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**Friday, 18 December 2020**

*Parliament met at 11.24 a.m. in Parliament House, Kampala.*

PRAYERS

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

*The House was called to order.*

COMMUNICATION FROM THE CHAIR

**THE SPEAKER:** Honourable members, I welcome you to this morning’s sitting. This sitting has been convened to fulfil the requirements of Section 9 of the Public Finance Management Act, where the Government is expected to lay the National Budget Framework Paper (NBFP) on the Table before the 31st of December. Because we are still in recess and Christmas is approaching, I thought we would do it early rather than after the festive season. That is why I invited you.

As we convene today, however, Parliament has suffered another tragedy; hon. Robina Ssentongo, the Member of Parliament for Kyotera, passed away this morning. I invite Members to stand and observe a minute of silence.

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

**THE SPEAKER:** Honourable members, our colleague passed on due to COVID-19; so, we shall not be bringing her body here. At an appropriate time, the House will convene to pay tribute to her.

The National Budget Framework Paper is expected to adopt a programme-based budgeting approach, away from output-based budgeting. The shift has ramifications on the nature and depth of scrutiny of the National Budget Framework Paper as the programmes may cut across various sectors and votes.

I have written to the Ministry of Finance, Planning and Economic Development objecting to that arrangement because it is effectively a coup against Parliament. Parliament will not be able to offer scrutiny to the sectors.

In that format, in Schedule No.3 of the Public Finance Management Act, the National Budget Framework Paper will specify the following:

1. The programme overviews, objectives and summary of the budgetary allocations of the programmes and the sub-programmes contained therein for the relevant implementing agencies.
2. The expected key results to be achieved out of the programme at the end of the five-year planning period, 2020/2021 to 2024/2025.
3. Programme outcomes and indicators detailing the baselines and performance targets for each of the five years, the medium-term budget allocation for each sub-programme and their linkages to the National Development Plan III.

I implore committees to exhaustively scrutinise the National Budget Framework Paper with due regard to the Sustainable Development Goals; human rights compliance as developed by the Committee on Human Rights; and the certificate of gender and equity compliance as stipulated in Section 9(6) of the Public Finance Management Act.

In addition, scrutiny of the National Budget Framework Paper coincides with the busy electioneering period. This may inevitably have ramifications on the actual time available for its consideration and timely reporting and approval by the House by 1 February 2021, in line with Rule 144 (3).

In this vein, I urge the committee chairpersons, members and relevant staff to devote time to ensure compliance with the legal timelines in consideration of the NBFP. This may require ingenuity and flexibility in the workings of the relevant committees.

In addition, I also note that COVID-19 continues to ravage the population and has exerted immense pressure on the public healthcare delivery system. I recognise, in a special way, the critical role of the frontline health workers in managing the situation. Cognisant of the challenges afflicting Uganda’s public healthcare sector, I urge the relevant committee in their consideration of the National Budget Framework Paper to address the budgetary requirements of the health sector.

I urge Members and the general public to adhere to the Standard Operating Procedures (SOPs) for COVID-19, especially during the impending festive season and the ongoing elections activity. Members should help in sensitising their electorate in observing the SOPs. This will stem infections and help in relieving the already stretched healthcare services.

During the recess, we lost many people from various spheres of society; some from the diplomatic service, bishops, priests, sheikhs, pastors, Imams and various religious leaders, political leaders, and hundreds of other citizens. We condole with all the bereaved families.

I take this opportunity to wish all of you a happy festive season - despite the circumstances - filled with love, unity and tranquillity. May 2021 be a more prosperous year than any other previous one. May the same spirit guide the people of Uganda during the 2021 general elections and the processes leading to it. Please, observe the SOPs to avoid contracting COVID-19.

Honourable members, in relation to death, it came to our notice that in Uganda we only have one doctor to perform post-mortems. For anybody who dies in this country and a post-mortem is required, people must come to Mulago Hospital and they have to queue to receive those services. This is not good planning. I would like to invite the Government to either decentralise this service or ensure that we have more qualified personnel to handle this service which is needed in very difficult circumstances.

Honourable members, the Uganda Law Reform Commission has sent to us the Constitution translated into the following languages: Ateso, Luganda, Lugbarati, Lumasaaba, Lufumbira, Lukhonzo, Lusoga and Runyankole/Rukiga. The copies of these translated constitutions will be placed in the library for your perusal and understanding.

We are going to amend the Order Paper slightly to permit the Minister of Finance, Planning and Economic Development to lay on the Table a proposal for a supplementary budget, which will then be sent to the committee for consideration. Thank you very much.

We have a few matters of national concern but please stick to the subject.

**DR LYOMOKI:** Thank you, Madam Speaker. Looking at the Order Paper, we have left out the National Social Security Fund Bill and in your last communication, you said that it would be on the Order Paper.

This is a very serious denial of the rights of the workers in this country. The Minister of Finance, Planning and Economic Development, who is going to lay the National Budget Framework Paper on the Table, and the Minister of Gender, Labour and Social Development have continued to deny the workers of this country their right to the benefits of social security. Last time, we proceeded on this matter after workers put some pressure and we were left with only two clauses, which have not come up. Right now, we see these items missing on the Order Paper.

Madam Speaker, as workers’ Members of Parliament, we are very disappointed with this House, which has been made to dance to the tune of economic hitmen, allowing the Minister of Finance, Planning and Economic Development to fear to even come to this House and present this Bill. Therefore, we think it is not the right procedure for Parliament to continue in this manner. We were elected to come here and represent our people –

**THE SPEAKER:** Please, take your seat.

**DR LYOMOKI:** We have been instructed by workers not to take *–(Interruption)–* for the people of Uganda *-(Interruption)–* We have been requested by the workers that since we are supposed to personify –

**THE SPEAKER:** Hon. Lyomoki, please take your seat.

**DR LYOMOKI:** No, I am not going to take my seat because this is a very serious matter. I have met you several times on this matter and our patience has run out. We have met the Minister of Finance, Planning and Economic Development, the Minister of Gender, Labour and Social Development –

**THE SPEAKER:** Please, take your seat.

**DR LYOMOKI:** No, we cannot –

**THE SPEAKER:** I ask the Sergeant-At-Arms to remove Dr Lyomoki from this House. Honourable members, I am aware that hon. Lyomoki is campaigning to be a workers’ MP, hence the antics. *(Laughter)*

There are some matters of national concern. Hon. Ssewungu, hon. Okupa and hon. Mwijukye, you have two minutes each.

11.38

**MR JOSEPH SSEWUNGU (DP, Kalungu County West, Kalungu):** Thank you, Madam Speaker. I will not resist if you tell me to leave the microphone. *(Laughter)* I am raising a matter of national importance.

The Government opened institutions of learning for finalists, and a number of university students are supposed to go out for clerkship and internship. As we speak now, however, most of the Government entities have turned away these students from doing their clerkship and internship, yet these trainings are part of their examinations.

Yes, we know that there is a problem but I pray that Government departments and ministries revisit their decisions. They can test these students for COVID-19 so that they can be allowed to do their clerkship and internship. I do not know how results will come out when the students have not done clerkship and internship.

Lastly, we heard the Minister of Education and Sports - from the Uganda Media Centre as usual - telling us how they have sent out an inspection team to look at how schools are going to open up. I wonder how the ministry goes to inspect schools where they have not put things that can be inspected. If schools are going to begin next year, by this time the Government must be putting in place all the necessary requirements that will enable schools run without spreading COVID-19 or causing any other problem to the students.

Madam Speaker, the Prime Minister is around at least for today – we thank God he has come here after a very long time. Could he give his position on these matters? University students are complaining. The Government must give the opportunity to these students to do clerkship and internship. Thank you.

**THE SPEAKER:** Honourable member, concerning the issue of internship, please bring any letter from any agency denying the students internship. We cannot go on a wild goose chase. Bring a letter by a Government agency denying the students internship opportunities and then we shall ask the minister to take action.

**MR SSEWUNGU:** Madam Speaker, I will bring the letters. The majority of the interns have been stopped, right from Bank of Uganda to many other Government institutions. I will lay them on the Table, as long as there is room when you call us again, but not now. Thank you.

**THE SPEAKER:** Okay. About the opening of institutions of learning, I do not know whether the Minister of Education and Sports is here- Can we ask the minister to respond at the next convenient sitting of the House? Okay.

11.40

**MR THOMAS TAYEBWA (NRM, Ruhinda North County, Mitooma):** Thank you, Madam Speaker. I rise on the issue of the recent pronouncement by Government and electricity companies in regard to the new electricity connection fees.

As you might be aware, – it was in the *Gazette* and everywhere in the newspapers – the Government announced that connection charges are going to rise from Shs 20,000 to Shs 720,000. We have 240,000 homes that we had promised would be connected for free. Some of these people borrowed money to wire their small businesses and homes.

According to the Ministry of Energy and Mineral Development’s report, an average home uses 44 units, which adds up to Shs 22,000; that would mean an average revenue of Shs 67 billion every year for the country, if we connected these homes. We just need around Shs 200 billion to make these connections. We invested over Shs 1.3 trillion of borrowed money on these lines that we have failed to connect, and we must start paying back the money.

Madam Speaker, my prayer is very simple: You direct the Government to start connecting these people immediately.

Secondly, I remember that when we were here to pass loan requests, we had included money for radios. When we reached here, however, we did not approve the money for radios in the budget. At the borrowing stage, in the Committee on National Economy where I sit, out of the money presented, there was Shs 250 billion to be borrowed for radios and we allowed them to borrow that money. I remember in the report –

**THE SPEAKER:** No, we did not allow the borrowing for radios.

**MR TAYEBWA:** I can leave it at that. What I am saying is, let us look for money by all means and connect these homes so that we start collecting Shs 67 billion per year to repay the loans. This will also enable areas to start developing and we would be fine.

Why would someone announce this one month to an election? Was it done to fail us? What were they up to? Was it intended to show that we are not working as members of Parliament?

Madam Speaker, it is my prayer that we start connecting these people. I beg to move. Thank you.

**The Speaker:** Honourable members, to complement what hon. Tayebwa has said, in Kamuli they are demanding an explanation why the Government withdrew the free connection. They were expecting it and organised for it and I do not have answers. The people of Uganda want to know what happened. Is it going to remain that way? As if that is not bad enough, the tariffs are raised, which is just adding insult to injury. What are we doing?

11.44

**The prime minister and leader of government business (Dr Ruhakana Rugunda):** Madam Speaker and colleagues who are concerned about this issue of free electricity connection policy, Government definitely passed the policy. However, in the course of implementation, there have been some hitches of cash flow. As such, some activities have been suspended until the cash flow issues are properly sorted out. Nevertheless, it remains a clear policy of Government.

While the ministry responsible sorts out these issues of cash flow, the people who have already wired their houses and are able to connect to the national grid are encouraged to do so. Those who cannot will have to wait until the Government has sorted out these cash flow issues and then this policy, which all of us support, will continue. That is the position - *(Interruption)*

**Mr ssewungu:** Thank you, Rt Hon. Prime Minister, for giving way. We need to find out who is fooling who. His Excellency the President of the Republic of Uganda is going around the country telling people that we have enough power and yet here, the Prime Minister is talking about cashflow hitches. Who is fooling who? *(Interjectio*n) – He has even said that he is very rich and has enough money but the issue of money does not cause that; it is not cashflow at all.

**Dr rugunda:** Madam Speaker, the issues are clear. There is no one fooling anybody. What the President has said is correct and what I have said is that a number of companies have done work in the free connection policy but they have had issues in getting some of the bills cleared. Until that is sorted out – *(Interruption)* -yes, they generate revenue.

Let me also say that there is obviously enough power, which we are generating; there is no debate about it. Nevertheless – I see the Rt Hon. Speaker shaking her head and I would be interested to hear her views. *(Laughter)*

**The Speaker:** Rt Hon. Prime Minister, if you go to West Nile and tell them that we have enough power, when they do not have it, it is an insult. They will stone you. There are areas in this country where power has not reached. Why do you say that we have a lot, when it is not reaching the people? It is not right.

**Dr Rugunda:** Madam Speaker, even the people of West Nile know that Uganda is now producing a lot of power. They also know that the Government of Uganda has a project going on to ensure that West Nile is connected to the national grid. These issues are being sorted out.

I will ask the honourable minister responsible for energy to come to this august House and give the necessary details. Nevertheless, the commitment of the Government to connect all the people of Uganda to power remains solid.

11.48

**Mr Robert centenary (FDC, Kasese Municipality, Kasese):** Thank you, Madam Speaker. It is good that the Prime Minister is around. I stand here to express my dissatisfaction with the manner in which the people who were encamped in Kanyangeya, as a result of the floods that occurred this year, have been handled.

These people were displaced from their houses and put in a camp, where they have been facing very many challenges including starvation. Today, a team from the Office of the Prime Minister has relocated them to a sub-county, without giving relief supplies to them. The tarpaulins that were provided are now leaking. They are being taken away from a location where they were able to borrow from the shops, to a different location, where they know no one.

My prayer is that the Government should expeditiously find a solution of relocating these people to a more permanent place by purchasing for them land.

In the medium term, I request that the Office of the Prime Minister provides them with tarpaulins and the necessary materials especially food, so that they are able to live until the Government relocates them. I beg to move.

**Dr rugunda:** Madam Speaker, the point made is a very valid one. Government has had significant challenges with flooding affecting about 70 districts in Uganda and resources to cover all these *wanainchi* have been limited. Nevertheless, the Government with support from our development partners is energetically trying to sort out these problems. In fact, yesterday, I chaired a meeting between different Government departments and our development partners trying to see how best we can combine efforts in order to deal with this urgent problem.

The problem is urgent but the Government with the development partners is doing everything possible to come to the aid of these *wanainchi.*

11.52

**Mr Elijah okupa (FDC, Kasilo County, Serere):** Thank you, Madam Speaker. The question that Ugandans are asking, on which I would like the Rt Hon. Prime Minister to give a statement is in regard to the COVID-19 vaccine.

A number of countries are applying to the respective groups to avail their countries with the COVID-19 vaccine. Can the Prime Minister tell Ugandans what level of preparedness they have in order to avail Ugandans with the vaccine and when the first vaccine will arrive? Otherwise, we are getting contradicting statements from the media. Some say that they are two million doses while others are talking about nine million doses. Can the Prime Minister tell the country, when Uganda will receive the first dose in order to help us sort the issue of COVID-19? Thank you.

**DR RUGUNDA**: Madam Speaker, hon. Okupa has raised an important point of vaccines. Government of Uganda through the Ministry of Health has worked with the International Community through COVAX, a body that is trying to get vaccines especially to the developing countries; working with Gavi and nine million doses have been ordered. As to when they will arrive, we want them to arrive as quickly as possible. Nevertheless, the tentative time is around March. I say, tentative because we are in a situation that is moving very fast. More vaccines are coming and Government, through the Ministry of Health, is very closely following this to get safe vaccines as quickly as possible to the people of Uganda especially the most vulnerable teams and groups that COVID-19 is targeting. Thank you, Madam Speaker.

**THE SPEAKER:** Thank you. Hon. Ssenyonga but very quickly.

11.55

**MR JOHNSON SSENYONGA (NRM, Mukono County South, Mukono):** Thank you, Madam Speaker. We appreciate H.E, the President for considering military surveillance on the lakes. However, they have encountered problems and now, they are being forced out.

Madam Speaker, many engines and vehicles were impounded and the owners are still starving. I pray that the President orders the unconditional release of engines and impounded vehicles to the owners because they are victims of circumstances. Thank you.

**THE SPEAKER**: Rt Hon. Prime Minister, this matter has been on the Floor many times. We hope that the Government will respond to the needs of the people in this time of poverty, economic collapse yet their property is being withheld without court orders. I hope that something can be done about it, Prime Minister. Let us go to item three.

LAYING OF PAPERS IN ACCORDANCE WITH RULE 31 OF THE RULES OF PROCEDURE OF PARLIAMENT

1. THE NATIONAL BUDGET FRAMEWORK PAPER FOR THE FINANCIAL YEARS 2021/2022 – 2025/2026

11.56

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Dr Gabriel Ajedra):** Madam Speaker, in compliance with the Public Finance Management Act (as amended), 2015, I beg to lay on Table, the National Budget Framework Paper for the financial years 2021/2022 – 2025/2026. I beg to lay.

**THE SPEAKER**: Honourable minister, you are also required, under Section 9(6) of the Public Finance Management Act, 2015, to lay a Certificate of Gender and Equity Compliance.

**DR AJEDRA:** Madam Speaker, in fulfilment of Section 9(6)(a) and (b), of the Public Finance Management Act, 2015, we are required to also submit together with the National Budget Framework Paper, the certificate of Gender and Equity Compliance.

I beg to lay on Table, the Certificate of Gender and Equity Compliance together with the report of Gender and Equity Commission.

**THE SPEAKER**: Okay, honourable members, they are forwarded to the committees of the House for perusal and report back.

(II) REQUEST TO BORROW ADDITIONAL FINANCING OF UP TO SDR 174.5 MILLION (US$ 240 MILLION) FROM THE INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA) OF THE WORLD BANK GROUP TO SUPPORT THE UGANDA INTER-GOVERNMENTAL FISCAL TRANSFERS (UGIFT) PROGRAMME FOR RESULTS

11.58

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Dr Gabriel Ajedra):** Madam Speaker, I also beg to lay on the Table, a request to borrow additional financing of up to SDR 174.5 million ($240 million) from the International Development Association (IDA) of the World Bank Group to support the Uganda Inter-Governmental Fiscal Transfers (UGIFT) Programme for results.

**THE SPEAKER:** Honourable members, it is forwarded to the Committee of National Economy for perusal and report back. Let us go to item III.

(III) REQUEST TO BORROW 65.5 MILLION SPECIAL DRAWING RIGHTS (SDR) (EQUIVALENT TO USD 90.0 MILLION) FROM THE INTERNATIONAL DEVELOPMENT ASSOCIATION OF THE WORLD BANK GROUP TO FINANCE THE UGANDA SECONDARY EDUCATION EXPANSION PROJECT

11.58

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Dr Gabriel Ajedra):** Madam Speaker, I also beg to lay on the Table, a request to borrow SDR 65.5 million ($90 million) from the International Development Association of the World Bank Group to finance the Uganda Secondary Education Expansion Project.

**THE SPEAKER:** Honourable members, it is forwarded to the Committee of National Economy for perusal and report back. Go to item 3(iv).

(iv) REQUEST TO BORROW UP TO US$ 90.0M FROM THE ISLAMIC DEVELOPMENT BANK (IDB); AND US$ 15.0M FROM ARAB BANK FOR ECONOMIC DEVELOPMENT IN AFRICA (BADEA) TO SUPPORT DEVELOPMENT OF IRRIGATION SCHEMES IN UNYAMA, NAMALU AND SIPI REGIONS PROJECT

11.59

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Dr Gabriel Ajedra):** Madam Speaker, I also beg to lay on the Table a request to borrow up to $90 million from the Islamic Development Bank (IDB) and $15 million from Arab Bank for Economic Development in Africa (BADEA) to support development of irrigation schemes in Unyama, Namalu and Sipi regions Project.

**THE SPEAKER:** Honourable members, it is forwarded to the Committee of National Economy for perusal and report back.

(V) TREASURY MEMORANDUM ON THE REPORT OF THE PUBLIC ACCOUNTS COMMITTEE – CENTRAL GOVERNMENT, ON THE REPORT OF THE AUDITOR GENERAL FOR FINANCIAL YEAR 2013/14, 2014/15, 2015/16 AND 2016/17; ON UGANDA’S MISSIONS ABROAD

11.59

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Dr Gabriel Ajedra):** Madam Speaker, I also beg to lay on the Table, a Treasury Memorandum on the Report of the Public Accounts Committee – Central Government, on the Report of the Auditor-General for financial years 2013/14, 2014/15, 2015/16 and 2016/17, on Uganda’s Missions Abroad.

**THE SPEAKER***:* Honourable members, it is sent to the relevant committee for perusal and report back. Clerk, perhaps if you can include the other item of the Ministry of Finance.

12.00

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Dr Gabriel Ajedra):** Madam Speaker, I beg to lay on the Table, a Supplementary Budget Schedule IV for the Financial Year 2020/2021. This supplementary is a request for funding to cater for the various critical activities including COVID-19 related interventions, compensation of suppliers to Government as well as critical external funded project expenditures as per the schedule attached.

**THE SPEAKER:** Honourable members, it is sent to the Committee on Budget for perusal and report back.

(VI) REPORT ON ACTION TAKEN BY GOVERNMENT ON RESOLUTIONS OF THE 10TH PARLIAMENT FROM MAY 2019 TO JUNE 2020

12.01

**THE GOVERNMENT CHIEF WHIP (Ms Ruth Nankabirwa):** Madam Speaker, in accordance with Rule 217 of our Rules of Procedure, I beg to lay on the Table, a report on the Action Taken by Government on Resolutions of the Tenth Parliament, from May 2019 to June 2020.

**THE SPEAKER**: Honourable members, the report will be examined by the committees to ascertain the contents and report back to this House.

(VII) THE EDUCATION SERVICE COMMISSION ANNUAL PERFORMANCE REPORT FY 2019/2020

12.02

**THE GOVERNMENT CHIEF WHIP (Ms Ruth Nankabirwa)**: Madam Speaker, on behalf of the Minister of Education, I beg to lay on the Table, the Education Service Commission Annual Performance Report, for Financial Year 2019/2020.

**THE SPEAKER**: Honourable members, it is sent to the Committee on Education and Sports for perusal and report back. Let us go on to item VII.

(VII) REPORT OF THE AUDITOR-GENERAL ON FINANCIAL STATEMENTS

12.03

**MR FRANCIS MWIJUKYE (FDC, Buhweju County, Buhweju):** Thank you, Madam Speaker. I beg to lay on the Table the report of the Auditor-General on the financial statements of the following:

1. United Nations Population Fund - data and population dynamics component implemented by the National Planning Authority for the year ended 31 December 2019.

2. United Nations Population Fund - data and population dynamics component implemented by the Ministry of Gender, Labour and Social Development for the year ended 31 December 2019.

3. United Nations Population Fund - data and population dynamics component implemented by the National Population Council (NPC) for the year ended 31 December 2019.

4. United Nations Population Fund – data and population dynamics component implemented by the Uganda Bureau of Statistics (UBOS) for the year ended 31 December 2019.

5. The Project for Financial Inclusion in Rural Areas (PROFIRA) for the year ended 30 June 2020.

6. Enhancing National Food Security Through Increased Rice Production Project for the year ended 30 June 2020.

7. The Parliamentary Pension Scheme for the year ended 30 June 2020.

8. National Water & Sewerage Corporation for the year ended 30 June 2020.

9. National Social Security Fund for the year ended 30 June 2020.

I beg to lay. Thank you very much, Madam Speaker.

**THE SPEAKER:** Honourable members, item No.1 will go to the Committee on Public Accounts (Commissions, Statutory Authorities and State Enterprises). Item No.2 will go to the Committee on Public Accounts (Central Government). Item No.3 will go to the Committee on Public Accounts (Commissions, Statutory Authorities and State Enterprises). Item No. 5 will go to the Committee on Public Accounts (Commissions, Statutory Authorities and State Enterprises).

The item on project financing inclusion will go to the Committee on Public Accounts (Central Government). The item on the national food security project will go to the Committee on Public Accounts (Central Government). The one on the Parliamentary Pension Scheme will go to the Committee on Public Accounts (Central Government). The item on the National Water & Sewerage Corporation and the one on National Social Security Fund will go to the Committee on Public Accounts (Commissions, Statutory Authorities and State Enterprises).

The reports will go to the committees for perusal and report back. Thank you very much.

MOTION FOR ADOPTION OF THE REPORT OF THE COMMITTEE ON PHYSICAL INFRASTRUCTURE ON THE STATUS OF IMPLEMENTATION OF THE RECOMMENDATIONS IN THE COMMITTEE REPORT ON THE INQUIRY INTO THE MANDATORY INSPECTION OF MOTOR VEHICLES IN UGANDA

12.08

**THE CHAIRPERSON, COMMITTEE ON PHYSICAL INFRASTRUCTURE (Mr Robert Kafeero):** Thank you very much, Madam Speaker. I beg to lay on the Table a report of the Committee on Physical Infrastructure on the status of implementation of recommendations in the committee report on the inquiry into the mandatory inspection of motor vehicles in Uganda. The minutes of the meetings that we had as we considered this report are attached hereto.

Madam Speaker and honourable members, the Committee on Physical Infrastructure inquired into the mandatory inspection of motor vehicles in Uganda and submitted its report to Parliament on 13February 2018. The report comprised of a majority and minority report. Debates on this were carried out on this Floor on 14 February 2018, 2 May 2018 and subsequently, on Wednesday, 1 July 2020 when the honourable Minister of Works and Transport presented a brief on the status of the mandatory motor vehicle inspection project.

Following deliberations on the brief by the minister, Madam Speaker, you referred the matter back to the Committee on Physical Infrastructure to ascertain whether the recommendations in the majority and minority reports had been addressed and report back to this House.

Madam Speaker, the House used the terms of reference and methodology as stated in the report. Our findings, observations and recommendations as evinced in paragraph 5, on page 10 of the report, include the following:

Current status of the contract for mandatory motor vehicle inspection: In the course of undertaking the assignment, the committee received communication from the Minister of Works and Transport, dated 10 September 2020. The communication indicated that SGS had expressed its intent to terminate the contract for mandatory motor vehicle inspection, citing failure by Government to enforce the mandatory motor vehicle inspection programme as stipulated in the contract between the Ministry of Works and Transport and SGS.

During its field visit to SGS stations in Kampala, Kawanda, Namanve, Namulanda and Nabbingo, the committee learnt that the contract for mandatory motor vehicle inspection had been terminated and SGS was in the process of demobilising equipment at the stations. Upon inquiry from the ministry officials, the committee was informed that whereas the ministry was served with a notice of termination, there was still room for negotiations with SGS to review its contract upon clearance by this august House.

On the status of implementation of the majority report recommendations, paragraph 5.2 on page 10 shows that renegotiation of the contract with SGS was carried out. Among other recommendations, the majority report recommended immediate suspension of implementation of the contract for mandatory inspection of motor vehicles for a period of not less than three months to enable the review and renegotiation of the SGS contract by the ministry, covering the areas indicated on page 11 of the report. The action was taken. The committee learnt that the contract for mandatory motor vehicle inspection was actually renegotiated by the two parties on the 10th and 11th of June 2019 respectively, following authorisation by Cabinet.

The Ministry of Works and Transport, with guidance of the Ministry of Justice and Constitutional Affairs, drafted addendum No.1 to the contract for the provision of mandatory vehicle inspection services, incorporating issues which were agreed upon in the renegotiation. Addendum No. 1 was cleared by the Solicitor-General on 15January 2020 and subsequently signed by the two parties.

The committee examined the addendum to the contract with SGS and the submissions of the Ministry of Works and Transport, the Public Procurement and Disposal of Public Assets Authority (PPDA) and the Attorney-General’s office, to ascertain whether the recommendations of both the majority and minority reports had been implemented. The committee’s findings and observations have been structured according to the terms of reference that guided the committee’s inquiry into this subject.

Examination of the Government policy on Motor Vehicle Inspection

On the role of inspection in improving air quality, our recommendation as a committee was that the National Environment Management Authority (NEMA) should be included in monitoring the air quality.

Action was taken. However, the committee still notes that the role of NEMA in monitoring air quality should not be merely limited to contract supervision and information sharing, but rather to actual involvement in setting, monitoring and evaluating parameters for testing exhaust emissions to ensure compliance with the environmental standards.

On the motor vehicle inspections in Uganda today, our new observation and recommendation as seen in the report is that the committee will assess the functionality of the crash database system and track the implementation of the road safety strategy during its oversight function activities.

On the need for a comprehensive motor vehicle database, still action was taken. Our new observation is that the committee will track implementation of the above undertakings as seen in the report during our oversight function activities.

The transformation of vehicle mechanics and technicians from the informal to the formal sector will also be monitored by the committee. Our recommendation is that mandatory motor vehicle inspection should be liberalised and be incorporative of the certification of vehicle spare parts dealership, to encourage trade in only genuine parts.

Madam Speaker, our new observation and recommendation is that it is typical for Government to extend concession agreements of this nature with the private service providers for infinite periods despite public outcry regarding exorbitant pricing of services by such private providers. Cases in point include Umeme and Face Technologies whose contracts are still running to date.

The committee, therefore, reiterates that the mandatory motor vehicle inspection should be liberalised in a manner that allows established vehicle dealerships with potentially superior vehicle testing capacity for specific vehicles such as Toyota, Mercedes Benz and Mitsubishi, to offer specialised mandatory vehicle inspection services.

A number of issues were tackled under that term of reference.

Term of Reference No.2 - Investigating the Process of Procurement of the Contract for the Mandatory Motor Vehicle Inspection

Our new observation and recommendation are as follows:

The committee notes that whereas the High Court decision in Miscellaneous Application No.43 of 2011 quashed the PPDA Administrative Review Report, it does not preclude the Criminal Investigations Department (CID) from carrying out its independent investigations on the alleged unethical practices in the procurement process of the mandatory motor vehicle inspection services by SGS as mandated by law.

Term of Reference No. 3: Examination of the Terms and Conditions of the Contract

Madam Speaker, there were allegations of breach of timelines for payment of the concession fees, as elaborated on page 26 of our report. Our new observation is that the concession fee payments are to be audited by the Auditor-General as part of the ongoing audit of SGS’ initial investment. The committee will therefore await the outcome of that audit.

On the issue of the commencement date of the inspection, our observation is that at the time of the committee’s visit to the motor vehicle inspection stations, as stated, in Kawanda, Namanve, Nabbingo and Namulanda, SGS was in the process of demobilising equipment. This was purportedly to give effect to the decision of its management to terminate the contract for mandatory inspection owing to Government’s failure to resume the mandatory motor vehicle inspection programme.

Accordingly, the committee was not in position to assess the functionality, including standardization, of the testing equipment and the readiness of the SGS stations to conduct mandatory motor vehicle inspection.

Term of Reference No.3: To Appraise the Performance to Date of the Contract With SGS

Issues were raised on the location of the premises. The committee recommends that the Ministry of Works and Transport should ensure that motor vehicle inspection facilities are redesigned to mitigate the risk of accidents and ensure unobstructed movement of traffic on the highways along which the facilities are located.

Term of Reference No.5 - Examination of any other Issues Incidental and Pursuant to these Terms of Reference

A number of issues were considered, as you may see in the report. However, I would like to highlight the issue of SGS’ involvement in possible tax evasion through fraudulent land transactions, as seen in paragraph 5.2.15 on page 44 of the report.

Madam Speaker, SGS presented proof of payment of stamp duty for land transactions for all the SGS stations in the country in the form of Uganda Revenue Authority payment registration slips and tax invoices.

The committee was further informed that mandatory motor vehicle inspection project is subject to audit by the Office of the Auditor-General and that any issue of noncompliance with any law, including tax evasion, would be exposed in the audit report. The committee, therefore, awaits the outcome of that report.

As I conclude – on the side of the minority report – by and large, most of the matters were dealt with. The committee reiterates its full support for the mandatory motor vehicle inspection as a strategic intervention for improving the road safety situation in the country and ensuring environmental compliance.

The committee commends the Government for renegotiating the contract for mandatory motor vehicle inspection with SGS and incorporating most of its recommendations.

However, the committee notes that for the country to realise maximum gains from the project, the Government should intensify supervision of the project to ensure that the inspection fees are affordable to the public.

Mandatory motor vehicle inspection, under the current monopolistic arrangement with SGS, is perceived by the public as a profiteering venture geared towards benefiting the private provider at the expense of the public.

Therefore, the reduction in inspection charges will go a long way in restoring public confidence in the project and stimulating demand for the service, thereby enabling the Government to realise its overall objective of the project, which is to improve the quality of motor vehicles in the country.

My final prayer, therefore, is that Parliament gives a no-objection to the implementation of this project.

As I walked in, I was approached by my colleague, hon. Okupa, who said that he has a few points of dissent as listed in the minority report. I pray that you allow him to say something so that a decision is taken. I beg to move.

**THE SPEAKER:** Since the chairperson of the committee acknowledges the minority report, let us invite the proponent to present it very quickly.

12.27

**MR ELIJAH OKUPA (FDC, Kasilo County, Serere):** Thank you, Madam Speaker. I would like to thank the chairperson for the report. There are a few issues that we feel, if added to the majority report, will enable Ugandans to get the best out of the inspections.

I would also like to thank the minister for having accepted to take up this matter because it has led to a reduction, as proposed by the minority report then. We had proposed a reduction of the fees by about 75 per cent but in some cases, we have even seen a reduction of about 100 per cent. Therefore, I thank the General for taking that issue seriously.

Madam Speaker, this minority report is not to object to the report that was presented here but to beef up the gaps that had been left because, as you realise, we have been busy with campaigns and were not able to sign these things together.

Madam Speaker, pursuant to rule 202 of the Rules of Procedure of the Parliament of Uganda, we hereby present a dissenting opinion from the main report of the Committee on Physical Infrastructure on the status of implementation of the recommendations in the committee’s report on the inquiry into the mandatory inspection of motor vehicles in Uganda.

The points of dissent are as follows:

1. Payment for appeal against results of inspection
2. Location of testing centres
3. Testing equipment
4. Disciplinary action against Mr Ronald Amanyire
5. Inspection of vehicles under warranty
6. The technical audits.

Payment for appeal against results of inspection

Whereas the inspection fees, which have been reviewed and rationalised as indicated in Appendix 1 of page 18-20 of the committee’s report, provides for the payment of 150 per cent for appeal against the results of the inspections – they proposed that if you are appealing you must pay 150 per cent – we find this very prohibitive and discouraging.

We have had, of recent, a ruling of the High Court regarding the Tax Appeals Tribunal where, originally, if a taxpayer appealed or objected to the assessment, they were asked to pay 30 per cent before review. Given that the court threw that away, there is no way we can now bring it here that if you want to appeal against the inspection fees, you must pay 150 per cent of the fees.

Therefore, it is on this basis that we find this percentage prohibitive yet there is a possibility of defects arising from the equipment and the operation inefficiencies of SGS. This payment should be expunged.

Location of testing centres

Madam Speaker, the spread of the location of testing centres is still limited to Kampala and a few upcountry places such as Mbarara, Gulu and Mbale. This will affect other parts of the country, which are far from those locations, as they will incur additional transport costs due to the need to move their vehicles for inspection.

It is strongly recommended that SGS should be able to provide inspection facilities across all the new and proposed cities across the country so that people get it freely. On the issue of location also – just to add to what the chairperson said– they should not be located very close to the road because they will interfere with traffic flow.

The honourable minister should ensure that facilities built are standardised and at a good distance from the main road such that they do not interfere with traffic. There is also a need to standardise the buildings because if you visited the one of Mbarara, it is containers that have been assembled and we object to that. They should have standard buildings.

On the testing equipment, Madam Speaker, the equipment installed by SGS is not the same across all the stations in the country. For instance, equipment installed in stations outside Kampala metropolitan area cannot give the same results for vehicle suspensions. There is need for SGS to standardise equipment in all stations and ensure that the services offered to citizens is of the same quality.

Colleagues, the stations in Mbale, Mbarara and Gulu cannot give you results for vehicle suspensions. When we met the Executive Director of SGS, he also agreed and said, “It is true, our stations outside Kampala cannot give you the results for vehicle suspensions.” Therefore, I would like to appeal to the ministry officials that this should be standardised. They should have the same equipment across the country.

On the issue of the disciplinary action, a staff of the ministry called Ronald Amanyire, who is the Principal Road Safety Officer – In the main report, the committee has only recommended action on hon. Sabiiti, who was a senior to this gentleman, yet it did not make a recommendation on Ronald Amanyire. It is our considered view that the Ministry of Works and Transport – good enough, the Minister of Works and Transport is here - takes stern action on the officer for his conduct.

The officer even clandestinely decided to travel to South Africa on the invitation of the company without telling the Permanent Secretary of the ministry in order to compromise the procurement process by leaking information. We have letters from the Permanent Secretary, where he sought legal opinion from the Solicitor-General on what action should be taken.

The Minister of Work and Transport is here and I do not want to dwell on the details because he knows the problem of the staff and it will send a very bad image to the other officers in the ministry. Imagine, there is an undisciplined officer but the immediate supervisor and the minister cannot do anything about him.

Madam Speaker, if you read how he manipulated the figures and statements - the minister should take action and the committee will definitely follow up on the actions the ministry is taking on the officer.

On the inspection of vehicles under warranty, in the past, brand new vehicles were deemed unworthy by SGS, yet dealers and manufacturers’ representatives had passed them fit. Madam Speaker, manufacturers’ representatives have more specialised equipment and knowledge with regard to particular vehicle brands. However, the inspection results, as provided by SGS, were at variance with those of the local vehicle dealers who represent the manufacturers.

The test results provided by the manufacturers should be recognised by the SGS without need for further inspection. An understanding be signed with the dealers to test vehicles under warranty, on behalf of SGS and the fee paid there afterwards without need for further testing by SGS. This can be included in the policy.

On the technical audit, we recommend that a technical audit should be undertaken on a regular basis led by the Ministry of Works and Transport and assisted by the relevant Government departments to authenticate the test capacity of SGS equipment. This will help build the capacity of the Ministry of Works and Transport and increase the stock of necessary test equipment, which will be purchased by SGS and fees recovered over time.

As I conclude, I would like to state that once these issues are incorporated in the main report, we have no objection for Parliament to adopt the report of the committee.

This minority report was signed by hon. Mwijukye and myself. Unfortunately, hon. Nzoghu did not come to sign the report. Thank you.

**THE SPEAKER:** Does the chairperson have an objection? We need to move quickly. This matter has been on this Floor for a long time. Do you have an objection to the proposal?

**MR SSEKITOLEKO:** Thank you very much, Madam Speaker. I would like to thank my colleague for highlighting these issues.

On the issue of expunging the appeal charges against the result of inspection, my humble proposal would be not to expunge but to reduce from 150 per cent to 100 per cent. Otherwise, if we say zero, this will encourage unnecessary appeals and the whole project may be dragged down. If the minister is comfortable with the proposal, then 100 per cent would be okay.

On the issue of location of centres, I have no objection.

Regarding testing of equipment and standardisation, as I mentioned in the report, we found these people dismantling the equipment. There is no way we could confirm the standards for all the stations. Therefore, if we could allow them to reinstall, then we can go and confirm standardisation of the equipment, when they are functional. That would be the best procedure. I agree that in Gulu – (*Interruption*)

**MR OKUPA:** Just a moment, Mr Chairperson. We were together when you led our team. Do you remember when we were in Namanve that the Executive Director consented when we told him that we wanted to go to Mbale? He agreed with our concerns and admitted that the equipment in Mbale do not test for suspension. We already agreed on that; it is not about dismantling the equipment.

**MR SSEKITOLEKO:** During the installation of the equipment, they began with the urban stations but in the countryside, they had not installed that specific equipment for suspension results. However, they are aware and willing to install the equipment. With that, I do not have an objection.

On inspection of vehicles under warranty, warranty alone implies that even the dealers do accept that there can be a possibility of road unworthiness, even for a new car. That is why it is called a warranty and that is why they do pre-delivery inspection on brand new vehicles. Therefore, having a second opinion, would do no harm. Besides, Government must be in charge. Otherwise, dealers are not accountable to the Government. It is the SGS that is accountable to Government and so, as Government, we must be in charge. Otherwise, I do not have an objection to the major concerns. Thank you.

**THE SPEAKER:** Let me invite the minister to quickly respond to the two reports. Honourable members, we have debated this matter many times.

12.40

**THE MINISTER OF WORKS AND TRANSPORT (Gen. Katumba Wamala):** Thank you very much, Madam Speaker. I would like to thank the chairperson and the entire committee for all the efforts they have put to have this report and ensure that all the charges and concerns of the Members of Parliament as well as the public are addressed, as we move forward.

I do not want to over-elaborate. Madam Speaker, you are aware about what is happening on our roads and the need for us to improve road safety. I would like to appeal to the Members to adopt this report. We are also going to accommodate the issues brought out in the minority report so that everything is harmonised.

**THE SPEAKER:** Honourable members, I put the question that the report be adopted.

*(Question put and agreed to.)*

*Report adopted.*

**THE SPEAKER:** Honourable members, if there are still issues you want to follow up, the Committee on Physical Infrastructure and Parliament are still there. You can continue to carry out oversight in the normal way.

We had allowed hon - In the minority report, they are only saying that they want those things addressed, which I think have been addressed.

Honourable members, I now want hon. Nakate to present a matter of the Uganda Communications Commission (UCC). Let us go by the Order Paper.

12.42

**the vice-chairperson, Committee on Information, Communications Technology and National Guidance (Ms Lillian Nakate):** Thank you, Madam Speaker, for giving me an opportunity to make a submission on the Uganda Communications Fees and Fines (Amendment) No. 2 Regulations, 2020.

On 19 November 2020, Uganda Communications Fees and Fines (Amendment) No. 2 Regulations, 2020 Statutory Instrument 111 of 2020 were laid on the Table. You referred the same to the Committee on Information, Communication, Technology and National Guidance.

The background to this issue is that on 28 May 2020, the Minister of Information, Communication, Technology (ICT) and National Guidance laid on Table a set of 18 regulations under section 93 of the Uganda Communications Act, 2013. The regulations were laid pursuant to a report of the committee on a petition by the Internet Service Providers’ Association of Uganda wherein the petitioners challenged the Uganda Communications Fees and Fines (Amendment) No. 2 Regulations, 2020 Statutory Instrument No.95 of 2020.

In its report to the petition presented on the Floor on 25 June 2020, the committee recommended, among others, that two regulations relevant to the petition - the Uganda Communications Fees and Fines, 2019 Statutory Instrument 94 of 2019 and the Uganda Communications Fees and Fines (Amendment) Regulations 2020 Statutory Instrument 95 of 2020 be withdrawn.

The committee also recommended that the Minister of ICT and National Guidance should lay, before Parliament, new regulations reflecting a favourable licensing framework and fees.

Under Section 93 (3)(a) of the Uganda Communications Act, 2013, as amended, Parliament may, by resolution, revoke the regulations or a particular provision of the regulations within 30 days from the day the regulations are laid. The report of the committee was adopted by Parliament hence those regulations were withdrawn.

Therefore, while the Uganda Communications Fees and Fines (Amendment) No. 2 Regulations 2020 Statutory Instrument 111 of 2020, laid on 19 November 2020, established a favourable licensing framework and fees as recommended by the committee, the regulations also amended the Uganda Communications Fees and Fines Regulations 2019, which were withdrawn.

Therefore, it is not possible for regulations that were withdrawn to be amended because they are no longer in existence. As a result, the Uganda Communications Fees and Fines (Amendment) No. 2 Regulations 2020 Statutory Instrument 111 of 2020 hang in balance; we cannot amend them.

Therefore, as the situation stands, there is a lacuna, which can be exploited and the entire licensing regime challenged in courts of law.

Therefore, my prayer, Madam Speaker, is that we beg the Minister of ICT and National Guidance to lay, before Parliament, the Uganda Communications Fees and Fines Regulations 2019.

I so pray.

**The Speaker:** Honourable members, as you may recall, those regulations were withdrawn here on 25 June 2020. Therefore, any amendment based on them is void. We now invite the minister to present a new set of regulations. Thank you.

Honourable members, I would like to thank you for coming for this sitting. I am sorry for interrupting your discussions with the electorate. The House is adjourned.

*(The House rose at 12.47 p.m. and adjourned sine die.)*