

**PARLIAMENT OF UGANDA**

**INTERIM REPORT OF THE COMMITTEE ON PUBLIC ACCOUNTS ON  
THE LOAN OF USD 200 MILLION FROM THE EASTERN AND SOUTHERN  
TRADE AND DEVELOPMENT BANK (PTA)**

**OFFICE OF THE CLERK TO PARLIAMENT,  
P.O BOX 7178,  
KAMPALA.**

**JUNE, 2017**

## 1.0 Background

Rt. Hon. Speaker and Hon. Members, on 26<sup>th</sup> of April, 2016, Parliament of Uganda passed a loan to borrow USD 200 million from the Eastern and southern Trade and Development Bank (PTA) for fiscal purposes.

It should be noted that this loan had been objected to pending clarification for the intended purpose until Parliament was prevailed over because of emergency for medical supplies and a schedule was tabled by the Minister of Finance, Planning and Economic Development indicating the entities to benefit from the loan; which include,


- National Medical Stores
- Rural Electrification Agency, and
- Ministry of Works

On 30<sup>th</sup> November, 2015, the Permanent Secretary and Secretary to Treasury acknowledged funding constraints and advised that the funding facility was before Parliament for approval which would be used to address the funding gap.

Subsequently, the loan was obtained in November, 2016, and the first batch of US\$97m (UGX345.3billion) was released by PTA Bank.

Eventually the Committee on Public Accounts learnt that the National Medical Stores (NMS) was not going to avail drugs to hospitals due to funding deficit of UGX.68b that was requested for as supplementary budget.

On 6<sup>th</sup> June, 2016, the Permanent Secretary/Secretary to Treasury advised NMS that the resources would be available in the financial 2016/17. As a



follow-up, on 17<sup>th</sup> August, 2016, the PS/ST requested NMS to submit procurement contracts for items in foreign currency requirement for FY 2016/17. NMS then provided the contracts by a letter dated 13<sup>th</sup> September, 2016.

However, the said funds have todate not been provided. This fact was brought to the attention of the Minister of Health and the PS/ST on 27<sup>th</sup> March, 2017.

Subsequently, PAC learnt that Ministry of Health was not going to avail drugs to hospitals due to lack of resources.

## **2.0 Public Accounts Committee's Intervention**

The Committee then on June 7<sup>th</sup>, 2017 invited the Governor Bank of Uganda, Accountant General, the Auditor General, Minister of Health, General Manager NMS, Executive Director REA, PS/ST and the PS Ministry of Works for a meeting.

So far, the Committee has established that as per the Hansard records, at the time of the loan request, the narration of the bank statement from Bank of Uganda and the letters of the PS/ST refer to NMS to wait for a loan approval before Parliament. The priority funding was for Medical Supplies under NMS, Rural Electrification and for Ministry of Works.

Subsequently, the Committee called a follow up meeting for today, **22<sup>nd</sup> June, 2017** inviting the following:

- Minister of Health with the PS
- The General Manager NMS
- PS Ministry of Works,



- PS Ministry of Energy and Executive Director, REA, and
- The Minister of Finance and the PS/ST and
- The Accountant General.

All Entities received the letters and there were no regrets until today, **22<sup>nd</sup> June, 2017 at 10:00a.m** when the Minister for Finance sent a letter to the Chairperson that he would not be able to attend due to other assignments by H.E the President.

On receipt of the letter, the Chairperson telephoned the Minister on his mobile phone in an attempt to establish the way forward, to her inconceivable surprise, the Minister stated that **“PAC cannot do anything to him, he cannot and he shall not come” and he hanged up.**

The Chairperson called the Rt. Hon. Speaker for further guidance, hence this Intermediary Report.

### **3.0 Observations/Way-forward**

It should be noted that the Committee shall not allow anybody to abuse or denigrate its work or Members.

The Committee is firmly proceeding with the inquiry next week and if it necessitates, the Committee shall invoke the High Court Powers enshrined in Article 90 (3) (C) of the Constitution of the Republic of Uganda to enforce the attendance of the Ministry of Finance officials.

The Committee observes with great concern the consistent impunity, arrogance and expression of indispensability with which the Minister of Finance and the



PS/ST when referring to Parliament, both in Parliamentary Committee Sitings and in the Public Media as was recently reported where the PS/ST wanted to direct who should inquire into this matter other than Parliament.

Similarly on the unfortunate day of 8<sup>th</sup> June, 2017 the Minister while presenting the National Budget stated that Parliament is corrupt and he can mention them.

**I beg to move.**

A handwritten signature in black ink, appearing to read 'Angeline Osegge', enclosed within a circular scribble.

Angeline Osegge (M.P.)

**CHAIRPERSON**

**PUBLIC ACCOUNTS COMMITTEE**