**Tuesday, 7 October 2014**

*Parliament met at 2.15 p.m.in Parliament House, Kampala.*

PRAYERS

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

*The House was called to order.*

COMMUNICATION FROM THE CHAIR

**THE DEPUTY SPEAKER**: Honourable members, I welcome you to this afternoon’s sitting. You will recall that the President returned some three Bills, two of them being Finance Bills – the Public Finance Bill, 2014 and the Excise Duty Bill, 2013.This matter was referred to the committee responsible and I have now been notified that they are ready to report on the President’s request.

This information however, came in late and so we will handle this business tomorrow. I am saying this because, honourable members, you are aware that this Parliament should have gone on recess last week but we could not do that because of such kind of pending business. So, we should push to tomorrow so that we can be able to finish this business before I send the House on recess.

Please join me to welcome officers from the USA Army visiting with the Ugandan born colleague. They are: Maj. Gen. Daniel L York; Maj. Gen. Terrill K. Moffett; Col. Lester William Knotts and Capt. Frank Musisi of the US Army.

They have been accompanied by the following: Pastor Robert Kayanja, Mr David Makumbi, Mr Edison Okurut, Mr Herbert Ssembatya and Lt Col. Tembo Asiimwe. Please join me in welcoming all of them. *(Applause)* You are very welcome to the Parliament of Uganda.

Also this afternoon, we have sub county councillors from Metu and Laropi sub counties in West Moyo, represented by the hon. Tom Aza and hon. Anne Auru. *(Applause)* They have to observe the proceedings of this House. Please join me in welcoming them.

2.19

**MR JOHN KEN-LUKYAMUZI (CP, Rubaga South, Kampala):** Thank you very much, Mr Speaker. Ordinarily when one is presenting a matter of national importance, such member may not necessarily appear on the Order Paper. But due to the magnitude of the constitutional issues I am going to raise, permit me to do so in form of a statement.

Mr Speaker, as an individual Member of Parliament, I have a problem – it is not a personal problem but a national and collective problem, related to the matter of Usafi Market in Kibuye, Katwe.

Recently, Parliament considered and approved the Report of the Committee on Presidential Affairs and in effect passed the KCCA budget for this financial year. Mr Speaker, I subsequently attempted to move a substantive motion seeking for the recession of Parliament’s decision on the Presidential Affairs ministerial policy statement 2014/15 with a bias on the KCCA/Usafi Market amounting to Shs 37.7billion without success because of the bureaucracy of our Rules of Procedure.

**THE DEPUTY SPEAKER**: Are you suggesting that the Rules of this House are bureaucratic?

**MR KEN-LUKYAMUZI**: No, I was just time bad. Mr Speaker, as I was saying, although the KCCA budget was approved, that decision raises critical matters of national importance in as far as the Usafi Market project is concerned. And it is incumbent on I, as a representative of the people, Mr Speaker, to voice their concerns before the implementation of the KCCA budget.

But also, I would like to point out that a number of constitutional concerns are seen in light of Article 79, Article 155 of the Constitution and have to be underscored. More or so, those constitutional provisions vest Parliament with a duty to discuss any matter for the purpose of causing good governance and accountability in the execution of its oversight role.

Mr Speaker, I wish to demonstrate to Parliament and the entire nation the magnitude of financial impropriety that has come to the forefront of the KCCA’s crafting of the Usafi Market project. In the same vein, I wish to unveil the imminent financial loss that this country will suffer if KCCA is left to go on with that project.

The planned expenditure of Shs 37.7 billion by the KCCA on Usafi Market is to say, the least, satanic, baseless, fictitious and unexplainable with reference to the National Objectives and Directive Principles of State Policy XXVI, on accountability, in the Uganda Constitution.

Mr Speaker and honourable members, the purchase of the market called Usafi structure at that explosive price is open fraud. The market was constructed with ordinary polls and roofed with simple iron sheets of very “laughable” gauge, to use one of the words of the writer who wrote an article in The *Daily Monitor* of 01 October 2014.

Mr Speaker, Usafi Market project is a speculation of people who want to rob taxpayers’ money and I have come in the forefront to unveil that robbery because it is my duty as a Member of Parliament to do that.

The monies passed in the budget on approval of either KCCA or the contractors’ committee – both the responses of the KCCA to the Committee on Presidential Affairs and the main report on the same bear no explanation whatsoever on the astronomical expenditure on the Usafi Market. What I am saying is that when it came to accounting for that money at the beginning of it all, there was no ground of explanation on how the money came. It only demonstrated that someone slept for one night and dreamt of demanding Shs 37.7billion. There is no piece of explanation that one can be proud of.

Mr Speaker and honourable members, Usafi Market is an initiative of KCCA in collaboration with a one UmaruSsekamatte to acquire land at a cost of Shs 110 million but thereafter, the same Ssekamatte, in conjunction with Ms Jennifer Musisi, on behalf of the KCCA mobilised 10,000 venders to contribute about Shs 168,000 each as consideration to put in place a contract and that each vendor contributed that amount of money as consideration to back up the contract.

So, KCCA is among those that presently own Usafi market. If that is so, why should Parliament appropriate Shs37.7 billion to KCCA? Is it in order for KCCA to purchase a property it partially owns? Is KCCA seeking a loan from Parliament? I do not understand. Wouldn’t that be conflict of interest? You already own the market and you want to purchase the market and we give you money. Where are you taking that money? That is not explainable in accordance with the procedures of our financial processes.

Mr Speaker, recently in fulfilment of its oversight role, Parliament received information to the effect that NSSF had an acute managerial problem which included some excesses in terms of finance. Parliament took action and appointed a committee to investigate and the information that I have is that many things have been proved to be improving. I propose that we also set up a committee to foresee where this big money is going. Shs37.7 billion demonstrated in no viable circumstances whatsoever in terms of structure.

Mr Speaker, before I end, these are the constitutional concerns about that fake project. It should be noted that the Usafi Market deal raises constitutional issues that may have direct and consequential implications for the Head of State. Among others, the following maybe highlighted to underscore the importance of this matter:

The National Objectives and Directive Principles of State Policy on Accountability require, among others, that, “all lawful measures shall be taken to expose, combat and eradicate corruption and abuse or misuse of power by those holding political and other public offices.” In producing this testimony, I am exposing the wrong doers and please give me collective support as it is not my own thing. It is a collective thing.

You recently remember how we supported honourable Ruhakana Rugunda because he was a man common to us and we gave him collective support. Why don’t you equally give ‘The Man’ support so that we do something to make sure that we protect the public money?

In this regard, the President as Minister for Finance and executive authority of Uganda remains vicariously responsible for the abuse of the agents he has appointed to the affairs of the country with reference to Article 155 and Article 99 of the Constitution. It is a breach of public trust if Parliament does not expose attempts to use or abuse the Presidency as a conduit to sanction such wanton expenditure as is evident in the Usafi Market deal today.

The oversight function of Parliament in all matters of financial accountability cannot be over emphasised. In that regard, Parliament cannot be seen to sanction any financial impropriety. The issue of Usafi Market creates an impression of some financial impropriety underway given the manner in which the whole transaction has been executed. Notably, the PPDA Regulations have been fragrantly disregarded. How did this proposal come?

The President is obliged to promote the welfare of the citizens of Uganda. In exercise of his Constitutional powers, he has designated the Minister for Finance to execute his constitutional duty in so far as budgeting for Uganda is concerned but still retains the obligation to ensure that his delegated function is properly executed.

As the Fountain of Honour and the number one Chief Executive of this country, he is liable for any actions of the public officers he has appointed to handle the affairs of KCCA. Thus any wrong doing in the operations and functions of KCCA could finally be attributed to him. The buck stops with him.

In that regard, the matters in issue expose the President to a risk of impeachment should it be found that he has vicariously condoned an act prejudicial or inimical to the economy of Uganda. Under Article 107(1)(b)(ii) of the Constitution , if the President participates in activities that are inimical to the economy of Uganda, he is impeachable. I have come forward to protect our President from wrong doing so that they do not use him as a conduit to use more financial and improper practices.

I implore you, Mr Speaker and hon. Members to look at Article 107(1)(b)(ii) of the Constitution very cautiously. By proposing also that as a way to combat this impending financial ruin, Parliament should in exercise of its oversight mandate move swiftly to, among others, by appointing a committee to investigate the circumstances surrounding the inclusion of the Usafi Market deal in the KCCA budget. We are quite satisfied with your resolve to pass expenditure for KCCA work in terms of development and otherwise so that development goes ahead. But a matter of this magnitude which is open robbery of the state must be investigated.

So, we implore that you put an injunction the disbursement of those funds for this particular transaction until you are satisfied that the matter of giving away that money is proper. Your intervention is a big relief to the citizens of Uganda who have seen their funds muddled up day after day. I am making this noise publically on behalf of the people in protection of the coffers of this country. God bless you.

**THE DEPUTY SPEAKER:** Information from the member from Igara.

**MR MAWANDA:** Thank you. With due respect to my colleague hon. Ken-Lukyamuzi, ‘The Man’, I would like to make this point very clear in as far as the Usafi Market is concerned. Hon. Ken-Lukyamuzi has actually told us very many lies as far as this market is concerned.

First of all, it is not true that KCCA did not go through the PPDA procedures. I sit on the Committee on Presidential Affairs and there are various communications from PPDA giving KCCA a go ahead for having done a good job. That is number one.

Number two, he was raising an issue that the market was not valued but that is not true. KCCA did write to the Chief Government Valuer to establish the cost of the market and the Chief Government Valuer did value the market and put it at Shs33.3 billion. It is on record. This is the matter that was handled by a committee of Parliament. If hon. Ken-Lukyamuzi had issues as far as this market was concerned, he would have come and appeared before the committee. We discussed this matter for more than two weeks and we did visit this market with all Members of Parliament who had issues as far as the market was concerned apart from hon. Ken-Lukyamuzi *-(Interjection)-* I am also giving information.

The vendors themselves did petition the Speaker in as far as this market is concerned. That they really wanted the Government to buy this market and the Speaker did refer their petition to us. We investigated and made recommendations and as a committee we finally recommended that Government should go ahead and buy these markets. So, it is not true, as hon. Ken-Lukyamuzi has said that this is a broad day robbery, nothing has been done as far as the market is concerned; this is a matter that was thoroughly handled by our committee. I thank you, Mr Speaker.

**THE DEPUTY SPEAKER**: Honourable members, we are guided by the Rules of Procedure of this House and I draw your attention to Rule 209 of our Rules of Procedure. It is out of order to attempt to reconsider any specific question upon which the House has come to a conclusion during the current session except upon a substantive motion for recession by vote of half of all Members of Parliament participating in that decision. We would not be proceeding correctly to discuss this particular matter unless it is on a substantive motion.

2.36

**MR TOM ALERO AZA (NRM, Moyo County West, Moyo):** Thank you very much, Mr Speaker and colleagues. I rise on a matter of national importance and this is about the pathetic conditions of the road network in Madi sub region in general –*(Interruption)*

**MR KEN-LUKYAMUZI:** In terms of procedure, Mr Speaker, I raised a matter of public concern. I know very well that the matter has been debated but I was praying that in view of the magnitude of robbery which I reported, there was need for us to appoint a committee to investigate. I am not contesting what was done budget wise –

**THE DEPUTY SPEAKER:** Honourable member, the implication of what you are suggesting is that we review a previous decision of the House and there are procedures for doing that. What would be the purpose of appointing this committee if you are not going to do anything that will affect what the House has pronounced itself in terms of budgetary allocations to KCCA? It will have no effect. So in essence, you want us to review what we have decided and for us to do that - I am guiding you- you have not short properly, you have missed the target. Aim properly next time.

**MR ALERO AZA:** Thank you very much, Mr Speaker. On the issue of roads in Madi sub region in general and Moyo District in particular, we have two companies that are undertaking the construction of bridges and roads. BLV Company is supposed to construct roads and is doing very substandard work and the kind of materials that they are using really does not deserve to be used on those roads. First of all, the terrain of our roads is rugged and hilly and therefore, it really needs proper construction and proper materials and this company has always been using red soil instead of gravel and pure murram and as a result, whenever it rains, the surface of the road becomes slippery thereby causing accidents, loss of lives and breakdown of vehicles now and then.

Mr Speaker, there is Spencon company that is tasked with the responsibility of constructing our bridges. As I talk, the company has abandoned the work on the bridge at Tala with all the equipment and have disappeared in thin air. We have been told that they were given all the money. So I would like to draw this to the attention of the minister in charge and to the House to solve this issue.

Mr Speaker, the roughness of the road and the improper roads have caused us a lot of inconveniences in the sense that ambulances that do take pregnant mother and patients to the hospitals keep skidding off the road and cannot reach the hospitals. Not only that but teachers who normally commute to schools using motorcycles at times get accidents and do not reach to teach the students. Our trade items and agricultural produce cannot go to the market simply because we have bad roads.

Our prayer therefore is to request the Minister of Works and Transport and the government to come to our rescue by at least constructing a tarmac road from Atiek via Adjumani, Moyo and Afodi and at the same time construct tarmac from Moyo via Yumbe to Koboko and from Moyo, Yumbe to Aura. In this way, we shall be able to take our produce to the various markets.

Mr Speaker, most of the road construction equipment have since broken down. Recently we were given road equipment but it is all down. So, we will be happy to receive new equipment.

We are also requesting UNRA to take over some of the community access roads for proper maintenance. With this, I rest my case. Thank you very much.

**THE SPEAKER:** Any response from the government?

2.41

**THE MINISTER IN CHARGE OF GENERAL DUTIES (OFFICE OF THE PRIME MINISTER) (Prof. Tarsis Kabwegyere):** Thank you, Mr Speaker. I really appreciate the contribution of the honourable member. The only challenge we have is the resources. We have just had Cabinet approve the next five year development plan. I think it is very difficult if these roads had not been included – because I do not have a copy of it now. If these roads were not included, it is very difficult to have them fixed in.

But I also believe that before an honourable member comes to the House to inform his voters, he should also get some correct information as to how roads are made; what type of materials are used so that you do not say the road is slippery when it rains because when it rains, even the tarmac road is slippery.

2.42

**MS GRACE KWIYUCWINY (NRM, Woman Representative, Zombo):** Thank you very much, Mr Speaker. I stand on a point of national importance emanating from the closure of Global Trust Bank. In July this year, the Governor Bank of Uganda closed Global Trust Bank and we got information that those who have their accounts in Global Trust Bank would now be managed by DFCU. We have many teachers, retired public officers and civil servants who have been receiving their salaries and pension through Global Trust Bank but since July, these people have not been paid. I would like to get information from the ministries concerned - the Minister of Finance and the Minister of Public Service why the retired pensioners and civil servants in this bank are not being paid yet they did not close their accounts. It is only that the Bank of Uganda closed Global Trust Bank and it has been acquired by DFCU. Why has Government not paid these people their salaries for over these months?

2.44

**THE MINISTER OF STATE FOR FINANCE (GENERAL DUTIES) (Mr Fred Omach):** Mr Speaker and honourable colleagues, the message is received and we shall ensure that we investigate and put corrective measures. It is true that DFCU Bank has taken over the management of that bank.

**MR SSEKIKUBO:** Thank you, Mr Speaker. While I agree with the minister that at an appropriate time we can give a detailed statement, but Bank of Uganda closed Global Trust Bank and all the statutory powers are with Bank of Uganda. It didn’t come overnight and it has been quite a while.

But I would like to draw the minister’s attention to the plight of the elderly and of people whose moneys were in that bank and really, to say we allow you time, the minister ought to have considered the plight of people who are suffering. And he should know what it means if Members of Parliament are stressed and ministers are stressed, how about the senior citizens of this country?

Mr Speaker, I thought the ministers would have given us say tomorrow, Wednesday, so that there is a message we can give back to those who are adversely affected. But for him to just sit back, I found it intolerable that the minister ought to do better than that and he ought to give assurances to this House and those that are affected.

**THE DEPUTY SPEAKER:** Honourable minister, can you be more specific?

**MR OMACH*:*** Mr Speaker, I was quite specific. I have said we have just received the information from the honourable member and we are going to work on it; if you want that report tomorrow, so be it.

**THE DEPUTY SPEAKER:** Tomorrow at 2 o’clock?

**MR OMACH**: At 2.30 p.m. Mr Speaker.

**THE DEPUTY SPEAKER:** Okay, 2.30 p.m. Honourable members, in the public gallery, this afternoon, we have a group of women and youth from Bujumba Constituency, Kalangala District. They are represented by hon. Fred Badda and hon. Caroline Nanyondo Birungi. They have come to observe the proceedings of the House. Please, join me in welcoming them.

MOTION FOR A RESOLUTION OF PARLIAMENT TO RECOGNISE CAPTAIN FRANK M. MUSISI, CHAIRMAN AND FOUNDER OF SSESE ISLAND AFRICA AIDS PROJECT, FOR HIS CONTRIBUTION TOWARDS ACCESSIBILITY TO FREE MEDICAL CARE FOR THE POOR IN THE DISTRICT OF KALANGALA

2.47

**MR GODFREY KIWANDA (NRM, Mityana County North, Mityana**): Mr Speaker, I move a motion for a resolution of Parliament to recognise Captain Frank M Musisi of Ssese Island Africa AIDS project for his contribution towards provision of free medical care to the deserving people mostly in the District of Kalangala. I am moving this motion under Rule 47 of our Rules of Procedure.

*“WHEREAS Captain Frank M. Musisi was born and raised in Ssese Island, L. Victoria in Uganda, he moved to the USA in the 1990s where he is currently the commanding officer of the Headquarters Company 377th Theatre Sustainment Command (TSC) in New Orleans, Louisiana US*;

*AND WHEREAS he joined the US army in 2000 as an enlisted soldier; he has since been promoted to various ranks in accordance with the US army hierarchy structure due to his outstanding performance;*

*RECALLINGthat Captain Frank M. Musisi served as the President of the Uganda North America Association commonly known as UNAA, a community organisation that brings together Ugandans living in North America from 2007 to 2009,and in 2007, he received a congregational certificate of appreciation for community service after serving for a long time as a community leader, a volunteer and organiser;*

*RECOGNISING that in 2005, Captain Frank M Musisi established a medical facility under Ssese Island Africa Aids project in Uganda with its headquarters at Bugoma village, caring mainly for persons living with HIV/AIDS and the facility has since offered free medical services to thousands of deserving indigenous people in Ssesse Island, L. Victoria Kalangala District;*

*APPRECIATING that in 2012, the Kabaka of Buganda Ronald Muwenda Mutebi II chose the said facility as the centre for the official Buganda day for the immunisation where we launched “Bulungi Bwansi”, that is community work where we do mass immunisation that saw over 2000 children being immunised on one day;*

*FURTHER APPRECIATING that over 14,000 people received free medical services from the centre in the year 2013 alone and more are still receiving the same;*

*NOW THEREFORE, Mr Speaker, be it resolved by Parliament that it takes cognisant and shows its appreciation for the contribution of Captain Frank M Musisi towards provision of health care and free medical services to the deserving people in the district of Kalangala.”* Mr Speaker, I beg to move.

**THE DEPUTY SPEAKER:** Is the motion seconded? *(Members rose\_)* The motion is seconded by the Members for Bujumba, Ndorwa, Moyo West, Kole, Butambala and Kyotera. Would you like to speak to your motion?

**MR KIWANDA:** Thank you very much, Mr Speaker. You will appreciate that we live at a time when many Ugandans are in doubt of the validity of their dreams. Certainly, this occurred because most figures of inspiration seem alien and distant. Fortunately, however, I rise today to seek the discretion of Parliament to honour our very own Captain Frank Musisi an inspiration and a role model to our community.

Mr Speaker, for a boy born and raised in Ssesse Island, deep in Lake Victoria, rising through the ranks of the USA army to this current position of commanding officer of the headquarters and commander in Orleans Luciana USA is indeed worth our complement.

With generous sponsorship of his cousin, the late Col Serwanga Lwanga, Frank went to the USA in 1990 for college education. He later obtained a Bachelor of Science in information and Computer Science and a Minor in Management in 2000, in addition to an Associate Degree in Computer Science.

Frank joined the USA army in 2000 as an enlisted soldier upon completion of basic and advanced individual training. He was assigned to the 31st Combat Support Hospital, 31st Air Defence Artillery Brigade at Fort Bliss Texas from March 2001 to April 2005 and in May 2005, Captain Musisi received a Direct Commission in the USA army. Here, among many things, he served his first tour in Iraq between 2003 and 2004, during the operation Iraq Freedom.

He has since built credentials in the US army and beyond. He is highly trained and decorated military profession with numerous medals and awards to his name. Back home, Captain Musisi has directed deliberate effort towards the community as a leader, volunteer and organiser. I particularly wish to draw the attention of Parliament to his commendable role in the establishment of the medical facility in Kalangala District, L. Victoria.

As chairperson of Buganda Parliamentary Caucus, I wish to add that in 2004, my king the Kabaka of Buganda, King Ronald Muwenda Mutebi II, was pleased to celebrate the official Buganda day for immunisation at his facilitywhich he launched in 2012.

Captain Musisi was a great mobiliser for the restoration of Kasubi tombs in the United States of America. This time Captain Musisi is a visiting coordinator at the member of leadership development seminar conducted by the first cause in Uganda from 6 to 10 October.

Mr Speaker, Captain Musisi is not only a product of responsible mentorship by his late uncle Lt Col Sserwanga Lwanga, but is directly being mentored by our forces the UPDF because whatever you see that Captain Musisi has done, that is a direct characteristics of the Uganda people’s defense force. I wish to add that the discipline of our own soldiers is manifested in the achievement of Captain Musisi.

This is evidenced by his Ugandan route and direct mentorship by the late Lt Col. Sserwanga Lwanga through captain Musisi. The UPDF continued to shine even outside Uganda, certainly the attainment of Captain Musisi’s dreams was made possible by the US government who we also call upon to extend the same spirit to other Ugandans living in the diaspora, especially in the USA. Certainly, however, the attainment of his dreams was made possible by this government and we actually appreciate the support of the US government.

Captain Musisi and many other Ugandans in the diaspora have caused a significant contribution to the economy through direct investment and have a big potential to growth if they are given the incentives. A stable political and economic environment of course brings this hope. They play a very important role in promoting trade between Uganda and their current countries of abode. This will surely translate into increased volume of trade internationally.

I wish to add that this Parliament has the mandate to ensure that Uganda can surely benefit immeasurably through the networks and business contacts of Capt. Musisi by attracting foreign investment to Uganda.

Further still, Captain Musisi’s activities in Uganda are evidence of the numerous benefits we reap from the nationals abroad. Remittance from the diaspora constitutes a large source of foreign exchange to Uganda’s economy after proceeds from exports. Parliament will recall, Mr Speaker, that sometimes these remittances have surpassed official development aid as a major source of external financial inflow to the economy. I believe it is time Uganda’s government hastened the thorough reviewing of her laws to facilitate citizens to hold dual citizenship to avert renunciation of Uganda’s citizenship and right to own property and engage in development activities in Uganda.

The implementation of dual citizenship will help Ugandans in diaspora to freely travel home, own property and make positive contribution. The growth in demand of skilled labour internationally has also attracted a number of Ugandans outside this country. Professionals such as doctors, teachers, nurses, among others, constitutes an over growing brain drain and affects Uganda as more skilled labour is lost. This has also been accelerated by impact of globalization hence movement of some professionals that are in short supply and vital to the development of Uganda. It is time we devise means to benefit as a country from Ugandan’s professionals in the diaspora. Parliament can do this by revisiting the labour laws to favour Uganda’s professionals whenever they have to carry out activities outside this country.

We need to take these activities a step to engage and work in partnership with Ugandans in the diaspora and engage them to actively participate in the development of their mother land. This should start with establishment of a data base of Ugandans in the diaspora to enhance serving them later.

As I conclude, in showing appreciation of selfless contribution of Captain Musisi to the development of Uganda, Parliament will also be appreciating and encouraging other Ugandans who are out there for their input that they have done to our country and remitted to their mother land. Mr Speaker, I thank you very much and I beg to move.

**THE DEPUTY SPEAKER**: Thank you Member for Mityana North this motion is seconded and Member for Butambala District and Member for Bujumba country. I will start with Bujumba then I come to Butambala.

3.00

**MR FRED BADDA(NRM, Bujumba County, Kalangala):**I want to thank you Rt. honourable Speaker and honourable Members. I want to support the motion because my village mate, Old boy and classmate, Captain Frank Musisi, has not ashamed the island where he comes from and he has not ashamed the country.

Captain Frank Musisi although he grew up in the islands, he afterwards with the assistance of the late Lt Col. Sselwanga Lwanga went to the US where like other Ugandans in the diaspora was engaged in employment. I want to thank him for not forgetting his home land and I want to request other Ugandans in the diaspora to emulate Captain Frank Musisi because although he is in diaspora, he was able to put up a healthy facility which extends free medical services to the people of Kalangala. This medical facility is called Ssese Island’s African aids project, but for us there in short we called SIAAP. SIAAP is an easily accessible facility and it extends free services.

As honourable members may all know and may be aware that the the island communities have the HIV/AIDS prevalence rate in this island at almost four times the national average and he actually chose an area of intervention that is very important to the people who live a long and within the islands of Kalangala. So I want to applaud Capt. Musisi for that.

I also want to thank in absentia, because he is deceased, the late Lt Col Sselwanga Lwanga for having identified in his mind this person and developed him.In addition I want to thank the US government for helping Captain Frank Musisi to exploit and develop his potentials to be able to be an important Ugandan of this calibre who is very helpful not only to the US, but to Africa and not only Africa and mainly to the Ssese community.

So honourable members, I want to request you to support the motion and we thank Captain Musisi for the support he has given the people of Kalangala, I thank you.

**MS NALUBEGA MARIAM (Independent, Woman Representative Butambala):** Thank you Rt. Honourable Speaker, I rise to support the motion to honour and recognise my fellow Rotarian, Captain Frank Musisi and indeed for this Parliament and the country to recognise him for the tremendous work he is doing in supporting of our health sector service delivery, especially in Kalangala in the central region.

Mr Speaker and Members, in our government intervention in the health sector strategy, it was a plan for the Government that for every health sub district of 100,000 people, they would access at least a health centre IV. But as we speak today there are health sub district without even a health centre III and therefore this calls for increased intervention for government, well-wishers andprivate partners to support and boost health service delivery.

Mr Speaker, I first met Capt. Frank in UNAA and I am very glad to know that he is doing quite a lot for the people of Ssese Islands. We all know the lifestyle of the people who live on the islands especially when it comes to HIV/AIDS prevalence. HIV is still a reality and a challenge. We are getting new infections every day, our prevalence rate has stagnated at 6.3 per cent and this is also challenging because the provision of ARVs is actually becoming very difficult because of the increased new infections. Therefore Mr Speaker, it is in this spirit that I want to support the motion to recognise and honour Capt. Frank for his intervention against HIV/AIDS prevalence in Kalangala.

We all know that in Uganda we do not have health insurance and therefore without increased partnership of private people and well-wishers, it is very difficult for our locals to access health care. Therefore, I am grateful that Capt. Frank constructed a health centre for the people of Kalangala to access free medical care because we have so many people who live below the poverty line and cannot afford medical care and yet they are not insured. So I want to thank him for that.

Our health sector is being threatened by the nodding disease, Ebola and now Marburg, which I am so worried about because it manifested itself in my neighbouring district of Mpigi. On this note, Mr Speaker, I would like to call upon Government to facilitate all the health centres and hospitals to make sure that they address this alarming challenge. So far eight people have been confirmed as being exposed to Marburg and the numbers can increase day by day.

Mr Speaker, Capt. Frank is a Rotarian and on this note I would like to call upon everybody to join the Rotary because we serve above self. No wonder the achievements of Capt. Frank.

I want to thank the US government for recognising and assigning him such responsibilities and according him the support to support his country especially his people of Kalangala and I think the people of Kalangala are blessed to have Capt. Frank as their son. Indeed Uganda is also blessed and we hope and pray that we can have more Ugandans with a good heart that can come back home and support their homes. Thank you, Capt. Frank for remembering your home and your people and we request you to mobilise because you have the skills to mobilise, you have the contacts and you have the connections. Please mobilise more Ugandans, friends and well-wishers to come and this time round, Butambala is ready to work with you and your team and I believe all members of Parliament will want to partner with you especially in the health sector. We thank you so much and Mr Speaker, I beg to second the motion. Thank you.

**THE DEPUTY SPEAKER:** Honourable members, I wish to propose the question for your debate. The motion is that this Parliament should resolve as follows:

That it takes cognisance and shows its appreciation for the contribution of Capt. Frank Musisi, chairman and founder of Ssese Islands African AIDS project, towards provision of health care and free medical services to the deserving people in Kalangala district. That is the motion and I propose it for your debate, which begins now. We will have two minutes each.

3.10

**MS SARAH LANYERO (NRM, Woman Representative, Lamwo):** Thank you Rt hon. Speaker for giving me this opportunity. I rise to support the motion for a resolution of Parliament to recognise Capt. Musisi for his contribution towards accessibility of free medical care in Kalangala district.

Rt hon. Speaker, we in Uganda know where Kalangala District is situated. It is composed of 84 islands and we know that it is near Rakai District. When we from Northern Uganda hear of Rakai, the word AIDS comes to our minds. However, Capt. Musisi has been very instrumental in improving the living conditions of the people in the communities around the islands. Their means of income is fishing and you know that fishing communities are surrounded by so many temptations. We know that Kalangala also borders Kenya, Tanzania and Wakiso so it has a lot of influence. Because of that, HIV became very prevalent.

During that time, Kalangala did not have a hospital. It had only one health centre IV.So I am very grateful to Capt. Musisi for what he did for the people of Kalangala District by bringing in medical care so that the -*(Member timed out\_)*

3.12

**MR DEOGRATIUS KIYINGI (DP, Bukomansimbi County, Bukomansimbi):** Thank you so much, Mr Speaker. I want to take this opportunity to thank the mover of the motion, hon. Godfrey Kiwanda Ssuubi and I want to welcome my great friend Capt. Musisi. Thank you for coming back home.

Mr Speaker, Capt. Musisi is not new to me. We studied together and we have known each other for the last 30 years. We went to school at Kako Senior Secondary School in 1982 and since that time, we have been together working closely. Whenever I have visited the United States, I have always met Captain Musisi.

This is a great moment. Uganda has had a lot of problems and gaps in the health sector which Cat. Musisi has come to close. I thank you for that. When you were starting this project, you remember very well that we were together doing the paper work and I am happy that the project has taken off. Thank you so much and do not give up.

Mr Speaker, Capt. Musisi has not only rescued Ugandans in the health sector but I remember very well in 1986 when Masaka was cut off -*(Member timed out\_)*

3.14

**MR BENJAMIN CADET (Independent, Bunyaruguru County, Rubirizi):** Thank you very much, Rt hon. Speaker. I stand here to support the motion because what Capt. Musisi has done is very good for the country. Uganda is second to South Africa in HIV infection rates. Per day, the number of Ugandans getting infected is 380. In a week, it is**,** they are only 25 and in Tanzania, they are 491, in Kenya, 468. When you look at funding from Government, you realise that it is quite small because when you look at the budget for 1014/15, Government has budgeted for Shs 33 billion for ARVs, Pepfa has gone up to Shs 61 billion and former UA President has put up Shs 2billion. This gives us a funding gap of Shs 96 billion.

This gap is being closed by people like Capt. Musisi. So, I think it was good for us to honour him because he has really helped. When you look at the areas he went to, like Kalangala, they are hard to access. And among the fishermen, the infection rate is 29 per cent though the national average rate is only 7.3 per cent. There are sex workers whose prevalent rate is 37.

Therefore, Mr Speaker, by him going there, he did not only go there because that is his home area, he chose it because the area is vulnerable and hence affected by HIV. I would also like to thank the Parliament of Uganda for honouring Capt. Musisi for the great work he is dong to save the people of Uganda. Thank you very much**.**

3.16

**MS HARRIET NTABAZI (NRM, Woman Representative, Bundibugyo):** Thank you very much, Mr Speaker. I also would like, on behalf of the women of this country and as the Vice Chairperson of the Women Parliament Association, to also associate myself with the motion of appreciating the efforts of our friend and saviour, Capt. Musisi who is here to save the women of this country.

Mr Speaker, I have to be specific on this. When you look at the statistics, you realise that the rate of HIV prevalence is higher in women compared to men. That is a fact. And when you go to the marital status, you realise that the rate of HIV prevalence among the unmarried is lower than that in the married women. What does this say? It informs us that efforts of Capt. Musisi came in to save the lives of women more than the lives of men. So, we thank you so much. We appreciate that effort and we will associate ourselves with your efforts.

Mr Speaker, for a person to move out of this country and come back with a package – there are many people who have gone to the Diaspora but return even without wives. Some juts return with computers. *(Laughter)* Yes, we have seen them because when they get there, they just do their own things and return even without a single child, no wife; nothing at all. But Capt. Musisi has returned with a package for the entire country. I appreciate that effort wholeheartedly. Thank you so much.

3.19

**MR WAMANGA-WAMAI (FDC, Mbale Municipality, Mbale):** Thank you very much, Mr Speaker. I stand to support the motion in recognising the efforts of Capt. Musisi. For people who go to live abroad, they usually have everyone at their leisure. So, **he h**as got to have a heart to love their country. Some of us who lived out there but decided to come back to Uganda can tell you that it was not an easy thing. But we had to do that because we had love for our country. Otherwise, sometimes when you look back home and you see the conditions under which your people live –

**THE DEPUTY SPEAKER:** Honourable member, I can see some children leaving. Let me first recognise their presence here. I will give you more time. We have pupils and teachers of Holy Innocent School, represented by the hon. Oliver Katwesigye and hon. Ephraim Biraaro, from Buhweju District. They are here to observe the proceedings. Please join me in welcoming them. *(Applause)*

We also have pupils and teachers of Kigungu Primary School from Entebbe Municipality, represented by hon. Muhammad Kawuma and hon. Nansubuga Rose Seninde. They have also come to observe the proceedings. Please join me in welcoming them. *(Applause)* You can now proceed. You have two minutes.

**MR WAMANGA WAMAI**: Thank you, Mr Speaker. What I was saying is that one has got to have love for their country because leaving all what you have out there and you come back home signifies special love for your people. That is exactly what Capt. Musisi has done.

However, surely does this country have to wait for somebody to come from somewhere to rescue its people? The health sector is a very important sector. One, any Government to run well, one must think about the people first at the extent of medical care they need.

There are many Ugandans who have come back here to assist their people and quite a number of them came back from the USA – I know a man who built a dispensary in Mbale but that was after he had seen the suffering of his people there. So, he had to come to rescue those people.

I also know that there are many Ugandans out there who want to come and invest in this country. But when they look at the prevailing conditions, things become very difficult for them to make it. That is why we are asking Government to extend the same privileges that it gives to foreigner to enable such Ugandans to come and invest in their country.

Ugandans living in the Diaspora send in Shs one billion into this country and so they must receive these privileges and they must be encouraged to invest in this country. So, it is quite important that you –*(Interruptions)*

**MS KAWOOYA:** Thank you, Mr Speaker. Thank you my colleague. I have known the member holding the Floor who is my good friend, for some time. I know that he lived abroad for quite a number of years. And I thought louder in regard to what hon. Ntabazi said, may I get a clarification from him on what he came back home with? *(Laughter)* After all those many years abroad and as a very senior career diplomat – honourable members, you may wish to know that I got to know the Member way back while I was still very young woman working in the defunct Uganda Airlines and he was already a diplomat. So, what did do to his country in reference to what Capt. Musisi and the others have done? I am only seeking clarification. *(Laughter)*

**MR WAMANGA-WAMAI:** Well for me to stand here just in two minutes and say what I have done for this country is not possible – *(Laughter)* - I need an honour to tell you what I have exactly done for this country and what I brought to this country. In 1986 when this Government came to power, it had no friends at all –*(Member timed out \_)*

**THE DEPUTY SPEAKER:** Okay, just respond to that issue specifically.

**MR WAMANGA-WAMAI:** Thank you very much, Mr Speaker. Of course those who know what I have done for this country know it. So just in a nutshell, the Entebbe medical stores which were built by the Danes, and I signed that contract and so many other things. I, my dear friend, if you wanted me to tell you, in a nutshell, it is quite a lot.

But what I was saying is that one has got to have love for the country like Capt. Musisi. Government must accord all those people privileges and allow them come and invest home. Now the people in diaspora are asking that they must be allowed to vote for a government that they want but the Government has been very reluctant to promise Ugandans in the diaspora whether they can vote for the government that they want.

They are bringing in a lot of money, they are building hospitals and dispensaries. It is good that the Government has allowed them dual citizenship –*(Member timed out\_)*

3.26

**MR JOHN SSIMBWA (NRM, Makindye Division East, Kampala):** Thank you. I stand to support the motion that this Parliament recognises the contribution made by Capt. Frank Musisi. The actions of Capt. Frank Musisi disapprove those who think that army men are only there to fight. Of recent, the President of this country gave a mandate to the soldiers to spearhead a programme of wealth creation. Many people thought that the soldiers are only born and created to fight but Capt. Musisi has shown them that being a soldier cannot stop you from doing other important things for the country.

We are here as Parliament debating a motion to recognise the works done by a Captain;not a Captain by just raising hands, by confirming or conferring the title of Captain but an army man. So, the action of Capt. Musisi can now prove that even the UPDF men and women here will do good when it comes to NAADS. This is a clear example and I think that it will work.

I want thank Capt. Musisi for not forgetting that he came from Ssesse in Uganda. As hon. Ntabazi has put it, many people went outside and are still outside and are not even willing to come back. And those who come back, come back with no mark. But Capt. Musisi has come back with a mark that is helping the people of Uganda. He has even gone to the areas of Ssesse where we know that the health facilities in Ssesse are not the best, where we know –*(Member timed out\_)*

3.28

**MR FRED EBIL (UPC, Kole County, Kole):** Thank you very much. I want to associate myself with the motion and just to remind ourselves; if we are to stretch our minds back to the words of Sir Winston Church Hill when he said that Uganda is the Pearl of Africa, I believe he did not only mean the hills, beautiful lakes, rivers but also meant the people of Uganda. So what Capt. Musisi is doing exhibits a spirit of generosity and that spirit is what made this country the Pearl of Africa. I, first of all, want to applaud you, Capt. Musisi and hon. Members. I would like to ask each one of us in their small way to emulate what Capt. Musisi has done.

I once again want to thank the American government, not forgetting one of the people who advocated for people like Capt. Musisi today to be able to join the forces, people who made it able for some of us or anybody from anywhere to go to America and realise their dreams – these are the founders of America. I would like to thank the American government and our own government for whatever it is doing to enable such people to be able to have a peaceful society back at home here because without peace, you cannot invest. I thank you very much and beg to support the motion.

3.30

**THE OPPOSITION CHIEF WHIP (Mrs Cecilia Ogwal):** Thank you, Mr Speaker for the opportunity to also support the motion. I want to start by thanking the American government for being sensitive to embracing people from all parts of this world. We must thank the American people.

We in Uganda have our Capt. Frank Musisi; the Kenyans have their Obama and there are many Africans who have their people outside there and we should thank the Americans that they have given us what we deserve to have. If this Capt. Musisi did not go with the discipline and the brain of Ugandans, he would have never have attained what he has and so, we have to thank them for that.

We should also appreciate that the American people and community have polished Capt. Musisi. He was outside there and made money. I am sure that if you check his account, he is just an ordinary American who originated from Uganda earning those meager resources but was able to save for his country. He left this country and it was difficult for the Americans to ‘remove’ Uganda from Capt. Musisi. We want to congratulate and thank you that with those meager resources, you were able to come back with it and help the poor with that money.

But how many rich people do we have in Uganda here? *(Laugher)* How many? How many people do we have that are robbing Uganda and making themselves rich with ill-gotten wealth? How many? And here we are in Parliament congratulating this Ugandan who even went with the effort of his relatives and the Government did not spend a penny on him *–(Laughter)-* but he has proved that he is a better Ugandan than you who are here. *(Laughter)*

Mr Speaker, allow me to say that 52 years ago, the founder of the nation of Uganda declared three enemies and I want to tell you what those enemies are for those of you who may not be very conversant with history. The first one was ignorance –*(Member timed out\_)*

**THE DEPUTY SPEAKER:** One minute.

**MRS OGWAL:** One minute just,I will tell you the three enemies; ignorance, poverty and disease. Now, I must thank this son of Uganda to be sensitive to that declaration. You have come here to help us ‘fight’ poverty, ignorance and disease and I want to thank you very much.

Finally, I want to say that we as a country must have a policy for Ugandans in the diaspora. I am very happy that when I was in the Pan-African Parliament, I am on record as having appreciated the role that the Africans have played outside Africa and we have now started what they call the Sixth region in Africa so that now, we have people who are highly placed in the diaspora and can come and sit as members of the Pan-African Parliament.

We as a country must come up with a policy so that we can recognise people who have attained high positions by virtue of going outside there and exploiting the potentiality and coming back to help us develop our country. I want to thank you and congratulate our son. May God bless you so much.

3.34

**THE MINISTER FOR GENERAL DUTIES (Office of the Prime Minister) (Prof. Tarsis Kabwegyere):** Thank you. I also rise to support the motion, more so after listening to hon. Cecilia Ogwal. I think three things are important; doing a good thing is a good thing but helping people in need is what makes a difference between stones and human beings. I think here we are recognising that there is an individual who from his heart has been able to send support to the people in the region where he originates. So, I think all of us must recognise that our humanity is larger than serving ourselves. We must have more than ourselves and those especially in need.

The second point is what do we expect of people who have gone out of Africa and out of Uganda to represent us? Hon. Cecilia Ogwal said there is no policy but I want at a minimum level to point out that the fact that in this House you can have a motion of appreciation is already recognition. Mr Speaker, every year- and I have attended the UNAA many times- if there was no policy at all, there would not be those delegations including the delegation of His Excellency the President – *(Interruption)*

**MRS OGWAL:** Mr Speaker, what a Leader of Government Business we have today that can stand here and refer to a motion moved by the Chairman of the Buganda Caucus as national policy; what a Leader of Government Business worth his name and a professor for that matter to stand here and make reference to debates that we make here out of desperation instead of humbly saying, “Mr Speaker, I beg to be given time so that I can lobby the Cabinet to come up with a policy.” Is he therefore in order to pretend to be a Leader of Government Business when he doesn’t even know what a Leader of Government Business is supposed to do *-(Laughter) -* is he in order?

**THE DEPUTY SPEAKER**: Leader of Government Business, please show that you know what you are doing *-(Laughter)*

**PROF. KABWEGYERE:** Thank you, Mr Speaker. I certainly don’t speak from desperation and I think many people in this House speak out of their creativity and desire to make a contribution but not out of desperation. And we really enjoy our contributions because we speak to make a difference and I am sure that hon. Cecilia Ogwal has made a difference for all the time she has been in this House.

The second point is, what do we expect the people who leave Africa or leave Uganda to contribute? Do they know? Do we make them aware exactly what it is that they can help in? And I want to point out here that actually our sharing with the diaspora and there is a clear policy on the diaspora for your information *–(Interjections)-* well, I promise I will give it to you. This is why not only have we had delegations but even the President himself has attended many of these diaspora meetings and I don’t know whether hon. Cecilia Ogwal has not attended one of them. Anyway, *-(Interjection)*– I wish hon. Cecilia Ogwal would be kind enough to allow me make my contribution.

Lastly, I think there are many Ugandans in Uganda today who have also made important contributions of this nature and I think we should not necessarily exaggerate; and I am not underplaying the contribution of Captain Musisi but there are many Ugandans who are making contributions of great magnitude and the honourable member for Mukono has made a great contribution, for example,she talks so much and makes points at times. I thank you. (*Laughter)*

**THE DEPUTY SPEAKER:** Honourable members, thank you for your debate on this important motion. The presence of two US army generals, a colonel and our own Captain Musisi in Uganda in our Parliament is a clear demonstration that the waters that separate us are not deeper than the blood that connects us as a people and people of God. Honourable members, I now put the question that this Parliament resolves as follows: That it takes cognisance of and shows its appreciation for the contribution of Captain Frank Musisi, Chairman and Founder of Ssese Island African AIDS Project towards provision of healthcare and free medical services to the deserving people in the district of Kalangala. I put the question to you for your decision.

*(Question put and agreed to.)*

LAYING OF PAPERS

**THE OPPOSITION CHIEF WHIP (Mrs Cecilia Ogwal):** Mr Speaker, I beg to lay on Table the financial statements for the year ended 30 June 2013 together with a report and opinion thereon by the Auditor General.The first to be laid is Lamwo District Local Government; I beg to lay.

Amuria District Local Government; I beg to lay.

Kyegegwa District Local Government; I beg to lay.

Ntungamo District Local Government; I beg to lay.

Kabale District Local Government; I beg to lay.

Kole District Local Government; I beg to lay.

Kitgum District Local Government; I beg to lay.

Buliisa District Local Government; I beg to lay.

Ntoroko District Local Government; I beg to lay.

Luweero District Local Government, I beg to lay.

Agago District Local Government Accounts; I beg to lay.

Kaabong District Local Government; I beg to lay.

Abim District Local Government Accounts; I beg to lay

Bukedea District Local Government Accounts; I beg to lay.

Kihurura District Local Government Accounts; I beg to lay.

Otuke District Local Government Accounts; I beg to lay.

Dokolo District Local Government Accounts; I beg to lay.

Gulu District Local Government Accounts; I beg to lay.

Bukwo/Buikwe District Local Government Accounts; I beg to lay.

Kotido District Local Government Accounts; I beg to lay.

Apac District Local Government Accounts; I beg to lay.

Amolatar District Local Government Accounts; I beg to lay;

Lira District Local Government Accounts; I beg to lay.

Lwengo District Local Government Accounts; I beg to lay.

**THE DEPUTY SPEAKER:** There is some alteration in the ordering, the next one was supposed to be Amolatar, is that where we are? Amolatar, Lira, Amuru, Rubirizi-

**MRS OGWAL:** They have not arranged it in that order.

**THE DEPUTY SPEAKER:** Okay, proceed.

**MRS OGWAL:** Amuru District Local Government Accounts, I beg to lay.

Rubirizi District Local Government Accounts; I beg to lay.

Kiryandongo District Local Government Accounts; I beg to lay.

Ibanda District Local Government Accounts, I beg to lay.

Bududa District Local Government Accounts, I beg to lay.

Isingiro District Local Government Accounts, I beg to lay.

Kaberamaido District Local Government Accounts, I beg to lay.

Sembabule District Local Government Accounts; I beg to lay.

Bundibugyo District Local Government Accounts; I beg to lay.

Lyantonde District Local Government Accounts; I beg to lay.

Masaka District Local Government Accounts; I beg to lay.

Kalangala District Local Government Accounts; I beg to lay

Kanungu District Local Government Accounts; I beg to lay.

Butambala District Local Government Accounts; I beg to lay.

Rakai District Local Government Accounts; I beg to lay.

Mubende District Local Government Accounts; I beg to lay.

Nakaseke District Local Government Accounts; I beg to lay.

Wakiso District Local Government Accounts; I beg to lay.

Mukono District Local Government Accounts; I beg to lay.

Kyankwanzi District Local Government Accounts; I beg to lay.

Kibaale District Local Government Accounts; I beg to lay.

I beg to lay, Mr Speaker.

**THE DEPUTY SPEAKER:** I think there are gaps, Lwengo; did I hear Lwengo District?

**HONOURABLE MEMBERS**: Yes, it was read.

**THE DEPUTY SPEAKER:** I did not hear Lwengo District.

**HONOURABLE MEMBERS**: It was read.

**THE DEPUTY SPEAKER**: Okay, it was read. Let the records capture all those financial statements and opinion of the Auditor-General in respect of those districts. They stand committed to the Committee on Local Government Accounts to handle in accordance with the law.

PRESENTATION, CONSIDERATION AND ADOPTION OF THE REPORT

OF THE COMMITTEE ON LEGAL AND PARLIAMENTARY AFFAIRS

ON THE INSPECTORATE OF GOVERNMENT REPORT 1999-2006

3.50

**MR FOX ODOI (Independent, West Budama County North, Tororo):** Thank you, Mr Speaker. I beg to register the apologies of the hon. Stephen Tashobya who is away on official duty. I am standing in for him.

Permit me to lay on Table the hard copy of the report of the Committee on Legal and Parliamentary Affairs on the Inspectorate of Government reports for the years 1999-2006. I beg to lay.

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

**MR ODOI:** Permit me too, to lay on Table the minutes of the meetings of the Committee on Legal and Parliamentary Affairs that dealt with this report. I beg to lay.

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

**MR ODOI:** Mr Speaker, the report on page 2 starts with an introduction. I will request that you permit me to skip the introduction and the methodology and go straight to page 3.

**THE DEPUTY SPEAKER:** I would prefer that you give us a summary of recommendations, the findings and recommendations so that the House can take a decision on the report.

**MR ODOI:** Mr Speaker, from the year 1998 to 2013 the Inspectorate of Government has submitted to Parliament a total of 30 reports. The committee still has a big backlog of the reports of the Inspectorate of Government and in this report we deal with the first batch from 1999-2006. On page three, we have general observations of the committee on the reports in question.

The committee observes the following:

1. That when an officer is dismissed from service based on the IGG’s report and he takes the IGG to court, the responsibility for compensation is for the district and not the Inspectorate of Government.
2. That some of the recommendations made by the Inspectorate of Government are difficult to implement; a case in point is the recommendation for the demotion of officers where there are no vacancies below their rank.
3. The law is silent about where two institutions of Government make different findings on the same issue. This is especially the case where the Inspectorate of Government and the Auditor-General make different recommendations and findings. There is need to harmonise these positions on which findings prevail.
4. Some of the recommendations of the IGG are not clear and leave districts in a difficult situation on how to deal with them. An example is where the IGG recommends that appropriate disciplinary action should be taken when in actual sense it amounts to dismissal.
5. Many reports of the Inspectorate of Government have not been considered by Parliament since 1999. As a result, at the time of considering these reports, many of the witnesses could not be traced, some had died and others had retired while some issues had been overtaken by events.
6. During the period covering this report in 1999-2006 neither the Presidency nor the local authorities had submitted the report to Parliament on actions taken on the recommendations of the Inspectorate of Government in accordance with Article 231(4) of the Constitution of the Republic of Uganda.
7. The Inspectorate of Government should be commended for regularly submitting reports to Parliament in fulfilment of its Constitutional mandate.

General recommendations

The committee recommends thus:

1. The Inspectorate of Government should hold workshops and seminars with District Service Commission and other stake holders to share the challenges faced in implementing the recommendations and to find a way forward on how to implement the recommendations.

2) The Inspectorate should stop using vague language in its recommendations; use of words such as “appropriate action” makes it difficult to implement the recommendation.

1. H.E the President should submit annual reports on actions taken on the recommendations by Government in fulfilment of Article 231 (4) of the 1995 Constitution of the Republic of Uganda as amended in 2005, which provides verbatim: “*The President or any local authority referred to in clause (2), shall at least once every years cause a report to be summited to Parliament on actions taken by the President or the local authority on reports submitted to the President or local authority by the Inspectorate of Government for the information of Parliament”.* Similarly, local authorities should do the same.
2. The Inspectorate of Government should be availed more funding to strengthen its fight against corruption, graft, abuse of office and white-collar crime.
3. Where monies are recovered as a result of the IGG’s recommendation, the funds should be remitted to the Inspectorate’s account in Bank of Uganda, rather than be held on Local Government account, where they may be subject to further abuse.
4. Recommendations of the Inspectorate of Government should be acted upon as soon as they are made to avoid the intervention of time and other circumstances such as retirement, resignation and death.

Specific reports

The report for January – June 1999

Fraud in the Compensation of Properties Destroyed During Construction of Mityana-Mubende-Fort Portal Road.

The IGG recommended that the government should immediately pay 167 bona fide claims with evaluated forms. The 125 bona fide complaints, whose evaluation forms got lost, should be compensated with a token of a minimum of Shs 200,000.

The Ministry of Lands should also cause evaluation of 36 unvalued forms of bona fide claimants and immediately compensate them. The committee was informed that the Ministry of Lands does not have any outstanding claims on the construction of Mityana-Mubende-Fort Portal road.

Committee observations

The committee observed that:

1. The recommendation did not indicate the names of the claimants.
2. There are no records at the Ministry of Lands and the Inspectorate of Government about the claimants.
3. The officers who handled the matter have since died and only one remaining was dismissed from the Ministry of Lands.

Recommendations

The committee recommends:

1. That Government should improve the system of record keeping so that such important documents are not lost.
2. Those bona fide claimants should be compensated.

The report for July – December 1999 up to January – June 2002

Hon. Speaker, for the report from July to December 1999 up to January – June 2002, the Committee found no outstanding issues and it is indicated in the report.

The Report for July – December 2002

The Incompetence and Mismanagement of Education Department by District Education Officer in Tororo District

Following complaints and subsequent investigations by the IGG into the conduct of the District Education Officer, Mr Mark Ogutti Were, the IGG recommended that he be dismissed for incompetence and mismanagement of the affairs of the District Education Department. The committee was informed that the District Service Commission mandatorily retired Mr Mark Ogutti Were from the teaching service. The committee noted the action taken.

Irregular Retirement of the Deputy Chief Administrative officer of Mayuge

The IGG recommended that the Deputy CAO, Mr Batamye Julius, be dismissed from the Public Service and the post be re-advertised to enable competent qualified person to be appointed as soon as possible. A total of Shs 3,303,187 be recovered from him, being money fraudulently obtained from the sale of plots and in respect of drawing acting allowances and inflated salary payments.

The committee was informed that the officer, Mr Batamye Julius, took the district council to court and the matter was still pending. The committee was informed that politicians were interfering with the work of the CAO, who is supposed to be in charge of disciplining public servants, together with the District Service Commission. Mr Batamye Julius was retired from the Public Service during the decentralisation of the appointment of CAOs and is no longer an employee of Mayuge.

The committee recommends that Mayuge District takes positive steps to have the case, which has not been heard since 2010, concluded.

Alleged Mismanagement/Embezzlement of Shs 50 million meant for Capacity Building in Tororo District.

The IGG recommended that the District Service Commission takes disciplinary action against the Assistant CAO, Mr Orono Francis Xavier with the view of having him dismissed for misappropriating Shs 13,325,700.

The District Service Commission informed the Committee that they received evidence from Mr Orono Francis Xavier and accountability of Shs 2,500,000 was satisfactory. The officer was reprimanded and an order was made to recover the money.

The Committee observed:

1. That the District Service Commission reduced the IGG’s recommendation from dismissal to reprimand and the amount of fund misappropriated from Shs 13,325,700 to Shs 10,825,700.
2. The recovery had gone well for over five years.
3. The IGG was not informed of the alteration of the recommendation
4. The alteration of the recommendation was setting a very bad precedent, thereby impairing the effectiveness of the Inspectorate

The committee recommends that:

1. Institutions should alter the recommendations made by the Inspectorate of Government as provided in Section 21 of the Inspectorate of Government Act 2002
2. The Institutions should, before making any alterations to the recommendations of the Inspectorate, consult with the Inspectorate
3. Institutions should report back to the Inspectorate of Government on the actions taken by them on the recommendations.

Report for January – June 2003

Rt. Hon. Speaker, the committee found no outstanding issues in the report for January – June 2003

Report for July – December 2003

Abuse of office by the Assistant Town Clerk (Masaka), Mr Kateregga Charles in the award of tenders for the construction of toilets in Kimanya -Kyabakuza Division.

The IGG recommended that the Assistant Town Clerk be dismissed for altering the bid figures for the award of tenders for the construction of toilets in Kimanya-Kyabakuza Division, Masaka Municipality; by altering the construction sum from Shs 22, 850,400 to Shs 24,650,400 without the authority and that the difference used for his personal gain.

The committee was informed that the District Service Commission agreed with the findings of the IGG that the Assistant Town Clerk, Mr Kateregga Charles, wilfully perpetuated financial irregularities intended to cause financial loss. The District Service Commission thought dismissal of the officer, as recommended by the IGG, was too severe since this was his first breach of discipline. The officer was cautioned.

The committee observed that the District Service Commission altered the recommendations of the IGG despite the fact that they had found enough evidence supporting the recommendation. The officer was retired from the Service due to lack of academic qualification in 2005. The Committee recommends that the IGG’s recommendations be implemented without any alterations.

Report for January – June 2004

The IGG recommended that the Town Treasurer, Mr Stephen Mungen,i be dismissed for fraudulently paying Shs 19,460,000 to M/s Mega Engineering Co.

The committee was informed that the District Service Commission advised the Council to recover Shs 19,460,000. Although the Council recommended a surcharge and dismissal, it didn’t follow the procedure of obtaining the Solicitor General’s “No Objection” required by the Human Resource Management Manual for local governments. The District Service Commission therefore decided to recover the money to avoid the district being sued for wrongful dismissal.

The committee observed that several districts have been sued for wrongful dismissal while implementing the recommendations of the IGG. The District Service Commission changed the recommendation of the IGG. There is no evidence showing recovery of the funds as recommended. The Town clerk resigned and became a Member of Parliament. This matter has been overtaken by events. Mr Mungeni was a member of this Parliament.

The committee recommends that in future, district service commissions should promptly implement the recommendations of the Inspectorate.

Alleged Corruption and Abuse of Office by the Town Clerk, Kibaale Town Council, Mr Kandole Simon Peter

The IGG recommended that the CAO Kibaale submits the town clerk of Kibaale to the District Service Commission to be dismissed from office for abuse of public property under his charge; irregular withdrawal of government fuel from a petrol station for his personal use and not following the laid down procedures while processing payments for his ICSA training and burial expenses. A total of Shs 2,140,695 be recovered from him.

The committee was informed that there was no financial loss to recover from the officer because according to the Auditor General’s report on Kibaale Town Council for the financial year 2002/2003, which was the basis of the financial related assets of the IGG’s report, the town clerk had not caused financial loss and had no unretired advances.

The committee recommends that where there is evidence of criminality, the IGG should prosecute rather than recommending the dismissal of staff. The committee notes that where there is conviction against an officer, this tantamount to dismissal.

Two Councillors to vacate their offices in Tororo for Conflict of Interest

The IGG recommended that two councillors should vacate their offices for conflict of interest. The committee was informed that no resolution was brought to the council and the matter was never handled. The committee observed that the councillors lost in the elections of 2006 and were never returned to the council. The then chairperson also lost in the elections. The committee recommends that district councils should in future adhere to the law and implement the recommendations of the IGG promptly.

July to December 2004 - Alleged Mismanagement of *Boda Boda* Tenders in Kampala District

The IGG recommends that contracts of companies that had won the tender be terminated and more competent companies be selected.

Kampala City Council informed the committee that collection of tax on *boda bodas* was halted on the advice of the Solicitor General. Subsequently, contracts for all the companies, which had been awarded to manage *boda-boda* services in the four divisions of Kampala were suspended.

The committee learnt from the new management of the city KCCA that many different measures have been undertaken to streamline the operations of *boda bodas* in the city. The measures include registration of all *boda bodas* and allocation of stages.

The committee recommends that:

1. Kampala Capital City Authority should consult with all stakeholders in an effort to streamline *boda boda* operations in the city.
2. That the relevant parliamentary committee should also take note of this issue.
3. On issues touching the award of tenders, the Solicitor General should always be consulted.

The Existence of Ghost Teachers on the Teachers’ Pay Roll Resulting into a Loss of Shs 328,240,555 in Kiboga District

The IGG recommended that money be recovered from all the 63 teachers who were earning inflated pay totalling to Shs 320,240,555 and the district education officer be disciplined over the occurrence of inflated salaries.

The committee was informed that Shs 174,654,180 has been fully recovered and the recovery of Shs 47,049,469 is on-going.

The IGG exempted four teachers after they had appealed and the amount exempted is Shs 38,648,843. Three teachers died and the amount they owed is Shs 10,792,973 and ten teachers absconded from duty after the issuance of the report with funds amounting to Shs 1,061,045.

The committee observed that the teachers affected by the recovery have sued Kiboga District Council for the recovery of inflated salaries. The original documents of confessions made by the teachers are with the Inspectorate of Government and the evidence of recovery was presented to the committee.

The committee recommends that the Attorney-General- we apologise for the spelling error- joins Kiboga District as defendants immediately since the district was implementing the recommendation of the IGG.

The Inspectorate of Government should avail the confession documents to Kiboga District and submit them as evidence in court.

The district should apply for third party proceedings in case the Attorney-General fails to join them and they lose the case. Since the matter is before the court of law, no further recommendations can be made.

The committee on Local Government Accounts should interest itself in this matter.

Mismanagement of the National Medical Stores and Harassment of the Corporation Secretary

The Inspectorate of Government recommended that the general manager of the National Medical Stores, Mr Robert Rutagi should be removed from office for flaunting procurement regulations while the corporation secretary, now honourable Asuman Kiyingi, should be reinstated in his job since no explanation was given for not renewing his contract.

The committee was informed by the Ministry of Health that the term of the General Manager, Mr Robert Rutagi ended and was never renewed while the Corporation Secretary, hon. Asuman Kiyingi joined politics and is now a Minister of State.

The committee observed that the recommendations were overtaken by events before they were acted upon.

The committee recommends that Government institutions should implement decisions as soon as they are made to avoid intervention of time.

Irregular payments of salaries

Existence of a ghost teacher

Misappropriation of UPE funds by the headteacher of Naluko Primary School, Iganga District.

The IGG recommended that Mr Charles Kyeyago, the headteacher of Naluko Primary School, who received excess salary and maintained a ghost teacher on his pay roll be dismissed and the ghost teacher be removed from the pay roll.

The committee was informed by the CAO of Iganga that Mr Kyeyago Charles and Mr Kitawulwa Abraham the ghost teacher were dismissed and deleted from the pay roll.

Mr Menya the District Education Officer who irregularly appointed Mr Kyeyago Charles was retired in 2009. The committee observes that Mr Menya retired five years after the recommendation was made to retire him in public interest.

The committee recommends that Government institutions should implement the decisions of the IGG as soon as they are made to avoid intervention of time.

Warning of Bugiri District Service Commission for not Following the Right Procedure on Promotion

The IGG recommended that the District Service Commission should be warned for breach of Public Service Commission Regulations on appointment of headteachers and advised to follow the right policy and procedures in place when effecting any promotion.

The committee was informed that the District Service Commission had been advised to follow the right procedures when effecting promotions and the headmaster of Nkiza Primary School who had been promoted without the required qualification was retired. The committee agreed with the action taken by the CAO.

Inflated Payroll of Nankoma and Bugiri Primary Schools

The IGG recommended that the former headteacher of Idokya Primary School be dismissed for false accountability, embezzlement of UPE funds and stealing public funds by signing for the salary of a dead teacher.

The committee was informed that the commission decided to retire the said headteacher in public interest.

The committee agreed with the position of the commission to alter the recommendation of the IGG by retiring him in public interest rather than dismissing him.

From July to December-Misuse and False Accountability of UPE Funds by the Headteachers of Idokya and Bugiri Primary Schools

The IGG Recommended that the Bugiri Primary School Head teacher be Dismissed for Falsely Accounting for UPE Funds.

The committee was informed that the District Service Commission decided to demote the said head teacher, Mr Patrick Mulinda from head teacher grade one school to head teacher grade three school and was severely reprimanded. He was eventually retired from the service.

The committee observes that the District Service Commission enquires into the recommendation before it was implemented for fear of being sued. The committee was satisfied with the action taken.

Inflated Payroll by the In-charge Salaries and Headteacher of Nankoma Primary and Bugiri Primary Schools

The IGG recommended that the in charge salaries, Mr Angube Wilsom and the headteacher of Nankoma Primary School, Mr Maseje Tegike, should be dismissed for inflating the teachers’ payroll and for their involvement in the embezzlement of these funds.

The committee was informed that the headtaecher of Nankoma Primary School was demoted from head teacher grade one primary school to head teacher of a grade two primary school, severely reprimanded and directed to refund Shs 955,676.The in charge salaries, Mr Angube Wilson’s appointment was terminated.

The committee observes that Shs 955,676 was recovered from his salary during the period of interdiction. The committee recommends that the IGG’s recommendation be implemented. The relevant parliamentary committee should follow up on this matter.

Irregular Use of UPE Funds for Payment of Leisure Goods and Overpayment by Shs 987,600 to Ruzidi Enterprises Ltd

The IGG recommends that Bugiri District Administration should recover Shs 987,600 from Mss Ruzidi Enterprises Ltd, which was an overpayment on the supply of 338 lager books. In addition, the district should blacklist the company.

Mss Ruzidi was given one month within which to pay back the money. The committee was informed that Ruzidi Enterprises Ltd was majorly by a one Isabirye Said who passed on in 2000 and the other directors, Nabirye Aeron and Kisangobya Arafat could not be traced.

The committee observed that there was no evidence on record to show that company was ever blacklisted. The committee recommends that the registrar general investigates the status of the company with a view of deregistering it.

Alleged Abuse of Office by the Vice Chairperson LC V Bushenyi District

The IGG recommended that the LC V Vice Chairperson of Bushenyi, Mr Karyaija Benon be caused to vacate office on grounds of breaching Section 6 of the Leadership Code Act and abuse of office through irregular receipt of mileage allowances, which was proof of lack of requisite integrity to hold such an office. Shs 2,103,000 which he regularly received through fraudulent claims be recovered from him. The committee was informed that Mr Karyaija Benon appealed to the IGG and was pardoned.

The committee observes that the evidence of recovery of the money was on record. The committee was satisfied with the implementation of the recommendation and recommends that the query be dropped.

January to June 2005

Mr Speaker, for the reports from January to June 2005 and July to December 2005, the committee found no outstanding issues.

January to June 2006

Recovery of Shs 4,723,527 from Mr Luzige Bruhan for holding two offices at the same time

The IGG recommended that the Chief Administrative Officer of Bugiri, Mr Luke Lukuda, should recover Shs 4,723,527 from the district speaker, Mr Bruhan Luzige and refund it to Mayuge District where he also worked as clinical officer. The committee was informed that full recovery of funds has been made.

The committee observes thus:

1. A standing order had been put on Mr Luzige’s account to recover the money;
2. All the money had been recovered;
3. The money had not been remitted to Mayuge District as per the recommendations of the IGG.

The committee recommends that Bugiri District Local Government works together with the IGG and settles the matter by remitting the money to the Inspectorate collection account in Bank of Uganda for onward transmission to Mayuge District.

Alleged Mismanagement of LGDP Funds by the Former Sub County Chief of Imanhiro Sub County

The IGG recommended that the Sub County Chief of Imanhiro sub county and the sub county casher be persecuted for causing financial loss when they overpaid contractors who did shoddy work under a contract that had been irregularly awarded.

The committee was informed that these two officers had been retired from service as per the 2002 Local Government Restructuring Programme.

The committee observes that the two officials were retired from service which is different from prosecution as recommended by the IGG and that the engineering assistant was warned. The documents were tabled before the committee.

The committee recommends that Government institutions should always recommend the recommendations of IGG as soon as possible. Institutions should also desist from altering the recommendations of the IGG without his or her consent.

The officers who caused the financial loss should be prosecuted as recommended by the IGG.

June – July 2006 – Corruption in Mubende District Education Office

The IGG recommended that Shs 62,821,500 be recovered from the District Inspector of Schools and the four officers involved be dismissed from work.

The committee was informed by the CAO of Mubende that the District Service Commission had retired the four public officers in public interest.

Management resolved to recover the money from their retirement benefits. However, the money has not been recovered because their retirement benefits have not been paid.

The committee recommends that the district implements the IGG’s recommendations it was given.

July to December 2006

The committee scrutinised these reports and found no outstanding issues.

Conclusion

Mr Speaker, this report covers the IGG’s reports to Parliament for the period 1999 to 2006. The committee is currently scrutinising the IGG’s reports from 2007 to 2013 and will submit its report on these issue in due course. I beg to report.

**THE DEPUTY SPEAKER**: Thank you very much, chairperson of the committee for presenting a very elaborate report on a matter that has been outstanding and which was not giving us a very good image because the reporting of the IGG is a constitutional requirement and it makes it a constitutional requirement for this House to look at those reports and take decisions.

Well, given the time that has passed and the recommendations are generally around the same things; implementation of the recommendations of the IGG being done in a timely manner and some of them lacking quality in the sense that the wording could not give proper guidance to the implementers; actions by institutions of Government on recommendations from the IGG are sometimes altered without recourse to the people who authored them; the role of the Attorney-General in some of the cases where civil suits have arisen against districts based on recommendations from the IGG and then the districts end up paying. Those are some the key recommendations that kept on revolving through the period.

Honourable members, I do not know how you want us to proceed with this because there is another pending report that is coming on - how many more years? From 2000 to –

**MR ODOI OYWELOWO:** 2006 to 2013. Eight years.

**THE DEPUTY SPEAKER:** For another eight years?

**MR ODOI OYWELOWO:** Yes.

**THE DEPUTY SPEAKER:** My thinking was that we could wait and then receive the whole lot and put them together and then have a discussion on them because then, we will not have to debate it twice. That would have been my guidance on how to proceed on this matter.

4.26

**THE OPPOSITION CHIEF WHIP (Mrs Cecilia Ogwal):** Just before you put the view that you are raising to vote, I was proposing that we need to come up with a better method of work because the report was like one was reading a history book. People who had been convicted and had abused the office later on became Members of Parliament and even go – I mean all this is like an abuse of power and a very serious matter.

If this institution is to help the IGG to fight graft, it is important that we should maybe now focus on 2012 and 2013 so that it will have an impact on what is going to happen from 2014 and 2015 and then we can work backwards if we want. Really, what would you want Parliament to do for all these reports? There is nothing.

So, I am just pleading with you – I have just looked at this one, the Inspectorate of Government for the year 1999. Mr Speaker, I have tried to catalogue it but – you can laugh because it is like even the committee was at loss to present the report to us. They would say that the IGG recommended this and that is where they ended. They did not say what they did as a committee? Nothing. They were silent. They are at a loss as to how to proceed and it is our responsibility to guide the committee appropriated and we make sure that they proceed with the latest report which is 2012/2013 which we hope will have an impact. Whatever recommendation that will come out of this will have an impact on 2014/2015. That is what I hope.

Secondly, the committee should go beyond the IGG report. There are times when the IGG makes specific recommendations. The committee did not help us to find out whether the recommendation was implemented or not. I have done my own sketch just on one year of 1999 which I read from cover to cover and I did an analysis for you.

**THE DEPUTY SPEAKER:** Did you read the inside?

**MRS OGWAL:** Yes, I am giving you page by page. I thought that reading the whole report would be wasting my time and it is a laughable matter. It is not their fault as the work is immense and you also know that from the PAC Report, for example, we want to look at PAC reports and we want to find out what course of action was taken; either to recover the money or to punish the culprits. But in this case, what do we do? Nothing.

So, we need to come up with a better working method and that is why, Mr Speaker, I want to move a motion, if you would allow me that we focus on the report of 2012/2013 to make the work of the committee better and to help us take proper action in dealing with the culprits and the graft. I thank you.

**THE DEPUTY SPEAKER:** Honourable members, why I was proposing this, is because there are general recommendations that are cutting across the whole period and are likely to come again in the next set of reports for the following eight years. Maybe the committee could help us extract those general ones so that we see how to make decisions on that and then we move to the very current ones and see whether those changes have been made in what we have seen in the past. That is, we use the past as a resource for the future. That is what I was proposing. But we may first need to deal with this report and adopt it and then move forward. Yes, Leader of Government Business.

4.30

**THE MINISTER FOR GENERAL DUTIES (Office of the Prime Minister) (Prof. Tarsis Kabwegyere):** Thank you, Mr Speaker. The proposal that was given by the chair is a commendable one. He pledged that they are working on the same and in the following seven years, as you proposed, we have a full story of the period. We go through the report and make sure that the challenges that are repeated are addressed so to speak.

Institutional building is a lot more than just focusing on two years as if you are looking for immediate action. It is good to have the history and the challenges that the institution has faced and see whether the recommendations have been implemented and if not, why. I think that will give us a new basis of getting up to date and when we get to 2013; the next report will be covered sooner than those that have been covered. I believe that your solution is better.

4.31

**MS ALICE ALASO (FDC, Women Representative, Serere):** Thank you, Mr Speaker. It will reach a point where this Parliament will have to make a very difficult pronouncement.

The issue described by the chairperson in the Report of the Inspector-General of Government is similar to the issues in the accountability committees.

Mr Speaker, it will reach a point where we will have to decide to make a cut off. I am a historian and I love history, pick from the past and inform the future but these are issues of personal accountability. Most of the time, if you go on doing reports of 2002 where the Accounting Officer retired, died or migrated and you want to hold him personally accountable, it is an exercise in vain.

So, we hope that, Mr Speaker, you will find it proper at some point to direct people who deal with such reports like the accountability committees to become current and then probably require of us the chairpersons that by the time we move towards the end of our term in a committee when this House reviews, you also require that we give an update on what we did with the present report because if we do not do that – we are there in PAC and my colleagues can attest to you about doing things of the 2000. It is okay but how does it help the House? Even the Executive is not taking us seriously because we are recommending things of 2009. We improved on this and they said that they were on something called IFMIS and so all our recommendations are in vain and not helping. I would implore the House to just help us cause a cut off and direct that we become current and that will help this country. I thank you.

**THE DEPUTY SPEAKER:** There are two aspects of this cut off because for PAC, for example, you do basically the query. There should also be a level of queries that you should not engage in: for example, you should not go into the loss of Shs1,000 but start from a certain level and use that high level to send the fear of God into the other people’s hearts. If you are going to deal with even Shs1,000 and you go to the district to find out what had happened with that Shs1,000, then it is a lot of work. So the cut-off has got to be balanced in both terms of years and what we should focus on doing so that we can make sure these accountability issues are dealt with.

4.35

**THE MINISTER OF STATE FOR NORTHERN UGANDA (PRIME MINISTER'S OFFICE) (Ms Rebecca Amuge Otengo):** Thank you, Mr Speaker. If you have ever sat in the accountability committee and probably led it, you would understand what hon. Fox Odoi said. Mr Speaker, we have two or three levels of the institutions that we must deal with, but let me handle two.

One is the institution of the IGG and the second one is ours here. By the time the report reaches this Parliament, I would like to let you know, Mr Speaker, that most of the recommendations would have been overtaken by events yet resources would have been lost and because we don’t follow them so fast and we always look at the post mortem, they take us for granted.

But, Mr Speaker, it even brings me to the area of the local governments’ accounts that we have been handling here. I want us to think of how we are going to proceed. Hon. Cecilia Ogwal, today you saw the ones you brought but remember we have those of the sub-counties. But the bottom-line of why we look at these reports is to work better and to save some resources but sometimes we end up spending more resources and we don’t even save any because all the issues we are handling have been overtaken by events.

And let me tell you that even some of the officers of the IGG have chosen now to work with those suspects to get even further the little money we have especially in the local governments and they use it because they are not going to be caught and it will take a long time. You are talking of 1999 to 2014. What do we want to achieve?

Like my Leader of Government Business has said, we are building institutions so that we work better. We work better to save the resources. You are not going to save the resources from somebody who has died and maybe he has won even the quest posthumously. What are we going to do? Let us look at where we can still save resources so that we give services to our people. I thank you, Mr Speaker.

4.38

**MR LATIF SSEBAGALA (DP, Kawempe Division North, Kampala):** Thank you very much, Mr Speaker. One of the recommendations that hon. Fox Odoi raised and I stand to be corrected was that the IGG should always present the reports in time; that the IGG as an office should do their work and present their work as per the constitutional requirements.

So, Mr Speaker, why are we taking long? If the reports are presented to this august House and they are forwarded to the relevant committee, why are we taking long to present a report five years after it was investigated?

Mr Speaker, in some areas where we feel that we need to save public resources, we should think about having special committees that handle specifically those areas. Often times, committees are busy with other work and that is why we always delay and we are presented a report which has been overtaken by events. Should we not think about having a special committee to handle any report that comes from the Office of the IGG? And this reminds me of not only these reports but even petitions. We have lost interest in petitions.

Mr Speaker, I presented two petitions four years ago and now Parliament is left with one year. People are demanding what happened; I have no words. The issue is not only on our reports but even the petitions. You present a petition and perhaps Parliament prevails that these houses shouldn’t be demolished but by the time the report is brought to the Floor, the houses have been demolished. So, by our Rules of Procedure, a petition takes 45 days but that is not the case; it is taking more than three to four years. So, something must be done, Mr Speaker.

4.41

**MR JOHN MULIMBA (NRM, Samia-Bugwe County North, Busia):** Thank you very much, Mr Speaker and I want to thank the Committee on Legal and Parliamentary Affairs for a job well done. I entirely agree with the proposal that you have put across and also, I want to agree with hon. Cecilia Ogwal that we cut out and deal with those issues that will help us redeem what has gone wrong and then work backwards.

I also agree with you on calling upon the committee to highlight the contradictions because in hon. Fox Odoi’s presentation, there were a number of contradictions which arose especially as far as enforcing the recommendations of the IGG and I would like to restrict myself to enforcement of recommendations of the IGG or directives at local government level.

There has been noted consistently across the board a failure to implement the orders of the IGG to the dot where probably the service commission has deferred and I want to agree with the various local authorities who have had those deferments for this year, and this is where I want to call upon the committee to help us to dissect the whole report and come out with proposals where we can cure; if we have contradictions in the law, we should provide who should bear the cost.

Whereas the IGG is given powers under Article 230 and also given these powers in extra ordinary terms under section 14 of the IGG Act, clause 5, I wonder why again it should be the IGG recommending to local authorities to implement because under section 14(5), the IGG is conferred upon powers to arrest, cause arrest, prosecute and cause prosecution, investigate, cause investigation all those –*(Interruption)*

**MR KAWUMA:** Thank you, Mr Speaker. Inferring from the submission of members including my brother who is currently submitting, you had guided that the chairperson presents a report and then he also presents the other part and we look at these two submissions concurrently because it is like we are debating the details of particular issues.

Mr Speaker, are we procedurally moving in the right direction as you had guided because we seem to generally agree that we need to start operating with the current report from the committee.

**THE DEPUTY SPEAKER:** Thank you. Honourable members, you see, the same kind of situation we faced with reports from the district public accounts committees - what the law says and what is being done is actually the same with what is happening with the report from the Inspectorate of Government because there are supposed to be two levels of reporting.

The first level is where the report of the Inspector General of Government is sent to Parliament but the extract on what requires action is sent to the President, and where it involves the district, it is sent to the district for them to implement. That is what the constitution says.

Now, the President and the district should every year inform Parliament about what they have done about those reports that have been sent to them for action; but we have not been receiving this. So, somebody has got to start doing this for us so that we deal with raw report that we have received directly from the Inspectorate of Government and the extract from the same report on action taken by the President and the district. So that we look at both and then see that, well, on this, this action has been taken; on this, this action has been taken, so that we can expeditiously handle this.

But we cannot go and start handling this thing from scratch. We need this extract, actions taken on them already by the president and by the district, then when it comes here, it is easier. It is like with the Local Government Public Accounts committee report. We receive a copy here but what the law anticipated was that those reports from the Public Accounts committees of the district, would go to the minister who would put them together and bring them to Parliament; so that Parliament can use the other reports and compare the two and take decisions on them.

But now we are forced to even go and do work, which public accounts committees from the districts have already done. We go and re-do them and things like that. So, it is this kind of implementation difficulties that is causing all this backlog and problems and we seem to be going outside what the law had anticipated and that is why we are ending up in these problems.

So, that is why my proposal was there are general red threads that run through all the recommendations that are being made, maybe those are policy issues that we need to pronounce ourselves on at an appropriate time. But then there are those specific issues, somebody else should already have worked on them, the President should have worked on them, or people who implement decisions help the President in implementing some of these things, and the district should have already worked on them.

So, what we should be looking at, instead of saying they have been overtaken by events, say the following actions were taken by the President; the following actions were taken by the district. That is what this Parliament should be looking at. That would help us but the way it is now, we are still trying to see how the laws are going to be implemented properly to save every institution and give them their fair share.

So, the way we should proceed, because this one has raised issues, but it is as the chair said, it is not the whole story. So, are we going to discuss half the story and wait for another time to discuss the other half, or should we put them together when they report finally and then we dispose them off and then we see how current we can become? That is what I was proposing.

3.48

**MS ALUM SANTA (UPC, Woman Representative, Oyam)**: Thank you very much, Mr Speaker. I agree entirely with the suggestion you have brought forward but my only challenge is, or what I would like to know is, when will this report, this current one come before this Parliament? Because as you look at some of these things, there is already something like a foundation of abuse of office which is so general, which runs from year 2001 to 2016; they will really follow that kind of guideline. For example, when the town clerk abused an office, and then he was recommended for dismissal; you find that the PAC did not do due diligence. Why? Because, first, the district PAC itself has a problem because of the way they are appointed. Their appointment is by the political wing and for that matter, they pay their allegiance in what they are doing towards that; even the money that they use. This becomes a very big problem that we must undo and it is really a general problem.

Even the recommendation of the district not taking the advice of the IGG, this in itself is also general because the district, for example, will fear to act on the recommendation because there is fear of court cases.

Mr Speaker, I would like to assure you that very many districts are choking in cases. So, for me, I would like to know when exactly this case is coming because we are faced with a very big problem as far as corruption in local government is concerned. Thank you.

3.50

**MS FREEDOM KWIYUCWINY (NRM, Woman Representative, Zombo):** Thank you very much, Mr Speaker. I respect your ruling and I also agree that we should eventually get the report from the district local governments and also from the President. But as we are required to discuss the affairs of the IGG, I thought this particular report should centre on their performance as an institution looking at what they have done, what they are doing and the challenges and the achievements they have made.

So, I expected in this report, the committee to give us the cases; the issues the IGG has been handling; how many of them, the category of them without going into the details of which local government has implemented which recommendation.

I also get worried when I hear from the report that the IGG recommended this and this, but the local governments or the District Service Commissions thought it was too harsh and then they did not implement it, or they did something else, or they did not do it in time. That worries me and I ask myself, is the IGG as an institution relevant? I think that is what we should be looking at and if it is not, then we should look at ways of how to strengthen the IGG office to implement the activities or the objectives for which it has been implemented. Thank you.

**THE DEPUTY SPEAKER**: Can we finish with the member for –

**MR MULIMBA:** Mr Speaker, I was about to move on a point of procedure because guidance was given and then you opened up debate and I thought – my contribution whereas I agree with your guidance, I thought we would simply cut out issues which are critical for us to deal with in as much as we wait for the other reports which are going to keep us up to date and I was saying one of those, if you looked in the report, is implementation of IGG directives by local authorities; failure to implement them on the dot and I wanted to think that their fears were premised on one ground.

Whereas the IGG has powers to cause arrest, cause prosecution and so forth, when action has been taken by the district local government, it is again the district local governments which are taken to court. Could the Committee on Legal and Parliamentary help us to find out whether there is any discord in the law as to whether it should not be the IGG who should be taken to court or Attorney-General.

Also, one of the issues which are very outstanding in the report is that whereas Article 119 provides for Attorney-General to represent all government bodies, agencies and authorities, in many cases, like we have seen in the report, when districts are dragged to court, the Attorney-General is reluctant to join.

Now, I have even seen a recommendation by the committee that they can actually source out independent legal attorneys to represent them. So, if there is this contradiction, if I got it right, I will get clarification from the chairperson, then we had better get these clearly cut out for our discussion and recommendation where they lead to amendment of the law in order to deal with those ones that we are handling posthumously. But then we cut out the proposal by hon. Ogwal and we deal with those which are current where we can have salvation and salvage some of the issues that have been identified.

I wanted to highly second the motion but also I agree with you, Mr Speaker, on your suggestion and also further propose that if that can be taken on, we close this debate and wait till then. I thank you.

**THE DEPUTY SPEAKER:** Honourable members, there is no better way than to do this thing the way we have proposed because we will have these same speeches when the next batch of the reports comes; the same, I can bet on this. So why don’t we wait and deal with them altogether and take all those decisions at once? We have received the report which has been presented - so that is what I had proposed. The chairperson had said he was going to give us a timeline; when do you think the next ones are coming?

**MR ODOI:** Mr Speaker, the committee is currently dealing with 16 reports; the IGG submits two reports per year. For eight years, we have 16 reports, and I can guarantee, we should be ready by the time we break off for recess in December. Best case scenario, next month, but by December they will all be before the House.

**THE DEPUTY SPEAKER:** No, because you see, we need to have those so that we can take very well informed decisions and give guidance for the future.

**MR ODOI:** Mr Speaker, can we work within a month and we report back to the House?

**THE DEPUTY SPEAKER:** It is up to you, Chairperson.

**MR ODOI:** Thank you.

**THE DEPUTY SPEAKER:** So, hon. Members, can we move and put this; we have received the report, can we defer the detailed debate on this matter and then come when the whole comprehensive thing is together? Then we will debate them at once and take a decision on all recommendations that have been given and also give our ideas on the way forward on this. Would that be proper? Do I need to put a question to that? It is so ordered that we defer debate on this matter and then come when everything is with us and we have the general debate on this issue. Thank you.

PRESENTATION, CONSIDERATION AND ADOPTION OF THE REPORT OF

THE COMMITTEE ON TOURISM, TRADE AND INDUSTRY ON THE PETITION

BY THE UGANDA SUGAR MANUFACTURERS ASSOCIATION

4.57

**MS FLAVIA KABAHENDA (NRM, Woman representative Kyenjojo)** Thank you very much, Mr Speaker. I am here to move a motion for the adoption of the report of the Committee on Tourism, Trade and Industry on the petition by the Uganda Sugar Manufacturers Association.

In accordance with rule 29 of the Rules of Procedure, a petition on behalf of Uganda Sugar Manufacturers Association was presented by hon. John Mulimba, the MP of Samia Bugwe County North on 26 September 2013. The petition raised challenges faced by sugar manufacturers in the sugarcane growing regions of Uganda.

The key issues of concern were the operationalization of the national sugar policy; enactment of the sugar control law; the inadequacy in the regulatory framework leading to full distortion of the sugar industry; the zoning effect of the 25 kilometres radius and the 50 kilometres radius between the two factories within which each factory will use 30 per cent of its area for sugar cane and the remaining land for food security and other activities.

The petitioners prayed that Parliament urges Government to honour and implement the national sugar policy. They urged Government to expeditiously formulate a Bill to operationalize the national sugar policy into law.

In the methodology, we conducted visits to the sugar cane growing regions to assess the situation. We visited Kakira and Mayuge in Uganda and Mumias Sugar Company in Kenya.

The committee also held a number of meetings with the Ministry of Trade and with Members of Parliament from Busoga region. I would like to lay on Table the file which contains a copy of the report from the committee; a copy of the minutes; a copy of communication from H.E the President of the Republic of Uganda and a copy of the court ruling. I beg to lay on Table.

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

**MS KABAHENDA:** Mr Speaker, I don’t know if time will allow me to read the whole -

**THE DEPUTY SPEAKER:** Time will allow you read the recommendations.

**MS KABAHENDA:** Thank you so much, Mr Speaker. On the visit to Kakira Sugar Works Limited in Jinja District and Mayuge Sugar Works Limited in Mayuge District, the background was that the committee received a letter dated 10 July 2013 written by H.E the President of Uganda, directing the Minister for Trade, Industry and Co-operatives, hon. Amelia Kyambadde, about the state of the sugar industry of the country.

In the letter, the President noted that the failure to implement section 4.2, sub-section (1) of the national sugar policy which stipulates that companies should be located within 25 kilometres radius was undermining sugar factories which have supplied Uganda with sugar for the last eight years.

That it had led to artificial prices of cane, the food crisis in Busoga and was undermining Uganda’s competitiveness in regional market, namely: Common Market for Eastern and Southern Africa (COMESA), the East African Community and Southern Africa Development Co-operation. The President directed the minister to:

1. Direct sugar factories located in the zones of the existing ones to scale down their operations to the initial tonnage.
2. That if not, they relocate to their own zones with the government paying the relocation cost.
3. That no new factories should be set up in the zones of existing factories.

On the 3 September 2013, the management of Kakira Sugar Works Limited met the committee on Tourism, Trade and Industry at Parliament. During the meeting, the management of Kakira Sugar Works Limited informed the committee of the operation of the sugar factory and challenges faced, specifically the problem of Mayuge Sugar Industry being located near Kakira.

Kakira claimed that although Mayuge Sugar Industry was located less than 25 kilometres radius as opposed to mandatory 25 kilometres radius, which is stipulated in the sugar policy, it continues to expand without starting its own sugar growing field as required in the policy and they encroached on the Kakira Sugar cane growers. The section and the sub-section of the national sugar policy which Kakira claimed to have been violated by Mayuge Sugar Industry is section 4.2, sugar cane growing areas.

In order to harmonise cane growing, it is absolutely important that established and new sugar mills have sufficient acreage to grow and expand their operation depending on the geographical distribution and the availability of areas for sugar cane cultivation. This should also take into account self-efficiency in food crop production as well as environment sustainability. Specifically, the following policy measures will be applied:

* Sugar cane growing shall be planned within a radius of 25 kilometres.
* New sugar mills shall not be licensed within 25 kilometres radius of existing mills.
* Thirty percent of the area within this area shall be used for cane growing and the remainder of the land be reserved for food security and other activities. This cane radius will enable the factories to expand and enjoy economies of scale.

Government through Uganda Investment Authority shall issue licenses to new sugar factories with a nucleus estate of 500 acres of sizeable land to enable the factory to financially break even to grow cane and produce sugar.

In addition, Kakira Sugar Works Limited and Mayuge Sugar Industry have been embroiled in several court battles over the issue and the court has always cleared the latter. It is against this background that the committee on Tourism, Trade and Industry visited Kakira Sugar Works Limited and Mayuge Sugar Industry.

The objectives of our visits were to get detailed information about the operations of the two sugar factories to find out if Mayuge Sugar Industry violated the sugar policy as was alleged by Kakira Sugar Works Limited, to find out the effects of sugar production on the community of Busoga and their livelihood.

The methodology, in pursuit of these objectives, we undertook field visits to the two sugar factories and these provided members with practical and on spot insight into operations besides understanding what was discussed during the meeting. We held meetings with the officials of Kakira Sugar Works Limited.

We reviewed the following documents: the Sugar Policy, 2010; His Excellency Yoweri Kaguta Museveni’s letter dated 10 July 2013 to the honourable Minister of Trade and the minutes of a meeting held on 3 September 2013 with the officials of Kakira Sugar Works at Parliament and the several court documents.

Four, the committee also visited Mumias sugar corporation in Kenya to benchmark on the following areas: The good practices in sugar industry, the Kenya sugar policy and the challenges faced by the sugar industry.

Our findings on Kakira Sugar Works Limited

Kakira is the leading sugar producer in Uganda having started operations in 1933. The company produces 150,000 tonnes of sugar annually. This is more than half of what the other sugar manufacturers produce.

One, a total of 18 per cent of Kakira’s estates that is 196,429 hectares is used for sugar cane growing while the rest of the land has forests, 18 per cent, human settlement, roads and infrastructure cover 20 percent, water body 22 per cent, and other agricultural activities, 22 per cent.

Two, the sugar manufacturer has 783,249 unaided farmers and 482,825 aided farmers living on the estate. Aid to farmers is provided in form of agricultural equipment, seed cane, agro chemicals, fertilizers, extension workers (90) and the sugarcane technology. The out growers or the unaided farmers have been developed for over 20 years. The estates at Kakira bring in over 50 percent of the sugar cane.

Three, Kakira pays a total of $40 million that is about Shs 100 billion to the exchequer in form of tax.

Four, the company’s corporate social responsibility activities include employment of 7,500 workers and 8,600 farmers. Employment for 100,000 direct and indirect workers, 3,400 housing units, water supply, 13 schools for children of 4,200 employees, electricity, telephone services, road maintenance, 100 hospital beds and two clinics plus an emergency ambulance.

Six, in addition, Kakira Out-Growers’ Rural Development Fund was established in 2007 for farmers and has a portfolio of Shs 3 billion. The contribution for each farmer is based on the tonnes of cane delivered. The fund has provided infrastructure in 17 sub-counties.

What we observed in Mayuge

1. It was reported that a total of 7.6 megawatts and 10 million litres of ethanol are produced by the factory.
2. Mayuge has 7,000 out growers, more than 250 registered vehicles; 10,000 direct and indirect beneficiaries. The company’s agricultural activities fund more than 25 sub-counties. Farmers who have plantations are offering ploughing, ridging, fallowing and seed cane supply services.
3. Farmers are given Shs 300,000 per acre. They get free fertilizers, bio gas, press matt and technical advice. There are also talk shows on radio targeting farmers.
4. Mayuge sugar has, as part of social responsibility, built a police station at Bufulubi, which contributes monthly to road maintenance. It supports non-governmental organisations like Ravo and Babies home, pays school fees for students, discharges zero effluent because it recycles water with zero effluent, drills bore holes, helps deaf and dumb persons and trains internship students.
5. The company plans to build a paper making plant to save the country’s foreign exchange, which is spent on importing paper.

Mumias Sugar Company has undertaken and commissioned both diversification and vertical integration projects to drive its competitiveness. These include:

1. Sugar production: This factory produces approximately 300,000 tonnes of brown sugar per annum, which is sold locally to the Kenyan market.
2. Power generation plant: 34 megawatts of electricity is generated from bio gas with 26 megawatts sent to the national grid. This electricity is enough to supply the whole of western Kenya.
3. Ethanol distillery. With a capacity of 22 million litres of extra neutral alcohol, 60 per cent is exported to Uganda, DRC and Tanzania while 40 per cent is sold locally; the biggest client being the East African Breweries.
4. Water bottling plant. This factory produces Mumias spring mineral water distilled from the diffused factory water. To ensure quality of the water, there are periodic tests that are done before the product enters or leaves the factory and this must be in conformity with the Kenyan national bureau of standards. Various projects and initiatives to drive productivity at both farm and factory level were also told to us.

The company also contributes over KShs 2 billion to the exchequer in form of taxes. With a turnover of over KShs 15 billion, the economy enjoys a stable circulation of cash, which has kept business running spurring economic growth in the region.

The committee observed the following as some of the initiatives being undertaken by Mumias Sugar Company; Mumias Sugar Company agreements and financing of out growers. Mumias makes long term agreements with potential out growers within a 40-kilometre radius. Mumias provides services of land surveying, ploughing, agricultural extension advice, seed cane and fertilizers. It does a periodic monitoring of the sugar cane growth.

Mumias Sugar Company on food security

Sugar cane maturity takes between 18 to 20 months hence relying on cane growing as a source of income to purchase food and other domestic needs is not reliable.

Food crop production

The company has integrated cane growing with crops like maize and soya bean varieties that can grow alongside the cane when it is still young.

Heifer projects

Out growers are given exotic heifers for milk production, for consumption and earning income. The feeds for the cows are got from the crushing of cane and maize stock by automated sharp cutter.

Bio gas project

Farmers are facilitated in the construction of bio digesters, which use cow dung to generate cooking and lighting gas. This reduces forest degeneration and pressure on the forests due to high demand of wood fuel.

Mumias Sugar Company and corporate social responsibility

The factory facilitates the three best performing primary schools and one secondary school. It offers scholarships to best and needy students shared in the workers over out growers’ ratio. It has built classrooms in farming zones. It has engaged in tree planting and environmental education. It funds St Mary’s Catholic Health Centre that provides maternal health services and HIV/AIDS treatment and awareness.

It participates in disaster management like floods and sponsors national music festivals and regional sports leagues.

Challenges facing the sugar industry in Kenya were:

1. Full liberalisation of COMESA in 2015.

Mumias Sugar Corporation has been granted a one year extension.

1. Illegal sugar importation.
2. Land tenure system. There is a lot of sub division of small holdings.
3. High cost of inputs.
4. Low crushing capacity. This is due to encroachment of its out growers by competitors.
5. Low productivity at farm and factory level.
6. Socio-economic factors at farm level.
7. Policy issues, the Sugar Act and the bio fuel legislation require review and amendment.

Observations and Recommendations

Alleged violation of the National Sugar Policy

Kakira Sugar Works accuses Mayuge Sugar Industries of violating the National Sugar Policy by setting up a factory within a radius of 10 kilometres from its location yet the sugar policy stipulates that factories should be located within 25 kilometres of each other. The land is so limited that 1.5 kilometres South of Kakira is Lake Victoria and the urbanisation in towns like Mbiko, Jinja and Iganga has affected expansion.

The committee observed thus:

1. That the 25-kilometre radius was not adhered to by Mayuge Sugar Industry when it was being set up yet it continues to expand without starting its own sugar growing fields as required in the policy and thus encroaching on Kakira Sugarcane growers
2. Mayuge Sugar Industry started operations before the sugar policy was enacted on 2 November 2005. Mayuge Sugar Industries was given a licence No. SSD/10490/43832 by the Uganda Investment Authority to manufacture sugar and related products.
3. There was no coordination between the policy organ at the Ministry of Trade and the licensing body, Uganda Investment Authority when doing their duty.
4. That the capacity of Mayuge Sugar Industries is to generate about 7.6 Megawatts. However, they are not producing to that capacity because they are selling some of it.
5. The ethanol plant is not operational.
6. The beneficiaries both direct and indirect were estimated at 10,000 people.

The committee recommends thus:

1. The Ministry of Trade expedites the process of reviewing the 1939 Sugar Act and operationalizes the National Sugar Policy.
2. The Ministry of Trade should take the lead in issuing licences to industries but this should be done in consultation with the relevant authority.
3. Sugar manufactures who purchase sugarcanes from farmers aided by other manufacturers should be deregistered.
4. Government and the Sugar Manufacturers Association sit at a round table to discuss the matter as per the court judgment and the directive of H.E the President of the Republic of Uganda.

Observations

Competition for out growers: Kakira reported that the out- growers who used to supply it have shifted allegiance to Mayuge Sugar Industries because it pays Shs 83,000 per tonne of sugarcanes, which is higher than what Kakira pays.

The inability of out growers to supply sugarcane to Kakira Sugar Factory has forced it to produce below capacity.

1. Kakira Sugar works has invested a lot of money in aiding out growers by training them in modern sugarcane growing and have provided them with the necessary input.
2. Much as Mayuge Sugar Industries pays higher for the sugarcane from out growers, the value of the services provided by the Kakira Sugar Industries like hospitals, schools, electricity and the other corporate social responsibilities exceeded Shs 83,000 paid by Mayuge Sugar Industries.
3. Besides the facilities and services provided to the communities around Kakira, the management of Kakira Sugar annually offers scholarships to Ugandans in institutions of higher learning. However, the MPs from the Busoga region informed the committee that it does not benefit much from that scholarship. The committee was further informed that the scholarships were not from Kakira Sugar but from the Madhvan Trust Foundation.

The committee recommends thus:

1. Mayuge Sugar adheres to the sugar quality and sets up a minimum of 2,000 acres of sugarcane that are required of a sugar factory before it begins operations.
2. That Kakira signs a binding agrseement with the out growers so that they cannot sell their sugarcanes to Mayuge Sugar Industries.

Land Crisis and food shortage

The committee was informed that many of the indigenous people who own land have hired out to middlemen especially Kenyans at a rate of Shs 200,000 per acre for four cuttings and Shs 600,000 for two acres. This takes between eight to 10 years.

In addition, some foreigners who have lived in Uganda for long have acquired land yet Kakira had discouraged farmers from giving away their land. Hiring out of land at unfavourable rates has made the locals landless, exacerbated Uganda’s land problems and made food production hard.

The committee was informed that the people of Busoga had abandoned food crops for sugarcane growing and hired some of their land to Kenyans to grow sugarcanes, a situation that has led to widespread famine. This is in contravention of Section 4.2, (7) of the Sugar Policy which stipulates that in expanding cane growing, the millers shall ensure that food security in their respective areas is guaranteed.

The committee made the following observations:

1. That the issue of husbands hiring out land without consulting their spouses and ownership should be looked into seriously; taking into consideration the rate at which the Busoga sub-region was faced with the challenge of food shortage and women and children not having a say on land matters.
2. Sugarcane growing as created by a number of social problems in the region, notably the exploitation of vulnerable groups like the widows and older persons by people whose land is sometimes grabbed, domestic violence whereby men wish to use all the land for growing sugarcanes yet women want some land left for growing food crops. Child neglect and child labour were some of the common social problems.
3. Mumia Sugar Company emphasizes food security by integrating sugarcane growing with food crops, diary production and biogas technology for out growers.

Recommendations

1. The responsible authorities investigate how foreigners are acquiring land in these areas without getting leases as provided for in the Land Act of Uganda and the Constitution.

b) Section 4.27 be adhered to and enforced to ensure food security in the region.

1. Government spearheads initiatives in sugarcane growing areas like integrating sugarcane growing with food crops, diary production and biogas technology to out growers since sugarcanes takes a long period to mature.

Power Generation Prospects

Uganda’s installed power capacity is 800MW, which is sufficient to meet the current demand. However, after 2014, the country will return to load shedding unless there is generation of more power. Kakira produces 50 MW of electricity and sells 32 MW at the national grid. However, the power purchase agreement is not favourable for them because the company sells each kilowatt per hour at Shs 0.081 dollars compared to other electricity generators who are paid more money.

The following table shows what the other power suppliers are paid: Hydro Bujagali – $0.120; Mini-hydro Bugoye – $ 0.137; Mini-hydro Buseruka - $0.131; Heavy fuel Jacobsen – $0.279; Heavy fuel electric, $0.40, Bagak Con Kakira - $0.081.

Observations

1. Kakira has the capacity to produce more power than it generates but it feels cheated by the amount paid for its supply to the main grid compared to other power generators.
2. Kakira plans to invest $75 million – and that is about Shs 187.5 billion in HP Boilers which are used for the generation of power; and
3. Power generated by Kakira Sugar Factory alone is capable of providing electricity to the whole of the eastern region of Uganda.

Recommendations

The committee recommends that Government considers paying other power generating players such as Kakira Sugar Works a reasonable price – at least $0.120 per kilowatt per hour to encourage them to produce more power and supply it to the main grid to minimise the problem shortage.

Employment: The observation that the committee made on Mumia Sugar Industries is that it employs 99 per cent Kenyans. Foreigners are hired for three months renewable contracts as experts on condition that the services they offer cannot be offered by the indigenous Kenyans.

Recommendations

The committee recommends that Uganda puts more emphasis on technical skills development in order to compete favourably with the other East African partner states in employment.

Environmental Management

The committee observed that Mumias Sugar Company practices better environmental management initiatives by giving free tree seedlings, planting forests, safe disposal of solid waste and particularly producing coal generated electricity. These are very good practices for sustainable industrial development.

Recommendations

The committee recommends that good environmental practices be adopted, implemented and enforced in Uganda to save the future generations from the effects of environmental degradation.

Conclusion

Mr Speaker, the conflicts in Uganda’s sugar industry are not limited to Kakira and Mayuge but cut across the entire sector and throughout the region of Busoga calling for permanent solutions that will cater for the interests of all stakeholders. The stakeholders include the out growers, the sugar manufacturers, the government, surrounding communities and all Ugandans because they are all consumers of sugar. Mr Speaker, I move that the report be adopted.

**THE DEPUTY SPEAKER:** Thank you very much. Honourable members, the motion is that the report of the Committee on Tourism, Trade and Industry on the petition by the Uganda Sugar Manufacturers Association be adopted. That is the motion proposed for your debate and it starts now. We shall limit the time to three minutes.

5.27

**MS KABAKUMBA MASIKO (NRM, Bujenje County, Masindi):** Three minutes is too short. Thank you very much, Mr Speaker. I would like to thank the committee for the work that they did. But I do not know whether the Uganda Sugar Manufacturers Association is only in Busoga because the chairperson kept on referring to the sugar growing areas in Busoga and Mumias sugar growing areas.

But I want to bring it to the attention of the chairperson and this House that Kinyara is one of the key producers of sugar and some of the challenges that are faced are true to Kinyara but also the good practices that they travelled very far to find out that there are in Kinyara. I would have thought that the committee would have thought it wise to visit Kinyara so that they make the story of sugar growing in Uganda and its challenges complete. To me, this is one side of the story and not complete.

Having said that, there are issues that they have put into this report that do not clearly reflect the picture on the ground and one of them is that they gave us the corporate social responsibility of Kakira and they mentioned that Kakira employs 7,500 workers. I do not think that this is part of the social responsibility and there are other ways of providing for social responsibility other than Kakira paying for its own workers I believe and because I have been associated with this industry for some time – the reason people are running away from selling cane to Kakira is because of the conditions and the prices that they give. The explanation that the committee has given that Mayuge gives a higher price but Kakira, through corporate social responsibility offers more does not hold water. I know because they have stated that there are aided and unaided farmers.

The unaided or those who are not supported are more than those who are supported. For us in Masindi and Kinyara, the out growers are given a binding agreement with terms and conditions and the minister is aware that the out growers are also complaining because they too are not given a good price. But that –*(Member timed out\_)*

**THE DEPUTY SPEAKER:** Please wind up. Let her wind up in one minute.

**MS KABAKUMBA:** But that contract is binding and the good thing for Kinyara is that the farmers have no other alternative. But I will tell you that if they had an alternative, they would still sell.

Three, the minister should come up with that Bill that you are talking about very soon. By the time they came up with a policy, Mayuge was already in place. And actually, that is what woke up the government to come up with a policy to limit the area of operation and so you cannot accuse Mayuge that they did not respect the 25 kilometre radius as they were there before the policy.

I want to submit that the farmers are in pain. The government should not look at the factory of industry only. Cater for the needs of the out growers and if you do not do this, these problems will continue. I thank you very much.

5.31

**MS MARGARET BABA DIRI (NRM, Woman Representative, Koboko):** Thank you very much, Mr Speaker. I would like to thank the committee for the comprehensive report.

This petition has come to us because the association of sugar growers has failed otherwise, this should have been solved amicably by them. They have also gone to court and failed. Now what are the issues that have brought them down here?

I think the issue is competition. Kakira has been there for a very long time and it has been having the monopoly of growing the sugar. Now that Mayuge has come up and it is neighbouring Kakira, it is a threat to Kakira.

But we cannot fail to thank Kakira for the good work that they have done but we now must use the law to help them. We have the policy and if Mayuge had been there before the policy, we cannot blame them. We need to ensure that Mayuge also continues to produce because if we only leave Kakira, that means there is no competition.

On the issue of out growers –*(Member timed out\_)*

But Mr Speaker, I have said nothing so far and what I know is that I have been given little time. The out growers need good conditions and also the people working need good conditions.

I would like to inform this House that most of the workers in Kakira come from West Nile and since they have been working there, there is no development in West Nile because they are given peanuts and so, they are free to move where they can get better conditions.

I would like to urge Kakira to improve the conditions of the workers and the growers so that they can compete effectively otherwise there is no way we can say that Mayuge should stop. The competition must continue so that we grow more sugar and get better conditions for our people. I thank you.

5.34

**MR HOOD KATURAMU (NRM, PWD Representative, Western):** Thank you. I wish to thank the committee for this report. Mr Speaker, as I have heard, Mayuge Sugar Company was founded before the National Sugar Policy was put into place. Therefore, to me, it seems that the policy was put into place bearing in mind that there should be some reason to suppress other companies so that Kakira can remain dominant.

Uganda as a country has adopted a liberalized economy and therefore competition is healthy. Anybody who wants to participate in this vibrant economy in Uganda must understand that you will compete because competition is producing efficiency and precision.

Mr Speaker, our out growers are the peasants and the poor people. We need to have a national sugar policy that is protecting them including support to them, including the amount of money they pay for their sugar that they sell to these factories; not only for Mayuge and Kakira but we are talking of the whole nation. And Mr Speaker, the committee did visit Mumias Sugar Company in Kenya and they have said that they have good practices; what is stopping our manufacturers from adopting good policies as practised in Kenya?

There is no way we, as Ugandans, can protect certain companies because what we want is to access consumption of sugar that has been produced and we are looking at prices. The more players that come in, the less prices we shall set and this is what we are interested in. And the question of corporate social responsibility is like a decision of each manufacturer. There should be print marks for a company in the policy that if any manufacturer is going to give some services as payback to the community, there should be a minimum standard of what this service should be. Otherwise some of the services are there to exploit the community.

I believe that the management of Kakira Sugar Works -if you are listening to us - we appreciate the contribution you have made to the economy and development of this country *–(Member timed out\_)*

5.37

**MS GRACE ASAMO (NRM, PWD Representative, Eastern):** Thank you, Mr Speaker. I also want to thank the chairperson and the committee for the report. But I will base my argument on the out-growers.

Mr Speaker, I am more acquainted with the Busoga region because it is also part of my constituency. I think there is more poverty than benefit from these factories to the indigenous people because people have hired out the small pieces of land that they have and this land is taken for years and they have nowhere to grow food. So, people are malnourished. You really see people in a state of poverty. Whereas we are happy that we are getting taxes but I think there are a lot of issues concerning the people who are indigenous, who live in Busoga.

Mr Speaker, the committee recognises the issue of the hospital and the school and whatever Kakira is doing. I one time visited Kakira and I talked to some workers and they said, when you get treatment, your salary is deducted to pay it. So, you are kept in a poverty cycle. You never have the money. Your children can access school but the salary is deducted. So, it is about giving with one hand and taking away with the other hand. I am not very sure whether that is corporate social responsibility. We need to get clarification. What are they doing for our people? Is there really a benefit within that community that these people are getting?

I also want to say that the issue of the women not participating in decision-making is really becoming a problem in Busoga because they don’t have a say over the land. A husband may have hired out this land for around four years and the woman remains redundant and does not know what to say. No wonder sometimes in Busoga they say, “What my husband says is what I do”. The woman is helpless and has nothing to say.

And I have found out that my category of people with disability in Busoga is really suffering because you find the sugarcane growing up to the door step and you ask them where they put the food - so these people should be helped and when the Bill comes out, let it bring out the issues and the role of the indigenous people.

We need to think about the type of pieces of land from four acres and above because even those who have less than that are selling out their land. So the minister will help us to demarcate who is going to be an out grower so that we don’t have everybody becoming an out grower; otherwise our people are dying of hunger. Thank you.

5.40

**MR VINCENT SSEMPIJJA (Independent, Kalungu County East, Kalungu):** Thank you very much, Mr Speaker. I join my colleagues who have thanked the chairperson for this report and the points that have been highlighted in this report. One of them is the issue of out growers.

Mr Speaker and hon. Members, we need to help our farmers and these so called out growers on two fronts. I worked in Busoga as a district administrator and I really know what happens in the homes of the out growers - those people who grow one acre or two acres of sugarcane and so forth. I think one of the issues should be to help these out growers to be organised into farmers’ institutions or out growers’ institutions so that they have a voice.

The other one is to help them really do the mathematics. People are just going into sugar growing just for the sake because the neighbour has done it but what is the arithmetic of growing sugarcane when you have one acre? These people are not aware but they just follow suit to what others are doing.

And I want to inform the Members here that surely you can’t make ends meet out of one acre or two acres of sugar. If you compare that to coffee which gets over Shs 9 million in a year, I don’t think these people get anything out of this sugarcane. It is less than a million out of an acre. That is why they are poor. So we really have to assist our people to do the mathematics. Why do you go into it when it is not paying?

Secondly, Mr Speaker, the chairperson mentioned the issue of child labour and the Minister of Gender is here; these issues should really be investigated thoroughly. Yes, we have children who have no parents, without guardians. We know this. What do you want them to do *– (Member timed out\_)*

5.43

**MR JOHN BAGOOLE (Independent, Luuka County, Luuka):** Thank you very much, Mr Speaker. I would like to thank the committee for the report that has been presented before the House. I am a *musoga* and I always say that I am proud to be a *musoga* but before I make my submission, I would like to request the committee chairperson to amend one issue which was in the report, about Mayuge Sugar Works. The report and the issue tried to send an impression that Mayuge Sugar Works is not producing enough electricity just because they are selling it as gas.

As a group of Members of Parliament from Busoga, we moved around all these factories and a number of issues were raised and one of these issues is the management of Mayuge Sugar Works was telling us was that they haven’t finalised negotiations with the government to buy the electricity that they are producing. You know, with electricity you cannot produce it and store it in a basket, you have to produce electricity there and then when there is a steady market for it.

So, I want to call upon the government to hastily do the negotiation between them and Mayuge Sugar Works because they have the capacity to produce electricity.

Mr Speaker, I want to thank the ministry of trade for bringing in the competition by licensing most of these mushrooming sugar factories in Busoga. And right now, I believe Uganda cannot go back to the old days of looking for sugar from Kenya, from outside Uganda, from wherever they produce it.

Of recent, a kilo of sugar was going for – there was a time when it was almost going to Shs 10,000 but now, given the situation that there is competition from most of these sugar making industries like Kaliro, Mayuge, there is another one coming up in Kamuli, I think we have enough sugar.

But besides that, there is an issue much as I am praising most of these factories, our roads are almost impassable, because the tractor ferrying sugar cane most of the time use these small roads from within the villages -*(Member timed out\_)*

5.47

**MR JULIUS MAGANDA (Independent, Samia Bugwe County South, Iganga):** Thank you, Mr Speaker. I would like to join my colleagues in appreciating the committee for the comprehensive report on the assessment of the sugar petition which was raised to the committee.

I just want to also establish whether the ministry is aware of the amount of sugar which is being produced now in this country and the consumption that Uganda requires and the balances that we would have to cause export to some other neighbouring countries which are now emerging like Sudan, Rwanda, DRC, because this is a situation where I come to realise that at a certain time these industries are now holding sugar and then they escalate prices – and Ugandans are not aware of the production capacity of these industries.

I would really need the minister of trade and industry who is here to expound on this. The problem in Busoga, and I think this now captures the whole team including the Members of Parliament that we may need to sensitise our people to reduce giving out their land to sugar production.

I know Kakira has not been having any big support of the people in Busoga the way the reflection of Mumia sugar has been. But the problem we have is that they have not had any incentive even with the small acreage that we have that people are leasing out to create other avenues of food production other than basing on sugar. Because if we had the Heifer project, even the application of fertilisers and also encouraging mixed farming, we would probably not be having the shortage of food which is now coming up with in the Busoga region and some other parts.

So, one of the things that we need to look at as the ministries are coming up with licensing of these new companies emerging, they should also give conditions on what incentive would be coming up in supporting communities that are sugar growing.

Then also, I want to encourage the aspect of competition, as much as we are talking of these distances from one industry to another, we need to encourage competition because one thing that I came to realise, our people in Busoga who were complaining about Kakira sugar works, holding on their truck from weighing until they lose weight, that they would hold the truck for over a week on a line until the sugar loses weight and that is when they weigh, because it loses the molecular content but it still holds the sucrose. So, when they buy this thing, you loaded maybe 500kg, you have 300kg but for them they still have their sugar even when the thing is dry -*(Member timed out\_)*

5.5O

**MR PAUL MWIRU (FDC, Jinja Municipality East, Jinja):** Thank you, Mr Speaker. I would like to thank the committee for the report but the issue actually is about the Sugar Act. When you look at other jurisdictions, they regulate how you carry out the sugar business *vis-à-vis* the food security. Like I have heard about Mayuge, they have good paper work and I was wondering whether the committee actually visited the gardens which they are talking about – we have raised intercropping issues. When you go to the ground they are not there.

I went to Kamuli and found sugar cane up to the veranda. I was asking them, “You people, where is the food?” People are not paying attention to food security and this is an issue which cannot be addressed by a policy because with a policy, what happens? Nothing. It remains a policy the way it is; the same thing applies to this business of the radius of the kilometres, as to whether the 25 kilometres has been addressed or not.

Apparently, we are looking at only two factories Kakira and Mayuge, but another one may come up. So, my humble view is that the minister should take the issue of transforming this policy coming up with an Act, which would even provide sanctions for people who do not observe intercropping and also to deal with all those incidental issues which would be actually arising.

I want to briefly comment about the directive by the President. I saw the President in his wisdom trying to advise we relocate this factory to another place and Government meets the cost. If you go to these factories, the machinery they have has been outlawed, in other countries like South Africa, they cannot even - they have no capacity to support themselves in that business.

So, if we are to tow this presidential directive, it would cause a loss to the taxpayer in this country. I would implore that before assuming we are to face into accounts this presidential directive a thorough study should be carried out and we look at who are these people; what machinery do they have - even if you went to Kakira today, they are also removing all that machinery which has been outlawed in other countries. They are trying to install new machinery but someone calls himself an investor and he is getting machinery which has been outlawed in other countries trying to set up as a plant and for us we are saying actually we compensate this person in case he moves away from this other area.

I think this is an area which we need to pay a lot of consideration to as a country. Thank you, Mr Speaker.

**THE DEPUTY SPEAKER**: Do you speak as Mbale or minister?

5.53

**THE MINISTER OF STATE FOR ELDERLY AND DISABILITY AFFAIRS (Mr Suleiman Madada):** Mr Speaker, I want to join the rest in thanking the committee for this good report and they made mention of the child labour in the sugar industry and I would like to react on what hon. Ssempijja has mentioned about child labour and letting it to the western culture. Child labour is a real challenge in this country and when you look at the national child labour policy, we define child labour as activities that will hamper the proper growth of a child in health, physical and mental being.

We have also defined what we call light labour and hazardous work and what is happening in the sugar factory, is that many of the children are affected mentally, physically and some of them are even becoming disabled because of the hazardous work in the sugar industry.

As a ministry, we have now what we call the national action plan against child labour by keeping a child in school as the principal occupation. Once this person is diverted to work in sugar factories, this is a real challenge. But the point I am missing out of this report and which I want us to be assisted with is on issues of the right of workers, the relationship between the sugar industry and the workers there. We have had a lot of challenges in matters of union operations in the sugar factories where many factories have been complaining not allowing the *–(Interruption)*

**MS CECILIA OGWAL:** Thank you very much. You have raised very important points about the policy on child labour. I would like you to clarify what the ministry is doing about the numerous children purportedly from Karamoja who are all over the streets in Kampala. What is the ministry doing about it because you don’t have to care about something you have not seen, when you are doing nothing about what you are seeing every day. *(Laughter)* Can you clarify to me what you are doing about the children purported to be from Karamoja? I thank you.

**MR MADADA:** Of course, I would, with all respect respond to your issue, But the matter in discussion was about child labour and we are now going to issues of street children which is a different matter today to answer yes *–(Interjections)-* I want to respond to what -

**MR WAMANGA-WAMAI:** No, on the same issue, you said you are trying to keep those children in school, the ones who are working and the labourers in sugar plantations. What about the ones on the streets, why don’t you try to keep them in school? That is the issue.

**MR MADADA:** I have said that we have developed a national action plan against the elimination of child labour by making education the principle occupation of a child. That is the theme of that national action plan. But all this said, in addition to what you have said, what are we doing in terms of getting children out of the street? Of course we have what we call the inter-ministerial committee between many government stakeholders including education, the ministry in charge of Karamoja and police and particularly with Kampala Capital City Authority because the mandates of street children are under local authorities here so we work together:

To address the pull and push factors of these children. The push factors include; poverty of the family. Once we have income generating activities for the families where the children come from, they will be able to keep themselves there.

We are also rehabilitating rehabilitation centres that can keep these children but we are also doing what we call sensitisation in terms of the media but also as we organise children’s day, we raise awareness to ensure that these children are kept there.

But the point I was now addressing was the matter on the right of the worker in the factory. We have had challenges where factories have been accused of not respecting the rights of workers whereas Article 40 of the Constitution is talking about the decent work established and also allowing unionisation of workers. So as we look at these reports, we need also to consider that angle. Thank you very much.

5.59

**MR BALTAZAR KASIRIVU (NRM, Bugangaizi County West, Kibaale):** Thank you, Mr Speaker. I want to thank the committee for the report. My sister from Bujenje raised a serious matter that in the report, the issue of Kinyara has not been highlighted.

Mr Speaker you are aware that in the report, they have talked about the experience of out growers in Mumias and what has happened. However, what we have not done here in this country is maybe to create a law that regulates the relationship between the sugar factory and the out growers. Hon. Madada has also brought another angle of the workers and they seem to be left at the mercy of the company that is employing them or is getting sugarcane from them because there is no law that regulates the relationship.

In Kinyara, Mr Speaker, you have heard of constant fires on the sugarcane and these fires are not by accident and they are usually because of a protest. Some of the workers that are annoyed because they have been mistreated torch the canes. Some of the out growers were poorly paid, they bring their cane, it stays for days on the truck and when the cane is weighed it has lost weight; someone is annoyed reacts by torching the canes.

So, possibly the report recommendation should be put that a law that will regulate the relationship between the company, the workers and the out growers is put in place so that we can move. A person grows the cane knowing his or her obligation to the company and the company has also obligations to the out growers. That way, we may move in some good direction. I thank you.

6.02

**MR JACK WAMANGA-WAMAI (FDC, Mbale Municipality, Mbale):** Thank you very much, Mr Speaker. Before I give my view, on page 29 under 3.55, there is a correction which we should make. Instead of indigenous Ugandans, you wrote indigenous Kenyans.

Mr Speaker, Government makes policies and the policy of 25km will be introduced by Government. Later on Muyuge sugar factory comes in and the Ministry of Commerce together with Uganda Investment Authority; they are given a license and they start producing.

Now you can see later on, Kakira Sugar Works is coming up to its toes now running and yet they do not want Mayuge to produce but the policy of Government is that they must be competition and when there is competition the prices will go down and because Mayuge has started producing sugar, the prices of sugar have gone down. Who should we applaud? Mayuge for putting up a factory, the prices have gone down and they are paying highly. Or should we applaud Kakira Sugar Works which has enjoyed monopoly for a long time.

You can imagine again, when you look at the policy of Government, these workers, people from West Nile as the colleagues said, have been working in those factories for years and years and they remain very poor. They are paid very poorly. When you look at these people, they toil the whole day and what happens is they go torch the sugar cane but now that Mayuge has come on the scene, there is competition, the prices will go down and for that one we must applaud the Government for having allowed Mayuge to go ahead and put up a factory.

Now for the President again to come around and say Mayuge should shift its factory and Government is going to pay, why should Government do that? It is double standards; they should not do it at all because they are helping the people and they are helping Ugandans who are taking sugar as the prices go down. Now what Government should do is to make sure that this factory brings pressure to the people who are growing sugarcane that they must grow food and like we have seen in Mumias in Kenya –*(Interruption)*

**MR LUBEGA:** In addition to your argument, who is going to meet the cost of transferring the factory to another place? Because it is very costly to transfer a plant to another place; the government will not do it so we insist.

**MR WAMANGA WAMAI:** Yes, that is true. If the factory is shifted from one position to another, it is the common man who is going to bear the cost and that is not in the interest of the people. So the Kakira Sugar Works coming up and convincing Government that this new factory of Mayuge shifts and that Government is going to pay is not proper at all. What Government should put in the policy is that the people growing this sugar cane must also grow food so that when time comes, they have something to put on the table but not to continue with sugar cane growing because this has kept the Basoga very poor.

We passed a resolution here just last week that the Basoga must be helped. People who have been involved in sugar growing have gained nothing at all because of the bad policies of Government.

Secondly, we have raised on this Floor of Parliament that Government must bring in a policy of a minimum wage. I am glad the Minister of Labour is here. There is no minimum wage and that is why people have been exploited for years. Government therefore must come up with a minimum wage to force Kakira Sugar Works and Mayuge to pay people a living wage so that our brothers from West Nile can also live a decent life. Thank you very much, Mr Speaker.

6.06

**MR EPHRAIM BIRAARO (NRM, Buhweju County, Buhweju):** Thank you, Mr Speaker. I would like to thank the committee and the chairperson for such a good report and for appraising us on the predicament of the sugar growers.

When the chairperson was reading the predicaments of the sugar growers, I reflected back on my tea growers who also lack a policy. The cut throat competition is actually first and foremost impacting on quality of the products. Some of these people who have not invested in the farmers and mainly the out growers do not mind what happens to the out grower as long as they have got what they want. So that is one thing we should look at.

Secondly, in-fighting for sugar cane is causing a lot of problems because most times you will find that immature sugar will be cut hence impacting against the would-be income of the farmer. It will also impact against the quality of the sugar produced and it is we the buyers and consumers who will be affected if we do not handle it.

Thirdly, if we allow a predator policy in the business to exist, the big producers with big muscle from outside will come and hike the price. When they have choked out all the other producers they found, they will cut the price to our detriment. That is the one thing we must guard against.

In addition, there is the issue of food security. You know in Uganda and Africa generally, any crop that commands cash becomes a man’s preserve and territory. We need to re-define the place of the woman in terms of land ownership because women are the custodians of food in the family. These men who are sugarcane growers will insist on growing sugarcane up to the veranda. They may even grow it in the House and it becomes what we call in our language *amatoongo*; the wreckage of the home. They grow sugar cane and do not mind staying anywhere. So we need to guard women and also define their place in terms of land ownership.

We also need to address the issue of other crops being grown in that area because I have looked at sugarcane versus other crops and I do not know how much it earns. If they tell me that they rent out their piece of land; an acre at Shs 200,000 a year and maybe sugar takes eight months - Four years? I do not understand. I completely get lost. Shs 200,000 for an acre of land for four years, what does one get out of this? So much as we encourage cash crops, how much does a farmer get per unit area? Thank you, Mr Speaker.

6.09

**MS SANTA ALUM (UPC, Woman Representative, Oyam):** Thank you so much, Mr Speaker, for giving me this opportunity. What we are seeing with the sugar industry is competition and as far as I am concerned, competition is very good because it makes people offer their best. However, one aspect that I would like to point out is that it looks as if in many areas in Uganda, we do not coordinate. For example, the Ministry of Trade appears not to have a one stop centre where when an investor comes, everything is handled at ago; for example, the issue of licences, environment and all these other things. So I think that is a big concern and a big problem in this country.

I would like to address myself on the issue of land and food security. The Minister in charge of Gender has spoken but he has not mentioned some of these very important issues that the committee raised on land and food.

I will start with land. The issue of land is very paramount to the rural people because the only resource that most of them have is land and if land is rented for Shs 200,000, I do not see the importance and benefit of this sugar.

The committee made mention of the issue of domestic violence, the issue of the elderly whose land is being grabbed and the issue of widows and women whereby the land is not there for them to grow food crops. I thought the Minister in charge of Gender would tell us something. I would like to ask, is the Ministry of Gender aware that this problem is also happening in the sugar growing areas and if they are aware, what have they done as a ministry to help the elderly and the women on issues of domestic violence because this is within their docket?

Mr Speaker, there is something concerning the disabled and the children. It is good the minister has tackled something related to the children but once again on the issue of the wage - he also mentioned the issue of sitting in the joint ministerial meetings. I do not know whether some of these problems have been handled at that level because some of these can be handled at a joint ministerial meeting. I would like to be assured because this is very pertinent as far as health is concerned because food is life. The health of women –*(Member timed out.)*

6.13

**MR PATRICK NAKABALE (NRM, Youth Representative, Central):** Thank you very much, Mr Speaker. I would like to join colleagues and thank the committee and also support the committee report. I just wish to make three observations.

One, given the report, I find it interesting that we need to pronounce ourselves clearly about contract farming. In this aspect, we should understand our communities and address the challenges facing the out growers. I would wish to invite the players including Government itself and the farmers’ unions or associations in the spirit that we cannot leave our farmers to negotiate the best terms of work alone, well understanding the dynamics as regards the exploitative nature of the private sector.

To this particular end, in such arrangements where it is known that I have a ready market, it is also well stipulated at what price and given that we are trading in a liberalised economy, one should not forget about the market forces and in addressing the market forces, we come to understand that there are other sugarcane companies and in doing so, we would not be registering the complaints of Kakira fighting Mayuge.

I wish to acknowledge this argument that the 25 kilometre radius is abused and propose that in this scenario and given that Mayuge was established before the coming up of the policy, one would interest ourselves as to why Kakira is over complaining about it. If at all the business was conducive, why couldn’t it go into private leasing and in interesting other surrounding areas to lease land or borrow land for commercial purposes? In addressing this, the element of contract farming would be rewarding.

I would also wish to look at the issue of corporate social responsibility. The committee would further look into the nature of financial statement reporting as far as this is concerned. This was important because it is really disturbing – you cannot say you are giving somebody education with a deducted salary but you call it corporate social responsibility.

In this arrangement one would be interested in knowing how they went to report to URA for taxes. And in situations that they camouflage it as corporate social responsibility yet they go ahead to present it to URA for taxes then such players would be doing a disservice to our people.

And in the issue of where we are going, we would appreciate the issue of competition especially where the strategic position of the country is now moving; I mean into the East African integration. So, we can’t condemn Mayuge Sugar Factory at the expense of Kakira Sugar Factory yet we all know that we are now moving into a situation of Uganda favourably competing with other countries in the region when we integrate. To that effect, I would like to call upon Kakira Sugar Works and more or so Government –*(Member timed out\_)*

6.16

**MS HUDA OLERU (NRM, Woman Representative, Yumbe):** Thank you very much, Mr Speaker. I also want to move in support of the committee’s report though I have some few comments to make.

First, I want to support the committee recommendation on the fact that Government should harmonise the price differences that it has been giving to the companies that produce power. The committee has indicated that Kakira Sugar Works has the potential to produce power for this country. So, I think Government should increase to the ones they are giving to the other companies to enable it produce the power we badly need.

We are aware that there is still power tariff - in the East African Community, Uganda is the one with higher power tariffs but that is because we produce lower power. Therefore, since Kakira has the potential to produce more power, it should be given that opportunity to produce that power so that high power tariffs can reduce.

Mr Speaker, another thing that I want to commend Government for is the liberalisation policy that has enabled other companies to come on board. That is a very good move. However, since this policy came into place, we have never checked it. We need to check it because ours is now a complete laissez-faire; we are not controlling it in any way. That is why Kenyans can come into here any time and do what they want to. But you cannot have Ugandans going to Kenya in such a manner. Yes, Kenya also grows sugarcanes, but you cannot have Ugandans going there to hire land to grow sugarcanes. That is not possible. So, why can’t we also protect our people in any way? In Busoga, if we had the indigenous people managing the land, we would not be suffering land shortage in that region.

The other thing I want to comment about is the poverty in Busoga. Now that we have the largest sugarcane growing taking place there – in terms of poverty, Busoga also is one of those areas with the highest poverty levels. Those of us who have been in the war in the North for more than 20 years – are even now better than the people of Busoga. I want to find out what the problem is. Is it this sugarcane growing causing this? Doesn’t sugarcane growing have any positive impact on the people there?

But, Mr Speaker, I want to say that it is true that the people working in those plantations come from West Nile specifically Yumbe –*(Member timed out\_)*

6.19

**MS TEOPISTA NABULYA (NRM, Workers Representative):** Thank you very much, Mr Speaker. First, I want to thank the committee for the report done. But let me also thank the minister for the explanation he gave about child labour.

I want to disagree with the honourable member from Kalungu that we must differentiate the two – child work and child labour. What I know is that child labour is very dangerous and specifically for the sugar growing areas; child labour is too rampant because of the meagre resources that are paid to the workers yet employers give targets to them to perform every day. In order to fulfil these targets, employees have to bring in their children to finish the work targeted for on time. This is a big problem that we must tackle together.

Also the health and safety for the children who have been subjected to such work is very dangerous. These children are being tortured mentally. They are harmed and many of them have cuts all over their bodies in addition to contracting a lot of infections. So, it is a very big problem that we must address; we should not underrate it.

When we talk about the social corporate responsibility, I wonder whether the committee interested itself to look at the accommodation facilities for these people. Accommodation for these people is appalling that you find someone who has been employed there for 30 years living in a small room but also sharing it with others. People sleep on papyrus mats covering themselves with very thin blankets. So, the health and safety in those accommodation facilities leaves a lot to be desired. The houses repairs are overdue because they are so old and some almost about to break down.

On the trade union issue, honourable minister, you need to understand that these people have a union called the National Union of Plantation and Agricultural Workers under the leadership of the hon. Pajobo. But the numbers that the report has indicated only tells us about those who are full time yet the part-time casual workers are also so many but not covered by this union. So, I want to call upon the Ministry of Labour to ensure the part-time workers enjoy their freedom of association so that their rights can be protected by the trade union.

And on the issue of social corporate responsibility, I think the employers were just wise enough to bring the services nearer to the workers so that they don’t waste time. It was all about them benefitting –*(Member timed out.)*

6.22

**MRS CECILIA OGWAL (FDC, Woman Representative, Dokolo):** Thank you, Mr Speaker. While I applaud the committee for the report, I would like to remind the members about the responsibility of the state as contained in the National Objectives and Directive Principles of State Policy. And I want to particularly draw the attention of the House to (xi) on the role of the state in development. And if Mr Speaker, you could permit me, I can read just part:

“i)*The state shall give the highest priority to the enactment of the legislation establishing measures that protect and enhance the right of the people to equal opportunity in development.*

*ii) The state shall stimulate agricultural, industrial, technological and scientific development by adopting appropriate policies and the enactment of enabling legislation”*

I am raising this due to the fact that most Members who have spoken to this issue have recognised the point that Busoga has a lot of opportunities. Busoga has industries. When we talk about the sugar industries, many of them are found in Busoga. But we keep asking ourselves why poverty is deepening in Busoga? We need to ask ourselves such a question. Is there something wrong with the policy? That is why we have to address ourselves to these national principles that guide the way we should govern this country. I think that is very important for us as we discuss this issue.

My second concern is that Uganda has embraced a laissez-faire economy policy. And if we adopted that policy, then competition must be free. If competition is free, I find it very difficult for the state to tell somebody not to go and put up an industry in Dokolo but put it in Lira. Why? If the investor feels that he will maximise on his or her profit by putting the industry in a particular place, who are you to dictate? It means that you are interfering with our own policy. So, Mr Speaker, I think that is one aspect where the Government must focus.

My third concern is also the need for the law to regulate the sugar industry. We are talking about zoning, 25 kilometres – but under what legal framework? So we must have some policy or law to regulate what we are talking about and then it will be easy for us to regulate the sugar industry. I feel that we who come from Bunyoro have been given a raw deal because we have Kinyara Sugar Works and the committee has written a very beautiful report without visiting Kinyara Sugar Works. Why? Has somebody told you that there are no roads leading to Bunyoro? I think that this is a matter we cannot underrate. We are talking about a national affair and not a committee affair. When you come here and talk about the sugar industry and focusing on all, what about the opportunities of a sugar industry being set up in Amuru? Why have you not talked about it? What potentiality is there and what has been done? What is on the ground? We want to know all this so that we can guide ourselves appropriately.

Mr Speaker, I want to end by saying that as a Parliament, we have a responsibility and I think that we should call the government to order when we see that children are being engaged in employment and we come here to lament instead of coming to report.

So, if the government is coming to lament, what is the role of other back benchers now? What are we supposed to do because I thought that the minister should come and tell us that this is how we are addressing the issue of child labour and this is how we are going to deal with these children who are being engaged to beg on the street? But now, the minister is also coming to lament with us. I am very concerned about that and want to end with that point. I want to thank the committee very much.

**THE DEPUTY SPEAKER:** The Government side.

6.28

**THE MINISTER OF STATE FOR TRADE, INDUSTRY AND COOPERATIVES (Industry) (Dr James Mutende):** I thank you, Mr Speaker and I also thank the committee for a very good report.

I will respond to the issues that were raised. But first I want to make some corrections in the report. I hope that they are typos but on page 11 of the report, it says under bullet two that the sugar manufacturer – they are referring to Kakira sugar – has 783,249 unaided farmers and 482,825 aided farmers. If you add these, this is 1.2 million plus farmers.

In my view, that must be an over estimation because we cannot have 1.2 million farmers in Kakira alone. What about their families if we say that we multiply by three? We would be talking of about 3.6 or 3.7 million people. I think that figure should be corrected and maybe the committee chairperson should help us on that. I think that there is a mix up in the figures.

There are many issues that were raised but they can be grouped into categories so that I do not have to go by every member. The issues raised were all very pertinent but some of them were over lapping. A lot of them centre on the issue of the unfairness perceived and even the report puts it there. The unfairness to the farmers or out growers in as far as payment for the cane is concerned and the whole handling process.

I would like to say that as it is now, if you look at page 67 of the report, just for the sake of us moving together, we have the current sugarcane pricing formula which is used across whether you are in Mayuge, Kakira or Kinyara and which I also agree with members that was ignored.

MPs did not go to Kinyara and yet there are good practices that could have been learnt from there. On page 67, we look at the sugar pricing formula and as it is now, it only considers the cane price which is got from the price of sugar multiply by the selling factor which is actually 3.5 and then the recovery rate of the sugar cane.

As it is now, it has been serving the industry well but if you look at it, it is based pretty much on what members have been raising – the old law that we are still using; the Sugar Act of 1939 where *– (Interjections)-* just a minute and if you give me a chance because this is a bit technical and I wish Members could get it clear. The Sugar Act of that time assumed that the only product of sugar cane was the crystal sugar but today, we have more than sugar. We have electricity that is being talked about, we have ethanol and all sorts of products and in fact, we may have about 11 products that could come from crushing that sugar.

So the Bill that we are bringing up revises this. We want to make sure that every product that comes out of this crashed sugarcane is factored into the price that goes to the out grower at the end of the day and that should in itself be a mechanism to improve on the earnings of the out growers.

Issues were raised on how much sugar we are producing and whether we are currently operating at optimum. Yes, the sugar production has been going up and as at end of last year 2013, our production was standing at 325,000 metric tonnes making us close to being self-reliant in sugar. But I will tell you that we are also exporting some sugar and I can explain that.

Our demand is actually 734,000 metric tonnes. That is what we need as a country. Now why are we exporting some sugar and also importing some? This is the normal dynamics of the industry. First of all, some of the sugar that we import, we actually do not produce it here. There is special sugar that is for example used by the breweries that are big consumers of sugar. The sugar that they use in the beverages like coca-cola, fanta and the rest is different from what we consume on the table. So, that would explain why we still import and still export some sugar.

I also want to comment on the issue that was raised around Mayuge. A lot has been talked about Mayuge. It is true that we have a National Sugar Policy. But as members and the report properly indicates, this sugar policy was put into place when Mayuge was already in existence and so it is not very prudent to completely victimise them.

But having said that, all these sugar millers are supposed to have a minimum acreage for what is called their core nucleus plantation which in its own right should be able to sustain an industry. If you do not have that optimum size, then you are not supposed to even operate.

I do not want to point on any particular factories because we are still carrying out investigations but some factories have the habit of poaching from the neighbouring factories and that was the essence of the 25 kilometre radius. Unfortunately, the way these sugar plantations and factories operate is such that some out growers simply put the land there and then the miller provides virtually everything from ploughing, planting, applying fertiliser, irrigation and even harvesting.

Now that is one extreme. There is the other extreme where a plantation farmer is able to plant their sugarcane and put everything themselves. They buy the cane seeds, plant them, plough, harvest and only sell to the miller. That is the other end of the continuum. In between are various levels of support from the millers. So, how much you would be able to charge at the end of the day depends on how much you put in. If you put in completely nothing and all you gave was the land, don’t expect to be given at the same price as the person who put in everything and only went to sell. In fact, the person who has a big plantation - and I am going to come to that in a minute - has even the capacity to negotiate with the best buyer because you have planted on your own. Many of these people complain that they are being underpaid because their input is minimal and that has a bearing on the price that you are offered.

Now colleagues, an issue has come up several times that the people in Busoga are getting poorer even when they have sugar plantations. It is true many people are not benefiting but again it has been answered in a way by the colleagues around here. If you only have one acre or two acres of land and you go into sugarcane growing, obviously you are in the wrong business. You cannot get wealthy from anything less than five acres of sugarcane. You could go for better crops or animal husbandry and reap better. So, our people need guidance on that. Otherwise certainly the large plantation owners - people who own 100 to 200 acres of land are in big business. Sugarcane business is good business as long as the acreage you are talking about is large enough. You can even afford to mechanise and break even.

I want also to assure the House that many of these issues which have been raised and all of them are very pertinent, are being addressed in the Sugar Bill which we are bringing. Maybe I should give you some progress on that.

The principles of the Sugar Bill have already been approved by Cabinet and right now it is with the First Parliamentary Counsel. In fact if we had Cabinet tomorrow- but we have a conference going on in the northern corridor; it is on the Order Paper for the next Cabinet meeting. And so, I will just give a few highlights in that Bill, maybe it could even answer your question. First of all, we shall have a board of directors like our colleagues in Kenya have and other countries *–(Interjections)-* but it is the Speaker to allow; not you.

I just want to give highlights on the principles which are now before the First Parliamentary counsel. We have a regulatory framework and with it among the key issues is the establishment of a National Sugar Board. For the sake of members, the National Sugar Board will have all these key stakeholders on board. We shall have the millers themselves, the out growers represented; we shall also have the transporters and even the workers represented. Government will be represented naturally.

What are the functions of the board? In summary they will monitor, oversee and coordinate all activities relating to and ensure a fair, efficient and effective administration and operation of the sugar industry.

It will promote and support sustainable development and viability of the sub-sector and this is important because it will determine how much land for instance should be devoted to the sugarcane and how much should be left for food security. Through research and investigation, it will also ensure technological progress and efficiency of the industry.

It will monitor and coordinate the activities of the sugar industry including registration of contracts - a member talked about contract farming - cane planting, harvesting, transport, processing and marketing. It will also resolve disputes between millers, out growers and transporters *-(Interruption)*

**MS ALASO:** Mr Speaker, I listened very well earlier on when the chairperson made the submission about the sugar policy, about the related legislative framework and members talked about the need for it. Mr Speaker, there is no Bill before this House as of now. It has never been tabled, to the best of my recollection and I stand to be guided. So, is it in order for the honourable minister to try to engage my senses in anticipation when I am eagerly waiting for the Bill and the Basoga are also waiting for the Bill to be tabled? Is it in order, Mr Speaker?

**THE DEPUTY SPEAKER**: The honourable minister said there is a Bill that was coming before Cabinet and if Cabinet was sitting tomorrow, it would be here. He asked that he could give a brief highlight of what is captured in that Bill. He asked the House if he could give you some of the highlights in the Bill but with limitations. So please, you are on notice now that you should stop.

**MR MUTENDE:** Thank you very much, Mr Speaker. I think my sister is now comfortable that the Bill isn’t yet in Parliament but it is on the way, very close to Parliament. So, in summary, the issues which have been raised, out of wide consultation both internally with stakeholders and even outside with the best practises, we have come up with a Bill that will be coming to the House for debate and enactment and all those issues have been addressed. So, I want to request you to be patient.

Finally, I would like to comment on the issue which I will of course refer to the responsible minister or the Leader of Government Business here, on the disparity of power purchase between other providers of electricity and Kakira Sugar Works. I think let me leave that to the Leader of Government Business to comment on. Thank you very much.

6.41

**THE MINISTER FOR GENERAL DUTIES (OFFICE OF THE PRIME MINISTER) (Prof. Tarsis Kabwegyere):** Thank you, Mr Speaker and colleagues. I think the acting Leader of the Opposition raised the issue of poverty in Busoga and we need to study what causes certain areas to have certain patterns of development. It is not a matter of just mere talk on the Floor of Parliament but it is something that we need to address and I understand not long ago, this Parliament debated the issue and also made some recommendations.

The second point is about competition. We are not a free-for-all country economy; we regulate, we have laws and policies which regulate the way we do things. So, we are not talking of free for all and the issue of 25 kilometres radius like my honourable colleague here said, is in response to the quantity you need to run a viable factory *–(Interjections)–* no it is not a contradiction.

At what point does Mayuge come? You need to also be familiar with the history of how things have happened here. So, I want you to take that in mind, I don’t want to go into details. So, the quantity of sugar you need to run a sugar factory must be provided for on the acreage. So, if you say competition and you just have millers all over the place, you are not going to succeed in running an industry – *(Interruption)*

**MR WAMANGA-WAMAI**: The clarification I am seeking from you is, who licenced Mayuge? It is the government that gave them the licence and now you are turning around and saying this question of 25 -

**PROF. KABWEGYERE:** Yes, I know. Hon. Wamai, have you never made a mistake in your life and changed it *–(Laughter)*– or you have never realised it? You must be a perfect human being. There are certain things which in the process of development you discover that certain decisions cannot be sustained. That is why measures are taken to change certain situations. So, I have no pride to lose.

On the issue of children employment, I want to comment on this really seriously and talk about government. You know, we have government at the district. The government at the district has a responsibility of taking care of what goes on in the district; security, education in Uganda. If you have child employment, I would expect also the district government to be concerned about that.

Secondly, parents themselves; we have provided free education but some children do not go to school. Are we going to get to a point where we pass a law in this Parliament where we arrest and imprison parents who do not send children to school? So, there is also the responsibility of the parents who must not send their children to work when they are not yet of working age. They must go to school.

So, I thought those points should be made in addition to what the colleague has said. Thank you very much.

**MR MWIRU:** Thank you very much, Mr Speaker. I am somewhat at a loss. The minister came and was trying to say something about the children. Also, the minister and then the prime minister comes and just contradicts them, and I am wondering whether they are procedurally correct for government to proceed in that direction because the *Hansard* is capturing some of these issues which are taking place and it may affect -

**THE DEPUTY SPEAKER:** The Speaker has not detected the contradiction yet. (*Laughter)* Chair, please, move the House to adopt the report.

6.47

**THE CHAIRPERSON, COMMITTEE ON TOURISM, TRADE AND INDUSTRY (Ms Flavia Kabahenda)**: Thank you very much, Mr Speaker. Allow me to give clarification on two issues, why didn’t we go to Kinyara? Kinyara has no opposition; out growers have no alternatives, so we didn’t have lessons to learn according to the matter in the issue. Mumia has competition but it is guarded by the 40 kilometre radius that is in their law which they implement very well.

Two, we are not condemning Mayuge at all. And therefore, if Government sees that Mayuge should be transferred, then they should get ready to compensate, otherwise they are going to stay there or else we are going to find them in court suing the government which licensed them because they are there not by their fault but because Government has not realised the mistake that the professor has actually talked about.

Mr Speaker, I move that this House adopts the committee report with the few reservations they have mentioned.

**THE DEPUTY SPEAKER:** Honourable members, it is time for me now to put the question to the motion. I put the question that the report of the Committee on Tourism, Trade and Industry on the petition by the Uganda sugar manufacturers’ association be adopted. I put the question.

*(Question put and agreed to.)*

*Report adopted*.

**THE DEPUTY SPEAKER:** Thank you, Madam Chair and the committee, for a very comprehensive report and for giving confidence back to our people that their petitions can still be handled.

Honourable members, tomorrow, 7.30 a.m., the National Prayer Breakfast will start at Hotel Africana. Please, keep time because the breakfast will be served at 7.30 a.m. The guest speaker will be speaking shortly after that from about 8.30 a.m. and the President will speak after that and we want to close this time by 10 O’clock so that we can continue with other business.

So, tomorrow, please, keep time for the National Prayer Breakfast. All of us are invited; all of us, Members, are hosting this National Prayer Breakfast. So, it will be our responsibility to be there.

Also, as I said, the two Bills that were returned by the President will come up at 2 p.m. tomorrow and we will be handling them. So, please, come so that we can finish the business and clear those pending issues that relate to the budget. So, this House is adjourned to 2 O’clock tomorrow.

*(The House rose at 6.50 p.m. and adjourned until Wednesday, 8 October 2014 at 2.00 p.m.)*