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**Tuesday, 14 March 2017**

*Parliament met at 2.07 p.m. in Parliament House, Kampala.*

PRAYERS

*(The Deputy Speaker, Mr Jacob Oulanyah, in the Chair.)*

*The House was called to order*

COMMUNICATION FROM THE CHAIR

**THE DEPUTY SPEAKER:** Honourable members, I wish to welcome you to this afternoon sitting. As you may already be aware, a tragedy occurred last Saturday, 11 March 2017 at Addis Ababa from the main landfill on the outskirts of the city after a landslide at the dam caused the death of 65 people and left dozens injured.

In the spirit of Pan-Africanism and on behalf of Parliament and my own behalf, we would like to register our heart-felt condolences to the brotherly and friendly people of the Federal Democratic Republic of Ethiopia on the sad and unfortunate incident. Let us rise now for a moment of silence.

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

**THE DEPUTY SPEAKER:** Honourable members, you will recall that at the beginning of this Parliament you were required to provide certain information for various purposes. I wish to inform you that electronic access cards to enable you access Parliament are all ready for collection in the foyer of the South Wing. Please, check with the officers at the desk next to the entrance of Parliament.

Given the sensitivity of these cards, you are requested to pick these cards personally and sign for them. Therefore, do not delegate this responsibility. Please, pick them yourself.

Honourable members, you will recall that during the last sitting of the House, I announced that tomorrow will be the day when we expect all the ministerial policy statements to be in by law – the Public Finance Management Act. I hope we are receiving some today. Minister of Finance, Planning and Economic Development take note. Tomorrow will be the last day to receive these policy statements. If there are some we are going to receive today, that would be good. However, tomorrow we should receive all of them.

The purpose of this is to facilitate the Members from this side of the House to make their preparations also to hand in their alternative policy statements for it to go to the committee at about the same time.

My attitude has always been that as a government in waiting, they should always have their alternative policies ready for review by the committee so that they should all be received at the same time. However, the method that has been adopted is that they wait for the ones from the Government and they do what they called “alternatives” based on some of the provisions that they read from the Government’s. For that, we give them two weeks to give this response.

Honourable members, the Order Paper is large and full. We have a pending recess that the House might be rising on Thursday for a short time just to accommodate the period of recess that we should have taken three weeks back. The reason we did not take that recess was because we needed to finish with the elections of our members to the East African Legislative Assembly. The recess was supposed to happen before we did those elections. Now that all that is finished and business is also there, we will go on recess on Thursday.

Therefore, we are going to use all the minutes in the hour in this House to make sure we finish the business on the Order Paper and they are many. Today we have 13 items and I am hoping we will finish all of them. Tomorrow there might be more and on Thursday there might be more. I am trying to see if we can negotiate with the Prime Minister and suspend Rule 34 of the Rules of Procedure of Parliament so that we can use the one hour for doing the business of the House. However, we have not achieved that yet.

**MR KASIBANTE:** Thank you very much, Mr Speaker. Your Chair made an order one-and-a-half weeks back to the effect that the Minister for Kampala Capital City Authority should make a statement regarding the status of vendors who were forcibly evicted from Nakivubo Park Yard Market. I have heard many of them lamenting that their merchandise were destroyed in the process and they were surviving on loans and money lenders will want their money back.

**THE DEPUTY SPEAKER:** You rose on procedure.

**MR KASIBANTE:** Are we proceeding correctly, Mr Speaker? I have been reading through the Order Paper and the statement about the eviction is just on the business to follow, but our people out there are suffering and do not know where to go and construction is going on. Actually, there are a lot of issues that we do not understand. Are we proceeding rightly when the people of Kampala haven’t got an answer on what is happening to them?

**THE DEPUTY SPEAKER:** We are proceeding correctly and properly. Whatever you see on the Order Paper is business that is ready for the House. If a statement was requested and that statement is not ready, we cannot put it on the Order Paper because it would be a waste of time. If we receive a copy of the statement, we shall upload it on the iPad. Probably, we will have this statement by tomorrow, but today it is not on the Order Paper.

I have Members who wanted to raise some issues – Members for Dokolo, Kiryandongo, Sironko, Manjiya and Lira. Those ones are for today. I will do the rest tomorrow and that includes Mbale Municipality, Bukonjo West and Mukono Municipality.

2.15

**MS CECILIA OGWAL (FDC, Woman Representative, Dokolo):** Thank you, Mr Speaker, for giving me an opportunity to address the House on a matter of national importance.

Mr Speaker, on the 8 March 2017, the leaders of Uganda – from Parliament, district and lower local government levels as well civil societies – converged in Dokolo District to celebrate the International Women’s Day. I stand here to thank you and Members of Parliament who turned up in big numbers to celebrate this day with the women of Dokolo. I was humbled by the turn-up of Members.

Members, allow me to thank all of you regardless of your political affiliations.

Secondly, Mr Speaker, this is a day for women to celebrate. I know it is a national day where Parliament does not play a role in structuring the programme of the day. However, for those who attended the function, they saw the people of Dokolo turn up in big numbers because they wanted to see the First Lady; the First Lady is supposed to be a woman - I know the President cannot support homosexuality. They wanted to see this mother of ours called Janet Museveni, but they were not given an opportunity to see her. They know that the Speaker of Parliament is a lady but they were not even given an opportunity to see her either.

They also know that the Deputy Speaker comes from the North; he is a son of the soil, but they were not able see him. The ministers stood up for recognition in a group but they could not count properly. Members of parliament were told to stand in a group also.

Mr Speaker, I must say that all these Members sacrificed their own resources to move from Kampala to Dokolo to celebrate with the rural people. I, therefore, think it was important to give them due recognition which was not done. I am, therefore, pleading with those who manage such events to also take into consideration how we women feel; we are very sentimental about this day. More so, the occasion should give an opportunity for local leaders to tell us their version of the story.

Mr Speaker, for some of us who have made short cuts – I am one of those who took a short cut into politics- we may not know the Clara Jenkins of Uganda. When we are talking about people to celebrate, they bring for us people who are doing things we do not know. However, women like Rhoda Kalema, Sarah Ntiro and Florence Lubega, who were in the Legico are not even talked about. When shall we ever know about them if not on that day?

Mr Speaker, this was the second event in the last 15 years that was held in Dokolo. In the first time, Dokolo was under Lira District - and the girls who were moving from Lira to attend the event in Dokolo had a nasty accident. Some of you recall that 11 young girls from the age of nine to 12, died on the road between Lira and Dokolo. On that day, we should have stood up to remember those children who perished; but we were not given an opportunity to do so.

Mr Speaker, I am not complaining. I was the one hosting – you know as a hostess, you do not try to be hostile. I tried to be as humble as possible and disciplined. I did not complain *–*

**THE DEPUTY SPEAKER:** Thank you, honourable -

**MS OGWAL:** I was definitely very disciplined, Mr Speaker. However, I am begging for future events. We all want to be recognised. We want the women who have played a role in this country like Rhoda Kalema, if they are alive, they should be taken physically so that they can celebrate with the people of Uganda and we can also recognise the roles they have played in their struggle.

Mr Speaker, I have just stood here to thank you and to say that let Parliament play a tangible role to emancipate women. Let us walk the talk of the 37 diplomatic positions that were given recently - the women had only 11. Mr Speaker, I thank you.

**THE DEPUTY SPEAKER**: Honourable member, you are exceeding the limit of our agreement.

2.21

**THE MINISTER, OFFICE OF THE PRIME MINISTER (GENERAL DUTIES) (Ms Mary Karooro Okurut):** Thank you, Mr Speaker. I am really urged to add my voice to that of hon. Cecilia Ogwal.

I went to Dokolo and I have been attending all these International Women’s Day functions and this was one of the best in mobilization; it was fantastic.

Mr Speaker, there is something that struck me because I got out of the tent and spoke to a few of the people. I asked them, “Did they ferry you to come to this function?” Everybody said “No, we came on our own” and I thought this is something for us to learn. People came out of their own volition. We must change because there are certain parts of the country where, if you do not ferry people, they will not come. Dokolo set a very good example and the President was at his best and thanked hon. Cecilia Ogwal and said, “I have no problem with her, she is a good person”. Thank you very much.

2.23

**MS HELLEN KAHUNDA (NRM,** **Woman Representative, Kiryandongo):** Thank you very much, Mr Speaker. I am rising on a matter of national importance regarding Sinohydro Company that is responsible for the construction of Karuma Hydro Power Project.

Mr Speaker, I am standing on the following issues; One is the failure by the company to remit the Local Service Tax to Kiryandongo District Local Government. Mr Speaker, since this company started operating in the area, it has never remitted any Local Service Tax to Kiryandongo District Local Government.

Mr Speaker, at the start of the project, the company promised to build schools, hospitals and offer bursaries to the local people as part of its social corporate responsibility. However, to date, the construction is halfway done but we have not seen anything being done.

Mr Speaker, on Friday, we held a security meeting and it was revealed that we have about 1,000 Chinese staying in Karuma without work permits. There is a seriously influx of Chinese around Karuma.

Mr Speaker, the other issue is that there is also failure by Government to implement to the Community Development Action Plan. We heard that they earmarked Shs 40 billion for this but to date; there is nothing that has been done. We have even not looked at the layout of the Community Development Action Plan.

Mr Speaker, the prayer of the people of Kiryandongo District is that the Minister for Energy and Minerals should compel Sinohydro to remit their Local Service Tax to Kiryandongo District Local Government and pay the arrears.

Mr Speaker, we also pray that Sinohydro fulfils its promises of social corporate responsibilities; building a school, a hospital and the bursary scheme for the needy students who come from Kiryandongo District.

Mr Speaker, we also pray that the Minister of Internal Affairs addresses the problem of the influx of Chinese as soon as possible. We pray that the Government of Uganda implements the Community Development Action Plan as you have heard that Shs 40 billion has been earmarked for that cause. Therefore, the Government should utilise it by implementing the Community Development Action Plan.

Mr Speaker, the worry of the people of Kiryandongo is that the project is almost halfway done and yet nothing is being done and according to the schedule, Karuma Hydro Power Project will be commissioned next year, in December. Mr Speaker, I beg to submit.

2.26

**THE GOVERNMENT CHIEF WHIP (Ms Ruth Nankabirwa):** Thank you very much, Mr Speaker. On the issue of the influx of Chinese - through the Ministry of Internal Affairs, 30 of them were found on site and they were scrutinised and only two of out of 30 were found without papers. When we investigated further, their applications were still being worked upon. As I speak now, those two people have already got their papers. I do not know any other group of Chinese which is here without work permit.

Government is committed to the Community Action Plan, Mr Speaker. I will have to work with the ministry to make sure we implement what we committed ourselves on. I will also liaise with the Woman Member of Parliament to make sure her prayer is responded to as soon as possible.

**THE DEPUTY SPEAKER:** Thank you.

2.27

**MS FLORENCE WAMALA (NRM, Woman Representative, Sironko):** Thank you, Mr Speaker. I rise on a matter of national urgency. I was in my district last week and the state of latrines and other infrastructures in the schools I visited is very alarming. There is a notice of closure of over 50 schools in the district. I am wondering where all those children will go to school.

The Government is planning to build new schools with latrines. How I pray, honourable minister of education, that we instead make the existing latrines functional and improve the other infrastructures in the schools. Thank you, Mr Speaker.

**MS RUTH NANKABIRWA:** I request the Minister of Education to respond.

2.28

**THE MINISTER OF STATE FOR EDUCATION AND SPORTS (HIGHER EDUCATION) (Mr Chrysostom Muyingo):** Thank you very much, Mr Speaker. I am going to present a statement and it captures that part.

**THE DEPUTY SPEAKER:** Okay. Thank you.

2.28

**MR JOHN NAMBESHE (NRM, Manjiya County, Bududa):** Thank you, Mr Speaker. The matter of national importance I am raising pertains to human trafficking. Last Wednesday, 8 March 2017, the print media carried information pertaining to interception of 13 Ugandans at Jomo Kenyatta International Airport by Kenyan security operatives. Of the 13 people who were deported to Busia and received by the Ministry of Internal Affairs, three of them are from Bududa. Bududa has become a potential source of these victims being trafficked to the Middle East or Asia.

Mr Speaker, June last year, the US Department of State reported 24 girls that were held hostage in the city of Riyadh in Saudi Arabia. They were tortured, raped and subjected to forced labour without pay. Actually, they were denied access to their passports and issued with fake travel documents. Even the ones deported to Busia were found with passports whose terms of entry and exit of immigration were forged.

Two days ago, there was an announcement of lifting the ban on the recruitment of these girls being lured into fraudulent employment offers by both licensed and unlicensed companies that are Kampala-based. Therefore, my prayers are:

1. The traffickers are at large and I am reliably aware that most of them are highly connected and untouchable. However, they are not above the law. They should be brought to book and prosecuted.
2. Before the line ministry lifts the ban on the recruitment of girls looking for employment, they should first of all, furnish this House on the whereabouts of the Ugandans who have been taken out purportedly for jobs. A census should be conducted- (*Interruption*)

**MS CECILIA OGWAL:** Mr Speaker, the member holding the floor said the persons who are involved in this crime are highly connected. Now, can he clarify what “high connection” means to this House? To what are they highly connected? Is he in order to use terminologies which are not clarified to the House? (*Laughter*)

**THE DEPUTY SPEAKER:** I think the hon. Cecilia Ogwal is not in order.

**MR NAMBESHE:** Thank you for your wise ruling, Mr Speaker. I was making a prayer that the line ministry should quickly find out the whereabouts of those taken outside for employment, conduct a census of them and furnish us with the information pertaining to the condition that they are in. We are reliably informed that most of them are in deplorable state of life and a number of them died under torture.

**MS RUTH NANKABIRWA:** Mr Speaker, the Minister of Gender, Labour and Social Development has been carrying out sensitisation. She has held a number of conferences including with Members of Parliament at Imperial Royal Hotel. She was trying to show us the measures she is taking to make sure Ugandans are not sold outside and the ones seeking jobs do not land in the hands of bad people.

I know by the time she decides to lift the ban on recruitment, she has done enough arrangement to safeguard Ugandans. However, I have taken note of what the colleague has raised. I would like to assure him that with the arrangement of the Inspectors General of Police of the East African Community; they are also working hand in hand to make sure they coordinate- The traffickers use different routes, but with that coordination, we shall curb the menace, Mr Speaker.

2.34

**THE FIRST DEPUTY PRIME MINISTER AND DEPUTY LEADER OF GOVERNMENT BUSINESS (Gen Moses Ali):** Thank you, Mr Speaker. I would like to say there are three Arms of Government: Legislature, Executive and Judiciary and they depend on each other.

Therefore, the prayers direct the Executive not to do certain things and that cannot happen. The Executive is going to continue with its role according to the Constitution and so is Legislature. That is why last time, some orders from the Judiciary have been declared- I have forgotten the word. *(Laughter)*

Therefore, this prayer should not be entertained. Every Arm of Government will stick to its responsibility within the Constitution. For our case, in the last Cabinet, we lifted the ban. If it does not augur well with some members, they must find a way out; but to say: “stop it” - you cannot stop us. That is what we are saying. Thank you, Sir.

**THE DEPUTY SPEAKER:** Honourable members, to my knowledge, a prayer is not a directive and it has never become one. Instead of the general issuing an order, he prayed. I am sure if it were an order, even the people he is ordering would not obey because a prayer will always be so. That will never stop this House from making recommendations, passing resolutions and praying to the Executive on what they think will be proper if it were done to solve certain problems –(*Applause*)

There is no war between the Executive and Parliament. That is why you are seated here, because we should do these things together and see how we can make this country move forward. Therefore, certain statements, “you cannot order” is not called for; let us move together. The institutions are working properly; let us not make mistakes that would cause tension.

2.42

**MS JOY ATIM (UPC, Woman Representative Lira):** Thank you very much, Mr Speaker. I rise on a matter of national importance. It was only last week when we celebrated International Women’s Day and on that day the chief guest was the President of the Republic of Uganda. The theme of the Women’s Day in Uganda was “Empowering women in this changing world of work.”

Mr Speaker, hon. Cecilia Ogwal, has just informed you of how powerful it was. However, it was on Thursday, 9 March 2017, when some members were on *frontline* *NBS* television at about 10.00 p.m. evaluating the affirmative action in Uganda. The panellists were hon. Mathias Mpuuga, hon. Robert Mao, Mr Ofwono Opondo and some lady in the civil society and the moderator was Mr Charles Odongtho.

Mr Speaker, subsequently also in the *Red Pepper* of 13 March 2017 on page 18, we have the headlines where it says, “Women Members of Parliament are prostitutes”. We made an attempt to get the clip of the recording from *NBS* and clearly a man by the name Mr Rwomushana stated it clearly that women Members of Parliament are prostitutes.

Mr Speaker, we have been elected by the people of Uganda as women Members of Parliament. Parliament of Uganda comprises of both male and female members and youth representatives. Mr Rwomushana was saying that the way and conduct of women Members of Parliament in this country is wanting. He said the way they behave and conduct themselves is just clapping hands when there are issues of corruption.

They conduct themselves in a way showing that they want ministerial posts which sometimes they do not even get. He alleges that this issue started way back during the Constituent Assembly up to date. However, the women Members of Parliament do not bother to discuss the issues of maternal health in this country yet it is dangerous to the women and children of this country; that we do not care about the facilities.

Despite several attempts by the moderator to ask him to withdraw the statement that it is derogatory, he refused. He said that not until he is given some diplomatic word to replace that, he stands by his statement that Women Members are prostitutes. You realise that in this House, we have the first lady who is equally a Member of Parliament.

It is said it started from CA to date; meaning if we are prostitutes, it includes the First Lady, Speaker of Parliament who is a lady, *Mama* Cecilia who has made a name in this Parliament *–(Laughter)-* the hon. Syda Bbumba who have made names in this country and in our Government, the Chief Whip and the Leader of the opposition; it means we are all prostitutes.

Mr Speaker, in this House, we have on several occasions discussed issues of maternal health. If anyone can remember, in the Ninth Parliament, Parliament unanimously refused to pass a budget because we were so passionate on issues of maternal health. I believe money was increased, health workers, doctors, nurses were recruited and their salaries enhanced.

Mr Speaker, in this Parliament, we have a forum for maternal health chaired by a woman. It is very unfortunate for somebody to call us prostitutes on such grounds. Personally, I raised a petition in this House with several Members of Parliament on issues of neonatal and maternal health.

Mr Speaker, we are touched by this. It is painful and it tarnishes our image as women Members of Parliament. The statement is derogatory, demeaning of the person of a woman; it is slanderous, uncalled for, and abusive to the person of a woman and to you as a Speaker of Parliament. You seem to steer a House of prostitutes. This is not acceptable.

Mr Speaker, we as women Members of Parliament are calling Mr Rwomushana to withdraw his statement in public. Whatever he has uttered, we have children, parents and relatives; can he tell us what he meant by prostitutes because he must have seen from his own wife or mother what it is. It is not acceptable. Therefore, we are saying, can he withdraw publically or we drag him to court as women Members of Parliament? We know for sure, we are respected Members of Parliament and are elected by our people. Thank you so much, Mr Speaker.

2.45

**THE MINISTER OF INFORMATION, ICT AND COMMUNICATIONS (Mr Frank Tumwebaze):** Mr Speaker, I hear the valid concerns of hon. Atim Joy my sister from Lira. First of all broadcasting entities, televisions and radios, while we strive to protect and live within the means of guarantying freedoms of speech- that is why in the law, we demand that they follow the minimum broadcasting standards.

Quite often, you see Uganda communications commission writing to producers, demanding them to either stop certain people who do not meet minimum broadcasting standards, who are also defined. You cannot air pornography, insulting language or derogatory language. Therefore, in this case, if the person who was on television became stubborn, I mean the broadcaster had all the means to put out the show.

Therefore, Mr Speaker, we have already received that complete recording and I have already alerted UCC. They will investigate that case and we shall keep Parliament informed. I beg to report

**THE DEPUTY SPEAKER:** Honourable minister, this is not one of those matters that should delay; this matter was brought to my attention yesterday based on a newspaper. We instructed the people in Parliament to retrieve a copy of the recording from the television where this matter was shared and it was brought. This morning, we looked at it.

Honourable minister, you are in charge of this sector, there is no investigation required from something recorded –*(Applause).* It is recorded; like I am speaking now, people are recording and watching. So I do not need to be investigated for what I have just said. Action should be taken. *(Applause)*

That is what should happened immediately *–(Applause)–* investigating what? We asked for the recording yesterday and we received it yesterday and looked at it this morning. It confirms the concern of the members; and you are saying we should investigate what? Honourable minister?

**MR TUMWEBAZE:** Mr Speaker, I respect your guidance, not only as Speaker but also as a lawyer. Investigation involves anything procedural. The Uganda Communications Commission empowered by the UCC Act, definitely will take a step. They will not get the recording from Parliament; they already have a recording because they record everything that goes on air for a certain time. They will ask *NBS* to submit that recording to see if there is anything tampered with, then based on that – if *NBS* has any defence to give they can give it. However, the principle is that somebody must be heard first; then the commission can take action.

The only pledge I can give Parliament is that this will be done expeditiously but it cannot be done summarily without causing the broadcasting entity to be heard. It will be done; and I am happy Parliament has a recording. Parliament can also add to the complaint. However it is already voiced here and I have recorded it; it is on the *Hansard;* so we will report accordingly.

This is the point I need to note here, when you hear especially on social media Government being bashed on attempt to sanitise what goes on air, it is often misconstrued to be gagging the media, yet we are calling on the people in the broadcasting industry to act responsibly and not promote pornographic material and not to divide people or insult others. It is good for all because it protects society. If you abuse the women in Parliament, it is bad; if you abuse the women in Kamwenge, it is equally bad.

Therefore, I also seek the support of this Parliament that when we are acting firmly against misconduct, and abuse of airwaves, it is supported for everybody *– (Interjections) –* yes, it should not be selective *–(Interruption)*

**MR MUGUME:** Thank you very much, Mr Speaker. We are talking about an individual who was on television. So is it in order for the minister to say that he is not going to bring a law to ban all other members *–(Interjections)–* whatever he is trying to tell us. This was an individual, should he involve the public?

**THE DEPUTY SPEAKER:** Honourable members, the right to free speech does not give any particular individual the right to insult other people. *(Applause)*

If you are using the social media, television or newspapers to insult others then that exceeds the limit of the right we are supposed to be exercising. Where somebody’s rights begin, your rights end and let us respect this. So if people are busy insulting others and you are talking of free speech and nobody should bring a law that can discipline such errant people – then you are missing the point. As a Parliament, there are standards we must protect. That standard extends to individuals and institutions. If people are now behaving in a way that is not promoting cordiality among people then something should be done.

How can somebody go on public television and call female Members of Parliament prostitutes; and you are okay within because it is human rights? Really, is that human rights? Let us receive the undertaking from the honourable minister and we will follow it up as the Parliamentary Commission to find out how this thing is going and then we shall take our own decisions on this matter because it is really not right. Please let us leave it here –

**MR OKUPA:** Mr Speaker, the minister is running out unfortunately. I did not want us to lose the point here by generalising it. The point is that the minister must come within the shortest time possible to address this matter. Let us not bring in the earlier case and focus on this specific one where we saw and heard the suspect insinuate that our colleagues are prostitutes. Can you take immediate action and conclude your investigations. What we had expected from you honourable minister is to inform us like the Speaker has said that Parliament already took action and got a copy. You should be telling us that UCC has already got a copy, the guy has been summoned and we are waiting for the report. Then you would say that say in one week the report will be here. Otherwise, if we continue like this people will continue abusing the rights of individuals.

Mr Speaker, in hope the minister takes this seriously and within three or four days, we have a report on this issue. Otherwise, I cannot look at my Chief Whip being called – the way that man called them*. (Laughter)*

**THE DEPUTY SPEAKER:** Honourable minister, can we have a preliminary statement from you tomorrow on what has gone on so far – tomorrow afternoon.

**MR SSEGONA:** Thank you very much, Mr Speaker. Normally, when you talk about the law, I restrain myself from speaking in confidence. I am only increasingly getting concerned with the instructions we are giving to the minister.

I believe, from the explanation of the minister, he has heard our concerns. I do not know and I seek your guidance on whether we would be proceeding well to be seen to push the minister too hard especially where he is supervising an entity that is supposed to investigate and act in accordance with the principles of fair hearing; considering that it is a statutory body without a statutory mandate and responsibilities.

I do not want to see a situation after today where somebody complains that the UCC was pushed by Parliament and therefore the process was unfair to me.

My very humble and considered view would be to leave UCC to do its work and ask the minister to give us the results after the due process. I am equally concerned if not more concerned that somebody can refer to my colleagues as prostitutes.

I would actually also impolitely be accused because if I am leaving mong prostitutes, then the question is, who is the consumer of their services? *(Laughter)*

With all that in mind, I would urge my colleagues to be a little more restrained in the face of the pain so that the government agency does its work without a semblance of influence from us.

**THE DEPUTY SPEAKER:** Thank you. The minister will make that statement tomorrow afternoon and the reason is that yesterday when this issue was published in the Red Pepper- hon. Sseggona should have seen the number of Members of Parliament that came to my office.

After viewing the recording this morning, you should have seen the number of members that came to my office. People are exercising a lot of restraint because I requested them to do so. So let the minister brief us tomorrow about what has happened and then we leave the process to continue.

**MR TUMWEBAZE:** Mr Speaker, I request that I do so on Thursday. This matter came to my attention two days ago and I alerted UCC. Like hon. Sseggona said, there are some procedural steps that they took.

I beg that I present on Thursday because I hope some substantive action in terms of UCC’s mandate will have been there to report on.

**THE DEPUTY SPEAKER:** Thursday then it is.

MINISTERIAL STATEMENT ON ISSUES RAISED DURING THE PRIME MINISTER’S QUESTION TIME

2.58

**THE MINISTER OF STATE FOR EDUCATION AND SPORTS (HIGHER EDUCATION) (Dr John Chrysostom Muyingo):** Thank you, Mr Speaker. I stand to present responses to issues raised by honourable members during the Prime Minister’s Question Time.

The first was the general concern over the closure of schools. There has been general concern from the different stakeholders about the quality of education services provided across the board as well as the inadequacies in the treatment of pupils and misunderstanding between parents and the school leadership.

In November 2016, the ministry organised a meeting of all technical officials in education countrywide to devise ways and means of addressing these concerns.

The consensus was from this meeting that indeed the concerns were true, standards were dropping due to a number of factors including schools holding children in substandard and un-gazetted areas, lack of trained teachers, poor sanitation, safety and security of learners and poor working conditions of teachers.

It was agreed that measures should be put into place to improve inspection of all private and public schools prior to the start of first term 2017.

District Inspectors of schools and Education Officers have started implementing the resolutions of that meeting beginning December 2016.

This august House should, however, note the slow pace at which affected schools are moving to address the causes for their closure.

I should hasten to add that this has not been done outside the law. Section 32 of the Education Act, 2008 states that permission to operate a new school is only “given in the first instance in form of a license”.

In addition, sections 31 and 40 enjoins the ministry and local authorities to ensure that schools conform to the regulations.

Mr Speaker, the Basic Requirements and Minimum Standards (BRMS) for establishing private schools and institutions are accessible as well as guidelines to opening of schools.

The ministry will continue to facilitate the formalisation, licensing and registration of all schools in the bid to enhance education standards in the country.

The ministry requires that all proprietors of private schools adhere to the law and operate with a Registration Certificate issued by the Ministry of Education and Sports.

Furthermore, schools are required to display their Licenses/Registration Certificates at the head teacher’s office for parents and other stakeholders to confirm the school status.

This is a measure to improve the quality and standards of Education in the country and ensure safety and security of learners.

Against this background, the ministry issued a number of press releases in the media to help parents identify the registered schools.

The second concern was from hon. James Waluswaka from Bunyole West County. He asked why the Presidential pledge on construction of a four classroom block at Bughanga Primary School has not been fulfilled.

My ministry has a presidential pledge database which we started in 2008 and is updated regularly based on official communication from His Excellency the President or his Principal Private Secretary.

Funds amounting to Shs4.5 billion are raised annually for fulfilment of pledges.

The ministry considers a number of factors in determining the sequence for beneficiaries, for example, assessment report, and availability of land, urgency of the matter, magnitude and amount of money needed, among others.

There were three presidential pledges specifically for Butaleja. They include Bughanga Primary School, Highland Community Primary School and Budumba Community Secondary School.

Funds so far released to Butaleja District Local Government to fulfil the pledges are for Highland Community Primary School and Budumba Community Secondary School amount to Shs119 million for each of the two schools.

We are waiting for completion of the costing for Bughanga Primary School from the local government.

Hon. Elijah Okupa asked about the subjects which were suspended from the O’level curriculum, particularly Kiswahili.

UNEB has been preparing examinations in Kiswahili in two areas: Lughaya Kiswahili (Kiswahili language) and Fasihi Kiswahili (Literature in Kiswahili). What we need as a country to be able to communicate within is Lughaya Kiswahili. This is not among the subjects scrapped.

As a matter of fact, the number of candidates registering and sitting for Lughaya Kiswahili is rising every year. In the last examination in 2016, 18,211 candidates sat for the subject.

What has been dropped is Fasihi ya Kiswahili. The reason is that since 2002, no candidate has been registered for the subject and yet yearly examination papers are prepared for it. This is not a cost effective way of utilising scarce resources.

Members have also expressed concern on the fate of teachers who have been teaching the other subjects that have been dropped.

Some of these subjects that have been dropped include Additional Mathematics, General Science, Political Education, Health Science, Electricity and Electronics, Power and Energy, Typewriting, Shorthand and Office Practice.

What is common with these subjects has been the very low numbers of candidates registering and sitting for them.

I wish to clarify that no teacher will suffer because one, teachers of Additional Mathematics are the same we need to teach all the other mathematics in the syllabus; two, Health Science is taught by teachers who teach Biology and we are continuing with Biology. Political education is also handled by teachers of history and we are continuing with history. The National Curriculum Development Centre is in the process of integrating political education into history.

Technical/vocational subjects being dropped are available in technical and vocational institutes. So they are not getting out of employment. Of course, UNEB in consultation with NCDC is reinstating general science to take care of our learners with visual impairment, for example, those who are blind. These learners cannot do the pure science which requires them to be carrying out practicals in the laboratory. General Science is a mixture of all the sciences but does not have the practical examination element.

Hon. Jacquiline Amongin inquired about the quality of education in Uganda, especially addressing the imbalance between the rural and urban schools.

Mr Speaker, our ministry has identified the following performance-related issues that cause poor performance of pupils at PLE especially in rural areas as compared to urban schools:

1. And I think the most serious one is lack of mid-day meals in most rural schools.
2. Low participation of parents in school activities in rural areas, including failure to attend meetings and to provide scholastic materials like exercise books, pens, pencils, name it.
3. Absenteeism of pupils.
4. Engagement of learners in child labour, for example, in Busoga where we have a very serious problem in that many pupils engage in sugarcane and rice farming plus fishing-related activities in their area.
5. Lack of appreciation of the importance of education among some of the parents in these areas.
6. And low or lack of the would-be role models especially to children in rural areas.
7. High poverty levels, among the rural communities.
8. Some teachers in rural areas travel long distances to and from school, leading to late coming and sometimes absenting themselves.
9. Misinterpretation or lack of knowledge or awareness of education policies and guidelines, especially among the rural communities.
10. Insufficient school inspection, monitoring and support-supervision, especially in rural areas.
11. Lack of refresher courses, especially in rural schools, where funds are meagre.

The weaknesses cited are not as common in urban areas as they are in rural settings. This can explain the disparity that has been observed.

However, our ministry is continuously getting rural stakeholders on board to ensure the standards are enhanced to the levels of performance of urban schools.

Some of the strategies or intervention measures the Ministry of Education has so far put in place to mitigate the challenges of rural-urban divide include:

1. In the area of feeding: The ministry has published school-feeding guidelines in the effort to encourage parents to feed their children at school according to the Education Act, 2008. A circular to guide on feeding children at school has been distributed to all districts. The Ministry of Education and Sports in partnership with UNICEF has earmarked resources to disseminate the school-feeding guidelines to all stakeholders in their respective regions with effect from the beginning of this year.
2. The Ministry of Education is working hand in hand with the mass media to encourage local communities to participate in education and school activities.
3. And also through electronic media such as radio and TV, district education dialogue, the barazas, we have continued to encourage parents and guardians to send their children to school early and on time.
4. Through the same strategy, the Ministry of Education continues to discourage communities against child labour.
5. My ministry also encourages rural communities to embrace and participate in livelihood interventions like Operation Wealth Creation, NAADS; we are asking them to join SACCOs to reduce poverty.
6. We also explain the education policies and guidelines to the stakeholders during the barazas.
7. The ministry has developed a tool to encourage local governments to effectively track learners’, teachers’, head teachers’ attendance and report to the headquarters on a quarterly basis.
8. To address the challenges of underutilisation of the school facilitation grant, local governments are encouraged to prioritise construction of teachers’ houses at school, especially in the hard-to-reach, hard-to-stay and hard-to-work areas.
9. The Ministry of Education together with the Ministry of Finance, Planning and Economic Development has encouraged local governments to procure vehicles for district education officers using part of the SFG funds as a one-off measure in the financial year 2016/2017. This has provided mobility to the officers to monitor and supervise what’s going on in the schools.
10. A total of Shs 2.2 billion has been earmarked to support DEOs in school monitoring and supervision. They are supposed to provide quarterly reports to the ministry, indicating utilisation of funds with emphasis on teachers’, pupils’ and head teachers’ attendance; the teaching-learning process, sanitation and so forth.
11. A sum of Shs 2.5 billion has also been earmarked for school inspection. Every school in the country should be inspected at least twice every term. Under the Global Partnership for Education project, a total of 75 Yamaha motorcycles have been distributed to some district inspectors of schools. These motorcycles are also going to improve the mobility of the inspectors in our schools.
12. A tool has been designed to guide the district education officers in reporting quarterly to the centre on salient issues concerning education service delivery in their respective districts.
13. Refresher courses: It is true that our teachers have been lacking refresher courses. I am happy to report that with partners like USAID and GPE, we have embarked on refreshing our teachers and head teachers in the modern methods of teaching lower grade learners. This training has been scheduled to begin in the rural districts of the country and so far a total of 87 rural districts are already on this programme. A total of 23,923 teachers have so far been re-trained by the Ministry of Education with support from our partners.

Hon. Muyanja Johnson from Mukono inquired how far we have gone with Skilling Uganda in the country. Mr Speaker, I feel that I should remind Members that Skilling Uganda is a 10-year BTVET Strategic Plan programme which runs during the period of 2015/16-2021/22. This programme was launched on 3 October 2012 and it advocates for paradigm shifts for skills’ development, emphasising hands-on skills’ acquisition.

I will not take you through the objectives but so far these are the achievements:

The ministry has so far developed the curriculum with input from potential buyers/employers in the relevant sectors, especially from the private sector, emphasising competence-based, hands-on skills and industrial training placement in the areas outlined here:

1. Kiswahili has been incorporated into the technical institutes’ curriculum to facilitate communication within the East African Community. This curriculum includes welding, fabrication, electrical installation systems and maintenance, machining and fitting, automotive mechanics, woodwork technology, building construction, mechatronics and electronics. Some of these have been launched and started operating in 2015.

(ii) In the health training institutions –(*Interruption*)

**MR WALUSWAKA:** Thank you, Mr Speaker. The statement the minister is giving is very critical and pertinent, especially to the people of Butaleja. I have just checked on my iPad but it is not there. Are we proceeding well when we do not have even the soft copies in our iPads?

**THE DEPUTY SPEAKER:** Clerk, was it uploaded? Honourable member, I have been advised that, that particular document was uploaded on your iPads sometime back.

**MR SSEGGONA:** Thank you, Mr Speaker. The procedural guidance I am seeking is to find out why the minister is giving us answers for questions given to the Prime Minister. The practise of the House is to ask supplementary questions afterwards. I am wondering whether the supplementary questions will still be asked from and answered by the minister as the Prime Minister.

**THE DEPUTY SPEAKER:** It was delegated to the honourable minister by the Prime Minister there and then that he will make statements on some of the issues from the sector.

**MR MUYINGO:** Thank you very much, Mr Speaker, for the wise ruling. In health training institutions, curriculum was developed with input from the medical professionals and the council. These include an ordinary, registered and diploma in midwifery and higher diploma in Anaesthesia among others. Colleges of commerce had the curriculum developed with input from practitioners in the following areas: Diploma in marketing, accounting and business administration. All these are operational, Mr Speaker.

Improvement of agricultural training by turning Bukalasa Agricultural College into a centre of excellence for agriculture; four technical schools were transformed into farm institutes and each provided with a tractor and a plough to improve competency based education and training in Agriculture. Emphasis was placed on value addition for agricultural products, Ssese Farm Institute is now producing and packing honey, cooking oil and yoghurt because the farm institutes we have in the country include Ssese Farm Institute, Lwetanga Institute, Rwapara Farm Institute and Kitagata Farm Institute.

Greater emphasis has been put on the use of ICT in the new curriculum and BTVET institutions have been integrated into the training of our learners. Already, a programme of equipping them with ICT equipment has started. Assessment bodies such as the Business and Technical Education Board, the Allied Health Examination Board and Uganda National Midwives Examination Board have had their budgets enhanced to improve assessment. Abilonino Instructors College and Mulago Tutors College have benefited from the improvement of their infrastructure equipped and they are up to date.

Construction and renovation has been done in 20 technical institutes in the districts of Lwengo, Lyantonde, Kamuli, Ibanda among others. A three storage block with classrooms and laboratories has been completed at the Uganda Institute of Allied Health and Management Science in Mulago and a library block expanded with Government of Uganda funding.

The five technical colleges have been rehabilitated, expanded and equipped with training materials. They include: Lira, Elgon, Kichwamba in Kabarole, Bushenyi and Sheema in Masinde.

Construction of boys’ hostels is ongoing in nursing schools in Lira, Kabale and Butabika. As a way forward, it is desirable to have a Government owned BTVET institution in every constituency as per the National Resistance Movement’s manifesto.

Resources per meeting

We will start with the districts which do not have any form of Government BTVET institution; they are 289 constituencies in Uganda out of which only 190 constituencies do not have BTVET public institutions. Non-formal skill training was introduced in 2009 to provide skills to all Ugandans who are not in the formal education system and to let them study at their own pace. Trainees under this programme are in both public and private institutions. They are assessed by the office of industrial training and these skills are in all areas like in soap making, tailoring and bakery and they are under the modernized curriculum.

Although the minister had planned to train 20,000 people per year; this has not been achieved due to inadequate funding. Currently, we are training only 11,000 people per year. Therefore, so far 90,000 people have been trained in non-formal education.

Hon. Geoffrey Macho asked when government will implement the policy on early childhood education by setting up nursery schools in every Government school. Of course, early childhood development and education are the foundation for any sustainable education system for a growing country. It is true quality early learning provides a firm root structure for education tree and we are all struggling to see vibrant and representative of our future generation. A country without children who are well nurtured, taught and supported cannot develop.

With regards to setting up nursery schools in every Government Primary school, this is the commitment of the sector in the National Development Plan and we are still very committed to it. The objective is to achieve equitable access to relevant and quality education and training. The intervention is to expand Community Based Early Childhood Development centres and attach Early Child Development Centres to primary schools for the provision of primary education.

However, the Education Act, 2008, under part four structure of education, provides that pre-primary education is to be run by private agencies or persons to provide education to children from two to five years. The financing of this type of education shall be a responsibility of the parent and guardian. It states further that Government shall provide curriculum guidelines on minimum standards for schools and buildings, equipment and other relevant facilities.

Further primary institutions through relevant agencies

To provide curriculum and call upon primary schools to be licenced while the target require a policy shift that may be delayed due to the fact that they still need to match all available resources to consolidate the gains of UPE, USE, UPOLET programmes.

Nevertheless, our ministry has so far done the following in abide to strengthen Early Child Education:

A curriculum for pre-primary is in place, early learning and development standards for three and five years old is also in place, the ministry Early Child Development Policy is under review and Early Childhood Development Caretaker Training Framework was developed. Additionally, the Early Childhood Development Community Mobilization Training Manual has been developed; the Early Childhood Development Training Manual for management committees of nursery schools and community-based centres was finalized too.

Provision of curriculum to teacher-training for pre-primary has too been worked out.

What are the steps towards realisation of commitment for attaching early child development centre to primary schools? There may be need to review the Education Act, which for now provides for private sector delivery of early childhood education, with Government playing a regulatory and supporting role. There is also need to ensure or enable all stakeholders and partners to fulfil their mandate. It is necessary to take stock of all well qualified teachers in the country to inform any future policy decisions.

Admissions for 2017 to pre-primary teachers’ colleges

Mr Speaker, during the 2017 primary teachers’ selection, 5,570 students who qualified, were admitted to 45 teachers’ training colleges during the exercise. More have been recruited from the colleges, although we still have some vacancies and these vacancies have not been filled up because of a number of reasons. One is financial and I have talked of the poverty. The other reason is because A-Level is free therefore everybody that qualifies goes for it.

Finally, we raised the entry requirement, as this House had directed the ministry, to be able to address the issues of quality. I submit, Mr Speaker.

**THE DEPUTY SPEAKER:** Thank you, honourable minister. Honourable members, these are issues that arose from the sector during the Prime Minister’s Question Time and some of the answers have been given by the minister. If there is need for some supplementary questions, not supplementary debate, let us have some quick points of clarification and I will limit this to a total of 15 minutes of the minister’s response.

3.29

**MR MEDARD SSEGGONA (DP, Busiro County East, Wakiso):** Thank you, Mr Speaker. I do not know whether the Prime Minister is around because I would like to hear from him or the minister. I have listened to all those wonderful things that the Government is doing to uplift the standards of education in this country. Some of us studied in rural schools; what went wrong that the schools we studied in are dilapidated; they do not have qualified teachers and are virtually non-existent?

However, they are now closing private schools that are actually in better shape than our Government schools. These private schools that are being closed also have no appeal recourse in accordance with the law because the minister has never established the appeals tribunal, which is contemplated in section 40 of the Act. May the minister tell us the legality of closing down these schools when they cannot appeal by reason that he has disabled them?

**THE DEPUTY SPEAKER:** Thank you.

3.31

**MR JACKSON KAFUUZI (NRM, Kyaka County South, Kyegegwa):** Thank you, Mr Speaker. Kyegegwa District was created in 2009 and my constituency has four subcounties with an average population of 200,000 people. In my constituency, I have one secondary school serving four subcounties, with an average population of 200,000.

Kyegegwa District has 580 private schools. Out of the 580 private schools, only eight are registered and in my constituency, I only have two registered schools.

All these schools are created to cover the gap because the Government has delayed to address the requirements for schools. It is Government policy that every subcounty should have a secondary school. It is also Government policy that every parish should have a primary school but we do not have them. Our people have taken to self-help but even the self-help exercise we are doing is being closed by the Government.

My humble prayer, Rt Hon. Prime Minister, and Minister for Education and this House, is that you at least give us a grace period because our district has been in place for only seven years. The Government has delayed to address our plight and now they are even closing the few schools that we have. My humble prayer to this House, therefore, is that the ministry be asked to delay its exercise and give us a grace period of at least two years. As the Government does its work, we will also concretise our self-help exercise by putting in place whatever is required by the ministry. I pray.

**THE DEPUTY SPEAKER:** Honourable members, we had agreed on points of clarification and supplementary questions but now we are reopening debate - Leader of the Opposition.

3.33

**THE LEADER OF THE OPPOSITION (Ms Winfred Kiiza):** Thank you so much, Mr Speaker. In supplementary, I would like to know whether the minister, in trying to implement this policy of closing the private schools, has bothered to find out why even with the Government policy of free education, people are shunning it. They would rather go to the private schools that charge money. That should be the question.

Ugandans prefer to pay for those private schools that are being closed down to those Government schools that are closer to them. I would imagine this includes your own children, who may not go to the Government schools that are closer to you but are going to the private schools. Have we tried to find out the reason why people are opting out of a free good and going for a good they are supposed to pay for?

**THE DEPUTY SPEAKER:** May I understand this: are they closing all the private schools?

**DR MUYINGO:** Mr Speaker and Members, let me put the record right. Uganda has public and private schools and we sent out a message to all the schools in the country that all those schools that do not have the minimum basic standards *–(Interjections)–* we have been moving to all schools.

Mr Speaker, the schools that have been closed are schools that are not registered and do not have licenses to operate. The law is very clear that before you open a school, you must go to the Ministry of Education and Sports, the district and the officials at the local levels to *–(Interruption)*

**MR SSEGGONA:** May I seek clarification, honourable minister? What happens to those public schools that do not have the minimum standards, where the pupils are studying under trees? *(Applause)*

**DR MUYINGO:** Honourable members, this exercise of ensuring that everybody who is going to look after our children has got the minimum standards started way back and we have made sure that all the schools accommodating our children have got the minimum basic standards. Many of these schools that we have closed do not have teachers. We do not even know their curriculum. Tell me of one school *–(Interruption)*

**MR SSEGGONA:** Mr Speaker, my question for clarification to the minister is specific about public schools, where pupils are studying under trees. That is the very basic minimum that he must answer. Is he in order by not answering the question?

**DR MUYINGO:** Mr Speaker, I am here to inform you that all the schools that do not have the minimum basic standards will be closed. We have a duty as a ministry and as Parliament to protect the quality of education in this country.

What I am being told –(*Interjections*)- just share the information with us. We have been to these schools; all the schools that do not have teachers *–(Interruption)*

**MR LUBOGO:** Thank you, Mr Speaker. The minister has informed us that all schools that do not meet the minimum standards will be closed. However, honourable minister, I think it would be appropriate for you to start with public schools that do not meet the minimum standards before you move to the private ones.

Is it in order therefore for Government or the minister to allege that they are going to close all schools that do not meet the minimum standards, when actually Government schools which are directly under you are operating without meeting the minimum standards? Pupils are sitting in classrooms without desks, they do not have classrooms and you are telling us that all of them will be closed. You are actually closing private schools when Government schools are operating without minimum standards? Is it in order?

**THE DEPUTY SPEAKER:** That was more of a clarification than a point of order. Honourable members, I would like to hear from the minister and then we see how to resolve this. Honourable minister, this is what I would like to hear from you: in this process of closure, when does the actual closure begin? If you can guide us on that, then we can see how to proceed with this matter.

**DR MUYINGO:** Mr Speaker, for a period of almost a year, we have been sending out messages that all those who have opened schools without following the laws of the country should try to put in place the required guidelines.

For over a year, we have been sending out messages and mobilising the entire country. We have called meetings and we have gone almost up to LC I and told them that in order to operate a school, you need to have a licence. We have enumerated the requirements for the licence. We have given out the checklist and it is a very long process.

The closure of schools has not just started; it has happened before. Schools open and when they see the inspectors of schools, they send the children away. We decided to allow them to complete the year.

In November, we had a meeting with all the technical people and we agreed to go out and remind the parents, the teachers and every one that those who do not have the operating licence will not open come February 2017. We gave them enough time to endeavour to meet the requirements *– (Interruption)*

**MR SSEGGONA:** Mr Speaker, I tried to politely make the minister aware of the absence of the appeals tribunal, which is statutory. The Attorney-General that is here was party to the case of hon. John Ken- Lukyamuzi vs. the Attorney-General and the Supreme Court of this country held that where you are required to have a tribunal in place and it is not there, whatever you are doing is illegal.

The due process is an integral part of our loss. The minister has not addressed the issue of the tribunal and continues to defend the closure of these schools, which on the face is an illegality. Is he in order? Is it procedurally okay? *(Laughter)*

**THE DEPUTY SPEAKER:** Honourable members, if you have a criterion that leads you to starting up something and that criterion is not met; should you even be closed or you simply do not exist?

**MR SSEGGONA:** Mr Speaker, due process is an integral part of whatever must be done - even to make a finding that I do not qualify. You do not qualify to close me down if you have not complied with the statutory requirements and I have a right to appeal against your decision.

**THE DEPUTY SPEAKER:** Honourable members, there is a difference; where processes have been put in place that you apply for a licence and you have not applied and you are operating a school, haven’t you not excluded yourself from the due process? When you have not applied for the licence – in other words you do not legally operate within the law - how do you accord yourself the assistance of the law when you have not accessed the law?

**MR SSEGGONA:** Mr Speaker, how does Parliament come to know whether I have a license or not? The appeal may include grounds that I have a licence and that these people did not demand for my licence and I have a right to appeal before that tribunal to tell them my fate. If the tribunal is not there, Parliament is not going to know.

**THE DEPUTY SPEAKER:** Honourable members, this is why we needed this guidance from the minister in order to know what is happening. What is coming out clearly is that this matter has not been properly interrogated. That is why I wanted the minister to give us a framework of how all these interventions are going to be implemented.

My proposal would be: we need to get proper guidance on this subject because this matter came from the Floor as a question to the Prime Minister, who bounced it back to the minister. Parliament has not discussed this properly at its own level; at committee level.

Would it not be a good case for the committee of Parliament to look at this thing and then come back with recommendations? That is why I was asking for the timeframe in which these things are going to happen because if it is happening tomorrow, then the committee cannot do anything. However, if it is a process that is still taking some time, in this case the minister can give us guidance, so that we do not refer a matter to the committee when it is a done deal.[HON. MEMBERS: “Motion.”] Do we need a motion on this? No, we do not need a motion please.

**DR MUYINGO:** Mr Speaker, the law is very clear. You cannot start a school without authority and that authority is the certificate issued or a licence issued by the Ministry of Education and Sports. In order for one to get that, you must have –(*Interruption*)

**MS NAMBOOZE:** Mr Speaker, you have properly guided the minister and this House. You have observed that by the look of things, it appears that the right procedures were not followed. This House was not informed and the committee never sat to look into this matter. That was your guidance, Mr Speaker. Are we procedurally moving on well when the minister insists on explaining how and why he did this, yet you have already guided this House on the proper channels to take?

Secondly, wouldn’t it be procedurally right for you, Mr Speaker, to allow me to move a motion without notice now that this exercise be suspended [HON. MEMBERS: “Seconded.”] until the committee of this House has been briefed, specifically because it touches the education of our children?

**THE DEPUTY SPEAKER:** There is no motion. *(Laughter)* It was a procedural guidance and in case you have forgotten, it is only me who can guide on procedure.

Honourable members, there are things we should avoid doing and there are things we have the full mandate to do. I am going to give the minister a lot of time to explain these issues properly to the House, except it will not be in this House. He is going to do it at the committee level.

Let us refer this matter to the committee and let the committee examine it with all the parameters and details and that will even allow some of the people whose schools have been interfered with to access the committee and raise their issues. *(Applause)*

That way, we will have a more comprehensive report so that when the committee comes, it comes with the recommendations *–(Hon. Member rose\_)–* Honourable member, I have not even allowed you; I was still speaking. *(Laughter)*

This matter is referred to the Committee on Education and Sports to look at the issues. In the interim, while these matters are happening, honourable minister, would you like to first finish with the committee instead of going on with this matter so that you resolve it in the shortest possible time? *(Applause)* It is creating some confusion. When you come back with the committee, you will have –

**DR MUYINGO:** Mr Speaker, if we allow those that have been operating illegally, that will be terrible. I take your advice to go to the committee. However, those that have been closed should not be allowed to continue.

**THE DEPUTY SPEAKER:** We are not reviewing your decision. We haven’t reached that stage. Where you have already taken a decision, we will not interfere with that. What we are looking at is the future; what happens from today onwards? Interface with the committee and have these matters resolved before additional actions are taken that will bring these issues back. Is that okay? Can we leave it at that?

However, we will not interfere with the decisions already made. We cannot do that without proper procedure. Attorney-General, would that be a good way to proceed?

3.54

**THE ATTORNEY-GENERAL (Mr William Byaruhanga):** Thank you very much, Mr Speaker. That is a decision that we can live with because reversing the actions that he has already taken would be counter-productive for the country. Some people are presenting - we all have children and running an illegal place is detrimental to the children.

**THE DEPUTY SPEAKER:** Thank you. Can the Committee on Education and Sports handle this as a matter of priority and get back to the House in two or three weeks? In the meantime, the minister will obey what we have agreed to and we see how to proceed.

**MR OKUPA:** Mr Speaker, the Minister of Education and Sports was responding to a number of questions and my question was not part of the closure of the schools. How are we going to proceed? I thought I would seek clarification because there were those other questions that we raised.

**THE DEPUTY SPEAKER:** I think we will now have to share all these issues with them and let them come out with a report. The whole report is going to be taken to the committee.

**MR OKUPA:** Mr Speaker, I would like to plead with you; mine was on the issue of Kiswahili language. We have not asked him any clarification and that is why I plead with you that you give me two minutes and possibly it could be settled. However, if it is not, it can still fall within that.

Mr Speaker, I raised the question of Government scrapping the teaching of Kiswahili in the schools and the Prime Minister at that time directed the Ministry of Education and Sports. It is over three months now but I am happy that today, he was able to come and respond to it.

Mr Speaker, we very well know that Kiswahili is our second national language as per the Constitution. The minister has said it is the literature aspect of it that they have stopped teaching. If we are to promote the language, as the President of this country stated in this House when he was addressing the East African Legislative Assembly, there is no way we can remove the aspect of teaching the literature if we are to have the poets and people to write books in Kiswahili and if we want to promote Pan-Africanism.

Therefore, Mr Speaker, I think the justification which the minister has given for scrapping the teaching of literature – that it is not cost-effective because they have set the exams but there are no people who registered to sit it – is defeating. How can you set the exams if people have not registered for the exams? How can that happen? Those are the issues the minister needs to clarify.

Finally, I think it is very important for the minister to upload this statement on the parliamentary website. We have looked and what is there is about universities, which was uploaded a week ago. Mr Speaker, I thought I should raise those issues. Thank you very much for allowing me.

**DR MUYINGO:** Mr Speaker, this statement was uploaded some time last week. If it is not there, we shall do it again. It is important to understand that what has been scrapped is the sitting of exams for literature in Kiswahili paper. Otherwise, when teaching Kiswahili, there is a lot of literature that is involved. It was scrapped because the students were not registering for it. However, as the teacher teaches Kiswahili - there is grammar, literature and so many other things.

Therefore, don’t worry. The literature that is needed will be catered for during the teaching of the Kiswahili subject as a language. Even when teaching the English language or French, there is literature. There was a paper – specifically for literature – which students were not going for and that is what we scrapped. However, because it is on the menu, every year UNEB was spending money setting exams and preparing examiners.

**THE DEPUTY SPEAKER:** Thank you.

LAYING OF PAPERS

REQUEST BY GOVERNMENT ON A PROPOSAL TO BORROW UNIT ACCOUNT (U.A) 10.21 MILLION ($14.4 MILLION EQUIVALENT) FROM THE AFRICAN DEVELOPMENT BANK GROUP (AfDB) TO SUPPORT THE MULTINATIONAL LAKE VICTORIA MARITIME COMMUNICATIONS AND TRANSPORT PROJECT

3.56

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PLANNING) (Mr David Bahati):** Thank you, Mr Speaker. I beg to lay a proposal to borrow $14.4 million from the African Development Bank to support multinational Lake Victoria communications and transport project.

**THE DEPUTY SPEAKER:** Thank you. That request stands referred to the Committee on National Economy to handle within the framework of the rules and report to the House. Does it have all the supporting documents, honourable minister?

**MR BAHATI:** Yes.

**THE DEPUTY SPEAKER:** Thank you.

THE HEALTH SERVICE COMMISSION ANNUAL REPORT FOR FINANCIAL YEAR 2015/2016

3. 57

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PLANNING) (Mr David Bahati**): Mr Speaker, I beg to lay on the Table, the Health Service Commission annual report for the financial year 2015/2016.

**THE DEPUTY SPEAKER**: Let the records capture that. That goes to the Committee on Health to look at and advise Parliament on how to proceed.

MINISTERIAL POLICY STATEMENTS FOR FINANCIAL YEAR 2017/18

**THE DEPUTY SPEAKER:** Can we have the ministerial policy statements that are ready laid now because tomorrow is the deadline? I thought the Prime Minister was going to lay papers – *(Laughter).*

We are hoping that Government will bring all these papers in tomorrow because Parliament goes on recess on Thursday and all these documents should be ready. You will not be able to bring them when Parliament goes on recess. By tomorrow, we should have all the ministerial policy statements.

BILLS

SECOND READING

THE ANTI-MONEY LAUNDERING (AMENDMENT) BILL, 2016

3.58

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PLANNING) (Mr David Bahati):** Mr Speaker, I beg to move that the Bill entitled, *“*The Anti-Money Laundering (Amendment) Bill, 2016”, be read for the second time.

**THE DEPUTY SPEAKER:** Is the motion seconded? Motion for second reading is seconded by Member for Kibuku District and hon. Lokodo. Would you like to speak to your motion?

**MR BAHATI:** Thank you very much, Mr Speaker. The Anti-Money Laundering (Amendment) Bill, 2016 is aimed at harmonising the definitions used in the Act to provide for the carrying out of the risk assessment by accountable persons, to provide for identification of customers and clients of accountable persons, to provide for procedures relating to suspicious transactions, to harmonise record keeping requirements and exchange of information - our obligations to international practices, to provide for the establishment of the Uganda Anti-Money Laundering Act and for other related matters.

Mr Speaker, on 14 February 2005, Uganda underwent an evaluation by the World Bank to assess her regulatory framework on anti-money laundering and combating the financing of terrorism. The World Bank report highlighted several weaknesses in Uganda’s anti-money laundering and combating financing of terrorism laws, systems and structures and made recommendations on the actions that Government should implement to address these weaknesses. This particular Bill is to address these weaknesses.

Mr Speaker, the committee has studied this Bill and is ready to report to this House. I beg to move.

**THE DEPUTY SPEAKER:** Thank you. Honourable members, this Bill was first brought in January 2016, in the Ninth Parliament. However, the business was saved by Parliament so that this Parliament can have it reprinted and on 15 November 2016 it was referred to the committee and the committee is ready to report.

4.01

**THE CHAIRPERSON, COMMITTEE ON FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Mr Henry Musasizi):** Thank you, Mr Speaker. As you have stated, this Bill was referred to the Committee on Finance, Planning and Economic Development, in November 2016. We are now ready to report back as the rules require.

Mr Speaker, before we present our report, we would like to lay on the Table the materials we used in the process of scrutinising the Bill. One of them is the hard copy of the report by the committee. I beg to lay it on the Table.

**THE DEPUTY SPEAKER:** Let the records capture that.

**MR MUSASIZI:** Mr Speaker, I beg to lay on the Table a copy of the minutes about the proceedings of the committee in the process of scrutinising the Bill.

**THE DEPUTY SPEAKER:** Let the records capture the minutes

**MR MUSASIZI**: Mr Speaker, since the minister has already introduced the Bill and the objects of the Bill, I beg to straight away go to the committee observations and recommendations.

**THE DEPUTY SPEAKER:** Proceed, Mr Chairman.

**MR MUSASIZI:** Thank you, Mr Speaker. The committee scrutinised the Bill and made the following observations:

i) The Anti-Money Laundering Act was enacted in 2013 following weaknesses highlighted in a report by the World Bank in Uganda’s anti–money laundering and combating financing of terrorism laws, systems and structures and made recommendations on the actions that Government should implement to address the weaknesses.

The Anti-Money Laundering Act, 2013 did not capture developments resulting from the revision of the Financial Action Task Force recommendations in 2012, which, therefore, rendered the Act non-compliant with the international standards on anti-money laundering. The Bill, therefore, seeks to codify these recommendations.

ii) The Bill seeks to establish the Uganda anti-money laundering committee, as a national multidisciplinary committee to comprise of 20 members appointed by the minister, being senior representatives of relevant disciplines from the legal, judicial, financial and law enforcement sectors of Uganda and being persons with knowledge and experience or expertise in matters relating to money-laundering and combating financing of terrorism and related matters.

iii) One of the action areas in the international corporation review group processes is for Uganda to ensure that the Financial Intelligence Authority has operational autonomy and independence. The Eastern and Southern Anti-Money Laundering Group’s (ESAAMLG) high level mission to Uganda in 2014, in their report expressed concern over the powers given to the board under the Anti-Money Laundering Act, 2013.

The mission observed that the board is empowered under the Act to appoint, remove or suspend staff of the Financial Intelligence Authority, give direction to the Executive Director in connection with management performance, operational policies and implementation of policies.

The mission, in their recommendation for medium-term action between September 2014 and 31 March 2015, urged the Government of Uganda to review and amend the relevant provisions of the Anti-Money Laundering Act, 2013, with the view of ensuring the operational independence of the Financial Intelligence Authority. The independence of the Financial Intelligence Authority is a requirement for Uganda’s application for ESAAMLG’s membership.

iv) Currently, the basis to appoint, suspend and dismiss staff is the responsibility of the board. According to the international corporation group report on Uganda, this creates an impression that the Authority has no operational independence. It was recommended that for Uganda to comply with the Financial Action Taskforce requirement, the Executive Director should be provided with the legal basis to appoint, suspend and dismiss staff.

v) Due to the nature of the intelligence operations, it is common practice for Financial Intelligence Units not to have a board. This is done specifically to avoid interference in the operations of the institution, minimise leakages and delays in processing information on money laundering and combating terrorism financing. For example, the Financial Intelligence Units of Tanzania, Malawi and South Africa do not have boards in place. The Executive Director reports directly to the minister. This is in line with the Financial Action Taskforce Guidelines that aim to protect the independence and autonomy of the Financial Intelligence Units to stop money laundering and combat terrorism financing.

Cognisant of the fact that most of the powers exercised by the board are to be given the Executive Director and the multidisciplinary committee, it is imperative that the board be removed to reduce the cost of public administration*.*

Mr Speaker, the committee recommends that the Anti-Money Laundering (Amendment) Bill, 2016 be passed into law, subject to the proposed amendments. I beg to move.

**THE DEPUTY SPEAKER:** Honourable members, that is the motion before the House. The committee has reported. The motion that I now propose for your debate is on the principles of the Bill. I now propose the question for your debate that the Anti-money Laundering (Amendment) Bill, 2016 be read the second time. Debate should start now but let me guide.

The Anti-Money Laundering Act was passed in 2013. The principle of enactment of this piece of legislation was discussed by that Parliament and the law was passed. Reaching its implementation, they discovered gaps. The World Bank made recommendations that some of the issues were omitted. The Financial Action Taskforce recommendations of 2012 were not incorporated in the Act. Therefore, they discovered some gaps and that is why the proposal for the amendment is coming.

If you want to debate why we should amend the Anti-money Laundering Act, 2013, then you can now rise to debate the principles of this Bill. However, if such a debate is not necessary before the actual amendments, then I would proceed to put the question so that we take a decision and go to the committee stage to examine the Bill clause by clause. That is where we are.

Can I put the question for the second reading of the Bill and we move to the committee stage?

4.11

**MR MEDARD SSEGGONA (DP, Busiro County East, Wakiso):** Thank you, Mr Speaker. I also would like to thank my colleagues on the committee. My only observations relate to the observations of the committee from pages 3 to 4 of the report. It says, *“Due to the nature of intelligence operations, it is common practice for Financial Intelligence Units not to have a board.”* Their proposal which seems to agree with the Bill, although it is not in the recommendations, is to abolish the board and instead have a committee. I know that already, there is a committee in place although without statutory backing. I have not seen sufficient justification for the removal of the board, which is supposed to guarantee the independence of the Authority from ministerial interference.

I am aware that they did some benchmarking and have opted to follow some models like Kenya and South Africa, but the most recommended model has been that one of Mauritius, to my knowledge. Why do they seek to remove the board and retain the committee? Their justification seems to be that the board would allow or promote leakage, something I do not agree with. Boards do not do the technical work; they would not get involved in the technical collection of data or information.

I am more worried that if we remove the board from this Financial Intelligence Authority, we are removing all aspects of oversights in terms of the broader management issues. This Parliament cannot appropriate money to be handled by a technical committee. At the same time, we cannot allow the ministry to directly supervise or provide oversight to the Financial Intelligence Authority. I am even more worried that a country like Uganda, without a board to safeguard the Executive Director, is going to have much more interference from the ministers. We have been receiving information that there have been so many appointments in this very Authority arising out of ministerial chits and interference.

By saying “ministerial”, I am not pointing at hon. Bahati who is pointing his finger at me.

I wish to have clarification from the chairperson on how they address the issue of ministerial and other political interferences. Other than that, we are leaving the Executive Director naked and available for political interference –(*Interruption*)

**MR NANDALA-MAFABI:** Thank you very much, Mr Speaker. I would like to thank my colleague, hon. Sseggona, for giving way.

Mr Speaker, first of all, I am a member of that committee. I would like to apologise for not participating in this amendment. However, in 2013 when we were making the law, the reason we put the Authority with a board was to immunise it against interference from the minister and other people. I would like to tell you, honourable colleagues, that this law you are going to pass is very powerful. I do not see people getting interested but it is a law, which will help us in fighting corruption. It is a law which will help us develop our country by keeping away dirty money from our system.

Therefore, when we put the Authority, it was for purposes of creating independence from other organisations of the State. I do not see why we should delete the board. Mauritius is a small country but is even acting like a tax haven. Even dirty money now goes there and then it comes over the ocean and back into the system here. They can put a committee because they are a small country.

However, let other countries copy us as they copied our Public Finance Management Act, the Budget Act and the Parliamentary Commission. We were the first Parliamentary Commission in the region and everybody is coming to benchmark from us. We should maintain the Authority with a board, not a committee -

**THE DEPUTY SPEAKER:** Did you rise on information?

**MR NANDALA-MAFABI:** The information I would like to give is that during our time at the committee, the justification for the board was to avoid interference from other players in the country.

**MR SSEGGONA:** I am grateful for that information. If you look at –(*Interruption*)

**MS NAMBOOZE:** Mr Speaker, I rise to give information to hon. Sseggona specifically in relation to the committee being proposed. When you look at the Bill, the people who are supposed to sit on that committee are: a representative of the Bank of Uganda, a representative of the ministry, a representative Ministry of Internal Affairs and finally you will see that all these are civil servants working under the minister.

Therefore, it is not very easy for people serving under their bosses to again carryout oversight functions over the same ministries they work under.

The information I would like to give is that under clause 138(a) of the Bill, the composition of the committee is of civil servants serving in these ministries, who would ordinarily have less powers over their masters.

**MR SSEGGONA:** Thank you, hon. Nambooze. Mr Speaker, if you look at page 4 of the report itself, it reads from the first sentence, *“Cognisant of the fact that most of the powers exercised by the board are to be given to the Executive Director and the multi-disciplinary committee, it is imperative that the board be removed to reduce on the cost of public administration.”*

Now the board traditionally does work that is different from the technical officer who is the chief executive officer and is supposed to be supervised by the board. The report is saying that the powers of the board be given to the executive director and then to the committee. I am concerned; how are you going to insulate the same man you are empowering further?

Secondly, you are bringing the committee constituted by people from within the regulated sector - the institutions - from the banks, insurance, all supervised by the same minister. You are more or less empowering the minister to appoint his supervisees to come and do the work for him. In other words, you are surrendering the authority to the minister himself. I am concerned that the committee seems not to have addressed its mind to these very important and compelling considerations. I need clarification.

4.19

**MR RAPHAEL MAGYEZI (NRM, Igara West County Bushenyi):** Thank you very much, Mr Speaker. We are discussing principles before we go into the details of the Bill. My concern is on the human resource management system and procedures we would like to establish for this unique situation.

Mr Speaker, we have the Minister of Public Service here who can guide us on any similar situation where we have the executive director with the powers to appoint, promote, discipline and dismiss staff except him or herself. This is going to be a very big executive director who reports directly to the minister.

With such an executive director, the rationale for a committee is difficult to justify. I think he becomes the owner. He hires, fires, and promotes you responding or reporting directly to the minister. Why, honourable chairperson, are you supporting the idea of a committee which is not a board which is so weak?

Mr Speaker, we need to look at this a little bit in detail. We must remain consistent. If we want to fight corruption, you cannot establish a structure which gives all sorts of powers to the same manager; financial management, human resource management, all the assets and everything in the hands of this unique office. I think we need to go back and see why we are removing a board, an authority, a committee with a strong mandate establishing a committee which is very weak.

Honourable chairperson, can’t this committee be given the mandate to recruit and discipline staff including the executive director? Now if the executive director is simply appointed by the minister and is also dismissing and recruiting on his or her own, then the whole structure now belongs to one person, the minister. Thank you, honourable chairperson.

4.22

**MS LOYCE KATALI (NRM, Woman Representative, Jinja):** Thank you, Mr Speaker. I have listened to the concerns of members and I must say that we all had such concerns at the time this Bill was presented to the committee. We benchmarked in Tanzania and we found out that in South Africa and Malawi, they do not have boards but have committees.

The reason is that according to practice, they look at a board as a way - when you have a board, they think the Authority will not be independent. That is why most of these intelligent units - actually they are units under the ministry of finance and not authorities - may be Uganda is a unique case. It was against that background that we agreed to come up with a committee which is created for coordination purposes.

As hon. Nambooze said, article 138 clearly gives different members supposed to be at the committee. Also when you look at the other side, if you have a committee that is supposed to do the coordination and then you have a board, there may be conflict of interest.

In Uganda’s case, we know that boards normally interfere with operations of the institution. May be it is against that background – just like they look at politicians who are politically exposed persons whom they do not expect to be anywhere near this hierarchy. Most of the board members are either politicians who retired or did not make it back to Parliament. Thank you.

4.24

**MR HERBERT ARIKO (FDC, Soroti Municipality, Soroti):** Mr Speaker, I thank you. I would like to tackle the element in support of the proposal by hon. Medard Sseggona on the issue of the technical committee. A technical committee is comprised of very busy senior civil servants. For them to avail their time - because this is an intelligence agency - we need people who have time that they will commit to follow up on some of the issues that are pointed out. Most of the time, when we constitute heads of the different ministries and other agencies, then they are probably unlikely to commit sufficient time to this work.

Mr Speaker, the element of saying that they are cutting the cost of public administration is basically nugatory. Why? When I was in the Ministry of Public Service, I was secretary to the Inter-Ministerial Task Force on the Payroll Management. We were constituted from the various ministries - ministry of local government, education, finance, public service and the like.

We never used to sit on this inter-ministerial committee for nothing. We were paid honoraria, which also out of this number, I know my colleague the Minister for Public Service is here - and you know very well that somehow, one way or the other, these technical people will still be paid a certain compensation for the work that they will do in this Authority. Therefore, these allowances whether we like it or not, will come to pass.

Mr Speaker, what the vice chairperson raises regarding the board or the committee being politicians, I think it is upon this Parliament and also the appointing authority to look into the qualifications, the requirements in terms of education, experience, moral standing, ethics and credibility of the people to go here. If in the wisdom of the appointing authority, a politician may not be able to do a good job, Uganda is not deficient of people to sit on this board.

If also the appointing authority deems it fit that a certain politician who is not active today has the moral standing, the requisite qualifications and experience to be in this authority, so be it because these are still Ugandans. I thank you, Mr Speaker.

**MR AYO:** Thank you very much, Mr Speaker. I would like to seek clarification from the chairperson of the committee. In the committee report on page no.3, item no.4, it is stated that we are not compliant because there is no board to oversee the operations of the authority – the Anti-Money Laundering Authority. We are here trying to choose between keeping the board and amending the law to remove the board from overseeing the operations of the executive director.

If we push it back again with the board still in place, will that not be considered non-compliance and won’t it still come back to Parliament? Don’t we have a way out to deal with this situation, Mr Speaker? I see us going back to square one to when the Bill was passed and that is what we want to do today. That is the main purpose of bringing this Bill back for amendment.

4.33

**MR ATKINS KATUSABE (FDC, Bukonjo County West, Kasese):** Thank you very much, Mr Speaker and thank you chairperson, for that constructive submission. Basic legislation mandates that every law that is enacted by Parliament specifically points out the rights, the duties, responsibilities, obligations, accountability and standard procedures and mechanisms applicable to the required law.

I have a series of operational predicaments or problems pertaining to this Bill and one of them is that it does not clearly show how the outcome, output and impact of this Bill will be monitored and evaluated.

Secondly, the reporting process is not clear and yet this Parliament is supposed to put in place a check system so that the designated agencies of Government should be able to provide feedback to this Parliament. The reporting process is not clear in that Bill.

My third operational observation is how the effects will translate into action and how that action will be managed. And lastly, Mr Speaker, is what you are familiar with; the force of law. We are looking at the Bill, we have the preamble, we see the definitions; we see declaratory statement of intent. This Bill does not point out clearly what exactly we have – the force of law. At this point in time, I would encourage the chairperson and his committee to look into those observations. Thank you very much, Mr Speaker.

4.33

**THE CHAIRPERSON, COMMITTEE ON FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Mr Henry Musasizi):** Thank you very much, Mr Speaker. As a background, the Financial Intelligence Authority’s main work is to receive, analyse and disseminate information on suspicious transactions to the enforcement agencies.

In the process of executing this function, the standards require that this institution has due independence. I have a background of having fully participated in the processing of the Anti-Money Laundering Act, 2013.

From the arguments we are getting, we seem to be going back to where we were in 2013. As hon. Tonny Ayo pointed out, the issue now is whether to amend this law or go back to the status quo *– (Interruption)*

**MR NANDALA-MAFABI:** Thank you, honourable chairperson, for giving way for me to give this information. This law was brought in Parliament on 6January 2016. The elections were in February, 2016. In our country, when you see something disadvantaging you as the incumbent, you bring a law. If you look carefully at the law, it deals with terrorism funds and financing political activities. There was heat here during the previous election and that was the purpose for it – they wanted a law to quickly deal with that matter. Now that the heat has gone down, we need to do the law with sober minds.

I would like to plead with you, Mr Chairman; you are a very intelligent person and a qualified accountant, like hon. David Bahati. You are in the same group and of course I am your senior in that area *–(Laughter)–* in that regard, we need to look at this further and see if we need to amend the law now or is it necessary for only the committee *–(Interruption)*

**THE DEPUTY SPEAKER:** No, the Member has risen on information – no, the person holding the floor is the chairperson.

**MR BAHATI:** Thank you very much, hon. Nandala-Mafabi. It is important that we look at this Bill in totality. The clauses that we are amending are not only on the board vis-à-vis the committee. Mr Speaker, there are other important clauses in the Bill which we should look at. Therefore, the line of hon. Nandala-Mafabi that we need to look at it as if we have actually not looked at it – the committee has been with this Bill for almost two months and they have done good recommendations.

Therefore, when we reach the committee stage, we can see which amendments are needed and those that we can amend but I think we should go ahead and look at the Bill.

**MR NANDALA-MAFABI:** Thank you so much, hon. Bahati. I have not said that the committee has not done a good job. Hon. Katusabe is speaking of reporting methods and others because he does not have the main law.

The information that I was giving my committee chairperson should be taken in good faith and I know that you have institutional memory. Let us work together and see that we do a good job.

**MR MUSASIZI:** Thank you, honourable member. Mr Speaker, the observation that I would like to make is on the committee vis-a-vis the board.

When we asked the standard setters and the institutions that oversee combating of money laundering in the world and specifically Africa what they were interested in between the board and the committee in order for this law to pass the bench marks, the answer was that the committee is acceptable. They went ahead to tell us that if we are to have a board, so be it but the board has nothing to do with implementation of the law on anti-money laundering *–(Interjection)–* I will take the clarification.

**MR SSEGGONA:** I thank my colleague for accepting to clarify. One of the things that the committee chairperson has said is informing the process of bringing the Bill to the committee is independence.

I would like to seek clarification from him; independence against who? If you are talking about independence, my understanding would be that in the performance of their functions, they are not interfered with and that is the first.

Secondly, you are talking about independence when the same minister who appoints the board is appointing the committee from his own people, who are the sectors and institutions that he supervises.

Thirdly, clarify to me any Authority that you are aware of whose composition is the Executive Director and staff. We have been dealing with boards and authorities before like Uganda Revenue Authority and Kampala Capital City Authority among others.

The committees are the committees of the board and those are the ones that we are dealing with and you are telling me that for the first time, we are going to deal not even with a committee but the executive director and then the committee of technical people.

I wish to know from the committee what kind of Authority you are envisaging and you are telling us that the executive director is given all these powers to hire, discipline and fire among others and he or she is not supervised. The only supervisor is the minister and you are telling me that that is what amounts to independence.

I am yet to come across a vocabulary of independence that means dependence.

**MR MAGYEZI:** Further clarification. Help me understand – we have other bodies which are independent in law for example the Electoral Commission. There is a commission which takes policy decisions and there is a Secretary to the Commission who reports to that commission and not to the minister.

Certainly the commission is under the Ministry of Justice and Constitutional Affairs but talking of autonomy of body – help me understand this one – which one is more autonomous? A body with a board, a commission or an authority that is in charge of policy or a body with a committee which is not as strong as this board.

You are telling us that the international evaluators said that we could as well have a board so long as the board is not involved in technical implementation. Fine, why don’t we go with that? We have a board that is the overseer in charge of policy, recruitment and so on but then the technical implementation is under the executive director and some committees that could be constituted for technical implementation.

However, to remove the board and you are talking of an independent authority under the minister, then who are they independent of? I need clarification.

**MS ALUM:** Thank you so much. In relation to that, I would like you to clarify; we are talking about dropping the board and having a committee of 20 members and the executive director. In your report, you have said that dropping a board would reduce on leakages and time needed to address issues of intelligence.

I would now like to know; with a 20-member committee and the executive director vis-à-vis the board, which one will lead to more leakages and wasting of time? I would like your help as far as that is concerned.

**MR NAMBESHE:** Thank you, Mr Speaker. I also have issues with a number of proposals that some of the colleagues have actually had a take on for instance the executive director having those excessive powers to exercise disciplinary function on the staff, appoint, hire and fire.

Procedurally, I see that these specific amendments would be exhaustively handled when we are at committee stage. Therefore, wouldn’t it be procedurally right to have these specific amendments taken on during the committee stage?

**THE DEPUTY SPEAKER:** For you to go to committee stage, you need to take a decision on motion for second reading of the Bill. We have not taken that motion. We are debating that motion and that is what is moving right now.

The issue of principle that has come out is clear. Why take out a board and put a committee? Why do we have this Executive Director who is all powerful and mighty? That is the debate on the principle that we are carrying out now.

Once that is agreed upon, then we go to the actual provision of the law. There are issues of principle here and that is why they are asking these questions.

**MR MUSASIZI:** Mr Speaker, I find much substance in the submission by hon. Raphael Magyezi. He has brought out the idea of having a board responsible for managing policy issues within the authority and then we have a committee responsible for the technical areas in regard to combating money laundering activities.

And, Mr Speaker, if this proposal is adopted by the House, my view is that the issue of having the executive director responsible for hiring and firing of staff collapses and we shall find a way of addressing it. Thank you, Mr Speaker.

**THE DEPUTY SPEAKER:** Thank you very much. Honourable members, in the public gallery this afternoon, we have students and teachers from St Peter’s Primary School, Koola in Mukono. They are represented by hon. Kusasira Peace and hon. Nambooze Betty of Mukono District. They are here to observe the proceedings; please join me in welcoming them. You are welcome. *(Applause)*

Honourable members, we seem to be making headway. And let me just summarise the issue of the report and then we see how to move with hon. Nandala.

Honourable members the issue that is raising debate is the board or the committee. And we are basing the proposals for the amendment of this law on reports of people who have looked at it after it was passed. We have cited the World Bank; the Financial Action Taskforce recommendations of 2012, which we say were not incorporated in the law that was passed in 2013.

We are also citing the International Cooperation Review Group and none of them talks about boards or even committees. And they have made recommendations which I am sure are captured in other parts.

The only group that talked about the board – and only in relation to the powers of the board – not its existence – is the Eastern and Southern Anti-Money Laundering Group, which expressed concern over the powers given to the board – not its existence.

Now, we are using this to make a justification for the removal of the board; I need the chairman to come out clearly to help us because if you are relying on this intervention from other people who have maybe seen this thing more and have pointed out some weaknesses – and the only weakness about the board is on the powers of the board on hiring and firing people, is this the best way to harmonise it by removing the board and things like that? This will enable us move quickly and finish this Bill.

**MR MUSASIZI:** Mr Speaker, if I can refer you back to the debate in 2013, our committee then proposed to have a board and a technical committee as well. The idea of having a board was passed by this House and the idea of having a committee was rejected by this House. And immediately after this law was assented to, it was subjected to review – *(Interjection)* – by the Financial Action Taskforce; and they made recommendations accordingly.

So, Mr Speaker, we need to move cautiously because – *(Interruption)*

**MR MEDARD SSEGGONA:** Mr Speaker, you have asked a specific question to the chairperson: Where they get this idea from. And secondly, the chairperson is instead telling us that after Parliament rejecting the idea of the committee, somebody else sat somewhere and reviewed our decision and that precipitated the bringing of this Bill.

And finally the chairperson is telling us that some group sits somewhere and says it is not a good idea to have a board yet Parliament in its wisdom held that we should have a board. Is he in order to avoid your question so that we could go forward? *(Laughter)*

**THE DEPUTY SPEAKER:** Chair, please.

**MR MUSASIZI:** Thank you, Mr Speaker. I was concluding that we need to move cautiously with a view to enacting a law that passes the benchmarks as required by the Financial Action Taskforce. And our prayer, Mr Speaker, is that we –*(Interjection)* Can I hear from my senior, hon. Mafabi?

**MR NANDALA-MAFABI:** Thank you, my chair. The information that I want to give my chair is this: The Anti-Money Laundering law was talked about from 2002 and I remember by then my brother, hon. Byabagambi was not a minister and was one of the agitators for that law. Now, the law took over 10 years until it came to the Floor. When it came, one of the conditions that the World Bank, the IMF and other financial institutions were insisting on was that unless a country enacts the Anti-Money Laundering law, they would not do business with that country; and immediately we enacted it, everybody was happy; the World Bank and the IMF.

And I remember that my brother, hon. David Bahati was part of the process of this law; he participated seriously and the majority of the ideas therein were his. Now, I do not know when he got an idea to change.

So the information I want to give my brother is that we made a good law; what we would do is to add what we could because the purpose of the committee which we are now suggesting is that Bank of Uganda – there is no transaction in this country which goes on without Bank of Uganda knowing.

And Mr Speaker, at an appropriate time, I have a document that you will allow me to lay on Table about Anti-Money Laundering after giving information.

So Bank of Uganda has not been stopped from doing its work; ISO has not been stopped from doing its work, the Inspector General of Police has also not been stopped from doing his work – all those were mentioned as bodies that would work with the Financial Intelligence Authority.

If the Authority feels that they want to form a committee, we can put a clause that says that for purposes of performing their duty, they are free to establish committees to assist them to work. So if they feel that this committee is very important they are free to establish it because we put it there – and it is one of our items. In fact we are waiting for the regulation on how to operationalise that.

So we should not get worried; let us have the board because we also gave the board some functions. If I disagreed with some people in the Authority, I can go to the board; from there I can go to the minister and then from the minister to court – those were the provisions we laid down because somebody can come up with that.

So my chair, we do not need to fight on this; let them form as many committees as they can.

So, Mr Speaker, at this time I want to give this document to my chair. I want to lay it on Table; it is dated 20 August 2015. And if you have been to the bank of late, they ask you for the source of funds – those who have been there. The reason they ask for that is because they discovered that people were putting in money without telling the source of that money.

So on 20 August 2015, one Stephen Asiimwe, of Account No. 9030000369909 in Kampala and cash centre in Stanbic and one Johnson Teyabaze of Telephone No. 0782442213 banked cash of Shs 1,503,300,000. and the bank raised an item and said “do not capture” yet, it was already stamped. They sent this to the Financial Intelligence Authority executive person but up to now, no action has been taken. As we speak now, many people are watching and gathering more formation about this.

Therefore, Mr Speaker, I would like to lay this on the Table and give a copy to the chairman why –

**THE DEPUTY SPEAKER:** What is the document about? Honourable, you know the rules.

**MR NANDALA-MAFABI:** Mr Speaker, I have not understood you well; pardon me.

**THE DEPUTY SPEAKER:** What is contained in that document, which you would like to lay?

**MR NANDALA-MAFABI:** Thank you very much, Mr Speaker. I would like to lay on Table a document numbered from Stanbic Bank, which is called cash deposit with a stamp of Kampala Cash centre Stanbic dated, 20 August 2015, bulk teller no. 10 in the name of Stephen Asiimwe. This Asiimwe happens to be the Resident District Commissioner (RDC) of Fort Portal. I would like to inform you that we will get more information concerning this because I have got more documents with me.

Therefore, Mr Speaker, that is the document, which I would like to lay so that my chairman gets know that the matter we are talking about –(*Interruption*)

**MR KIYINGI:** Thank you, Mr Speaker. The paper I am holding here is a deposit receipt but the person here was the former RDC Kabarole District.

**MR NANDALA-MAFABI:** Mr Speaker, the reason we want to have the Authority and we want to agree with the Member of Parliament from Soroti Municipality, most of these people might fear the RDC or they will need an authority or another person to deal with this. That is why I would like to give it to my chairman and also lay a copy of it on the Floor of the House.

**THE DEPUTY SPEAKER:** No, honourable member, I do not think that we will take a copy of that document because it is not one of those documents that can be laid on the Table. However, you can give the chairman a copy for him to look at. *(Laughter*)

**MR NANDALA-MAFABI:** Okay, Mr Speaker, I will not lay it; I will give my chairperson a copy.

**MR MUSASIZI:** Mr Speaker, much as I have not looked the document, I suspect this is evidence of one of the suspicious transactions, which the Financial Intelligence Authority receives, analyses and disseminates to the law enforcement agencies. I believe we have done and given this debate the necessary time it requires and I beg that we move to the next stage and sort out the uncleared issues from there.

**THE DEPUTY SPEAKER:** Honourable Members, the proposal, which is at the -

5.00

**MR EDWARD OTTO: (Independent, Agago County, Agago):** Thank you, Mr Speaker. My first concern which is a little bit different from the matter that has been discussed is with respect to sub- section 5(9) which purports to –

**THE DEPUTY SPEAKER:** No, concerning that we will deal with it at committee stage. When we reach there, that matter can be raised.

5.01

**MR GASTER MUGOYA (NRM, Bukooli County North, Bugiri):** Thank you very, Mr Speaker. There is a matter, which I thought was very crucial because we wanted to know with precision and certainty how this amendment was brought into law. I was looking at the Financial Action Task Forced Guidelines and particularly, the paper that was delivered around 2012 with the intention of promoting Anti-Money Laundering (AML) and counter terrorist financing standard.

I would, therefore, like to quote in the first paragraph in the executive summary for the Members to understand why hon. Sseggona is coming up with such brilliant idea that we should not have an executive director with all if not unlimited powers. It reads: “*The promotion of well-regulated financial systems and services is central to any effective and comprehensive AML and CFT regime*. *However, applying an overly cautious approach to the AML and CFT safeguard can have the unintended consequence of excluding legitimate businesses and consumers from the financial system*.”

It says further that*, “therefore, the AFTF prepared a guidance paper to provide support to countries and their* *financial institutions in designing measures that meet the national goal of financial inclusion*.” So, it is not mandatory and that is why it goes further to say, “…*without compromising the measures that exist for the purpose of combating crime*.”

Therefore, the report we are seeing today is not persuasive. What we have on record in form of a law is what we need to concretise. That is why it says the main aims of the document are to develop a common understanding of this standard that are relevant when promoting financial inclusion and lay out the flexibility that the standards offer and this is what hon. Sseggona is saying. In particular, regarding the risk-based approach and therefore, enabling jurisdictions to crack effective and appropriate controls.

Therefore, we are not bound by these guidelines; we are only persuaded either to import and domesticate them and see what is appropriate within our domestic legal regime. That is my humble submission.

**THE DEPUTY SPEAKER**: Thank you. We were sufficiently guided on this motion for the second reading of the Bill. I now put the question that The Anti-Money Laundering (Amendment) Bill, 2016, be read the second time.

*(Question put and agreed to.)*

BILLS

COMMITTEE STAGE

THE ANTI-MONEY LAUNDERING (AMENDMENT) BILL, 2016

Clause 2

**MR MUSASIZI:** Mr Chairman, we propose to amend clause 2 as follows:

1. In sub clause (2)(b), by deleting the words “two thousand” and substituting them with the words “five thousand”.
2. In sub clause (3)(a), by deleting the words “identity and”
3. In sub clause (4)(a) by deleting the word “voters cards” appearing in the fourth line and substituting them with the words “national identification card.”
4. In sub clause (7) (c), by deleting the word “higher” appearing in the last line of the clause and substituting it with the word “high.”
5. By inserting a new subclause (e) immediately after subclause (8) (d) to read as follows: “(e)Obtain written approval from the central bank before establishing a new correspondent financial institution relationship.”
6. In subclause (29)- (a), by deleting the words “three thousand four hundred” in the second line and substituting the words “five thousand.”

b) By deleting the words “two thousand two hundred” in the third line and substituting with the words “five thousand.”

The justification, Mr Chairperson, is that:

1. The word “verify” is more comprehensive and appropriate to use. This, therefore, makes the word “identify” redundant. Verification entails obtaining details for identification.
2. The National Identification Card is more legitimate than a voter’s card and as such, should be used for identification purposes.
3. To require the approval of the central bank before establishing new correspondences with financial institutions in regard to cross border correspondent banking.
4. To increase the amount on which the accountable persons are required to take reasonable measures aware that Uganda runs a cash economy.

**THE DEPUTY CHAIRPERSON:** Thank you. Honourable members, that is the amendment proposed.

**MR SSEGGONA:** Mr Chairman, we seem to be proceeding without quorum. I would invite you to ascertain this.

**THE DEPUTY CHAIRPERSON:** I was hoping that hon. Sseggona, having done what he tried to do and did not succeed should have now joined the spirit of - honourable members, a matter has been raised in terms of the constitution of the House. So, let us see what to do.

MOTION FOR THE HOUSE TO RESUME

5.11

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PLANNING) (Mr David Bahati):** Mr Chairperson, I beg to move that the House do resume and the committee of the Whole House reports thereto.

**THE DEPUTY CHAIRPERSON:** Honourable members, the motion is for resumption of the House to enable the committee of the Whole House report. I put the question to that motion.

*(Question put and negatived.)*

**THE DEPUTY CHAIRPERSON:** But, honourable members, what is the desire of this House? Do we proceed or not?

**MR SSEGGONA:** We proceed in accordance with the rules.

**MR BYABAGAMBI:** Mr Chairman, I need your guidance on this because here we need a simple majority. *(Interruption)*

**MR SSEGGONA:** Mr Chairman, my issue of procedure has not been resolved. How can a Member rise up to seek guidance?

**THE DEPUTY CHAIRPERSON:** The procedural point raised by hon. Sseggona has been resolved. We asked the House to resume and that is where we are. I am going to put the question again because hon. Sseggona himself has said “no” to resumption of the House. If the Member is saying there is no quorum, I am now asking the House to resume so that we can resolve that issue but the same Member, who has raised the matter, is voting “no” loudly. Therefore, how do we proceed? *(Applause)*

He does not want the House to resume and yet he says the House has no quorum. He is also now saying that his procedural matter has not been resolved. *(Laughter)*

**MR BYABAGAMBI:** Mr Chairman, according to your ruling, the procedural issue from the honourable member was resolved.

**THE DEPUTY CHAIRPERSON:** No, I was in the process of resolving that issue.

**MR BYABAGAMBI:** Can I now seek the guidance, Mr Chairman?

**THE DEPUTY CHAIRPERSON:** Honourable members, there is a motion for resumption of the House to enable the Committee of the whole House report to the House. I will put the question to that motion.

*(Question put and agreed to.)*

REPORT FROM THE COMMITTEE OF THE WHOLE HOUSE

5.15

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PLANNING) (Mr David Bahati):** Mr Speaker, I beg to report that the Committee of the whole House has considered the Bill entitled, “The Anti-Money Laundering (Amendment) Bill, 2016” and considered clause 2 without passing it. (*Laughter)*

**THE DEPUTY SPEAKER:** Without decision.

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

5.16

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PLANNING) (Mr David Bahati):** Mr Speaker, I beg to move that the report of the Committee of the whole House be adopted.

**THE DEPUTY SPEAKER:** Honourable members, the motion is for adoption of the report of the Committee of the whole House. I put the question to that motion.

*(Question put and agreed to.)*

*Report adopted.*

**THE DEPUTY CHAIRPERSON:** Honourable members, this House should go on recess on Thursday and the businesses before us are many and important. If I suspend the House for the purposes of this Bill, we will have some challenges. Can we deal with other reports with other items on the Order Paper, which we can take decisions on and then, we see how to move instead of rising now.

I will ask the respective whips to do their job and then tomorrow afternoon, we can deal with these matters that require a certain number to be present. We cannot start tomorrow in the morning because the Cabinet sits on Wednesday mornings, so, we will not be able to start in the morning.

**MR BYABAGAMBI:** Thank you, Mr Speaker. I need your guidance on this voting machine. First and foremost, I know very well that this Bill can be passed by the simple majority according to our Rules of Procedure. The machine here is showing that the quorum we have here in this House is 150 Members –(*interjections*) - wait; the machine is very clear. You clock in and you clock out. If this machine is accurate, we have 150 Members here who constitute a third of the House. Therefore, we can deliberate on the issue.

The guidance I want to seek is, what do we follow now having adopted new technology? The quorum, which is already shown on the screen or we resort to the old rules and regulations of counting the heads and we discard the new technology? What is the use of technology of being on the Floor here?

**THE DEPUTY SPEAKER:** Honourable members, our rules are clear that decisions are supposed to be taken by a quorum of this House, and the quorum of this House is the Members present and voting. Presence is not by proxy, it is by physical presence in the House.

It does matter what other documents or equipments say, it has to be what we see in the House. I think that we will deal with this tomorrow, which is why I am saying that the whips should help us tomorrow - we should finish with these business honourable members but let us do that tomorrow. For now, there is business that we can handle. Can we handle those honourable members?

**MR NANDALA-MAFABI:** Thank you, Mr Speaker. When the hon. Byabagambi, the Engineer, in charge of Karamoja stood up, I thought that he was going to say something of sense and interest. *(Laughter)*

**MR BYABAGAMBI:** Mr Speaker, hon. Nandala Mafabi first said that I am a minister for Karamoja affairs. He added on that I am an engineer, which is true - a highly qualified chemical engineer. Is the honourable member Nandala Mafabi, Secretary General of FDC in order to insinuate that a highly qualified person like me can talk nonsense? Is he in order?

**THE DEPUTY SPEAKER:** Honourable member, I do not think that I am qualified to conclude what the honourable member was going to say. He had not quite finished what he was going to say. From the statement he had said, we do not know how it was going to continue.

It is, therefore, difficult for me to rule in anticipation *(Laughter)* but if he continues the way he was submitting, I will rule him out of order. Please, let us see if he is continuing that way.

**MR NANDALA-MAFABI**: Thank you, Mr Speaker for reading my mind. This is my brother, he is a chemical engineer. He deals in chemicals.

The procedural I am raising is those numbers. People come, clock in and enter but there is no machine, which will read that the person has gone out. If you do not clock in that you have exited, your number will remain there.

The procedural issue I am raising is, is it procedurally right to rely on a machine which only notices entry and does not notice exit, if you have not put a finger print? A whole engineer who has gone to school says that I was wrong to raise that issue. (*Interjections*) We are not engineers but mathematicians. I am told that he is also an ICT expert. Is he in order to tell us that we should rely on that?

**THE DEPUTY SPEAKER:** I thought that I had ruled on that matter. I am sure you may not have heard but I ruled on it. Can we move on with the other business on the Order Paper, please?

MOTION SEEKING LEAVE OF THE HOUSE TO INVESTIGATE THE ALLEGATION OF TAX EVASION IN THE STEEL INDUSTRY IN UGANDA

**THE DEPUTY SPEAKER:** Can we receive this motion? Where is the honourable member for Bukooli? - Mr Chairperson, we will handle your matter tomorrow. Thank you.

5.23

**MR GASTER MUGOYA (NRM, Bukooli County North, Bugiri):** Mr Speaker, thank you. I am very much prepared with the motion however, I do not see one of the seconders. Hon. Bigirwa has visitors from the oil and gas sector in her Constituency and will not be here. Hon. Ssekikubo is doing oral exams at the Law Development Centre. We are, therefore, seeking your permission to allow us have this motion presented tomorrow. We so pray.

**THE DEPUTY SPEAKER:** Honourable members, is there a member that can support this motion? This is a motion seeking leave of the House to investigate serious allegation of tax evasion. Well, let us handle it as requested. Okay, we will handle it tomorrow. Let us have the next item.

**MR MUGOYA:** Thank you very much.

MOTION FOR ADOPTION OF THE REPORT OF THE COMMITTEE ON PHYSICAL INFRASTRUCTURE ON THE STANDARD GAUGE RAILWAY AND LIGHT RAIL TRANSIT

**THE DEPUTY SPEAKER:** Honourable members, this report was presented to the House and I proposed the question for the debate. No sooner had we started the debate than we stayed it to enable - I think the Chairperson had finished your presentation. The Chairperson had finished submitting and the report was received. I even proposed the question for the debate.

Honourable members, you will recall that there was an inquiry on this same subject by a committee of the Ninth Parliament and I had guided that we would allow the Chairperson to brief the House about what transpired when they did that investigation in the Ninth Parliament. If hon. Ssekitoleko were here, this would be the time for him to brief the House about what transpired but he is not here. We can go ahead and debate, that is if we are ready to debate.

5.26

**MR ELIJAH OKUPA (FDC, Kasilo County, Serere)**: Mr Speaker, I am a member of that committee. May I plead with the Members who are not part of that committee that you allow our Chairperson to give an executive summary to refresh those that are not Members? Otherwise, we are just going to pass it without any debate because, we the members who are knowledgeable are not allowed to debate. That is my request.

**THE DEPUTY SPEAKER:** No, honourable member, I do not agree with you. Otherwise, every time we pose debate, we will be re-introducing the debate. This matter was presented very eloquently by the Chairperson. Let us debate, please. If there is no debate, I put the question for adoption.

There is a debate from Mbale Municipality, let us proceed. How long should each member take?

If there is no debate, I will put the question for adoption. There is debate from Mbale Municipality. Let us proceed. How long will each Member take?

**MR OKUPA:** Mr Speaker, on the procedural part of it, the other aspect is that our sector ministers should have been here to respond but I do not see them here. The issues of the Standard Gauge Railway are very dear to this country and this country deserves to know more about what is going on, what mistakes have been made and how we should rectify them. Now that they are not here – we do not see UNRA here; we do not see the ministers here. I do not know how we are going to proceed on this matter, Mr Speaker.

I am saying this passionately because there are things we have found out where we needed a minister responsible to come here and explain and let the country know. We do not want a situation we are just going to pass things and they mess it up, eat up the money and no responses are given to this country.

**MR BYABAGAMBI:** Mr Speaker, I am bound to support hon. Okupa because the Minister of Works and Transport is not here, yet he has to give a rebuttal of what is contained in the report. I have read the report and the good thing is that the institutional memory I have is enough to handle the report if I were the Minister of Works and Transport. However, since I am no longer in that sector, I think it would be prudent enough to wait for the Minister of Works and Transport to handle the report. Thank you very much.

**THE DEPUTY SPEAKER:** Next item.

MOTION FOR ADOPTION OF THE REPORT OF THE STANDING COMMITTEE ON HIV/AIDS AND OTHER RELATED MATTERS ON THE STATE OF THE HIV/AIDS RESPONSE IN UGANDA

**THE DEPUTY SPEAKER:** Chairperson? Next item.

MOTION FOR ADOPTION OF THE REPORT OF THE SECTORAL COMMITTEE ON EDUCATION AND SPORTS ON THE STATE OF UNIVERSITIES IN UGANDA

5.29

**THE CHAIRPERSON, COMMITTEE ON EDUCATION AND SPORTS (Ms Connie Nakayenze):** Thank you, Mr Speaker. I will present this report in accordance with Rule 177(a) and (e) of the Rules of Procedure of Parliament.

Mr Speaker, on the premise that education is a central pillar in Uganda’s development agenda, this report assesses the current state of university education in Uganda, focussing on progress, challenges, opportunities and recommendations on reforms necessary to achieve the development goals of the country.

Mr Speaker, as you are already aware, over the recent past, there has been overwhelming outcry from the public, the academia and policy makers about the quality of higher education, particularly universities. Of grave concern have been the high numbers of students seeking university education and the limited places available in our universities; the increasing number of strikes in universities; the emergence of private actors and the weak enforcement of the existing university regulatory framework.

The report is presented in three parts and the introductory part is as follows:

As a developing country yearning for transition to a middle-income economy, Uganda has chosen education as one of its key priority sectors to achieve this development goal. A number of policies have been initiated to increase literacy and strengthen the role of education in development.

Uganda’s education policy framework is guided by the Government White Paper on education of 1992 and complimented by the sectoral policies and international commitments on education.

Mr Speaker, on the premise that education is a central pillar in Uganda’s development agenda, this report assesses the current state of university education in Uganda, focusing on progress, challenges, opportunities and recommendations that are necessary to achieve the goal.

Context and Background

Over the recent past, there has been overwhelming outcry from the public, the academia and policy makers like I have said above. However, the proliferation of universities has created a number of challenges that have drawn the attention of the committee to higher education sector as an area of interest for its oversight activities. The quality and availability for professionals both for content delivery and university management, quality assurance, physical infrastructure deficiencies and the quality of graduates coming out of universities and the ability of universities to respond to dynamic needs of society leave a lot to be desired.

The issues above require an appropriate Government policy response. This assessment report, therefore, is intended to open up policy discussions on Uganda’s higher education by the House and generate recommendations for reforms.

Objectives

The primary purpose of this report is to present an assessment of the state of university education in Uganda with a view of identifying the key signals and trends shaping its development, the challenges facing the sector and recommendations of some policy interventions needed to save the sector from a potential collapse scenario.

Specifically, the report seeks to;

1. assess the strengths and weaknesses of our university education.
2. identify the challenges facing our university education, signals and trends shaping development in the subsector, and
3. make recommendations for reforms in the university education.

Methodology

Mr Speaker, Members who have the uploaded report will get to know that we have methodology numbered from (a) up to (e). However, let me get to the presentation of findings and recommendations.

Findings and Recommendations

Mr Speaker, the committee findings are presented in three parts. The first part is the thrust of Uganda’s policy for higher education.

5.1 Policy Focus and Funding Priority

Mr Speaker, in the 1960s and 70s, the agenda for university education in Africa was to develop the specific skills that the independent countries needed to emerge economically and join the community of progressive independent nations of the world. That focus was human resource development in the various scientific, administrative and humanities fields. That high priority objective required significant resources. As such, governments made funding universities a priority.

Universities engaged in research funded by Government resources and the best students leaving high schools accessed university education at Government expense. The other students would be absorbed in other tertiary institutions to pursue diplomas or certificates to strengthen their capacities before joining universities. University education was looked at as a key pillar for Africa to progress from political, economic, scientific and cultural independence.

Let me get to higher education in Uganda. I hope Members already have the uploaded one. I would like to get to page 8 where there is geographical inequality in university enrolment.

Geographical Inequality in University Enrolment

The committee would like to draw the attention of the House to a study carried out by Dr Kasozi in 2002, which noted that geographical inequalities for student enrolment at university are wide spread. The study indicated that students at universities from the central region constituted 34 per cent, western 30 per cent, eastern 18 per cent and the northern, 17 per cent. Interactions with students indicated that the problem still persists.

The committee observed that the disadvantaged regions as per the statistics are generally those that emerged from conflicts. While a lot has been done during post-conflict reconstruction in the affected regions, no affirmative action akin to what exists today with respect to gender disparity has been put in place for these regions in higher education.

The committee recommends that Government considers putting in place polices to address the geographical inequality in university enrolment.

5.4 Demographic Pressure

Uganda has one of the youngest and fast-growing population in the world. Ugandans aged between 0-14 years, constitute 48.1 per cent of the population and those aged 15-24 constitute 21.2 per cent of the population as per CIA 2014. This means that 60.3 per cent of Uganda’s population is below 25 years- The category of population either actively pursuing or meant to be in the school system. This is not matched by the current investment in higher education sector.

From enrolment statistics, tertiary education level enrolments have increased by 52 per cent from 79,857 in 2002 to 201,376 in 2013 as indicated by the Ministry of Education and Sports. Unfortunately, many of those supposed to enroll in the education system are not doing so. As a result, many young people find themselves pursuing alternative but less formal, less lucrative and less funded education options while others choose to remain illiterate altogether.

The investments in primary and secondary education as a priority has led to the majority of the youngsters who cannot afford to pay for education at higher institutions of learning remaining uneducated or undereducated. Uganda has thus not been able to tap into the vast array of its human resources because of its failure to design appropriate measures to deal with the increasing population pressure in its education system.

The committee, therefore, observed that the increasing demand for university education in Uganda amidst slow investment in the necessary transformation and infrastructure means that a section of the population will not receive higher education.

The committee recommends that Government prioritises higher education by committing at least 10 per cent of its education budget as per its commitment to the East African Framework for Higher Education funding as opposed to the current 4.5 per cent.

5.5 Brain drain in the sector;

One of the trends in Uganda’s education sector over the recent past is the emigration of professionals from Uganda to neighbouring countries and to Europe, Asia and North America. This trend is caused by among others inadequate funding for the sector and limited opportunities for career growth. Low remuneration and management failures have been the leading cause of strikes by teaching staff at public universities. In addition, it has also led to high rate of staff turnover and brain drain in universities. For instance, the Auditor-General reported that Makerere lost 25 high profile lecturers in 2011 alone, forcing management to put a few post graduate courses on halt. Mbarara University also lost 20 lecturers while Gulu reportedly loses about 10 senior lecturers every academic year.

A 2012 Auditor-General’s report showed that there is need for close to 3,000 lecturers and other staffs in more senior positions in four of the then five public universities. The situation is even worse with the newly established universities.

Mr Speaker, the committee observed that migration of professionals to foreign countries has not only left behind a gap in the education sector but also robbed the country of valuable professional labour force that is very much required to educate its people.

The committee recommends Government to expedite the implementation of the recently approved salary structure for public universities. The approved structure if implemented would make Uganda’s lecturers the best paid in East Africa. The table below summarises the approved salary structure of Uganda’s lecturers in comparison with their peers in the East African Community region (Association of University Vice Chancellors of Kenya)

You can study the table below. If you study the table, you will see the differences in the salary structures.

5.6 Slow Integration of ICT in Higher Education

The current schooling systems are still based on traditional classroom, chalkboards and teacher- student relationship. While there is no debate about the importance of ICT in facilitating learning, the extent to which universities have committed resources to achieve this goal remains minimal. While Uganda developed an ICT policy in 2003, the operational framework for implementation of the policy to facilitate the integration of ICT in schools and universities have not been developed. (Glen 2007)

The committee observed that the absence of this vital pillar in the education system is bound to undermine Uganda’s progress to the creation of a quality education system as well as undermine the quality of its labour force.

The committee recommends, therefore, that Government puts a deliberate effort in promoting the integration of ICT in university management processes and content delivery. Further, taxes should be waived or reduced for ICT equipment and bandwidth for educational institutional and more funding made towards improving access in public universities.

Mr Speaker, I am going to part two which is about the institutions and this one is about Makerere University Debacle. Makerere University was established in 1922, as a small technical college with 14 students. In the years immediately after Uganda’s Independence, it was a focal point for the literally activity that was central to African nationalist culture. However, this glory was put to the test at the threshold of the Twenty First Century.

This debacle has once again caught public attention following a series of unrest at the university and the eventual closure of the university by the President on 1 November 2016. To appreciate the Makerere issue, one has to go back to the era of privatisation, commercialisation of social services delivery and the subsequent shift in Government policy towards higher education as already discussed earlier.

Background

Mr Speaker, this matter has been studied by several researchers, policy analysts and scholars alike. One such a study was conducted by Makerere University’s own prominent researcher, Prof. Mahamood Mamdani. (2007) His arguments are not alien to the arguments above except that they are specific to Makerere. He argues that the conditionality’s imposed by the IMF and the World Bank as a requirement for Government to receive funding in the education sector were the trigger for the decline of both managerial and academic standards of the university. Of the specific interest, Prof. Mamdani raises the following issues;

1. The university opened its gates to private students without changing its curriculum to suite the demands of the market. This was in an attempt to cope with funding gaps created by Government’s reduction in funding;
2. In a desperate need to raise revenue, management initiated a series of measures. These included the introduction of private evening classes managed at departmental level with faculties deciding how many students to admit and how much fee to charge.

3) Friction emanated from differences in earnings obtained by lecturers as those teaching private evening students earn extra allowances. Even so, the earnings differed from faculty to faculty depending on the fees charged and attractiveness of the courses.

4) There ceased to be central supervision for the evening programme as central administration had no motivation to keep an eye on the activities in the evening programme. After all, the decentralised management of the evening programme reduced financial pressures at the centre.

5) There emerged frictions among faculties over competition to attract students.

6) The faculties then fragmented courses in order to attract as many private students. Quality was compromised, students denied vital knowledge and lecturers motivated by monetary goals as opposed to research achievement.

Mr Speaker, today, Makerere remains the tenth largest university in Africa and the biggest research institution in Uganda with about 700 publications yearly. The university has 10 colleges and 18 affiliated institutions with 37,069 students and over 45,000 if MUBs is included.

As of June 2016, the university is responsible for 50 per cent of all university enrolment and 90 per cent of graduate students’ enrolment in Uganda.

A meeting with the management at the university revealed the following challenges:

6.2 Funding Gap

Management informed the committee of a huge funding gap that has persisted over a period of time. A review of the financial document of the university revealed the following unfunded priorities:

Mr Speaker, those unfunded priorities are in the table below:

1. Arrears

The university owes its retrenched staff from the non-teaching unit Shs 5 billion. In addition, it owes shs 125 billion to those who retired and in allowances of other staff. The committee observed that the university privatised the management of feeding and accommodation functions. However, all the human resources from this function have been maintained and thus, defeating the purposes of restructuring, stressing the already strained financial position of the university.

The committee further noted that if the debts are not cleared, the university will continue to clog its management with unproductive staff and accumulate more debts as staffs continue to retire.

The committee recommended that Government pays these outstanding arrears to avoid further staff unrest. Further, the restructuring at the university should be meaningful and result to a lean and efficient management structure at the university.

1. Inadequate Research Funding

Mr Speaker, the university reported that it received very minimal research grants from Government and much of their research is funded by donors. This implies that the research agenda of the university is dictated by the conditionality associated with donor funding. The university’s research focus, therefore, may not reflect the development needs of the country. For instance, according to the report of the National Council for Higher Education 2011, Government only released Shs 93.2 million out of the budget of Shs 153,899 million to be shared among public universities for research in 2010. In 2011, no research funds were released.

The committee recommends, therefore, that Government increases the budget and funding for research in all public universities, given the fact that the primary mandate of universities is teaching, research and innovation.

1. Land Acquisition

Mr Speaker, the committee observed that part of the land housing Makerere University College of Veterinary Medicine, Animal Resource and Biosecurity valued at Shs 14 billion was reclaimed by Church of Uganda through a court process. However, the President pledged financial support to retain and secure total ownership of the land by the university. However, this pledge has not yet been honoured.

The committee recommends, therefore, that since Church of Uganda is willing to take the compensation, the resources required should be included in the budget so that the said property is secured.

1. Decaying Infrastructure

Mr Speaker, the management reported that the university operates with a decaying infrastructure and lack resources to carry out renovations. Part of Lumumba Hall has not been in use for some time. The university reportedly receives only Shs 160 million for development expenditure annually and this cannot carry out maintenance of the vast university infrastructure. Instead, students are engaged to undertake minor repairs and the limited resources are spent on the key infrastructural areas like lecture rooms and office space.

When the committee inquired about the rising number of new buildings at the university, it was informed those were donor funded and ring fenced for particular donor projects.

The committee recommends, therefore, that Government should increase development budget for Makerere in a phased manner to enable it renovate its scrambling infrastructure and restore the glory and once prestigious outlook of the university.

University management should also prioritise development expenditure while allocating their NTR to complement Government funding.

6.3. Student Issues

A meeting with the students’ Guild Council revealed the following:

1. The university management had neglected sanitation at the university and the sanitary facilities had broken down due to the overwhelming population pressure at the halls of residence.

The committee noted that neglect of sanitation at the university was a compromise to the health of students. The committee recommends that the university repairs and maintains the existing facilities and where possible, add sanitary facilities to cater for the increasing students’ population or else, only admit to halls of residence the appropriate number of students as opposed to the current situation where, for instance, rooms meant for two students are occupied by four.

1. Security

The students were concerned that there is high level of insecurity at the university resulting to a number of deaths, theft of property and assault by unknown assailants. The committee observed that the university has multiple entries and exits and people enter and exit at will due to inadequate security at the exiting gates and entry points.

Mr Speaker, the committee recommends that the budget provision be made in the next financial year for the construction of a wall fence around the university to counter the above vice.

1. Loan Scheme. The students reported that while the loan scheme is a good initiative by Government to aid needy students, the resources provided are neither sufficient nor equitably distributed per region. It was further reported that there is high dropout rate among the privately sponsored students who cannot access loans.

The committee recommends that Government gradually phases out all Government sponsorship and rollout the loan scheme to all legible students. In any case, most of the students on Government sponsorship come from well to do families and prominent schools.

1. Fees policy

The Students were further concerned that one of the reasons for strike was the university’s policy of students paying 60 per cent of their dues at the beginning of the semester. However, management informed the committee that this policy exist because the university contributes 40 per cent of its wage bill from tuition fees and failure to collect fees timely means failure to pay staffs’ salary in time. This scenario is the cause of the circle of strike by staff and students.

Mr Speaker, the committee recommends that Government should take over the wage Bill of public universities in totality and enable universities to concentrate on their core mandate. Fess policy is the depoliticised and university management be allowed to take decision and implement them.

e) Internet connectivity

The students reported that university Wi-Fi connection was only available around the library and the main administration block limiting internet access to students in other parts of the campus. The committee recommended that either waves or reduces taxes on ICT equipment and bandwidth for institutions of higher learning to facilitate the integration of ICT in our education system.

f) Sex for Marks

Mr Speaker, the students were concerned that the university was not doing enough to address the issue of sex for marks which undermines the integrity of academic awards of the university. While management informed the meeting that the university had developed a policy governing this matter, it is apparent that the vice has persisted.

The committee recommends that the university initiates an effective system for students’ assessment through which examination scripts of the lecturer go through peer review. Further, the university should enforce stringent disciplinary measures against lecturers found culpable to guard its integrity.

6.4. The Makerere and Makerere University Business School (MUBS) relationship

During the committee visit to the university, the committee made inquiries on the recurring scribbles characterising the relationship between the main campus and the MUBS. The following were the findings

1. Makerere University Business School expressed intentions of becoming an independent university. This quest has not yet been successful due to disagreements over the nature of its autonomy. Makerere University Business School wants to be a fully flagged university and yet the ministry wants it to remain as a degree awarding institution.
2. An interaction with Makerere university management indicated that they had no objection to Makerere University Business School autonomy save for the legally enforceable demand that it does not use its trade name “Makerere.”
3. Records available to the committee indicate that Cabinet approved the establishment of Makerere University Business School as an independent degree awarding institution but MUBS is objecting the status as indicated above.
4. Our probe of MUBS indicated that it is not interested in being a degree awarding institution but a university as defined under the universities and other tertiary institutions’ Act.

The committee managed to gain a consensus with MUBS management on one of the issues above. The institution has now agreed to drop the demand of having the name “Makerere” from its nomenclature and settled for a new name “Metropolitan university of business studies” which would help them retain the Acronym MUBS. An interaction with the student leaders at MUBS revealed the urgent need to address this matter.

Mr Speaker, the students informed the committee that they were facing numerous challenges emanating from the strikes at the main campus and yet for instance they could not access online services like registration which is managed at the centre Makerere. The committee noted that MUBS has a better establishment than some of the universities visited and those being established.

Besides it has already been running semi-autonomously with an independent budget, structures and strategic plan. It only relies on Makerere for quality assurance in the field of academic and student record management. Turning it to an independent university would not have adverse financial implications in the short run. The committee recommends that the minister introduces to the House a statutory instrument establishing MUBS as an independent university within six months of this report to address this impasse.

6.5 Crisis at the College of Health Sciences

Mr Speaker on the 12 November 2015, the second joint East African community partner states Medical and Dental Practioners’ councils/boards and the National Council of Higher Education visited the Department of Dentistry. This was in accordance with the directive of the 11th ordinary meeting of the East African community sectoral council of ministers of health held in Kampala in March 2015 and raised a number of issues including:

1. Inadequate staffing
2. Inadequate infrastructure
3. Inadequate laboratory facilities
4. Inadequate equipment
5. Inadequate training materials.

The board observed that the facility at the university was not adequate for dental training and recommended the following improvements;

1. Employment of adequate staff for the dental department to bring the academic staff to student ratio at 1:4.
2. Establishment of specialised academic unit that is oral and maxillofacial surgery, restorative dentistry, community dentistry, paediatric dentistry and periodontology within the dentistry department and be ready for inspection at the cost of the university within one year that was November 2016.
3. Upgrading the dental department to a dental school. The board concluded that failure to comply with the above recommendations would lead to non-recognition of the dental school and graduates therefrom would not be eligible to practice within the East African Community region.

A visit by the committee to the department revealed the following:

1. Equipment, the department lacks a lot of equipment required for training as per the requirement of the East African Medical and dental board. Even when the rotary club provided some dental chairs, four X-ray machines, a central suction and compressor; they were all installed in the school for public health dentistry which is not a home to the department.
2. The building offered to dentistry by the university has to be repaired and needs dental chairs, X-ray machines, suctions and compressors, sterilisation machines, normal chairs, stools and others.
3. The toilets too need to be refurbished and computers procured for training.

b) Staffing

At inception, staffing was inadequate but UNESCO used to send lecturers from Egypt and Tanzania to assist. With time this stopped and the department had to rely on its own staff which initially was four but grew to 14 over the last 30 years.

Mr Speaker, dentistry has more than 12 specialities implying that for each speciality, there should be at least two staff members but currently there is only one member of staff in each speciality. These limited numbers of staff are teaching these specialities in year three, four and five. In addition, some of the staff are teaching and supervising dental technology and other master’s programme significantly increasing their workload. Many of the staff consultants from Mulago hospital and Ministry of Health who used to assist in training have since retired.

Mr Speaker, efforts to expand the staff establishment all these years have not yielded any fruit. The university secretary repeatedly informs the department that Government has put a ban on recruitment. The second surgeon is the current head of department who reached retirement effective 17 October 2016. This officer may not be given a contract as the university insists there is a policy not to recruit staff.

Mr Speaker below is the breakdown of the establishment of the department of dentistry in a table form. May I summarise it. It says; out of the 12 approved lecturers only seven are available leaving a shortfall of five. The college suggested as a stop gap measure to use some two or three dentists from the school of public health to teach on the programme. However, the use of specialists in public health is very improper as they are not specialists in many clinical disciplines in the field of dentistry.

Mr Speaker, the committee made a statement on this matter in the House on Tuesday, 4 October, 2016 and the Speaker directed that the Ministry of Finance, Planning and Economic Development and that of Education and management of Makerere work out a mechanism to address the gaps identified before the next inspection by the East African Medical Council which was scheduled for mid-November last year (2016).

The committee recommends that the minister makes a statement on the status of action taken since the Speakers directive –*(Interjections)–* no, after I have finished.

This part presents the environment within which universities operate putting emphasis on standards and regulatory framework –

**THE DEPUTY SPEAKER:** Honourable member, you rose on a point of clarification and it is not accepted. Please wait and let her finish then you can raise your point *– (Interjections) –* you cannot move from clarification to procedure. *(Laughter)*

**MS GALIWANGO:** On 7.1, creation of new universities. The committee noted the good intention of Government in creating new universities like Gulu, Muni, Lira, Kabale and Busitema. This has increase access to university education for students in hard-to-reach places.

However, the committee is concerned about the absence of proper planning in the creation of new universities. This has created numerous challenges including law staffing levels and inadequate equipment especially for science-based course like medicine and nursing.

In addition, most of the universities lack accommodation for staff and students in the newly created universities. The case of Mbarara University – Mbarara University of Science and Technology has completed a very magnificent complex at its new site in Kihumuro.

However, the building is not in use because of lack of transport and accommodation for both staff and students making the facility redundant.

The university also lacks some of the necessary equipment for training of doctors and nurses and its current facility which previously housed a nursing training school. Besides, the university has failed to start training in dental surgery due to lack of funds to procure the necessary equipment.

The committee recommends that Mbarara University of Science and Technology be provided with the necessary funding to procure the required equipment for training nurses, doctors and to begin preparations for opening up the dental training department.

A case of Kabale University

Kabale University was established in 2002 as a non-profit institution owned by the people of Kigezi with the average student enrolment of 3000. The university was transformed from private to public university by statutory instrument No.36 of 16th July, 2015 under the universities and other tertiary institutions Act, 2001.

Government had to deal with assets and liabilities for expenditures made before take over. So far, a wage bill of only twenty three of the university staff in the science based courses has been taken over by Government.

The committee recommends that a policy framework be put in place to govern the takeover of private institutions by Government. Further Government should establish a roadmap to either restructure the university or absolve its current staff gradually.

The committee further recommends that Government increases capital budget allocations to facilitate teaching science based course.

Gaps in other universities

In addition to the above universities, the following cases required special attention:

1. At Lira University, the nursing and medical school in under construction and yet training has already commenced. For students of the bachelors of nursing. The university requires funding for ongoing physical infrastructure development and recruitment of additional staff to open its faculty of medicine.
2. Busitema university medical school in Mbale has no home of its own. It currently operates in borrowed premises meant to be a manpower development centre for the hospital. It has inadequate staff and equipment. The Mbale District Local Government has allocated 50 hectares of land to Busitema Medical School but no budgetary allocation has been provided to develop the property. As a multi-campus university, Busitema has a unique administrative set up that requires special consideration in terms of costs of management, but the resources available treats it like any other university. The university’s campuses include Pallisa, Arapai, Nagongera, Namasagali and its medical school in Mbale. The university had a presidential pledge of about Shs 10 billion for infrastructure development in its various campuses which has not yet been honoured.
3. Soroti university; construction has stalled because of failure to pay the constructor over Shs 11 billion. The university was supposed to have opened this academic year but argent funding is required for the construction work to be complete for the university to open next academic year.
4. Gulu University; this has accumulated a gratuity of Shs 3 billion. In the previous financial year, out of Shs 2.5 billion in development budget, only Shs 253 million was provided. The university needs these resources to function effectively.

Inadequate Staffing at Universities

In virtually all universities visited by the committee, management reported shortage of staff. At public universities visited, the committee was informed that each time they put up a request for staff recruitment the ministry simply reminds them of a ban staff recruitment on all Government entities.

A review of the university documents and reports of the Auditor-General 2014 revealed the following human resource gaps in some of the universities. Mr Speaker, above there is a table showing the staffing gaps.

In case of Makerere, the number of established positions dropped further to 2,774 from 2,780 and the field positions reduced as well from 1,484 to 1338 as of the Auditor-General’s report 2015 creating an increase in the staffing gap to 52 per cent.

On the other hand, Mbarara University requires 20.422 billion to increase its staffing levels to 50 per cent focusing on critical departments.

Further, the National Council for Higher Education has reported disparities in the number of quality of professional in higher education with some universities using non-professors for teaching PhD course. For instance, some PhD awards by Kampala International University had been cancelled by 2012.

However, when the committee visited the university in early November, 2016, management informed the committee that these students were asked to repeat their dissertations and so far 35 had been cleared for the award –

**THE DEPUTY SPEAKER:** Honourable chairperson, can you summarise the recommendations because if we are to go verbatim them we have nothing else to read.

**MS GALIWANGO:** Okay, Mr Speaker the committee recommends that Government considers waiving the ban on staff recruitment in public universities or at least for essential academic and key support staff.

There was also inadequate funding for Government sponsored students. The committee recommends that Government develops a more realistic formula for funding the well-fair of Government sponsored students. The Shs 4,000, for instance, is not adequate for feeding a student a day.

The student’s guild council suggested that the meal allowance be increased to at least Shs 6,000 a day and accommodation fee increased from Shs 220,000 to at least Shs 650,000 per semester, given the cost of hostels around universities.

Under funding of universities

There was a recommendation that the limited resources available for universities should be used optimally to strengthen the current universities before establishing new ones.

In addition, new universities should only be created when adequate resources are available in the medium-term budget framework to pay staff and develop infrastructure.

Absence of key administrative policy manuals

The committee recommends that the ministry should strengthen oversight on universities to ensure that prudent financial, human and asset management systems are put in place and followed.

Security of universities’ land

Please allow me read this verbatim.

The committee observed that both public and private universities are under threat of losing their land due to encroachment and fraudulent land grabbing by unscrupulous individuals. Some of the universities do not have land titles for all their properties, prominent of which are the following cases:

1. Makerere University land at Katanga, Makindye and Kabanyolo where a group of people invaded the land, deployed security operatives with guns and occupied it to date. The university went to court and secured an order to vacate and an injunction against transactions on the titles in question but the unknown gunmen never respected the court orders.
2. Kyambogo University land was parcelled out and given to other institutions like the Ministry of Education and Sports headquarters, National Curriculum Development Centre, National Council for Higher Education and the Inter University Council for East Africa and other unknown people.

In addition there is land encroachment in East Kyambogo by residents who claim the property originally belonged to the Buganda Kingdom. At the same time, part of the university land was parcelled and given to Megha Industries without proper authority of the university. Besides, there is mounting pressure for the university to give more land to Megha Industries.

1. Vast part of the former ranch on which Lira University is being built was encroached upon by residents who have since refused to vacate.
2. Uganda Christian University reported that its land at Ntaawo was being grabbed by prominent people in Government, including a minister they could not name, through falsification of the land history and title manipulations at the Ministry of Lands and Urban Development. This is so despite the university having the title in its possession.
3. Part of the land on which IUIU Mbale campus sits has illegal occupants who claim they were never compensated yet Government compensated everyone.
4. Makerere University Business School (MUBS) was given land on Kireka Hill by Government for compensation of their land at Mbuya that was taken over by Government. However, MUBS could not use the land because the title was not clean as it had bonafide occupants.

The committee recommends that Government establishes a multi-stakeholder team composed of persons from the ministries of Lands and Urban Development, the Uganda Land Commission, Ministry of Education and the affected universities with the aim of verifying and correcting the claims related to the universities’ land.

The affected universities should fence off their land to avoid further encroachment.

Universities are further urged to put available land to optimum use to avoid the risks associated with speculation and land fraud.

Financial mismanagement at universities

Mr Speaker, I will go to the recommendations.

The committee recommends a forensic audit of all public universities with the aim of exposing the culprits and taking the appropriate legal action.

In addition, senior college and faculty lecturers should be engaged in continuous management skills improvement training as part of universities’ succession planning in order to prepare them for management positions in the university.

Further, the ministry should strengthen its supervisory function to ensure that university management follows approved financial management guidelines and develops their own operational manuals and adhere to them.

Weaknesses in enforcement of regulatory framework

The committee recommendsthat the National Council for Higher Education (NCHE) be granted a vote status in the coming financial year.

In addition, it should fast track recruitment of new staff to enable it acquire the necessary manpower to effectively enforce standards at the increasing number of universities.

Rejection of graduates with accredited courses

The committee, in its visits to universities, received a peculiar case of students who graduated with Bachelors of Nursing from UCU, KIU, Bishop Stuart University and International University of Health Sciences but were denied registration and by implication, practice by the Uganda Nurses and Midwives Council (UNMC).

In our interaction with the UNMC and the NCHE in a joint meeting, the following anomalies were revealed:

Mr Speaker, perhaps I could skip this because we have another report, which we had just concluded on the same. Thank you.

Liberalisation and proliferation of under regulated actors

The committee recommends thatGovernment re-examines its policies with regard to university education with a view of prioritisation of higher education as an important tool for sustainable economic growth.

Reliance on liberalisation and treating education as an economic good may not be appropriate in a country like ours with high rates of poverty and unemployment. More funding and human resource development is urgently required in the education sector for it to take a centre stage in development.

In conclusion, the policy framework governing Uganda’s higher education requires urgent reforms. The slow integration of ICT to the system is likely to lead to missed opportunities from applications used globally for learning, education management and knowledge sharing.

On the other hand, population pressure on the sector means that several young people who are not able to find a place in the education system will remain illiterate or semi-illiterate.

Based on these signals emanating from Uganda’s current university education management and delivery systems, if nothing is done urgently, the committee is concerned that the probable scenario for the future of university education in Uganda is a weak education system producing a volatile pack of unskilled and jobless youngsters in a highly dependent society. The ultimate end result of this scenario will be economic stagnation and social unrest.

The Ministry of Education and Sports has to take centre stage in this reform agenda and treat it as an urgent and important matter. Mr Speaker, I beg to report.

**THE DEPUTY SPEAKER:** Thank you, chairperson. For a very –

**MS GALIWANGO:** Mr Speaker, I beg to lay the minutes.

**THE DEPUTY SPEAKER:** Let the records capture the minutes and the full text of the report as well.

Thank you for a very elaborate report. At one point, Members were getting concerned that you were only talking about Makerere University but the subsequent reporting covered all the universities and so, we are happy.

Honourable members, this is a very big report. Can we use this time to look at it again and when we have sufficient time, we can have a good debate on this report.

Debate on this particular report is suspended until we get an appropriate time. Can we receive the next report and then we conclude?

MOTION FOR APPROVAL OF THE REQUEST BY GOVERNMENT TO BORROW UP TO SDR 10.1 MILLION (US$14 MILLION) FROM THE INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA) TO SUPPORT THE GREAT LAKES TRADE FACILITATION PROJECT

**THE DEPUTY SPEAKER:** Thank you. Honourable members, to properly tie up item No. 10, let me propose the question and when we come we start debating. The question for item No.10 is for adoption of the report of the sectoral committee on Education and sports on the state of universities in East Africa. That motion is for adoption; I propose that motion for your debate and when we resume, we will start the debate immediately. So, can we deal with the next item now, honourable minister?

6.27

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PLANNING) (Mr David Bahati):** Mr Speaker, I beg to move a motion for approval of the request by Government to borrow up to $ 14 million from the International Development Association to support the Great Lakes Trade Facilitation Project.

**THE DEPUTY SPEAKER:** Is the motion seconded? Yes, it is seconded by the Member for Bungokho, Member for Nakaseke, Member for Kinkiizi East, and Member for Kaberamaido County. Would you like to justify your motion?

**MR BAHATI:** Mr Speaker –*(Interruption)*

**MR NANDALA-MAFABI:** Thank you, Mr Speaker. You always say, “those who support…” Why don’t you ask for those who do not support? *(Laughter)*

**THE DEPUTY SPEAKER:** The problem is that I have to use the rules; if you can cite for me a provision where I can ask that question, then I will deal with it. But as for now, there is none; so let us proceed the way the rules say we should proceed. *(Laughter)*

**MR BAHATI:** Thank you, Mr Speaker. This loan of $14 million is to implement the Great Lakes Trade Facilitation Project; it is part of the broader initiative for the Great Lakes Region. This initiative is aimed at reducing poverty and promoting inclusive growth and shared prosperity for all by targeting the vulnerable groups in the border regions of Uganda and her neighbours.

In order to facilitate trade in both goods and services, it requires investment in infrastructure, policy reforms and capacity building for state and non-state players. As a country, we need to invest more in infrastructure so as to take full advantage of our location as a hub and linkage to the Great Lakes Region. This loan will be used to support the border posts of Mpondwe, Bunagana and Goli. The loan request was considered by the Committee on National Economy and the committee is ready to report to this House. I beg to move.

**THE DEPUTY SPEAKER:** Honourable members, the motion is for approval of the request by Government to borrow up to SDR 10.1 million, which is the equivalent of $ 14 million from the International Development Association (IDA) to support the Great Lakes Trade Facilitation Project. That is the motion which is for your debate. And this particular request was submitted to our committee; now the motion has been formally brought, I ask the chair to report. Chair, if you could save us and – of course, we will receive the report and we see how to proceed.

6.31

**THE CHAIRPERSON, COMMITTEE ON NATIONAL ECONOMY (Ms Syda Bbumba):** Thank you, Mr Speaker. The report of the Committee on National Economy on the proposal by Government to borrow up to SDR 10.1 million, equivalent to $ 14 million from the IDA to support the Great Lakes Trade Facilitation Project.

Mr Speaker, before I proceed with the report, I wish to lay on the Table the following documents contained in this file; a signed report, signed minutes, minister’s brief on the proposal, project operational manual and the National Development Plan II compliance letter. Mr Speaker, I wish to lay.

**THE DEPUTY SPEAKER:** Let the records capture those documents.

**MS BBUMBA:** Mr Speaker, by way of introduction, this loan was submitted under Rule 166 (2) (b) of the parliamentary Rules of Procedure.

It was presented to this House on 16 August 2016 and referred to the Committee of National Economy.

The committee held meetings with:

i. The Ministry of Finance, Planning and Economic Development;

ii. The Ministry Trade Industry and Cooperatives;

The committee studied a number of documents, including the loan request; the project appraisal documents; and the draft loan agreement between the Republic of Uganda and the World Bank.

The committee also undertook a field inspection visit to border posts where similar interventions have been or planned to be undertaken in Busia, Malaba and Lwakhakha.

Mr Speaker, the background is covered under paragraph three.

The proposed Great Lakes Trade Facilitation Project reflects the Government’s commitment to reduce poverty and promote shared prosperity by targeting some of the most vulnerable groups in the border regions of Uganda and her neighbours. The project will improve core border trade infrastructure, improve procedural reforms and build the capacity to deliver quality services of border agencies at Mpondwe, Bunagana and Goli.

Mr Speaker, under paragraph four, the project is aligned to the various planning tools indicated therein.

And under paragraph five, we have the project objectives, which are to –

(i) increase cross border exports;

(ii) reduce cross border trade costs and delays while increasing access to critical agricultural inputs and consequently prices for consumer goods and services;

(iii) increase the capturing and reporting of cross border trade flows by reducing delays associated with customs process and other regulatory barriers;

(iv) improve economic opportunities and security for border communities.

Under Table 1, we have the project outcomes, which are quite detailed.

And under paragraph seven, we have the project description and components.

The Great Lakes Trade Facilitation Project targets to improve core border trade infrastructure, improve procedural reforms and build the capacity to deliver quality services of borders agencies at Mpondwe, Bunagana and Goli. Under the first phase of the project, a Border Export Zone (border market) and one-stop border post similar to the one at Malaba and Busia, will be established at Mpondwe. Master plans and designs will also be developed for Bunagana and Goli in preparation; and construction at these two borders will be undertaken in the next phase.

Mr Speaker, under the next table, we have the project components, which are: To improve core border trade infrastructure and the facilities in the border areas; implementation of policy procedural reforms and capacity building to facilitate cross-border trade in goods and services; performance-based management in cross-border administration; and implementation support, communication management, monitoring and evaluation.

Mr Speaker, the project cost and financing arrangements – under paragraph eight. The project cost is $14 million, equivalent to Shs 50.42 billion. And out of this, the Government counterpart funding is $3 million.

And under Table 2(b), we have the breakdown of how this money is going to be utilised.

Under paragraph nine, we have the financing. The project will be financed by the World Bank and the Government of Uganda. The financing from the World Bank under IDA for $ 14 million will cover 82 per cent of the total project cost and the Government counterpart funding of $ 3 million will cover 18 per cent of the project.

Mr Speaker, under paragraph 10, we have the loan terms and conditions; the usual terms of the World Bank. It is a 30-year loan with six years of grace period and a service charge of 0.7 per cent on the withdrawn and outstanding credit and a commitment fee of 0.5 per cent on the unwithdrawn financing balance.

The loan conditions include:

1. Submission to IDA of the Attorney-General’s legal opinion certifying that the financing agreement has been duly executed and ratified and is legally binding on the Republic of Uganda.
2. Establishment of the project steering committee to implement the project.
3. Adoption and submission to IDA of the project implementation manual, including operational, administrative and procurement management.
4. Submission to IDA of annual fiduciary assurance report on the progress of implementation, including but not limited to annual reports and audited financial statements.
5. All procurements under the project to be in line with the rules and procedures for procurement of goods and services of the financiers, which are in line with our PPDA law and applicable bank procedures.

Mr Speaker, the debt sustainability analysis, which was conducted a few months ago, revealed that in both medium and long term, Uganda’s public and publicly guaranteed external debts is sustainable and is under no debt stress when subjected to the stress tests. The net present value of public debt to GDP ratio of 24.6 per cent, as at the end of November, is within the threshold provided under the East African convergence of 50 per cent.

Mr Speaker, under implementation, the Ministry of Trade, Industry and Cooperatives will be responsible for the overall coordination of the project and will chair the steering committee comprising of other key ministries and agencies.

Mr Speaker, I would like to move to the observations made by the committee.

The committee observed that in spite of the creation of a one-stop centre, there are still delays in infrastructure development. The Uganda side of the border post at Malaba is not yet developed like the Kenyan side. This puts Uganda’s traders at a disadvantage. Now that it is raining, it must be hard for Ugandan traders to cross the Ugandan part of the bridge.

Whereas in Busia, Malaba and Lwakhakha, Kenya has, on its side, finished the construction of connecting roads and bridges, Uganda is yet to work on its part, especially at Lwakhakha where nothing has been done. This is causing traffic flow challenges and needs to be addressed.

Although the committee was assured by the ministry that under the Great Lakes Facilitation Project, roads and bridges connecting borders were included, we would like to see this because it disadvantages the Ugandan traders.

Businesses of some of the small and medium enterprises operating at the border tend to be negatively affected by such a programme that aims at improving efficiencies at the border. A case in point is Busia where businesses of some of the enterprises have been rendered unviable due to the EAC single customs operations and the recent developments relating to one-stop border post. The Great Lakes Facilitation Project is commended for having included a component on development of border markets to address this issue.

Mr Speaker, many of the girls who were involved in the hospitality business in Malaba are now displaced and have nowhere to go. Quite a number of those who were operating hotels now have empty shelves.

The other observation was on the scanning facilities as part of the development of a one-stop border post under the project. These are not yet operational at Malaba. Goods are still verified manually and this causes unnecessary delays and promotes corruption. In some cases, this also causes damage to the goods.

The committee noted the need for district leaders, lower council officials and border agencies to be targeted for purposes of improving the understanding of the project, ensuring ownership and addressing safeguard issues. The committee recommends incorporation of agencies like the Police and other leaders into the project.

When we approached the internal security and Police at Malaba, they were complaining that they were not being facilitated to match the developments at the border. For instance, they were still pursuing smugglers on foot instead of using vehicles because they do not have them.

It was also noted that Uganda exports raw grain to Kenya and imports maize flour at exorbitant prices. Right now, Ugandans are buying the grain they exported in the form of flour at two or three times the price at which they exported it.

We further observed that the project will contribute to expected interventions under the above policies, especially in the context of improving the business environment.

Mr Speaker, the committee went further to note that the project will support establishment of efficient border facilities to support seamless flow of cross border trade through reduction in cost and delays.

They also noted that the project will establish efficient and appropriate trade facilitation infrastructure for increasing access to regional markets and improving export earnings.

The project will also contribute to increasing intra-regional trade within the East African Community and COMESA, which are our largest markets. As such, this will be an advantage in increasing our exports and we hope that by 2021, the numbers would have increased by over 30 to 40 per cent.

Mr Speaker, the project will contribute to employment, product marketing and income generation through establishment of border export zones characterised by modern border markets, warehouses, value addition processing centre and trading in services.

We noted that the border export zones to be established will also provide ready market for agricultural products and thus enable the country to position itself as a regional food basket. The border export zones will also help in addressing the challenges of cross border trade that our traders normally encounter in our neighbouring countries including harassment; the recent case of our people who were arrested in Kenya and locked up. I think that this project will safeguard against that.

It will also safeguard against corruption, robbery, confiscation of consignments by Government officials, rape and at times, extra judicial killings.

The project will complement Government interventions towards rolling out well-coordinated border facilities, including the one-stop border posts.

The project will address the challenges of vulnerable groups including women who constitute over 70 per cent of the cross border traders, the youth and people with disabilities by addressing inhibiting factors at the border.

Mr Speaker, the committee recommends as follows:

Government should speed up the construction of the Uganda side of the Busia and Malaba border posts. In addition, the bridge at Lwakhakha should be worked on to upgrade the post so as to match the Kenyan side since Government has already spent money on construction of infrastructure so that the border can become revenue generating.

Right now, at Lwakhakha, the Government has put up a building for revenue collection. However, there is no revenue flowing in because this post cannot collect revenue and the one on the Kenyan side is fully fledged. Therefore, we need to cure this imbalance.

The Government should come up with alternative economic activities for people who were displaced by the establishment of one-stop border points and were involved in hospitality facilities, hotels and petty trade. Government should, in all its related programmes, implement measures that mitigate the negative effects of projects on people’s livelihood.

The committee further recommends that Government should expedite the installation of scanners at border points to speed up verification of goods and minimise damages caused by manual verification. The ministry should ensure that scanning facilities are in place as part of the development of one-stop border posts under the project.

In order for the border posts to be efficient, all collaborating agencies should be equally facilitated to avoid the mismatch.

Government should implement its policy of setting up industries at the border on the land, which was set aside for that, in order to discourage export of raw agricultural commodities and instead export processed products. Government should also be serious and enhance the policy and stop exportation of unprocessed foods or agricultural products.

Government should encourage production in areas surrounding the border posts for exports so that it is a two-way flow because at most border posts, there are more inflows than outflows. The clearing agencies should also be encouraged to form groups and also be trained and regulated in order to handle the clearing business properly.

In conclusion, Mr Speaker, the committee has noted the Government’s effort to continue developing trade facilities with more focus on trade facilitation at the border. The status of Uganda’s border infrastructure still requires improvement to meet the aspirations of Vision 2040.

The country’s border infrastructure still requires improvement to increase competitiveness and facilitate the harnessing of regional integration.

The construction of one-stop border posts and border export zones, for which this financing is sought, will enhance regional connectivity, de-congest border posts and accelerate economic growth.

The committee, therefore, recommends that the request by Government to borrow $ 14,000,000, which is equivalent to SDR 10.1 million from the World Bank for financing the Great Lakes Trade Facilitation Project be approved. I beg to move.

**The DEPUTY SPEAKER:** Thank you, chairperson, for a very good report. It captures all the issues that we need to look at. Honourable members, I have already proposed a question for your debate on this matter and we have limited time. Debate starts now. Can we use two minutes each?

6.51

**MR TOM ALERO (NRM, West Moyo County, Moyo):** Thank you very much, Mr Speaker. I strongly support the motion to borrow money in order to support the Great Lakes Storage Facilitation Project. Please, Members, let us support this loan so that we can have socio-economic and political development in Uganda.

However, Mr Speaker, I have problems in my sub region; the West Nile Region, due to the influx of refugees. This influx has created pressure on the infrastructure in West Nile region. It has also led to an increase in trade volumes between Uganda and Sudan, especially at the border posts of Afogi, Nimule, Oraba and Elegu.

The ferry at Laropi is now highly congested due to the influx of refugees and increased trade volumes. I therefore request the Government to borrow money so that we can develop infrastructure, especially roads, electricity and other social services in the West Nile region.

Otherwise, once again, I strongly support borrowing of money to help in trade development. The Government should also think about the West Nile region, especially construction of a bridge on River Nile at Laropi. Thank you very much.

6.53

**MR TONNY AYOO (NRM, Kwania County, Apac):** Thank you, Mr Speaker. I rise to support the motion to authorise Government to borrow money to support the construction of facilities at the border posts.

Mr Speaker, I chair the Committee on East African Community Affairs and if you visit our border posts, you will realise that our facilities are really very poor and yet the partner states are working hard, day and night, to improve on their border posts.

Under the one-stop border arrangement, if you visited Malaba or Busia, you will realise that this has facilitated faster movement of goods along the border and movement of persons and delays have been reduced. This has also improved on the cost of doing business slightly.

Therefore, we believe that if we could extend that kind of support to all border posts, we would be putting Uganda in a good position to trade with its partner states in East Africa as well as COMESA.

My concern, as noted by the committee, is that sometimes when we support getting loans like this - I have an example of the Rwandan border at Katuna where we gave the Government authority to get the loan but there was too much delay. At the end of the day, the donor had to pull out and I was told that Government is now trying to look for another donor to support that project as it has stalled.

Therefore, I would think that by the time we come here to request for a loan, the line ministry should be ready and prepared to ensure that the moment authority is granted, they are ready to take on the work.

Mr Speaker, I would like to thank you and ask my fellow colleagues to support this proposal by Government *–(Member timed out.)*

6.55

**MR RICHARD OTIENO (NRM, West Budama County North, Tororo):** Thank you, Mr Speaker. As a Ugandan, my heart bleeds for these types of loans but I will not oppose it. However, the people of West Budama North would like to know how this loan is going to be paid back after 38 years.

This is because we are borrowing loans for non-productive ventures such as capacity building, paving the compounds, building the economic security of border communities and procedural reforms. These are non-productive ventures.

We are talking about debt sustainability. Very often, the figures we obtain here are not very correct. We are given these figures, they look good, we approve these loans but the country is hurting.

Mr Speaker, when I was a student at Makerere University, and you were our leader, you almost lost your life because of this. We were engaging Government on funding education and Government was saying, we cannot fund education because it is a non-productive sector. They added that Government can only borrow money to put in productive sectors. I do not know what has happened to our Government today. What has changed so that today, we now borrow money for non-productive ventures?

This country and Parliament have a duty to advise Government. We should start borrowing loans that are self-liquidating so that after 38 years, we are very comfortable that the money we borrowed in 2017 should be able to generate wealth - *(Member timed out.)*

6.58

**MS MARGARET BABA DIRI** **(NRM, Woman Representative, Koboko):** Thank you, Mr Speaker. I rise to support the motion so that we can develop this border post. I have been to Bunagana and it is not well developed. Goli is in a pathetic state and the other one mentioned. Their development will facilitate trade and I am sure that this will bring a lot of revenue to Uganda.

My greatest worry today is when the chairperson says that the Malaba and Busia border posts are not built. That means that we are accumulating money, which is not used and yet it accumulates interest for us. I am urging Government that whatever we borrow must be used so that it can bring development for us.

We have a number of borders and the Koboko border at Oraba is one of the greatest and brings in a lot of revenue to Uganda. You saw how trade was booming in Sudan and Oraba is really at the border. We call it “*salia musala*” where the three countries meet and there is a lot of trade going on. In your line up, there is nothing like Oraba in Koboko. When will we have money for developing our place in Oraba?

We have given a lot of land for it and this land is surveyed and titled for development. My request is, please, put Koboko and Oraba among those to be funded next. Otherwise, I support the motion – *(Member timed out.)*

7.00

**MR NSABA BUTURO (NRM, Bufumbira County East, Kisoro):** Thank you, Mr Speaker. I too support the motion that is on the Floor of Parliament. However, I am at pain to note that whereas Parliament gives out authority to borrow, we do not have a way that allows us to periodically look back and find out if the money we give does what was said it would do. We do not have that arrangement at all.

We are giving out money year in, year out without knowing what exactly it has done. I am saying this well knowing that some of these terms they use are simply euphemisms for stealing public resources; terms like capacity building, border communities benefitting, among others. I find it painful to know, from experience, that really, some of this is simply money, which is stolen and Parliament continues to give out authority.

I hope that one of these days we should have a debate concerning the way Parliament can be able to go back and find out if the money we gave out actually did what it was intended for. Thank you.

7.01

**MR NATHAN NANDALA-MAFABI (FDC, Budadiri West, Sironko):** Thank you, Mr Speaker. The commitment charge on unwithdrawn balance is 0.5 per cent. That means that at any particular time, if the money stays on the account in the World Bank or wherever you are going to get it from, you will pay 0.5 per cent interest. The minister or the chairperson of the committee has not told us if they are going to withdraw the money at once so that we do not pay the charge or the duration of the project.

Two, the money has capacity building of $ 1.7 million and a professional charge of $ 1 million. I would like to agree with what my brother Dr Nsaba Buturo has said concerning capacity building and professional charges. Why don’t we say today that we have enough capacity building, we give you exactly what you need for building the border posts but not for capacity building and professionalization? For the first time, we should reject this and approve only the required money for building the border posts but not for capacity building and professionalization.

The other point is that URA collects taxes and there is immigration that will collect money from work permits and visas. Why should we borrow money to build a structure where we are going to collect money? Why don’t we get money from the taxes we collect so that we build these places instead of waiting for loans so that we are able to build border posts?

It is like saying, you would like to buy an income generating property and you want some other person to buy it for you. What you have got should be used to generate that income and buy the income generating property.

Mr Speaker, I am also very tired of hearing that the debt burden is still very low. I can tell you, colleagues, that we are collapsing any time from now –*(Member timed out.)*

7.04

**MR WILBERFORCE YAGUMA (NRM, Kashari North County, Mbarara):** Thank you, Mr Speaker. I would like to support the motion because as you know, Uganda is land linked. In the past, we were told that Uganda is land locked but Uganda is land linked. This loan will develop our border points and maybe, our balance of payments and trade will improve.

I would like to request the Government to look for money to build warehouses and silos so that during bumper harvests, we are able to buy the excess produce and store it. When scarcity sets in, we can sell across these borders and this will actually help us to pay back the loan. Thank you, Mr Speaker.

7.05

**MR KENNETH LUBOGO (NRM, Bulamogi County, Kaliro):** Thank you, Mr Speaker and I thank the chairperson for the report.

I have been on the Committee on Tourism, Trade and Industry for some time and right now, I am the chairperson of that committee. It has always been our desire and prayer that we are going to have these border posts upgraded. For that reason, I rise to support this motion.

However, I have two issues to talk about. Recently, the PS/ST made a statement that there is going to be no money until 2019. I am also aware, from history, that many times we get these loans and then we fail to counter fund as Government. I am wondering whether we are certain that we are going to have the money and not just approving loans and then eventually, we have it lie idle. I am aware of some loans we approved in August 2015 and they are lying idle. Up to today, no work has started.

Secondly, Uganda’s trading pattern is such that our major trading partners are in the region, especially Sudan, Congo, Kenya, among others. Anything that facilitates trade between Uganda and the region is worth supporting because that is the only way that we shall be able to address the issue of trade imbalance that we are facing in the country.

We also have a challenge in the region of lack of commitment to the spirit of regionalism *–(Member timed out.)*

7.07

**MS VIOLET AKURUT (NRM, Woman Representative, Katakwi):** Thank you, Mr Speaker. I stand to support the motion that we borrow money to help us build our border posts. We are aware that in the region, Uganda is lagging behind. Most of the countries, especially in the East African Community, have done a great job. If you look at the Standard Gauge Railway, our neighbour Kenya and other countries have moved far ahead but we have not. I think it is high time that we really supported this.

I know it has been quite a challenge for Ugandans in that the cost of doing business has been quite high. You can take two weeks to clear your goods at the border. I know that at the end of the day, it has been you and I; the consumers, who have been bearing the costs in terms of buying these goods. The importers distribute the costs to the consumers. However, if this loan is going to enable us reduce the cost of doing business and eliminate non-tariff barriers, why not?

However, I would like to caution us. The chairperson of the committee said that there have been people, especially the women, who have been benefiting by doing business in these border areas. I think we need to do something for them. They have been benefiting because they have been able to trade whenever these trucks would spend weeks in these border areas.

Now that we are facilitating faster movement of goods, what are the alternatives for these women that have been doing business there? As a country, we need to think for them. They are our people and without planning for them, we may not help the country. Otherwise, I support that we approve the loan – *(Member timed out.)*

7.09

**MS JOVAH KAMATEEKA (NRM, Woman Representative, Mitooma**): Thank you, Mr Speaker, and I would like to thank the committee for the good report. I rise to support the loan.

Mr Speaker, these border points are gateways both outside and inside Uganda. They create the first impressions for road and rail users. As such, it is very important that we are able to project the beautiful image of a beautiful Uganda.

Secondly, Mr Speaker, it will indeed facilitate the flow of trade, minimise smuggling, reduce non-tariff barriers and increase the volumes, especially of exports outside Uganda and, therefore, earn us more foreign exchange.

Mr Speaker, all the border points need to receive attention. Much as we know that this single loan cannot address all of them, we hope that it will be a phased-out exercise where all the border points receive attention because they all matter in terms of trade.

I would like to support my colleague who said that we need to put in place warehouses so that when we have plenty, we can store and when we have less, we are able to control the export of food to our neighbouring countries. Right now, everybody just comes in and in fact, they are buying food from the gardens. We should be able to facilitate our traders to earn more *– (Member timed out.)*

7.11

**MS MARGRET LAMWAKA (NRM, Woman Representative, Kitgum):** I rise to support the loan simply because Kitgum borders three or four countries. In 2014, Kitgum gave a chunk of land to the Ministry of Trade, Industry and Cooperatives to open a border market, which has lagged behind up to now.

Mr Speaker, when we borrow this money, I hope we are going to see development in all the border markets that bring in money for the Government of Uganda and I hope that the money will also be used for other developments in the country. The border market is very important because at the end of the day, it also reduces insecurity, which is rife, especially at the borders of Uganda-Congo, Uganda-Kenya and Uganda-Tanzania.

I rise to support the borrowing of this money. However, the borrowers should also make sure that there is value for money because every time that money is borrowed and implementation is done, somewhere, somehow, this money is not used the way it was meant to at the time of borrowing. Thank you very much. I beg to support.

7.14

**MR DANIEL MUHEIRWE (NRM, Buhanguzi County, Hoima):** Mr Speaker, I support the motion. However, we should know that every day we come here and approve loans but I have not known the status of the loans we have acquired before.

I, therefore, request that in future, we get a report entailing the status of other loans that we acquired before so that we know at what level of payment we are and the burden that we have.

Mr Speaker, in approving some other loans, we hear that at times we have unknowingly approved even the contractor and the BOQs. Is it the same case for this loan that we are approving all of them at one go? I would like the chairperson of the committee to help me. Thank you.

7.16

**THE MINISTER OF STATE FOR TRADE (Mr Michael Werikhe):** Thank you, Mr Speaker. I would like to appreciate the overwhelming support from colleagues regarding this loan. I will categorise the issues because most of the contributions have been overwhelming support. Therefore, I will just make one or two comments.

In response to hon. Okoth Otieno, the increase in trade volumes on exports should be able to bring more revenue into Government coffers through foreign exchange and taxation of businesses. Therefore, the bigger part of the loan is for infrastructure.

In response to hon. Baba Diri, development of Oraba border post is in the pipeline with Government funding under the Border Export Zones Project.

In addition, all the border agencies of Uganda Revenue Authority (URA), Immigration, Uganda National Bureau of Standards (UNBS), security and agriculture will be part of this project. The purpose is, therefore, to facilitate trade.

On the readiness by the ministry, we are ready to start as soon as the loan is approved because we have all the effectiveness required in place. We are actually ready to have this implemented as a coordinating agency.

Mr Speaker, I would like to thank my colleagues for supporting this loan and I look forward to working with colleagues again to ensure that it is successfully implemented. Thank you.

**MR OKUPA:** I thank you, Mr Speaker. I would like to seek clarification from either the minister or the chairperson of the committee. We have had border posts that bring a lot of revenue to this country from trade. I would have been happy if Kitagati border post was one of those included.

Mr Speaker, on 7th March Uganda Revenue Authority closed because of poor infrastructure at Kitagati border post. May I know why it is not part and partial of this? Having worked with the authority, I know how much money comes in through that border post. I would have been happy if this was one of them. I would even go ahead to propose that the money for professional fees and capacity building be moved to build Kitagati border post, which has been closed by Uganda Revenue Authority. Mr Speaker, I beg to submit.

**MR WERIKHE:** Mr Speaker, this is the first phase. The second phase is going to cover some of the border posts that have not been mentioned here. We could not do everything with this loan. We will come to the House and present the plan as to how we are going to -

**THE DEPUTY SPEAKER**: Honourable minister, there is a proposal on the professional fees and capacity building. What is your comment about the proposal?

**MR WERIKHE:** Mr Speaker, the professional fees may not be sufficient to cover the implementation and upgrade of those border posts you are talking about. We need a verified and evaluated *– (Interruption)*

**MR OKUPA:** Honourable minister, can you read from your report how much money is going to capacity building and how much is going for professional fees? It is more than $ 2 million. That money can build and improve Kitagati border post. Look at your figures.

**MR WERIKHE:** Mr Speaker, I request colleagues to agree with me that we have this first phase implemented because these other activities are related. *(Interjections*) It is not just having the – *(Interruption)*

**MR NANDALA-MAFABI:** Mr Speaker, this border building has not begun. There is Malaba, Busia and Oraba. When the minister says that this is the first phase, it is a big lie. For today, we should agree.

What hon. Okupa has raised is that $ 12.1 million is going for construction. The remaining $ 5 million is going nowhere. Why don’t we shift that money to do one or two more border posts? That is the argument he is raising. If I was the Minister for Trade, Industry and Cooperatives, by now I would have agreed with the Members to shift the money and we approve. Otherwise, for capacity building, we shall not give it to you.

Mr Speaker, is the minister in order to lie that this is the first phase when there were other phases?

**THE DEPUTY SPEAKER:** There is no indication in the document I have received that this is the first phase. It is coming for the very first time and, therefore, I cannot rule on that but the document does not indicate that it is the first phase.

Can we finish this, please? Honourable chairperson, they have said we can approve the loan except that the other money goes for building other posts. Is that agreeable?

**MS BBUMBA:** Thank you very much, Mr Speaker. First of all, I would like to thank Members for the overwhelming support and for the important observations they have made.

What we are raising are the very issues, which we raised in the committee. We wanted all the border posts to be worked on at ago but it was not possible, because they are all important. We want to enhance our revenue collection and we want to enhance trade and Uganda being land linked, it is very important for us to have efficient operating border posts. We shared that in the committee and it is one of the reasons why we have taken so long on this report.

Mr Speaker, this loan was referred to the committee in August last year and we really took time analysing those issues. We traversed quite a number of border posts and realised that what Government is asking for in this loan is well allocated. However, we put them to task that we want more money, either from Government coffers or by a way of loans, to work on the other border posts. Koboko and Oraba are very important border posts but all of them could not fit within this money.

Mr Speaker, I beg colleagues that it will be bad for us to do haphazard work on this. What was done on Busia and Malaba was not complete – (*Interruption)*

**MR OKUPA:** Madam Chairperson, we are not saying that when you do not do capacity building, you are going to end up with haphazard work. We are saying that the money that you are talking about for capacity building and professional fees be moved to build one other border because it is more $ 2 million.

Madam Chairperson, do not move us to say what we would not want to say at this moment.

**THE DEPUTY SPEAKER:** Honourable minister, read the signs and proceed.

**MR BAHATI:** Thank you very much, Mr Speaker and colleagues, for the overwhelming support you have given to this loan to improve trade at different borders as indicated in the report.

Mr Speaker, we note that the House would like to utilise the funds, which were meant to improve capacity, implement communication and ICT at the border posts for building another border post or start on the process. I would –*(Interruption*)– I hope it is friendly information. (*Laughter*)

**MR ARIKO**: Honourable minister, I am always your friend so the information is friendly. Mr Speaker, I thank you.

Mr Speaker, I am a Member of the Committee on National Economy and one of the most difficult Members for my chairperson is me and this is known by colleagues.

However, it has taken us a bit of painstaking to get to a point where the report has actually come to the House. Right from October last year, we have been trying to delve into this report.

Mr Speaker, I was personally and I am, indeed, one of those that are opposed to the general elements of capacity building. Sometimes, it is important to be opposed but out of reason and logic.

One of the questions we asked was - this is the information I am giving the minister - Is it true that the money is simply going to do capacity building? We got explanations that if you are going to build cross border infrastructure in terms of building and other institutional framework, what about the systems in terms of computers and processes? What about the instruments in terms of the regulatory framework? What about the staff who are going to implement this? What about the elements?

Therefore, honourable members, I would like us to look at this in perspective. It is true that we have other borders that we need to attend to but let us do a good job for the pilot - (*Interjection*) - Mr Speaker, I beg for your protection from the Chief Whip.

**THE DEPUTY SPEAKER:** Yes, you actually need protection.

**MR ARIKO:** I thank you, Mr Speaker.

**THE DEPUTY SPEAKER:** Would the honourable member resume his original place, please?

**MR ARIKO:** Mr Speaker, it is true that when this House considers allocating money, let us allocate money while thinking about the overall perspective of delivering at the end of the project. It does not help us to give $ 12.8 million and yet the institutional framework for the implementation of the project is not available. I thank you, Mr Speaker.

**MR NANDALA-MAFABI:** Mr Speaker, I would like to give this information. Thank you, hon. Bahati, for giving way and the Leader of the Opposition for the information. Of course, when your leader speaks –

Mr Speaker, we are talking of $ 1.7 million for capacity building, $ 1 million for professionalisation charge and $ 1.5 million for other equipment. That sums up to about $ 5 million.

Mr Speaker, we can speak from day to evening. For example, URA has professionalised and that is why you talk about e-tax equipment and e-returns. Right now, even if I am in London, if my passport expires or I lose it, I can get a new one from the Ministry of Internal Affairs. That shows that it is a matter of getting a terminal. Right now, we are getting passports in Mbale, Mbarara and Arua.

Therefore, Mr Speaker, I do not understand this training and capacity building in real terms. That is why I would plead with Members. If it was $ 500,000, somebody would understand but $ 5 million while building the project of $ 12 million. That is almost half the cost of the construction.

I am so disappointed by my Leader of the Opposition because I knew we would do what is called return on investment. When you carry out return on investment, you will know whether that project has a positive or negative return. In our investment on capacity building and equipment, to me, $ 5 million is a negative return that we the people of Uganda would lose - (*Interruption*)

**MR BAHATI:** Thank you for the information. Mr Speaker, once again, I would like to thank Members for the support they have given us and also the explanation of the acting Leader of the Opposition.

Mr Speaker –(*Interruption*)

**MR MUGUME:** Mr Speaker, I am the Leader of the Opposition and I am in charge. (*Laughter*) Is it in order for the minister to continue insinuating to the Members that hon. Ariko is the - No, hon. Ariko is a shadow minister. I am in charge. Thank you.

**THE DEPUTY SPEAKER:** Honourable member, the Leader of Government Business and the Leader of the Opposition sit closest to the Speaker. Therefore, you have misled the House. (*Laughter*) If you had raised the point of order from there, I would have ruled the honourable member out of order. Please, wind up.

**MR BAHATI:** We agree that we are going to re-engage the bank, after your approval, so that we use the money, which is not meant for civil works and infrastructure towards the construction of another border post.

**THE DEPUTY SPEAKER:** Is it the proposal that instead of using this money for capacity building and professional fees, it should now be moved to another project? Is that what is agreeable?

**MR OKUPA:** Mr Speaker, I can clarify. When hon. Nandala-Mafabi came in, he talked about the $ 5 million. I talked only about the professional fees and capacity building, which is $ 2.7 million. Hon. Nandala-Mafabi mixed it up and brought in the issue of the equipment and computers.

Therefore, it is the $ 2.7 million that we are talking about and that is only for capacity building and professional fees. The one for equipment should not be - We are saying that the $ 2.7 million be moved to build other border posts like Kitagati, which has been closed and yet it has been bringing money –(*Interruption*)

**MR NANDALA-MAFABI:** Thank you very much, Mr Speaker. You may need to know what I am explaining. Beside the $ 1.7 million you have talked about, there is also $ 1 million for professionalisation and $ 1.5 million for monitoring and evaluation. What do you want to monitor?

If you look into the construction, I have the details of construction worth $ 12.8 million and it involves the design, the construction and audit. Why do you want to confuse us, Prof. Kamuntu? I know these things. The information I am giving you –(*Interruption*)

**PROF. KAMUNTU:** Mr Speaker, frankly speaking, capacity, knowledge and skills are the very essence of transformation. To put buildings and structures without the capacity to operate the systems under them and without monitoring and evaluation - I can even put a question to hon. Nandala-Mafabi. If you did not go to school, what would you look like? Mafabi is different because he has built the capacity -

**THE DEPUTY SPEAKER:** You rose on a point of -

**PROF. KAMUNTU:** Is he in order to impute that evaluation and monitoring is irrelevant when it is so essential for the operationalisation of this programme? Had he not gone to school, what would he be looking like? (*Laughter*)

**THE DEPUTY SPEAKER:** I think whether monitoring and evaluation is essential or not is a matter of opinion. That is his opinion and I cannot rule him out of order on that.

However, honourable members, I think there was a middle ground that was found so that we find a way to move forward. There are issues that have been raised: professional fees and capacity building. Can we agree that these particular components be moved to another place and then we move and finish with this matter instead of widening the whole process? Honourable minister -

**MR BAHATI:** Mr Speaker, just to re-emphasise what I have already stated, yes, I agree to that position.

**THE DEPUTY SPEAKER:** Thank you. Can I now put the question? Honourable members, I now put the question that the request of Government to borrow up to SDR 10.1 million equivalent of $ 14 million from the International Development Association to support the Great Lakes Trade Facilitation Project be approved.

*(Question put and agreed to.)*

**THE DEPUTY SPEAKER:** Thank you, honourable members. The records have captured everything so we know what it is.

Honourable members, at this stage can we conclude today? We have gone too far from my ordinary way of doing things. House is adjourned to tomorrow at 2 O’clock.

*(House rose at 7.38 p.m. and was adjourned until Wednesday, 15 March 2017 at 2.00 p.m.)*