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**Tuesday, 18 December 2018**

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

PRAYERS

*(The Speaker, Ms Rebecca Kadaga, in the Chair)*

*The House was called to order.*

COMMUNICATION FROM THE CHAIR

**THE SPEAKER:** Honourable members, I welcome you to this afternoon’s sitting. As this is the final week of this second meeting, I hope that we shall work expeditiously and accomplish what we have on the Order Paper.

Secondly, I would like to thank you for supporting Miss Uganda. Last time you voted really vigorously – *(Applause)* – and she made it. Now, there is another opportunity to support another Ugandan girl who is engaged in the Miss Tourism contest in Malaysia, and that is Miss Tourism Ankole. She is in Kuala Lumpur competing with others. The final voting date is 21 December, so I would like to ask that as we did last time, let us also do the needful so that we have another Ugandan as the queen of tourism.

There are some instructions on how to vote. Go to Google Play Store or App Store - I know you all have mobile devices – then download the Star Phone app, dial 1313, scroll down and look for “Uganda” and then you vote. We would like to wish Ms Margaret Kankwanzi victory at the contest in the world finals. Thank you very much.

Honourable members, you may recall that during the proceedings of the House on 11 December, hon. Medard Sseggona, MP for Busiro County East, raised a concern over the procedure of the nomination and election of backbench Parliamentary Commissioners. The Parliamentary Commission is established by the Constitution under Article 87A and its composition and functions are prescribed in the Administration of Parliament Act. I would like to read Article 87A of the Constitution for our benefit. It states thus: *“There shall be a commission called the Parliamentary Commission whose composition and functions shall be prescribed by Parliament by law.”*

The law which prescribes that is the Administration of Parliament Act, and section 2 provides as follows: *“(2) The Commission shall be composed of the Speaker, the Leader of Government Business or his or her nominee, the Leader of the Opposition or his or her nominee, the minister responsible for finance and four Members of Parliament, one of whom shall come from the Opposition and none of whom shall be a minister.*

*(2a) Without prejudice to subsection (2), one of the four Members of Parliament referred to in that subsection shall be a woman.*

*(2b) Nomination of the candidates for election to the Commission of the four Members of Parliament referred to in subsection (2) shall be made by the Government and opposition sides.*

*(2c) The four Members of Parliament referred to in subsection (2) shall hold office as members of the Commission for two and a half years.”*

On the other hand, the Rules of Procedure of Parliament, especially rule 11, provide as follows:

*“(1) The Parliamentary Commission, established by the Constitution and the Administration of Parliament Act, shall be composed of-*

1. *the Speaker…*
2. *the Deputy Speaker;*
3. *the Leader of Government Business…*
4. *the minister holding the portfolio of finance;*
5. *the Leader of the Opposition or his or her nominee; and*
6. *four Members of Parliament, one of whom shall come from the Opposition and none of whom shall be a minister.*

*(2) In the absence of the Speaker, the Deputy Speaker shall chair the meetings of the Commission.*

*(3) At least one of the four Members referred to in subrule (1) (f) shall be a woman.*

*(4) The four Members referred to in subrule (1) (f) shall be designated by their party whips.*

*(5) The constitution of the commission under this rule shall be done during the first session of a new Parliament, and tenure of service of the four backbench Members shall be for two and a half years subject to re-designation.”*

I have reproduced these provisions to ensure that there is clarity on the matter. I have studied the provisions of the Constitution, Administration of Parliament Act and the Rules of Procedure of this House and I find that section (2) (2b) of the Administration of Parliament Act is clear that there must be nomination of the candidates for election to the commission for the four Members of Parliament, nominated by the Government and the Opposition. I also note that going by the construction of the provision, the nomination is for the purpose of election.

This issue was handled in the East African Court of Justice (EACJ) in the case of Prof. Peter Anyang’ Nyong’o and others vs the Attorney-General of Kenya, the Secretary General of the East African Community and others. The judges of the EACJ found that it is common ground that the ordinary meaning of the word “election” and “to elect” is to make a choice or to choose. Therefore, there must be an election by the House.

In this case, I find that the House is designated as a constituent college for purposes of that election from among the nominated candidates of the four backbench commissioners. This is so because Members who are the direct beneficiaries of this choice are the voters and the commissioners are their representatives in the commission. In any event, all decisions of this House are made by voting.

The provisions of rule 11 (4) and (5) of the Rules of Procedure of Parliament provide for designation and re-designation respectively, as opposed to election. This, in my view, was an oversight on our part in making the rules, as you put them in direct contradiction with the Administration of Parliament Act, which was mandated under the Constitution to make this law.

In any case, to avoid ambiguity, we shall read the word “designation” to mean nomination. The issue of the woman is not in question; one of them must be a woman. The tenure of Members elected to the commission under the command of the Administration of Parliament Act is two and a half years.

Rule 92 (1) provides thus: *“Except as otherwise prescribed by the Constitution or any law consistent with the Constitution, all questions proposed for decision of Parliament shall be determined by a majority of votes of the Members present and voting.”* Various modes of voting are stipulated under rule 95 of the Rules of Procedure of Parliament. However, under rule 97 of the same rules, it provides, *“There shall be secret voting in the House in respect of-*

1. *the election or removal of a person holding office under the Constitution or under a law made under the Constitution.”*

The commission is created by the Constitution and is indeed operationalised by the Administration of Parliament Act, hence making the office bearers electable. It, therefore, goes without saying that by the command of the law, Members elected to serve on the commission are nominated by the Government and the Opposition sides of the House. They are elected by secret vote in the House and serve for two and a half years.

That is the response to the issues raised by hon. Sseggona. I think we shall ask the Committee on Rules, Privileges and Discipline to realign the rules to the Constitution and the Administration of Parliament Act because they are saying two different things. That is my ruling.

Honourable members, in the public gallery, we have our young tourism ambassadors - the beauty queens of Uganda. They are: Ms Ainembabazi Faith from Kigezi; Ms Asama Brenda Faso from Teso; Ms Suzan Anyait Erimu also from Teso; Ms Ann Trisha Tamale, eastern region; Ms Phoebe Nakintu, Buganda region; Ms Jacqueline Oyella, northern region; Ms Clare Asimiire from Ankole region. You are welcome. *(Applause)*

They are led by Mr Richard Sebaduka, the team manager; Mr Stephen Biriko King, assistant manager; and Mr Ivan Lugya, the coordinator. They are here to observe our proceedings. Yesterday, I had a meeting with them, honourable members, and they appeal to you, Members of Parliament, to work with them to promote tourism in your regions. They said they would be happy if you associated with them in the activities in your region. Therefore, when they invite you, please attend. Thank you very much.

2.49

**MR IBRAHIM SEMUJJU NGANDA (FDC, Kira Municipality, Wakiso):** Thank you very much, madam Speaker. As the party in opposition, we wrote to you nominating the hon. Francis Mwijukye as a commissioner and as far as we are concerned, we had only one nomination. You have given a ruling, which has come after the nomination. The procedural issue I would like to rise is whether this rule is going to be applied retrospectively.

However, I would like to also bring this to your attention, and I know you know it: When we were choosing commissioners in the last Parliament, we had a debate on this same matter. Some of us said we wanted to elect commissioners but the ruling then was that the commissioners would be designated. The trouble I have is that this will appear like changing the rules in the middle of the game, because a similar ruling was given by this Parliament. Some of us protested because we wanted to elect commissioners and we were told “No, you cannot elect them under the multiparty arrangement” and a lot of arguments were made. Now, Madam Speaker, you have a new ruling in the same Parliament.

Therefore, the procedural issues I am raising are two. The first is that we have made a designation. In fact, I thought today you would be announcing that the hon. Francis Mwijukye is to take up his position as a commissioner. This is because in our correspondence, you had said that he could not take over immediately when we nominated him and that we needed to wait until two and a half years had elapsed. I still have your letter. Therefore, we have been waiting for hon. Mwijukye to take over his position as a commissioner, Madam Speaker.

**THE SPEAKER:** First of all, you wrote to me in October when the two and half years had not yet elapsed. I even told you we cannot address the issue of commissioners at that stage; you had to wait until December. Therefore, this will be handled together with the other commissioners.

**COL (RTD) FRED MWESIGYE:** Thank you, Madam Speaker. I would like to be guided by you. We are in a multiparty dispensation and the practice has been that it is the parties that nominate these various leaders. As my colleague has said, that has been the practice and we have even debated this matter before. Therefore, what happens to these commissioners, whom I understand have been designated by their party? I need your guidance.

**THE SPEAKER:** You know that the decisions of this House are taken here in this House. Therefore, when the time comes, we shall deal with them.

**MR LUBOGO:** Thank you very much, Madam Speaker. When you were stating the provisions of the Administration of Parliament Act, you stated that the term of the commissioners is two and a half years. When you read our Rules of Procedure, the language therein was that the term is two and a half years, subject to re-designation.

The clarification I would like to get is: Considering the language in the Administration of Parliament Act, may you guide us as to whether this term is renewable or not because it says, “two and a half years”? Is it renewable or fixed? Kindly guide us on that.

**THE SPEAKER:** Were you listening when I read my ruling? It is contained in my ruling. Have you just arrived? Okay.

**MR MAJEGERE:** Thank you, Madam Speaker. You are aware that you have Independent Members of Parliament in this House. They occupy space here in this house. Even the Constitution is aware that Independent Members of Parliament occupy space here. I remember when people wanted to use the law to send away the “rebel” Members of Parliament, you provided space for them here and you also have the Independents. What is the fate of your Members of Parliament who are Independent MPs and are occupying space here?

You are aware, Madam Speaker, that the commission is supposed to cater for the welfare of the Members of this House. The Opposition and the other side are provided for but you have a big party here. Therefore, I request you to use your chair and your wisdom to allow the Independent Members to also have their voice on the commission. Those who get offended can go to court after you have used your discretion. Thank you so much.

**THE SPEAKER:** Honourable member, I am aware about the independents and I am aware that they are over 60. However, we have not yet amended the Administration of Parliament Act or the Constitution to create room for them. That is the difficulty I have. I want you to be there but I do not know how I can enable you get there. That is the difficulty we have.

2.56

**MS LUCY ACHIRO (Independent, Aruu North County, Pader):** Thank you, Madam Speaker, for giving me this opportunity.

On 29 November 2018, I raised a procedural matter on the issue of the giveaway of Government ranches—

**THE SPEAKER:** We are not yet there.

**MS ACHIRO:** Madam Speaker, they ruled that on 18-

**THE SPEAKER**: We are not yet there. We are still reacting to my communication. We are not yet there.

2.57

**THE GOVERNMENT CHIEF WHIP (Ms Ruth Nankabirwa):** Thank you very much, Madam Speaker, for your guidance and ruling on this matter.

However, I would like to say that your ruling probably requires amendment of the Rules of Procedure of Parliament, especially rule 11 (5), because you have said that we made it in error. We were already in the process of designating the next commissioners –*(Interjections)*– Members, can you please listen! I would like to know when it takes effect. When the game has started and you want to amend the rules, yet we have a precedent in this House - Is it going to affect the Tenth Parliament or this is for the Eleventh Parliament?

Two and a half years have elapsed and I have already written to the Speaker about the designation from – *(Interruption)*

**MR MWIRU:** Madam Speaker, I am at pains to raise a point of order against my sister, hon. Ruth Nankabirwa. However, in view of rule 86 of the Rules of Procedure of Parliament, once you make a ruling as the Speaker, the rule is to the effect that your decision is not challengeable. I am only wondering whether the honourable minister is in order to create a debate from your ruling when we have other matters to deal with and when there are procedures on how to deal with your ruling.

**THE SPEAKER:** Honourable members, I was asked to give a ruling last week and I have done it. We shall address the question of “when”.

**MS MANKABIRWA:** I would like to, therefore, give notice that I will be moving a motion to challenge some of the – *(Interjections)* – because I am not in agreement. Am I not supposed to disagree? The rules allow me to give notice and I am giving notice that I will be moving a motion to challenge some of the provisions in your ruling, Madam Speaker.

**THE SPEAKER**: It is your right, but you will be challenging the Administration of Parliament Act. That is the main law of this House.

MINISTERIAL STATEMENT ON THE DELAYED PAYMENT OF RETIREMENT BENEFITS TO FORMER EMPLOYEES OF THE EAST AFRICAN COMMUNITY

3.00

**THE MINISTER OF STATE FOR PUBLIC SERVICE (Mr David Karubanga):** Madam Speaker, you recall that at the Second Sitting of the Third Session of the Tenth Parliament held on Wednesday, 21 November 2018, issues regarding the delayed payment of retirement benefits to former employees of the East African Community (EAC) were raised. The Speaker of Parliament referred the matter to the Ministry of Public Service to submit reports to Parliament, which I presented on 28 November 2018. Parliament, however, directed the Ministry of Public Service to prepare and present a more comprehensive report on the status of clearing outstanding claims of the former employees of the defunct EAC.

Background

The East African Community was comprised of three countries - Uganda, Kenya and Tanzania. It operated its own pension scheme, which was managed by Crown Agents. The scheme was independent of the pension schemes in the member states. The scheme rules are provided under the East African Community Pensions Act, Cap 11.

Upon the collapse of the East African Community in 1977, Crown Agents failed to honour the retirement benefits of its members. The implication of this was that members of the scheme lost their pension rights. The former employees of the defunct East African Community thus remained at the mercy of their respective governments.

Government of Uganda issued Decree No.6 of 1978 and consequently signed a mediation agreement in 1984, which amended Pension Act, Cap 281 to protect the pensionable rights of the Ugandan nationals who served under the defunct EAC. The implication of this is that services in the East African Community became pensionable under the Pensions Act, Cap 281, to which the rules governing pension management applied.

Government commenced payment of gratuity or refund of the Provident Fund and interests in accordance with the mediation agreement of 1992. In 1996, however, a committee was appointed to develop a comprehensive register of all former employees of the defunct EAC. The committee was chaired by Mr Adrian Sibo and it studied various documents including the Actuarial Report of 1986 and they came up with a report in 1998 detailing the list of beneficiaries and their payment status.

Similarly, an inter-ministerial technical committee was constituted to establish the outstanding compensation liabilities of the former employees of the defunct EAC. They produced a report on the compensation in June 2000. The report was regarded final and contains a list of all former employees of the defunct EAC and the status of their payments.

Since then, Government has been settling the liabilities of the former EAC employees and as at June 2018, the verified outstanding obligations amounted to Shs 18,505,201,657. The Ministry of East African Community Affairs has submitted the arrears to the Ministry of Finance, Planning and Economic Development for clearing. Once funds are allocated to clear the arrears, the liabilities shall be cleared.

There was a problem, which lies in the lump sum payments, which are unsustainable. Government has been clearing most of the outstanding liabilities of the former EAC employees, except for those whose balances have not been paid, amounting to Shs 18, 505, 201, 657. However, because the benefits are in form of a one-off payment, a number of former employees have continued to petition various offices demanding for their payments, which are not tenable.

Limitations of the Law

The Pensions Act, Cap 281 (Amendment Cap 286) as well as the East African Community Pensions Act, Cap 11 provides for a qualifying period of ten years of continuous service for pension. Most former employees of the defunct East African Community served for less than 10 years and are therefore ineligible to receive pension. An exception to this provision is where an employee is retired from the service on abolition of office or retrenchment.

Dissatisfied with this provision, a group of former employees sued Government arguing that the collapse of the community in 1977 amounted to abolition of the office and therefore they should be paid a severance package, repatriation, transport, pay in-lieu of notice and pay in-lieu of approved leave. The High Court in 2017 ruled that the collapse of the East African Community did not amount to abolition of office and therefore the benefits sought for were unjustified.

Madam Speaker, we have also been having budgetary constraints. Fulfilment of the outstanding liabilities took longer than anticipated due to budgetary constraints and partly due to mismanagement of funds as established by the office of the Auditor-General. As at June 2018, Shs 18.5 billion remained unpaid.

Regarding issues of mismanagement of the pension funds, the implicated officials have been charged and sentenced, although some cases are still being pursued by the Directorate of Public Prosecution.

Status of Payment of Former Employees of the Defunct East African Community

Madam Speaker, the benefits of the former employees of the defunct East African Community consist of pension for those eligible, gratuity or refund of the Provident Fund, and interest in accordance with the mediation agreement.

Monthly pension is paid to the former employees of the defunct East African Community who had served for the qualifying period of l0 years. The pension is paid in accordance with the Pensions Act, Cap 281 (Amendment Cap 286).

As at November 2018, 547 pensioners who are alive are receiving monthly pension amounting to Shs 1,954,885,128 per annum. The benefits shall cease upon death, provided the benefits have been paid for over l5 years. The list of pensioners receiving monthly pension is attached.

Gratuity/Provident Fund Settlement plus Interest for East Africa General Fund Services

1. The General Fund Service comprises of 24 departments as contained in the Inter-Ministerial Taskforce Report of 2000;
2. The total number of eligible beneficiaries are 3,373;
3. 227 had been paid gratuity with interest prior to 2000;
4. 1,464 had been paid gratuity only prior to 2000;
5. 22 had been paid their Provident Fund benefits including interest prior to 2000;
6. 1,660 had not been paid any benefit prior to 2000 but were later settled;
7. Overall, Shs 4,192,218,588 had been paid out under General Fund Service and outstanding liability of Shs 14,525,884,738.

Under Gratuity, there were-

1. 2,522 eligible claimants under East African Posts and Telecommunication (EAPT&C)
2. 1,610 were paid Shs 5,917,585,399 prior to 2000;
3. 901 had not been paid prior to 2000 but have since been paid;
4. The outstanding liabilities by 2000 were Shs 17,213,454,919 which were eventually settled;
5. 38 files were incomplete by 2000 but the claimants later submitted the missing information and the beneficiaries were settled.

**THE SPEAKER:** Honourable minister, try to wind up.

**MR KARUBANGA:** Madam Speaker, there was the Provident Fund settlement plus interest for the East African Railways Corporation (EARC). Under this, 2,319 eligible claimants were under the EARC. About Shs 3.1 billion was paid to 1,128 who had not been paid prior to 2000; 1191 had not been paid prior to 2000, but the total figure which was later settled amounted to Shs 10,525,678,298.

We also had gratuity payment for the East African Harbours and Cargo Corporation (EAH&CC) and the Provident Fund for East African Airways Corporation (EAAC).

We also had arrears of balances plus interest and other court awards verified by the Ministry of Public Service. In total, the settled claims as at 2016/2019 were 92 and that amounted to Shs 2.5 billion; and for 2017/2018 we had 293, which amounted to Shs 27.2 billion. The total paid was Shs 27.23 billion. The Ministry of East African Affairs has paid all this.

Unsettled claims for the financial year 2018/2019 for 232 individuals amount to Shs 17.6 billion. We also have another 37 individuals with unsettled claims of Shs 893.9 million. That total, as I told you before, is Shs 18.5 billion.

Madam Speaker, I would like to briefly read out the strategies we have to settle outstanding liabilities –

**THE SPEAKER:** No, honourable minister. You know the question was about who has been paid and who has not. You are telling us the generalities but you have not given us the list of those who have received the money. That is what Members are interested in.

**MR KARUBANGA:** Madam Speaker, after giving that presentation, I beg to lay on the Table the following details of the payments as stated in the various reports:

1. Gratuity arrears of the former East Africa Community (EAC) employees as at 30 June 2018;

2. The arrears schedule for the defunct East African Airways beneficiaries paid in 2017/2018;

3. The arrears schedule for the defunct East African Community paid in 2016/2017;

4. Gratuity arrears schedule (60 per cent) and Provident Funds for the defunct EAC;

5. The eligible pensioners receiving monthly pension as at November 2018;

6. A register of all former employees of the defunct East African Community; and

7. The High Court judgment on whether the collapse of the EAC amounted to abolition of office. I beg to lay.

**THE SPEAKER:** Thank you very much. I now instruct the Clerk to upload that information to Members’ iPads and also write to the petitioners and send them a copy of the minister’s response.

Honourable members, we quickly moved to the minister but there were a few matters of national concern.

3.19

**MR ELIJAH OKUPA (FDC, Kasilo County, Serere):** Thank you, Madam Speaker. The matter I am raising relates to digital tax stamps.

On 31 August, Uganda Revenue Authority (URA) officials met Ugandan manufacturers. In that meeting, the manufacturers were told that Uganda Revenue Authority is going to introduce the stamp tax on excisable goods manufactured in their factories and also on those that are imported. They will all bear those stamps. This was not handled the way we always do because we would have had to amend the tax code.

Madam Speaker, there is something of interest here that I find disturbing. The manufacturers are being forced to pay for the cost of stamping, therefore increasing the cost of production. What we would have expected was that Uganda Revenue Authority would install the equipment. However, they are bringing in a foreign company to install the equipment, making the manufacturers buy the equipment and also demanding that they pay in advance. I will give you an example. The proposed figure is Shs 50 per stamp. Look at a company like Nile Breweries Limited that produces about 20 million bottles and multiply that by Shs 50, which they must pay in advance.

Madam Speaker, a petition regarding this was brought to the attention of the Committee on Finance, Planning and Economic Development but we are yet to see the outcome. The manufacturers are not moving forward because of their disagreements with the Ministry of Finance, Planning and Economic Development. However, His Excellency the President also did communicate to the Ministry of Finance, Planning and Economic Development on 15 November about how to expedite the process but nothing has taken place. Since the beginning of the financial year, and we are coming to the second half of the financial year, nothing has been done. The Ministry of Finance, Planning and Economic Development, Uganda Revenue Authority and the manufacturers are having ping pong discussions.

The other thing of interest is that this foreign company has credibility issues. It has been rejected in Tanzania and Kenya but now it is finding its way to Uganda. Do we even know how it was procured?

Madam Speaker, the prayer of the manufacturers of excisable goods and those who import is that if this tax is to be levied, the Government should procure the equipment and install it. Since they pay taxes, Government can afford to do that instead of shifting the cost. This definitely has a bearing on the manufacturing cost, and the people who also produce the raw materials will definitely be affected. Those people in Teso who grow sorghum for the beer industry, for example, will definitely be affected negatively, thereby affecting the tax collection in this country *–(Interruption)*

**MR ANGURA:** Thank you, colleague, for giving way. Madam Speaker, this problem has actually affected most manufacturers who are now contemplating on whether to continue in business or not.

Hon. Okupa has alluded to the fact that one institution alone, Nile Breweries Limited, might be producing about 20 million bottles. From this manufacturer and many other beverage manufacturers here, it means this company, which has been solicited – I do not know whether through a procurement exercise that we are aware of – will collect so much money and even take it abroad. Manufacturers are even contemplating going to court about this.

Madam Speaker, the problem is so big and these people need to be heard. The ministry, as well as our committee of Parliament, should listen to them so that the arguments can be harmonised and we see how we can move in to support this idea. Otherwise, to be a tax collector –

**THE SPEAKER:** Can I know whether the minister is able to say something about this, because it is now becoming a debate.

3.24

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PLANNING) (Mr David Bahati):** Madam Speaker, it is true that Uganda Revenue Authority is installing a digital tax stamp to help harmonise and bridge the gaps in our tax system. The company will be working with Uganda National Bureau of Standards so that we kill two birds with one stone - ensure the quality of the products we are importing and also those produced here, but at the same time know that a product which has been produced has a stamp that can be traced for tax purposes.

There are issues around the system. We are in touch with Uganda Manufacturers Association; we have had discussions with them but we are yet to conclude the discussions. However, I can assure this House that we shall resolve this issue. They have not really complained; they raised their issues and we told them how the system works and we are hoping to have another meeting. I am just surprised that it has come to this level, but we shall resolve it harmoniously.

**MR OKUPA:** Madam Speaker, I just have something small to add. It is good that the minister has talked about that, but there are issues that I raised about advance payment. Through your office, I also ask that the Committee on Finance, Planning and Economic Development expedites that petition so that maybe by the time the minister brings the report to this House, it is handled together with the report. Thank you, Madam Speaker.

**THE SPEAKER:** I will instruct them in writing.

3.26

**MS JULIE MUKODA (Independent, Woman Representative, Mayuge):** Madam Speaker, I thank you so much. I rise on a matter of national importance.

There has been a high rise of gun robbery and shootings in my district, Mayuge. Just last month, there were three incidents: in Kikubo Village in Buwaaya Subcounty, Nakazigo Village in Kigandalo Subcounty and Nambago in Baitambogwe Subcounty. All those three incidents were just gun robberies; they would just come and steal guns.

On 1 December, there was a policeman attached to Chinese who are constructing the Lumino-Majanji Road and he claimed that his gun was stolen. He was arrested and he appeared before the magistrate. He was convicted and sentenced to six months only. However, up to now the gun has never been found.

On 2 December, just after one day, some armed robbers attacked the District Environment Officer called Aram. They shot his driver four times but he did not die. He is called Bosco and he is still in hospital nursing the bullet wounds.

Recently, on 15 December, they shot and killed a young doctor called Ibrahim Gwaluka who was the in-charge of Kigandalo Health Centre IV, at his home in Iganga. I believe he was trailed from Mayuge District.

Someone may assume that maybe this is happening because of the Christmas season and people are looking for money. However, Madam Speaker, it is too much. My people in Mayuge are scared for their lives. When I was with the district leaders yesterday, they were telling me that they have failed to access the Inspector General of Police (IGP). My humble appeal is to the Minister of Internal Affairs to find a solution for us because my people are very scared for their lives. Thank you very much.

**THE SPEAKER:** The Minister of Internal Affairs is not here but we would like to invite him to take interest in this matter-The minister in charge of security is here.

3.29

**THE MINISTER, OFFICE OF THE PRESIDENT (SECURITY) (Gen. Elly Tumwine):** MadamSpeaker, this is true and we have got all that information. There is a group of thugs we are following in Mayuge who have guns and they are using them to rob people. After that, they run to the islands and then come back. However, we are tracking them and we shall soon get them.

**THE SPEAKER:** Do you want hon. Mukoda to go and say that the minister said they will soon get them? Do you want her to go back and tell the people in Mayuge that the minister said they are soon arresting the thugs?

**GEN. TUMWINE:** Madam Speaker, as I have said, assure them that security is tracking, investigating, following up and will finally get those thugs.

**THE SPEAKER:** Unfortunately, we are about to close, but we would like to ask the Minister of Internal Affairs to give us a report on this issue as soon as we resume after Christmas.

3.30

**MR ROBERT KASOLO (NRM, Iki-Iki County, Budaka):** Thank you, Madam Speaker. I rise on a matter of national importance regarding the fuel facilitation given to the Uganda Police Force.

Several times, I have moved along the Mbale-Kampala Highway and I have seen patrol vehicles being pushed by policemen who are supposed to protect people. One time, I got interested and stopped and asked them what had happened to the vehicle. I inquired if they had a mechanical fault and they told me they did not have fuel. That has been the trend about five times along that highway from Mbale. *(Laughter)*

**THE SPEAKER:** Please, honourable member, you have only two minutes to raise the issue. It has been noted. This is not a debate.

**MR KASOLO:** This has happened several times and I keep wondering. This is a highway patrol vehicle which is supposed to protect the people pushing it because it has a fuel problem! I wonder because this Parliament appropriated money for the Ministry of Internal Affairs to make sure that they protect Ugandans.

One, I want to know from the Minister of Internal Affairs what happened to the money we allocated to make sure the police has fuel to protect Ugandans. Secondly, I would like to know when we will get rid of this humiliation of patrol vehicles being pushed and yet there are many robberies along the road, like my sister has said.

This is a very serious matter, Madam Speaker. I would like the Minister of Internal Affairs to come up boldly and explain. We have a very big problem if we are depending on the highway patrol and yet at a time when you might need them, there might be no fuel to help you or any other citizen.

**THE SPEAKER:** We invite the Minister of Internal Affairs to come and update us on the adequacy of fuel supplies for the Uganda Police Force especially for the patrol vehicles. It will be done when we resume next year.

3.33

**MR ROBERT KYAGULANYI (Independent, Kyadondo East, Wakiso):** Thank you, Madam Speaker. As a matter of national importance, I rise to complain about the illegal, unconstitutional and high handed conduct of the Uganda Police Force as regards stopping my music shows.

As you might be aware, apart from being a Member of Parliament, I am a professional musician. That is a profession that I practiced for close to two decades. Honourable members, just like some of you who are doctors, lawyers, pastoralists and teachers outside this House, I am also a musician and that is how my family survives. Indeed, through that trade, I employ hundreds of Ugandans.

Madame Speaker and honourable colleagues, since last year in October, the Uganda Police Force has made it a habit to sabotage my music concerts. In October last year, five of my concerts were stopped. Now this year in October, I organised a concert at Namboole Stadium but it was stopped by the police for reasons that have not been given yet. The administration and management of the stadium told me that they received instructions from the police not to host me.

On 2 December, I was supposed to attend a concert in Gulu at a place called Smiling Panda. Even though we had written to the police and met all the requirements –*(Member timed out.)*

**THE SPEAKER:** Please make your prayers in one minute.

**MR KYAGULANYI:** Thank you very much, Madam Speaker. Apart from the 2nd, there was also the 5th of December. I drove back and I personally went to the police to face the Inspector General of Police. I sat for four hours but when the police got back to me, they brought guidelines that were dated that very day, the 5th of December, telling me that I had not been cleared because I had not fulfilled those requirements.

Besides that, my place called One Love Beach has come under attack because the police have instructed all promoters not to host shows there. Indeed, on the 9th of this month, we were supposed to hold a show there but the organisers were blocked by the police who informed them that they cannot hold a show at my place.

Apart from shows, Madam Speaker, I am not allowed to even attend church. On the 9th of this month, I was supposed to attend mass in Kangulumira but the congregation was teargassed because I was attending that mass. This Sunday, the 16th, I was supposed to attend mass in Lugazi but the church was surrounded by the police and people were beaten up. I did not attend that mass.

It is my hope and prayer that this honourable Parliament reins in the police and all security organs so that they stop abusing the laws of this land with reckless abandon. I beg to submit, Madam Speaker.

**THE SPEAKER:** Again, I do not see the Minister of Internal Affairs. However, the minister in charge of security is here. Are you aware about the inability of hon. Robert Kyagulanyi to attend church and organise his functions?

3.37

**THE MINISTER, OFFICE OF THE PRESIDENT (SECURITY) (Gen. Elly Tumwine):** Madam Speaker, hon. Robert Kyagulanyi will be my witness. When he came to Parliament as a musician, I had a discussion with him in the lobby. I asked him a question: How will you balance your music with politics? All I can say –*(Interruption*)-

**MR OLANYA:** Thank you, Madam Speaker. Almost all Members of Parliament have professions. We have lawyers in this august House who are practising. We have teachers, including myself, and I am teaching. We have UPDF soldiers like Gen. Elly Tumwine. Is the honourable member in order to insinuate that hon. Robert Kyagulanyi cannot balance his profession with his work as a Member of Parliament yet all of us here are practising in our professions?

**THE SPEAKER:** No, honourable members, he is out of order. Also, honourable members, the form we signed when we were being nominated does not say that if you are a dancer, you stop dancing and if you are a teacher, you stop teaching.

Please address the violation of his rights as stipulated in Article 40 of the Constitution of the Republic of Uganda, not what you discussed with him. Is the state stopping him from doing his work? That is what we would like to hear.

**GEN. TUMWINE:** Madam Speaker, I had not finished my story. I had not concluded my sentence. If you would allow me to continue, I would like to say that these are occupational hazards. (*Laughter*)

**THE SPEAKER:** Honourable members, I think the minister thinks that this is a joke. Therefore, I would like to ask the Prime Minister to come and tell us whether the state does not allow hon. Robert Kyagulanyi to conduct his business.

3.41

**MR PAUL MUSOKE (NRM, Buikwe County North, Buikwe):** Thank you very much, Madam Speaker. I rise on a matter of national importance.

Sometime back, we had buses transporting passengers from rural areas to Kampala and they would make stopovers near the bush for passengers to ease themselves. Recently, however, these buses make stopovers at petrol stations for passengers to ease themselves and to refresh. As a result of this, in my locality, people who roast chicken and beef have brought charcoal stoves to the petrol stations. You can imagine, gas stations next to flames! I have endeavoured to talk to one petrol station owner who has complied but others have not. I would like to request the minister to comply.

Madam Speaker, I took an initiative to count the petrol stations that are in Kampala and I counted 61. Kampala is sitting on a time bomb. If one explodes, that is the end of the entire Kampala. There are no regulations, supervision or guidance, and safety training procedures are not considered. If security does not interest itself in these happenings –

In developed countries, petrol stations are scattered. However, here, the stretch from the Post Office in Kampala to about seven kilometres away from Kampala has 61 petrol stations. Not only that, look at the reservoirs at Sixth Street; Civicon is welding and there are blazes and the city council workshop is also next to the petrol station reservoir, but nobody is considering that.

I would like to request the ministry in charge of this sector to regulate, train, guide, supervise and set up safety meetings related to those activities. If we do not consider that, let us wait for the Ministry of Disaster Preparedness and Refugees with their usual “past tense” management.

Secondly, I would like to inform Members in this House that any of us here can afford to own an airstrip. We are introducing a national carrier. The system is such that when you get a ticket, the airline is supposed to ferry you from your locality to the airport and then you go to the main vessel that is to transport you to another country.

Members, I am offering a service; I am ready to provide you with a feasibility study. An individual can construct an airstrip and a local authority too can construct an airstrip and we expand on our air transport services. It is an easy arrangement; an airstrip is cheap. This would not only support the national carrier but it would also be a source of revenue to the authority. Secondly, it would help to extend services nearer to the community. Thirdly, it would be an investment and a tool for tourism promotion. Madam Speaker, I thank you.

**THE SPEAKER:** Thank you. This matter of the petrol stations touches both the minister in charge of Kampala and the Ministry of Energy and Mineral Development. You know, the address on Kampala Road, Plot No. 1, is a petrol station. Of course, petrol stations are there now; I do not know what the Minister for Kampala can do about the planning, or what the Minister of Lands, Housing and Urban Development can do.

Minister of Energy and Mineral Development, the honourable member has said that people have taken charcoal stoves to petrol stations to roast their meat there. I do not know who is in charge of that activity.

4.44

**THE MINISTER FOR KAMPALA CAPITAL CITY** **(Ms Betty Kamya):** Thank you, Madam Speaker. I would like to thank the honourable colleague for raising these matters. I will answer the first part pertaining to the roasting of meat near petrol stations. My colleague, the minister in charge of energy, will take on the other part.

I am so glad that this matter has been raised before this House. The biggest problem that we have in Kampala is impunity and lawlessness. Also, the biggest problem that we have is that the people of Kampala are cheered on largely by the political leadership of Kampala. We have tried, through Kampala Capital City Authority (KCCA), to insist on trade order, to insist that people should operate only where they are designated to operate. It is not only the meat sellers but also the street vendors, the people who park on the road sides, the boda boda riders; everybody does what they want.

Therefore, Madam Speaker, I would like to request this august House *–(Interruption)*

**MR NSAMBA OSHABE:** Thank you very much, honourable minister, for giving way. I would like to seek clarification from you. You have indicated that political leaders –

**THE SPEAKER:** You address the Chair; do not look at the minister. *(Laughter)*

**MR NSAMBA OSHABE:** Thank you, Madam Speaker. The minister said that political leaders are the ones who are failing them and yet she is also a political leader. Can she clarify and probably tell us which political leaders are failing, because this is a dangerous matter and we want to know? You might be insinuating that it is a certain person and Parliament must know who. Thank you.

**THE SPEAKER:** Honourable members, this is a serious issue. If you drive to any petrol station, you will see a sign that says, “Do not light fire here.” The honourable member said there are people cooking at petrol stations with fire! It happens and people are passing by and being endangered. He also said that in Kampala, there are 61 petrol stations in the city, including on Plot 1, Kampala Road. He is saying there is a danger in having all those petrol stations where they are. That is what we want to hear about, honourable minister.

**MS KAMYA:** Madam Speaker, we are not here to apportion blame but to explain the problem so that I appeal to colleagues to support the efforts of KCCA to maintain trade order in the city. Everybody in the city has got a designated place of work. Boda boda riders have got designated work stations. The people who roast meat have got designated work places. However, they just do not adhere to the rules and when KCCA goes after them *–(Interruption)*

**MR MUHAMMAD NSEREKO:** Thank you very much, Madam Speaker. Thank you, honourable minister, for giving way and room for clarification.

The matter for which I seek clarification from you is that hon. Musoke raised an issue touching physical planning and the problem stretched all the way from Lugazi through to Kampala. The issue is about the mushrooming fuel stations. The minister responded by saying the issue of Kampala is lawlessness and that this is partly fuelled by political leaders. The clarification I would like to seek from you is whether all these fuel stations he talked about that are a time bomb to the city were approved by technical officers and are officially there.

It would be good if you came here and clearly stated, without making blanket statements, that it is this or the other politician. If you say the mushrooming fuel stations are there because of lawlessness, you should clearly say it was because of politician a, b, c, e that we are sitting on this time bomb, rather than making a blanket statement, which includes you and I as politicians in Kampala, to mention but a few.

**THE SPEAKER:** Honourable members, you have spoilt the argument. This matter is an issue of planning not leaders in Kampala. Hon. Isaac Musumba is there – I do not know whether there is anything you can say about the planning of Kampala and in particular where the petrol stations should be. Honourable minister, please complete and then the minister in charge of urban development will come in.

**MS KAMYA:** Thank you for allowing me to conclude this matter. When I started my submission, I said I will deal with the issue raised by the Member of Parliament who raised this matter and I will leave the other matter to the minister in charge of energy.

In conclusion, I said KCCA has the capacity to enforce order in the city but when they try to do so, we are pitted against politicians who stand up for the voters. We try to understand but that is the problem I am saying.

Since the honourable Member of Parliament for Kampala Central Division wanted an example, I will give you just one. When we asked street vendors off the streets of the city, it is the honourable member who raised it here in Parliament *–(Interjection)-* When we raised matters *-(Interjection)-* I am concluding and I would like to request Members to kindly support trade order in the city. Please, put it above your votes. Thank you.

**THE SPEAKER:** Hon. Kamya, I was hoping you would say you are going to address the issue of the location of petrol stations in this city. That is what we are talking about. We are not talking about trade or bananas. Let us have the minister in charge of energy.

3.53

**THE MINISTER OF STATE FOR ENERGY AND MINERAL DEVELOPMENT (ENERGY) (Mr Simon D’Ujanga):** Madam Speaker, the Ministry of Energy and Mineral Development licenses petrol dealers. Before a licence is provided, the site is inspected and the site should be duly approved by the town council or local authority of the area and then we go ahead and license. We do not have the capacity to monitor what other activities take place around the petrol stations. We license them, having inspected the area and having seen authority from the local authority that a petrol station can indeed be put in a certain location.

**THE SPEAKER:** Honourable minister, isn’t that an area for policy review? After you license, they operate and nobody checks?

**MR D’UJANGA:** When we license, we continue to check on the quality of the fuel but we do not monitor the other very serious and dangerous activities like those that have been enumerated by my colleague there.

3.55

**THE MINISTER OF STATE FOR LANDS, HOUSING AND URBAN DEVELOPMENT (URBAN DEVELOPMENT) (Mr Isaac Musumba):** Thank you very much, Madam Speaker. The issue of physical planning and enforcement of plans is a very serious and topical issue. Every day when I go to Jinja, I pass that petrol station at the edge of Mabira Forest. There is a petrol station there and the investor has also built a kind of rest house. The *wananchi* have also put up kiosks around there.

The weakness that we are experiencing lies in enforcement. Madam Speaker, as a cure, I have caused the introduction of a Bill, which I have now, to address enforcement and policing of physical planning throughout the country. We are just waiting for the Ministry of Finance, Planning and Economic Development to give us another certificate of financial implication and then we shall lay the Bill here. It is here. Thank you.

3.56

**MR DAVID ABALA (NRM, Ngora County, Ngora):** Madam Speaker, I want to thank you for giving me this opportunity.

I stand here in mourning because last week on Wednesday, two of my voters were brutally killed at Lake Nyaguo, between Ngora and Pallisa. They had gone for their usual duty of fishing but two of them were killed by a team of 10 fishermen from Pallisa and one of them survived.

This is not the first time fishermen from Pallisa have killed fishermen from Ngora. In February this year, they also killed a young man. However, this recent incident has raised great concern because the fishermen from Pallisa behave as if they are above the law. After killing the fishermen from Ngora, they went to make statements at Agule Police Station and they were released and actually, those boys have run away.

As we talk, one of the assailants called Opio told the fisher guard, “We are done with the assignment you gave us”, implying killing the two men. On Friday last week, we recovered the bodies of the two young men and we buried them in Kodike Village, Kobwin Subcounty.

These are my prayers: I would like to request the Minister of Internal Affairs to thoroughly investigate this matter and the perpetrators of this brutal killing be brought to book. Secondly, I would like to appeal to Government to come up and support the families of the two young men. They left behind children and widows who need support. Thirdly, I request the Minister of Internal Affairs to make a statement about this in this House.

**THE SPEAKER:** Could you supply the minister with the names of the victims, assailants and the CRB numbers so that he is able to follow up?

**MR ABALA:** Thank you very much, Madam Speaker. I will do that tomorrow.

**THE SPEAKER**: Honourable minister, after the Member has supplied you with the necessary details, you should do investigations and come back to update this House about the deaths of those two young men in Ngora. Thank you.

There were other items; hon. Etuka, you should ask a question for oral answer on this issue. Hon. Olanya, the question you asked about measles will be answered by the Minister of Health and so, we shall not ask it. Let us go to item No. 4.

LAYING OF PAPERS

4.00

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PLANNING) (Mr David Bahati):** Mr Speaker, I beg to lay on the Table a request to authorise Government to borrow US$ 100 million, equivalent to Shs 380 billion, from the domestic market to finance classified expenditure under Ministry of Defence and Veteran Affairs for financial year 2018/2019.

**THE SPEAKER:** Members, the request is sent to the Committee on National Economy for perusal and report back.

4.01

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PLANNING**) **(Mr David Bahati):** Madam Speaker, I beg to lay on the Table approved estimates of revenue and expenditure (recurrent and development) for the financial year 2018/2019, volume 1 for central Government votes for the year ending 30 June 2019.

**THE SPEAKER:** Honourable minister, I do not know the purpose of laying that on the Table because those are approved estimates and that is what we did last year. What we are expecting is the Budget Framework Paper, which was due on 15 December. What do you want us to do with that? Is it for information purposes?

**MR BAHATI:** To help us in the budgeting process. As I said, we shall have the Budget Framework Paper laid on the Table within 30 minutes, so that we meet the deadline of the law.

**THE SPEAKER:** So, is this just for information purposes?

**MR BAHATI:** Yes.

**THE SPEAKER:** Okay. Members, receive it for information purposes.

RESPONSE BY THE MINISTER OF SECURITY TO A QUESTION RAISED BY HON. THEODORE SSEKIKUBO ON ALLEGATIONS THAT GEN. ELLY TUMWINE UNDERMINED COURT JUDGMENTS THAT FAVORED MR GEOFFREY MAKUMBI IN RESPECT OF A LAND DISPUTE THAT THE LATTER AND MR MOSES MUSHABE WERE INVOLVED IN

**THE SPEAKER:** Can the minister summarise because it seems his answers are a bit long. Use just five minutes or less if you can.

4.03

**THE MINISTER, OFFICE OF THE PRESIDENT (SECURITY) (Gen. Elly Tumwine):** I was told it is supposed to be 10 minutes.

**THE SPEAKER:** No.

**GEN. TUMWINE:** That is what is on the Order Paper.

**THE SPEAKER:** The Order Paper says five minutes; it is clear.

**GEN. TUMWINE:** Madam Speaker, I am responding to allegations made by hon. Ssekikubo on 6 December 2018 about subverting court judgements and the arrest of the District Chairperson of Ssembabule.

Initially, I wanted to respond to the two issues raised with two sentences only. On the first one, I wanted to just state that there was no undermining or diversion of court judgements. On the second one, I wanted to say that it was the correct thing to do. However, because of what is going on in this country - the abuse of justice by some judicial/court officials including some lawyers who are quite a number, court bailiffs, some security officials, leaders and even some Members of Parliament - I have decided to use this chance to demonstrate how these cases have been going on and how they are frequently handled in the whole country.

First and foremost, my involvement in this matter is very recent as Minister of Security. His Excellency the President received complaints from residents of Lwemiyaga about this case which resulted in a murder arising out of an eviction on the estate of the Late Joshua Kaleeba. A one Mandela Tindimureka was shot dead while Byeshanika George is still nursing bullet wounds. This is the gravity of this case.

The concern of the President was to ensure that since the court case is over, a repeat of the mismanaged eviction does not take place. I invited all the parties in the said dispute to appreciate these facts. It should be noted that no Ugandan should lose life under such circumstances and if it happens, relevant Government institutions come in to address the matter and the plight of the people.

In summary, the facts of this case are that it involves six families which bought one square mile of land from a family of sixteen children, among whom one of them went to court. This case, in its 14 years of hearing, was heard and judged *ex parte* twice.

Summonses were hidden to take advantage of the innocent defendants and the procedure of acquiring letters of administration was deliberately ignored. Bailiffs were highhanded, which led to the burning of houses during the first execution which was stopped by the Resident District Commissioner of Ssembabule.

A second illegal execution was arranged, in total disregard of laid down execution procedures. They did not involve the territorial police but rather used the regional police, after colluding with the Court Registrar to give exorbitant and unreasonable calculations of selling 567 cows. They calculated each cow at Shs 350,000, which is extremely undervaluation of a cow.

The hired police and court bailiffs broke all the rules and acted like terrorists; they demolished houses, destroyed property, shot Mandela Tindimureka dead and injured Byashanika George who is still nursing bullet wounds. As a result of the mismanagement of the court orders, the court recalled the two warrants of execution from the court bailiffs. This was irregular.

The defendants at that point learnt of the whole scheme. An application to put aside the *ex parte* judgement, in that they would be able to defend themselves, was lodged in court. This was concluded on 6 November 2018 - just last month.

In all this, it is alleged that hon. Theodore Ssekikubo was behind the one beneficiary of the whole family of 16 members who sold their land to the six other families (the defendants). It is alleged that hon. Ssekikubo was promised 200 acres of land and is implicated in all this as a suspect and liable for intermeddling in the estate of the late Kaleeba. *(Laughter)* “Intermeddling” is when you interfere with the estate of somebody.

The same Member of Parliament is allegedly involved in other similar cases of grabbing land using manipulations - like the case of one Bagarukayo and others where he caused conflict among the population. Hon Ssekikubo is on record for uttering statements of inciting violence in Lwemiyaga and is also on record – undisputable record - for making sectarian statements, which is a crime.

It is not surprising that he now wants to abuse Parliament by making unsubstantiated, false and malicious statements that I said: “I am ordering that the plaintiff has no ownership of the land; that the army shall take over courts,” which I never said. He even broke Parliamentary Rules of Procedure by letting his phone ring during his presentation.

Hon Ssekikubo, as a person, is implicated as an interested party. He is implicated in the murder and is implicated in uttering sectarian statements. It is alleged that he wants to take 200 acres of the disputed land. He wants to use Parliament to cover up injustice and wants to incite Members of Parliament.

While the two parties met and are actually looking for peace, it is only hon. Ssekikubo who wants confusion. Hon Ssekikubo, as I have said, is a suspect in the whole matter from the beginning - *(Interjection)* - Can you protect me, Madam Speaker? He should even be charged for intermeddling in the estate of the late Kaleeba.

He recently held a meeting in Lwemiyaga to distribute the land himself and was proposing to give 100 acres to the defendants as if he is an executor. His impunity is aimed at stealing those 200 acres, promised by the plaintiff in the matter out of the family of 16 beneficiaries. *(Laughter)*

The evil-minded people use court to steal other people's land, instigated by such leaders like hon. Ssekikubo to cause chaos. This shall not be allowed to continue. I repeat that this shall not be allowed to continue.

Instead of advising the family, it is alleged that he wants to deal with one of the family members to fleece the rest of their land. It is in that respect that I invited the two parties and their lawyers together to ensure harmony so that there is no repeat of the earlier mistakes that were made. The two parties with their lawyers agreed on a harmonious way of ending the land matter and promised to ensure peace.

On the arrest of the LCV Chairman of Ssembabule, Dr Elly Muhumuza; I would like to categorically say that that was the best thing to do because he had violated the quarantine guidelines and regulations. If hon. Ssekikubo and others break the quarantine rules, they will also be arrested. *(Laughter)* The Chairman LCV is available; he can be contacted to confirm the developments. It is only hon. Ssekikubo interested in propagating abuse of justice.

In the last few months, the Ministry of Agriculture, Animal Industry and Fisheries and the security ministry issued guidelines on how to regulate the movement of animals from one place to another in order to eradicate Foot and Mouth Disease in areas which were placed under quarantine. I have provided a copy of those guidelines, which are attached to this statement.

Ssembabule is among the affected areas. The LCV Chairman was caught on the wrong side of the law, which demanded for his arrest. I have no regrets and the LCV Chairman is on record himself. We recently had a meeting with the leadership of Ssembabule District and he appreciated the arrest. He said it was good for him to be arrested -*(Laughter)-* in his own words.

The outcome has been concluded with cooperation to fight violations of quarantine in the area. As I speak now, there are cows that have been impounded and are being kept at the district headquarters.

Let me take this opportunity to inform my colleagues and hon. Ssekikubo that there is no one who is above the law here in Uganda as the Constitution stipulates. To guide all Members of Parliament and the public, I have attached the two documents relating to the subject matter for information.

The first one and very important; for all of you to know the procedure the bailiffs ought to follow while carrying out execution orders. This has become a very serious matter countrywide. And the second document is the quarantine guidelines. I thank you.

**THE SPEAKER:** Any supplementary?

3.16

**MR THEODORE SSEKIKUBO (NRM, Lwemiyanga County, Ssembabule):** Thank you very much, Madam Speaker, for according us this opportunity. This is not only in Lwemiyaga, but as I put forward the issues as they were rather than the propaganda by the honourable minister here; I hope Members will be able to get the facts. Probably even in other areas, this is happening.

Madam Speaker, this matter started way back around the year 2000 before I even joined politics. It is a matter that was heard by the then High Court Judge, Eldard Mwangutsya. He was then the High Court Judge; went on to the Court of Appeal and now he is the Justice of the Supreme Court. But this matter has been persisting.

However, the gist of my query here was; the minister acting arbitrarily and in the process he abuses the powers he has. Madam Speaker, I wish the minister had laid the statement on the Table as per the Rules of Procedure; he is the minister in the Office of the Presidency -

**THE SPEAKER:** Now, what is your supplementary question?

**MR SSEKIKUBO:** Madam Speaker, since he has gone to the root of bringing out issues where my name is in issue; and also he has variously cited the Constitution, therefore this is a matter of extreme public importance.

I would like to be permitted to answer the allegations against me and in that regard put the picture clear so that even Members of Parliament and other members of society do not suffer at his whims as he is doing in Lwemiyaga.

**THE SPEAKER:** Yeah. However, you will have to do it formally by writing a statement. You cannot do it orally. You are free to bring your statement. Are you continuing?

**MR SSEKIKUBO**: Madam Speaker, I am prepared and ready -

**THE SPEAKER:** No, honourable member, no. Did you give me your -

**MR SSEKIKUBO:** Procedurally, Madam Speaker, this matter as it stands, the minister was called here. He has made allegations that this matter was never heard in court yet it was heard *ex-parte*. I bring here information to lay at the Table that I had right from the year 1999/2000 and as I speak now, the problem there is - he has ordered that one group is disposed of the land. For instance, once he tells Parliament that that matter is out of court and with me there is a 13 November 2018 notice of appeal to the Court of Appeal-

**THE SPEAKER:** So the matter is in court.

**MR SSEKIKUBO:** The matter is in court. However, the gist of the matter is –

**THE SPEAKER:** So we cannot discuss it here.

**MR SSEKIKUBO:** However, the gist of the matter is where the minister is telling in his statement here on page 2, it says: “The concern of the President was to ensure that since the court case is over a repeat of the mismanaged eviction does not take place.” He goes on to give misleading information to the House.

The fact of the matter is that this matter is still alive; he invited the parties to his office here in Kampala and he has not denied. He made directives and orders that, “Henceforth you are not the owner of that land; I am giving this land to others.”

Madam Speaker, it is on that basis therefore that in my hands I have copies of the ruling -

**THE SPEAKER:** Yes, what do you want this House to do with the ruling? What do you want us to do with the ruling?

**MR SSEKIKUBO:** Madam Speaker, the essence of my prayers is *– (Interruption)-*

**MS EGUNYU:** Thank you very much, Madam speaker. The procedural issue that I would like to ask is; I have heard from hon. Ssekikubo that this matter is already in court. Isn’t this sub judice for us to discuss a matter before court?

**THE SPEAKER:** Hon. Ssekikubo, you are going towards saying that this minister abuses his office; you should report him to the Inspector General of Government (IGG) - yes, because this House cannot deal with that issue. It is in court but for interfering with the court process, take him to the IGG.

**MR SSEKIKUBO**: Madam Speaker, as you refer him to the IGG and he is clapping his hands; it tells you what it is all about. It is the duty of this Parliament, once the minister - if you had permitted me, the minister, as I quote his ministerial statement that guide him and the presidency, is guided under Article 103 of the Constitution which states for the record -

**THE SPEAKER:** Hon. Ssekikubo, no, you are abusing your privilege in this House. You take that complaint of abuse of office to the IGG because we cannot deal with it here.

**MR SSEKIKUBO:** May I, therefore, Madam Speaker, in view of the fact that the minister has put statements against my name - can I be given the opportunity to rebut those very grave statements where he says that a Member is very notorious about grabbing land - that I use manipulations. Unless that record is expunged -

**THE SPEAKER**: I have told you that you are free to write a statement and come back to the House. You cannot do this today. It is not on the Order Paper.

RESPONSE TO A QUESTION RAISED BY HON. KAHUNDE HELEN ON COMBATING A MEASLES OUTBREAK IN KIRYANDONGO DISTRICT WHICH HAD CLAIMED LIVES OF MORE THAN 50 CHILDREN

**THE SPEAKER:** Honourable Minister of Health, if you could use only three minutes in response to this issue.

4.23

**THE MINISTER OF STATE FOR HEALTH (GENERAL DUTIES) (Ms Sarah Opendi):** Thank you, Madam Speaker. This is a response to hon. Helen Kahunde, Member of Parliament for Kiryandongo, who raised an issue that 50 children had died in Kiryandongo as a result of measles and asked the ministry to explain what interventions we have or have put in place in combating this measles outbreak in her district.

Madam Speaker, allow me to inform the House that the Ministry of Health detected the measles outbreak way back in April 2017. This was in Kampala and Wakiso districts at that time. Since then, efforts to control the outbreak have been on-going.

However, due to the low measles immunisation coverage in most districts in the country, the measles outbreak has continued to spread. As of the last week of November 2018, a total of 55 districts have had confirmed cases of measles outbreak by laboratory testing by the Uganda Virus Research Institute.

Allow me to inform Members that we also have the Rubella - that is Germany measles - in some districts in the country and Rubella is often sometimes confused with measles because the two share some characteristics - like the red rush, mild fever, headache, inflamed red eyes. Rubella however, is not as severe as measles.

As of 11 November 2018, we had 13 districts with confirmed cases of Rubella. However, the districts could have increased by now. Kiryandongo as we speak is experiencing both the measles and the Rubella outbreak. We have a number of districts.

The measles outbreak has spread to over 55 districts as I did indicate. I will not read them out but it is contained in the statement, which has been uploaded on your iPads.

Madam Speaker, most of these districts are in the east-central, central Uganda and those districts that host and/or are transit to refugees from various countries. These are districts with low immunisation coverage.

We have also provided a map to show Members how we are standing as far as immunisation coverage in the country is concerned. The lowest immunisation coverage is in Lango and Busoga sub-regions with 50 and 45 per cent of the children immunised, respectively; the north-central parts of Buganda, Luwero going to Kiryandongo at 47 per cent and south-central with 50 per cent.

We are doing badly in our regions and we would like to applaud Karamoja sub-region, which surprisingly stands at 73 per cent. It had the lowest immunisation coverage in previous years. Karamoja and Teso are doing well; Elgon sub-region is at 48 per cent while Bukedi is at 52 per cent.

The ministry has taken measures in ensuring that we train the national rapid response team to support districts to build capacity for the outbreak response, specifically case detection, management and surveillance.

We have also provided technical support and vaccines to these districts and supported them with funding. The districts are guided to functionalise treatment centres at the health sub-district and district hospital levels and also intensify the routine immunisation activities.

The ministry has also intensified the social mobilisation through mass media and community engagement to increase immunisation uptake. Of course, we are using our village health teams to move around and encourage the mothers to take their children for immunisation.

Madam Speaker, allow me to inform the House that Rubella is not yet in our routine immunisation schedule. However, the Ministry of Health has made a successful application to the Vaccine Alliance (GAVI) for support to introduce the combined Measles/Rubella vaccine into the routine immunisation in the country. This is expected to be implemented in the first quarter of 2019 and it will be given to children aged nine months to 15 years.

Specifically, on Kiryandongo District, the allegation was that 50 children had died of measles. The information we have is that only two cases of deaths were reported from October to December. We have had 141 cases of children admitted and managed at various health facilities within the districts.

However, like in all other districts, surveillance has been strengthened in the district against the preventable diseases under the Integrated Disease Surveillance and Response Framework. The district has been provided with adequate bundled measles vaccine and all other antigens for routine immunisation.

The district has also been provided with funds for routine immunisation.

To be specific, Madam Speaker, allow me to indicate - It is not stated in the report but the district received about Shs 5,690,000 to intensify routine immunisation and an additional Shs 24,500,000 is supposed to be sent before close of this month to support them in the immunisation campaign amongst the refugee population.

Therefore, it is true that it is not only specific to Kiryandongo; we have this outbreak all over the country. Allow me to appeal to Members of Parliament to use whatever opportunity they have to appeal to your voters - the parents out there - to take their children for immunisation. Ensure that they are, not partially but, fully immunised.

Right now, we are talking of maybe 97 per cent of children immunised but that is up to DPT III. If you look at having the children immunised against all the killer diseases, as a country, we stand at just about 55 per cent, which is not impressive. I beg to submit.

**THE SPEAKER:** Ms Kahunde, do you have a supplementary question?

4.31

**MS HELEN KAHUNDE (NRM, Woman Representative, Kiryandongo):** Thank you, Madam Speaker. I would like to thank the honourable minister for responding and also making the necessary intervention.

However, I would like to disagree with the minister’s statement where she says that there are only two cases. Personally, I have attended six burials of children who have died of measles with the medical reports from different health centres showing that they had died of the disease.

Also, I did indicate in my statement that some of the children who had died were fully immunised against measles and all the other immuniseable diseases. I would like to request the minister and Government to do further investigations. If she says that maybe they could have died of other diseases similar to measles like German measles as she says, it would call for Government to put in more resources and research to make sure that the children stop dying. Thank you.

**THE SPEAKER:** Hon. Olanya wanted to ask a question.

4.32

**MR GILBERT OLANYA (FDC, Kilak South County, Amuru):** Thank you, Madam Speaker. I thank the honourable minister for putting it clearly and recognising that Amuru is one of the districts affected seriously.

What is surprising in my district is that the adults above the age of 30 also have measles. When we asked some of them, we were informed that they got fully immunised while they were young. Right now, we are wondering what it is again. I thought that measles is only for young people. Therefore, the Government should carry out serious investigations. It seems there is something else other than measles but the signs and symptoms are those of measles.

Right now, in Giragira Parish, Lamogi Subcounty in Amuru District, by yesterday we had 35 people infected with measles. This is very serious. I am happy to hear that the minister talks of sending more funds to those districts. I pray that the funds be extended to Amuru so that more investigation is done. *(Hon. Osegge rose\_) -* Let me take information from honourable Osegge –

**THE SPEAKER:** Honourable minister and Members of the House, some of this information is embarrassing, especially on low coverage. Some years back, the Ministry of Health used to gazette National Immunisation Days. They would come, arrange a programme with the Members of Parliament and we used to go and campaign with the ministry together. Does Busoga really have 45 per cent? *(Hon. Ochen rose\_) -* There is nobody on the Floor. Honourable minister, can’t you inform Parliament? Okay, honourable Ochen.

4.35

**MR JULIUS OCHEN (Independent, Kapelebyong County, Kapelebyong):** Madam Speaker, this particular matter is a serious one. When the Minister of Health is listing the regions that are affected by measles, it is important that the ministry goes ahead to even give details regarding the root cause of the problem.

Madam Speaker, while they do that, it is also important that Members of Parliament come to the rescue of this sector. For the last six to seven years, the budget of the health sector continues to deteriorate to a level that the health sector is not able to give adequate health services to the populace in the country. That time when the health sector budget was up, the Ministry of Health was in position to mobilise Members of Parliament to go for the launch and mobilisation of the populace towards the problem on the ground.

Madam Speaker, the children, according to the report we receive in our office of the Shadow Minister of Health, the situation is grave at the health Centres III where the villagers report the problem.

I even see what the minister has given in her report, in my view, needs a lot to be done to expose the problem beyond what has been given. I beg Members of Parliament in the coming budget to put pressure on the Executive to raise the health budget to the level that it was six years ago so that we address the problem that the populace faces now.

Madam Speaker, I implore your Chair to put pressure together with this Parliament - by the way, Members, it is this institution of Parliament that can put pressure on the Executive to even change the decisions coming from the Executive if it is not in compliance with the interests of our people - *(Interruption)*

**MS OSEGGE:** Thank you, Madam Speaker. We are all aware that we assented to the Abuja Declaration, which demands us to put 15 per cent of our budget on health and consistently; instead of even trying to add just a little as we are trying to go down, can we urge Government to try and attain that which we agreed to? Thank you.

**THE SPEAKER:** Can we also ask our budget committee to address this issue? They know because some of them are part of our health team and campaign.

**MS BINTU:** Thank you, Madam Speaker. I would like to observe that the issue of the outbreak of measles is a reality and especially in our belt - Kiryandongo, Masindi, the parishes of Kiruli, Kihaguzi and Labongo - we have lost children to measles.

The funny thing with this outbreak is that even those children who had been immunised are also being attacked. Therefore, possibly the minister and the ministry could interest themselves in looking at the type of vaccines which they are administering to these children. Possibly, people have become immune and they are not responding to the type of the vaccine and that would help us greatly because the weather is changing and so many other things. You never know, it is an urgent issue which actually needs to be attended to. Thank you.

**MS LUCY AKELLO:** Thank you, Madam Speaker. My biggest concern with this outbreak, like the rest have been saying, is the attack on the adults. I remember as child - I was about seven years - I almost died of measles and yet I had been immunised.

Secondly, just recently a young boy who was sitting senior six almost failed to do his exams because he was attacked by measles. Therefore, this is what we are talking about; what kind of vaccine or what medicine is this that we are using? Maybe the ministry needs to go back and check if we have the right dosage and the expiry dates as well. We could be giving out vaccines that are already expired to some of the children. We really need to monitor them very closely.

**MR OCHEN:** Madam Speaker, as I conclude, as much as our country has an open door policy to allow in refugees, most of these refugees coming to Uganda from their countries of origin, they may not be doing exactly what we have taken a decision on in our country in terms of immunising their children.

For instance, South Sudan and the Democratic Republic of Congo do not immunise their children. When we allow an open door policy, we welcome our brothers and sisters with another problem, which we have not taken care of. We look at one aspect but we have not taken into consideration the after-effect of these decisions we take and as a result, the country bears the burden of even losing people.

I urge the Ministry of Health - and I would like to take the opportunity from this very platform to urge the Executive - when they take some of these decisions, to look at the effect of the decisions they take. The open door policy is costing lives in Uganda. We need this to be revisited and I urge the Minister of Health - you can no longer stand here - please revisit the vaccines, use your researchers to revisit the quality – *(Member timed out.)*

**THE SPEAKER:** But, honourable member, you know we have obligations under the United Nations Conventions; I hope you can think about that.

4.42

**THE MINISTER OF STATE FOR HEALTH (GENERAL DUTIES) (Ms Sarah Opendi):** Thank you, Madam Speaker. Allow me to assure Members that there is no problem with the vaccine. However, what we need to note is that measles has never been eradicated from the African continent and as long one person gets it, he can infect up to 90 per cent of the people around *- (Interjection) -* Yes, even if you are vaccinated, you can get it.

However, what happens is that once you are vaccinated, then you have already built immunity; even if you get the disease, it will not have any effect on you other than those external effects that you are seeing. My son also got measles from the school where he is. Therefore, this is the information that I wanted to give.

Madam Speaker, my appeal to Members, as I said, measles is a viral disease, highly contagious and that is why when one child gets it - even the 15 year-old as you were saying, also gets it - is confined in a place so that he or she does not infect others.

Therefore, the most important thing, Madam Speaker - because the measles vaccine is normally given at nine months but you find that most of the parents actually drop out; after six months, those that go on up to nine months are not as many. Therefore, we need to ensure that all our children are fully immunised against the killer diseases and in that way we shall be able to build their immunity.

Madam Speaker, allow me to inform colleagues that much as we have had measles out-breaks in the country, the case fatalities have been reducing year by year because, slowly, we have been increasing the numbers although they are still poor. 55 per cent of fully-immunised children in the country is low; we need to aim at 100 per cent. I know we passed a law here - the Immunisation Act that compels parents to ensure their children are fully immunised. We are yet to actually move into action with that law. That is what I wanted to indicate.

RESPONSE TO A QUESTION RAISED BY HON. AYAKA ROSE ATIMA ON INTERVENTIONS BY GOVERNMENT TO ADDRESS RISING INSECURITY AND GUN-RELATED INCIDENCES IN ARUA MUNICIPALITY

**THE SPEAKER:** Is the minister here? Not there. Let us go to No.5 (d).

RESPONSE TO A QUESTION RAISED BY HON. RWAKOOJO ROBINA GUREME ON INTERVENTIONS BY GOVERNMENT TO ENHANCE EFFORTS TO ADDRESS FOOT AND MOUTH DISEASE PREVALENCE IN THE CATTLE CORRIDOR

**THE SPEAKER:** Honourable minister, I see you have a statement of 15 pages yet the question was specific.

4.56

**THE MINISTER FOR STATE FOR AGRICULTURE, ANIMAL INDUSTRY AND FISHERIES (ANIMAL INDUSTRY) (Ms Joy Kabatsi):** I can handle the question and not go into the details of the paper, since it is already on their iPads.

**THE SPEAKER:** Okay, thank you. The question was by hon. Rwakoojo.

**MS KABATSI:** I am going to handle the on-going interventions for the prevention and control of Foot and Mouth Disease (FMD). If you look at your iPads, it is on page 7.

The Ministry of Agriculture, Animal Industry and Fisheries annually procures and disseminates to districts 500,000 doses of FMD vaccines; 300,000 doses of CBPP vaccine; 200,000 doses of PPR vaccine; 200,000 doses of rampant skin disease vaccine and finally 100,000 doses of rabies vaccine.

The Ministry of Agriculture, Animal Industry and Fisheries continually conducts sensitisation of stakeholders about FMD and other trade sensitive diseases through print, audio media and village meetings.

The Ministry of Agriculture, Animal Industry and Fisheries has procured and disseminated 500 copies of the Veterinary Technical Manual from Animal Movement Control in Uganda to all the district police commanders, the resident district commissioners, chief administrative officers, district internal security officers, district veterinary officers and district LCV chairpersons.

Therefore, the district chairperson of Ssembabule, who was found moving with sick FMD cows, had already got the guidelines from the Ministry of Agriculture, Animal Industry and Fisheries.

To minimise the impact of quarantines on the impact of people’s livelihoods, the Ministry of Agriculture has reduced the area of quarantine-enforcement from the affected district. Originally, we would quarantine the whole district but we now quarantine the affected sub-county to allow the disease-free sub-counties to continue –

**THE SPEAKER:** Please proceed.

**MS KABATSI:** I was saying that we have now allowed people to continue with business 20 kilometres away from the sub-county that is affected with FMD.

Collaboration with the Ministry of Security to back up the Ministry of Agriculture enforcement in dealing with those violating the quarantine restrictions and animal movement efforts – that is what we are saying. The Ministry of Security here is helping me to handle those who are violating the guidelines that have been given; those that are moving cattle that have the FMD.

The impact of this collaboration is already well felt among the cattle traders, transporters, district administrators and district veterinarians.

The Ministry of Agriculture has held a multi-stakeholder meeting to improve coordination of all efforts towards animal movement control. The meeting was attended by the Minister of Security and 200 participants from 23 districts of the cattle corridor. The participants included the district police commanders, the resident district commissioners, the chief administrative officers, the district internal security officers, the district veterinary officers and LCV chairpersons.

The recommendations agreed on from this meeting were translated into guidelines which the Commissioner, Animal Health issued to the public on animal movement control.

The Ministry of Agriculture currently has dedicated police units to support enforcement of veterinary legislations including compliance with animal movement, control rules and regulations.

The Ministry of Agriculture has equipped the national animal –

**THE SPEAKER:** Honourable minister, I am sorry to disturb you but the question you are answering is not what hon. Rwakoojo asked. She wanted to know the efforts to address the prevalence of Foot and Mouth Disease in Gomba.

**MS KABATSI:** These are the efforts for the whole country and Gomba is one of them.

**THE SPEAKER:** Okay.

**MS KABATSI:** Madam Speaker, we addressed the whole country because what Gomba is facing is also being faced by 31 other districts.

The ministry has divided the country into zones and deployed veterinary inspectors to enhance veterinary inspection, animal movement control, disease surveillance and rapid reporting and response.

The Ministry of Agriculture, along with other Government agencies, is participating in cross-border negotiations with the Republic of Tanzania to facilitate cross-border animal movement while minimising risk of transmission of disease. The discussions have dwelt on Ugandan animals accessing water from River Kagera, without necessarily mixing with the Tanzanian animals.

Madam Speaker, these are the guidelines or this is what the ministry is doing. But if hon. Rwakoojo wanted specific answers for Gomba, the problem is in the paper. We continue to have quarantines if the disease breaks up afresh and in Gomba, one sub-county has continued to have FMD so it has been difficult for Gomba to be free of FMD, since it keeps repeating. Foot and mouth disease can actually go away in two months but it stays within the animal for another four months; so six months maximum, we should be okay.

However, what is happening in places like Gomba is that when we are about to declare them free, then the disease breaks out again and that is where we have had a problem – (*Interruption*)

**MR TINKASIIMIRE:** I am a farmer and I am interested in the honourable minister answering this; I have been bothered for a very long period of time -

**THE SPEAKER:** In what capacity are you asking that question? This is hon. Rwakoojo’s question.

**MR TINKASIIMIRE:** It is a clarification on my side.

**THE SPEAKER:** Then wait until she finishes. Hon. Rwakoojo will ask a question and then we will come back to you.

**MR TINKASIIMIRE:** Thank you.

**MS KABATSI:** Madam Speaker, if I have time, I will read the guidelines of the Commissioner, Animal Health –

**THE SPEAKER:** No, honourable member, if they are on the iPads, members can read the guidelines. She wanted to know what efforts you are making to contain the prevalence of the disease.

**MS KABATSI:** Madam Speaker, what we are doing as Government is what I have just explained. We now have laboratories in 10 zones and we have veterinary inspectors; we have employed veterinary doctors at every sub-county. As long as the farmers are sensitised and sick animals do not move from the farm, Foot and Mouth Disease can be controlled.

What we have now is the connivance of the leaders, like you heard of the LCV Chairman showing the District of Ssembabule that, “We can do it... Let me move with these sick animals so that you can also follow me.” That is why he was arrested with them. If we sensitise our people, the disease is not a very bad disease; it is not like the effects of ticks. It is easier to handle and it can be controlled in two months.

4.58

**MS ROBINA RWAKOOJO (NRM, Gomba West County, Gomba):** Thank you, Madam Speaker. I would like to thank the honourable minister for her response but I regret to say that I am not satisfied.

I asked about the continued prevalence of Foot and Mouth Disease and I also asked about the numerous ticks that we had. I was asking about vaccination for the Foot and Mouth Disease.

One has to understand how the Foot and Mouth Disease continues prevailing, which she has alluded to. If it is in a particular area and that area is cordoned off and then the cows in the area around it are vaccinated, then that will help. Of course it requires discipline of the cattle herders.

However, what I find is, our people have not been sensitised to be honest. She talked about sensitisation but ours have not been sensitised because if they were sensitised, they would know what to do.

You need to call meetings of people within the Cattle Corridor because the areas are known. Sensitise them in local languages and talk to them about what they are supposed to do. You have talked about sensitising district leaders. When you talk of the CAO, the RDC, the DISO - that is not the ordinary person who owns those cows; the national herd is being wiped out because of this.

If we exercise discipline from an informed point, Government having sensitised these people, it would help. That sensitisation is lacking. The vaccination is lacking and so it is no wonder that the disease continues because these people have needs - like I said. They need to survive. Children are going to school, functions are going on.

For the ticks, we are stranded as to what medicine to use. And so a lot of effort is being put in and remember I told you that milk has now gone down to Shs 400 per litre.

**THE SPEAKER:** Honourable member, now you are debating. I wanted a supplementary question from what you had said.

**MS RWAKOOJO:** I am sorry but I am not satisfied. The question has not been answered.

**THE SPEAKER:** Okay, I would like to know whether the leaders of the Cattle Corridor in Buyende, Kamuli, Kaliro, Luuka, Buliisa, Teso were invited for that meeting.

5.02

**MR BARNABAS TINKASIIMIRE (NRM, Buyaga West County, Kagadi):** Thank you, Madam Speaker. We have had this big problem of Foot and Mouth Disease in this country for a while now. Every time, it keeps surfacing. I think the minister or the ministry is using rudimentary methods of controlling this disease.

In my own opinion, when there is an outbreak, it begins from a particular farm. Does the ministry have the capacity to detect which farm has the problem? It is ridiculous for you to say, “We have made a quarantine; no cow from Isingiro should be crossing this roadblock,” when actually I am keeping cattle free from Foot and Mouth Disease. Why should I be punished by a reckless farmer who does not care about vaccinating his cows? Alternatively, since you have extension workers at every sub-county, are they keeping these records? That in the shortest possible time, they can tell which farmer or village has a problem.

**THE SPEAKER:** What is your issue? I have not understood.

**MR TINKASIIMIRE:** They are keeping us on tenterhooks orwhat we call “*bunkenke”* in our local language. My issue is: Why would you put quarantine on Kagadi sub-county simply because there is one farmer whose animals are affected and yet we have over a thousand farmers in that district?

**THE SPEAKER:** You are diverting the issue. The question hon. Rwakoojo asked is; why have you failed to treat Foot and Mouth Disease? That's what she was asking. That's her main issue. Why has Government failed to treat the Foot and Mouth Disease? That was the question.

5.02

**MR STEPHEN** **KANGWAGYE (NRM, Bukanga County, Isingiro):** Thank you, Madam Speaker. I would like to thank the minister for her good response. However, to be realistic, honourable minister, you know very well that when you came to our district, particularly in Bukanga constituency - the constituency that borders with Tanzania, the most affected area - we agreed in our meeting, as farmers, that you should provide vaccine to our people in time. You had promised to give us those vaccines within a period of one month. We are now in the second year.

To be sincere to you; as of now, farmers mobilised themselves to make sure that their animals are free and they did it well. As of now, we don't have any challenge of Foot and Mouth Disease.

However, recently, you got the real reports from Gen. Tumwine; the challenges caused in our area - he went and arrested all the people; all the farmers, all the traders - even those farmers or traders who had all the permits from the Ministry of Agriculture. They were free to transport to the slaughterhouse. And as of now those people were not compensated.

**THE SPEAKER:** These are now different complaints on different issues. I had wanted you to address the issue raised by hon. Rwakoojo - asking where the vaccines are and why Government has failed to treat the animals. That is the question she brought here. Why is FMD persistent in those areas? That's what she wanted addressed.

**MR KANGWAGYE:** That was my point, Madam Speaker, with due respect. The ministry has totally failed to vaccinate our cows in time.

Secondly, she has talked about sensitisation. I think the sensitisation she is talking about is the one they do here in the ministry but they do not go down to the grassroots. They do not even consider the political leaders to make sure that they call all those farmers who are affected and they pave a way on how this disease can be easily controlled without having any query in our ministry. I thank you, Madam Speaker.

5.04

**COL FRED MWESIGYE (NRM, Nyabushozi County, Kiruhura):** Thank you, Madam Speaker. It is a very simple formula that the Ministry of Agriculture should carry out - a protracted programme of vaccinating regularly (every six months) without waiting for these rudimentary methods. We have told them to vaccinate regularly, especially border districts. It is a simple matter. I do not understand why we have failed to apply that same method to control the problem up to now.

Thank you, Madam Speaker.

5.05

**MR WILBERFORCE YAGUMA (NRM, Kashari North County, Mbarara):** MadamSpeaker, I would like to thank the minister for the report. I have two issues: The first issue is the extension staff. We are talking of FMD but there are other problems. I want the honourable minister to tell us whether she has an effective extension staff to help the farmers.

My second point is that, vaccines are in the hands of private people. The minister should recall when I had a problem, I called her at night and she directed me to a pharmacy on a high street in Mbarara District and this pharmacy is owned by a private person. *(Interjection)* It is you who directed me and not any other person. Yes - (*Member timed out*.)

**THE SPEAKER:** Just conclude.

**MR YAGUMA:** Thank you, Madam Speaker. When vaccines are left in the hands of individuals and when they expire, they are not going to lose because there is nobody supervising them - the storage and management - and she is aware. I do not know whether you have shares in that pharmacy on the high street where you directed me.

5.06

**MS MARGARET KOMUHANGI (NRM, Woman Representative, Nakasongola):** Thank you, Madam Speaker. I would like to address myself to the question why the disease has not been eradicated. The first thing is that, there are no vaccines. In this outbreak, the whole of Nakasongola District with thousands of animals, received only 5,000 doses. If that goes to the two farmers, Mr Kizito and Mr Kaaya, it would be done.

Secondly, the sensitisation she is talking about, she could have done for the leadership. Most of those leaders are the ones who are corrupted by the traders. The traders who deal in selling animals are not interested in the quarantines. They dodge the quarantines, bribe the leaders and continue – (*Member timed out.*)

**THE SPEAKER:** We have other items on the agenda. This was just one question from hon. Robina Rwakoojo. I allowed because there are many people worried about that subject.

5.08

**MS SYDA BBUMBA (NRM, Nakaseke North County, Nakaseke):** Thank you very much, Madam Speaker. Vaccination is supposed to prevent. However, in this case, it is being used for cure. That is why it is not effective. If it is for prevention, the animals should be treated before they get the problem. Now, it is being administered after getting the problem - Even then, the vaccination is being done haphazardly. In my constituency, where we have a very big herd of cattle, we were given 5,000 doses. I have a farmer who has a herd of 15,000 cows. Therefore, what we were given was not even enough to handle one farm.

Secondly, it is the lack of enforcement on the guidelines. There is no proper enforcement –*(Member timed out.*)

5.09

**MR NATHAN NANDALA-MAFABI** **(FDC, Budadiri County West, Sironko):** Thank you, Madam Speaker. We are in the East African Community integration. Why don’t we integrate the treating of animals in East Africa so that, if we are going to treat cows in East Africa, there will be no problem in Tanzania, Uganda and South Sudan?

Therefore, why haven’t you thought about treatment of cattle as an East African issue? As you are aware, there is now going to be free movement of people and that would mean free movement of animals.

5.10

**MS LILLY ADONG** **(Independent, Woman Representative, Nwoya):** Thank you, Madam Speaker. I do not come from the Cattle Corridor but this is a Uganda affair. I am wondering whether animal movement permits still work because we have animals being ferried to our region at night.

One time, I drove along with the animals - almost 50 lorries - and the police cannot stop these vehicles at night. How sure are we that these animals that are being taken to our areas, are not from the FMD outbreak regions? We should stop planning for only the Cattle Corridor. You have your people who come with animals in our area without any permission from the district veterinary office. They are just there on their own. How do we reach them?

Therefore, plan for the whole Uganda. Thank you.

5.11

**MS ROSEMARY NAUWAT (Independent, Woman Representative, Amudat):** Thank you, Madam Speaker. I would like to find out from the minister; after vaccinating the cattle, do you carry out reviews to ensure that these cows are free from diseases?

Besides, saying that the ticks are now resistant to acaricides; have you tried to find out the new types of ticks which are now there? I am asking this because I was in my constituency one time and the farmers told me that there are now new types of ticks which are purple and very strange from the ones they know. Have you tried to find out? Those could be the ticks which are becoming resistant to the acaricides. Thank you.

**THE SPEAKER:** Please, minister, can you answer in one or two minutes? I think we may need more time to discuss this issue.

**MS ACHIRO:** Thank you, Madam Speaker. I am seeking guidance on the issue of giveaway of the ranches. I remember, on 29th of last month, I raised a procedural matter on the giveaway of the ranches to private individuals and investors. Is it possible that the minister gives us a statement now?

On 29 November 2018, the Speaker guided that on 18 December 2018, we shall have a debate on the issue of the giveaway of the ranches. I thank you, Madam Speaker.

**MR YAGUMA:** Thank you very much for the – The information, I would like to give to my colleague, is that, the Speaker, directed the Minister of Agriculture, Animal Industry and Fisheries to present a statement on giveaway –*(Member timed out.)*

**MS KABATSI:** Thank you, Madam Speaker. The farm and the animals – hon. Barnabas Tinkasiimire is worried but the best thing to do is to make sure that that farm which has – you know, it has to move from the farmer to the doctor and then to the commissioner. We have to get blood from the animal that is sick, check and confirm that there is FMD. Once there is Foot and Mouth Disease, we ring-fence because we do not have enough money to vaccinate 15 million cows in this country.

However, where an outbreak has occurred, that is why they are complaining that we gave them 5,000 doses. That is what we can afford. We give 5,000 doses and do ring-fence in all the farms that are surrounding the farm that has got FMD and all of them, are vaccinated. If animals were not being moved outside, we would be okay with the FMD.

**THE SPEAKER:** Honourable minister, I think, I am surprised that you are saying that we cannot afford to vaccinate the animals? You have said that we are an agricultural country. We are building abattoirs in this country to deal with meat. Really, can’t we invest money in this part of agriculture? Can’t we?

**MS KABATSI:** Madam Speaker, if I tried to vaccinate, the little money that comes to the veterinary section of the Ministry of Agriculture, Animal Industry and Fisheries would all go. We do not have money. What we are given now is 500,000 doses a year. The right thing for us to do *– (Interruption)*

**MR TINKASIIMIRE:** Madam Speaker, I am at pains to raise a point of order against the minister in charge of agriculture whom I know values facts. Is she in order to come on the Floor of the House to give us a blanket statement that she has insufficient funding without specifically telling this House – that appropriates – how much money she wants such that we can process even a supplementary appropriation? We are about to start the budgeting process. It seems she is not even bothered about the farmers losing their animals.

**THE SPEAKER:** Honourable minister, I wish you understood that this House wants to help you. This House wants to help the economy of this country. We have said we are going to – I do not know how many animals we want to have in a certain time but we are not investing in the vaccination. How are we going to achieve it? Why don’t you tell us how much you want and we try to support you in the budget? Don’t just say, “It is not enough.” What do you want us to do? Do you want help?

**MS KABATSI:** Madam Speaker, the money needed is Shs 100 billion and what we get is Shs 10 billion.

**MR YAGUMA:** Madam Speaker, the clarification I am seeking from the minister is for her to tell us how much money they got in form of a supplementary budget.

**MS RWAKOOJO:** Madam Speaker, judging by the reactions from Members, I think this question cannot be handled in this manner. I believe that Parliament should give us an opportunity to handle it here in the House when more Members are present and when we can delve deeper into the subject. This is because as you can see, it is not going to be solved if we do it in this manner. We need to assist the minister.

**THE SPEAKER:** Honourable minster, we really want to help you but we also need to help the farmers of this country. Therefore, when we return from recess we shall have a discussion on this subject. We can give it maybe two hours and exhaust it because you can see that everybody is not satisfied.

**MS KABATSI:** Madam Speaker, if you want to help my sector, we should do something about the ticks. The ticks have cost the farmers and this country Shs 3.8 trillion and if we are talking about building the economy of this country, that is how much we have lost this year. Therefore, if we are going to look at the vaccines for FMD, I would also ask that we include the ticks.

**THE SPEAKER:** Honourable minister, we shall put the question in such a way that it can address the issue of the ticks and Foot and Mouth Disease. We want to discuss the cattle issues in this country.

Honourable minister, there is an outstanding statement on the sale of the ranches. When are you coming to tell us about the ranches?

**MS KABATSI:** Thank you, Madam Speaker. The Committee on Agriculture, Animal Industry and Fisheries has done a lot of work. They visited all the farms and got all the information. I think if you give the question to be answered by the ministry, we are going to lose out. If you allow the Committee on Agriculture, Animal Industry and Fisheries to present a report and together we answer this question of the sale of the ranches, that will help us. I travelled with them and I have been able to show them these ranches and what we are doing on the ranches *– (Interruption)*

**MS BETTY AOL:** Madam Speaker, I am up on a point of order. The Committee on Agriculture, Animal Industry and Fisheries gave their findings here *– (Interjections)*

**THE SPEAKER:** Honourable minister, when Parliament asks you a question, you reply. You do not just say let me wait for the committee, please. Answers were needed when they were asked. You come with your answer and we shall decide whether we debate it or wait for the committee.

**MS KABATSI:** Thank you, Madam Speaker. We will bring the answer but these people visited and saw exactly what is happening in these ranches and if they gave the report and it was debated, it would be much better. My answer will not be as detailed as what the Members of Parliament saw but we will give the answer.

RESPONSE TO A QUESTION RAISED BY HON. BARNABAS TINKASIIMIRE ON POOR COMPENSATION OF PROJECT AFFECTED PERSONS OF A MINI HYDROPOWER PROJECT IN MUZIZI VILLAGE, BUSWAKA PARISH

5.22

**THE MINISTER OF STATE FOR ENERGY AND MINERAL DEVELOPMENT (ENERGY) (Eng. Simon D’Ujanga):** Madam Speaker, at the 15th Sitting of the Second Meeting of the Third Session of the Tenth Parliament of Uganda held on Thursday, 6 December 2018, hon. Barnabas Tinkasiimire was concerned about the paltry compensation of project-affected persons on a hydropower project in Buyaga West County and prayed for Government to come up with favourable compensation rates, avail a list of people being compensated, explain the non-involvement of women in the project and avail an action plan in the resettlement of the affected residents.

Madam Speaker, Muzizi is a 48MW hydropower Government project being done as a public project with support from KfW and African Development Bank. Ugandan Electricity Generation Company Limited is the implementing agency.

This project is located in Kyenjojo and Kagadi districts. Specifically, in Kyenjojo, it is in Kyembogo Subcounty and in Kagadi it is in Kyaterekera and Ndaiga subcounties

Project Progress

The Government has concluded feasibility studies, including environmental and social impact assessment and resettlement action plan and is now undertaking procurement of the engineering and construction contractor.

Specific Responses to the Concerns Raised

Determination of Compensation Rates

Madam Speaker, the principle of compensation as guided by law is that we follow the approved district rates and subsequent approvals by the Chief Government Valuer. This process was followed and the Chief Government Valuer approved the rates.

Availing the List of the People Compensated

The total number of project-affected people under Muzizi Hydropower Project is 644. The approved Chief Government Valuer’s final valuation report is available and I request to avail this report to the House on Thursday.

The Non-Involvement of Women in the Project

Madam Speaker, the communities affected by the project are being sensitised on numerous things including health, safety and environment, gender based violence, violence against children, HIV/AIDS etcetera. Both men and women are involved.

The project construction will commence in 2019 and it will last for three to four years, employing about 300 to 500 skilled and unskilled workers. The project will also be open to women employment.

Action Plan for the Resettlement of Affected Residents

Project-affected property was valued and reports approved by the Chief Government Valuer. Disclosure is ongoing and all project-affected persons will be compensated as they consent. Compensation is expected to be completed in the first quarter of the next financial year.

Madam Speaker, I wish to thank this House for the support to my ministry in carrying out this project. Thank you.

**THE SPEAKER:** Can we have a supplementary question from hon. Tinkasiimire?

5.26

**MR BARNABAS TINKASIIMIRE (NRM, Buyaga West County, Kibaale):** Thank you very much, Madam Speaker.

Madam Speaker, the honourable minister deliberately chose to answer the first question which was very critical by setting his own question. My question was and I repeat – He was not in the House and he deliberately chose not to pick it from the *Hansard.* I said “Give us the rates that you used to make the assessment for compensation.” I did not say that Government should provide favourable rates.

Secondly, I asked - if you picked these rates from the district, which district did you pick the rates from? Otherwise, Kagadi District Land Board has not approved any compensation rates. Where did you get those rates that you used and submitted to the Chief Government Valuer?

Madam Speaker, the minister said he carried out environmental impact assessment and resettlement action plans but he has not laid them on the Tale. We would like the minister to also lay on the Table the list that we were asking for so that we can transmit to the responsible persons.

Madam Speaker, when the minister comes to submit any document as promised on Thursday, he should lay on the Table every detail; we want transparency in this whole thing. I would not want to see any of my voters losing land; the most valuable thing. Thank you.

5.29

**MS JANEPHER MBABAZI (NRM, Woman Representative, Kagadi):** Thank you very much, Madam Speaker. First of all, I would like to thank the Government for this project in Kagadi District; the people welcome it. However, the statement from the minister is wanting.

Musizi-Kyaterekera issue is a bigger one than what has just been presented by the minister. Madam Speaker, UEGCL sub-contracted a company called New Plan to do the compensation. On a surprising note, this company did not use the compensation rates for the Greater Kibaale, which had the compensation rates for 2016. What the minister is alleging about using the compensation rates is not true. The company claimed that it used compensation rates from Kyenjojo District which is the neighbouring district but it does not show the year of the rates.

Madam Speaker, I would like to go into the details of the evaluation they did. You would find that using the rates of Kibaale, an old jackfruit tree is valued at Shs 250,000 but the rates used by New Plan on this project, would be valued at Shs 70,000.

Madam Speaker, an acre of land in this area is around Shs 8 million but these people of New Plan valued the prices of an acre of land at Shs 2.4 million. To make matters worse, you would find some estimates go as low as Shs 1,800 which cannot even buy a basin of sand in this country.

It is a very big problem. Actually, there was a gentleman whose cassava plantation was counted; he had about 2,600 acres of cassava, which was valued at Shs 7,800 and yet the plantation then would give us Shs 20.2 million but the valuers paid him only Shs 800,000.

Madam Speaker, the minister is not on the ground. This is broad daylight cheating. This area affects over 600 people. When we talked about women involvement, we did not mean sensitising them about AIDS; we meant the properties owned by both husband and wife. These people never consulted the women to participate in these decisions.

**THE SPEAKER:** Please conclude.

**MS MBABAZI:** Madam Speaker, it is alleged that an unidentified number of people were paid some of this money yet these people own illegal titles -

**THE SPEAKER:** Honourable members, it appears there is information that is not available like the actual valuation, the quantum is not here. I do not know whether the minister can come with the actual figures so that we know what is happening.

**MR D’UJANGA**: Madam Speaker, your ruling is correct. Otherwise, I was not prepared to this but on Thursday I will answer it as well.

On the issue of rates, we are normally very careful. We involve the office of the Chief Government Valuer. For the new districts whose land boards are not yet in place, we normally use the rates of the mother district. We even mark-up according to the prevailing - it is done scientifically. Notwithstanding all that, on Thursday, I will come with samples.

**THE SPEAKER:** Come on Thursday. See you on Thursday with the lists and the rates. Item No.6.

MOTION FOR ADOPTION OF THE REPORT OF THE COMMITTEE ON EQUAL OPPORTUNITIES ON AN OVERSIGHT VISIT TO THE KARAMOJA SUB-REGION FOR THE APPRAISAL OF THE STATE OF EDUCATION AND HEALTHCARE SERVICES DELIVERY AMONG THE MARGINALISED COMMUNITIES OF THE IK, TEPETH AND POKOT

**THE SPEAKER:** Honourable members, as you recall, the Committee on Equal Opportunities presented this report. However, Members were very alarmed and they requested immediate answers from the sector ministers on how they are going to manage those issues in the Ik, Tepeth and Pokot communities.

We require an answer from the Minister of Education and Sports, followed by the Minister of Works and Transport, the Minister of Water and Environment, the Minister of Health, and the Minister of Energy and Mineral Development, in that order. Please, use three minutes.

5.35

**THE MINISTER OF STATE FOR EDUCATION AND SPORTS (HIGHER EDUCATION) (Dr Chysostom Muyingo):** Thank you very much, Madam Speaker. This is our response to that report. First of all, I would like to thank the committee for this oversight visit, which enabled them to appraise the state of education service delivery in that area.

There are quite a number of specific interventions geared towards alleviating bottlenecks of access to quality and equity in pursuit of education services in the Karamoja sub-region. Some of these include:

1. Supplying input seedlings and farm equipment to all public primary schools;

2. Water, Sanitation and Hygiene (WASH) activities. We have partners like Korea International Corporation Agency (KOICA) and United Nations International Children's Emergency Fund (UNICEF) supporting the WASH activities in schools by constructing boreholes, latrines and sensitisation of the communities.

3. Karamoja sub-region is among those identified to benefit from Early Grade Reading Programme, which is supported by the School Health and Reading Programme (SHARP).

This is in addition to other interventions that Government has extended to the rest of the country, which include the following:

a) Provision of Universal Primary Education (UPE) and Universal Secondary Education (USE).

b) Allocation of grants to schools, for example, capitation grants and others.

c) Payment of hard-to-reach allowances to the teachers within this region

d) Provision of policies, guidelines, regulations to their education institutions; support supervision and monitoring of educational institutions in that area; and curriculum and general guidance on education matters.

Further, implementation plans are underway to ensure the effective and efficient provision of education services in all parts of the country, Karamoja sub-region inclusive. As a way of implementing the policy of a seed school per subcounty, Government is constructing Ik Seed Secondary School in Kaabong District, Karita Girls Senior School in Amudat District, and a proposed seed school in Lupa Subcounty in Moroto District.

At Kamion Primary School in Kaabong, where the committee cited quite a lot of challenges, our ministry together with development partners has since that time registered quite a number of achievements, including:

1. We have been working with the Office of the Prime Minister to construct two more dormitories to boost pupil retention and reduce on the congestion in the boarding section.

2. Our ministry, through the district, has endeavoured –

**THE SPEAKER:** Which school is that, honourable minister?

**DR MUYINGO:** It is called Kamion Primary School. This is a school where the committee noted quite a number of challenges. Madam Speaker, we have addressed quite a number of those challenges, as I was saying:

2. The ministry, through the district, has endeavoured to pay the teachers’ salary by the 28th day of every month. This is done.

3. World Food Programme has been providing food to all schools in the Karamoja sub-region, including Kamion Primary School.

4. In regard to inadequate water and sanitation facilities, this school, which we are talking about, has been given a borehole and functional sanitary facilities.

5. Regarding staffing, the ministry, through the district, has deployed ten teachers.

6. District education officers, together with other partners, routinely conduct support supervision, monitoring and inspection at Kamion Primary School, which was not the case before.

7. On the issue of school dropouts, the ministry carries out continuous sensitisation of the affected communities to ensure that children stay and complete the primary cycle of education.

As we walk this journey with specific emphasis on serving the marginalised communities of the Ik, Tepeth and Pokot in Karamoja sub-region, the authorities and the leadership there should take the following very seriously, and this is my prayer:

1. Sensitisation and mobilisation of communities through regular meetings, *barazas* with local governments taking the lead role on the need for communities to take their children to school. These people have not yet appreciated the value of taking children to school and keeping them there.

2. Community engagement to strengthen the role of the school management committees, boards of governors and councils in these institutions.

3. We appeal that they use the role models within the community to inspire learners. They do not have people to look up to.

4. Encourage students at tertiary level to benefit from the Government loan scheme. These people have never applied for the Government loan scheme.

5. They should also set by-laws and ordinances on education and strictly enforce them.

6. The ministry is conducting a mass campaign on go back to school, stay in school, and complete school. We pray that the local leadership together with their Members of Parliament embrace this campaign.

7. Let the sub-region maximise on the use of textbooks and instructional materials. We have given them a lot of textbooks but when you visit, they look as new as when you donated them.

8. Let the sub-region utilise the intervention on Early Grade Reading, which is supported by the School Health Reading Programme.

I beg to submit, Madam Speaker.

**THE SPEAKER:** Thank you, honourable minister. Before the Minister of Works and Transport comes up, on the issue of role models, you know that in the Ik community, hon. Hillary Lokwang is the first graduate. He is the only person. I do not think they have role models. You may have to get people from other places to go and motivate them because they do not have them in that community. I do not think there is a female graduate among the Ik. Hon. Lokwang is the first graduate. We may have to do something about it.

5.43

**THE MINISTER OF STATE FOR WORKS AND TRANSPORT (WORKS) (Gen. Edward Katumba Wamala):** Madam Speaker, this is a brief on the plans and projects in the road sector by the Ministry of Works and Transport. It was prepared in response to the report of the Committee on Equal Opportunities on the oversight visit to Karamoja sub-region for the appraisal of the state of education and healthcare services delivery among the marginalised communities of the Ik, Tepeth and Pokot.

The districts of Karamoja are well known. In terms of development, the region has historically lagged behind the rest of the country. It experiences the poorest physical infrastructure and the highest poverty levels. Government of Uganda has designed programmes to address the region’s poor road infrastructure.

Improved roads play a vital role in stimulating socio-economic development and inter-connectivity in the region. Government recognises that it is only through opening the entire road network in the region and maintaining it at a reasonable level of service, that sustainable development will be achieved.

What are the major interventions, which have been made by the ministry? The Ministry of Works and Transport is undertaking several interventions aimed at improving the national, district, urban and community access road network in the sub-region. Government of Uganda, through the Uganda Road Fund, does the maintenance of district, urban and community access roads through the respective districts and urban councils and the national road network through Uganda National Roads Authority (UNRA). Each of the districts of Karamoja has been allotted a complete unit of road equipment except the municipalities, which were not addressed.

The Ministry of Works and Transport has projects directly executed by the ministry and these, among others, include the following:

The Karamoja Roads Development Programme

Under this programme, the following roads and bridges were rehabilitated and constructed:

1. Loroo to Katikekile and Moroto to Nakilolo on the Kenya border, 28 kilometres.
2. Girik River-Lokales-Karita, 23 kilometres, and construction of the Girik River Bridge of a 30-metre span.
3. Lokichar-Turutuko-Nyakwae and the construction of Nyakwae Bridge of a 20-metre span.

This was a project that was co-funded by the European Union at a cost of about £6 million. It was concluded in 2014. The roads were upgraded to national roads and handed over to UNRA for maintenance and they have been maintained in good condition.

The European Development Fund (EDF) Funded Development Initiative for Northern Uganda

This is a project that is co-funded by the European Union and the Government of Uganda. It will support the rehabilitation of up to 400 kilometres of district and community access roads in the districts of Abim, Amudat, Adjumani and Moyo.

Feasibility studies and preliminary engineering designs have been undertaken. The project is in the final stages of procuring a consultant to conduct detailed designs and technical assistance to districts for the implementation of the rehabilitation works.

This project has a component for capacity building and training for district engineers and non-engineering staff in road maintenance and road asset management. Nine million euros have been allocated for this purpose. Fifty kilometres and 90 kilometres of road are proposed for rehabilitation to first-class gravel in Amudat and Abim districts respectively.

Under the inter-connectivity project, which is a roads improvement project under the ministry, 10.2 kilometres of gravel roads in Moroto Municipality are being rehabilitated at a cost of Shs 463,917,000. The works are at 80 per cent of physical progress -

**THE SPEAKER:** Honourable minister, I do not know whether you are responding to the report because on the issue of roads, they were talking about hard-to-reach mountainous areas. Those are the ordinary roads. Are those the mountainous areas where the Tepeth and the Ik live?

**GEN. KATUMBA:** Madam Speaker, in the mountainous areas of the Tepeth, there are no roads there. However, in the Ik area - in Kaabong and Kotido districts - that is where we are going to have security roads constructed. The Tepeth are up on Mt. Moroto and there we cannot do any real roads; we can only do -

**THE SPEAKER:** Honourable minister, that is the reason we asked you to come and respond because those places are not accessible. There are people living there and they need to access the lowland - they need to go to school, health centres – and that is why we asked you to come and speak to us.

**GEN. KATUMBA:** Madam Speaker, I take note, but we will have to have a different programme for those roads, not under mechanised maintenance and construction. We can do that under labour-based construction because we cannot move equipment up to Mt. Moroto. We can only do labour-based improvement of the road network. That is a programme, which we are understudying now and which has already been employed in the Elgon area. We want to employ it in all the mountainous areas, not only in Moroto but also in Kasese, Kapchorwa and the Bugisu area. It is labour-based technology where we use the local labour to build the road network. It has worked in some parts of Bugisu and we think it will also work in the Tepeth area.

On the issue of the connectivity to other national roads, the following are the national roads upgrading projects in the Karamoja sub-region under UNRA:

1. Moroto-Nakapiripirit and Moroto Municipality roads have been completed.

2. Muyembe-Nakapiripirit, which is a 92-kilometre road. Procurement of civil works and the contract have been completed. The contract signing awaits approval of the revised loan terms by Parliament. The project is funded by the Islamic Development Bank. We are waiting for that approval from Parliament on the new terms of the loan so that we can start that project.

3. The Soroti-Moroto Road, which is 150 kilometres. Construction works are ongoing under Government of Uganda funding. Contractors pre-financed the works for a period of one year before we started paying.

4. The Moroto-Lokitanyala Road; feasibility studies and detailed engineering designs were completed. Procurement of works has been initiated under constructor facilitated financing for the first one year of the construction period. Government of Uganda is to finance the works in full after the first year of construction.

5. Moroto-Kotido Road, which is 100 kilometres. Feasibility studies and detailed engineering designs were completed. Funds for civil works are being sourced.

6. Angatun-Lokapel Road, which is 47 kilometres. Feasibility studies and detailed engineering designs were completed.

7. Kotido-Kaabong Road. I would like to report that feasibility studies and engineering designs were completed. Funds for civil works are being sourced.

8. Kitgum-Kidepo Road, which is mainly a tourist road. Feasibility studies and detailed engineering designs were completed. Funds for civil works are being sourced.

9. Karenga-Kapedo Road, which is 68 kilometres. Procurement of a feasibility study and detailed engineering design study are ongoing.

10. Karenga-Apoka-Bira to the Sudan border, 41 kilometres. Detailed engineering designs were completed and funds for works are being sourced.

11. Lira-Abim Road; procurement of the feasibility study and detailed engineering designs are ongoing under the African Development Bank.

12. Abim-Kotido Road, which is 68 kilometres. Procurement of the feasibility study and detailed engineering designs to commence in the financial year 2019/2020.

In conclusion – *(Interjections)* – Soroti? *-*

**THE SPEAKER:** Honourable members, this was a specific report on the life of the minorities in Ik and Tepeth. I know you have your issues but let us talk about the Tepeth for now. That is what he is reporting on.

**GEN. KATUMBA:** In conclusion, Madam Speaker, the ministry is committed to ensuring that the projects to improve service delivery to the communities, like maintenance and rehabilitation of roads, are planned for and executed with the available resources for the socio-economic improvement and accessibility of the Karamoja sub-region.

The ministry requests that additional funding is secured to ensure that the road network in the sub-region is kept in good condition and the main roads are progressively tarmacked. Improvement of the main roads in the Kidepo tourism circuit and the airstrip require special attention in order to facilitate tourism activities in the Kidepo National Park. I beg to submit.

**THE SPEAKER:** Thank you. Let us now hear from the Minister of Water and Environment.

5.54

**THE MINISTER OF STATE FOR WATER AND ENVIRONMENT (ENVIRONMENT) (Dr Mary Kitutu):** Madam Speaker, I rise in regard to the issues raised by the Committee on Equal Opportunities on the Floor of Parliament on the state of water provision to the Ik, Tepeth and Pokot communities in Karamoja. I wish to report that my ministry has undertaken interventions in the three areas of safe water supply, water for production, and water for irrigation.

Water for Domestic Use

The national safe water coverage in rural areas stands at 70 per cent while that in the urban areas is at 77 per cent as of June 2018. Specifically, the safe water coverage in the districts of Kaabong, Moroto and Amudat, where these communities live, is at 86, 80 and 50 per cent respectively.

The Ik Community

The Ik community is found in Kaabong District, majorly in Kamion Subcounty. The current safe water coverage in that subcounty stands at 86 per cent, with 22 functional deep boreholes. Out of these, three are located at Kamion Health Centre III, specifically intended to provide water to patients and the surrounding homesteads.

The Tepeth Community

The Tepeth community on the other hand is found in Moroto District, occupying the subcounties of Tapac and Katikekile. This community settled on top of Mt. Moroto. Safe water coverage in Tapac stands at 62 per cent while in Katikekile Subcounty it stands at 95 per cent.

The biggest challenge in providing safe water to the Tapac area is that this subcounty lies on steep hill slopes above the potential water sources. Therefore, the feasible technology is very expensive because it requires pumping water uphill in an area without electricity. In the medium term, the ministry plans to reconstruct and expand the Kakingol and Nadunget gravity flow schemes in Moroto District.

The Pokot

The Pokot people, who occupy the entire Amudat District, have a comparatively low safe water coverage due to very poor water resource potential in terms of ground and surface water. Even where ground water potential exists, the salty nature of the ground water makes it unpalatable.

To date, the three subcounties of Amudat, Karita and Loroo constituting Amudat District have safe water coverage of only 54, 49 and 47 per cent respectively. Plans are underway to draw water from strategic reservoirs to be treated and supplied for domestic use.

Water for Production

On the issue of water for livestock and irrigation, my ministry, in an effort to mitigate the effects of climate change and improve livelihoods of the pastoral communities in the Karamoja sub-region, acquired four sets of construction equipment units to create medium size surface water reservoirs. To date, a total of 82 valley tanks, each of 10,000 cubic metres capacity, have been constructed in the sub-region.

In addition, a total of seven windmills have also been constructed with each district receiving one site. Windmills are a source of energy. Instead of pumping the water naturally, the windmill does it. This at least improves on the efficiency. An additional 14 windmills are being installed, two per district.

With specific reference to the Pokot community in Amudat, the ministry has constructed eight valley tanks and a windmill. In the case of the Tepeth community, there exists only one valley tank. However, this community has close proximity to one of the strategic reservoirs of Kobebe in Rupa Subcounty in Moroto District. The Ik community on the other hand has only two valley tanks at Lokirimo in Kamion Subcounty and Karopgongole in Kalapata Subcounty, Kaabong District.

In addition to the above interventions, the Ministry of Water and Environment, in partnership with GIZ, plans to construct five valley tanks, each of 20,000 cubic metres, in Amudat District to provide water to the Pokot community. Furthermore, the ministry plans to construct three large dams in the Karamoja sub-region, two of which are located in Tapac and Lemusui, to serve the Tepeth and Pokot communities respectively.

Due to the uniqueness of this sub-region, there has been specifically established a regional office based in Moroto to implement a focused five-year project called Karamoja Small Towns Water and Sanitation Project to address the disparity in safe water provision in this region.

In conclusion, there is an overwhelming demand for safe drinking water and water for multi-purpose use across the country. This requires substantial resource allocation to the sector to facilitate fast-tracking the interventions. It is, therefore, critical that Government prioritises and allocates additional resources to this sector in the coming financial year, 2019/2020, to enable universal and equitable access to water and sanitation services. I beg to submit.

**THE SPEAKER:** Thank you. Let us hear from the Minister of Health.

6.02

**THE MINISTER OF STATE FOR HEALTH (GENERAL DUTIES) (Ms Sarah Opendi):** Thank you, Madam Speaker. I would like to thank the committee for their report that brought out the state of health among the Ik, Tepeth and Pokot communities.

It is true that these populations trek long distances to access healthcare services, which is unfortunate since Uganda long adopted the primary healthcare approach as a means of delivering healthcare to the population. Over the years, the Government has endeavoured to ensure that we reduce on the distances; at least the walking distance should be not more than five kilometres to a health centre. However, we note that some of these communities move beyond 40 kilometres to access healthcare.

Madam Speaker, allow me to state that this financial year, we received funding under the Intergovernmental Fiscal Transfers. This is a three-year funding model that will be available to all districts so that we close the gap in the subcounties that do not have health facilities.

This financial year, when we presented our report, we conducted a survey, which indicated that there were 98 subcounties that had no public health facilities while 270 subcounties had health centres II, which were to be upgraded to health centres III. Madam Speaker, we embarked on this exercise this year to ensure that we cover all the subcounties in the country so that by the financial year 2020/2021, we are done with all the subcounties.

Madam Speaker, allow me to commit that the Ministry of Health will ensure that all the subcounties in these communities of Tepeth, Pokot and Ik would be a priority beginning this financial year. We will ensure that where there are health centres II, we upgrade them to health centres III and where there are no health centres III, we shall ensure that we construct them.

This will be done and where there is no power, - actually, this is under the Ministry of Energy - we have been installing solar energy. Working with the Ministry of Energy, the Ministry of Health ensures that in areas where we do not have hydropower, we have solar energy available. We will ensure that health facilities that do not have hydropower nearby get solar power installed.

Madam Speaker, regarding the issue of staffing, we normally have a challenge. We are going to construct these facilities and equip them but the challenge is, if the wage bill for these districts is not increased, - this touches the Ministry of Finance, Planning and Economic Development - it will be difficult for them. This is because a health centre III is supposed to have 49 staff and nine for a health centre II.

When you move across the districts, you will find that they have maybe 60 per cent staffing levels only and they cannot go beyond that because of the wage bill. Therefore, this issue has to be addressed. I hope that this Parliament will ensure that there is adequate funding for those districts so that they can be able to recruit.

Lastly, Madam Speaker, there is the issue of health centres IV. I wish to indicate that we cannot commit ourselves to that now because our focus as a health sector is to first bridge the gap at the lower levels so that every subcounty has a health centre III before we move into the health centres IV. This is because they need more staffing and resources to equip them. Anyhow, we have taken note of Tepeth County that does not have a health centre IV. We will address this gradually. Let us deal with the lower health facilities for now, Madam Speaker. That is what I can commit.

Maybe, I will just inform the House that we are aware of the challenges in the Karamoja region and using the minimum resources for scholarships, we have been prioritising this area. We have been giving them specifically to people from that sub-region to go for further studies but with a commitment that they will go back and work at home. That is another challenge because after qualifying, some of them do not want to go back to that region. Therefore, we are bonding them in that way. Thank you, Madam Speaker.

**THE SPEAKER:** Thank you. Can we hear from the Minister of Energy and Mineral Development.

6.08

**THE MINISTER OF STATE FOR ENERGY AND MINERAL DEVELOPMENT (ENERGY) (Mr Simon D’Ujanga):** Thank you, Madam Speaker. Three issues emerged in regard to my ministry. One has already been handled by my colleague, the Minister of State for Health. This House approved $260 million to take electricity to every remaining subcounty. However, in this particular case of Karamoja, in the meantime for health centres III we are going to use solar for lighting and keeping the fridges on for the drugs.

The other two issues regard employment for the locals. Madam Speaker, all licensees for exploration and mining have a special condition requiring them to give priority to Ugandans who qualify in regard to employment and service provision. In cases where Ugandans are not qualified, it is also conditional that the licensees provide for the training and skilling of such Ugandans.

In the Karamoja sub-region, mining companies such as Tororo Cement and Hima Cement are employing over 1000 local people to mine limestone. Exploration companies such as Simba Cement, Sunbelt Uganda and several others are setting up in Karamoja to commence exploration work. The ministry shall ensure that compliance in regard to the preconditions for employment for local people is adhered to.

The other issue, Madam Speaker, was about the revenues accruing from the mineral exploration. I would like to say that mineral royalties are charged to companies that are producing mineral commodities as required by the law and the money is distributed as follows: Government takes 80 per cent; the local government, 10 per cent; subcounty and town councils, 7 per cent; and the land owner, 3 per cent. For the Karamoja region, the royalties disbursed for the last financial years - the list is attached.

I beg to lay the royalty beneficiary disbursements from financial year 2015/2016 to date. A total of Shs 953,665,762 has been paid in royalties to the districts of Moroto, Tapac Subcounty, Katikekile, Amudat and so on, Madam Speaker. I beg to lay.

**THE SPEAKER:** Does the chairperson of the committee wish to make any comments?

**MR D’UJANGA:** Madam Speaker, just in concluding, I would like to say that the ministry is committed to monitoring exploration and mining activities to ensure that royalties are paid on all mineral production and disbursed to beneficiaries accordingly. Thank you.

6.12

**THE CHAIRPERSON, COMMITTEE ON EQUAL OPPORTUNITIES (Ms Hellen Asamo):** Thank you, Madam Speaker. I would like to appreciate the responses by the ministers. I want to say that first, the Minister of Education and Sports was very open to say that after the report, they started going there because it was terrible. I want to appreciate that openness.

Madam Speaker, we are talking about roads that go where the minerals are mined. I imagine how we are going to use local labour to work on these roads because these tractors spoil the roads when they are climbing up there. When going to Moroto - maybe the area Member of Parliament can bear me witness – there is a road that descends to Amudat, passing through Moroto, but that road is muddy and trucks get stuck there in the rainy season. We need to hurry up to help them.

Madam Speaker, I want to appreciate the response by the Minister of Health but I think we need to provide ambulance services. Consider a mother who is going to give birth in Kamion and they have to be taken 49 kilometres up to Kaabong. There are no boda bodas in that place or even bicycles. How would they travel? You need to take this as an urgent issue.

I would like to propose that in the next budget, we have a special budget to handle the Ik, Tepeth and Pokot because their challenges are not the same like those in other areas. If you went there, you would wonder whether they are still in Uganda because that place is really badly off yet they have minerals. These are areas that are making gains for our country economically because we get their minerals, bring them to Tororo and get cement, but we leave them in a poor state.

Therefore, I would like to beg that all the ministries come with a budget specifically for the Karamoja sub-region, to cover the Ik, Tepeth and Pokot. Yes, they have said the roads will come up to Kaabong but they do not go up to Kamion. What that means is that that place will still have a problem. As we move to the budget period, my humble request is that these things are considered.

I do not want to go into the details of the report where a senior woman teacher shares a dormitory with girls, like the situation is in Amudat. I think we really need to pull up our socks. Thank you, Madam Speaker, for enabling this report see the light of day.

I would like to say that we shall work with the ministries to give more information. It is good to go to the site and see what is happening down there. Thank you.

**THE SPEAKER:** Thank you very much. I now put the question that the report of the committee be adopted.

*(Question put and agreed to.)*

*Report adopted.*

**THE SPEAKER:** Honourable members, I would like us to use this information to interrogate the budget. The National Budget Framework Paper is here and it is going to be laid on the Table, but I would like us to use the commitments made in writing on the budget proposals. They have told us here what they are going to do and we should ensure it is budgeted for. Thank you very much.

I now want to amend the Order Paper. Where is the Minister of Finance, Planning and Economic Development? Honourable members, I had asked the minister to tell us where the National Budget Framework Paper is.

6.16

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PLANNING) (Mr David Bahati):** Madam Speaker, I beg to lay on the Table the National Budget Framework Paper for Financial Year 2019/2020 to Financial Year 2023/2024.

**THE SPEAKER:** Honourable members, that is a requirement under the Public Finance Management Act. It is now available. I hope you have got copies - Will they be uploaded on the Members’ iPads? Is it too big to be uploaded?

**MR OKUPA:** Madam Speaker, where I come from, first of all, there is a challenge of the internet and I cannot be able to even download that document on my iPad while in Kasilo. Therefore, I thought we would go through it. Also, it would have been better to have a hard copy, given the volume of the National Budget Framework Paper.

Therefore, I would like to move that the Speaker directs the minister to provide copies for Members so that even when they are travelling, they can read it, even in cases where there is no network.

**THE SPEAKER:** In the past I think he used to provide hard copies.

**MR LUGOLOOBI:** Madam Speaker, even the quality of submission looks wanting. For a whole Government ministry to present a document that appears like a draft is really a matter of very serious concern.

I would like to agree with hon. Okupa that going through this document on an iPadis not possible. We really need enough copies, at least a minimum of 100, in order for us to be able to handle this document and to go through the process. Therefore, I would like to beg that the ministry makes available 100 printed copies of the National Budget Framework Paper.

**THE SPEAKER:** Is it too expensive to give everybody a copy? Remember, you have been availing us copies.

**MR BAHATI:** Madam Speaker and members, as you recall, before the iPads were introduced to this House, we would give each Member a copy but the new regulation in our rules is that we upload – *(Interjections)* – I mean, our rules provide that we upload the documents and provide five copies to Parliament. The whole purpose was to avoid paperwork. However, if each Member needs a copy, that can be done. Otherwise, the reason we introduced iPads was to actually resolve some of these issues.

**THE SPEAKER:** Honourable minister, provide copies of the document.

MOTION FOR ADOPTION OF THE REPORT OF THE COMMITTEE ON NATIONAL ECONOMY ON THE PROPOSAL BY GOVERNMENT TO BORROW UP TO UNITS OF ACCOUNT (UA) 44 MILLION FROM THE AFRICAN DEVELOPMENT FUND OF THE AFRICAN DEVELOPMENT BANK (ADB) FOR FINANCING THE STRATEGIC TOWNS WATER SUPPLY AND SANITATION PROJECT (STWSSP)

6.20

**THE CHAIRPERSON, COMMITTEE ON NATIONAL ECONOMY (Ms Syda Bbumba):** Thank you, Madam Speaker. Before I present the report, I would like to lay the following documents on the Table: a copy of the signed report, minutes of the meetings, the proposal brief on the loan, the project appraisal report, and the loan agreement.

Madam Speaker, I would like to thank my colleagues and staff for the effort they put in preparing the report, which I am about to present. This is a report of the Committee on National Economy on the proposal by Government to borrow up to 44 million Units of Account from the African Development Fund of the African Development Bank for financing the Strategic Towns Water Supply and Sanitation Project (STWSSP).

The loan request was presented to this House on 11 September 2018 and it was referred to our committee. We used the usual methodology for analysing the proposal. This was through meetings, documentary review and field visits.

Madam Speaker, water and environment resources are critical, as we all know, in national transformation and sustainable development. Uganda depends on its stock of environment and natural resources to achieve a middle income status.

As of June this year, the national safe water coverage in rural areas was estimated at 70 per cent. There was no change in coverage from that of June 2017. Therefore, in the whole year, there was no progress. Out of the 57,974 rural villages in Uganda, 38,183 which is 66 per cent of the villages, had valid water sources as of June 2018. The functionality for rural water supplies remained at 85 per cent by the end of last year.

The challenges in rural water supply and sanitation include poverty and rapid population growth. The constraints to urban water supply and sanitation include:

1. Pollution;
2. Depletion of water resources;
3. Unplanned settlement patterns, which lead to difficulty in supply of water and sewerage services;
4. Inadequate institutional capacity;
5. Weak local private sector players;
6. Temporal and spatial variability of water resources leading to high investment costs;
7. High energy costs and limited grid power network, leading to use of high cost alternatives; and
8. Low prioritisation of sanitation and hygiene at all levels.

Madam Speaker, the performance of the loans in the water and environment sector is covered under table 3.1. The performance, compared to other sectors, has been reasonable because the overall performance stands at 68.71 per cent.

Project Linkage to Country Strategies

The Strategic Towns Water Supply and Sanitation Project is in line with the Uganda Vision 2040 and the National Development Plan II (NDP II) and the Water and Environment Strategic Sector Investment Plan (2009-2035). The objective of the Strategic Towns Water Supply and Sanitation Project is to support the Government in efforts to achieve sustainable provision of safe water and hygienic sanitation for the urban population by the year 2030.

The primary beneficiaries of the project will be residents in the towns of Kyenjojo-Katooke, Kyenjojo District; Nakasongola, Nakasongola District; Kayunga-Busana, Kayunga District; Kamuli, Kamuli District; Kapchworwa, Kapchorwa District; Dokolo, Dokolo District; Bundibugyo, Bundibugyo District; and Buikwe Town in Buikwe District.

The project has three components, namely urban water supply, improved urban sanitation, and environmental management and sector programme support. In table 2, we provide a description of the programme components. In terms of funds, the urban water supply will take $ 41.6 million; improved urban sanitation and environment will take $ 4.8 million; and sector programme support will take $ 2.38 million.

Madam Speaker, a summary of programme cost estimates by components and total funding and expenditure category are provided under table 3. Table 4 provides sources of financing as follows: The African Development Fund group, $ 44 million, which is 90 per cent of the total project cost; and Government of Uganda, 4.8 million units of accounts, which is 10 per cent of the project cost.

From table 5, we see that the highest expenditure will be incurred by the civil works related activities of the project, which is close to 60 per cent. That will include the construction of urban water supply systems for 10 towns. The project will provide additional access to water and sanitation to 390,000 people by 2023 and to 812,000 people by 2040.

Table 6 provides the amortization schedule - how the funds will be disbursed over the five-year period. Table 7 provides the loan terms. The nominal value of the loan is 44 million units, maturity period is 40 years and the grace period is 10 years. The service charge is 0.75 per cent per annum on the principal amount of the loan disbursed and outstanding. There is a commitment fee of 0.5 per cent on undisbursed amount. This loan is concessional.

Overall, the project is technically feasible and economically viable with an Economic Internal Rate of Return (EIRR) of 43.49 per cent, which is higher than the discount rate of 10 per cent. The project is also socially desirable and environmentally sustainable.

Budgetary Implications

The project is not included in the financial year 2018/19 approved budget under vote 019, Ministry of Water and Environment. In addition, the project is also not included in the multi-year commitments of Government for financial years 2018/2019 to 2020/21, which are indicated in the Public Investment Plan. The loan and the current debt situation of the country are within the threshold of less than 50 per cent.

Madam Speaker, as you are aware, Parliament approved our loan guidelines, which are now mandatory for all loan applications to comply with. This project has satisfied the guidelines up to 70 per cent, which we think is satisfactory in the meantime.

Project Implementation Arrangements

The project will be implemented over a period of five years, from 2018 up to 2023 and will have a lifespan of 20 years. The Executing Agency (EA) will be the Ministry of Water and Environment.

Observations and Recommendations

Government Counterpart Funding

As I have already indicated, there is no provision in the current budget. We are recommending that Government ensures that adequate counterpart funds for this project are timely integrated into the national budget during the project implementation period. This is because we have observed that one of the main causes of delay of implementation of projects is the lack of counterpart funds.

Fulfilment of Loan Conditions

The committee recommends that Government ensures the speedy fulfilment of effective conditions of the financing agreement for this loan in order for the committed funds to be released by the African Development Bank in time to guarantee the timely implementation of this project. This has been one of the constraints to speedy implementation. After approving the loan, Government takes time to fulfil the conditions. We are now requesting Government to do this expeditiously.

Sector Financing Requirement

The committee recommends that Government continuously provides adequate funding to the water and environment sector with special focus on amplifying its impact on the economy. We know that water is a factor of production. Therefore, it is really important that its provision is enhanced for it to play an effective role in the development of the economy.

In addition, the sector should review and address key variables that are promoting bilateral project type financing, which inhibits coordination, harmonisation and alignment to key sector priorities. We have a problem with the water sector; the Ministry of Education and Sports has a portion, agriculture has a portion and the main ministry has a portion. We want this to be harmonised so that we can utilise water in the best way possible.

Regulation of Urban Water

The committee recommends that the Ministry of Water and Environment should roll out prepaid meters in all informal urban settlements. We realised in one of the kiosks in Mukono that there was a problem; people who were selling the water were selling it at different rates but because there was no meter, it would be difficult for National Water and Sewerage Corporation to get the accurate amount to be paid. We strongly recommend the rollout of prepaid meters in all informal urban settlements.

Regarding regulation of water and sanitation services in small towns and rural growth centres, the Ministry of Water and Environment should conduct assessments and mapping of the underserved, strengthening customer involvement in decision making in regards to tariff setting and reduction of non-revenue water.

We saw a problem; people at the head office or at the district water offices come and set the rates without the involvement of the users. Different areas have got different peculiarities.We strongly felt that the users should also be given an opportunity to participate in the tariff setting.

Performance of Debt Financed Projects in the Water and Environment Sector

The committee recommends that all proposed debt financed projects in the water and environment sector be presented to Parliament by Government to comply with the parliamentary approval guidelines, which I have already alluded to.

High Dependency on Consultants

This is a chronic disease within Government. We are strongly recommending that Government scales up plans for deliberately building the capacities of MDAs in conducting studies, designing and supervising of projects in order to cut down on the exorbitant amounts of project funds spent on consultancy services towards conducting studies, designing and supervision of debt financed projects. This is usually a requirement by the donors. However, I think if we build our capacity, those who negotiate should put this as one of the items on the negotiating table. Instead of these loans coming with foreign consultants, we should use our local capacity.

In addition, the committee recommends that negotiations for loans should be geared towards reducing the cost of consultancy in view of boosting the local content of the projects.

Management of Sewage

The committee observed that poor sanitation and hygiene has been identified by the public as a concern and cause of various health and sanitation related problems. The committee, therefore, recommends that given the fact that access to sewerage services is a key aspect of water and sanitation management, there is need for Government to fast-track and implement the proposed strategies in the management of sewage to ensure increased access to sewerage services in the country, especially among low income earners.

If you go to all these new towns, which have been supplied with water, there is no provision for sanitation. This is going to come as a problem later, which will cause infrastructure problems and yet if it is considered right from the beginning, it might be a good solution.

The provision of regional faecal sludge management facilities and conventional sewage systems in some towns, based on needs assessment, should be expanded to other regions of Government.

Stakeholder Coordination

The committee recommends that to get sanitation back on track, there is need to bridge the financing gap with concrete financial commitments from the Government. All the three line ministries in charge of promoting sanitation in the country like health, education and sports, water and environment, should adequately finance their dedicated sanitation budget lines. We have seen schools and health centres, which have got problems of sanitation. However, better sanitation financing should go hand in hand with the smart utilisation of available resources.

The committee further recommends the reviewing of sanitation memoranda of understanding between all line ministries and the establishment of sanitation specific performance contracts in all the line ministries and district local governments.

In addition, the committee also recommends the need for intersectoral coordination between national and local ministries with the civil society to enhance optimal outcomes, accountability and avoid duplication of efforts. In addition, there is need to improve coordination and information management among sector players.

Compensation of Affected Persons

Government normally takes long to compensate people who are affected. Therefore, we recommend that the Ministry of Water and Environment should ensure that it acquires all the land titles in the areas where construction works for the project are to be implemented before construction works commence and makes timely payments.

National Coverage of Urban and Rural Water Supply Infrastructure

The committee noted that despite the progress made, the water and environment sector has achieved in the last 10 years in establishing urban and rural water supply infrastructure across the country, as pointed out in the sector performance report of 2018.

The committee recommends that Government should prioritise making additional efforts towards resource mobilisation for the sector in order to extend the urban and rural water supply infrastructure to other districts that are still grappling with low safe water coverage, especially those in the cattle corridor, which are badly hit by shortage of water. This should be coupled with the efficient use of available resources, to enable the sector achieve the water and environment related national targets under the Vision 2040 and the Sustainable Development Goals.

The committee recommends that the request by Government to borrow Unit of Accounts (UA) 44 million (approximately US$ 62.48 million) from the African Development Fund of the African Development Bank for financing the Strategic Towns Water Supply and Sanitation Projects be approved subject to the above recommendations. I beg to report.

**THE SPEAKER:** Thank you very much, honourable chairperson and members of the Committee on National Economy. I just want one clarification and commitment from the minister. Honourable Chairperson, you had set conditions for approving loans and one of them was on counterpart funding. I would like the minister to commit himself here, otherwise, we are going to tell people that we passed the loan request and the people in Kayunga will celebrate. The minister must commit himself here on the counterpart funding for this loan.

**MR NANDALA-MAFABI:** Madam Speaker, I have a procedural issue to raise. The chairperson of the Committee on National Economy said this project is neither reflected in our budget nor in any plan by Government. It is neither in this year’s budget nor in that of 2019/2020.

Our committee is responsible for assessing performance of loans and guarantees approved by Parliament but also examining the annual state of indebtedness and management of Government debts including the Debt Management Performance Assessment Framework. If this is not part of the activities we have approved, I would like to find out why a ministry should leave activities, which we have been approved and go for activities that are not funded, get money for them and even ask for counterpart funding, which is not even in the budget.

Madam Speaker, are we proceeding well by working on an activity or loan, which is not planned for by Government and is not even approved as an activity to be funded?

**THE SPEAKER:** I hope the minister will clarify that. Let us hear from hon. Osegge.

6.44

**MS ANGELINE OSEGGE (FDC, Woman Representative, Soroti):** Thank you, Madam Speaker. The chairperson of the committee said that there are conditions they set, which should be fulfilled before the loan is approved in this House, and that up to 70 per cent have been fulfilled. However, I wonder what weight is attached to those conditions. It depends on what conditions they are and the weight attached to them - the 30 per cent. How much weight do you attach to the non-budgeting for counterpart funding? How did the committee consider that and still go ahead to say the loan request be approved?

It is not going to be the first or second time in this House that we have experienced a situation where Government asks for a loan and they make it sound like something very sweet that we all desire to have. However, after we have approved the loan request, the money comes and goes to do something else. This happens because we have not done our groundwork well. Can the committee assure this House that the 30 per cent can be done, moreover after saying that there is no budget provision for counterpart funding?

The Auditor-General has produced a report about how Uganda is suffering from very many loans that have been redundant for more than five years without counterpart funding and we are paying interest on them. Has the committee bothered to do an assessment on how much money we are paying in interest because we lack counterpart funding and we are continuing to approve more?

6.46

**MS SANTA ALUM (UPC, Woman Representative, Oyam):** Thank you very much, Madam Speaker. As I thank the chairperson for presenting the report, I have a feeling that we are shooting ourselves in the foot. As Parliament, we passed guidelines on how these loans must be approved. However, as I was reading as the committee chairperson was presenting, on page 15 I looked at table 8 and realised that the only performance indicators at 100 per cent were consistency in national planning framework and institutional framework. However, when you look at the most important items such as the budgetary implications, we are at 33 per cent and yet this is the cornerstone - everything rests on the budget.

From this year up to 2022, according to the chairperson’s report we do not have any budget to support this request. Therefore, I wonder how this House can approve guidelines but our own committee comes with only 33 per cent on the pillar of how we should benefit as a country from this loan and we go ahead. Even our implementation readiness is at 75 per cent only.

When you look at the procurement, they are telling us it is at 50 per cent. How far have we gone with this 50 per cent procurement when even the budget is nowhere to be seen? Maybe the committee chairperson or minister can help us understand how we are moving and performing.

Finally, Madam Speaker, there are very many loan requests that we have passed here but when it comes to implementation, because of the counterpart funding the loans cannot be utilized as envisaged. You find that when it comes to implementation, some of the technical staff leave some project areas and only work on others and when you ask them why, they say that the money, which was supposed to be provided by the Government, is not there.

6.49

**MR AMOS LUGOLOOBI (NRM, Ntenjeru County North, Kayunga):** Thank you very much, Madam Speaker. I would like to thank the chairperson for presenting a very comprehensive report. I would wish to note that this is one of the best loan requests we have received in the recent past. That must be noted because previously, we have been getting non-concessional loans and here, we are getting what we have been looking for.

We can handle some of these small things. On the issue of budget allocation, for instance, the assessment was done based on this year’s budget and yet the project is going to be implemented in the financial year 2019/2010, whose budget has not yet been considered. Therefore, the basis for the assessment was erratic. They should have used next year’s budget to do that assessment and that is where they went wrong. This is the only item where they –

**THE SPEAKER:** No, we cannot legislate in anticipation. They could not.

**MR LUGOLOOBI:** The loan, Madam Speaker, is projected for next financial year. This year, provisions were made in the budget to implement those preliminary issues in the project; for instance, the Kayunga and Kamuli projects works are going on already and massive sums of money have been spent on the works. The money that has already been invested in this project was not put into account during this assessment and yet this was not money coming from this loan but from the budget. There are some works already going on there*.* I do not know about other districts. The premises upon which the loan was assessed had a problem.

Secondly, Madam Speaker, I would like to state that a performance of 70 out of 100 is almost a distinction. If your child gets 70 out of 100, surely you should be happy. Where we are failing is only in the area of budget implication, which should be sorted out in the next budget. We cannot throw away a concessional loan of this magnitude with a grand element of 42 per cent, 10-year grace period and maturity period of 40 years; you cannot throw out such a loan. For a country that is borrowing very expensively and we get this kind of money and you throw it away, I think it is not a good idea. We can deal with these small elements and approve the loan request.

6.52

**MR CHARLES NGABIRANO (NRM, Rwampara County, Mbarara):** Madam Speaker, I would like to thank the committee. I come from a very water-stressed area and so I am very passionate about water. In this country, we have a lot of such projects, which have been constructed with lifespans of 20 years, but before the 20 years elapse there is no water for the project to supply. This is because in the water and sanitation sector, we are failing to look at a very important component of the environment. All the water projects that we have done with a design period of 30 years have run out of water because we have not considered the water sources and the environment.

Therefore, Madam Speaker, I would appreciate if such a loan had the component of the environment, especially the catchment protection and tree planting, so that when we go to these towns, the moment there is water, there are trees all over and the sources are protected.

Madam Speaker, our Mbarara water system is dry. We have to move to Kagera, very expensively. The ministry is now designing a huge project because water catchment was not considered. Water production has a water cycle and the water cycle must have evaporation and evapotranspiration. If you look at abstraction without looking at the recharge, we are not designing viable projects.

Therefore, I think that for these projects, we should put a percentage and make it a condition that every water project must have not less than 10 per cent component of the environment and tree planting catchment protection so that the whole water cycle is considered. We should not only consider construction and use. Thank you, Madam Speaker.

**THE SPEAKER:** I would like to improve your proposal. It should not be just on the loans for water but even the loans for the roads should have a component of the environment. If there is water, a road, a hospital or a school, trees should be planted.

**MR SSEKIKUBO:** Thank you very much, Madam Speaker. I was at a loss trying to follow the debate and that is why I had risen on a point of procedure. Whereas the Ministry of Finance, Planning and Economic Development is in charge of this borrowing, the lead agency is the Ministry of Water and Environment. So, we can know whatever they are presenting is within the work plan of the ministry. That is why we are also debating as if it is a financial matter yet for a project of about Shs 270 billion, it needs a line minister. That is why I was rising on rule 13 of our Rules of Procedure. Otherwise, we are handling a very critical matter in which we want to know the criteria used for the selection of the towns to benefit from this project.

Madam Speaker, water is strategic to each and every one of us, whether rural or urban. Once you talk about the strategic nature of water and sanitation, we are all affected. Therefore, where is the line minister to give us assurance? I know we cannot all benefit from this project but I think there could be a way the minister could lead this House so that we know that this time, it is this town and next time, it is another. This is important because at the end of the day, this project will not be implemented by the Ministry of Finance, Planning and Economic Development; it will be implemented by the Ministry of Water and Environment.

Lastly, I have heard for the first time that we are borrowing for an ongoing project in anticipation, that it will be factored into the next financial year. Madam Speaker -

**THE SPEAKER:** I do not know where that came from because it was not part of the memorandum of the loan to say “we have started, give us more money.” I do not know where the minister got that from.

**MR SSEKIKUBO:** That is the fact of the matter. It is a strange nature of borrowing and budgeting. I have never seen it. When activities are already going on, it is because this Parliament has appropriated the budget for these projects and yet we are borrowing in anticipation of the next financial year. Madam Speaker, are we proceeding well?

**THE SPEAKER:** Honourable members, that is why I had asked the minister to confirm to this House that he is going to provide counterpart funding for this loan this financial year.

6.57

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PLANNING**) **(Mr David Bahati):** Madam Speaker, the new guidelines that the committee issued to us include the Ministry of Finance, Planning and Economic Development confirming that the resources for counterpart funding would be available for the projects that the House approves. Among the documents that we give to the committee, we give that assurance to them. Even in this case, we assured the committee that we were going to provide counterpart funding. It is not reflected but that is what we said.

Madam Speaker, the effective date for the start of the project will be in March. They are going to do all the works in 2019.

**THE SPEAKER:** Honourable minister, was it a project for this financial year, because the financial year ends in July?

**MR BAHATI:** Madam Speaker, this is a follow-up project. Phase I ended. This is a follow-up project as you have heard from the report. We can confirm here that counterpart funding for this project will be available. The issue of counterpart funding is something we have resolved once and for all. There is no loan request that comes to this House without Government providing for counterpart funding.

**MS LUCY AKELLO:** Thank you, Madam Speaker. I would like to seek clarification from the honourable minister. He is assuring us that there is counterpart funding available for this financial year and that the project is starting in March 2019. Obviously, it is for financial year 2018/2019. If you gave this assurance to the committee, how come they gave the rating of 33 per cent, yet the provision is not even there.

**MR WADRI:** Madam Speaker, thank you very much for the opportunity. What I am going to raise is similar to what hon. Lucy Akello said.

If this is a project for financial year 2018/2019 and it is going to start in March next year, it means there is already a provision. If that provision is there in this current financial year, could the minister show it to us in the budget of the Ministry of Water and Environment because it was already approved? Otherwise, the way I look at it, it is as if the minister just wants to use words to confuse us when actually the provision for Government counterpart funding is not there.

**MS BBUMBA:** I would like to thank colleagues for their concerns, especially on counterpart funds. Table 8 is a snapshot; we took the picture of what it was by the time of writing the report. When you look at procurement, which is at 50 per cent, they could not have achieved 100 per cent without accessing funding yet the process had started. Some of these issues are based on the processes.

Under budgetary implication, at the time we wrote the report a month ago, the revocable assurance had not been provided, though, as I now understand, it has been provided. Therefore, for the project to have scored 70 per cent with some of this still under processing, to our assessment as a committee we considered it to be reasonable.

Madam Speaker, the MDAs are just getting used to these guidelines, which have been newly introduced; they have not been there before. Therefore, if you allow time for adjustments and the processes, which cannot be completed 100 per cent until the disbursement is fully completed, colleagues, I want to persuade you that the score of 70 percent is reasonable.

Madam Speaker, the Minister of Finance, Planning and Economic Development says the revocable commitment is available and it will be provided to us. However, at the time of writing the report a month ago, it had not been provided.

**MR BAHATI:** I would like to clarify on the issue of counterpart funding that in some projects, counterpart funding is required at ago. For example, if you need compensation of a particular area, you need all resources at once. Even in some cases of roads, it is not needed at once. What we have done is that instead of waiting to clear the whole stretch of the road as you compensate, the contractor takes possession of a place which is clear and starts moving. The same thing applies.

There are resources in the Medium Term Expenditure Framework (MTEF) of the Ministry of Water and Environment to start off the project. The balance of the resources that will be needed in Financial Year 2019/2020 will be provided for. However, if Parliament approves the loan, it will start effective March and resources for that to continue the counterpart funding will be in to make the process move forward.

**THE SPEAKER:** Honourable members, I put the question that this House do approve the loan request.

*(Question put and agreed to.)*

MOTION FOR ADOPTION OF THE REPORT OF THE COMMITTEE ON NATIONAL ECONOMY ON THE PROPOSAL BY GOVERNMENT TO BORROW EUROS 219,482,721 FROM THE UK EXPORT FINANCE (UKEF) AND EUROS 30,384,976 FROM STANDARD CHARTERED BANK (LONDON) FOR THE DEVELOPMENT (DESIGN AND BUILD) OF THE KAMPALA INDUSTRIAL AND BUSINESS PARK AT NAMANVE IN MUKONO AND WAKISO DISTRICTS

**MS OGWAL:** Procedure -

**THE SPEAKER:** Honourable members, you do not even allow the clerk to read the subject? She is balancing the boat from there - *(Laughter)* - okay, let us here from the chairperson, Committee on National Economy.

7.05

**THE CHAIRPERSON, COMMITTEE ON NATIONAL ECONOMY (Ms Syda Bbumba):** Thank you very much, Madam Speaker. I rise to present the report of the Committee on National Economy on the proposal by Government to borrow Euros 219,482,721 from the UK Export Finance (UKEF) and Euros 30,384,976 from Standard Chartered Bank (London) for the development (design and build) of the Kampala Industrial and Business Park at Namanve in Mukono.

Before I proceed, I would like to lay on the Table the following documents:

i. The report of the committee.

ii. The minutes of the committee.

iii. A copy of the fully signed report.

iv. The draft loan agreement between the Republic of Uganda and Export Credits Guarantee Department of the UK and Standard Chartered Bank.

v. The draft loan agreement between the Republic of Uganda and Standard Chartered Bank.

vi. The contract between Kampala Industrial Business Park and the Government of Uganda and the Lagan Group joint venture.

vii. The joint venture agreement between the contracting companies; and

viii. The Solicitor General’s letter clearing the draft commercial contract.

Madam Speaker, I once again would like to thank my colleagues and our technical staff for the effort they put in drafting this report – *(Interruption)*

**THE SPEAKER:** What rule has been offended?

**MR SSEKIKUBO:** Madam Speaker, I rise on a point of procedure, under rule 113 on attendance of meetings by ministers. This is a very critical item where we are committing this country to borrowing more than a trillion shillings.

Secondly, going by the nature of this request, we are now borrowing from commercial banks. These are very sensitive matters that would have required the attendance of the line minister in the House - not the minister of finance but the line minister - so that once we debate this matter, we fully commit Ugandans in the know that the House was fully constituted.

The trend is that we are now borrowing from Standard Chartered Bank, which is a commercial bank, so we need to be extra careful. Madam Speaker, are we proceeding right for the ministers to offend rule 113 of the Rules of Procedure, which, in the wisdom of this House, is thought to balance and carefully consider matters before this House?

**THE SPEAKER:** Honourable members, we are dealing with the Kampala Industrial Park and I believe it is supervised by the Ministry of Finance, Planning and Economic Development. These are industrial parks and they are under the finance ministry. Please present the report.

**MS BBUMBA:** Thank you very much, Madam Speaker. The Minister of Finance, Planning and Economic Development, who is responsible for the Uganda Investment Authority, is in the House

Madam Speaker, the request to borrow was presented to the House on 15 November 2018 and was referred to the committee. We used our usual method of evaluation. We held meetings, carried out documentary reviews and also toured the project area.

Background

Transformation of Uganda's economy, through the industrialisation strategy is one of the fundamental goals and commitments of Uganda's National Development Plan (NDP). This project is aligned to the National Development Plan II and also the Sustainable Development Goals (SDGs).

Performance of previous attempts to develop the Kampala Industrial and Business Park, popularly known as Namanve: In 2005, Parliament approved the Second Private Sector Competitiveness Project. This project was aimed at reducing the cost of doing business and encouraging investment while enabling the private sector to be better positioned to respond to investment and export opportunities and also to attract foreign direct investors.

The first attempt did not perform well and as a result, only land developed from the land component remained active and the others did not perform well.

Under the Second Private Sector Competitiveness Project, the project funded three components, namely infrastructure, financial services and enterprise competiveness and improving the business environment.

Component one - development of infrastructure and financial services: The objective of the first component was to provide priority infrastructure and related facilities to support the growth of the industrial business sector particularly through availability of serviced industrial land in a modern, well planned industrial park and the project included the development of serviced industrial land and improvement in the financial services. This was to be achieved by providing infrastructure and supporting financial institutions and institutional building grants.

Component two was meant to enhance enterprise competitiveness. The component was aimed to improve enterprise creation and growth and component three was for improving the business environment. This project component sought to strengthen the underlying legal regulatory and instructional structures.

Overall implementation: The Second Private Sector Competitiveness Project supported reforms in land management and administration, specifically the design, supply and installation of land information system. It also improved access to finance through establishment of the Credit Reference Bureau, enhancement of enterprise competitiveness and improving the business environment, all in all to support the development of a vibrant private sector.

Achievements of the planned output under this project component: There were several issues that affected the implementation of this activity. This was the weak capacity of the Uganda Investment Authority to effectively manage the component, especially the related civil works. The first phase involved the construction the Uganda Investment Authority office and completion of earthworks.

During this period, the Uganda Investment Authority undertook investment promotion efforts and succeeded in attracting a substantial number of businesses in multiple sectors - over 300 projects were attracted at that time.

Review of the Current Project of the Kampala Industrial Business Park

The Kampala Industrial and Business park is an approximately 2,200-acre facility with all its land already allocated to 291 prospective investors for development in the various subsectors such as agro processing, mineral processing, ICT, logistics and freight, warehousing, general manufacturing as well as Tourism promotion activities.

Madam Speaker, according to the project feasibility study report dated July 2018, there were only 30 operational companies, 82 companies under construction and 129 at pre-start stage out of the 291 who had been given preliminary allocation. Out of the entire 42 kilometres of the planned road network length, only 6.5km is tarmacked and part of this is temporary bitumen surfaced.

The project objective of the Kampala Industrial Business Park is to put in place integrated infrastructure and services in one location with all the required utilities Industrial water, waste disposal and management. One of the biggest problems with that place is that it is water logged and sewerage is a serious problem. The few which are established there, when it rains, they get a back flow of sewerage in their facilities. This is meant to improve that environment.

Project Costs, Components and Description

The project has three components: construction, consultancies and project management and they are described under paragraph 7. They are detailed under table No.7.

Breakdown of the Components

Component one is for construction of road works, water distribution, sewerage network, waste water treatment, power lines and optic fibre services and CCTV services, solar street lighting and small medium enterprises park in the Kampala Industrial and Business Park.

Madam Speaker, consultancy No.2, which is for the consultancies, will finance the following: project studies, environment and social impact assessment, detailed engineering designs, the lenders’ environmental specialist and the lender's legal counsel.

Component No. 3 will largely finance fees payable to Standard Chartered Bank London as the lead arranger for the financing facilities upon signing of the facility of the UK Export Finance.

Financing Description

The financing of the project is to be done by the UK Export Finance, which is an Export Credit Agency of the UK.

Terms and Concessionability of the Loan

Right from the onset, this is a no concessional loan. As hon. Ssekikubo said, it is a commercial loan. The UK export facility will avail US$ 251,138,721 to put in place integrated infrastructure.

The loan amount is US$ 251 million with a maturity period of 13 and half years with a repayment period of 10 years and a grace period of three and a half years. The directed flaming facility will be at an interest rate of 1.17 per cent and the administration fee will be 1.5 per cent of the UK facility.

Madam Speaker, the terms of the Standard Chartered Bank loan are provided under table No.3. The amount is US$ 34,767,578, with a maturity of six years, repayment period of five years, interest rate of six months Euro Inter Bank Offered Rate (EURIBOR) plus 4 per cent per annum, and an administration fee of one per cent. The above credit will be charged at Euro Inter Bank Offered Rate (EURIBOR) which is currently negative 0.147 per cent.

The Implementation Arrangement

The executing agency will be the Uganda Investment Authority under the Ministry of Finance, Planning and Economic Development. The contractor is going to be a joint venture between Lagan Group Limited and Dott Services Limited. This has already been procured and the commercial contract for Engineering, Procurement and Construction (EPC) has already been signed.

Economic and Financial Returns

It is anticipated that the developed project will generate sufficient revenues to repay the loan in the long term. This being a commercial loan, it should be able to generate money to pay the loan from its internally generated funds unlike the concessional loans, which are spread over the taxpayers over a long period of time.

Madam Speaker, with regard to the loan and the debt situation of the country, this is within the threshold of 42.05 per cent of Gross Domestic Product (GDP)

On compliance with the approval guidelines, the Committee on National Economy developed the guidelines, which we alluded to in the earlier report. The overall score comes to 85 per cent and it is broken down as follows:

1. Performance of previous projects is at 60 per cent.
2. Consistency with the National Planning Framework is at 100 per cent.
3. Institutional framework is at 100 per cent.
4. Procurement is 100 per cent because this is advanced procurement.
5. The Resettlement Action Plan is at 100 per cent because the area has already been fully compensated.
6. Budgetary implication is at 67 per cent.
7. Implementation readiness is the lowest with 50 per cent.
8. Financing is at 100 per cent because under this project, we are borrowing 100 per cent and there is no counterpart funding.

Due Diligence on the Contractor

Government should undertake due diligence on the joint venture to confirm its suitability to undertake the implementation of the commercial contract it has with the Government of Uganda, prior to project implementation. Buy-in from implementing agencies is critical for successful performance of this project.

The committee, therefore, recommends that Government should ensure that stakeholder involvement and participation in putting in place the integrated infrastructure and services for the Kampala Industrial Park is well streamlined, coordinated and adequate during the implementation of the project. Here, we have the Ministry of Energy and Mineral Development, the Ministry of Works and Transport, the Ministry of Water and Environment, and the Ministry of Finance, Planning and Economic Development among others.

Local Content

The committee recommends that Government should empower the local private sector by developing a skills transfer programme that will make it more competitive; and provide avenues for low cost capital to establish enterprises that are linked to the project. Of course, the oil sector is one area where we are looking at local content.

The contractor should develop and implement a recruitment plan and ensure that local residents are given priority for job opportunities. It should not just be the inferior jobs but wherever their capacities suit, they should take first priority. This is in addition to the development of specific employment programmes for women, youth and other vulnerable groups. There is a lot of work, which can be done by the women and the youth from what you saw in that area. We would like it to be ring-fenced for those categories of people.

Government should ensure that the local content ratio in the construction price is restored not less than 30 per cent as outlined in article 3.6 of the contract agreement for the construction of this project.

Debt Sustainability

The committee notes that the provisional total public debt, which I have already stated, is sustainable. However, we recommend that Government should expedite efforts towards improving project implementation across the entire project cycle, including production of high quality feasibility studies and proper timely management of land acquisition process.

One of the things we insist on these days when evaluating these loans is the state of readiness. In the past, the feasibility studies were done after getting the money but now we insist because we cannot be sure that it is doable until you put it to test. We are insisting that they have many of these planning documents in place before the loan is approved.

Development of the Industrialisation Master Plan

The committee recommends that Government should urgently expedite the finalisation and approval of the country's industrialisation master plan by the end of the Financial Year 20l8/20l9, to enable the alignment of the implementation of this project with the National Industrialisation Master Plan. We would like this to have a national outlook but not to concentrate all of them in Kampala. The master plan should spread them throughout the country.

Performance of the Industry Subsector

The committee recommends that Government should aggressively address the challenges in the industry subsector such as inadequate infrastructure for undertaking standardisation, testing and quality management.

This includes certification and accreditation of the locally produced industrial goods, high start-up cost for micro, small and medium size industries as well as inadequate technical, production and managerial skills. These will strategically increase the share of manufactured goods and services in the country's total exports.

The few industrialists in the country are suffering because their goods are not standardised or certified. They are treated as inferior goods and so many of them are failing to export and those doing so are getting very low prices.

Legal and Policy Environment to Support Industrialisation

The committee recommends that Government should expedite the process of developing and reviewing existing policies and laws in the trade and industry subsector in order to smoothen the development and regulation of the industry and trade sector.

Madam Speaker, I would like to point out that this export credit facility is similar to the one that was approved for the Kabale International Airport in Hoima. The performance of that project is quite impressive; they are moving ahead of time because they had all the money in advance. All the planning facilities were concluded before the loan was secured. Therefore, we are hopeful that since this one is more or less on similar terms, it will be one of those implemented successfully and on time.

Madam Speaker, the committee recommends that the request to borrow euros 219,482,721 from the UK Export Finance (UKEF) and euros 30,384,976 from Standard Chartered Bank (London) for the development (Design and Build) of the Kampala Industrial Business Park at Namanve be approved subject to the above recommendations we have made. I beg to report.

7.32

**MR MUYANJA MBABAALI (NRM, Bukoto County South, Lwengo):** Thank you, Madam Speaker. This concept, which Uganda has adopted to create industrial business parks, is the only way to go if Uganda is to get industrialised as soon as possible.

First of all, this kind of concept where the integrated infrastructure services and all the required utilities are in one place is the smartest way of industrialising this country. It is very cost effective to both the industrialists and customers. I believe with this kind of infrastructure of a business park in one centre, different industries will be in place and it will be very easy in terms of communication in one area be it by transport or telephone.

Secondly, the tax base will be quickly widened because the investor will find the entire infrastructure already developed for him and what he does is only to install his equipment and start production. This kind of concept is the best way for a developing world.

Madam Speaker, it is very cost effective that an investor takes three years on the construction of his premises before he installs machinery to commission a factory. I strongly support the project.

7.34

**MR JACK WAMANGA-WAMAI (FDC, Mbale Municipality, Mbale):** Thank you, Madam Speaker. I am not debating the loan but I would like to find out from the Minister of Finance, Planning and Economic Development how the Uganda Investment Authority decided to give plots of land in Namanve to investors free of charge and Ugandans are charged.

Madam Speaker, I applied for a plot in Namanve and the Uganda Investment Authority wanted to charge me US$ 80,000, moreover they were dishing out plots to foreign investors free of charge not taking into account the fact that the idea of an investment park came from us and not from China. Therefore, I got surprised why I was being charged US$ 80,000 yet foreigners were being given land free of charge.

**THE SPEAKER:** Honourable members, I have some information on that because one of my voters was subjected to that condition. First, it was a struggle for me to get him land there - the man of Luuka Plastics. After they gave it to him, they asked him for $ 80,000 per acre. He first paid $ 240 then he came and said Madam Speaker, I am a Ugandan, why am I paying this money?

We then started the struggle; I called the Uganda Investment Authority and they were adamant. They said that was their arrangement. I called the Minister of Finance, Planning and Economic Development and eventually I went to the President and he said no one should pay anymore. Therefore, that has been resolved and I know it because one of my people was struggling.

7.36

**MS CECILIA OGWAL (FDC, Woman Representative, Dokolo):** Madam Speaker, I have two concerns. First, the report says that due diligence has not been done on the partner or the executing partner of this contract. Now, this to me is very important because if we do not know the background of the contractor, that can be a very big hindrance with this project which I support. It is a very good programme we are having.

If it is to be here, because that is the best way that we can really promote industrialisation, which is a very ambitious programme. Therefore, I support it, but we have to make sure we understand who this contractor is. That has not been done. The committee has not come out on it very clearly.

Secondly, Madam Speaker, on the local content component on page 22, I do not know whether the committee understood what it says here that 77 per cent of all the imports of the goods and services required for executing this project must come from the United Kingdom *- (Interjection)-* Yes! Look at page 22; I think I still understand English. If you wish, I can read it: “However, a significant portion of the loan - 77 per cent - is for imports of goods and services domicile in the UK and other countries outside.” What about our local goods? This is very important.

Maybe if I have not understood the economic language, they have to explain it to me. That is very important because we cannot bring in industrialisation and we do not take seriously the issue of local content.

Finally, the development of the industrialisation master plan is not ready and yet we are ready with the loan. We cannot do it up-down. We should start from down. The master plan is not there but we are ready with the loan; I would want that clarification from the committee. Thank you.

7.39

**MS LUCY AKELLO (FDC, Woman Representative, Amuru):** Thank you, Madam Speaker. Allow me add my voice to thank the committee chairperson for doing some good work. I do not object to anything that brings money to the country.

However, I have two issues to raise - perhaps if my eyes skipped them then I beg to be corrected. One, I did not hear of any waste management facility; I assume it has not been taken care of. I need clarification from the committee on the plan for waste management and disposal because we are talking about an industrial park.

Secondly, in the report, you talk about the implementation arrangement and the joint venture between the contractor called Lagan Group Ltd and Dott Services; these have already been procured. I am assuming that “being procured” means you have already signed some contracts. In the unlikely event that this money is not passed or we do not get the money in time, what legal implication does it bring *- (Member timed out.)*

**THE SPEAKER:** The chairperson will be able to explain what these goods and service are which have to be imported from the 77 per cent.

7.41

**MR NATHAN NANDALA-MAFABI (FDC, Budadiri County West, Sironko):** Thank you, Madam Speaker. For Namanve to be developed, is a good idea. However, I have read that the grace period is one year. What is the maturity period of Namanve? Does it mean in one year we are going to get a return yet we are borrowing money at a commercial rate? Why can’t we borrow money at a concessional rate? What is the problem?

In Namanve, the first loan of $72 million was borrowed from the World Bank on concession; we have never even completed it. Why didn’t we go back?

Madam Speaker, these commercial loans are dangerous; any time they will come to the Parliamentary SACCO to borrow *- (Interjection) -* yes, if you have gone to Standard Chartered Bank where Nandala-Mafabi goes, any time you will be at the Parliamentary SACCO.

Madam Speaker, the other point I would like to raise is that I have not seen the net present value of the entire project because you are looking at the loan and the computation they are using is already the investment, which is existing on the ground. I would have been very happy if the committee said that they are borrowing $367 million now but in the next six years, this money would have been repaid. Then I would append my signature very fast.

However, I see as if we are going to get the taxpayers money, pay it and wait for a maturity of 30 years. Who is going to lose? It is the taxpayer. Meanwhile, the beneficiaries are those who are investing in the project, getting tax exemptions and are not going to pay anything and they are foreigners.

Finally, Madam Speaker *– (Member timed out.)*

7.43

**MR THEODORE SSEKIKUBO (NRM, Lwemiyaga County, Ssembabule):** Thank you, Madam Speaker. Tonight, not in many times - it is very rare for us to see Parliament committing the country to borrow for a grace period of one year.

Once we talk about a commercial bank, all rules apply and this is where Ugandans are unfortunate. I would have expected the chairperson, having done us a good job, to give us the pros and cons of borrowing this money. I am surprised at the answer she gave in the conclusion to recommend the borrowing, yet by all purposes and intent, this would not have been the best loan for the country to take. This is because Ugandans are going to shoulder this commercial loan but the direct beneficiaries are those people and other foreigners, who have had the opportunity to get plots, which are being serviced at the expense of the tax-payer.

Therefore, where does the common Ugandan stand to gain out of this? If indeed they had indicated from the word go that all Ugandans are free and should apply to acquire these plots of land from Namanve – but when we followed that matter, Madam Speaker, they were turned into accommodation places; you go there and find people using the *– (Member timed out.)*

7.45

**THE MINISTER OF STATE FOR GENDER, LABOUR AND SOCIAL DEVELOPMENT (YOUTH AND CHILDREN AFFAIRS) (Ms Florence Nakiwala Kiyingi):** Thank you, Madam Speaker. When you analyse our economy critically, our stigma actually emanates from our low level of industrialisation. It is so critical that many of the issues and resolutions we made at the beginning of this term were actually strategically targeting increasing industrialisation in this country. The power generated in the country cannot be effectively consumed, if we do not increase our level of industrialisation.

Congestion in the city is another issue. Just along Nsambya Road and beyond, people are turning the roadsides into simple manufacturing and industrial areas, let alone the waste disposal, the fumes and the by-products of what they produce.

However, I am really concerned about employment of the youth. If all projects that come here state that they are working towards generating youth employment - as Parliament, we should really be critical to ensure that we put in place a mechanism to supervise these projects and see how much employment they have generated, probably at the end of every year. If a project comes to Parliament and they say that they are going to generate employment opportunities, how do we ensure that it is true that employment will be generated by that project? I thank you and I support the project.

7.47

**MR AMOS LUGOLOOBI (NRM, Ntenjeru County North, Kayunga):** Thank you, Madam Speaker. About a year ago, my committee visited Namanve. We were informed that the Uganda Investment Authority was receiving Shs 3 billion annually to construct infrastructure in Namanve Industrial Park. At that rate, we had estimated that with a cost of Shs 500 billion that was needed to construct that infrastructure, it would take Uganda over 100 years to complete the construction of infrastructure in Namanve.

In fact, we recommended that it was imperative for us to borrow money to provide the needed infrastructure. This is because the sewage and drainage systems were not in place, the roads were archaic and plots could not be accessed at all so it was a mess.

Madam Speaker, the second point is that all the plots in Namanve have been given out but we continue to see an influx of investors coming into the country. In other words, investors are moving at a faster pace than the Government and it worries me because we continue to see investors taking over swamps and wetlands along Bombo Road and Jinja Road due to lack of serious planning on the Government side.

I really would like to appeal to the Government that we need to take this matter very seriously. I think we should avoid this situation of borrowing commercial loans for such long term investments but that is not to say that we should not borrow for Namanve because its case is an emergency *–(Member timed out.)*

7.49

**MR GEORGE KUMAMA (NRM, Bbaale County, Kayunga):** Thank you, Madam Speaker. Just like all of us in the House know, industrialisation is the way to go for this country and I think that is the direction we are focussing on.

When developing an industrial park, as a country, there are two areas we should look at. There are schemes that have been adopted in other countries, which could otherwise help this country. There is a site and services scheme whereby an area is de-gazetted as an industrial park, the services are provided, plots are surveyed and the services are provided, for example roads and utilities.

That could help and encourage our investors than how it is whereby you are just blocked up there - like Namanve has been there for many years since 1997 but it had not taken root until probably two years ago when there was some activity going on. Therefore, that cannot encourage investors into this country. There is another scheme that we could also adopt - the hire purchase scheme. These two schemes help industrialisation, especially when you have gazetted areas like Namanve.

We are looking at Namanve today but this country also requires industries in the countryside in all regions. We should actually have very good industrial parks in the east, west, north and other areas. Therefore, as we look at Namanve today, what plans does the ministry have *– (Member timed out.)*

7.51

**MS ANNE MARIA NANKABIRWA (NRM, Woman Representative, Kyankwanzi):** Thank you, Madam Speaker. We needed this yesterday irrespective of the not so good terms, especially the grace period of one year, yet this is construction – we need to rethink it although we are probably in acatch-22 situation.

Madam Speaker, recently, my committee met industrialists over power tariffs and the problem is that today, whoever uses power pays for what they are not using because of the infrastructure. Tomorrow we are going to have Karuma - 600 megawatts. I think the first turbine in Isimba is going to be launched soon as well as the one of Karuma. In less than a year, we are going to have 2000 megawatts. Today, we only have a consumption of less than 600 megawatts, yet we are producing close to 870 megawatts.

It means we have excess power. It is actually late. We need somebody to use this power. It is the industries. The households use little power. We need power to be used in the industries because we borrowed a lot of money for Karuma.

Madam Speaker, with your permission, I would wish this Parliament to even pronounce its – *(Member timed out.)*

7.53

**MR WAMAKUYU MUDIMI (NRM, Elgon County, Bulambuli):** Thank you, Madam Speaker, for the opportunity. I support the loan even though it has issues.

I would like clarification from the chairperson on table 3, Page 14. It talks about the commercial interests. They quote that the commercial interest reference rate is currently at 1.17 per cent, a fixed rate payable to their facility. The level indicated - it is varied from 15 November to 14 December 2018. What is the current status now?

I guess today is 18th and honourable minister, you will recall that the credit rates globally have gone up. Here, it says that if the national loan fund rate – you are not tagging it, you are looking at the other one which is normal – what will happen to the country?

Secondly, administration fees of 1.5 per cent of the facility. If you look at 1.5 per cent of that, it is outrageous and there is a commission to pay to Standard Chartered Bank for 300 *– (Member timed out.)*

7.55

**MR ROBERT KASOLO (NRM, Iki-Iki County, Budaka):** Thank you, Madam Speaker. I would like to take this opportunity to thank the committee for the report. This loan, even with some issues, answers a lot of questions that we have been facing as a country.

When the Government of Uganda gazetted Namanve as an industrial park, it was not put to full operationalisation. It is important that Government has now woken up and is taking this step to ensure we get the money for the industrial park, especially in Kampala, where many investors want the industrial park. However, when you take them around Namanve, they doubt whether it is an industrial park. Therefore, if we require effective planning, this loan answers that kind of arrangement. I am so grateful that right now Government has come up and that we are moving on the right track.

Although we have issues like what hon. Ssekikubo raised – once you are a poor man, sourcing money to invest and put such infrastructure is not easy. All of us would bear - even borrowing money from a friend, as a Member of Parliament, is difficult. How about Government? *(Laughter)* It is a big problem, hon. Ssekikubo.

What I have identified is the issue of the administrative fee. The committee chairperson probably will need to throw more light on it –*(Member timed out.)*

7.57

**MR GENENSIO TUMURAMYE (NRM, Kashongi County, Kiruhura):** Thank you, Madam Speaker. I thank the chairperson of the Committee on National Economy for the report and I strongly support it.

Uganda's competitiveness is industrialisation. The President has been advocating for the industrialisation of Uganda. We have the highest number of youth in the region and employment of these youths is very important. To employ the youth from universities, we need industries.

Therefore, I support the loan and I urge the committee to get more loans so that we can industrialise Uganda. We have had many of them in Kampala; we should extend them to other parts of Uganda – the western, northern, eastern and others.

Industrialisation is important if our youth must be employed. There is a lot of infrastructure that must be developed and it is important that we support this loan for the benefit of Ugandans. Thank you, Madam Speaker.

**THE SPEAKER:** The others will speak on the next item. Can I ask the minister to say something on the interest rate? I wanted to know the items that are going to be imported, goods and services from the UK - the 77 per cent of the loan.

7.58

**THE MINISTER OF STATE FOR FINANCE, PLANNNG AND ECONOMIC DEVELOPMENT (PLANNING) (Mr David Bahati):** Madam Speaker, just two quick comments on the issues raised by Members.

First is to thank the chairperson and the Members for the comments. The first issue is about the grace period. The grace period of the bigger portion of the amount of the loan is 3.5 years and the repayment maturity period is 13.5 and not one year. Therefore, we have provided for the construction period.

The second issue – like the Hoima International Airport, this time around, the amount of the loan that we are getting is 100 per cent. The reason why we went to Standard Chartered Bank is to cater for the money that we should have got for counterpart funding. Therefore, this is a similar arrangement to what we did with Hoima International Airport.

On the issue of the interest rate, friends, all these are a few charges. It is like when you go to the bank, you have the transactional fees and the legal fees and all that. If you total up all that, the effective rate of interest which the Government of Uganda will pay on an annual basis is 2.3 per cent, which is the lowest commercial loan that we have received so far because the Exim Bank of China goes up to 5 per cent. Therefore, the Exim Bank of UK is actually the lowest currently.

On the issue of the current EURIBOR, the current EURIBOR now is negative 0.23 per cent and we fixed it so that at that time we should not get any problems in the future in case it changes upwards. This is the best time. If Parliament approves, this is the best time to sign the loan so that we take advantage of this.

The due diligence was done on the companies before the commercial contract was signed.

Madam Speaker, can I also take this opportunity to thank you because I know the amount of pressure you put on the Executive to remove this $80,000. A decision was taken to charge $80,000 then but things have now changed. Whether you are a local or foreigner, as long as you qualify to invest in the park, you get land free.

Now, for those who had already paid, it was a non-refundable fee. Unfortunately, we cannot go backwards. However, moving forward, we have other industrial parks coming in Iganga and Mbale that we will be working on. Our plan is to have 22 industrial parks.

Madam Speaker, when you came to this House last week, the report you gave us from Kapeeka - when you visit Kapeeka now and see what is happening, you will be amazed. What we would like to do as you will see in the Budget Framework Paper; things that are going to be produced here are going to be protected using the tool of taxation. We will be coming to this House to support that.

I thank you very much, Madam Speaker.

**THE SPEAKER:** Can I have the chairperson, on the issue of the items to be procured.

**MS BBUMBA:** Thank you very much, Madam Speaker. I would like to thank the colleagues for all the issues, concerns, comments and observations made. All of them are very important.

On the issue of the imports, I think it was a typographical error; it is supposed to be 35 per cent and not more than 35 per cent – *(Interjection)* - No, I am not adjusting, the contract is here. You can have a look at it.

Madam Speaker, hon. Nandala-Mafabi wanted to know the present value. The discounted value is smaller than what we are borrowing today. However, because it is a commercial loan, it is not up to the magnitude you would expect in a concessional loan. The reason we are borrowing commercial - Government should explain - you cannot leave better terms and go for worse terms if you had an option.

This project was first funded by the World Bank, 20 years ago. To date, I think it is hardly 10 per cent done. As hon. Amos Lugoloobi said, if we are going to continue at that rate, we will take another 100 years without completing the construction of that park.

Otherwise, I would like to thank you all.

**THE SPEAKER**: Honourable members, I put the question that this House do approve the request.

(*Question put and agreed to*.)

MOTION FOR ADOPTION OF THE REPORT OF THE PUBLIC ACCOUNTS COMMITTEE (CENTRAL GOVERNMENT) ON VALUE FOR MONEY AUDIT REPORT ON THE IMPLEMENTATION OF THE MARKET INFRASTRUCTURE COMPONENT OF THE MARKETS AND AGRICULTURAL TRADE IMPROVEMENT PROGRAMME (MATIP-1)

**THE SPEAKER:** Honourable members, as I indicated, we are closing on Thursday. We are, therefore, trying to do as much as possible.

**MR MUWANGA KIVUMBI:** Madam Speaker, we appreciate but as a matter of fact, at this time in the city, traffic is incredibly terrible in Kampala -

**THE SPEAKER:** That is why you should stay here while the traffic clears –*(Laughter*).

**MR MUWANGA KIVUMBI:** Secondly, because of the nature of our economy, most of us stay in *bufunda* and it becomes difficult when it gets late - for security reasons; if you reach home at about 10.00 p.m. or 11.00 p.m. – Madam Speaker, I normally do a radio programme. However, each day, I finish a radio programme; I have to hire either special hires or boda boda to accompany me home. This is tricky –

**THE SPEAKER:** Didn’t we buy you a car?

**MR MUWANGA KIVUMBI:** No,I bought the car but I have to hire about three or four boda bodas to escort me, for details, I would not like to give here. It gets tricky as it gets late.

Therefore, we beg for your indulgence that we start tomorrow.

**MR NANDALA-MAFABI:** Madam Speaker, we seek for your indulgence. It is 8.00 p.m. and we would like to have value for money - even the report is talking about value for money. If we want to have value for money, we need to have value in what we listen to and debate. It is not a matter of rushing and finishing.

We would like to seek your indulgence. If you look at the House, it is the usual suspects present – (*Laughter*) - the others are missing. This digital attendance register is lying. It is indicating that we are over 200 and –

**THE SPEAKER:** You are now really taking time.

**MR NANDALA-MAFABI:** Madam Speaker, I would like to seek your indulgence that you allow us to go and we start in the morning, please.

8.08

**THE CHAIRPERSON, COMMITTEE ON PUBLIC ACCOUNTS (CENTRAL GOVERNMENT) (Ms Angelline Osegge):** Madam Speaker,if we have gone ahead to pass the loans, why do we refuse the next 30 minutes? We have already put in so much. We have seven reports in line to be presented before I leave office because we have invested a lot. We have to present those reports, if you may.

Therefore, I would like to beg for your indulgence that we get done with it.

**THE SPEAKER:** Honourable members, this is a small one. Let us just receive this one and deal with it. This Second Meeting was supposed to be for these reports but we are sharing it with the Bills and loans, among others. Let us just do 20 minutes. It is a very small report.

Thank you for your indulgence. (*Laughter*)

**MS OSEGGE:** Thank you, Madam Speaker.

**THE SPEAKER:** I hope you will do what hon. Syda Bbumba did? State the subject and recommendations.

**MS OSEGGE:** This is the report of thePublic Accounts Committee (Central Government) on value for money audit report on the implementation of the market infrastructure component of the Markets and Agricultural Trade Improvement Programme (MATIP-1).

Madam speaker, I would like to lay a copy of the report at the Table and a copy of the minutes as the meetings were conducted. I beg to lay.

The Market and Agricultural Trade Improvement Programme (MATIP) is a project implemented by the Ministry of Local Government, which was conceived in May 2009 following the recommendations made from a feasibility study undertaken by the Government of Uganda, concerning the state of infrastructure in markets across Uganda.

The results of the study generally indicated a poorly managed, dilapidated and overwhelmed (overpopulated) market infrastructure with poor working conditions. Markets were heavily congested with vendors operating under dilapidated structures that lacked basic amenities such as access routes, toilets, electricity and water supply as well as drainage and sewerage systems thus making them a potential public hazard.

The project objectives, therefore, were to provide additional working space, improve working conditions, provide adequate infrastructure services and social amenities, create better trading opportunities for vendors, increase revenue collections for local governments and reduce the volume of waste and occurrence of market fires.

It should also be noted that the majority of urban markets were constructed before or soon after independence in 1962 and over time, had become dilapidated.

In addition, with increased population growth, growth of the economy and overall development over the years, the markets had become inappropriate. The newer ones located in upcoming suburbs had emerged, albeit unplanned, operating in makeshift structures and sordid conditions. The Government of Uganda, having realised the above importance, had to come up with the project.

It is against this background, that Government made a decision to improve the market place infrastructure to induce incremental agricultural production and marketing, thus increasing employment, customer satisfaction as well as increasing revenue generation by local governments.

Madam Speaker, these improvements would involve the construction and improvement of 85 markets, 19 central markets and 66 auxiliary markets evenly spread across the country, undertaken in a phased manner through the MATIP. The overall goal was to contribute to poverty reduction through commercialisation of agriculture.

The Government of Uganda acquired loans from the African Development Bank and Arab Bank for Economic Development in Africa to finance the MATIP programme. The African Development Bank agreed to fund the construction of seven markets at a cost of (UA 38,000,000) while the Arab Bank for Economic Development (BADEA) agreed to fund the construction of two markets at a cost of $10 million.

The project objectives were to provide additional working space, improve working conditions, provide adequate infrastructural services and social amenities, create trading opportunities, and increase revenue collections for local governments.

I will not look at the committee mandate but I will look at the scope of the report. Madam Speaker, the Committee on Public Accounts (Central Government) considered value for money audit reports on the implementation of the market infrastructure component of the Markets and Agricultural Trade Improvement Programme (MATIP), March 2Ol4, and; construction of Jinja Central Market by Ministry of Local Government (Markets and Agriculture Trade Improvement Project), December 2015.

The above two reports covered phase one of the programme – MATIP-1 – that covered the reconstruction of nine markets in seven urban councils and Kampala Capital City Authority, namely; Jinja Central Market in Jinja Municipality, Mpanga Market in Fort Portal Municipality, Hoima Central Market in Hoima Municipality, Gulu Main Market in Gulu Municipality and Mbale Main Market in Mbale Municipality. Others are Lira Main Market in Lira Municipality, Wandegeya Market and Busega Market in Kampala Capital City Authority and Nyendo Market in Masaka Municipality.

Madam Speaker, MATIP I was financed to the tune of $74.3 million with loans from the African Development Bank amounting to $58 million, the Arab Bank for Economic Development in Africa amounting to $10 million and Government of Uganda counterpart contribution of approximately $6.33 million.

It is important to note that the seven markets financed under the AfDB were fully constructed and operational while the two markets of Nyendo and Busega financed under BADEA were in their final construction stages by the time of writing the report in June 2018. Reports received from the implementing agency indicated that Nyendo Market was finalised and operational, whereas Busega Market had experienced Government counterpart financing challenges. It was reported that it would be financed in the Financial Year 2019/2020.

Madam Speaker, the key findings, according to the Auditor-General, were:

1. Delays in commencement of the project caused by delays in loan approval and delays in procurement of contractors. This led to low funds absorption, ranging from 11.83 per cent to 59.21 per cent at the time of audit.
2. The contract amounts for Hoima and Lira markets were understated by Shs 901,526,519 due to uncorrected errors at bid valuation. This led to omissions of some of the facilities approved in the original designs.
3. As a result of inadequacies in bid documents, some costs that were assumed to be covered within the charged out rates were again charged under preliminary and general sections of various bills of quantities resulting into unrealistic amounts for preliminary and general sections. This problem was attributed to the manner in which the bills of quantities were structured in the bid documents. A total of Shs 1.7 billion was paid in this respect.
4. The designs of some sections of the redeveloped markets did not address the purpose for which the sections were constructed. For instance, in some markets, a number of facilities such as lock-ups, stalls, cold rooms, restaurants, pharmacies, clinics and banking halls were left out.
5. Critical contract supervision staff were absent from some sites whilst critical civil works were going on.
6. Government of Uganda counterpart contribution amounting to Shs 8,130,726,581 was not availed to the project. This mainly related to accumulated Value-Added Tax certificates for completed work at the time of the audit.
7. Overpayment for works on various markets, amounting to Shs 756,177,398, was made to various contractors by the time of the audit.
8. Redevelopment of Hoima Market had exceeded its intended completion date. Besides, lack of proof that liquidated damages amounting to Shs 58,126,196 were charged as required by law.

Madam Speaker, the committee made these general observations and recommendations and we actually proposed that these should be taken up by the sectoral Committee on Public and Local Government.

Lack of Drawings for Utilities

The committee noted with concern that no drawings for such facilities as drainage, plumbing and electricity lines or passages were left behind by the contractors for preventive maintenance and rectification of malfunctions and breakdowns or impairment. In fact, the committee was informed that contractors went with their plans.

We, therefore, recommend that the permanent secretary in the Ministry of Local Government should ensure that the contractors avail to the end-users the comprehensive drawings of the market structures for purpose of maintenance because these markets are maintained by the local governments.

Management and Leadership Challenges

Lack of policy on market leadership selection/election was evident in most markets visited. In some markets, leaders were selected as reported in Mpanga Market and in other cases leaders were elected with no clear policy or term limits, which led to infighting.

In addition, management of parking areas was found to be problematic, where individuals who are not necessarily market vendors would park their vehicles in the loading and offloading areas for days. This hindered free accessibility of merchandise.

There is also the issue of sub-renting that increases the cost of doing business. Owners locked up their facilities and were not in use since completion such as was reported in Wandegeya Market.

The committee recommends that the permanent secretary should ensure the establishment and enforcement of comprehensive regulations and guidelines on the management of the market premises.

Congestion and Overcrowding

Madam Speaker, congestion and overcrowding was found in most markets, the worst hit markets being Mpanga and Jinja. For instance, in Mpanga market, cases of up to three vendors, who were forced to share one lock-up, were reported, yet others were found to have been allocated up to three lock ups per individual. It was also reported that not all vendors were allocated lock-ups or stalls. Relatedly, Jinja Central Market was reported to be occupied to a tune of over 160 per cent of its capacity.

Sharing of lock-ups was reported to have been as a result of a limited number of facilities, in that not all original vendors were allocated space within the redeveloped market. Management attributed the problem to those original vendors who showed no interest in the redeveloped market, only to change their minds when the market picked up.

The committee recommends that absentee landlords be compensated in an effort to secure more space to the current vendors and realise the much-needed revenues.

Lack of Clear-Cut Policy on Supply of Utilities

Lack of constant running water and electricity coupled with lack of policy on metering and sub-metering across all markets led to constant bickering and wrangles.

For instance, in Wandegeya Market, vendors accused market leadership of supplying sub-meters at exorbitant prices yet vendors were not allowed to procure such on their own from elsewhere.

The committee recommends that sub-metering be streamlined by the Permanent Secretary of the Ministry of Local Government and funds for the activity secured in the Financial Year 2019/2020.

Accessibility to Adjacent Roads or Streets

Madam Speaker, lack of accessibility of some of the lock-ups and stalls from the outside was observed. This problem worsens, especially when power goes off, leading to abandonment of the stalls. This was attributed to controlled entrances and exits.

The committee recommends that the benefitting authorities should ensure that some of the closed gates are immediately opened and manned henceforth. With improved accessibility and occupancy, additional revenues realised should cater for this activity. Besides in the event that a disaster strikes, evacuation is greatly compromised.

In conclusion, the construction of development infrastructure of the MATIP-1 has been carried out for all the seven markets as agreed in the revised project plan at the time of the audit. Therefore, the programme objective of rehabilitation of market infrastructure has been achieved to some extent.

Parliament needs to prevail over the Minister of Finance, Planning and Economic Development to ensure that the outstanding Value Added Tax (VAT) is immediately settled before litigation costs escalate.

Government should recommit itself to providing counterpart funding in a timely manner to avoid wastage.

To ensure longevity of the structures, supervision of management and maintenance must be imperatively emphasised.

To enhance full usage of market structures and maximisation of the economic benefits, the Ministry of Local Government should regulate the establishment of parallel markets dealing in the same merchandise within the same vicinity.

There should be provision for hygienic waste disposal mechanisms.

Considering that these markets have been beneficial to the communities served, more markets should be constructed in all districts.

Madam Speaker, I beg to move.

**THE SPEAKER:** Thank you very much, honourable chairperson and your committee for the report on the several markets. Any comments, honourable members?

8.23

**MR DAVID ABALA (NRM, Ngora County, Ngora):** Madam Speaker, I would like to thank the chairperson for the comprehensive report; the report is very clear.

First of all, I would like to thank the Minister of Local Government because the report says that to some extent, the objectives have been achieved. I also want to thank the Government for what they have done.

Secondly, now that we have been dealing with central markets, I would like to ask the Government when they will start on the rural markets. We have many of them, which need intervention from the Government, in order to address a number of issues that affect them in terms of sanitation. Otherwise, sanitation and infrastructure remain a big challenge and yet many Ugandans do business in those areas.

Thirdly, I am concerned about the lack of drawings for the facilities. I do not know the kind of infrastructure that is being constructed and whether the rules and guidelines were followed. If not, it becomes a problem. Otherwise, the chairperson was very clear in her report.

Lastly, there is the issue of counterpart funding. That is very serious - (*Member timed out.)*

8.25

**MS ANN MARIA NANKABIRWA (NRM, Woman Representative, Kyankwanzi):** Thank you, Madam Speaker. I thank the chairperson of the Public Accounts Committee for the good report. What caught my attention is the counterpart funding, especially for Busega Market. That market terminates the produce on Masaka Road from Mubende-Mityana and from Hoima Road to Kiboga and Kyankwanzi.

When we hear that progress is through because of counterpart funding – I actually remember that in the budget for this financial year, the ministry presented funding of Shs 25 billion and Parliament, through the Budget committee, could only realise Shs 10 billion. I do not know how far the ministry has gone in providing that counterpart funding.

Madam Speaker, that market is in the space for the Northern Bypass Construction; it needed to be constructed earlier so that *– (Member timed out.)*

8.27

**MR CHARLES NGABIRANO (NRM, Rwampara County, Mbarara)**: Thank you, Madam Speaker. I would like to thank the committee for the good report and Government for this initiative of markets.

Madam Speaker, the old central markets in big towns are located in strategic areas. When the markets were constructed, they were undeveloped. I want to give the example of Mbarara Market which is under construction although it is not part of the report.

The location of Mbarara Central Market is at the centre of the town and because it is at the centre of the town, there is no parking because the area is small. Therefore, I would like to suggest that subsequent markets should not be located in the centres; we can look at the outer areas. Otherwise, Mbarara Central Market and Mpanga Market in Fort Portal are in the centre of town and they are creating a lot of congestion and yet some of the products in those markets are perishable.

Therefore, we should look at the bigger planning of the cities so that these markets are located outside the town centres. They will be able to serve the population without compromising the traffic regulations in these towns. Otherwise, the concept is very good.

Madam Speaker, we should also look at decentralising them within the same towns. Mbarara Central Market alone cost Shs 23 billion and yet, if we had done regional markets costing about Shs 6 billion, it would have served better than having one single market.

The concept is good but we need to do more planning and consider localisation of those markets so that there is efficiency in the towns. Thank you.

8.28

**MR KENNETH EITUNGANANE (Independent, Soroti County, Soroti):** Thank you, Madam Speaker and I would like to thank the chairperson for her good report.

Madam Speaker, there are success stories in the whole project but when I critically listened to the issue of drainage, it is one of the main challenges in most of these markets. Most of them deal in highly perishable products and the level of waste generated per day is very high. This poses a lot of risks in terms of hygiene and health to those using the market.

This is a gap which needs to be closed by the implementing authority otherwise, if we have to keep an organised and hygienic environment where people do business, then something must be done.

The other issue is maximising the space available. Most of these markets deal with highly perishable products and the value of the items they sell - sometimes the capital involved is low and yet the cost of rent is high. That is why three or four of these people sublet in order to meet the rent cost. I think something needs to be reviewed, especially the tomato sellers.

Madam Speaker, there should have been a design from the original point of view, so that they are also considered to be part of it to minimise congestion in these areas.

Lastly, there is the issue of the management. Most markets are very problematic, especially if the leadership whose – *(Member timed out.)*

8.30

**MR ELIJAH OKUPA (FDC, Kasilo County, Serere):** Thank you, Madam Speaker. I wish the Minister of Local Government was here because the issues Members are raising go back to the planning in the ministry. I am surprised none of the ministers from the ministry are here. Hon. Bahati only provides the finances but the implementation is -

**THE SPEAKER**: Just for your information, hon. Namuyangu was here but she was not feeling well. She sent me a note and I allowed her to go. Thank you.

**MR OKUPA:** Thank you, Madam Speaker. I am happy that this issue has just come immediately after we passed the other loan. The honourable minister sweet talked us but it came to the monitoring, we have realised that they did not provide money; even VAT is a challenge. How I wish the minister could tell us now that it will be a different case for the incoming projects but this type of situation here is really worrying.

Finally, another issue is on the location. We have challenges with utilities because we are putting these markets in the middle of the town. Take an example of Soroti; how do you expect the toilets to be built within the centre? Building and connecting all the necessary utilities is a challenge. How do we go and put up a market on the main street? These are things that bring challenges, including garbage collection. You find the whole place is dirty. It is terrible.

For those towns that have not yet benefitted, Members, you need to take that into consideration so that you do not get into that mess that some of us have ended up in. Thank you, Madam Speaker.

8.32

**MR JACK WAMANGA-WAMAI (FDC, Mbale Municipality, Mbale):** Thank you very much, Madam Speaker. I would also like to thank the chairperson and Auditor-General for raising these important issues about these markets.

The idea of putting up markets was good but I there are issues that should have been considered. They made three or four floors up and the people who were in the markets before scrambled for the ground floor because these are fresh food sellers. Those who got allocations on the Fourth floor are not doing business because there is nobody who goes up there. Those are now white elephants. People of Mbarara, please take note and go visit some of these places. There is no parking.

There is also a lot of corruption. The people who came from the Ministry of Local Government to supervise these markets caused chaos because they also demanded to be allocated stalls. They were allocated those lock-ups and they sold them, which was very unfair.

I raised this issue with those from the Ministry of Local Government. It was so bad that they struggled to be allocated markets. They were from Kampala and from the ministry and then they sold those markets. That was terrible.

For those who have not constructed these markets; what they should do is visit some of us who got these markets before and study our problems like lack of parking space and the lock-ups on the 3rd and 4th floors which are empty. These are some of the issues we should look at. Thank you, Madam Speaker.

8.34

**MR KASSIANO WADRI (Independent, Arua Municipality, Arua):** Madam Speaker, I would like to thank the chairperson for the report she has presented. Apart from what my colleagues have said, I have the following observations to make, in as far as these markets are concerned.

Much as the idea of having improved markets established in these seven towns and the others which are under construction is okay; the fact is that the ordinary situation of the business person who was to use these markets was not taken into account.

In some of these markets, the cost of doing business is unnecessarily high, to the extent that many of the people who should have been in those stalls have run out and are now doing business along the roads, especially in Jinja.

In Jinja, people are doing business along the road because the power tariffs are too high. Even the charges on water for the toilet facilities in those lock-ups, especially as you go up, are not affordable. People have actually abandoned the magnificent buildings and have gone back to the roadsides to do business.

The other issue is that when many of these markets were being constructed, there was lack of key supervision. I still want to use Jinja Central Market as an example, where we even discovered - the days when I was still here before I made a comeback – that there were wide cracks through the walls, meaning that there was substandard construction work which was carried out.

In Hoima, we even found maggots in toilets and running down along the corridors of the market. One will ask whether there is consideration of hygiene. Therefore, in future, let enough money be given to boost the capacity of the municipal authorities – *(Member timed out.)*

**THE SPEAKER:** I would like to inform hon. Wadri that on the Jinja Central Market, one complete floor was “eaten”. *(Laughter)*

8.36

**MR BENARD ATIKU (Independent, Ayivu County, Arua):** Madam Speaker, allow me thank the committee for the good work and I will start on that particular note of “eating” a whole floor that was meant to benefit the people of Jinja. *(Laughter)*

I sit on the Committee on National Economy and indeed, we scrutinised this loan and also visited some of these sites and approved the money for the second phase, in which Arua is a beneficiary, together with others.

These facilities are very important in terms of improving the economies of these districts where they are being established. However, as colleagues have said, the aspect of quality of work needs to be well supervised so that projects are implemented according to the physical plan on the ground.

I am worried, from the way these projects are being located, as Members have raised. For Arua’s case, they took on the original location of where the old market was but when you look at the aspects of loading and offloading of goods, which in most cases are perishable or bulky goods, the market goers also need space for parking. If I want to do some shopping and I come with my car, where do I park it?

These aspects need to be factored in for those that are going to benefit in future. It is actually also good to move these markets two or three kilometres out of the town so that we can decongest – *(Member timed out.)*

**THE SPEAKER:** Honourable members, I do not see any objection to the report. I now put the question that the question be put.

*(Question put and agreed to.)*

**THE SPEAKER:** Honourable members, I now put the question that the report of the committee be adopted.

*(Question put and agreed to.)*

*Report adopted.*

**THE SPEAKER:** Honourable members, I would like to thank you very much. We have done quite a bit of work. However, honourable minister, I think I hurried to accept the Budget Framework Paper. I had forgotten that you were supposed to have presented it together with the Certificate of Gender and Equity. It is supposed to accompany that Budget Framework Paper. So, I will not send it to the committee until you bring that certificate. We will just keep it there until you bring it. *(Laughter)*

Secondly, I would like to inform the ministers of the justice sector that the bulk of the Bills which are on the Order Paper tomorrow belong to the Ministry of Justice and Constitutional Affairs. Please inform them that they should be here. There are five bills on the Order Paper.

Thank you very much, honourable members. I thank the Clerk, the Sergeant and your team, and the *Hansard* team. Thank you so much. House adjourned to 2.00 p.m. tomorrow afternoon.

*(The House rose at 8.40 p.m. and adjourned until Wednesday, 19 December 2018 at 2.00 p.m.)*