



PARLIAMENT OF UGANDA

# PARLIAMENTARY DEBATES

(HANSARD)

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OFFICIAL REPORT

SECOND SESSION - THIRD MEETING

THURSDAY, 9 MARCH 2023



PARLIAMENT OF UGANDA

## IN THE PARLIAMENT OF UGANDA

### Official Report of the Proceedings of Parliament

#### SECOND SESSION - 15TH SITTING - THIRD MEETING

Thursday, 9 March 2023

*Parliament met at 1.59 p.m. in Parliament House, Kampala.*

#### PRAYERS

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

*The House was called to order.*

#### COMMUNICATION FROM THE CHAIR

**THE SPEAKER:** Honourable members, I welcome you to this afternoon sitting. I also welcome back Members who went for the International Women's Day celebrations. *(Applause)*

You will recall that on the 28<sup>th</sup> of February, I directed the Executive that we should have the ministerial statements laid on the Table on the 14<sup>th</sup>. So, we want the ministerial statements laid here on the 14<sup>th</sup> of March – that is, on Tuesday next week. We need to receive these statements early enough for us to be able to refer them to the committees.

I would also like to report that pursuant to Article 101(2) of the Constitution of the Republic of Uganda, His Excellency the President will address the House on the 16<sup>th</sup> – that is, on Thursday next week – at 2.00 p.m. Hon. Silwany has been raising this issue over a period of time.

The President is going to address the House on matters of national importance that concern the country. I urge all of you to be in the House that

day to hear what the President will say on what we can do to change our economy and society.

Honourable members, I can see a number of both international and local media. Whenever we talk about homosexuals here, I see them coming. *(Laughter)* I welcome all of you. Go ahead and cover it. For us, it is about our morals and culture. *(Applause)*

I urge Members of Parliament that, please, do not get intimidated. *(Applause)* We are doing all this for humanity. As we have always said, we are here to represent the people out there. We are the voice of the voiceless.

Honourable members, our Bill is going to come. The Executive promised that they would bring the Certificate of Financial Implications and I can ably report that the certificate was delivered. *(Applause)*

I know there are Members who have matters of national importance, but we are going to discuss them after. *(Mr Ssewungu rose)* There is nothing in my communication that you are going to respond to. Let us first get the Bill.

#### BILLS FIRST READING

#### THE ANTI-HOMOSEXUALITY BILL, 2023

**THE SPEAKER:** When you see people trying to frustrate this Bill - at least not from a Catholic. *(Laughter)* Honourable members, on Tuesday, 7 March 2023 – as I have already

said – the Executive promised a certificate and it has been delivered.

I applaud the Executive for that. The Certificate of Financial Implications is with us. The Bill that we have before us concerns the morality of our people and the future of our children. We are looking at protecting humanity. Can we have Hon. Basalirwa?

2.05

**MR ASUMAN BASALIRWA (JEEMA, Bugiri Municipality, Bugiri):** Thank you very much, Madam Speaker. I beg to move that the Bill entitled, “The Anti-Homosexuality Bill, 2023” be read for the first time.

**THE SPEAKER:** Thank you, Hon. Basalirwa. Pursuant to rule 129, I refer the Bill to the Committee on Legal and Parliamentary Affairs. I also ask the committee to ensure that there is sufficient public hearing on this Bill. Nothing should be hidden.

As I have already said, Members will vote by tally: we will call the person and the person votes. We do not want the technicality of saying there was no quorum.

This is the time you are going to show us whether you are a homosexual or not. *(Laughter)* This business of intimidating people that they will not go to America: what is in America? The only thing you can intimidate me with is to say I will not go to my constituency. As long as I am able to go to my constituency, to hell with those countries. *(Applause)*

Lay the certificate and the Bill on the Table.

**MR BASALIRWA:** I would like to seek your indulgence to lay the Certificate of Financial Implications on the Table. It is dated 7 March 2023 -

**THE SPEAKER:** And signed by whom?

**MR BASALIRWA:** It is signed by Hon. Matia Kasajja (MP), Minister of Finance, Planning and Economic Development.

**THE SPEAKER:** What is the heading?

**MR BASALIRWA:** The heading of the cover letter is: “*Request for a Certificate of Financial Implications for the Anti- Homosexuality Bill, 2023.*”

The last statement says: “*To that effect, please, find attached the Certificate of Financial Implications for the Anti-Homosexuality Bill, 2023.*”

**THE SPEAKER:** Read for us the certificate in totality. We do not want an aspect of other people running to court.

**MR BASALIRWA:** Thank you, Madam Speaker.

*“Certificate of Financial Implications*

*(Made under Section 76 of the Public Finance Management (Amendment) Act, 2015.)*

*This is to certify that the Anti-Homosexuality Bill, 2023 has been reviewed in accordance with Section 76 of the Public Finance Management (Amendment) Act, 2015.*

*I wish to report as follows:*

a) *That the Bill has the following overall objective;*

*To establish a comprehensive and enhanced legislation to protect the traditional family through prohibiting sexual relations between persons of the same sex, strengthening the nation’s capacity to deal with emerging threats to the traditional family, protecting the cherished culture of Uganda and protecting children and youth, who are vulnerable to sexual abuse.*

b) *Objects of the Bill*

i) *To prohibit marriage between persons of the same sex;*

ii) *To prohibit and penalise homosexual behaviour and related practices;*

- iii) *To prohibit the promotion of homosexuality; and*
- iv) *To protect and provide assistance and payment of compensation to victims of homosexuality.*

c) *Specific outputs and outcomes of the Bill*

*Criminalisation of homosexuality with a liability of imprisonment for homosexuality, aggravated homosexuality, attempted homosexuality, aiding and abetting homosexuality, conspiracy to commit homosexuality and related practices...*

The minister further adds that the Bill also provides for protection, assistance, and compensation -(*Interruption*)

**MR OKUPA:** I do not know why you are in a hurry. Read it slowly. I have noticed that you have omitted the “two to ten years” as you were reading, yet it is there.

**THE SPEAKER:** Hon. Basalirwa, take your time. We are looking at standing with society on matters of morality and I know you are not under any threat. Please take your time; read word for word.

**MR BASALIRWA:** Thank you very much, Madam Speaker. On Thursdays, I fast; they are my optional fasting days.

**THE SPEAKER:** So, can the seconder read?

**MR BASALIRWA:** He is saying I take some water and that is why I said, “No, I am comfortable”.

Madam Speaker, now that you have guided well, let me repeat that point.

**THE SPEAKER:** Please.

**MR BASALIRWA:** ...

(c) *Specific outputs and outcomes of the Bill*

*Criminalisation of homosexuality with a liability of imprisonment of two to 10 years*

*for committing homosexuality, aggravated homosexuality, attempted homosexuality, aiding and abetting homosexuality, conspiracy to commit homosexuality and related practices.*

*Furthermore, the Bill also provides for protection, assistance, and compensation of victims of homosexuality as well as penalties for publishing or revealing the identity of victims of homosexuality without consent.*

d) *Alignment to the national development policies and programmes*

*The Bill is aligned to the national development agenda, specifically the Community Mobilisation and Mind-set Change Programme of NDP III, which aims to empower families, communities and citizens to embrace national values and actively participate in sustainable development.*

e) *Funding and budgetary implications.*

*The Bill will be implemented within the existing budgetary provisions of the implementing agencies, which will include law enforcement, the Judiciary, and medical institutions, among others.*

f) *Expected savings or revenue to the Government*

*The implementation of the Bill is not anticipated to directly generate revenue or savings for the Government.*

*Submitted to Parliament under my hand this Eighth day of March 2023.”*

By the Minister of Finance, Planning and Economic Development.

Madam Speaker, I beg to lay the document on the Table.

**THE SPEAKER:** Please lay. (*Applause*)

**MR BASALIRWA:** Madam Speaker, I also wish to lay on the Table the gazetted copy of the Bill for record purposes and information.

**THE SPEAKER:** When was the gazette?

**MR BASALIRWA:** It was 3 March 2023.

**THE SPEAKER:** Thank you.

**MR BASALIRWA:** Madam Speaker, I would like to thank you for giving us the opportunity to bring this Bill. I also want to thank the Government for the commitment they undertook to provide the certificate. We understand; the pressure is immense and enormous, but you stood your ground and we have stood our ground.

Finally, I would like to make a humble appeal to each of us to make a public commitment as far as this matter is concerned. The reason this Bill was thrown out last time was due to quorum. We request people to have messages and videos, making public commitments that they support this Bill. I beg to submit.

**THE SPEAKER:** The Bible says, “We shall know them by their deeds.” Indeed, we are going to know Members of Parliament by their deeds. Its either you are “for” or “against”. Whatever you are going to do will impact on the next generation; your children *-[Member rose ]-* When the Speaker is speaking, it is good manners to sit.

On Tuesday, we said the frontbench is gazetted for ministers. For now, your ministerial position has extinguished. *(Laughter)* Since you were sitting in for the Government Chief Whip and he has come, you can go back to your seat. Thank you, for standing in for him.

Honourable members, we are going to refer the Bill to a committee in order to accord people maximum public hearing. Allow the public to come and express their views, including the homosexuals. Please allow them to come. Even if they are Members of Parliament, the religious leaders, please listen to all of them before you report back to the House.

We do not want this business of saying, “We were not heard”, as if you are doing something

illegal. We want them to be heard, even in their illegality and immorality.

**THE SPEAKER:** Government, do you have something to say?

2.16

**THE GOVERNMENT CHIEF WHIP (Mr Denis Obua):** Madam Speaker, we delivered as promised. Secondly, I would like to clarify a point raised by the mover that he knows we are under pressure and this has gone on record.

I want to state that the leadership of the Government of the Republic of Uganda, under His Excellency the President, Gen. Yoweri Kaguta Museveni is not under any pressure. I also want to state that the leadership of the Parliament of the Republic of Uganda, under the Rt Hon. Anita Annet Among Magogo, who is here in person, is not under any pressure.

The laws we make constitutionally are for the peace, order and good governance of Uganda. That must go on record. There is no pressure. We are constitutionally exercising what is bestowed upon us. I beg to submit.

**THE SPEAKER:** Thank you, Government Chief Whip. Even where the mover of the motion says, “Government snubs my gay Bill”, the Government is not snubbing it. No one pushed them and I did not push anyone. I just requested.

Honourable members, in the VIP gallery this afternoon, we have a delegation of Members of Parliament and staff of Parliament from the United Republic of Tanzania. You are most welcome. *(Applause)*

We have:

1. Hon. Jerry William Silaa - Chairperson of the Public Investment Committee;
2. Hon. Halima J. Mdee - Chairperson of Local Authorities Accounts Committee;
3. Hon. Livingstone Naghenjwa Kabayoka - Chairperson of the Public Accounts Committee;

4. Hon. Augustine Vuma Halle - Vice Chairperson of the Public Investments Committee;
5. Hon. Omari Mohammed Kigua - Vice Chairperson of the Budget Committee;
6. Hon. Stanislaus Mabura - Vice Chairperson of the Local Authorities Account Committee;
7. Hon. Japheti Ngailonga Hasunga - Vice Chairperson of Public Accounts Committee;
8. Mr Edwin Mpehi Rweyemamu - Assistant Auditor-General;
9. Ms Kemi John - Assistant Auditor-General;
10. Ms Jesca Thadei Sanga - Committee Clerk;
11. Ms Trifina Tanzania - Committee Clerk; and
12. Mr Samuel Musana - Parliamentary Liaison Officer.

They are under the umbrella of the National Audit Office of Tanzania and are here for benchmarking. You are most welcome to the Parliament of Uganda. Please join me in welcoming them. *(Applause)*

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

**MR ENOS ASIIMWE:** Thank you, Madam Speaker. I rise under rule 10. I would have raised it immediately after your communication. You mentioned the President being in the House next week on the 16<sup>th</sup>. I am requesting, if possible - of course, it is through your powers - to have the sitting for the 16<sup>th</sup> in a bigger space than Parliament because I imagine when the President is here, everyone will be here and it will be very hard for us to fit within -

**THE SPEAKER:** Hon. Enos, you have a very able leadership in the Parliament of Uganda. We know what to do. You have the Speakers, a Government Chief Whip, a Leader of the Opposition and the Clerk. We will communicate to you where and what will be done. Thank you.

**MR KOMAKECH:** Thank you, Madam Speaker. When Hon. Basalirwa read the Certificate of Financial Implications, I took time to look at the date when the certificate was issued and it read 8 March 2023. Doesn't that, in any way, affect the eligibility of the certificate since the 8<sup>th</sup> of March was a public holiday and all offices were closed? Thank you.

**MR BASALIRWA:** Madam Speaker, this certificate was forwarded –

**THE SPEAKER:** By the way, in Public Service Standing Orders, a civil servant is on call 24/7. Honourable Leader of the Opposition

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#### STATEMENT BY THE LEADER OF THE OPPOSITION ON THE POST-RECESS SITUATION

2.23

**THE LEADER OF THE OPPOSITION (Mr Mathias Mpuuga):** Much obliged, Madam Speaker. This statement should have come immediately after recess, but I understood the circumstances under which it was brought forward. The titling is not a mistake to wit that the Leader of the Opposition did not wake up from bed to say that it is post-recess, but to try and make a recap to colleagues and the country as to –

**THE SPEAKER:** Honourable Leader of the Opposition, just a minute. Honourable members, may be for clarity, we got a report from the Leader of the Opposition immediately we returned from recess, but because we had a congested Order Paper, that is why we preferred to have it today. It is not something out of the blue. This is in conformity with rule 53 of the Rules of Procedure.

**MR MPUUGA:** Thank you, Madam Speaker. Since the preamble has, in a way, been overtaken by events, I do not really hazard to go there, but to state that you did report to Parliament, in your communication last week, the temporary freedom given by court to the two honourable colleagues - Hon. Ssewanyana and Hon. Ssegirinya - that had been in incarceration without trial for more than a year. They were received by the House in absentia, because the two honourable gentlemen had really suffered in what I dub as “illegal detention” in the circumstances.

However, I want to recap and say that the honourable members are recuperating. They left prison sick. They still need our moral support so that they can return to do the business for which Ugandans voted for them.

In the wake of that, I would like to remind the House that the situation of abductions of Ugandans remains the way we left before the House went into recess. Madam Speaker, before we went into recess, you had ordered for a series of meetings between me, my team and the Office of the Leader of Government Business, which were held in the Office of the Deputy Speaker. Unfortunately, those meetings never resolved anything, but largely, we were speaking about the 25 missing citizens.

Between 8th and 15th February 2023, security operatives moving in the infamous “drones” abducted Khalid Ssebi, Kabugo Alex Basajja, Ssebunya Yasin and Kagimu Fred from Nakaseke District, in particular in the constituency of Hon. Allan Ssebunya Mayanja - Nakaseke Central.

Also, Mr Mubiru Saddam was abducted from Salaama Road in Makindye on 15 February 2023. Those citizens, up to now, have not had their whereabouts communicated by any authority. The Member of Parliament for Nakaseke Central did report to the authorities, including reaching out to the ministers. They have not communicated the whereabouts of these citizens. It is coming to a month now. Here we are, deliberating people committing

illegalities, including our security agencies. Therefore, the abuses continue.

Our hope lies in the statement made by the Prime Minister earlier. You remember the famous 25. The Prime Minister made a statement to the public and made an admission that Kibalama John Bosco, whose name tops all the lists that we have been laying before Parliament, is in the hands of security.

The Prime Minister, while speaking to the media outside Parliament, claimed that Mr Kibalama is in custody of the State. I request that her statement be played on video so that I do not sound like a rumour-monger, so that I can speak subsequently, what that implied.

**THE SPEAKER:** Can we hear the video.

*(An audio recording was played.)*

**THE SPEAKER:** That is audio; I want a video.

*(A video was played.)*

**MR MPUUGA:** Much Obligated, Madam Speaker. This is the essence of evidence-based debate.

For the record, Madam Speaker, Mr Kibalama was abducted on 3 June 2019 from his shop at Kanyanya. The Prime Minister said this gentleman was arrested last year, in October. For more than two years, his family cannot make a trace of him. Even after the pronouncement of the Prime Minister, nobody has seen Mr Kibalama.

We demand that the Prime Minister comes here – and I will escort her. I want to go and look at Kibalama and communicate to his family and children. Mr Kibalama left behind a very young family. Now that the Prime Minister has confirmed that he is in police custody – wherever he is – I will gladly escort her to go and see Kibalama.

Madam Speaker, we are also disturbed by the circumstances under which a one Mzee Costa

Muhonja, 75, died in police custody, following his abduction from his cotton plantation in Katholhu, Nyakiyumbu in Kasese District.

Madam Speaker, I remember you copying me in, in one of your correspondences to security, to explain the circumstances surrounding his death. As the trend has always been, he was bundled into a drone van, driven to Masaka Police Station, then to Ssembabule and, later on, to the Special Investigation Unit, Kireka, where he died after two weeks. This entire time, the police found no reason to inform his family that they were holding him. Instead, after his death, they stealthily buried him. The police later claimed that Mzee Muhonja slid and fell in the bathroom, which caused his death.

To the contrary, a post-mortem examination report suggests that he died of pneumonia. Before we knew it, the police went and exhumed his body from the KCCA Cemetery and handed it over to the family without following due process. We all know the nature of due process in exhuming a body, but this was never done. This means that it was a well-coordinated move by security to cause disappearance of evidence for the murder of the 75-year-old citizen.

Madam Speaker, on this, we demand that the Prime Minister comes here and explains to the country the steps taken to apprehend and prosecute the people behind the killing of this citizen. The beauty is that the person who commandeered his abduction was named. His name is Maganda. We would like to know what the Government has done to prosecute all those involved in his killing and trying to hide evidence by burying him stealthily in a cemetery and, later on, trying to hide evidence of the cause of death.

Madam Speaker, I will not speak a lot on the second issue of corruption in the Office of the Prime Minister since the House is undertaking inquest on this subject matter. However, I can only state that the Office of the Prime Minister is turning out to be a cursed office. I hope somebody can go and exorcise the ghosts of corruption in that office. We shall debate more when the report of the House comes here.

The second last issue, Madam Speaker, is that on 8 February 2023, NEMA instituted express penalties in respect of various environmental breaches, ranging between Shs 3 million and Shs 100 million. The fines are not only unrealistic, but also inequitable and, therefore, should be clarified, at least, for the benefit of the citizens.

We recognise the fact that there is a huge negative impact of improper waste management on the ecosystem. We observe that the express penalty scheme was drafted in haste. We request that the minister for environment comes to the House to explain the cascading nature and hierarchy of these penalties because as Parliament, we are the best educators of our citizenry. Therefore, we need to understand how the ministry came up with these penalties and the figures that look arbitrary and the way they were fixed.

Madam Speaker, two weeks ago, Senior Health Officers (SHOs) laid down their tools – we all know what happened. We demand that the Minister of Health explains circumstances under which these public servants stopped working and caused suffering in our health facilities. The minister should be able to explain how many people lost their lives as a result of that industrial action – which is legitimate in the first place – and who caused the delay in meeting the Government's part of the bargain.

They laid down their tools because of the Government supplying them air and promising them lies overtime. We want to know who we should blame and who should be hanged for that action of not paying the salary promised and on the roll? This is so that it does not happen again in future.

Madam Speaker, we need to be very careful and not allow ministers – and the Government in general – to get away with this kind of negligence. While we blame health workers for industrial action, somebody responsible for their action must come and explain whether they slept on duty so that we can know what to do with them. The beauty is that this House is very warm for action on ministers sleeping on



duty. Our fingers are itching for action, Madam Speaker.

Lastly, we have discussed, in this House, matters of eviction of citizens from their land. The public media has been awash with the Apaa evictions, which, as the Opposition in Parliament, we believe were haphazardly handled, including the promised compensation by the Government.

Whereas the President reprimanded the Prime Minister for the promise she had made over the same matter, again, the promise of the President remained equivocal on what is going to be done to compensate the people of Apaa.

Will the Prime Minister come to the House and settle the ghosts of Apaa by communicating a Cabinet decision on this subject matter so that these people are settled, instead of the promises of Shs 10 million and 20 iron sheets? When the Prime Minister communicates on iron sheets, I get a cold down my spine. We need to have her communicate here, on the *Hansard*, this nature of promise.

Madam Speaker, with your indulgence, there is a problem in Buhaguzi County in Kikuube District over eviction of citizens. I do not know whether the Members of Parliament from these constituencies are so cowed and timid to speak for their people, but since the Leader of the Opposition speaks for the entire country, I would like to implore you –

**THE SPEAKER:** Honourable Leader of the Opposition, they are not timid. They have spoken in this House. My Members of Parliament are very vigilant. They have spoken for their people and will continue speaking for them. We have a very able team in Kikuube.

**MR MPUUGA:** Much obliged, Madam Speaker. We would like to see their voices turned into action and we are here to offer our unsolicited support to the people of Kikuube –

**THE SPEAKER:** They have spoken, but they have not yet got a response. I am happy that you are the Leader of the Opposition, who

is supposed to be a watchdog and hold the Government accountable.

**MR MPUUGA:** Exactly, Madam Speaker. I am here for gatekeeping. Will the Prime Minister come and explain whether she is sleeping on duty as far as this complaint is concerned. I expected nothing, but her response in very clear terms on these issues. Thank you.

**THE SPEAKER:** Thank you very much. Of course, to put the record clear, the Prime Minister is not sleeping on duty. There is no way you can sleep on duty; she has actually tried her best.

Honourable members, this statement is moved under rule 53(1). We will not discuss it because we need responses from different ministries. We need a response from the lands ministry, health ministry [*Mr Tinkasiimire rose*] the Government Chief Whip - I know Hon. Tinkasiimire is never patient.

**MR TINKASIMIIRE:** Thank you, Madam Speaker. The procedure I want to raise concerns our rules. Whereas, according to -

**THE SPEAKER:** Which rule?

**MR TINKASIMIIRE:** Rule 109. A motion was carried in this House to censure a minister. This minister holds a position of a Member of Parliament, so, she can continue sitting in the House.

Whereas a decision of the House was communicated to the appointing authority, and whereas we are aware we have not received any guidance from the appointing authority, I am confused that the same minister has continued to occupy the frontbench gazetted in the House for ministers.

In line with rule 9, I seek your guidance, Madam Speaker, how we should proceed in the circumstances.

**THE SPEAKER:** Thank you.

**MR TINKASIIMIRE:** It is not mistaken identity; I have properly identified her. She is actually seated on the frontbench yet this House unanimously passed a motion that she cannot sit on the frontbench. She can only sit as an ordinary Member of Parliament. I seek your guidance.

**THE SPEAKER:** Since you are seeking my guidance, I want us to proceed this way. We have very important things to handle - Can I now ask the Government to respond to the Leader of the Opposition's statement? It is a very serious statement.

Leader of the Opposition, as Parliament, we are ready to support Members who are sick, if they are able give us their medical letters.

You will get a response to what you have raised in the next sitting. We need comprehensive reports on the action that has been taken by the Government - Do not divert me; I am not iron sheets to be diverted. *(Laughter)*

2.43

**THE GOVERNMENT CHIEF WHIP (Mr Denis Obua):** Thank you, Madam Speaker. Just like you have guided, on behalf of the Government, let me first of all thank the Leader of the Opposition for the statement, but also state that in conformity with your guidance, I will brief the Rt Hon. Prime Minister, who should prepare a comprehensive response on areas that require her to respond. Also, the other ministers; the Minister of Water and Environment and the Minister of Health will respond to the specifics.

That said, Madam Speaker, I wish, again with your permission, and without pre-empting what the Prime Minister and the other ministers would state in their statements, to clarify one or two issues that are not in doubt.

Issue number one - for purposes of stability on the Apaa land - Recently, when His Excellency the President addressed a rally in Gulu, on his first zonal -

**THE SPEAKER:** Honourable minister, I just wanted you to relay the information to your ministers. I do not think you are competent enough to answer people's burdens. That is not your burden. Your work is to relay the information; just whip them to come.

**MR OBUA:** I have already undertaken to do that. I had stated that there are issues that are not in doubt; so, I simply wanted to provide information, but if the House does not wish -

**THE SPEAKER:** The ministers will provide.

**MR OBUA:** ...to have this information provided now, I stand by my earlier communication to communicate to the Rt Hon. Prime Minister and the other ministers to provide the responses. Thank you.

**THE SPEAKER:** Thank you. Next item.

STATEMENT BY THE RT HON. PRIME MINISTER ON GOVERNMENT BUSINESS FOR THE SUCCEEDING WEEK: 14 TO 16 MARCH 2023

2.46

**THE GOVERNMENT CHIEF WHIP (Mr Denis Obua):** Madam Speaker, I received a call from the Rt Hon. Prime Minister at exactly 2.00 p.m. that she had been invited by His Excellency the President for a meeting at State House, Entebbe.

Since our rules are specific on this particular subject matter, I request, if it pleases you, to push forward this item and deal with other matters on the Order Paper. When the Prime Minister comes, she will be in a position to perform her role as provided for under our Rules of procedure. Thank you.

**THE SPEAKER:** Thank you. Next Item.

MOTION FOR RECONSIDERATION  
OF THE MARKETS BILL, 2021 AS  
RETURNED BY H.E. THE PRESIDENT, IN  
ACCORDANCE WITH ARTICLE 91(3)(B)  
OF THE CONSTITUTION AND RULE 142  
OF THE RULES OF PROCEDURE

**THE SPEAKER:** Honourable members, as you recall, the Markets Bill, 2021, was read for the first time on 7 December 2021 and passed on 15 February 2022.

Pursuant to Article 91(2) of the Constitution of the Republic of Uganda, 1995, the Clerk transmitted a copy to His Excellency for assent.

On 16<sup>th</sup> January, the President, in accordance with Article 91(3)(b) of the Constitution returned the Bill to Parliament with comments, which comments have been considered by the committee.

On Tuesday, 7 March 2023, we referred the Bill to the Committee of Public Accounts (Local Government) for reconsideration. However, we had earlier referred the same Bill to the same committee administratively because we were in recess. Officially, we referred it on the 7<sup>th</sup> and now the committee is ready to report on the returned Bill. Can we have the Minister of Local Government move a motion for reconsideration of the Bill?

2.48

**THE MINISTER OF STATE FOR LOCAL GOVERNMENT (Ms Victoria Busingye):** Thank you, Madam Speaker. I apologise and promise to bring it next Tuesday.

**THE SPEAKER:** Why? The chairperson is ready to present and if you need help - Hon. Musasizi, can you help?

**MS BUSINGYE:** I had inquired and they told me it was not ready. Now that it is ready, I move that the chairperson comes and –

**THE SPEAKER:** Chairperson, are you ready? Please go to the microphone. Move the motion.

2.49

**THE CHAIRPERSON, COMMITTEE ON PUBLIC SERVICE AND LOCAL GOVERNMENT (Mr Godfrey Onzima):** Madam Speaker, we are ready to present the report.

**THE SPEAKER:** Thank you. Hon. Musasizi?

**MS BUSINGYE:** Madam Speaker, I move the motion for reconsideration of the Markets Bill, 2021 as returned by His Excellency the President, in accordance with Article 91(3)(b) of the Constitution and rule 142 of the Rules of Procedure. I submit.

**THE SPEAKER:** Thank you. Is the motion seconded? It is seconded by Hon. Silwany, Hon. Ethel, Member for Aruu, the Government Chief Whip, the finance minister, Hon. Aber – by the whole House. Can you speak briefly to your motion?

**MS BUSINGYE:** Madam Speaker, I beg to move. *(Laughter)*

**THE SPEAKER:** Honourable members, the Bill that was returned is self-explanatory. Can we maybe hear from the Private Member? Private Member, can you substantiate?

2.52

**MS MARGARET RWABUSHAIJA (Independent, Workers' Representative):** Thank you very much, Madam Speaker. The Markets Bill, 2021 that I moved as a private Member, was passed by this august House and was returned by the President on the date that you have given. It was sent to the relevant committee and I was invited to attend. So, because it is a Private Member's Bill, I, therefore, move a motion that it should be reconsidered by this august House. Thank you.

**THE SPEAKER:** Thank you. Honourable members, you have heard from – Don't go very far; sit near here. Your Bill is still near. Come and sit here; I have given you space here.

Honourable members, you have heard from the private Member and the minister. Can we now hear from the chairperson of the committee?

**MR ONZIMA:** Thank you, Madam Speaker. Before I present the report, allow me to lay a copy of the minutes of the engagements during the reconsideration of the Markets Bill, a copy of the committee report, a letter from the President and the returned Markets Bill. I beg to lay.

**THE SPEAKER:** Please lay.

**MR ONZIMA:** Report of the Committee on Public Service and Local Government on the Markets Bill as returned by His Excellency, the President of the Republic of Uganda, for reconsideration.

#### Introduction

The Markets Bill, 2021 was read for the first time on 7 December 2021 by Hon. Margaret Rwabushaija, Workers' Representative. The Bill was referred to the Sectoral Committee on Public Service and Local Government for consideration in accordance with Rule 129 of the Rules of Procedure of Parliament.

On 15 February 2022, Parliament passed the Markets Bill, 2021 and in accordance with Article 91(2) of the Constitution of the Republic of Uganda, 1995, the Clerk to Parliament presented the presentation copy to H.E the President of the Republic of Uganda for assent.

On 16 January 2023, the President, in accordance with Article 91(3)(b) of the 1995 Constitution, communicated to the Rt Hon. Speaker that he had withheld his assent to the Bill and returned it to Parliament for reconsideration. In his communication, the President indicated particular provisions to be reconsidered by Parliament. Pursuant to rule 143(1) and (2) of the Rules of Procedure, on 15 February 2023, the Rt Hon. Speaker referred the Markets Bill, as returned by the President, to the sectoral Committee on Public Service and Local Government.

#### Policy and principles

The object of the Bill is to reform the law relating to establishment and control of markets in Uganda; to provide for the establishment and management of public and private markets; to provide for licensing of private markets; to provide for registration of markets and vendors; to provide for levying and collection of market fees; to repeal the Market Act, Cap 94 and other related matters.

The spirit and reasoning of the Markets Bill, 2021 by the Committee on Public Service and Local Government, key stakeholders and the movers/drafters of the Bill was to involve the vendors in the day-to-day management of the markets, to promote harmonious relations and ease information flow between market proprietors and vendors.

Article 91(4) of the Constitution of the Republic of Uganda, 1995, provides that when a Bill is returned to Parliament by the President, Parliament shall reconsider it and if passed again, it shall be presented for the second time to the President for assent. Rule 143(1) and (2) of the Rules of Procedure of Parliament state:

*(1) Where a Bill passed by the House is returned to the House by the President with a request that the House reconsiders the Bill or a particular provision of it or any such amendments as are recommended in his or her request, the Speaker shall read the request of the President, or if the House is not in session direct, the message be published in the Gazette."*

#### Committee Observations on President's Recommendations

##### Section 4: Establishment of public markets

His Excellency the President of Uganda recommends that section 4(5) be deleted given the problems associated with the involvement of private persons/companies in the management of Government markets. His Excellency states that public markets should be developed and managed by the local authorities.

Section 4(5) provides, “A local authority may, in accordance with the Public Private Partnership Act, 2015 or the Public Procurement and Disposal of Public Assets Act, 2003 enter into any agreement with a person to develop or manage a public market within its area of jurisdiction.”

Committee recommendations

The committee agrees with His Excellency the President and proposes to delete section 4(5).

Sections 19, 20, 21 –

**THE SPEAKER:** Mr Chairman, you are now going to committee stage. Let us first finish the report and then go to committee stage. When you start talking about sections, those are things for committee level.

**MR ONZIMA:** This one is still within the report, but I take your guidance. We can go to committee stage. Thank you.

**THE SPEAKER:** Thank you. Honourable members, you have heard the report on the Markets Bill from Hon. Onzima. I now open the debate on the report. However, in the circumstance that there is nothing useful to add, *Hajat* will suggest that we go to committee stage. We are talking about a returned Bill.

3.00

**MS AISHA KABANDA (NUP, Woman Representative, Butambala):** Thank you, Madam Speaker. Whereas I had desired that the report be presented in full, it is your discretion that we go to committee state. I hereby -

**THE SPEAKER:** It is not my discretion. (*Laughter*) Bring a motion.

**AISHA KABANDA:** I move that the House goes to committee stage and we discuss the Bill clause by clause.

**THE SPEAKER:** Thank you. I now put the question that the Markets Bill, as returned by His Excellency the President in accordance with Article 91(3) of the Constitution and Rule

142 of the Rules of Procedure, be considered by this House.

*(Question put and agreed to.)*

## BILLS COMMITTEE STAGE

THE MARKETS BILL, 2021 AS  
RETURNED BY HIS EXCELLENCY THE  
PRESIDENT

3.02

Clause 1

**THE CHAIRPERSON, COMMITTEE ON PUBLIC SERVICE AND LOCAL GOVERNMENT (Mr Godfrey Onzima):** The committee recommends amendment of clause 1 by deleting the word “committee”.

The justification is that this is a consequential amendment arising from amendment of clauses 19 to 27 in the Bill.

**THE CHAIRPERSON:** Private Member?

**MS RWABUSHAIJA:** I concur.

**THE CHAIRPERSON:** Minister?

**MS BUSINGYE:** I concur.

**THE CHAIRPERSON:** I put the question that clause 1 be amended as proposed.

*(Question put and agreed to.)*

*Clause 1, as amended, agreed to.*

Clause 4

**MR ONZIMA:** We propose to amend clause 4 by deleting section 4(5).

The justification is to allow public markets to be developed and managed by the local authorities.

**THE CHAIRPERSON:** Minister?

**MS BUSINGYE:** I concur.

**THE CHAIRPERSON:** Private Member?

**MS RWABUSHAIJA:** I concur.

**THE CHAIRPERSON:** I put the question that clause 4 be amended as proposed.

*(Question put and agreed to.)*

*Clause 4, as amended, agreed to.*

Clause 19

**MR ONZIMA:** The committee recommends for deletion of clause 19.

The justification is that vendors, private persons and private entities should not be involved in the day-to-day management of markets.

**MS AISHA KABANDA:** Is it markets or public markets?

**MR ONZIMA:** It is public markets. In the law, private persons have been given the opportunity to develop markets and manage. Here, we are talking about the public ones by the Government.

**MSAISHAKABANDA:** Madam Chairperson, let the words “public markets” be inserted other than saying “markets”. When private people are allowed to start and manage markets and we say “markets”, it is kind of confusing.

**THE CHAIRPERSON:** Check the interpretation clause to know how we are defining “markets” in this Bill.

**MR LUBEGA SSEGGONA:** Madam Chairperson, the clarity that the honourable member seeks is to run through – because we are now dealing with the Bill clause by clause. If you substitute “markets” with “public markets” – which are defined differently – and relate it to the particular clause, then, it will be confusing, especially when we are talking about management.

**THE CHAIRPERSON:** Today, we are looking at what was returned. The word “markets” was defined when we passed the Bill the first time.

**MS AISHA KABANDA:** For the benefit of the House – because on our iPads, we are juggling around with the report, the Bill and the returned Bill. He could read for us the definition of “markets”.

**THE CHAIRPERSON:** I thought you had the Bill. Don’t you have it?

**MS AISHA KABANDA:** I request that he reads because I am looking at the report at the same time.

**MS AVUR:** For the benefit of the House, I also beg the chairperson of the committee to define for us “public market” *vis-à-vis* “private market”. I do not know of any private market in Uganda, at least in my district.

**THE CHAIRPERSON:** Hon. Avur, I would like us to look at rule 143(4) and (6). Can you read what it says?

**MS AVUR:** “(4) *Debate on a motion under this rule shall be confined -*

**THE CHAIRPERSON:** Rule 143 is on Bills returned by the President.

**MS AVUR:** “(4) *Debate on a motion under this rule shall be confined to consideration of matters referred to in the message of the President or to any suggestion relevant to the subject matter of the amendment recommended by the President.*”

“(6) *An amendment relevant to the subject matter of an amendment recommended by the President may be moved, but no further amendment shall be moved to the Bill unless it is consequential upon, incidental or alternative to, an amendment recommended by the President.*”

**THE CHAIRPERSON:** Can we go to the next item, that is clause 19.

**MR ONZIMA:** Clause 19 is on vendors' association. We propose deletion.

The justification is that vendors, private persons and private entities should not be involved in the day-to-day management of markets.

I do not know why Members are getting confused about this. From the report, vendors were supposed to be involved in the management of markets, but the President is saying, "No. This Bill has given permission for individuals to establish their own markets".

Also, in the Bill, we have said an individual or a private person will put an administrator to manage that market on his behalf. Now, when we were looking at this Bill, the Minister of Local Government had gone ahead and had come up with guidelines to manage these Bills, where vendors were involved in management. The President's argument in this, is that most of these problems we have in the markets such as unfair charges, arrests and confusion is due to the involvement of vendors as the managers of the markets.

If it is a private market established by myself, I should be able to determine how it should be managed. I should employ an administrator. If it is a Government market, it should be the local governments to manage it and not the vendors to manage them. Basically, in this returned Bill, we are doing away with the involvement of vendors in managing markets. There is nothing new here.

**MSAISHAKABANDA:** Madam Chairperson, the clarification I seek - we do not have a problem with local governments managing markets. However, if I have a market, say Aisha's market, I should be able to know how to manage it. Therefore, the problem is that the word "market" bundles together public markets and private markets.

I seek clarification from you on how we defined "market" so we are able to know whether it bundles together all markets. Otherwise, this submission carries markets altogether. This is the clarification I seek from you.

**THE CHAIRPERSON:** Does Hon. Aisha's market need to be licensed?

**MSAISHAKABANDA:** Aisha's market needs to be licensed, but licensing and management are two different things.

**MR ODUR:** Madam Chairperson, this is a very simple matter.

**THE CHAIRPERSON:** In prudence corporate governance, ownership should be separated from management; the management should be separate from you. This is why they are saying you should not, for objectivity and conflict of interest, bring the vendors, who are private individuals to manage.

**MR ODUR:** Madam Chairperson, the committee's justification is the one causing confusion. There is actually no matter with - They have a good point to delete clause 19, but-

**THE CHAIRPERSON:** Help me to redefine how the justification should read.

**MR ODUR:** Clause 19 that they want to delete says, "A vendor may form or join a labour union, registered association, partnership, cooperative or savings and credit cooperative society." That is what they want to delete. The justification should have been that it is a redundant clause. It has nothing to do with the market.

**MR LUBEGA SSEGGONA:** Madam Chairperson, with the explanation given by the chairperson, it is more clarified. The President's intention relates to public markets. Why? You have already allowed private people to develop their markets; so, why do you have to force them to run them?

I should be entitled and free to decide and divest myself of management responsibilities by telling the vendors in that market to manage their affairs for me because it is mine. From the explanation of the chairperson, I can authorise anyone, including the vendors.

When it comes to public markets, where we have interest as the Government, that is where we are saying we do not want vendors. Supposing the vendors in that market are actually my sons and daughters, I must be left with the freedom.

Invariably, where the chairperson is placing the word “market,” what we should be putting is “public market”, because we are pronouncing a restriction, which the President did not intend to go to private markets.

**MR ONZIMA:** Maybe what we can do -

**THE CHAIRPERSON:** Let us first hear from the LOP.

**MR MPUUGA:** Madam Chairperson, I was well represented by the views of Hon. Sseggon. The difference was that I failed to decipher a public market, private and Public Private Partnerships (PPP) arrangement. It is not clear. This is why I was a bit puzzled. What will happen in a situation of PPP? How did you distinguish between a private, public and PPP? Otherwise, a situation of a PPP deleted in (4) could arise. So, how are you going to deal with that? Didn't we imagine about the PPP?

**THE CHAIRPERSON:** Honourable members, I hope you have all seen what is in clause 19; it is about vendors' association. It says, “*A vendor may form or join a labour union, registered association, partnership, cooperatives, or savings and credit cooperative societies.*” That is what is being proposed for deletion since it is a redundant clause.

We have a number of laws that can allow a vendor to do that. Clause 19 is redundant, as Hon. Odur said. We should not have even had it. In fact, it is the justification misleading. Honourable members, look at what is in the section since we are going to delete all of them.

**MR MPUUGA:** I can see omnibus deletion being undertaken here; from clause 19 to 27 -

**THE CHAIRPERSON:** If you want me to do it omnibus, I have no problem. *(Laughter)*

**MR MPUUGA:** Let us first be clear on whether the interest that was earlier on enshrined in (4), takes care of the deletion.

**MR ONZIMA:** If the argument is about clarity - maybe we can say “vendors, private persons and private entities should not be involved in the day-to-day management of public markets.” We can insert the word “public.”

**MR LUBEGA SSEGGONA:** That is my point, Madam Chairperson.

**MR ONZIMA:** We can insert the words “management of public markets”.

**THE CHAIRPERSON:** But we are deleting the clause.

**MR ONZIMA:** They are talking about the justification.

**THE CHAIRPERSON:** How is the justification going to help you? You have clarified and that is okay.

**MR LUBEGA SSEGGONA:** Madam Chairperson, I now agree that since we are deleting the restriction, it makes sense. What we are avoiding is creating a prohibition that is not necessary. Now, we have deleted the prohibition.

**THE CHAIRPERSON:** Private Member, are you in agreement with the deletion of clauses 19, 20, 21, 22, 23, 24, 25, 26 and 27?

**MS RWABUSHAIJA:** Madam Chairperson, I concur.

**MS BUSINGYE:** I concur, Madam Chairperson.

**THE CHAIRPERSON:** Thank you. I put the question that clauses 19, 20, 21, 22, 23, 24, 25, 26 and 27 be deleted as proposed by the committee.

*(Question put and agreed to.)*

*Clauses 19, 20, 21, 22, 23, 24, 25, 26 and 27, deleted.*



## Clause 29

**MR ONZIMA:** Maybe, I will seek the indulgence of the House and Madam Chairperson on clause 28(5)(c) since we are deleting things to do with - this was an oversight. I have just seen it when I was reading through - since we are doing away with the word “committees” that has also appeared in clause 28(5)(c); so, I think we could also delete that.

**THE CHAIRPERSON:** But this is a consequential amendment; it will be adjusted during drafting.

## Clause 29

**MR ONZIMA:** Clause 29 - Market Administrator. Amend to delete the word “committee” appearing in section 29(3)(b) to read as follows:

*“3 The market administrator shall be responsible for –*

*(b) liaising with administrative authority on the affairs of a market.”*

The justification is that clause 29(3)(b) is a consequential amendment of clause 20.

**MS BUSINGYE:** I agree.

**THE CHAIRPERSON:** I put the question that clause 29 be amended as proposed.

*(Question put and agreed to.)*

*Clause 29, as amended, agreed to.*

## Clause 30

**MR ONZIMA:** Clause 30 – Allocation of shops, pitches and stalls in a public market. Amend clause 30(a) to read as follows: “(a) the administrative authority shall determine the composition, functions and mandate of the allocation committee.”

The justification is to allow the administrative authority powers to determine the composition of the allocation committee and its mandate.

**MS RWABUSHAIJA:** Madam Chairperson, I concur.

**MS BUSINGYE:** I concur, Madam Chairperson.

**THE CHAIRPERSON:** Thank you. I put the question that clause 30 be amended as proposed.

*(Question put and agreed to.)*

*Clause 30, as amended, agreed to.*

*Clause 28, agreed to.*

*Clause 28, as amended, agreed to.*

## MOTION FOR THE HOUSE TO RESUME

3.23

**THE MINISTER OF STATE FOR LOCAL GOVERNMENT (Ms Victoria Busingye):** Madam Chairperson, I beg to move that the House do resume and the Committee of the whole House do report thereto.

**THE CHAIRPERSON:** I put the question that the House do resume and the Committee of the whole House reports thereto.

*(Question put and agreed to.)*

*(The House resumed, the Speaker presiding.)*

## REPORT FROM THE COMMITTEE OF THE WHOLE HOUSE

3.24

**THE MINISTER OF STATE FOR LOCAL GOVERNMENT (Ms Victoria Busingye):** Madam Speaker, I beg to report that the Committee of the whole House has considered the Bill entitled, “The Markets Bill, 2021” and passed it with amendments.

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

3.24

**THE MINISTER OF STATE FOR LOCAL GOVERNMENT (Ms Victoria Busingye):** Madam Speaker, I beg to move that the House adopts the report of the Committee of the whole House.

**THE SPEAKER:** I put the question that the House adopts the report of the Committee of the whole House.

*(Question put and agreed to.)*

*Report adopted.*

BILLS  
THIRD READING

THE MARKETS BILL, 2021, AS  
RETURNED BY HIS EXCELLENCY THE  
PRESIDENT

3.25

**THE MINISTER OF STATE FOR LOCAL GOVERNMENT (Ms Victoria Busingye):** Madam Speaker, I beg to move that the Bill entitled, “The Markets Bill, 2021” as returned by His Excellency the President, be read for the third time and do pass into law, with amendments.

**THE SPEAKER:** Honourable members, I put the question that “The Markets Bill, 2021” as returned by His Excellency the President, be read for the third time and do pass.

*(Question put and agreed to.)*

A BILL FOR AN ACT ENTITLED, “THE  
MARKETS ACT, 2023”

**THE SPEAKER:** A Bill passed for an Act entitled, “The Markets Act, 2023.”

Congratulations, Minister of Local Government, chairperson of the committee, the private Member and the House at large, led by Hon. Hanifa.

Government Chief Whip, you are doing a good job – I am going to the next Bill. That is why I am seated here. I know you want to raise a procedural matter on my sitting here. *(Laughter)*

BILLS  
COMMITTEE STAGE

THE MICRO FINANCE DEPOSIT-TAKING  
INSTITUTIONS (AMENDMENT) BILL,  
2022

**THE SPEAKER:** Honourable members, we have a pending issue on the Micro Finance Deposit-Taking Institutions Bill. However, because of the urgency of the matter, we will look at - we are not taking long with NSSF because we had already debated it.

What we are left with is to put the question. We expected the minister here. I do not know whether the Government Chief Whip has - we postponed the debate because we were waiting for the minister. If the minister is not here, then, we can go to the Leader of the Opposition. We were left with only one person - you are not going to say “no” because you are not chairing the House.

MOTION FOR ADOPTION OF THE  
REPORT OF THE SELECT COMMITTEE  
ON THE STATE OF AFFAIRS AT THE  
NATIONAL SOCIAL SECURITY FUND

3.29

**THE GOVERNMENT CHIEF WHIP (Mr Denis Obua):** Madam Speaker, it is a practice that we normally call all ministers who, specifically, have business on the Order Paper. Today, the same was done. First on my list, for confirmation of attendance, is Hon. Betty Amongi Ongom, the Minister of Gender, Labour and Social Development – although she is not yet in the House. Can I, kindly, request

that I be given time to call her again, as we proceed with any other business on the Order Paper?

**THE SPEAKER:** We will continue with the same business on the Order Paper because last time you asked for the same.

**MR LUBEGA SSEGGONA:** Madam Speaker, last time, you guided that the honourable minister would be able to access the *Hansard*, go through the deliberations for her to appreciate and then be able to respond, if she needs to respond.

Secondly, last time when we raised the same issue, we were informed that the honourable minister had communicated her absence through the Government Chief Whip. Today, he has no communication.

What normally happens is that a person is given an opportunity and he or she exercises that opportunity. However, exercise of that right is not mandatory. We can safely assume that the minister does not have any comments to make on the report and, therefore, we proceed with our debate and close it.

**THE SPEAKER:** Thank you. Leader of the Opposition? Honourable members, I have a Bill to pass. Do not take me into matters of procedure. I gave all of you chance to speak the other day.

3.33

**THE LEADER OF THE OPPOSITION (Mr Mathias Mpuuga):** Much obliged, Madam Speaker. I had intended that we do justice to this matter in the full presence of the two principals so mentioned in this report: the Minister of Finance, Planning and Economic Development and the Minister of Gender, Labour and Social Development.

However, because they have elected to keep away, this House is not constrained to make a decision. I beg that we move as advised -

**THE SPEAKER:** Can I, first, hear from Hon. Betty and then you make your submission?

**MR MPUUGA:** Much obliged.

3.34

**THE MINISTER OF GENDER, LABOUR AND SOCIAL DEVELOPMENT (Ms Betty Amongi):** Thank you, Madam Speaker. I have a written statement, which I would want to read in response.

**THE SPEAKER:** Is it the statement you had given us before or is it different?

**MS AMONGI:** Yes, it is the same; only updated.

**THE SPEAKER:** It cannot be the same. If it is updated, then it is a different statement.

**MS AMONGI:** I had already handed it to the Clerk for uploading, but it does not have anything substantial. I can give some copies to the honourable members, but I already handed it over for uploading. You can guide me.

**THE SPEAKER:** Members, check your iPads if it has been uploaded. Please, go ahead.

**MS AMONGI:** Thank you, Madam Speaker. This is my response to the report of the Select Committee on the State of Affairs at the National Social Security Fund.

I have read the report of the Select Committee on the State of Affairs at the National Social Security Fund. I would like to thank the committee for its work and appreciate the opportunity that this House has afforded me to respond to the findings, observations and recommendations of the committee.

I would like to state that some aspects – *(Interruption)*

**MR ODUR:** Thank you very much, Madam Speaker. The procedural matter I would like you to rule on is that, by practice, when a report of this nature comes to this House, the minister responsible for the sector is given an opportunity to respond. In this case, is the minister responding as the minister or as an individual that was named in the report?

**THE SPEAKER:** I need to find out from the Member herself.

**MS AMONGI:** Madam Speaker, when this report was read, you guided that the two ministers, who had been mentioned in the report, should come and make a statement. The Minister of Finance, Planning and Economic Development has already made a statement and it is in that spirit that –

**THE SPEAKER:** Hon. Matia Kasaija has already made a statement and Hon. Betty Amongi is making a statement.

**MS AMONGI:** As a minister, who has been mentioned and recommended to resign -

**THE SPEAKER:** Okay. Please, go ahead.

**MS AMONGI:** I would like to state that some aspects of the committee's findings and recommendations are beyond my mandate and, therefore, I will not be able to respond to them appropriately. Further, given the timeframe to prepare the response, you will realise my response may not be exhaustive. The committee report has many pages, but I have attempted to respond to some of the inaccuracies in most of them.

Further, there are matters that require long-term actions for which I cannot respond immediately. To this, I commit to the House that the Ministry of Gender, Labour and Social Development will take the necessary action and a report on the action taken shall be tabled before this House, pursuant to rule 220 of the Rules of Procedure of Parliament.

My response is, therefore, as follows:

One: The governance structure at the Fund, before and after the NSSF Act 2022 as amended, contained in pages 17 and 18 of the report

The committee observed that transferring NSSF back to the Ministry of Gender, Labour and Social Development has led to allegations of corruption and influence-peddling and leads

to delayed decision-making and scandals impacting negatively on the savers' reputation.

Madam Speaker, the issues being referred to as corruption scandals in the pension towers, housing estates and land purchases emanates from decisions taken long before the amendment of the Act and they were committed under the Ministry of Finance, Planning and Economic Development.

The findings of the committee actually confirm that dual supervision has saved workers' money because the report pins the Ministry of Finance, Planning and Economic Development in superintending what the committee calls corruption and scandals. For instance, financial loss of Shs 2.3 billion invested in West Nile Golf Course - that is recommendation No.4 of the committee report on page 140; \$62 million invested in Lubowa Estate, where the committee recommends that there is a need for value-for-money audit on those housing projects, including pension towers, in its variations where about Shs 500 billion so far has been used, with several variations yet still incomplete. There is also Temangalo, Yusuf Lule Road, contained in the committee report under recommendation No. 13 on page 145. Shs 57 billion on the suspense account, which is being abused and diverted. It is recommendation No. 16, on page 146.

Abuse of authority by the former managing director in writing of penalties amounting to Shs 31 billion, arising out of non-compliance. It is captured under recommendation No. 17 on page 146. The NSSF extending unsecured loan of Shs 11.06 billion in 2010, without conducting due diligence on credit worthiness of Uganda Clays Limited, which now stands at Shs 24.21 billion. It is recommendation No.18 on pages 146 and 147.

Board members being paid illegal contributions of 10 per cent was approved by the Minister of Finance, Planning and Economic Development. It is captured under recommendation No.20, on page 147. Inconsistency in the department of compliance in their internal audit where defaulting companies who are not complying

with NSSF contribution are not being penalised, Shs 200 billion is pending in collections to NSSF. This is under recommendation No. 21 on page 148.

Lack of proper due diligence on Lubowa land. This is under recommendation No. 22 on page 148. The IGG to investigate and prosecute former Managing Director, Richard Byarugaba and others for the geo-mapping project, which caused financial loss of Shs 748.861 million - on page 149.

Abuse of office by the then NSSF Board members for creating Victoria Property Developments Limited, and causing financial loss of \$2.05 million on page 146, recommendation No.24.

Recommendation on lifestyle audit for illicit accumulation of wealth by the former managing director and others is on page 146, recommendation 25. Construction of expensive houses by the NSSF and the need for affordable houses is on recommendation No.26, page 146.

Recommendation on investigation by the IGG on failed projects of smartcard, which caused financial loss of Shs 2.6 billion, customer self-service Shs 133.283 million is recommendation 27, on page 149.

Recommendation of disbanding the entire 12<sup>th</sup> Board; the Board appointed by the finance minister. This is captured under recommendation 8 on page 150.

All these I have read were undertaken under the Ministry of Finance, Planning and Economic Development and not the Ministry of Gender, Labour and Social Development.

Honourable members, why would the committee make such a recommendation to transfer back the Fund to the finance ministry, despite their findings?

My considered view is that dual mandate allows for the workers' voice to be heard -

**THE SPEAKER:** Hon. Betty, I do not know whether you looked at that report very well. What the committee recommended is that finance ministry should be able to appoint the managing director, then the gender ministry appoints the Board. Isn't that what was recommended? They are not transferring the Fund; you will still maintain the dual supervision, but not transferring the Fund to the finance ministry.

**MS AMONGI:** Madam Speaker, the National Social Security Fund Act separates the two functions - operational and labour related functions; those related to investment, borrowings and finances. There is no need to leave only one section of appointing a Board, then everything is taken to the finance ministry. It is better you take everything because -

**THE SPEAKER:** Anyway, this debate is not for you people to fight who is responsible for what. The House will determine who will take responsibility when making a law. Tell us about yourself.

**MS AMONGI:** Madam Speaker, my considered view is that a dual mandate allows the workers' voice to be heard, encourages peer-to-peer scrutiny, and will instead curtail corruption. However, the mandate to make laws is with the Parliament, and I am sure the Ministry of Gender, Labour and Social Development will not defy Parliament, should the law be amended.

On my side, I have exercised my oversight. This is why we are here debating. Did I have to allow for the purchases of land at inflated costs and for such investments to continue so that we end up with a property that cannot be purchased, like Lubowa? In my view, the principle that prevention is better than cure, which I used, worked for me.

When approving the budget, Madam Speaker, I cannot do so without due process and diligence. Therefore, by asking for due diligence before I approved non-justifiable items in the budget does not amount to influence-peddling, as the committee asserts. This is done here in

Parliament by various committees. We come to you; you take us back and forth. You scrutinise and then advise -

**THE SPEAKER:** Hon. Betty, we do not take you back and forth. We do our work as required by the Rules of Procedure.

**MS AMONGI:** Actually, the same law under this Act empowers me to do just that, but the committee is telling me that I did wrong by asking them to go back and carry out due diligence -

**THE SPEAKER:** What I am saying is that oversight committees do not send you back and forth.

**MS AMONGI:** Much obliged. The second issue I am addressing is the circumstances surrounding the appointment of the Fund's managing director and deputy managing director contained in pages 18 to 20.

The committee's concern that deferred appointment of Mr Richard Byarugaba, as the managing director, was caused by personal concern is not true. The decision was based on concerns that I made available to the managing director and the NSSF Board and other stakeholders in writing.

By the time of the committee's investigations, this matter had been referred to the IGG and the Auditor-General for technical investigation that would otherwise expose my perceived personal considerations and absolve the managing director. That was my intention.

It is good practice, Madam Speaker, in both corporate governance and principle of due process and natural justice, that a person under investigation stays out of the office to pave way for an impartial and independent investigation to take place without undue influence. This was the spirit of my refusal to reappoint the MD, pending investigation. In this regard, the committee, in its own report, acknowledges that the issues I raised were valid.

For instance, on page 48 of the report, the committee observes that the valuation of development on police land worth Shs 3.13 billion is high considering that most of the units there were dilapidated. It, therefore, follows that my insistence on valuation by the Chief Government Valuer was not for bad, but for the good of the NSSF.

Additionally, the committee report finds the former managing director culpable in several mismanagements during his tenure, and called for further investigation on several areas and his prosecution by the Director Public Prosecution (DPP). Like in the case of providing an unsecured loan to Uganda Clays Limited of Shs 11.05 billion, he failed to recover it, waived interest on the principal sum with a current outstanding amount of Shs 24.221 billion, unrecovered as we talk. It is in the committee report.

Waiving penalties against non-compliant companies - Shs 31 billion, mismanagement of several projects; Lubowa, Pension Towers, Smartcard and geo-mapping, suspense account; corruption in exemption of noncompliant companies, where the committee noted that URA Pay As You Earn for such companies that were exempted, does not correlate with NSSF contributions. So, the committee has absolved me on this one and I want to thank the committee so much.

Number three, assertion –

**THE SPEAKER:** You are even speaking Lango. *(Laughter)*

**MS AMONGI:** Assertion that I refused to provide evidence to the committee on page 31. For the record, I notified the committee, through a letter dated 13 February 2023, that all evidence had been forwarded to the IGG and the Auditor-General before the select committee was constituted. I advised them that they can obtain that evidence from them.

Honourable members, the Board referred the matter to the IGG in December 2022. This is when I forwarded all evidence to the IGG and

some to the Auditor-General. The committee requested for the same evidence, but they requested in February 2023, when I had already submitted to the relevant investigating body in December. Where else would I get the evidence?

I notified them that I had already sent the evidence to the IGG and the Auditor-General, and that more evidence was submitted to the Rt Hon. Prime Minister, as acknowledged by the committee on page 22 of their report. I notified them that the Prime Minister had also written referring the matter to the Auditor-General. I did not make –

**THE SPEAKER:** Hon. Amongi, you submitted original evidence.

**MS AMONGI:** Yes.

**THE SPEAKER:** Didn't you retain any copy?

**MS AMONGI:** No, because under the Whistle-blowers Protection Act, 2010, I did not want to display the names of the people who had petitioned.

I did not make copies of these documents before submitting them to the respective offices due to the fear of leakages that could have exposed petitioners and other whistle-blowers. Such persons are protected under the Whistle-blowers Protection Act.

However, the committee has all the powers to have obtained these documents if they were key evidence in the investigation. Such powers found under Article 90(3)(c)(iii) of the Constitution have been invoked numerous times by committees of Parliament carrying out similar investigations.

I referred these matters to respective specialised agencies of Government because my office could not have investigated the magnitude of the issues I raised. For instance, I raised the issue of inflated projects. Let me give you an example: In the case of Lubowa, I went and visited the site; a four-bedroom house

bungalow is being sold at Shs 1.6 billion; a three-bedroom bungalow is being sold at Shs 1.425 billion, a four-bedroom villa is being sold at Shs 3.127 billion; a five-bedroom villa is being sold at Shs 3.277 billion. A penthouse which is four bedrooms is being sold at Shs 2.210 billion.

**THE SPEAKER:** Hon. Amongi, according to your investigation, that is the cost that the company is selling. What is the correct price for that house?

**MS AMONGI:** Madam Speaker, I gave that example when I said: *"Honourable members, I referred this matter to the respective specialised agencies of Government because my office could not have investigated the magnitude of the issues I raised."*

And I want to confirm to you from the Auditor-General's letter to show you that the magnitude of the committee and myself could not do that work.

When I submitted the matter to the Auditor-General, he replied and said that he does not have the capacity to do it. I had a meeting with Hon. Matia Kasaija and we agreed that Hon. Matia Kasaija was going to find money for them to have an international audit firm to support the Auditor-General. I want to read the letter - and I am glad that in this report, they also recommended an international audit firm. Let me read the letter from the Auditor-General.

**THE SPEAKER:** Hon. Amongi, before you start saying the amount of Shs 1.6 billion is high for a four-bedroom bungalow, how much would that house go for, according to you?

**MS AMONGI:** Madam Speaker, I have told you that I do not have the capacity. The Constitution gives the Auditor-General –

**THE SPEAKER:** Listen, we need –

**MS AMONGI:** I cannot say it.

**THE SPEAKER:** Then you do not castigate the prices which are there if you do not have an alternative.

**MS AMONGI:** No, Madam Speaker. The reason I queried as a minister who does overall oversight is for me to be satisfied because evidence is already there - that out of the 307 units, only three are on contract; it has never been bought.

**THE SPEAKER:** Hon. Amongi, you did a very good job. We are not saying you did a bad job; you did a good job, but give us an alternative - that "They are selling this at Shs 1.6 billion and in actual sense, it would have gone for Shs 1 billion."

**MS AMONGI:** If there are people here who are – can someone help me? I am speaking in my official capacity and I cannot condemn anyone here with an arbitrary price.

**THE SPEAKER:** Hon. Nathan Nandala-Mafabi?

**MR NANDALA-MAFABI:** Thank you very much, Madam Speaker. The procedural issue I am raising is that under the Constitution of Uganda, the person entitled to audit public entities is the Auditor-General. In the same Constitution, it allows the Auditor-General to appoint auditors who report to him. These auditors can be for value-for-money and environmental auditors - whatever the case.

I am hearing that the Auditor-General of Uganda is saying that he has no capacity to audit, yet he has the mandate to appoint auditors to do audit for him.

Secondly, who are the international auditors we are talking about, because the auditing, debit and credit is the same the world over? When you do ACCA or CPA, you are using the same books. I am surprised, I think my younger brother, Hon. Musasizi, is here and is listening to what I am saying. I am surprised that the Auditor-General of Uganda told them – if it is true because we need to see that letter

- that he has no capacity to audit the NSSF and yet he sends us reports here, annually, about the National Social Security Fund.

**THE SPEAKER:** Hon. Nathan, the Auditor-General is our staff. I do not want him to be misquoted to have said that he does not have capacity. What the Auditor-General is saying – this is his letter – is that in regard to that investigation, he needs Shs 1.5 billion to get consultants. He did not say he does not have the capacity. He has the power to get other auditors.

**MR NANDALA-MAFABI:** Madam Speaker, you are right. The minister for gender is saying the Auditor-General said they need international -

**THE SPEAKER:** Can I read this letter verbatim?

**MR NANDALA-MAFABI:** That is better.

**THE SPEAKER:** The letter was written on 23 February 2023, to the Minister of Finance, Planning and Economic Development. It reads;

*“Investigation into allegations of mismanagement, abuse of office and corruption at the National Social Security Fund (NSSF)”*

*Reference is made to the request to me by the honourable Minister of Gender, Labour and Social Development to undertake a special audit investigation into allegations of mismanagement, abuse of office and corruption at NSSF, in her letter to me, dated 5 January, 2023 and referenced: ADM 210/229/01.*

*Further reference is made to the subsequent consultative meeting that was held in your office regarding the funding for the special audit exercise, that was also attended by the Permanent Secretary, Minister of Gender, Labour and Social Development.*

*This is to inform you that my office, accordingly, commenced with the requested investigations. In addition, my office has finalised plans*



*to appoint external consultant engineers to supplement my in-house staff in examining the engineering aspects of the special audit, which includes the Pension Towers, Temangalo and Lubowa construction works.*

*In this regard, a total of Shs 1,553,645,250 is required to cater for the consultant engineers' fees and also to cater for the necessary field requirements to be undertaken as part of the special investigations.*

*This is, therefore, to request you to avail the said funding to enable me proceed with the appointment process.*

*I thank you for your usual cooperation*

*Auditor-General."*

**MR NANDALA-MAFABI:** Thank you, Madam Speaker. That is why I rose on that procedural matter. Having got the letter, it is important that the minister for gender withdraws her statement that they wanted an international firm to do it –

**THE SPEAKER:** ... that they do not have capacity.

**MR NANDALA-MAFABI:** Yes, that they do not have the capacity. The Auditor-General is free to appoint private auditors. When you appoint them, you must pay them. So, when he says he is going to employ external ones, it is allowed. However, to come and say he is incompetent – I detest it in totality. That is why I want the minister to withdraw that statement before we can proceed.

**THE SPEAKER:** Honourable minister, our Auditor-General has the capacity and they have the powers to appoint any other auditors that they want to work with. Can you withdraw that statement?

**MS AMONGI:** Madam Speaker, I withdraw the part of "having no capacity", but on record, in the letter you have written –

**THE SPEAKER:** I have not written any letter.

**MS AMONGI:** Oh sorry! Let me read the paragraph which I made reference to.

*"This is to inform you that my office, accordingly, commenced with the requested investigations. In addition, my office has finalised plans to appoint external consultant engineers to supplement my in-house staff in examining the engineering aspects of the special audit..."*

So, the external auditors "for doing such magnitude of the work" is what I meant when I said the Auditor-General indicated that in-house technical support is lacking. I beg to lay.

**THE SPEAKER:** When you look at the National Audit Act, the auditor has powers – you do not even have to query.

**MS AMONGI:** It is okay. Again, Madam Speaker, in response to your inquiry on the issue of the cost of housing, I have been sent here information by a colleague, which says that at Royal Palms Estate in Butabika, a five-bedroom house is at Shs 780 million.

So, you can look at Butabika and Lubowa – one is Shs 780 million and here we have the one of Shs 3 billion -

**THE SPEAKER:** Hon. Betty, we are in a free market economy, which is determined by the forces of demand and supply. Go ahead with your statement.

**MS AMONGI:** If this House, in its wisdom, feels that these costs are okay for the savers -

**THE SPEAKER:** Hon. Betty, that is why this House is recommending a forensic audit on those investments because we do not believe.

**MS AMONGI:** Okay. Now we are at par. *(Laughter)* Such an investigation requires consultant engineers and, therefore - I have already stated that one.

Recommendation that I resign for directing that Shs 6 billion be given to the Ministry of Gender, Labour and Social Development – contained on page 141

The committee recommends my resignation based on the allegation that I directed Shs 6 billion to be availed to the Ministry of Gender, Labour and Social Development without appropriation. I would implore Members of the House to read my letter attached as an annex to the committee's report on this matter.

Honourable members, section 29 of the NSSF Act gives only the minister responsible for social security to approve and vary a budget. Section 29(3) states as follows:

*“The minister shall, upon receipt of the annual budget or any supplementary budget, approve or disapprove the budget or may approve it subject to such an amendment as he or she may deem fit.”*

That is the power I used to amend the NSSF budget and ask for the inclusion of Shs 6 billion for activities within the NSSF budget. These activities are not for the Ministry of Gender, Labour and Social Development. I do not have the power to make and approve budgets for my ministry. It is you who approve the budget. I was doing that exercise as a minister, approving the budget of NSSF.

Madam Speaker, similar powers are vested in Parliament under the Public Finance Management Act, which it has always used, through the Budget Committee, to adjust MDAs' budgets and undertake final appropriation.

Madam Speaker, I would like to thank the Budget Committee because this year alone, they added to me Shs 7 billion – it was not in my budget. They gave me Shs 2 billion for green jobs and Shs 5 billion for the National Women's Council.

I had not come with it, but they said, “Go back. We need this budget for green jobs because it is

helping us.” That is the same spirit I used – and I will tell you the activities.

Honourable colleagues, I have thoroughly read the report of the committee regarding the Shs 6 billion. I have scrutinised the annexes they have attached and I have concluded that I have been condemned without evidence, facts and reference to points of law. I want lawyers in this House to help me with the points of law under section 29(3)-(Interjections) - I thought you would offer *pro bono*. In fact, I am being victimised yet I am the whistle-blower.

This is because the committee severally - and I would like you to listen to this - confirmed that I have the power under section 29 of the NSSF Act to appropriate the NSSF budget. That the said, I appropriated Shs 6 billion in the NSSF Budget of Financial Year 2022/2023. I request you to refer to pages 53 to 54, where the committee said the minister approved Shs 6 billion in the NSSF Budget.

They go ahead, again, to say that I directed it to be in my ministry. Please, can you go to your - I do not want to read mine. I have my committee report here, but please allow the Clerk to bring pages 53 to 54 of the committee report.

**THE SPEAKER:** Have you now decided to direct the clerk. *(Laughter)*

**MS AMONGI:** Madam Speaker, may I request you -

**THE SPEAKER:** Read what is in the report.

**MS AMONGI:** I am reading 6.3.4., it says, *“Information that has been adduced to the committee indicates that political undue influence was manifested during the budgeting process.”*

*Section 29(1) of the NSSF Act obligates the Board, in each financial year, to make and submit to the minister for approval the estimates of its income and its capital recurrent and other expenditure likely to be incurred by the Board for the next ensuing year.*

*Furthermore, section 29(2) empowers the minister to approve supplementary estimates to provide for unforeseen or urgently required expenditures on matters not provided in the estimates or necessary additional expenditure on matters provided for in the estimates. In accordance with section 29(3) of the NSSF Act, the minister is required, upon receipt of the annual budget, approve or disapprove the budget with such amendment as she may deem necessary.*

*From the import of section 29, the committee observes that the role of the Board is to budget while that budget is approved by the minister.”*

The committee is saying this law gives me power to approve the budget. If I am to continue –... *“for instance, the former managing director intimated to the committee that he was put under undue pressure by Hon. Betty Amongi Ongom, the Minister of Gender, Labour and Social Development to include Shs 6 billion in the Budget for the Financial Year 2022/2023 during the budgeting processes”*. He is still saying the managing director told them that that budget was for NSSF, not for the Ministry of Gender, Labour and Social Development. Madam Speaker, the managing director is not my permanent secretary. This is the committee report.

They go ahead to say, *“...for the Financial Year 2022/2023, during the budgeting process. We noted that when the budget was sent to the minister for approval, as required in section 29(2) of the NSSF Act, the minister approved”* - please underline this - *it with a rider to the Chairman Board of NSSF to include Shs 6 billion for activities stated in the budget by the minister to include the following priorities...”*

**THE SPEAKER:** Are we still within your report?

**MS AMONGI:** Yes. We are within the committee report. *(Laughter)*

**THE SPEAKER:** Hon. Betty, we listened to the committee report; so, please make your submission.

**MS AMONGI:** But, Madam Speaker, this is where the committee is saying I directed money to the gender ministry and that I put the budget -

**THE SPEAKER:** Even part of that money was for Parliament. You need to give us our money. Now go to your report. You will tell us what the Shs 6 billion was meant for.

**MS AMONGI:** But it is already here in the committee report.

**THE SPEAKER:** Okay.

**MS AMONGI:** Should I read it?

**THE SPEAKER:** Give us yours. Read your report for us. Let us not do *katemba* in the House.

**MS AMONGI:** No, no. I do not know -

**THE SPEAKER:** Read the report.

**MS AMONGI:** This is where, Madam Speaker, the committee has asked me to resign. The committee has recommended a criminal offence against me.

**THE SPEAKER:** The committee does not take a decision for the House. Can you read the report?

**MS AMONGI:** Thank you very much. Madam Speaker, I have thoroughly read the report of the committee on the Shs 6 billion. I have scrutinised the annexes they have attached and I have concluded that I have been condemned without facts, evidence and points of law.

I am being a victim - I read that one already. ...This is because the committee severally confirmed that I have the power. Let me go to the next page.

On page 55, the committee abandoned its own statement confirming that the money was appropriated under NSSF budget and started looking for non-existent evidence and alleged that I directed that the money be transferred

to the Ministry of Gender, Labour and Social Development. On the same page 55, Annex T, the committee extracted only a wrong section from my famous 19-page letter, which was discussing issues raised in a paper presented by Prof. Eria Hisali of Makerere University during the Board meeting at Kapeeka Industrial Park, where we had gone on a study tour – *(Interjection)*- The paper presented by Prof. Hisali on the need to prioritise labour issues in the Fund activities is what was quoted. The committee deliberately refused to quote the paragraph in the same letter addressing the issue of Shs 6 billion, which referred extensively for what the money is supposed to do.

Madam Speaker, again, I request the Clerk through, you, to display for me Annexes D, E, and P and scroll to page 13 so that Members can see what my letter was talking about regarding Shs 6 billion. It is a request, Madam Speaker.

**THE SPEAKER:** Do you have the annexes?

**MS AMONGI:** I have my own letter I can read.

**THE SPEAKER:** Would you like to display yours?

**MS AMONGI:** I am requesting because they think I have forged. I want the one of the committee, but I will read mine.

**THE SPEAKER:** You did not give us your report early enough for us to prepare to do displays. You brought your report when you were coming inside; so, read yours.

**MS AMONGI:** Madam Speaker, that particular paragraph reads as follows: “Defying Minister on approved budget.”

Section 29 of the NSSF Act states that the minister shall approve the budget of the Fund upon presentation by the Board. The law gives power to the minister to make amendments as he or she deems fit.

For the Financial Year 2022/2023, the Chairman Board of Directors, on behalf of the

Board, presented to me budget estimates as follows:

- a) Operating costs - Shs 220.886 billion;
- b) Capital expenditure - Shs 14.415 billion;
- c) Real estate - Shs 943.533 billion totalling a budget of Shs 1,178.883 trillion.

Upon scrutiny, I found areas where H.E the President and Cabinet had directed for cuts, which included Shs 5.9 billion for travel abroad of staff, Shs 10 billion for staff team building, Shs 1.3 billion for breakfast and lunch, staff drinking water Shs 2.5 billion, for aerobics and fitness Shs 423 billion, mortgages Shs 2.59 billion and petty cash Shs 800 million.

This is the budget I asked them to cut and get Shs 6 billion for expansion and implementing the new law. In this letter, I was saying that he had not done what I had requested through the board.

I proceed to say that I also discovered that there was no budget provided for implementing the new provisions of the law, which require that all companies with one employee and above must remit their contribution and introduction of voluntary contribution as per the new law.

I then discussed with the board and we jointly reviewed the budget by reducing the Shs 15 billion on wasteful expenditure on staff as directed by Cabinet and proposed reallocation of Shs 6 billion for activities to implement the new law as per the letter to you - Chairman of the Board - articulating your transformation agenda. We left Shs 9 billion for staff expenditure.

Out of that Shs 15 billion, I said, “*Take Shs 6 billion for implementing the new law and remain with the Shs 9 billion for staff.*” I go on in the letter to say, “*The MD refused to implement the decision of the board and the minister, even with guidance and explanation from the Deputy Speaker, instead, he -*

- 1) *provided money to fly over 85 staff to Dubai in November 2022 for team building under this Shs 15 billion* – aerobics which you can go and do down here.
- “2) *refused to adjust the budget to implement the new law, starting a smear campaign that the minister required the money for her ministry to eat.*”

*The matter ended with a meeting chaired by Hon. Kasaija with the MD, the Minister of State for Finance – Hon. Musasizi - URBRA officials, officials from the Ministry of Gender and board members, in which the MD apologised for his action. The meeting resolved that the Shs 6 billion activities are within the law and the NSSF should implement it within its activities.*

*However, until his contract expired, the MD had not provided for the money and the activities in the NSSF budget despite approval from the board. The matter was discussed.”*

This is the content of my letter about the Shs 6 billion, which the committee ignored.

From this letter, let me show you the part they quote to ask me to resign. It is still in this paragraph and states as follows - It is another operative word. “*Mr Chairman, the law provides for activities that should be implemented by the Minister.*” This law does not give the mandate to the MD on contributions and all that. It is the Minister of Social Security. He does my delegated work.

I am saying, “*Mr Chairman, the law provides for activities that should be implemented by the Minister. How then will I execute those duties if the MD is not willing to support the labour ministry? How do you intend to handle that?*” This is the only extract the committee removes from this whole thing I have talked about. I want you to know and see whether there was really –

**THE SPEAKER:** Honourable members, listen to the report. I can see mercenaries clapping; do not do accountability here. We are talking

about savers’ money. Where was the Shs 6 billion going? What was it going to do? That is what we need to know.

**MS AMONGI:** That is what I wanted to read from the committee report.

**THE SPEAKER:** Do not make your accountability in the House.

**MS AMONGI:** Madam Speaker, I have made this very clear; I will continue giving evidence of what that money is to do. “*In recommending a criminal offense against me, the committee states that the chairman board of directors in his letter - see page 55 - stated that I requested for money for the Ministry of Gender. They still say that the chairman wrote a letter saying I requested for the money for the ministry.*”

**THE SPEAKER:** On which page?

**MS AMONGI:** We are on page 8. “*Scrutiny of the said letter attached as Annex U*” - I would, again, through you, Madam Speaker, request that the Clerk displays that Annex which the chairman of the board states as follows:

“*The board received a request from the minister contained in the NSSF budget. The board did not approve the budget, but referred it to NSSF management with instructions that normal internal procedures be followed and comprehensive activities and a work plan be done in specific areas -*” Madam Speaker, this is what answers your question. You asked, “What was the Shs 6 billion going to do?”

**THE SPEAKER:** Whose question, mine, as Anita?

**MS AMONGI:** You asked what the Shs 6 billion was going to do.

**THE SPEAKER:** That is what the House wants to know.

**MS AMONGI:** Okay. Members of the House, I now want you to see and hear what the Shs 6 billion was supposed to do; I request that “Annex U” be displayed. The letter from

the board chairman to the chairman of the committee, indicated that they received a budget with Shs 6 billion for activities for the NSSF.

The chairman proceeds to say, *“The board did not approve that budget, but referred it to NSSF management, with instructions that normal internal procedures be followed and comprehensive activities and a work plan be done in the specific areas of expanding coverage and enhancing compliance.”*

In the letter, the Chairman of the board states, *“The board had not received from management yet the planned activities. No approvals have been granted and no expenditure has been incurred on the Shs 6 billion.”* I request, again, that you display so that Members see for themselves the letter from the board chairman.

Realising that there is no evidence at this point to criminalise me, the committee obtained from the Ministry of Finance, minutes. On page 55, there is an attachment - Appendix V of purported minutes, which I have never seen and never participated in their approval. It only quotes Hon. Kasaija, out of over 20 of us. We were about four ministers, but they only quote the communication from Hon. Kasaija.

For the information of this House, minutes are a legal official record of meetings. In order for such minutes to serve their purpose, they must contain accurate, extensive information about each meeting. For a minute to be legal and binding, the minutes are approved by both parties - the minutes' secretaries. If we are two ministries, we all agree that so-and-so is taking minutes. That was not the case and I have never seen those minutes.

After the meeting, for minutes to be authentic, the minute secretary sends the draft minutes to the chairperson and members for review and approval. Once approved during a meeting, then they all sign to authenticate the record.

According to the Commonwealth legal doctrine, minutes drafted by the meeting secretary are not officially deemed meeting minutes until

members approve them. Members should review the draft minutes and make corrections and approve for them to be quoted as an official document.

For that case, Appendix V does not meet the criteria since it was never adopted and nobody called a meeting to approve that minute. I have never seen it myself. The attached minutes, which I have read from the committee, do not represent even 20 per cent of what transpired in that meeting.

Based on the above non-existent evidence, the committee concludes that I committed a criminal offence and abused my authority. Honourable members, for such a crime to hold, the requirement under the law is that you prove, beyond reasonable doubt, which is a legal doctrine where the burden of proof required the committee to affirm that a conviction in the case is tenable in a court of law. In a criminal case, the person alleging bears the burden of proving that the defendant is guilty beyond all reasonable doubt. This means that the committee ought to provide indisputable evidence against me. In other words, the committee must be virtually certain of my guilt in order to render me a guilty verdict.

The committee makes reference to Hon. Eng. Abraham Byandala's corruption case of 2017, where he was charged with abuse of office and causing financial loss –

**THE SPEAKER:** Was it 2017 or 2015?

**MS AMONGI:** It was 2015. The allegation in the case of Eng. Byandala was that he and others irregularly approved and caused payment of Shs 24.79 billion to Eutaw Construction Co. Inc. while aware of the shortcomings in the due diligence report on the company knowing or having reason to believe that loss would occur. His charges were as follows:

Count One: Abuse of office

He was accused of abusing the authority of his office by irregularly directing the immediate signing of a contract between UNRA and

Eutaw Construction Inc. before due diligence was concluded.

Count Two: Abuse of Office

He was accused of abusing his authority and office by irregularly directing the formalisation of the illegal subcontract between Eutaw Construction Co. Inc. and CICO (U) Ltd.

Count Three: Disobedience of lawful orders

He was accused of refusing or failing to comply with the directive of the IGG of 17 July 2014 halting all transactions on road works relating to Mukono–Katosi/Kisoga-Nyenga Road without reasonable cause.

Count Four: Abuse of office

He was alleged to have communicated the award of the contract to Eutaw Construction Co. Inc. without complying with the procuring law.

Count Five: Abuse of office

He was alleged to have irregularly signed a contract between UNRA and Eutaw Construction Co. Inc.

I find no correlation with the above case because the above case provided evidence while in my case, I approved the budget with a rider that the board scrutinises it within the legal framework. No money was lost, no payments have been made and a letter by the board chairman to the chairperson of the committee indicates that the board authorised the management to undertake due process before they can approve the budget. When management appeared before the committee, they notified the committee that they were undertaking the work plan.

Honourable members, the committee's report does not meet the standard required in proving the case against me beyond reasonable doubt. Under Section 132 of the Penal Code Act, both the act of offering false evidence and that of preparing false evidence make up a crime. The report is characterised by criminal intent

against me and they have knowingly prepared a case against me without presenting evidence against me. I hope this House will save the integrity of this Parliament, which I am a proud Member of.

The conclusion of the committee's report recommending that I resign because I purportedly directed that the Shs 6 billion is sent to my ministry is false. I cannot resign based on a falsehood. My letter was not a directive. The spirit of that letter was the exercise of ministerial power under Section 29(3) of the NSSF Act. The committee agreed with me in their report. I implore the House to have this particular section of the law interpreted by the Attorney-General to guide objective debate on this matter.

Furthermore, I implore the House to consider whether there is any evidence on the record of the committee's findings to the effect that the alleged Shs 6 billion was accessed or used by myself for personal benefit, contrary to any law. None at all. I believe that if this recommendation is carried, it will set a bad precedent and make it impossible for Government entities and actors to perform their legal mandate under the law.

It is on record that my action, which to the best of my knowledge and belief was within the law, was premised on the need to implement the new law and a report from the NSSF, which gave me detailed figures indicating that:

- a) Compliance rate by employers in the formal sector stands at only 40 per cent. Honourable members, this is where I stand to make sure that we save those workers whose money is being deducted and not put. This implies that 60 per cent of employers have not been remitting contributions of their employees to NSSF. The growth being seen in investments is from the savings of the 40 per cent of the contributors. If only 20 per cent more contributions are realised, what kind of growth would we see?

At the moment, the Shs 18 trillion you are seeing is based on the 40 per cent contributions. The committee, extensively, has indicated that the

compliance department should be investigated because companies that are not complying with NSSF are paying PAYE and the NSSF compliance department is not doing its work. This is what the Shs 6 billion is meant to do.

- b) By 31 December 2021, the data from NSSF showed that 420 cases were reported by whistle-blowers, who were reporting non-compliant employers.
- c) By 17 January 2022, 213 cases at the Magistrates Court alone were on Shs 200 billion that had not been remitted to the Fund because of noncompliance.
- d) Over 20 cases by employees are in court against NSSF seeking recovery of their money, which had not been remitted by the employers. This is a compliance matter.
- e) Only 48 per cent of employers in the Fund have five or more employees that fall under the old law. Therefore, the new law is supposed to target 52 per cent of employers, far higher than the one under the old law.
- f) The informal sector accounts for 75 per cent of the total workforce. For that reason, the new law was enacted to target and incorporate informal workers and employers to remit their contributions and conduct registration. This is the law that this Parliament enacted, the President assented to in February 2022 and I am supposed to implement it. Am I supposed to ask Hon. Jimmy Akena to give me money to implement this law? (*Laughter*) Honourable members, the proposal contained in the now controversial Shs 6 billion was to address the new law, which is to be implemented in partnership with stakeholders to support us in driving and scaling up communication between employers and employees.

Who are the partners that we want to partner with?

- a) Uganda Revenue Authority – and I am glad that the committee has indicated that the PAYE with URA does not correspond

with NSSF. I had already indicated it – that ensure that URA and NSSF work together.

- b) Uganda Investment Authority – Uganda Investment Authority has industrial parks. Members who represent areas where there are industrial parks will agree with me that most of them do not have contracts, which includes NSSF contributions. They do not contribute for those employees. In the committee's report, one of the activities was to go to each industrial park and plantations – coffee plantations, tea plantations and sugarcane plantations – and register those workers on site so that the matter of a suspense account of Shs 57 billion, where employers send workers' money without their names and lists cannot arise.

I instructed, under that money, for them to come up with an online system that will track the employee from his or her place of work to his or her NSSF account. That is what I had proposed. In this, we want to work with Uganda Investment Authority and the Government MDAs. Madam Speaker, registration of businesses is by URSB. We need to know the registered businesses.

With my suggestion, they went ahead and signed a cooperation with the police because the police is in charge of the security agencies. We have agreed with the police that before we renew, you should bring a certificate from NSSF.

I request you, Members to support us in this. We want to move - we went to the Federation of Uganda Employers, labour unions, the Private Sector Foundation, the Uganda Chamber of Commerce and the Uganda Manufacturers Association. This was aimed at coordinating, sensitising and creating awareness and building consensus on implementation, compliance and enforcement of the NSSF Act.

None of these activities had any personal benefits to me. In fact, judging from the committee report, the strategy to be implemented by the Shs 6 billion is a necessity. For example recommendation 21, page 148,



the committee recommends lifestyle audit on the entire department of compliance because defaulting companies exempted are suspicious and NSSF contributions are inconsistent with the Pay As You Earn of (PAYE) and URA.

I further proposed activities under the Shs 6 billion to conduct massive onsite registration of workers to set up an online system to track workers' NSSF contribution until it has reached their accounts to avoid workers money being kept illegally in suspense account. The committee acknowledges under recommendation No. 22 page on 148 that the entire department of compliance be investigated by the IGG.

Honourable members, note that opposition to the Shs 6 billion was to block open registration in industrial parks because the former managing director was protecting a number of companies who are contributing less than 30 per cent of the workers they employ. The ongoing investigation will shock many people.

Return of NSSF to the Ministry of Finance, Planning and Economic Development

The report recommends that the Fund be returned to the Ministry of Finance, Planning and Economic Development due to issues arising from dual supervision.

Honourable members, the gender ministry upholds the interests of workers and labourers; your sons and daughters toiling in the fields and those who have retired and should be taken care of thereafter. For avoidance of doubt, the reason for this investigation is the oversight exercise by my ministry.

I queried the operating budget including bonuses, which the committee has indicated in its report. I queried flying 85 staff to Dubai for team building, and the committee agreed with me on page 145. I queried expenditure on the suspense account and how it is being abused. The committee agreed with me on page 146, item 16. I queried non-compliance which has resulted to uncollected Shs 200 billion by NSSF and dubious exemption to several companies.

The committee agreed with me on page 146, recommendations 17.

I deferred the appointment of the former managing director for allegations of receiving kickbacks and unlisted companies through which such monies were passed including alleged offshore banks for investigation by the IGG. On page 149, recommendation No.25, the committee makes similar recommendation.

I raised the issue of inflated costs of housing estates constructed by NSSF in my letter for deferral, the committee makes similar recommendations on page 149, recommendation No. 26.

Rejecting Shs 400 billion for purchasing land which had no value

On page 17, the committee faults me for rejecting a budget of Shs 400 billion-

**THE SPEAKER:** Hon. Oboth, has that young man chased you away from there? You cannot chase away a minister. *(Laughter)* That was a commercial break. I am happy the minister agrees with the committee in many recommendations and observations. They are at par, as you said before. So, let us go ahead.

**MS AMONGI:** Madam Speaker-

**THE SPEAKER:** The only point of contention is the Shs 6 billion.

**MS AMONGI:** ...Shs 400 billion for purchasing land, which had no valuation.

On page 17, the committee faults me for rejecting a budget of Shs 400 billion for purchasing land which had no valuation report, no title, with several claimants at Nakigalala.

Madam Speaker, a few months ago – *(Interjection)*– Yes, on this one I have -

**THE SPEAKER:** If it is not clear, the chairperson will make clarification on it so that should not be an issue.

**MS AMONGI:** Madam Speaker, a few months ago, this House passed a motion of censure against a minister for, among others, presiding over land dealings without proper valuation.

In the previous Parliament, a motion was passed against the minister over dealing in Temangalo land without proper valuation. Today, I, a minister, is being faulted for asking for proper valuation of land before putting it in the budget and before transactions are concluded.

It is, therefore, my humble view that this august House maintains consistency while dealing with matters of similar nature. Inconsistency of this nature could easily cause doubt of parliamentary processes and thereby undermine public confidence in us, as leaders. I, therefore urge you, Madam Speaker, to consider this finding in the context of past precedence.

I would like to tell you that I have evidence on this matter. If I get permission, I can come and play the audio, where I was directed to go and meet Madhvani over this Shs 400 billion, but the former managing director came and refused -

**THE SPEAKER:** Who directed you?

**MS AMONGI:** Madam Speaker, I want-

**THE SPEAKER:** Do not have sweeping words. At least I remember you said there is a recording.

**MS AMONGI:** Madam Speaker, I request you to get the Leader of the Opposition, the Government Chief Whip, yourself so I disclose to you –(*Interjections*)- If you guide me, I will disclose. However, I prefer, for the sake of harmony -

**THE SPEAKER:** Honourable members, let us not be diversionary. Let us receive the report. At least I never directed you.

**MS AMONGI:** No. You did not.

**THE SPEAKER:** Now, who did it? (*Laughter*) Hon. Nathan?

**MR NANDALA-MAFABI:** Thank you, Madam Speaker. The minister is raising a very important point. Of course, there are two ways on this. She is saying she wants to meet you to present the report -

**THE SPEAKER:** ... to disclose.

**MR NANDALA-MAFABI:** Disclose? Of course it might be classified. If it is classified, she should have stated it in writing and maybe you would have granted the Chairperson of PAC to look at it.

In this case, since she has talked on the Floor of Parliament, and this being public money, wouldn't it be procedurally right that she discloses who was dealing in the Shs 400 billion?

**THE SPEAKER:** By the way, how does Madhavani come into this?

**MS AMONGI:** Madam Speaker, that is the owner of the Nakigalala land; the Shs 400 billion land.

**THE SPEAKER:** ...that you were supposed to pay for?

**MS AMONGI:** That I was being pressured to include in the budget, but I rejected.

**THE SPEAKER:** ...to include in the budget? Okay. Continue with the report.

**MS AMONGI:** Thank you. Madam Speaker and –(*Interruption*)

**THE SPEAKER:** Yes, Hon. Nathan?

**MR NANDALA-MAFABI:** Thank you very much, Madam Speaker. We need to also be fair to our minister. You see -

**THE SPEAKER:** We are going to get that information.

**MR NANDALA-MAFABI:** Madam Speaker, criminals can use their tactics to blackmail others. The minister might be blackmailed and

that is why we are on “her neck”. For her to be safe, maybe for us to “leave her neck”, let her declare those who are involved –(*Laughter*)– so that we solve this matter once and for all.

**THE SPEAKER:** Honourable members, from what I heard that day and from what I have read, the minister is not being faulted over the Shs 400 billion. Actually, Hon. Amongi, you did a very good job on the Shs 400 billion and do not approve it before valuation is done. Even the ownership must be established because there are fights on that land. You are not faulted for that.

**MS CECILIA OGWAL:** Thank you, Madam Speaker. I am rising on a procedural matter: I want to draw the attention of Members of Parliament to Rule 55(1) which says: “*A Member may explain a matter of personal nature, but no controversial matter may be brought in the explanation nor may debate arise upon it.*”

Therefore, Madam Speaker, I think we need to be guided by this provision; that whatever we are being given, we should scrutinise and debate it. Anything which is controversial that should not attract debate, should not be brought on the Floor at this moment because it will mess all of us up. Thank you.

**THE SPEAKER:** The matter in regard to Shs 400 billion is not a matter of contention. You are doing a good job. I do not even see how you should accuse anybody for telling you to go to Madhvani Group of Companies. If they told you to go to Madhvani Group of Companies, it was courtesy. They did not tell you to go and sell the land to Madhvani Group of Companies. That is not a matter of contention. I am saying you did a good job and you are still doing a good job by not approving it.

**MS AMONGI:** Thank you, Madam Speaker. Referral of technical matters for further investigation: The committee and I are in agreement on this matter and I already referred several of the issues to the IGG and the Auditor-General.

The following recommendations of the committee are, therefore, in consonance with my action. Page 141 - recommendation six, referred to IGG by the committee; page 142 - recommendation eight, the committee refers it to the IGG; page 143 - recommendation nine, referred to the DPP; page 144 - recommendation 11, referred to the IGG; page 144 - recommendation 12, referred to the DPP; page 145 - recommendation 13 and 14, referred to the IGG and DPP. So, I agree with the committee on all these referrals.

#### Conclusion

The report finding that I caused the unnecessary scandals currently under investigation at the NSSF due to dual supervision mandate is false. They said scandals emanated from activities that started before the amendment of the NSSF Act in 2022 and before I became a supervising minister. To let this matter, Members, I started supervising this Fund last year in February. All the issues in the report are done under the Ministry of Finance, Planning and Economic Development, but why did the committee not even put any recommendation on the Ministry of Finance? Why? (*Laughter*)

It could not, therefore, have been my responsibility nor the responsibility of the Ministry of Gender, Labour and Social Development to prevent those anomalies. How would I have prevented it when I was not supervising the Fund? To the contrary, it is my ministry that raised the red flag that led to the investigation by the IGG, the Auditor-General and this Parliament.

Why am I being victimised? I want to know; I am relieved that the committee has absolved me of the perception that I acted in bad faith to defer the recommendation of the board to reappoint the MD and the Deputy MD. As you may have noted in the committee’s conclusion on page 150 of the report, the committee is recommending the disbandment of the entire board for failure to exercise its function. To the best of my knowledge and belief, all action in relation to the board - the board was appointed

by Hon. Matia Kasaija. But the committee kept on asking me, “Why did you appoint so-and-so?”

No evidence has been adduced to conclude that dual supervision has not worked. To the contrary, it is because of dual supervision that my ministry as co-supervising ministry identified and raised the several issues that led to this investigation and others under way. When faced with the decision to do the right thing, even when I remain alone, I always soldier on.

My understanding of leadership is that it involves difficult decisions that sometimes will hurt others. I know part of the reason I am in this problem -

**THE SPEAKER:** Honourable members, listen to the minister speaking.

**MS AMONGI:** Part of the reason I am in this problem is because some people feel that I did not appoint the former MD who, maybe is their relative or friend, but I have a leadership responsibility. If I wanted to choose -

**THE SPEAKER:** Which people?

**MS AMONGI:** I said some people might, but I am also -

**THE SPEAKER:** Is that what you want to reflect on this *Hansard*?

**MS AMONGI:** I withdraw that part and I am concluding - *(Interruption)*

**MR NANDALA-MAFABI:** Thank you very much, Madam Speaker. I do not want us to really apportion blame. For the first time, a minister asking for money from NSSF was our sister, Hon. Betty Amongi. The Ministry of Finance, Planning and Economic Development, which was supervising has never asked. For them, maybe they are stealing using other formats - *(Laughter)*

For her, she came out directly because she could not get the behind format - *Member rose* )

**THE SPEAKER:** You are conflicted, sit down. Which point of order are you raising on a point of procedure?

**MR NANDALA-MAFABI:** Madam Speaker, all of us in this House know that ministries supervise MDAs and we appropriate money to the ministries for purposes of supervising those MDAs. We have never directed any minister to go to the MDAs to get money. For the entire time I have been in Parliament, we have never directed a minister to go to the MDAs to ask for money. If our sister asked, that is the reason maybe for the first time, it is coming out. Why didn't you go and ask the Ministry of Finance, Planning and Economic Development? How were they doing it? As for you, you went - maybe it would have been -

**THE SPEAKER:** Hon. Nathan, can we allow the minister -

**MR NANDALA-MAFABI:** Madam Speaker, I want to conclude. The procedural matter is that if the minister is supposed to defend herself, is it procedurally right to bring in other people so that she can say, “I stole Shs 10,000 while those ones stole Shs 100,000”?

**THE SPEAKER:** That is why I told the minister to withdraw that statement of “other people wanting their relatives to get jobs.”

**MR LUBEGA SSEGGONA:** Like I said, I am a prisoner of justice and conscience. One, we must not be seen to suffocate the minister. Where the minister says, “I know”, fairness would require that we permit her to tell us what she knows, particularly those that felt their relatives should have been appointed. We need to share that knowledge and be on the same footing. *(Laughter)*

**THE SPEAKER:** Honourable minister, you have heard from Hon. Sseggon. Since fairness demands that you should be freed from that

burden, who are those who wanted their people to be employed?

**MS AMONGI:** I have already withdrawn that statement.

**THE SPEAKER:** Okay, conclude.

**MS AMONGI:** Again, I would like to state that I did not ask for money to come to the Ministry of Gender, Labour and Social Development. The committee has agreed with me that I exercised my appropriation power under section 29(3) and that is the same thing Kasaija was doing. If you allow me, I can bring the appropriation –

**THE SPEAKER:** He is “Hon. Kasaija.”

**MS AMONGI:** Hon. Kasaija. Before I came, actually, I even presented before the committee the letter that Hon. Kasaija had written the previous financial year, indicating these particular activities I have put and requesting them to put in the budget.

**THE SPEAKER:** For the finance ministry or the NSSF?

**MS AMONGI:** For the NSSF. Can I read my letter for appropriation?

**THE SPEAKER:** Read it.

**MS AMONGI:** This is my letter, appropriating the Shs 6 billion.

*“Dr Peter Kimbowa  
Chairman, Board of Directors,  
National Social Security Fund.*

*Approval of the National Social Security Fund  
budget for Financial Year 2022/2023*

*Allow me to extend my compliments to you and the management team for the tremendous work you are doing to make the Fund remain on a steady positive growth trajectory.*

*In lieu, I make reference to your letter dated 10 June 2022 and the meeting held at the*

*Ministry of Gender, Labour and Social Development’s office on Monday, 13 June 2022 with management to clarify some of the budget estimates I had earlier inquired about...”*

They had brought a budget and I had inquired and asked them to go back. That is what I was referring to.

*“... From our engagement and the projections you had earlier provided in the Financial Year 2022/2023 budget document, I observed the progress made by the Fund towards achieving the 2025 strategic plan. The Fund projects to grow the asset size by 9.2 per cent to Shs 17 trillion by 30 June 2022, and to grow capital investments from Shs 15.56 trillion, and to grow capital investments by Shs 1.466 trillion. This is despite the introduction of the mid-term access, which has depressed returns and increased cash outflow from the Fund. Customer satisfaction is projected to close at 86 per cent against the target of 85 per cent by June, 2022. I applaud you for this progress.*

*Following the enactment of the NSSF Amendment Act, the board and management should take full advantage of the opportunities presented by the amendments to grow the Fund. Special attention should be in areas of strengthening compliance with labour laws, sensitisation and engagement of employers and workers to scale up the expansion of social security and engagement of parliamentarians and other strategic stakeholders...”*

I found this one there. I have about 18 MPs who travelled under NSSF. That is why I included Parliament. Those who travelled included Hon. Musasizi, when he was the chairperson of the finance committee. He travelled. *(Laughter)* I continue – the speaker is still engaged.

**THE SPEAKER:** Honourable members, that is the so-called Malaysia trip.

**MS AMONGI:** Malaysia and Ghana.

**THE SPEAKER:** Hon. Musasizi was the chairperson of the Committee on Finance, Planning and Economic Development at that

time; it must have been in the Ninth or 10<sup>th</sup> Parliament. Yes, we got information to that effect and we cannot take action in the 11<sup>th</sup> Parliament. We have written to all chairpersons of committees to never solicit money from MDAs. We have also written to the permanent secretaries not to give money to Members of Parliament to travel out. We budget for money for travels.

**MR NANDALA-MAFABI:** Madam Speaker, if you are talking about Malaysia, I have remembered it. *(Interjections)* No, listen. The Speaker of Parliament, by then, wrote a letter nominating people to go to Malaysia – and the trip to Malaysia even had people from legal. That was when we were saying we should liberalise the pension sector.

I was among those who went to Malaysia. *(Laughter)* Our tickets were provided here and we went. So, if the Speaker directed – and Hon. Musasizi was the chairperson – I do not think there was any problem.

**THE SPEAKER:** Honourable members, let us look at the facts. The issue of Malaysia or travels are diversionary. Let us look at what the Shs 6 billion was to do.

**MR SSEKIKUBO:** Thank you, Madam Speaker. I have been listening to the statement of the minister –

**MS AMONGI:** Madam Speaker –

**THE SPEAKER:** Honourable minister, I wish you could listen to Hon. Ssekikubo.

**MR SSEKIKUBO:** However, I am failing to understand the stage at which we are. This is because when, in this case my very good friend, Hon. Amongi, is being asked about where the committee of Parliament faulted her and each and every time the response is “even other ministers”, “even other Members of Parliament”... Is that intended to blackmail this House?

If, indeed, there are Members or ministers who failed, let them be handled in their respective capacities for the culpability they have on this matter.

Two wrongs do not make a right and she should know it very well. Whether there was a mistake in the past before she assumed office, she should not be seen to be doing a similar or even worse action to the detriment of the workers of this country.

Are we proceeding right when the honourable minister continues to divert the attention of this House by presenting Members and colleagues in Cabinet in bad light when we are discussing the issue of the Shs 6 billion that was requisitioned, ineffectively? Are we proceeding well?

**THE SPEAKER:** Of course, we are not proceeding well. What we need is what happened, but we are not looking at what happened.

My assumption is that by the time the Members travelled, it was approved by the Speaker and Parliament provided. Can you conclude your report? If we have an issue with our Members, that is administrative; we shall handle.

**MS AMONGI:** Madam Speaker, I read the part where expansion -

**THE SPEAKER:** Hon. Betty, can you finish?

**MS AMONGI:** I am still reading the letter that approved the budget of NSSF.

**THE SPEAKER:** We have already gotten what the Shs 6 billion was meant to do.

**MS AMONGI:** *“I have reviewed the details of the budget proposals for Financial Year 2022/2023 and therefore guide as follows:*

*Under real estate components, implementation of strategic land purchase totalling Shs 400 billion should be deferred at the moment pending a due diligence report. The funds will*

be provided as a supplementary during the implementation of the budget for the Financial Year 2022/2023.” This is where I deferred Shs 400 billion for the Nakigalala land.

“To this end, the approved budget under this category would amount to Shs 543,532,982,127.

Approval of the budget of Yusuf Lule road” – The committee agreed with me on this -

“Real estate listed as No. 15 and No. 16 have been deferred pending resolution of the issues raised in the petition to the Board Chairman. I shall authorise its spending after a resolution of the issues. I shall, however, provide its figure in the total appropriation in the budget with a hope that the issues shall be resolved on the basis of consensus and within the PPDA legal framework on the account of the projected satisfactory performance for financial year June 2022.

The Fund’s planned activities for Financial Year 2022/2023

I hereby approve the budget as follows:

Budget category

- a) Operating budgets - Shs 220,885,834,375;
- b) Capital budget - Shs 1,646,760,515,312;
- c) Fixed income - Shs 400 billion.” This is the money from the land and I put it in fixed income;
- d) “Total approved budget - Shs 2,267,646,359,687.

Note: From our discussion, Shs 400 billion is being reallocated from the capital investment in real estate to fixed income, pending the finalisation of due diligence activities on the strategic land purchase as discussed - and this is the budget for the Shs 6 billion - to achieve our objective of expanding collections of contributions from the workers through collaboration with key stakeholders. As agreed in our meeting, provide an allocation of Shs 6 billion from operating budget of Shs 220,885,834,375 to cater for the following key priorities:

- a) Undertaking budget monitoring;
- b) Oversight key activities of funds;
- c) Diaspora mobilisation to fund voluntary savings under the Fund;
- d) Media engagement;
- e) Benchmarking for skills development;
- f) Development and deployment of an online application for tracking noncompliance of employers and lodging online complaints by employees on noncompliance in remitting employees’ contribution to the Fund;
- g) Strengthening inspection and compliance of implementation of the National Security Fund Act by employers in respect to contribution through peer-to-peer enforcement and technical support to employees on standardisation of contracts for workers to incorporate NSSF contribution;
- h) Enhancing partnership and collaboration through stakeholder engagements. This includes, but is not limited to Parliament” - I put Parliament because I was told the Fund supports Members of Parliament in benchmarking - “Federation of Uganda Employers Association, Private Sector Foundation -”

**THE SPEAKER:** Hon. Betty –

**MS AMONGI:** But I am reading my letter. Should I not read?

**THE SPEAKER:** Hon. Betty, that is the wrong assertion. We budget for Members of Parliament under the Parliamentary Commission.

**MS AMONGI:** Now you have told me. Madam Speaker, I now take that you have clarified this matter, but it is in my letter.

**THE SPEAKER:** Members of Parliament are not beneficiaries of any illegality or any MDA. The 11<sup>th</sup> Parliament is not a beneficiary.

**MS AMONGI:** Madam Speaker, I take your guidance to all MDAs and Executive not to do that.

**THE SPEAKER:** I have actually written to them.

**MS AMONGI:** Okay. My letter proceeds to say, *“I note your explanation under expenditure on voluntary staff retirement aimed at reorganisation to align NSSF with a new business model. Some of the workers have petitioned me complaining that management intends to conduct restructuring that will force them to retire. Please provide me with a clear explanation on the criteria approved by the Board to implement the restructuring programme.*

*Finally, the leadership of the Judiciary has notified me of the plan by the Fund to construct courts for the Judiciary. I take note that we have a specialised court for labour matters; the industrial court. I would like you to provide me with a clear rationale for this arrangement before any funds are spent on this project.*

*Accept, Chairman, the assurance of my highest consideration of your leadership to steer the Fund. Cc: the Minister of Finance, Planning and Economic Development, the Minister of State for Labour and Industrial Relations, the Permanent Secretary of the Ministry of Gender, Labour and Social Development, Permanent Secretary and Secretary to Treasury and the Managing Director NSSF.”*

It is this letter that approved the budget and it is this instrument that NSSF is operating under. I have stated the Shs 6 billion and its activities as approved in the budget. I beg to –

**THE SPEAKER:** With the exclusion of Parliament.

**MS AMONGI:** This one now, if I-

**THE SPEAKER:** I want you to be on record that what is being mentioned there excludes Members of Parliament because it is not true.

**MS AMONGI:** Madam Speaker, this is a letter I cannot withdraw or amend, but I take your guidance. I will write to NSSF not to fund any Member of Parliament since you have - Thank you. I beg to lay.

The last conclusion is that my ministry shall take appropriate action and submit to Parliament, within reasonable time, details of action taken, pursuant to rule 220 of the Rules of Procedure of Parliament upon the House’s conclusion of the matter.

Madam Speaker, I want to indicate that the Board and the management has requested, if you allow, that I read their detailed statement in response to - If you do not allow then I beg to submit.

**THE SPEAKER:** Didn’t they appear before the committee?

**MS AMONGI:** They did, but they are contesting some of the issues.

**THE SPEAKER:** They will petition.

**MS AMONGI:** You can guide because they have given me their statement.

**THE SPEAKER:** No, that is not how Parliament operates. Are you going to invite everybody who appeared before the committee to the House?

Honourable members, you have heard. We debated this report for over three hours. Can we hear from the chairperson on the contention - Can we get your clarification before we bring the chairperson?

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

**THE SPEAKER:** Honourable members, when a Member is speaking, you sit down; it is just good manners.

**MR TINKASIIMIRE:** I wanted to raise a point of procedure when the honourable minister was speaking. We are interested in the Shs 6



billion. She goes ahead to say some ministers, including Hon. Matia Kasaija, Minister for Finance, has been asking for this money. She also read a letter. Under what circumstances did she refer to Hon. Matia Kasaija as a person who normally also partakes of this money?

**THE SPEAKER:** Hon. Betty, write them down and then you will respond at once.

**MR TINKASIIMIRE:** Because I want to understand under what circumstances.

**THE SPEAKER:** There is a statement which was made by Hon. Betty that the previous leadership also used to ask for money from the management of NSSF.

**MR TINKASIIMIRE:** That is what I am interested in. Under what circumstances did she refer to Hon. Matia Kasaija who is not in the House to defend himself?

Secondly -

**THE SPEAKER:** By the way, we received a statement from Hon. Kasaija.

**MR TINKASIIMIRE:** Secondly, regarding the people she is referring to, are they the ones who have been indicted by the committee or is it her?

**MR NSEREKO:** Thank you, Madam Speaker. We have heard the response from the honourable minister in charge of the docket. The gist of the question here, to which we seek your clarification, honourable minister, regards your letter. Then, we shall look into the law and see whether it was lawful or not.

As to whether you wrote to the board to authorise money to go into your docket, we just need a “Yes” or “No”. Secondly, the purpose of the funds you are writing to the board to perform -

Finally –(Interjections)- just a second, do not worry. These are questions and that is why I am seeking clarification.

**THE SPEAKER:** She has already given you the workplan, which includes you.

**MR NSEREKO:** Finally, as to whether she has the entire mandate to do so, then we will come up with a conclusion -

**MS AISHA KABANDA:** Thank you, Madam Speaker. I have four areas where I seek clarification. According to the report, you said that as part of your work, you scrutinise the budget before you approve it. According to the report, it was reported that there was Shs 1.8 billion that was simply inserted there for others. All the board members were saying they did not know how it came into the budget. How did you approve that? What criteria did you go through to approve that one?

Two, regarding the letters of appointment of the board of directors, indeed it is true that the terms of reference included that they would benefit from the NSSF contributions. As the minister in charge of labour, you know the laws very well; that board members are not employees of the organisations that they preside over. Why didn't you, in the first place, advise the Ministry of Finance that what they were doing was wrong before you apportion blame to them?

Thirdly, why did you treat the two officers: the managing director and the deputy managing director, differently yet they face similar circumstances? When their contracts expired, you chose to renew that of the deputy managing director and not the one for the managing director.

Lastly, you were the supervisor of NSSF. When you asked for the Shs 6 billion, how were you going to account for it? Were you going to account to your subordinates if the Shs 6 billion had been allocated to you?

**MR SSEWUNGU:** Thank you, Madam Speaker. I thank the minister for her submission, which is almost becoming another report in itself. The honourable member was very good at sitting with us behind here and knows what happened to Hon. Khiddu Makubuya and Hon.

Syda Bbumba. You decided to cross to the Government side to perform in a failed system. Stomach all the challenges, suffer, stay there –

**THE SPEAKER:** Who has told you that she is suffering?

**MR SSEWUNGU:** I am advising her, Madam Speaker. Your interest was to become a minister so just be –

**THE SPEAKER:** There is a point of order from Hon. Silwany.

**MR SILWANY:** Madam Speaker, I know my brother, Hon. Ssewungu as one of the senior legislators in this august House. Is it, therefore, in order for him to state that a minister, who is looking nice like this and a wife to someone, is suffering after crossing to sit this side and that she is in pain when I am seeing her looking good?

**THE SPEAKER:** Honourable members, I am imagining that was a joke. Hon. Betty has never said she is suffering and she is okay. First of all, I want to really thank you for saving the Shs 400 billion.

Honourable members, I want to remind you that we debated this report. We are only getting clarifications.

**MR NANDALA-MAFABI:** Thank you, Madam Speaker. I also want to thank the minister for the report. I have only three small issues: one, did you review the Auditor-General's report on NSSF to make a decision that there is a need now to audit Lubowa, Temangalo, etc.?

Two, we appropriate money in Parliament here for ministries. I have never seen any committee putting money in that ministry for its oversight function. Under Section 29 of the National Social Security Fund Act, where is it stated that the minister will provide money under NSSF for supervision?

Three, under the PFM Act, every MDA is supposed to submit its budget to Parliament.

Is it true that the NSSF budget has to end in the hands of the Minister of Gender or is it supposed to come to Parliament for the final part?

Finally, you stated that the Minister of Finance also was writing similar letters. Did you ask him -

**THE SPEAKER:** Hon. Nathan, just to help Hon. Betty on the Auditor-General's report, it says, "No significant matters to report on". The opinion is unqualified.

**MR NANDALA-MAFABI:** Thank you very much, Madam Speaker. You have made it easier for me. You said the Auditor-General's report was an unqualified opinion. In the eyes of the minister, the report should have been qualified.

Having stated that the report should have been qualified, wouldn't it have been better for her to, first, engage the Auditor-General's office to say: "You are saying this report is clean yet we are seeing glaring facts that this report is hiding fraud." That is what I am trying to say.

Finally –

**THE SPEAKER:** On that one, the Auditor-General deals with accounting officers, not ministers.

**MR NANDALA-MAFABI:** That is true, Madam Speaker. The report of the Auditor-General is for public consumption. When she was looking through it, she needed more information and one of the reports to assist her was the Auditor-General's report. That is why I am asking: did she use it properly?

Finally, Madam Speaker, I would also –

**THE SPEAKER:** Before you leave that, I want to refer you to Article 164 of the Constitution on accountability, which says, "*The permanent secretary or the accounting officer in charge of a ministry or department shall be accountable.*" She is a political leader, but the other one is an accounting officer.

**MR NANDALA-MAFABI:** Thank you very much, Madam Speaker. Yes, it is true that she was the supervisor. She was holding the managing director accountable and one of the tools to use was the Attorney-General's report. We are asking: why didn't she use that office to assist her?

**MR MARTIN MUZAALE:** Thank you, Madam Speaker. My point of clarification goes to the minister. Honourable minister, you made it clear that among other components in the budget of NSSF, there was an element of Shs 15 billion, which was for the Dubai retreat, gym and so on.

You also said that in your proposal for the Shs 6 billion, you requested for Shs 6 billion only out of the Shs 15 billion. First of all, is that true? Was your conscience okay with the balance of Shs 9 billion being misused and abused?

Secondly, is it true that you gave a breakdown of the Shs 6 billion? Thank you, Madam Speaker.

5.32

**MR THEODORE SSEKIKUBO (NRM, Lwemiyaga County, Ssembabule):** Madam Speaker, I wanted to have this matter clarified. Among the abuses at NSSF came the question of the Shs 6 billion. As I was listening, the minister performed her statutory duties and obligations in approving the budget, as presented by the board. However, underneath, she also pointed out that out of that Shs 15 billion, she asked for Shs 6 billion for purposes of mobilising the diaspora, compliance and others.

Honourable members, before our attention is drawn from that point, the minister is in the dock. The statement that we must prove beyond reasonable doubt - excuse me, Madam Speaker, this is not a court of law. We act on a balance of probability and the judgement of Members.

Was the honourable minister right, at that point, to also demand a take of the Shs 6 billion? Now that you are taking the Shs 15 billion, avail me

with Shs 6 billion. That is why the minister is in the dock of this House. That is why the position must be taken: did she do it or not?

She has read the letter where, indeed, she has implicated herself. For any other debate or any other thing, Parliament must rise to the occasion. We must take a position: we either do it or let it go. That is where the crux of the matter is and that is where the minister must be held accountable.

**THE SPEAKER:** Honourable members, the only matter in contention is the Shs 6 billion. The minister is in agreement with the rest of the recommendations of the committee.

5.33

**MR MEDARD LUBEGA SSEGGONA (NUP, Busiro County East, Wakiso):** Madam Speaker, I would like to thank you very much. I also thank my daughter, the minister. She drafted a good defence. I just want to seek clarification.

Talking about Parliament without consulting us and without us playing a role in the implementation of the new law, what was your projection? What would be our role?

The people are asking us: "You make the law and you do not implement it. What business would you have with money being appropriated to Members of Parliament from the workers' savings?" What role did you assign us, as Parliament, and who told you that we needed help financially? Thank you.

5.34

**MR SIMON OPOLOT (NRM, Kanyum County, Kumi):** Thank you very much, Madam Speaker. I would like to thank the Member who was on the Floor because my question is related to his. I just want to add by saying: did the minister think that it was legally and morally right for the workers' money to be paid to Members of Parliament who are not even part of NSSF?

**THE SPEAKER:** I want it to be on record that Members of Parliament are not beneficiaries of

this money. If they were in other years, the 11<sup>th</sup> Parliament is not part of it.

5.35

**MR RONALD AFIDRA (NRM, Lower Madi County, Madi-Okollo):** Thank you, Madam Speaker. To the honourable minister, I really appreciated the defence, but I have clarification to seek from you. When she started the defence, a Member raised the question: is she speaking as Hon. Betty Amongi or as the Minister of Gender, Labour and Social Development? However, she did not respond to that clarification -

**THE SPEAKER:** No, she responded to it.

**MR AFIDRA:** Right. She is asking for more time to be given to the ministry to respond to some of the issues raised in the report, if you read the conclusion -

**THE SPEAKER:** Hon. Afidra, for the action taken reports under rule 220 of our Rules of Procedure, the ministry is supposed to bring a report on actions taken on what was raised in a report. That is what the minister is saying; she is asking for time to bring a report on the actions taken on what has been recommended by the committee and that is if the report is approved or adopted.

5.38

**MS CECILIA OGWAL (FDC, Woman Representative, Dokolo):** Madam Speaker, I have been following the defence and I hope the discussion now is specifically on the defence put up by the minister and not the main report. I have issues to raise on the main report. Since we have now zeroed our scrutiny on the Shs 6 billion, I would like to know why the Shs 250 million given to individual members of the Board and the minister is not in the -

**THE SPEAKER:** That is the Shs 1.8 and Hon. Aisha talked about it.

**MS CECILIA OGWAL:** Yes. I am wondering why we are not scrutinising that. I believe Hon. Betty should have put it in her defence because it is important.

Secondly, on the Shs 6 billion, I have seen on page 54 - I am sorry, I did not come with my report. Page 54 gives some details about the utilisation of Shs 6 billion. Madam Speaker, we should be guided by the law. We have in place the Public Finance and Management Act, as amended. Therefore, the law must guide us.

The law says there is a difference between originating and implementation. Who originates the budget? We need to be clear on that, basing on the law not the person. We should be clear on who initiates the budget so that nobody is seen to be victimised. I believe, and since this is the only contentious issue, let us look at the law, scrutinise and pin it down.

However, as a person and a member of this institution of Parliament, I stand to defend myself. If NSSF was planning or scheming to budget for me to travel on NSSF money, it is absolutely illegal and I will not accept it. Even when I am asleep, I will fight it. I think that is absolutely abominable.

For an old woman like me, it would absolutely be a taboo that people have saved their money then I use it to go and buy extra things from Washington. That would not be acceptable.

Madam Speaker, my own contribution on this particular issue we have zeroed on is, let us be guided by the law. Thank you.

**THE SPEAKER:** Thank you.

5.40

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, I would like to appreciate you and the House for taking time to get into the details of the NSSF issue which is before us.

I would like to beg your indulgence because my name was mentioned in an activity which took place way back in 2015, when I was a member of the finance committee.

Madam Speaker, I wish to inform the House as follows: In the Ninth Parliament, the finance committee spent a lot of time considering a Bill entitled, “The Retirement Benefits Liberalisation Bill”. In the consideration of this Bill, we benchmarked in many countries, Malaysia inclusive-

**THE SPEAKER:** I ruled on the issue of travels and what happened in the previous Parliament. That should not be -

**MR MUSASIZI:** That should not -

**THE SPEAKER:** Do you have anything to say on what has been presented in regard to finance?

**MR MUSASIZI:** On what has been presented, Madam Speaker, the Ministry of Finance, Planning and Economic Development made a statement last week and in the statement, it mentions the Shs 6 billion.

The issue of the Shs 6 billion came before us and when it came to our attention, we notified the Minister of Gender, Labour and Social Development. We went ahead to have a meeting with her and we gave our opinion, which opinion was reported. We advised against it, but she went ahead and made the decision. That is how far we can go, Madam Speaker.

**THE SPEAKER:** Thank you.

**MR LUBEGA SSEGGONA:** My brother, Hon. Henry Musasizi has been named in scandal after scandal. I thought he would be given an opportunity to tell us -

**THE SPEAKER:** Which scandal?

**MR LUBEGA SSEGGONA:** With your permission, first, let me speak. I thought he would be given an opportunity to clarify whether he actually partook of the NSSF money because it has been placed on his name.

Lately, we have seen him mentioned in iron sheets. I think fairness would require he

explains whether he actually took money both from Parliament and NSSF so that we can also deal with him appropriately.

**THE SPEAKER:** Hon. Sseggona, do not smuggle Hon. Musasizi in this thing. He also has his own issues so wait. He will have his day.

Can we hear from the Leader of the Opposition? We shall then have the final clarification from Hon. Betty. Please take notes, Hon. Betty.

5.43

**THE LEADER OF THE OPPOSITION (Mr Mathias Mpuuga):** Thank you, Madam Speaker. I would like to thank the committee for the elaborate report. In some situations, I think the committee was compelled to do some fishing expedition to ensure the issues come out clearly, but it is understandable, in the circumstances.

I had earlier planned to speak in some way on this subject, but following the submission of my honourable sister, the minister, together with what looks -

**THE SPEAKER:** Honourable members, do not go far. We need to finish this report.

**MR MPUUGA:** Together with what looks like a corroborated response from the Minister of Finance, Planning and Economic Development, Hon. Kasaija, on behalf of finance, I will cut my submission by a half and instead raise questions that really need to be answered in very particular terms.

First of all, I was musing to the terms of reference. Term of reference one is to examine corporate governance structures at the NSSF. The submission of the honourable minister can tell you whether there is anything to do with corporate governance. Maybe they can write the word “corporate governance”, but they do not know the meaning and how it is exercised and there is admission that it is non-existent.

Term of reference two is to examine circumstances surrounding the appointment of the Fund’s Managing Director. We now know.

Term of reference three was to evaluate the status and safety of savers money in the Fund and your conclusion is as good as mine.

What is very interesting is that the money in NSSF is money of private people saving their little money for a rainy day. The question to the honourable minister is: when did it occur to you that you can actually use this money for Government work? That you can actually borrow the word “appropriation” in your -

The honourable minister is quoting section 29 of the Act, as amended. Of course, it is a convenient expansion of the interpretation of Section 29. She is conveniently expanding the interpretation, but nowhere in that section is the minister allowed to dip her fingers in the savers’ cookie jar to do Government work because that money is the will of Parliament.

Therefore, I want to advise my sister that if she has a deeper interpretation of Section 29, she should lay it here or actually explain it because it is very clear; you cannot appropriate. Appropriation is a preserve of Parliament. If you interpret Section 29 to mean that you can actually add in money not envisaged by the law, that is why you are being “cooked” here, my sister.

I would like to ask the learned Attorney-General to probably help interpret for the honourable minister, in broader terms, the strict interpretation of Section 29(3) of the Act.

Madam Speaker, Hon. Cecilia Ogwal Atim *Imat* –

**THE SPEAKER:** Miss Uganda.

**MR MPUUGA:** Yes, has ably articulated my contention on page 79 of the main report, which breaks down the honourable minister’s desire to partake of the Shs 1.8 billion and strictly the Shs 250 million she was supposed to use for corporate social responsibility. What is her construction of her share of the Shs 1.8 billion (equivalent of Shs 250 million)?

Secondly, the main report speaks of the Shs 40 billion that the minister was demanding goes to the Grain Council of Uganda; an entity alien to NSSF. Will the minister explain her interest in the Grain Council of Uganda and why she was recommending that Shs 40 billion goes there and for what? What is her interest? Will the minister be decent enough and declare her interest in the Grain Council of Uganda so that she can go fishing for it on savers’ money to the tune of Shs 40 billion?

Madam Speaker, the argument that it was not taken after all does not render the act innocent. Under Criminal Law, an attempt is a crime. So, will the honourable minister explain her attempt to partake of Shs 40 billion to go to the Grain Council of Uganda under unclear circumstances? Maybe she will. That is for the Minister of Gender, Labour and Social Development.

In absentia, the Minister of Finance, Planning and Economic Development - probably represented now because Hon. Musasizi ably said that this was their joint statement and therefore, he concurs with the contents therein. I find the statement by the Minister of Finance, Planning and Economic Development a bit problematic. Where I agreed with my honourable sister is that a lot took place actually, prior to the amendment of the Act, to include the Ministry of Gender, Labour and Social Development as a superintendent supervisor. The Ministry of Finance, at some stage, was the sole supervisor of this entity.

Now, the minister, first of all, states that the Ministry of Finance, Planning and Economic Development has a critical role under dual supervision and therefore agrees with the committee. In fact, his construction of the report is that the report preferred that the entire entity returns to the Ministry of Finance, Planning and Economic Development, but the minister does not explain the return of omissions and commissions namely, the ministry was solely supervising the entity when Shs 11 billion was doled out to Uganda Clays Limited without due diligence. The Ministry of Finance was

entirely in charge and they actually knew that indeed, the MD was a board member of Uganda Clays Limited. Was the ministry aware of this conflict of interest when workers' money was doled out for a song to Uganda Clays Limited?

Secondly, regarding the doling of money to West Nile Golf Club, was the ministry aware that the deputy MD was actually a member of the golf club? Were the ministers alive or actually sleeping on the job?

**THE SPEAKER:** Who was a member of the club?

**MR MPUUGA:** Mr Ayota was a member of the West Nile Golf Club. Are they alive to this information? That information is known to many people, Madam Speaker.

The US\$ 2 million loss under Victoria Development Project - remember the Ministry of Finance superintending over had a duty to approve all these investments and projects. Where was it when these approvals were being made? Was the minister aware or they were never brought to his attention? Can we know the comments when these funds were being written off? What was the input of the Ministry of Finance at the writing off of savers' money at the time?

I am bringing this to make one simple point: that the Ministry of Finance, Planning and Economic Development, in their response, did not fully account for their part in these morays and therefore, we need them back here to answer to these morays because they are equally culpable and we are going to roast culprits. They must be part of the frying pan and probably, with more oil in their frying pan for the cooking. *(Laughter)*

**THE SPEAKER:** Thank you.

**MR MPUUGA:** Madam Speaker – I would like to thank you, for your patience. These kinds of moments define the kind of Parliament we desire to be. The Ministry of Gender, Labour and Social Development is

very generous by thinking about Parliament as a potential beneficiary; we appreciate that gesture. *(Laughter)*

Can we establish her knowledge as to the role of the Parliamentary Commission? Does she have any correspondence with the Parliamentary Commission to understand the needs of the Parliamentary Commission for her to appropriate some monies for the Parliamentary Commission? I have been in the Parliamentary Commission for the last one year and have never seen an inquiry from any entity or ministry desiring to know our needs. At what stage did you construct the needs of the Parliamentary Commission to think of giving us something to use? *(Laughter)*

I commend her generosity and creativity that far, but we need to understand when she construed it. Like I said, I am going to juggle my response because I was really disturbed when I got her second response because she amended her considered response and thus, I thought I should not really be structured. The end of this, Madam Speaker, is that I have not seen anything assuring savers that the people superintending over this entity are even knowledgeable about what they are doing. It is a litany of negligence, connivance, deal-making and outright abuse of office by the people charged with this savers' money.

I would like to invite this Parliament to consider the response of the two ministers as a mere defence to fit the circumstances. It does not really respond to the critical findings of the committee. In fact, there are no particular responses to the findings of the committee. The honourable Minister of Gender is a long-time friend; we met at university in 1998. I have known her as sometimes hardworking and sometimes working hard. *(Laughter)* I suppose, in all situations, she is well intentioned.

Therefore, I do not know, this time, whether she was working hard or hardworking for this to come out the way it has because it does not constitute a defence anywhere. A defence per se should explain, in unequivocal terms,

the issues as raised, not with the “buts” and “whys”.

Finally, there are multiple responses to the land at Nakigalala that has three different plots and, by extension, instruments. I do not know whether the committee left this out. We can take this as an amendment to the recommendations and resolutions of Parliament.

The three instruments underscore clear intention to commit fraud. The intention cannot be mistaken for anything else. It is fraud and fraud does not have any other meaning. In fact, if you do not know the meaning of fraud, just refer to that intention. We need to capture this and whoever was involved in reporting these three instruments is culpable in outright fraud and, therefore, must be held culpable.

I want to advise my sister and the Ministry for Finance. Hon. Musasizi, to use American speech, is freshly in bed in these matters. Hon. Kasaija should be here to carry his transgressions in these matters. I want to invite Hon. Musasizi not to engage in trying to defend the indefensible.

On what you do not know, surrender. We must clean this House and give assurance and hope to citizens. I now know why mid-term access was frustrated until we put our foot down. This entity has become, over the years, some people’s milking cow.

Madam Speaker, as I take leave, we need to have timelines to avoid people working backwards to hide evidence, for instance, activities on the suspense account.

The suspense account is like an open market – even an ATM has a code. The suspense account is like Owino: you enter and leave at will. Can we resolve that we move to suspend all activities on some of these transactions until a proper inquest is done? This is because what is being dubbed as “investment” is actually disinvestment.

You can see managers entering transactions to construct what is dubbed as “Pension House”. Of course they will tell you they complied. The agreement allows a variation of 25 per cent, but you make sure that even before a half is done, you vary by 23 per cent and say: “No, we are still within the limits.” Shs 61 billion taken. The contract arrangement allows us to vary by 25 per cent, but these are not innocent variations.

Madam Speaker, Parliament must be interested: why the variation? Was there inflation? Can we look at the inflation figures? Was the construction sum deflated by a GDP deflator to move by 23 per cent in a short time?

These are not simple things and I hope Parliament can utilise the expertise of the Office of the Attorney-General and the Inspector General of Government to get to the bottom of this problem. Otherwise, like a Member observed in the first debate, it does seem that every after a round of five years, NSSF will be investigated and the culprits go, die or invest their loot wherever they invest it.

I hope we can have an opportunity, as the 11<sup>th</sup> Parliament, to structure - If it means reconsidering the law – and, for me, it is not a question of solving this problem today. We can even give ourselves another two or three days to get to the bottom of the problem. If our structuring of the recommendations is done today, I have no problem finishing it.

Madam Speaker, whereas you are going to put the question, for each of the recommendations, allow Members a few minutes to amend these recommendations so that they can actually give us what we need and save the poor Ugandans savings with NSSF from this burden. Thank you, Madam Speaker.

**THE SPEAKER:** Thank you. One of the recommendations is for amendment of the law. Committee chairman, do you have anything to say?



6.03

**THE CHAIRPERSON, SELECT COMMITTEE ON THE STATE OF THE AFFAIRS AT THE NATIONAL SOCIAL SECURITY FUND (NSSF) (Mr Mwine Mpa-ka):**

Thank you, Madam Speaker. This is a committee report and we would not want to be seen to be debating with the witnesses. However, every recommendation in this report is backed by evidence. The evidence is attached on your iPads and we believe we did this job to the best of our interest and knowledge and we can defend all the recommendations. Thank you.

**THE SPEAKER:** Thank you, Mr Chairman. Clarifications, honourable minister?

**MS AMONGI:** Madam Speaker, in my statement, I requested for the Attorney-General's interpretation. Since the Attorney-General has come – and Hon. Ssegona referred to that - I think my colleague, the Member for Kampala -

**THE SPEAKER:** Can we first have clarifications on what the Members raised?

**MS AMONGI:** Most of the issues are on the law and I do not have the mandate when the Attorney-General is here.

**THE SPEAKER:** Is the Shs 6 billion on the law?

**MS AMONGI:** Yes, on section 29.

**THE SPEAKER:** And the Shs 1.8 billion?

**MS AMONGI:** That one, I will answer.

**THE SPEAKER:** Answer.

**MS AMONGI:** Madam Speaker, the first was talking about my letter and the law and that is why I wanted it to start.

The second is about the mandate. This third one was that part of my work is to scrutinise the budget and the question was, "Before you approved the Shs 1.8 billion, did you know or what did you approve?"

I would like to clearly state that I approved the Shs 1.8 billion, but for stakeholders' engagement and I want to go to page 80 of the committee's report because it is captured.

The committee observed that whereas several witnesses kept denying having knowledge, participated or passed the budget, Shs 1.8 billion was actually passed by the Board in the NSSF Budget for the Financial Year 2022/2023 under Appendix II as other operating costs. An extract from the NSSF budget for the Financial Year 2022/2023 funding the strategy on the budget item of the Shs 1.8 billion is shown below.

The Fund has planned for joint activities with the Ministry of Gender, Labour and Social Development, labour unions, Federation of Uganda Employers, private sector and Members of Parliament representing workers; Shs 1.8 billion. That is what was in the budget and what is captured.

However, during the presentation – and I approved the budget and that is what I approved. I approved it as "joint activities of stakeholders".

When you look at -

**THE SPEAKER:** Is that Shs 1.8 billion?

**MS AMONGI:** Yes.

**THE SPEAKER:** Is that the same budget where Shs 6 Billion was? Who initiated the Shs 1.8 billion?

**MS AMONGI:** The Shs 1.8 billion came from NSSF.

**THE SPEAKER:** Who initiated it in the budget?

**MS AMONGI:** It is from the former Managing Director of NSSF and I submitted a letter to the committee.

**THE SPEAKER:** Then who originated the Shs 6 billion in the budget?

**MS AMONGI:** The Shs 6 billion was a reallocation within the operating budget, which I approved in the budget.

**THE SPEAKER:** Who brought the idea?

**MS AMONGI:** Which one?

**THE SPEAKER:** Shs 6 billion.

**MS AMONGI:** I have indicated, in my statement, that I brought it up in a meeting.

**THE SPEAKER:** It is okay. That is answered.

**MS AMONGI:** Yes.

**THE SPEAKER:** That answers Hon. Cecilia's question about the initiator. Go ahead.

**MS AMONGI:** I approved Shs 1.8 billion which is money for stakeholders brought from the Fund. However, when the former manager director went to Mbarara for a Board meeting at Emburara, he started going to Board members and enticing them with Shs 1.8 billion to be given to them to renew his contract. That is a testimony in the committee and it was played here.

**THE SPEAKER:** So, was Shs 1.8 billion given to the Board members?

**MS AMONGI:** No, Shs 1.8 billion was not given. It was approved by me for stakeholders. However, when it reached implementation, the managing director put Shs 800 million aside for labour unions; COFTU and NOTU.

**THE SPEAKER:** Which managing director?

**MS AMONGI:** The former Managing Director, Mr Richard Byarugaba. He wanted to use Shs 1 billion to give members of the Board to approve his contract. When he was in Emburara *-(Interruption)*

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

**MS NYAKIKONGORO:** Thank you very much, Madam Speaker. The procedural issue

is: we have kept on discussing personalities of the people that were met by the committee and we have continued to refer to the issues yet these personalities are not here to defend themselves on the subject we are discussing.

The report was laid on the Floor of Parliament and we debated it. However, we have kept going back and this is making us get confused. Therefore, are we procedurally moving well to continue discussing personalities that are not here to defend themselves when they appeared before the committee, including the minister?

**THE SPEAKER:** Honourable members, there are only three people in this country that you cannot discuss and they are the President, the Speaker and the Chief Justice. *(Laughter)* Hon. Amongi, can you conclude?

**MS AMONGI:** Madam Speaker -

**THE SPEAKER:** By the way, you can only discuss those personalities with a motion.

**MR MPUUGA:** That is what I wanted to correct. Upon a certain motion, they can be discussed.

**THE SPEAKER:** Yes.

**MR OKUPA:** Madam Speaker, on the matter of Shs 1.8 billion - Hon. Betty Amongi is a long-time friend of mine. As the LOP has said, we met at university.

You are saying the former managing director wanted to give Shs 1 billion in order to get his way. However, in the report, your name is also listed as one of the beneficiaries. Clarify that as well?

**THE SPEAKER:** Hon. Betty was supposed to get that, not so?

**MS AMONGI:** Madam Speaker, the money was meant for the activities that I approved. When it reached NSSF for implementation, that is when - I do not want to say conspiracy because the committee has stated it very clearly in paragraph eight, page 142. It reads,

“Whereas the committee appreciates Mr Richard Byarugaba and the entire management for their effort in growing the Fund, the committee notes their involvement in the initiation of the Shs 1.8 billion concealed under corporate social responsibility, where Shs 250 million was for the Board chairperson, Shs 250 million for the minister responsible for labour, Shs 500 million to Board members and Shs 800 million to the unions.”

Therefore, the Board chairperson played here saying Mr Richard Byarugaba attempted to bribe them. This particular Board member said he was standing with Dr Silver Mugisha, another Board member. Mr Richard Byarugaba scrolled his phone and said, “This one is for you; this one is for you; this one is for you; just sign my contract.”

I want to say what I testified before the committee. When the committee called me, I testified and I want to put it on record that when they returned from Mbarara, the chairman and Mr Richard Byarugaba came to my office and told me that while in Mbarara, they sat and agreed that they give money for corporate social responsibility and for the minister, they have allocated Shs 250 million.

I asked them: under what activities are - Madam Speaker, I know corporate social responsibility, but they came to me saying, “This one is called “corporate social investment”. (*Laughter*)

**THE SPEAKER:** Hon. Amongi, can you summarise? We have a Bill that must be completed.

**MS AMONGI:** Yes. When they told me “this is corporate - (*Interruption*)

**MS AISHA KABANDA:** Madam Speaker, I seek clarification on that. Shs 1.8 billion was put in the budget as other expenses. I do not know whether any right thinking person can consider Shs 1.8 billion to be “any other expenses”.

I seek clarification - and from the minister’s submission, I understand this was planned

loot put in the budget. They just put money for themselves to share at the right time. That is the understanding I have been able to capture from her explanation. Thank you.

**THE SPEAKER:** Thank you.

**MS AMONGI:** Let me finish my response because the committee already found the culprit and made a recommendation.

**THE SPEAKER:** Finalise.

**MS AMONGI:** The conclusion of my submission is that when they came to me and said this is “corporate social investment”, I told them, “I had already written to you earlier that if there is any corporate social responsibility, go to the industrial park and put it in the SACCO.” It is in one of the letters I submitted to the committee where I was directing that they should look for a SACCO of contributing members because of COVID-19. “*Even if you put Shs 10 million per SACCO, at least it is returning to the people who save with the Fund.*”

When they came to me, I instructed them: “If this is a new term, I do not know the terminology of social corporate investment. Bring the guidelines before you allocate the money, including putting mine in areas of taking it to the SACCOs of the workers in industrial parks or plantations,” because I had visited.

By the way, “corporate social responsibility” is not a bad issue. I have a hospital that has been built under corporate social responsibility by Karuma Hydro Power worth more than US\$ 2 million in my constituency. So, it is a corporate matter for most organisations. However, I think here it was about how it was utilised and the fact that it was being diverted for something else.

The other one of the Shs 6 billion, majorly the question requires the Attorney-General’s interpretation – (*Interjections*) Yes, because people are querying it. There are people who are saying, “Does the minister appropriate or should it come to Parliament?”

**THE SPEAKER:** Hon. Betty, in the Shs 1.8 billion, as per the budget, the Fund planned for a joint activity with the Minister of Gender, Labour and Social Development, labour unions, Federation of Uganda Employers, the private sector and Members of Parliament representing workers. These Members of Parliament were beneficiaries of the Shs 1.8 billion. Is that true or false?

**MS AMONGI:** They were supposed to be, but that money has never been released. Why? Members of Parliament for Workers are the ones who represent the interests of workers. When they call workshops, even for midterm access, they play a very crucial role. Therefore, it is not that you are getting the money and paying -

**THE SPEAKER:** As Parliament, do we pay Members of Parliament representing workers?

**MS AMONGI:** It is not to pay them. It is to organise consultative meetings like workshops.

**THE SPEAKER:** What is in the report is different from what you are saying. We need to protect these Members. You would rather say, "The money is for workshops facilitated by..." than saying the money is to Members of Parliament representing workers.

**MS AMONGI:** Madam Speaker, I do not initiate this narrative because the narrative here is that the Fund has planned for joint activities like midterm access. We were always organising workshops calling them to give us ideas and proposals. Therefore, it is for joint activities, not to give them, but I will ask them -

**THE SPEAKER:** Like I said, it is wrong for you to have Members of Parliament in whichever record you have. We pay these Members of Parliament a lot of money. Even if they have activities, let it be an activity of NSSF. If you want the Members of Parliament to go and facilitate, they will go on their own as the Members representing workers.

**MS AMONGI:** Madam Speaker, I really do not know how best I can put it.

**THE SPEAKER:** Hon. Betty, I am talking for you and me. Tomorrow, you may not be a minister and somebody is mentioning Members of Parliament; I am protecting you people. Today, somebody is saying; "This money is going to Members of Parliament." It is spoiling your names.

**MS CECILIA OGWAL:** Madam Speaker, I am seeking clarification: I made reference to Shs 1.8 billion because I wanted my daughter, Hon. Betty Amongi, to clear her name. This specifically pointed at her as being targeted with the Shs 250 million.

I am now restrained to discuss further because she has made my request to make her clean her name worse by saying, the board met her and they discussed and agreed. That is very dangerous *-(Laughter)-* It means, "Yes, I agreed to take the money."

You are a colleague to many of the Members. I think in our discussion, we should pinpoint a Member when we deserve to do so and we should save Members because at the end of the day, we all go and live together.

Madam Speaker, I would like Hon. Betty, before she concludes on this, to really clear her name on the Shs 250 million. Please, be specific. You are saying SACCOs, but you already agreed that Shs 250 million should come to you, which should not have been the case.

**MS AISHA KABANDA:** Hon. Cecilia, I do not know whether it skipped your ears. She actually said, "And my Shs 250 million..." - so she owned it up as she was speaking, "...would go to a SACCO."

**THE SPEAKER:** Honourable members, Hon. Betty has said that a budget was brought to her for approval and she approved it. What else do you want to know? Do you want her to deny? I like her for being honest.

**MS AMONGI:** Thank you, Madam Speaker. I do not like to lie; I want to say the truth. The truth of the matter is that I approved Shs 1.8

billion for stakeholders' engagement. When it went to NSSF, they changed it. When they came back from Mbarara, they told me they had allocated money. They did not tell me that it was part of the Shs 1.8 billion for stakeholders.

I told them that if there was any money allocated for the Minister responsible for Labour, let it go to the savers' SACCO, not to me. I have never received the Shs 250 million and the condition under which I said I would accept it was as long as it would go to the savers' SACCO. I would accept it as a corporate social responsibility.

**THE SPEAKER:** Has anybody received that money?

**MS AMONGI:** Nobody has received it.

**THE SPEAKER:** Nobody has received it? And it is not anywhere on record that, that money was supposed to go to the savers' SACCO. Can you conclude?

**MS AMONGI:** There is –

**THE SPEAKER:** Hon. Nathan?

**MR NANDALA-MAFABI:** Thank you, Madam Speaker. We are all here talking about workers' hard-earned money. Workers contribute that money knowing that they will get something at the end. For this money, you do not need to advertise because the law enforces it.

What is this "corporate social responsibility" on people's hard-earned money instead of putting it to increase their return on investment? Madam Speaker, isn't it basically wrong for the minister to appropriate money in areas which disadvantage a worker?

**THE SPEAKER:** Honourable members, maybe just for information, Shs 200 million has already been given to NOTU and COFTU under the leadership of none other than Patrick Ayota.

**MR MASABA:** Thank you very much, Madam Speaker. The information you have given is the

one I wanted to give. They confessed that Dr Lyomoki went with one of the members –

**THE SPEAKER:** Peninnah.

**MR MASABA:** No, he took him to the bank and withdrew Shs 100 million and handed the money over to him. So, that money was already withdrawn.

**THE SPEAKER:** Okay. Let us complete this thing.

**MS AMONGI:** Madam Speaker, there are five questions on issues of the law. However, on the issue of the Shs 6 billion, I was guiding the reallocation of budgets to an area of priority. That budget is an NSSF budget. It is not a budget for the Ministry of Gender, Labour and Social Development. I do not know why Members continue to say that the budget is for the Ministry of Gender, Labour and Social Development.

Even the committee itself, in the report, accepted that the Shs 6 billion was for NSSF and they enumerated the activities. None of those activities is for the Ministry of Gender, Labour and Social Development. The activities that are here are not for my ministry. They are activities to implement the NSSF Act. It is supposed to be undertaken by NSSF – implementing the NSSF (Amendment) Act. It is not my role –

**THE SPEAKER:** Can we conclude?

**MS AMONGI:** Please, I want Members to know that the law is – *(Interruption)*

**MR MPUUGA:** You have insisted that the Shs 6 billion was to implement the Act and you know that the activities of the ministry are budgeted for by Parliament. Was that an unfunded priority in your budget as a ministry? How much money was budgeted for it?

**THE SPEAKER:** Hon. Musasizi, there is something you said - You advised on the Shs 6 billion and the minister insisted.

**MR MUSASIZI:** Madam Speaker, I said that when the matter of Shs 6 billion came to our attention, we advised that: “Look, this is the hard-earned money of the savers. This is not Government money and it is irregular for the Government to start encroaching on the savers’ money for its own activities.”

**THE SPEAKER:** That was the first good piece of advice -

**MR MUSASIZI:** That is the advice we gave.

**THE SPEAKER:** Who did you advise?

**MR MUSASIZI:** We advised the Minister for Gender in a meeting we held at the Ministry of Finance, Planning and Economic Development, chaired by Hon. Matia Kasaija.

**THE SPEAKER:** Honourable members, can we conclude this? We must finish a Bill.

**MS AMONGI:** Madam Speaker, the minutes of that meeting have not been availed. I want to state categorically that, yes, in his communication, Hon. Kasaija stated that he had been notified that I had asked for money to be given to the Ministry of Gender, Labour and Social Development.

In my own communication, I notified Hon. Kasaija that, that money was not for the Ministry of Gender, Labour and Social Development. When we were concluding, indeed, Hon. Kasaija indicated that if the money was not for the Ministry of Gender, Labour and Social Development and it was to be appropriated within the NSSF Act then there was no issue and therefore, it was lawful.

I wanted Hon. Kasaija to be here because – Madam Speaker, I do not like to push things. We were with Hon. Kasaija on Tuesday – the day before yesterday – in State House and we discussed this matter a little bit with His Excellency the President. Hon. Kasaija indicated that he was told - and I wanted Hon. Kasaija here, but he is not here. I cannot divulge the discussion we had. Therefore, let me just conclude –

**THE SPEAKER:** Please, conclude.

**MS AMONGI:** I want to conclude by answering the Leader of the Opposition’s question. The activities captured in the budget for NSSF under the Shs 6 billion do not include activities of the Ministry of Gender, Labour and Social Development and neither are they in the unfunded priorities –

**THE SPEAKER:** Hon. Tinkasiimire, let us not bring emotions and tribal sentiments into this debate. Let us look at the savers’ fund. Now, you are getting mad because of Hon. Kasaija – Bunyoro affairs. Let her conclude and then you bring your issues.

**MS AMONGI:** I want to reiterate that the activities contained on page 54 of the committee’s report are activities that do not fall under the Ministry of Gender, Labour and Social Development. I want to indicate that NSSF had a lot of stakeholder engagements. In the new law, we have issued mid-term regulations. We had engagements of a residential nature at Serena, Kigo with stakeholders. It does not mean that when we call stakeholders, we pay the stakeholders, but they come with ideas.

At the moment, the law permits me to issue regulations for voluntary savings. I cannot sit and do it alone; I have to do it with stakeholders. Workers’ Members of Parliament and the Committee on Gender, Labour and Social Development are important. We undertake collective stakeholder engagements. We will continue with this, but we take your guidance that there is no more issue related to Parliament being funded for the purpose of travel abroad.

Madam Speaker, I cannot answer why we do not bring the NSSF budget to Parliament. It is a matter of the law that empowers the minister to do that. If the Attorney-General can guide that it should be brought to Parliament before I append my signature, then let him advise and I take action.

**THE SPEAKER:** The law is very clear. Nobody needs to advise on anything.

7.37

**MR BARNABAS TINKASHIMIRE (NRM, Buyaga West County, Kagadi):** Thank you very much, Madam Speaker. I am sorry if you read tribal sentiments in my mind. However, it is not true.

The honourable minister has persistently referred to Hon. Matia Kasaija. Hon. Matia Kasaija has been one of the longest-serving Ministers of Finance, Planning and Economic Development under President Museveni. On the record of this House, evidence has been adduced that the same minister, Hon. Matia Kasaija, properly advised the honourable minister to tame her appetite for workers' money. Even in this House, she is still insisting she still wants the Shs 6 billion – *(Interjections)* - I request that you guide her to die alone. *(Laughter)* Hon. Kasaija properly said, “your appetite for workers' money” -

**THE SPEAKER:** Honourable members, can we conclude this? We have heard from both sides. We have 27 recommendations of the committee. Recommendation one? Any amendment? Do not ask me what it says because you have the report. Recommendation two? I will not come back for a recommittal.

**MR OKUPA:** Madam Speaker, I have a new amendment, but I do not know at what time to bring it - it is on the issue of the Shs 400 billion. Remember, the Leader of the Opposition brought up the matter, but I think it was omitted because of the registration instrument having the same for all the three blocks. I want to know if I should bring it at the end.

**THE SPEAKER:** I have asked the Chairperson of COSASE to thoroughly go and look at issues of NSSF including that one. Let us go slow on the Shs 400 million. Which recommendation would you like to amend?

**MR KATUSABE:** Thank you, Madam Speaker. The recommendation on-

**THE SPEAKER:** Tell me the recommendation you are amending.

**MR KATUSABE:** The recommendation on sanctions.

**THE SPEAKER:** No. That is general. Recommendation No.3

**MS AISHA KABANDA:** Thank you, Madam Speaker. Recommendation No. 3 is recommending supervision of the Fund to go to the Ministry of Finance, Planning and Economic Development.

**THE SPEAKER:** No.

**MS AISHA KABANDA:** Yes, it is, Madam Speaker. I can quote. You have heard a lot about the fouls that happened while the Fund was still being supervised by the Ministry of Finance, Planning and Economic Development.

To me, the dual supervision actually has helped us to unearth many things because what escapes one ministry, the other ministry can see. I want to suggest that the status quo be maintained and we delete that recommendation.

**THE SPEAKER:** I put the question to that amendment.

*(Question put and agreed to.)*

*Recommendation No.3, deleted.*

**THE SPEAKER:** We already have dual supervision. What we need is to streamline it and it is good when they fight. *(Laughter)* Recommendations No.4, No.5, No.6, No.7 – Hon. Betty?

**MS AMONGI:** Let me put my issues on record.

**THE SPEAKER:** Okay.

**MS AMONGI:** Madam Speaker, Recommendation No.7 reads: “The action of the Minister of Gender, Labour and Social Development, Hon. Betty Amongi, in directing Shs 6 billion to be availed to her ministry...”

I want this to be on record so it reads "... in appropriating Shs 6 billion within NSSF budget." I did not send it to my ministry.

**THE SPEAKER:** There is a procedure matter from Hon. Aber.

**MS AMONGI:** I relocated from the Shs 15 billion under wasteful expenditure - I did not direct it to the gender ministry.

**MS ABER:** Madam Speaker, I think both parties were given ample time to debate and present their cases. Wouldn't it be procedurally right if the parties that were mentioned in the report stay put and allow us to proceed with the recommendations and not open a new discussion?

**MS CECILIA OGWAL:** Madam Speaker, the procedural matter I am trying to raise is that at this stage, we cannot amend this report. The House cannot amend a report which has already been signed by members of this select committee. We can only come up with an amendment to the report.

**THE SPEAKER:** Hon. Cecilia, we are processing the recommendations that have been brought. We also want to see whether the recommendations are in conformity with what we want in the House. We are not making any amendments.

**MR LUBEGA SSEGGONA:** Madam Speaker, in aid to the contention raised by the Hon. Lillian Aber and to give it perspective, whereas I shall defend, to death, the right of the Hon. Betty Amongi to defend herself, we are past that stage now. What we are dealing with now is making decisions.

Unfortunately, she cannot participate in making a judgment upon herself. Therefore, her duty now is to look at Members with good eyes so that they support her. *(Laughter)*

**THE SPEAKER:** Honourable members, we are talking about savers' money. I want to see people who are standing with their heads up.

We are looking at recommendations 6, 7 and 8.

**MS CECILIA OGWAL:** Recommendation No.8 is the point we have been debating for quite some time; the Shs 1.8 billion. I would like to know whether the other participants to this particular figure were given an opportunity to explain themselves.

**THE SPEAKER:** Yes, they were given. They appeared before the committee.

**MS CECILIA OGWAL:** Okay, thank you.

**MR LUBEGA SSEGGONA:** On recommendation No.8, I beg to move that we amend and remove the word "appreciation" to the Managing Director, Mr Richard Byarugaba.

**THE SPEAKER:** What?

**MR LUBEGA SSEGGONA:** "...of appreciating Mr Richard Byarugaba." You must not be seen to condemn him for doing so much yet in the same paragraph, we are saying -

**THE SPEAKER:** We are removing the word "appreciating" since you cannot appreciate someone who is being accused.

**MR LUBEGA-SSEGGONA:** Absolutely.

**THE SPEAKER:** And you have already condemned the person for doing something wrong so, we are removing "appreciation."

**MR LUBEGA-SSEGGONA:** He succumbed to pressure to commit an illegality then we appreciate him?

**THE SPEAKER:** Thank you. I put the question that we amend recommendation No. 8 by removing the word "appreciation." [Mr Nandala-Mafabi rose]

*(Question put and agreed to.)*

**THE SPEAKER:** I have already put the question. What were you doing, Hon. Nathan?



**MR NANDALA-MAFABI:** Madam Speaker, just a few minutes ago, the committee told us that people went to the bank and took cash. Now, these people who took the Shs 1.8 billion are not mentioned here. I want to make an amendment that as the IGG is investigating, those who took the money should return it immediately because there is clear indication that –

**THE SPEAKER:** There are recommendations to that effect on how the IGG should investigate the whole fund and money should be refunded; recommendations 9 and 10.

**MR NANDALA-MAFABI:** Madam Speaker, on recommendation 9, the Chief Financial Officer (CFO) is a professional accountant and they are saying we take action against him. I want to make an amendment that the Institute of Certified Public Accountants of Uganda should immediately take action on the CFO, Mr Stevens Mwanje.

**THE SPEAKER:** Thank you.

**MR MUSASIZI:** Madam Speaker, the amendment by Hon. Nandala-Mafabi would stand and be appropriate if the CFO was a member of the Institute of Certified Public Accountants, but in this case, he is not. Therefore, the institute is not responsible for his actions.

**MR NANDALA-MAFABI:** I want to thank Hon. Musasizi; I had not seen that. Since he is not a member and Mr Richard Byarugaba is a member, he should be held liable for employing, in such a professional department, a person who is not qualified.

**THE SPEAKER:** He was employed by the board.

**MR NANDALA-MAFABI:** Yes, but he is the one who brought him.

**THE SPEAKER:** Recommendations 10, 11 - What is it on recommendation 10?

**MR OLANYA:** Thank you, Madam Speaker. On the appointment of Dr Sam Lyomoki and Peninnah Tukamwesiga, the committee stated that they were illegally appointed by the honourable minister. Let the IGG investigate the illegal appointment.

**THE SPEAKER:** All of us have been lobbied on that issue. *(Laughter)* Have you heard? The appointment was illegal even Hon. Matia Kasajja accepted it.

**MS CECILIA OGWAL:** Madam Speaker, recommendation 11 –

**THE SPEAKER:** This morning, Hon. Silwany was lobbying me for the same recommendation 11.

**MS CECILIA OGWAL:** Madam Speaker, on recommendation 11, I think this House would not act fairly if we indicted Geoffrey Wasswa and left the entire board because the appointment of the person that Geoffrey Wasswa appointed and the appointment of Geoffrey Wasswa himself were all done by the board. So, it should be an indictment of the entire board who approve all the processes –

**THE SPEAKER:** There is a recommendation on the board.

**MS CECILIA OGWAL:** Yes, so regarding Wasswa as an individual, I object. Thank you.

**THE SPEAKER:** No, there is one on the board and this one is on Wasswa.

**MR NANDALA-MAFABI:** Hon. Cecilia Ogwal is right. You see, here we can recommend the board as many times as we want. Here, the board appointed Geoffrey Sajjabi who does not qualify so, there are two people who are involved in this matter. One is the board and much as we are going to indict them there –

**THE SPEAKER:** Have you read the recommendations well? Mr Geoffrey Sajjabi employed his relatives and supervised them in the same department. These are small positions that do not go to the board. Like you have

somebody making tea or a cleaner. They are not at the board level. This is okay.

**MR NANDALA-MAFABI:** Madam Speaker, if you read the report, it says: “The committee observed that Mr Geoffrey Sajjabi was appointed Head of Business at NSSF when he did not have the required qualification.”

**MS NALUYIMA:** Madam Speaker, finally on this matter, we are expecting a report from the IGG because the Office of the IGG is supposed to investigate and do further reporting. I beg that we go to the next item because it is already catered for. If all departments are going to be investigated, it is already catered for.

**MR TEIRA:** Thank you, Madam Speaker. I think we have not picked the facts right. One of the people whom Sajjabi is accused of recruiting is in the Department of Business Development. These are not casual jobs; they are professional jobs.

Below, in that very recommendation, there is a suggestion that a thorough forensic human resource audit be done. Madam Speaker, why don't we subject all these to the scrutiny of the entire department at once without singling out individuals?

**THE SPEAKER:** Hon. Teira, the board appointed Mr Sajjabi. Now, it is Mr Sajjabi who abused his powers by going to recruit other people, including those without qualifications without declaring conflict of interest.

**MR TEIRA:** Madam Speaker, I do not think that Mr Sajjabi, as an individual, has the powers to recruit individuals within NSSF. It is a process of recruitment.

**THE SPEAKER:** No.

**MR TEIRA:** They make applications, they are shortlisted, interviewed and then they are recruited.

**MR MASABA:** Thank you, Madam Speaker. On this recommendation, we are focusing

on Mr Sajjabi because they have the Human Resource Policy Manual at the NSSF.

**THE SPEAKER:** Hon. Teira, are you listening? They have a Human Resource Policy Manual that was followed by Mr Sajjabi.

**MR MASABA:** So, it is Mr Sajjabi who faulted; he knew what the Human Resource Policy Manual says and –

**THE SPEAKER:** I can see people being lobbied in this House –(Laughter)- Recommendation 12?

**MS CECILIA OGWAL:** Madam Speaker, I have not yet been lobbied and I want to put it on record, but I am concerned about Section 3 (22) which actually talks about the Anti-Corruption Act. I am still on recommendation 11 and we have not yet moved. That is where we have a contention with the Speaker.

I have not yet been lobbied; maybe they will lobby me afterwards, but I am making reference to this NSSF Human Resource Policy Manual. Sajjabi recruited his relatives or brothers or sisters under this NSSF Human Resource Policy Manual and you cannot tell me that the supervisors of Sajjabi did not know. So, I want the entire –

**THE SPEAKER:** But the man made a personal confession and said, “I recruited these people. So and so is my sister, brother, in-law...” and that kind of thing.

**MR LUBEGA SSEGGONA:** Madam Speaker, how would the board know that this person is a relative to Sajjabi?

**THE SPEAKER:** Yes?

**MR LUBEGA SSEGGONA:** If he has not declared.

**THE SPEAKER:** Now, “Daddy” you have talked. Recommendation 12, 13?

**MR OKUPA:** Madam Speaker, on recommendation 12, I need some clarification

regarding the payments that were given to the board members. Is that money what was due to them on a monthly basis for the remaining months or it has some other additions? I want that clarification first before I can come to the next.

**MR MASABA:** On that one, for the two board members who resigned, they computed the money that they assumed they would earn during their term of three years and then decided to give it to them as a whole package for them to –

**THE SPEAKER:** Because we wanted two ladies on the board.

**MR MWINE MPAKA:** For further clarification, they also gave them money for the trustee companies. For example, if one was on another board, they also computed that money.

**MR LUBEGA SSEGGONA:** That is where we want to amend. First of all, for money that would ordinarily accrue to them during their tenure, they did a patriotic act. However, for any money in excess of what they would have been entitled to, that is the money which should be recovered.

I therefore move that we amend and provide that these members refund monies that were in excess of what would be their entitlement.

**THE SPEAKER:** Did those members pay themselves?

**MR LUBEGA SSEGGONA:** No, they did not.

**THE SPEAKER:** So, if they did not pay themselves –

**MR LUBEGA SSEGGONA:** I concede. The person who paid them is the one who made the mistake and should refund the money.

**MR ODUR:** Madam Speaker, this recommendation is not on those who received, but on the people who made the payment. Therefore, the recovery will not come from

the two members, but from the board members who conceptualised the idea and made the payments.

**MR LUBEGA SSEGGONA:** I concede.

**THE DEPUTY ATTORNEY-GENERAL (Mr Jackson Kafuuzi):** Thank you, Madam Speaker.

**MR LUBEGA SSEGGONA:** I was only trying to help my young brother.

**THE SPEAKER:** No, he is from court and he informed me. *(Laughter)*

**MR LUBEGA SSEGGONA:** And you know how we dress when we are from court. We need to protect the integrity of that profession.

**THE SPEAKER:** Honourable members, he is going to put on a tie. Do not worry.

**MR LUBEGA SSEGGONA:** He does not need to put on a tie because it is not applicable; he has to put on a band.

**THE SPEAKER:** On recommendation 12, a forensic audit should be done to ensure that the amounts that are supposed to be paid are verified. So, we should put that amendment on an audit.

**MR LUBEGA SSEGGONA:** I therefore move accordingly.

**THE SPEAKER:** I put the question that recommendation 12 be adopted with amendment on an audit.

*(Question put and agreed to.)*

**MR NANDALA-MAFABI:** I need your help and I am asking in all honesty. A man voluntarily resigns – unless he was forced or induced. Please –

**THE SPEAKER:** Hon. Nathan, that is why we are making recoveries.

**MR NANDALA-MAFABI:** Oh, you are saying we are recovering because it was voluntary resignation?

**THE SPEAKER:** Yes.

**MR NANDALA-MAFABI:** Thank you. The other one I want your help on is that I have got here the Accountants Act. Section 35 says:

*“35. Offence to practice without certificate*

- (1) A person shall not practice accountancy in Uganda without a certificate of practice issued under section 28 or 29.*
- (2) A person who contravenes subsection (1) commits an offence and is, on conviction, liable to a fine not exceeding five hundred currency points or imprisonment not exceeding two years and ten months or both.”*

I am again asking because when we talked about the CFO, my brother said he was not registered, but the man was practising accountancy in Uganda.

Madam Speaker, wouldn't it be prudent that you allow us, at an appropriate time, to amend that he should be charged under the Accountants Act?

**MR MASABA:** Thank you. I am giving information to my senior colleague. I think we quoted sections 28 and 29 of the Accountants Act and the punishment very well and the committee recommended that the Office of the DPP prosecutes Mr Mwanje. So, it is covered.

**MR LUBEGA SSEGGONA:** Madam Speaker, the *Hansard* must be clear. We can only recommend that the DPP takes interest because we cannot direct the DPP to prosecute, under the Constitution.

**THE SPEAKER:** We will recommend that the DPP takes interest.

**MS CECILIA OGWAL:** Madam Speaker, I would like you and Hon. Nandala to guide

me. Don't you think it would be better for us to go by a forensic rather than value-for-money audit? This matter is very serious.

**THE SPEAKER:** We can do both forensic and value-for-money audits.

**MS CECILIA OGWAL:** So, can we use both forensic and value-for-money audits?

**MR NANDALA-MAFABI:** I am going to guide my mother, but before I guide her, if we restrict ourselves to Lubowa Housing, NSSF and Yusuf Lule issues, we are making a mistake.

**THE SPEAKER:** To all the investments?

**MR NANDALA-MAFABI:** Yes, we should do it on all investments and even staff.

**THE SPEAKER:** There is a recommendation on forensic audit.

**MR NANDALA-MAFABI:** Okay. What I want to say, like my mother has said, is that the committee recommends that the Auditor-General should conduct forensic and value-for-money audits on all the investments of NSSF, including, among others...” – all investments.

**THE SPEAKER:** All investments. Leave it at that.

**MR NANDALA-MAFABI:** ... and human resource.

**THE SPEAKER:** No, there is another recommendation on forensic audit of the whole NSSF. I put the question that recommendation 13 be adopted with the amendments from Hon. Nandala-Mafabi.

*(Question put and agreed to.)*

**MR SSEKIKUBO:** Mr Speaker, I am looking at recommendation 14 where the committee recommends that COFTU and NOTU should refund the Shs 800 million they illegally received from NSSF. Below, they point to particular individuals.

I would propose that the House goes with the first part of the recommendation so that there is a refund of that money. How COFTU and NOTU handled it – who was in charge of the accountability for that money – can be worked backwards, Madam Speaker.

**THE SPEAKER:** The recommendation is very perfect, we are not amending those names that are lobbying. Recommendation No. 15?

7.05

**MR GILBERT OLANYA:** Madam Speaker, in recommendation No.15, the committee stated that Shs 33.3 billion was paid to staff for bonuses. The recommendation is too lenient and soft. Shs 33 billion of savers' money paid in terms of bonus to staff should be recovered. The committee only says they should desist from such so I think the recommendation is too lenient. The money should be refunded.

7.06

**MS CECILIA OGWAL:** Additionally, on recommendation No. 15, I take very serious note that the expenses of the Board grew by 90 per cent and 51 per cent for the director's expenses.

Madam Speaker, the general practice for pension funds is that expenditures on staff and Board should not exceed two per cent of the savings. It is very important that these matters are looked into further. The auditors should be able to help us understand how they have breached the borderline. Otherwise, they are not supposed to and URBRA should have advised us because there are supposed to be restrictions. Thank you.

**THE SPEAKER:** What is your amendment?

**MS CECILIA OGWAL:** Madam Speaker, if the lawyers could help me - I beg to move that we amend recommendation No. 15 to read, "The increase in the expenses on servicing the Board of directors and other staff be looked into to ensure it does not exceed the acceptable general practice." My grandfather can help - I beg to move.

**THE SPEAKER:** Plus the proposal by Hon. Gilbert. [*Member rose*] Is it the same?

7.08

**MR NATHAN NANDALA-MAFABI:** Madam Speaker, I would like to ask a question; 85 members went to Dubai. Just a simple mathematics - a ticket is about US\$ 500 and that is equivalent to Shs 2 million. If you multiply Shs 2 million by 85, it is already Shs 170 million. These people might have stayed there for two weeks. I think this Shs 200 million is understated and the right value must be somewhere. I am very worried that they could have understated. Don't you think, Madam Speaker, that we need to get the exact figure?

**THE SPEAKER:** That is why she is preparing for an audit on this.

**MR NANDALA-MAFABI:** We want to tell them that the staff of NSSF illegally went to Dubai and so, whoever got the money must refund it. Otherwise, there is no way you can go to Dubai -

**THE SPEAKER:** Hon. Nathan, they did not solicit to go there. They were sent there and the person who sent them there should be the one to pay not the beneficiaries.

**MR NANDALA-MAFABI:** I would like to move an amendment in addition to my mother's that the one who authorised the 85 staff to go to Dubai should refund this money with interest. The justification is that this was an illegal trip.

**MR JONATHAN ODUR:** Madam Speaker, "Shs 33 billion, being declared as bonus", is too much. I would like to amend the recommendation to put a moratorium; a freeze on declaration of bonuses in the Fund for the next five years. There should not be any declaration of bonuses.

Also, all the recoveries and refunds, as a matter of principal, must be with interest.

**MR LUBEGA SSEGGONA:** Madam Speaker, I appreciate where my brother, Hon.

Jonathan is coming from. I am only concerned that he is using the example of bad people in the past to prejudice and deny those in service. That is point number one.

Point number two is that we must also look at the intention, the necessity or the motivation to declare bonuses. It is to encourage staff. So, we may work to improve, but also destroy the Fund.

My view is that the fund management and the Board will definitely learn from the experience of this investigation. When we put a moratorium and say, "do not declare bonuses" etc., we may cripple motivation within the Fund and that may be counterproductive, especially on me being a voluntary saver with the Fund. *-(Interjection)-* Yes, I receive information.

**THE SPEAKER:** Can we finish that recommendation?

**MR NANDALA-MAFABI:** Madam Speaker, I want to give my grandson information. There is no way an organisation can determine its own bonus. Let me give an example of URA.

**THE SPEAKER:** I thought the Board does. That is its work.

**MR NANDALA-MAFABI:** It goes even beyond the Board's set targets. What you see here; the Shs 33 billion is quite a big amount of money. Usually, a bonus is one month's pay. Are you telling us that the salary of those guys -

**THE SPEAKER:** We have looked at that already.

**MS CECILA OGWAL:** Madam Speaker, may I clarify something to my son? I did not know that age matters. Under recommendation No. 13, I think somebody moved that we broaden the recommendation and not restrict it. What you are saying is part and parcel of what we have already recommended; that all these matters should be audited.

Madam Speaker, if you allow me - I looked at recommendations No.16, No.17 and No.18

and I think they all fall within the same. They are alarming expenses which are beyond imagination or beyond what one would call "reasonable" management expenditure. I think all these should be subjected to a forensic and special audit.

**THE SPEAKER:** Let us put a forensic and special audit on all these. We amend by putting an audit on all of them.

**MR MARTIN MUZAALE:** Thank you very much, Madam Speaker. I need to be guided because when you look at the value we are talking about, it is too big; Shs 33 billion. We are just talking about the Board repeatedly so I need to be guided on whether there was nothing like the involvement of the two entities that supervise NSSF. We have our ministers here and therefore, we need to know.

**THE SPEAKER:** In the process of the audit, that is when they will find out who was responsible for what and how much. I put the question that we amend recommendations No.15, No.16, No.17 and No.18 to include an audit on them.

*(Question put and agreed to.)*

**MS AISHA KABANDA:** Madam Speaker, that was to include an audit, but there is something else in recommendation No.17; a recommendation on the waivers that have -

**THE SPEAKER:** The rest of the recommendations stay. We are adding an audit.

**MS AISHA KABANDA:** I would like to recommend something different.

**THE SPEAKER:** Okay.

**MSAISHAKABANDA:** The recommendation is that the law should be amended to give conditions under which the managing director would waive fines. In my opinion, it is actually wrong to waive these fines because retirement benefits only help the savers if they are invested. If they are kept with organisations and we motivate them by actually waiving fines, we are doing a disservice to the contributors.

I would rather say there should be no circumstance under which we waive fines on one who deducts members' money and keeps it to himself. In any case, this person is taking this money as a loan; borrowing people's money without interest. Take an experience of COVID-19 when people borrowed money from banks. Banks never waived interest at all.

Therefore, I am here to suggest that there is no circumstance under which we would waive fines over an employer that deducts people's money and does not remit it to NSSF.

**MR LUBEGASSEGGONA:** Madam Speaker, I think my friend, Hon. Aisha Kabanda –

**THE SPEAKER:** Actually, if I were to make an amendment, it would be to remove clause 14(2) where it is at the discretion of the managing director to waive penalties as it is subject to abuse.

**MR LUBEGASSEGGONA:** Madam Speaker, maybe we need to get the background first. The Fund charges interest on all outstanding contributions that have not been submitted. In other words, if you are talking about compensation to members whose contributions have not been remitted, compensation is already provided for by way of interest.

“Penalty” is punitive. One dangerous thing you can be stampeded to do is to take a decision because somebody has done a bad job. Discretion is something that is maintained in case of things that you did not foresee. For example, somebody may come up with an explanation and say, “I wasn't able to remit contributions because we had an economic recession.” If you impose both interest and penalty, there may be businesses that you will close down.

**THE SPEAKER:** What is your amendment?

**MR LUBEGA SSEGGONA:** My view is to maintain the power to waive a penalty. However, subsequently, when we intend to bring a Private Member's Bill, we cater for

circumstances under which the MD would be able to waive –

**THE SPEAKER:** Under the approval.

**MR LUBEGA SSEGGONA:** Yes, because now it is being abused by reason that there are no guidelines for somebody to follow.

**MR JONATHAN ODUR:** Madam Speaker, I beg to respectfully disagree. The MD is responsible for collecting. It cannot be the person who failed to collect to be the one to say, “I am going to waive.” That power must lie with somebody independent and outside, not the one who failed to do the work.

**THE SPEAKER:** Then it should lie with the board.

**MR MASABA:** Madam Speaker, I think you are all agreeing with our recommendation that the Act needs to be amended. How that power will be –

**THE SPEAKER:** Anyway, we shall discuss the issues of the amendment when it comes.

**MR LUBEGA SSEGGONA:** I therefore move, Madam Speaker, that we amend this to say, “The law be amended to streamline the procedure and grounds for waiving penalties.”

**THE SPEAKER:** Thank you. I put the question that we amend the law to streamline the issues of penalty; that is 14(2).

*(Question put and agreed to.)*

Recommendation 19

**MR NANDALA-MAFABI:** Madam Speaker, I have known the reason NSSF was fighting URBRA; they never wanted to be regulated. I would like to make an amendment here, which is very strong, that NSSF should be supervised by URBRA.

**THE SPEAKER:** That is a matter of law.

**MR NANDALA-MAFABI:** But they rejected it –(Interjection)– Okay, my mother.

**MS CECILIA OGWAL:** On 19, Madam Speaker, I think we need to understand the background. I think this is what we call “bullying” because NSSF looked at itself as being too big to be supervised by a small regulator like URBRA. However, it is in the law that URBRA should supervise all pension schemes.

Therefore, we can maybe, administratively, advise that URBRA should do its duty. In any case, URBRA also failed; they have never complained that NSSF has refused to be visited. I think we need to insist that URBRA must carry out its legal responsibility. Thank you.

**MR NANDALA-MAFABI:** Madam Speaker, URBRA is supposed to even approve the accounts that NSSF takes to the minister, by the way. They are supposed to be submitted to URBRA and that is why those were some of the contentious issues. I think, as a Parliament, we should recommend seriously that NSSF should be –

**THE SPEAKER:** Let that come as an amendment.

**MR NANDALA-MAFABI:** Madam Speaker, we shall make those amendments. Further amendments need to seriously work on NSSF.

**MR TINKASHIMIRE:** Madam Speaker, under the URBRA Act, they provide for an officer to do the supervision for compliance for all those holding pensions. I would think that in one of our recommendations, as the senior recommended, URBRA should be urged to take up their role seriously. In my opinion –

**THE SPEAKER:** They should do the annual inspection as provided for.

**MR TINKASHIMIRE:** Yes, they slept on the job.

**MR SSEWUNGU:** Madam Speaker, as we pick that amendment, I also pray that Parliament creates a Vote for URBRA other than getting funds from this savings scheme.

**THE SPEAKER:** Recommendation 20.

**MS AISHA KABANDA:** Thank you, Madam Speaker –

**THE SPEAKER:** Honourable members, this is a consequential amendment. There is already an amendment that we made where we said, “the person who paid the beneficiaries.” It is your role to recover from the person you paid, but not making the person who received to pay.

**MS AISHA KABANDA:** Thank you, Madam Speaker. Recommendation 20 is about the 10 per cent deductions or benefits that the board members got from NSSF. One, the board members owe their membership a fiduciary duty to protect and grow the Fund. In that way, they have a responsibility to look at all the irregularities that are within and correct them.

Therefore, the board members ought to have seen the irregularity that was in the appointments because the appointment letters clearly carried that. They owe the duty and have to pay.

However, that is not enough. This falls short of the responsibility that the two ministers should have taken. The Minister of Finance that expressly wrote and signed to pay -

**THE SPEAKER:** The Minister of Finance did not write saying, “Pay.” The minister wrote the appointments and specified what they were entitled to get and he talked about the 10 per cent. That is why you find Hon. Anite was saying, “Who told you to encroach on the savers’ money?” I have a copy of the letter here.

**MS AISHA KABANDA:** We can read those clauses there. It said they were entitled to NSSF benefits –

**THE SPEAKER:** No.



**MS AISHA KABANDA:** We can refer to it.

**THE SPEAKER:** Can I have that letter?

**MS AISHA KABANDA:** Yes, it is there. We can read it. Leaving them to go scot-free without taking responsibility –

**THE SPEAKER:** Can I have that letter?

**MR JOHN TEIRA:** Madam Speaker, I was also able to look at the document that the Members had. The Minister of Finance, Planning and Economic Development approved and, among the approvals, was the NSSF 10 per cent –

**THE SPEAKER:** Do you have that letter of appointment?

**MR NANDALA-MAFABI:** Madam Speaker, I was here and the minister read what they were entitled to. He said “sitting allowance”, “travel” –

**THE SPEAKER:** It does not have NSSF.

**MR NANDALA-MAFABI:** It never had NSSF. That is why we said that these are policymakers and if they made a policy to pay the 10 per cent, it was wrong.

**THE SPEAKER:** There is a letter of appointment and it is the one I want, not that schedule.

**MR NANDALA-MAFABI:** If you want the one of NSSF -

**MR TEIRA:** Madam Speaker, the letter carried the words “if eligible.”

**THE SPEAKER:** Those are minutes. The appointment letter did not have NSSF.

**MS AISHA KABANDA:** Madam Speaker, I stand firm that it had NSSF. They even added the words “if eligible”. I remember those words. They were entitled to NSSF benefits.

**MR TEIRA:** The letter did not say “they were entitled”. It said: “Those who are eligible for remittance to NSSF...”

**THE SPEAKER:** What you are talking about was a board resolution, which was talking about the three personalities. Let us have that letter.

**MR OKUPA:** Madam Speaker, the beneficiaries are here. Can't they produce the appointment letter?

**THE SPEAKER:** The letter is dated 4 April 2019 to Stephen Mugole, National Organisation of Trade Union (NOTU). It reads;

*“Appointment as a Member of the Board of Directors/Trustees of National Social Security Fund (NSSF)*

*In the exercise of the powers entrusted to me by Section 3(2) of the National Social Security Fund Act, 1985, Cap. 222, I am pleased to appoint you as a Member of the Board of Directors/Trustees of the NSSF for a period of three years, effective 4 April 2019.*

*Your remuneration will include sitting allowance for every meeting of the board, a monthly retainer and an appropriate duty facilitation allowance for local and foreign travel, all at duly approved rates.*

*Please, confirm acceptance of this appointment in writing within one week from the date of this letter.”*

It is signed by Hon. Evelyn Anite, the Minister of State for Finance, Planning and Economic Development (Privatisation and Investment).

**MS AISHA KABANDA:** Madam Speaker, I concede.

**MR LUBEGA SSEGGONA:** Madam Speaker, you had guided before that this one, in any case, is a consequential amendment. That is number one.

Secondly, while we want to streamline operations at NSSF, we must not make it unduly difficult to get people that are going to serve this fund.

Thirdly, there are people specifically employed to provide technical guidance to the Fund, as opposed to members of the board who do policy oversight.

My view is that we maintain our earlier recommendation that the person who caused the illegal payment - because most of these people that were appointed were not lawyers and it is not a requirement under the law.

There is management of NSSF which employs, among others, a corporation secretary. You also have a managing director who is also technical and the entire staff. You cannot victimise and condemn people who have been given an assignment by the minister we empowered.

I, therefore, suggest –(Interjection)- I am not averse to information –(Interruption)

**MS AISHA KABANDA:** Yes, you are submitting on a different resolution from what is here. What is here is that the committee recommends that the above NSSF Board members, who have been receiving the money, should refund it within seven working days or face prosecution by the Office of the DPP. Therefore, the committee recommended that they should pay, but not those who paid them.

**MR LUBEGA-SSEGGONA:** That is why I am moving an amendment -

**THE SPEAKER:** An amendment was made. It is consequential because we have already passed an amendment in relation to almost the same issue.

**MR LUBEGA SSEGGONA:** In principle.

**THE SPEAKER:** Yes. Of course the other issue would be that they should immediately stop any other payments. Therefore, move the amendment.

**MR LUBEGA SSEGGONA:** I, therefore, move that the person that authorised or caused the payment of 10 per cent NSSF contributions to board members be made to refund the same

with interest at the NSSF rate and that such payments should stop with immediate effect.

**MS AISHA KABANDA:** Madam Speaker, this could be very useful information –

**THE SPEAKER:** The board that sat and resolved to pay should be held accountable and should make good the payment.

I put the question that recommendation 20 be amended as suggested by Hon. Sseggon and Hon. Aisha Kabanda.

*(Question put and agreed to.)*

**MS CECILIA OGWAL:** Madam Speaker, I rise on recommendation 21. It reads: “The committee recommends that a lifestyle audit be done by the IGG on all officers of the compliance department because there are inconsistencies in their internal audit of companies...”

For us to invoke a lifestyle audit at this point is to open a Pandora’s Box. Right now, we hear - For me, the first time –

**THE SPEAKER:** But there is already an audit taking place by the IGG.

**MS CECILIA OGWAL:** I agree. Madam Speaker, let me finish. I started hearing the words “lifestyle audit” from the new IGG. However, I had anticipated that the new IGG would come to this House with some kind of request for us to dress up that “lifestyle audit” with some kind of law to regulate it.

What are the mechanisms for conducting a lifestyle audit? I understand it as the dictionary explains, but now you are going to subject it to the law. For instance, I see my Speaker – I am not allowed to speak about the Speaker, but my Speaker wears a suit and I do not know how much it costs. It may cost Shs 100 million, Shs 1 million or Shs 500,000 –

**THE SPEAKER:** Can we drop recommendation 21 on lifestyle audit and say, an audit should be done?

**MS CECILIA OGWAL:** Yes, it is a consequential audit.

**THE SPEAKER:** Yes, it is consequential because there is already an audit.

**MS CECILIA OGWAL:** I beg to move that we delete recommendation 21 because it is consequential.

**THE SPEAKER:** It is already provided for. I put the question for the deletion.

*(Question put and agreed to.)*

*(Recommendation 21 deleted.)*

**THE SPEAKER:** Let us go to recommendation 22.

**MR OKUPA:** Madam Speaker, as we go to recommendation 22 –

**THE SPEAKER:** Members, I have a Bill that must pass.

7.34

**MR ALFRED EDAKASI:** Thank you, Madam Speaker. My concern on recommendation No.22 is whether we can allocate time to it. The committee says they should expedite the processing of those land titles. As we know, time can be a big factor in land titles. Knowing that the Ministry of Lands, Housing and Urban Development is in the hands of Government, I do not see why we would not allocate time.

**THE SPEAKER:** How much time can we put here to have the title? Whip, how much time since you are the one going to follow up?

**MR OKUPA:** Madam Speaker, can I give you some information? We could go with what we did with the Natalie land title in the COSASE report. I think we gave them three months and indeed, the lands ministry, within that time, was able to sort out that issue.

**THE SPEAKER:** Let me hear from the Whip. How much time should we give them to process the titles?

**MR OBUA:** Madam Speaker, considering the circumstances of the matter at hand, I request for within three months. Thank you.

**THE SPEAKER:** I put the question that recommendation No.22 be adopted with the amendment of “three months”.

*(Question put and agreed to.)*

**THE SPEAKER:** In recommendations No.23, No.24 and No.25, the word “lifestyle” is removed because it is consequential.

**MR NANDALA-MAFABI:** Madam Speaker, I think where we remove the word “lifestyle”, we replace it with “investigation”.

**THE SPEAKER:** Yes. “Lifestyle” is removed.

*(Question put and agreed to.)*

**THE SPEAKER:** Recommendations No.26 and No.27 are the same. Any new amendment?

**MR KATUSABE:** Thank you, Madam Speaker, for the new amendment opportunity. I have heard Members giving feedback in terms of recoveries, refunds and prosecution.

Madam Speaker, the more we talk -

**THE SPEAKER:** What is your amendment?

**MR KATUSABE:** My amendment, is that since the names are clearly known and the people are clearly identified, wouldn't it be in order, if it pleases you, Madam Speaker, that the people mentioned in line of the investigation deposit their passports with the relevant offices – *(Interjections)* – Please, listen to me. If they are Members of this House – the investigation must be blind.

**THE SPEAKER:** Presumption of innocence -

**MR KATUSABE:** Yes, Madam Speaker. If there are colleagues in the House, their passports should be deposited with the Clerk to Parliament.

**THE SPEAKER:** Honourable, we do not have powers to restrict any one's movement. I wish we had. However, we do not have.

I now put the question that the report of the Select Committee on the State of Affairs of the National Social Security Fund be adopted by this House.

*(Question put and agreed to.)*

*Report adopted.*

BILLS  
COMMITTEE STAGE

THE MICRO FINANCE DEPOSIT-TAKING  
INSTITUTIONS (AMENDMENT) BILL,  
2022

7.38

**THE CHAIRPERSON:** Honourable members, all of you, come back. This Bill is very important for you. Hon. Faith, come back because this is a very important Bill for you.

Honourable members, as you may recall, we commenced the consideration of the Micro Finance Deposit-Taking Institutions (Amendment) Bill, 2022 on 28th February 2023. The House considered clauses 1 to 8 and stood over clause 9, pending reconciliation between the Attorney-General and the Ministry of Finance, Planning and Economic Development with an object of coming up with a proper Bill that would answer the questions on the need for the amendment.

I now ask the Attorney-General to come and report. If he cannot then I ask the chairperson of the committee. Did you reconcile?

7.40

**THE CHAIRPERSON, COMMITTEE ON FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Dr Keefa Kiwanuka):** Madam Speaker, we did reconcile.

**THE CHAIRPERSON:** Can we now go clause by clause?

**DR KEEFA KIWANUKA:** Can I provide an overview of what we reconciled?

**THE CHAIRPERSON:** We have a report - they want to recommit clauses 1, 4 and 5, which are consequential.

**DR KEEFA KIWANUKA:** Madam Chairperson, there is also a recommittal on clause 2 to define "microfinance bank".

**THE CHAIRPERSON:** That is clause 1, which is on interpretation.

**DR KEEFA KIWANUKA:** It is a clause on definition.

**THE CHAIRPERSON:** That is interpretation.

**MR NANDALA-MAFABI:** Thank you, Madam Chairperson. Today, I have come with the Financial Institutions Act, 2004. Under the interpretation Act, I want us to look at a "bank".

**THE CHAIRPERSON:** Under interpretation -

**MR NANDALA-MAFABI:** Yes.

**THE CHAIRPERSON:** Can we look at that when we come back for recommittal?

**MR NANDALA-MAFABI:** That is okay, but Madam Chairperson, I am trying to raise this because it will help us as we go ahead.

Madam Chairperson, a bank is well defined in the Financial Institutions Act. This is what it says: "*Bank means any company licensed to carry on financial institution business as its principal business, as specified in the Second Schedule to this Act and includes all branches and offices of that company in Uganda.*"

Madam Chairperson, the Second Schedule is very clear on what a commercial bank does. It talks about call, demands - For better understanding, a commercial bank does the following:

- a) Acceptance of call, demand, savings and time deposits withdrawal by cheque or otherwise;
- b) Provision of overdrafts and short to medium term loans;
- c) Provision of foreign exchange-

**THE CHAIRPERSON:** There is a point of order.

**DR KEEFA KIWANUKA:** Hon. Nandala-Mafabi is a member of the finance committee. We have been calling him to our meetings, but he has not been appearing. Is it in order for him to avoid the committee meetings and then wait for us at plenary?

**MR NANDALA-MAFABI:** Madam Chairperson, I have never avoided a committee meeting. The chairperson is fond of calling meetings and postponing them. That is not the issue -

**THE CHAIRPERSON:** Members, let us look at the clauses. Which clause are you talking about?

**MR NANDALA-MAFABI:** I want us to make a law - I raised this because of the Financial Institutions Act. What the Micro Finance Deposit-Taking Bill wants to do is to import the items, which are in the Financial Institutions Act. That is the argument -

**THE CHAIRPERSON:** The Financial Institutions Act differentiates a bank from a microfinance bank. The word "microfinance" must be there.

**MR NANDALA-MAFABI:** That is why I agree and, Madam Chairperson, I wanted to put this clearly: what does a bank do and what does a microfinance do? The moment we do that and align it to -

**THE CHAIRPERSON:** That is the position. Actually, you are speaking about the harmonised position. Clause 9, Chairperson?

**DR KEEFA KIWANUKA:** We have no amendment on clause 9.

**THE CHAIRPERSON:** I put the question that clause 9 stands part of the Bill.

*(Question put and agreed to.)*

*Clause 9, agreed to.*

Clause 10

**DR KEEFA KIWANUKA:** Madam Chairperson, we have no amendment on clause 10.

**THE CHAIRPERSON:** I put the question that clause 10 stands part of the Bill.

*(Question put and agreed to.)*

*Clause 10, agreed to.*

*Clause 11, agreed to.*

New clause

**THE CHAIRPERSON:** You don't have a new clause?

**DR KEEFA KIWANUKA:** No, we don't have a new clause.

**THE CHAIRPERSON:** I put the question that clause 12 stands part of the Bill.

*(Question put and agreed to.)*

*Clause 12, agreed to.*

*Clause 13, agreed to.*

*Clause 14, agreed to.*

*Clause 15, agreed to.*

Clause 16

**DR KEEFA KIWANUKA:** Clause 16 is amended by deleting (b) because it refers

to registered societies. It is a consequential amendment; we are just cleaning up.

**THE CHAIRPERSON:** I put the question that clause 16 be amended as proposed.

*(Question put and agreed to.)*

*Clause 16, as amended, agreed to.*

*Clause 17, agreed to.*

*Clause 18, agreed to.*

*Clause 19, agreed to.*

*Clause 20, agreed to.*

*Clause 21, agreed to.*

*Clause 22, agreed to.*

*Clause 23, agreed to.*

*Clause 24, agreed to.*

*Clause 25, agreed to.*

*Clause 26, agreed to.*

*Clause 27, agreed to.*

*Clause 28, agreed to.*

*Clause 29, agreed to.*

*Clause 30, agreed to.*

*Clause 31, agreed to.*

**THE CHAIRPERSON:** Do you have a new clause?

**DR KEEFA KIWANUKA:** We have a new clause immediately after section 22 of the principal Act. We insert clause 22(a) “audit committee” to read:

“(1) There is established a board audit committee comprised of three independent

non-executive directors, the executive director and a non-executive director, who are persons of integrity.

(2) The audit committee shall serve for a term of three years, renewable once.”

That is it, Madam Chairperson.

**THE CHAIRPERSON:** Minister, is that in agreement with you?

**MR KYEYUNE:** I have no objection.

**MR NANDALA-MAFABI:** You are auditing the “executive director” and putting him on the audit committee; that is very dangerous. That is why audit committees always have people from outside.

Madam Chairperson, we should have the audit committee comprised of independent non-executive directors because you are auditing the executive director and that is where the report will come. If they have brought a report before him, he will fight it. I wanted to ask the chairperson that they remove the executive director.

**THE CHAIRPERSON:** Hon. Nathan Nandala-Mafabi, I think you did not hear well. “There is an established board audit committee comprised of three independent non-executive directors for every institution.”

**MR NANDALA-MAFABI:** Then after that?

**THE CHAIRPERSON:** This is the harmonised position. We sent them for harmonisation. We sent your committee –

**MR LUBEGA SSEGGONA:** Madam Chairperson, unlike the young Hon. Nandala-Mafabi, I am not a member of this committee. He echoes my concern –

**THE CHAIRPERSON:** Which concern?

**MR LUBEGA SSEGGONA:** The concern of the executive director being part of this.

**THE CHAIRPERSON:** Now even “Daddy” has not heard well. They are saying, we insert a new clause immediately after section 22 to read, “...established board audit committee comprised of three independent non-executive...”

**MR LUBEGA SSEGGONA:** It is clarified. My addition is the word “integrity” being very wide and ambiguous. Usually when drafting, we use the word “proven integrity”, I would move an amendment to add the word “proven integrity”.

**MR KATUSABE:** Madam Chairperson, can I also propose that the years be scaled up from “three” to “four” years and renewable twice. Four years is standard enough.

**MR NANDALA-MAFABI:** Madam Chairperson, under the PFM Act, the audit committees serve for three years. I think let us be in line with that.

**THE CHAIRPERSON:** Hon. Atkins is not an auditor. He did social sciences. *(Laughter)* I put the question that a new clause be inserted as proposed.

*(Question put and agreed to.)*

*New clause, inserted.*

Clause 32

**THE CHAIRPERSON:** Do you have a new insertion? I put the question that clause 32 stands part of the Bill.

*(Question put and agreed to.)*

*Clause 32, agreed to.*

*Clause 33, agreed to.*

*Clause 34, agreed to.*

*Clause 35, agreed to.*

*The Title, agreed to.*

MOTION FOR THE HOUSE TO RESUME

7.54

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (MICROFINANCE)**

**(Mr Haruna Kasolo):** Madam Chairperson, I move a motion that the House do resume and the Committee of the whole House reports thereto.

**THE CHAIRPERSON:** I put the question that the House does resume and the Committee of the whole House reports thereto.

*(Question put and agreed to.)*

*(The House resumed, the Speaker presiding.)*

REPORT OF THE COMMITTEE OF THE  
WHOLE HOUSE

7.55

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (MICROFINANCE)**

**(Mr Haruna Kasolo):** Madam Speaker, I beg to report that the Committee of the whole House has considered, “The Micro Finance Deposit-Taking Institutions (Amendment) Bill, 2022” and passed it with amendments.

**THE SPEAKER:** Thank you.

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

7.55

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (MICROFINANCE)**

**(Mr Haruna Kasolo):** Madam Speaker, I beg to move that the House adopts the report of the Committee of the whole House.

**THE SPEAKER:** I put the question that the House adopts the report of the Committee of the whole House.

*(Question put and agreed to.)*

*Report adopted.*

**THE SPEAKER:** Move the motion for recommitment.

7.56

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (MICROFINANCE)**

**(Mr Haruna Kasolo):** Madam Speaker, I beg to move a motion for recommitment of clause 4 on use of -

**THE SPEAKER:** Clauses 1, 4 and 5

**MR HARUNA KASOLO:** Clauses 1, 4 and 5 of the Micro Finance Deposit-Taking Institutions Bill.

**THE SPEAKER:** Is the motion seconded? It is seconded by Hon. Musasizi, Hon. Silwany, UPDF Representative, Hon. Allan – by the whole House, including the Attorney-General. Can you justify your motion?

**MR HARUNA KASOLO:** Madam Speaker, the harmonised position is that clause 4 of the Bill should be retained to permit MDIs to use the words “microfinance bank” after their name.

The justification is that the words, “microfinance bank” is to clearly distinguish institutions regulated by the central bank – that is, financial institutions and microfinance deposit-taking institutions – from other credit and non-deposit taking institutions regulated under Tier 4 Microfinance Institutions and Money Lenders’ Act, 2016.

The other justification is that this will allow the MDIs to mobilise deposits because the existing customers opt to deposit their monies with commercial banks that they perceive to be safer because they carry the word “bank”.

These same customers, however, run to MDIs for borrowing because they think that they are

just for getting credit. In addition, because they do not bear the name “bank”, customers feel that they lack credibility and the customers do not understand that they are regulated by Bank of Uganda.

If microfinance deposit-taking institutions are called “microfinance banks”, it will create confidence among the customers so that they can trust and deposit money with them.

There is also a clear distinction between them and banks – as Hon. Nandala-Mafabi alluded – as specified in the Financial Institutions Act. That Act talks about commercial banks. However, here we are talking about “microfinance banks” and they are going to be defined in the Micro Finance Deposit-Taking Institutions Bill.

We want to retain that definition for purposes of allaying the fears of some Members, like Hon. Nandala- Mafabi, so that there is a clear distinction between a commercial bank and a microfinance bank.

**THE SPEAKER:** Thank You.

8.02

**MR MEDARD LUBEGA SSEGGONA:** Madam Speaker, I want the minister to explain to us: if you want to use the word “bank”, why don’t you want them to operate under the same legal regime of the Financial Institutions’ Act?

I do not know if the minister has heard of “passing off” in intellectual property – and he can be aided by the Attorney-General, who is seated next to him.

How can we legislate “passing off”; that these MDIs can go around behaving as if they are banks? They operate under a different legal regime, have different qualifications and are regulated differently. In everything, they are regulated and run differently, but simply because you are saying some people might not be persuaded - That cannot be from legislation. In fact, in legislation, our duty is to keep the regimes separate and clear because they are different.



**THE SPEAKER:** Let us hear from the learned Attorney-General on how you came up with this position, being mindful that we have four tiers in the banking sector. There is tier 1, 2, 3 and tier 4. Tier 1 is for the central banks and tier 4 that we are talking about is for SACCOs. The Micro Finance Deposit-taking Institutions (MDIs) are under tier 3 and tier 4.

8.04

**THE LEADER OF THE OPPOSITION**

**(Mr Mathias Mpuuga):** As the learned Attorney-General comes, probably he may want to clarify whether the position being moved by the minister does not demand that other legislations are amended because it is an invitation to alter other existing legal regimes. Can we be advised, as the learned the Attorney-General comes, on the extent of our comfort in causing those subsequent amendments?

**THE SPEAKER:** No, We know he is “naked”, but we accept. *(Laughter)*

8.05

**THE DEPUTY ATTORNEY-GENERAL**

**(Mr Jackson Kafuuzi):** Thank you very much, Madam Speaker. For the record, this is not the normal dress I should appear before you in. Today, we had a commemorative session in the Court of Appeal for the late Justice Kenneth Kakuru. I would be happy if my colleague could listen that we had a ceremonial court session. It is the reason I am dressed the way I am.

Madam Speaker, you required us to hold a harmonisation meeting, which we did. Our understanding is that naming MDIs as “micro finance banks” creates enough difference as opposed to commercial banks.

On basis of that, I believe we are not causing confusion as Hon. Sseggona stated. The nomenclature or naming means we have created a clear distinction that these are smaller deposit taking institutions, which have different qualifications, and have not hit the requirement for a commercial bank; they are operating at a lower level. They may have similarities, but

they are not fully operating like banks. So, this is not passing off.

The distinction is that they are micro finance banks, they are deposit-taking; they do not issue cheques, they do not operate forex bureaus, they do not have the minimum deposit requirement for commercial banks. So, they are operating at a lower level and this is why we are calling them micro finance banks as opposed to commercial banks.

The intention is to use the word “micro finance bank” to differentiate from the word “bank”. Clause 5 provides that “notwithstanding any -” I cannot read this.

**MR LUBEGA SSEGGONA:** Madam Speaker, I seek clarification whether the Attorney-General has another attorney-general advising him.

**MR KAFUUZI:** Madam Speaker, our position is that we have created enough distinction. We have also gone ahead to assert that whereas Hon. Sseggona insists that this appears to be passing off, Micro Finance Deposit-Taking Institutions that we intend to refer as “micro finance banks” operate at a lower level under tier 3 of the banking institution as opposed to commercial banks. I beg to submit.

**MR LUBEGA SSEGGONA:** Madam Speaker, you are dealing with a population that is not going to read this law.

**THE SPEAKER:** Let me hear from Hon. Nathan.

**MR NANDALA-MAFABI:** Madam Speaker, this is why I read the law and the law is very clear about something called a “bank”. I want the Attorney-General to, maybe, prepare another schedule to mean the definition of a bank in micro finance deposit - Otherwise, a bank deals in the following issues -

I like my brother, Hon. Kasolo very much and so I request him to get this law so we can make a good law. Madam Chairperson, if a

micro finance wants to be a bank, it should be regulated by the Financial Institutions Act. This is why I said that if you want Bank of Uganda to regulate them better, make a provision in the Financial Institutions Act to deal with those small micro finance banks.

Let me read what a bank does - Hon. Musasizi, leave the Speaker. *(Laughter)*- Attorney-General -

**MR LUBEGA SSEGGONA:** Madam Speaker, should we ask the soldiers to join you?

**THE SPEAKER:** Honourable members - *(Laughter)*

**MR NANDALA-MAFABI:** Madam Speaker, we want Hon. Kasolo to understand the law. Kasolo in our language means a different thing. *(Laughter)*

**THE SPEAKER:** Hon. Nandala-Mafabi and the rest have a point. You are talking about a bank vis-à-vis a micro finance institution. For instance, I should not lie to people that I am a micro finance institution when I am a bank. A bank remains a bank and it takes deposits, cheques, fixed deposits. The issue is - and even the contribution differs.

My suggestion to the minister is that since we already passed these clauses, he should drop the recommittal so we move forward.

**MR HARUNA KASOLO:** Madam Speaker, I concede. *(Applause)*

**THE SPEAKER:** Withdraw your motion for recommittal.

**MR HARUNA KASOLO:** Madam Speaker, I am bringing further consequential amendments.

**THE SPEAKER:** No, since the first one has collapsed, everything collapses.

**MR HARUNA KASOLO:** Madam Speaker, this is to do with registered societies -

**THE SPEAKER:** That is consequential.

**MR HARUNA KASOLO:** Yes, but there are other – *(Interjections)* - Madam Speaker, I beg to withdraw the motion for recommittal.

**THE SPEAKER:** I put the question that the motion for recommittal be withdrawn.

*(Question put and agreed to.)*

### BILLS THIRD READING

#### THE MICRO FINANCE DEPOSIT-TAKING INSTITUTIONS (AMENDMENT) BILL, 2022

8.14

#### **THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (MICRO-FINANCE)**

**(Mr Haruna Kasolo):** Madam Speaker, I beg to move that the Bill entitled, “The Micro-Finance Deposit-taking Institutions (Amendment) Bill, 2022” be read for the third time and do pass into law.

**THE SPEAKER:** Honourable members, I put the question that, “The Micro-Finance Deposit-taking Institutions (Amendment) Bill, 2022” be read for the third time and do pass.

*(Question put and agreed to.)*

#### A BILL FOR AN ACT ENTITLED, “THE MICRO-FINANCE DEPOSIT-TAKING INSTITUTIONS (AMENDMENT) ACT, 2023”

**THE SPEAKER:** Bill passed and Title settled. *(Applause)* Honourable members, thank you very much for passing this very important Bill. I thank the committee, the Ministry of Finance, the Attorney-General, the shadow minister and the whole House. Thank you for enduring to stay in the House. As I said before, we will have -

Honourable members, I, therefore, adjourn the House to Tuesday at 2 o'clock.

*(The House rose at 8.15 p.m. and adjourned until Tuesday, 14 March 2023 at 2.00 p.m.)*