kisaka & Company as an auditor for the next three years.

As a committee, we understand there is pressure to have the accounts of the Auditor-General being audited before March, which is two months from now and the process of identifying a new auditor has taken so long. However, in one of the meetings, we agreed that as much as we are late for the audit, we cannot allow a company that has already been there for the last three years be renewed for another three years, without a proper process being followed.

It is unfortunate that he has brought it on the Floor of Parliament. I would not want to state the details we had in the meeting. Otherwise, we agreed that we should not approve Kisaka & Company for another three years unless we have a new process restarted. I suggest that we harmonise our positions, then we can think of how best we can solve this.

**THE DEPUTY SPEAKER:** Honourable members, I am putting a question that a resolution of Parliament to appoint an auditor to audit the accounts of the Auditor-General, as a principle be adopted and other modalities shall be handled by the Parliamentary Commission.

*(Question put and agreed to.)*

**THE DEPUTY SPEAKER:** Can we have a report from the harmonisation committee?

5.08

**THE DEPUTY CHAIRPERSON, COMMITTEE ON BUDGET** (**Mr Ignatius Wamakuyu):** Madam Speaker, this is a harmonised position for the selected committee members. In our proposed amendment to the charter.

Objective One: Public debt

We had proposed to segregate domestic and external debt percentages to total GDP. It is item 5.1 on page 14. We agreed that we adopt a principle that the public debt to GDP in nominal terms should reduce to below 50 percent of GDP by 2025/2026 as earlier on communicated. *(Interruption)*

**MS KABANDA:** Madam Speaker, I beg to be guided on procedural issues. The Chairperson of the Committee on Finance is meant to be here and read the report of the committee, yet, he is reading amendments that have been reached out to a few people -*(Interjections)* I withdraw.

**Mr WAMAKUYU:** Thank you. So, we drop the proposal to segregate and go by the Government position on debt to GDP nominal terms reduced to below 50 percent by Financial Year 2025/2026. We concede with the proposal in the earlier submitted charter.

Objective two: Government borrowing from the Bank of Uganda will*-(Interruption)*

**MR MUWANGA-KIVUMBI:** Mr Chairperson, emphasise that the trend of the table should stay as it is.

**MR WAMAKUYU:** Yes, like I have said, we maintain even the trend; the projection 52 percent, 53 percent up to 49.3 percent be maintained.

Objective two: Government borrowing from the Bank of Uganda will cease by Financial Year 2025/2026.

We have examined this and normally, the Government gets some advances at the beginning of the financial year, as they await collections from Uganda Revenue Authority.

We agreed that the proposal remains, but with the exception of section 36(v)(a) and (b) of Public Finance Management Act, 2015 as amended and section 33 of the Bank of Uganda Act. There is an exception of those two where Government gets advances and we agree but the other borrowing like printing of currencies is maintained.

Objective three: Management revenue from petroleum resources and other finite natural resources.

We have agreed that a maximum of mineral revenue worth 0.8 percent of the preceding year’s estimated non-oil GDP outturn shall be for budget operations. The balance shall be saved for both the current and future generation. We have agreed on those three issues, Madam Speaker.

5.12

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PLANNING) (Mr Amos Lugoloobi):** By extension, I am not disagreeing but we are saying, “when a Minerals Fund has been created”. This is because we are talking about this percentage on petroleum, where we have a fund for petroleum revenues.

**THE DEPUTY SPEAKER:** Okay, proceed. Is that the position?

5.13

**MR MUHAMMAD KIVUMBI MUWANGA (NUP, Butambala County, Butambala):** Madam Speaker,that is the position we have agreed on. However, as they go forward, as Government, they have got to watch. On the exception we are creating under the East African Protocol, Uganda is already red-flagged and they are urging us to even amend the Public Finance Management Act – but that is the work of Government.

They are urged to follow that and see that we do prudent management, especially taking away the need to always come to Parliament to capitalise Bank of Uganda because that is what we are trying to fundamentally cure. With that, Madam Speaker, we largely agree with those amendments.

**THE DEPUTY SPEAKER:** Thank you, the harmonisation committee. I now put the question that the report of the Budget Committee on the Charter of Fiscal Responsibility be adopted with amendments.

*(Question put and agreed to.)*

*Report adopted.*

REPORT OF THE 13TH SUMMIT OF WOMEN SPEAKERS AND THE 5TH WORLD CONFERENCE OF SPEAKERS, HELD FROM 06 TO 09 SEPTEMBER 2021 IN VIENNA, AUSTRIA

**THE DEPUTY SPEAKER:** What are you reading?

MOTION FOR A RESOLUTION OF PARLIAMENT TO AMEND THE RESOLUTION OF PARLIAMENT ON THE SUPPLEMENTARY EXPENDITURE SCHEDULE NO. 1 FOR FINANCIAL YEAR 2021/2022

**THE DEPUTY SPEAKER:** Honourable members, as you will recall, we adopted a resolution on Supplementary Schedule No.1 for Financial Year 2021/2022. It has, however, come to our attention that there was a mistake made, whereupon the money coming from grants from development partners and locally-generated revenue were lumped together.

Under rule 222(2) of our Rules of Procedure, a decision of the House can only be reconsidered upon a substantive motion for reconsideration. I, therefore, invite the Minister of Finance, Planning and Economic Development to come and present a motion for that amendment. It has ever happened. It is basically making the amendment – making the change. It is not anything for debate but correcting the record.

5.16

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Thank you, Madam Speaker. I beg to move a motion, under Rule 56 of the Rules of Procedure of Parliament, to amend the resolution of Parliament on the Supplementary Expenditure Schedule No.1 for Financial Year 2021/2022.

“*WHEREAS on 18 November 2021, under Supplementary Expenditure Schedule No.1 for Financial Year 2021/2022, Parliament approved Shs 2,108,942,989,703 as recurrent expenditure and Shs 1,758,645,054,089 as development supplementary expenditure;*

*NOTING, however, that during the appropriation process, some expenditure categories were erroneously captured as detailed below:*

*Shs 1.54 billion under Vote 005: Ministry of Public Service was appropriated as non-wage recurrent, yet Shs 720 million is for development expenditure;*

*Shs 722 million meant for Public Procurement and Disposal of Public Assets Appeals Tribunal, which is a subvention under Vote 008: Ministry of Finance, Planning and Economic Development was appropriated under Public Procurement and Disposal of Public Assets Authority, and;*

*Shs 3,560,000,000 Government of Uganda counterpart funding for the Albertine Region Sustainable Development Project No. 1310 under Vote 013: Ministry of Education and Sports was wrongly categorised as recurrent instead of development expenditure. As such, the correct allocation for recurrent expenditure should be Shs 50,500,000,000 and that of development should be Shs 27,110,000,000.*

*Shs 134,232,147 and Shs 227,069,034 was appropriated as development expenditure for Vote 173: Mbarara Referral Hospital and Vote 167: Jinja Referral Hospital respectively, yet it is non-wage recurrent.*

*Of the Shs 99,359,293,737 UG-FIT funding appropriated, Shs 80,254,452,432 is meant for non-wage recurrent and Shs 19,104,841,305 for development, respectively. However, the entire amount of Shs 99,359,293,737 was inadvertently appropriated as development expenditure;*

*REALISING, therefore, that there is urgent need to correct the allocations stated from No.s 1 to 5 above for the affected Votes;*

*NOW, THEREFORE, I pray that this Parliament resolves to amend its resolution dated 18 November 2021 to cater for the above mentioned Votes, as summarised below, and details attached as Annex 1.*

*Recurrent expenditure Shs 132,658,451,823*

*Development expenditure Shs 146,934,841,305*

*Total Shs 279,593,293,127*

I beg to move, Madam Speaker.

**THE DEPUTY SPEAKER:** Thank you. Is the motion seconded? Okay, it is seconded by hon. Silwany, tourism and hon. Nandutu, hon. Aza, hon. Tumusiime, hon. Ayoo and UPDF representatives.

Members, we are just correcting a mistake, which was made. The money could have already gone but it is just making the record correct. That is what we are doing. We are not approving any money to go anywhere; we are only putting the record correct because the committee made a mistake and brought it to this House, we passed the mistake and that is what we are trying to correct.

5.23

**MR OJARA MAPENDUZI (Independent, Bardege-Layibi Division, Gulu City):** Thank you, Madam Speaker. I am not raising anything contradicting what the honourable minister said. However, I would like to have a clarification from the honourable minister.

Sometime back, I raised in this House a matter concerning local government entities -

**THE DEPUTY SPEAKER:** Can we first put the question to this? I am saying this because we are now mixing two things. Let us put the question to this and then you can raise that one.

I put the question that the Motion for the Resolution of Parliament to amend a Resolution of Parliament on Supplementary Expenditure Schedule No. 01 for the Financial Year 2021/2022, be adopted.

*(Question put and agreed to.)*

*Motion adopted.*

**THE DEPUTY SPEAKER:** You can now ask your question.

**MR MAPENDUZI:** Thank you, Madam Speaker. I was saying that I raised a concern about the many local government entities including Gulu City, failing to perform certain functions simply because they require permission, in form of a supplementary, to spend local revenue generated far above what was appropriated.

Madam Speaker, you directed the Minister of Finance, Planning and Economic Development to make sure that matter is addressed. It is unfortunate that to this date, many local government entities, and particularly Gulu City, are not able to even have a council meeting - they have local revenue that they have generated, but is redundant and they are not allowed to use it.

It is, therefore, my prayer that you prevail over this matter and cause the honourable minister to expeditiously conclude this matter. Thank you.

**THE DEPUTY SPEAKER:** Thank you. Honourable minister, do you have any answer?

5.26

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (General Duties) (Mr Henry Musasizi):** Madam Speaker, previously, we used to allow local governments to budget for local revenue and we would normally release the money based on their projections. However, this almost causes a crisis in our cash flow management as a result of local governments overstating their local venues.

When this happened, we decided that let local governments first collect the money and once they get the money, they can ask for permission to spend it. There is something I have been - it is unfortunate that we have not handled his matter in time but he has been telling me about it.

Normally, when the local government has collected its revenue, and we can confirm that this is the money, which has been generated, they just have to seek authority from us to spend, and which we explicitly grant.

I would like to undertake, Madam Speaker, that on Tuesday, next week, early morning at 7.30 a.m. I invite hon. Mapenduzi to come to my office and we resolve this matter without necessarily -

**THE DEPUTY SPEAKER:** Honourable minister, there was a letter written by the PSST to all accounting officers, I remember at that time I was in PAC and we were grilling people as to why they were not sending money to the Consolidated Account. All the NTR must be sent to the Consolidated Account and when local government to use that money, they requisition for it.

Now, in most circumstances, even when they send a requisition, it is not honoured. And I think that is what hon. Mapenduzi is talking about. So maybe what you need to do, as management at finance, is for you to agree on the way forward.

When you go to Mbale City streets, garbage is up to the main road. And when one time I asked, they said they don’t have money - and those are things you need to resolve. It may not be for Gulu City alone, it is all over the country. So, you need to see how to revise that decision; you decide to either leave some percentage of NTR with the local governments or you approve at source and say, “fine, keep the money, we will approve how much you will use. That is what you should do.”

Members, now that the report has been delayed, I adjourn the House to tomorrow, Friday, 28 January 2022, at 10.00 a.m. I want to thank you so much and God bless you.

*(The House rose at 5.29 p.m. and adjourned until Friday, 28 January 2022 at 10.00 a.m.)*