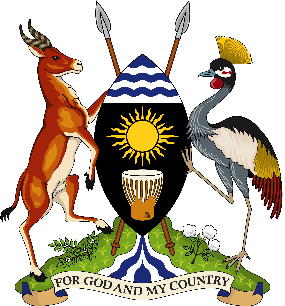
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**PARLIAMENT OF UGANDA**

**Tuesday, 17 May 2022**

*Parliament met at 10.08 a.m. at Parliament House, Kampala.*

PRAYERS

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

*The House was called to order.*

COMMUNICATION FROM THE CHAIR

**THE SPEAKER:** Honourable members, I welcome you to today’s morning sitting. As we come towards the end of business for this session, I would like to congratulate all of you for ending the session. Congratulations. *(Applause)*

I would also like to remind you that you have made one year in Parliament. *(Applause)* That requires you to do accountability for what you have achieved within the one year that you have been in Parliament in terms of legislation *vis-à-vis* what you have done for your constituency. You need to do that accountability. This is the day when we were sworn in.

This week is very critical for this House as we consider the tax Bills and the budget. We should be able to finish all the tax Bills and the budget this week.

In the course of the budget process, we have seen that most of the sections of the Public Finance Management Act (PFMA) are not consistent with the Constitution. So, we ask the Ministry of Finance, Planning and Economic Development to bring amendments to the PFMA to be in conformity with the Constitution. We need you to do that and it should be done in the first session of the next sitting. Remember, the Constitution is superior; therefore, you need to make amendments in conformity with the Constitution. This should be done as soon as possible.

Honourable members, I have been following some news and some sentiments that some of us made in regard to the Shs 1 million that was removed from your accounts. There was a resolution in this House, that was passed and adopted. Shs 1 million was deducted and taken to the Jacob Oulanyah Education Fund. It was an agreed position, but you find some Members talking as if they have deducted Shs 10 billion from them. *(Laughter)*

I would like to tell you, Members, that Oulanyah used to be like you and you will be like Oulanyah.

The unity we have created in this House should remain. Why should you complain about Shs 1 million? Those who are not happy with the deduction, kindly register your names and bring them to my office and I will pay you back in cash. Then I will come and read your names in the House, that these are the people whose money we have refunded. *(Laughter)*

Honourable members, I would like to vary today’s Order Paper. We have a report from the Rt Hon. Rebecca Kadaga. She is going to present a report on the Bills that have been passed in the East African Legislative Assembly (EALA). Secondly, I am also amending the Order Paper to bring the supplementary budget schedules 2, 3, and 4 which were laid on the Table some time back. We need to have them disposed of.

I thank you very much. We are going to have a bit of a long day. Therefore, let us keep the points of procedure and order to a minimum.

10.13

**MR NATHAN TWESIGYE (Independent, Kashari South County, Mbarara):** Thank you, Madam Speaker. You mentioned concluding the budget process.

On Sunday, I was on a radio programme and students from Bishop Stuart University and Mbarara University approached me on a matter which is captured in this Ministerial Policy Statement on page 28. Here, the Ministry of Education and Sports is stating that because of the budget cuts by the Ministry of Finance, Planning and Economic Development, it will not be able to provide money for students who are in the universities on the loan scheme, to complete their courses.

One of the criteria of selecting these students is that they must be needy and from poor families. Now that we are concluding the budget process, I would like this Parliament to come up with a statement that money will be provided for in the budget, for these students who are needy and are already at university, so that they are able to complete their courses. I beg to lay this document –

**THE SPEAKER:** Have you confirmed that it is not provided for?

**MR NATHAN TWESIGYE:** Madam Speaker, I am a member of the Committee on Education and Sports and that money was not provided for.

**THE SPEAKER:** So, it was your mistake? How do you now bring something at the tail end?

**MR NATHAN TWESIGYE:** Madam Speaker, I remember the presiding officer had instructed entities to submit these ministerial documents, we did not get these documents. I am happy I got it and it is on page 28. I beg to lay it.

**THE SPEAKER:** No, we have that document. You do not need to lay it on the Table.

10.15

**MR SIMON PETER WOKORACH (NRM, Aswa County, Gulu):** Thank you, Madam Speaker. I would like to appreciate you and also congratulate Members upon making one year in the 11th Parliament.

Madam Speaker, in your communication, you said you only saw on social media information from Members of Parliament regarding the Shs 1 million, which has been deducted from their accounts. I would like to bring to your attention the fact that it is not only on social media. I have taken time and listened to some of the radio stations; Members of Parliament are complaining on the radios. Even in the canteen and in the corridors of Parliament, people are speaking the same language.

Jacob Oulanyah was one of us and we shall be like him - like you have said - Madam Speaker. I would, therefore, like to join you to say that let the Members complaining register their names. I will join you to refund the monies of those who are saying they need their money back. *(Applause)*

**THE SPEAKER:** Thank you. Members, I do not want any contribution in regard to that statement. I want Oulanyah to rest in peace. *(Applause)*

**MR SSEMUJJU:** Madam Speaker, I am proceeding under Rule 25 to react to your communication. You spoke about accountability after one year in Parliament. That accountability applies to those of us who are here.

We have two colleagues who are in prison. Last week, Hon. Allan Ssewanyana and Hon. Ssegirinya made eight months in prison. I came to your office when I was going to pay them a visit. They were very happy with the pocket money that you sent them.

Madam Speaker, there is even a mandatory - I have forgotten the legal term, but after serving eight months, one benefits from mandatory bail. Can Government tell us why on matters of Hon. Allan Ssewanyana and Hon. Ssegirinya, they do not want to follow the law?

You have spoken about accountability for all of us who are here - and the matter of representation is very serious. That is why as we buried the Rt Hon. Jacob Oulanyah, the Electoral Commission was organising elections. They could not allow us to first conclude the burial because it is very important for constituencies to be represented.

Eight months, they have not been tried - and I am happy the Attorney-General is here. During the election of the Speaker, in one hour, the Attorney-General had given a legal interpretation that elections must be conducted. *(Laughter)* I hope he will give the same interpretation that Members of Parliament who are in jail for eight months should be freed or tried.

Relatedly, last week, we had a report of the United Nations about the violation of rights in Uganda, which affects all of us. As I speak, Madam Speaker, your former leader, Col Dr Kizza Besigye, is under house arrest against a court order, that his house cannot be turned into a prison. That is what I thought I should bring to your attention. Thank you.

**THE SPEAKER:** Thank you very much, Hon. Ibrahim. Attorney-General?

10.19

**THE ATTORNEY-GENERAL (Mr Kiryowa Kiwanuka):** Thank you, Madam Speaker. On the issue of the colleagues who are in custody, I will look at the law and find a provision under which I can advise that they be freed. From what I have looked at, once they are under the process of court, we have to wait for court to make that decision. It would be wrong for me to render an opinion, on a matter that is before the court.

On the issue of the house arrest, it is also lawful. I have not seen the court order and I am sure if I get a copy, it could help me render an opinion. Thank you.

**THE SPEAKER:** Attorney-General, we have a session in the afternoon. Can you give us feedback in the afternoon?

**MR KIWANUKA:** On which matter?

**THE SPEAKER:** On the issue of the honourable members. Why are they not being tried?

**MR KIWANUKA:** Madam Speaker, like I said, the moment court is seized of a matter, I will find it very difficult to render an opinion. The *sub judice* rule will catch up with me on the wrong side because the matter is now seized by the court and all prayers in respect to their release should be made to the court. Yes, I will still be here in the afternoon, check on the status and report back.

**THE SPEAKER:** Give us the status of what is happening and when they will be tried. Are they just sitting in prison like that? We need feedback.

**MR KIWANUKA:** I will get the feedback. *(Applause)*

**THE SPEAKER:** These people have families.

10.21

**MR ASUMAN BASALIRWA (JEEMA, Bugiri Municipality, Bugiri):** Thank you, Madam Speaker. As the Attorney-General comes in the afternoon, he should also provide information why Government arrests people, then does investigations later. It is becoming a very big problem.

Our colleagues, Hon. Ssegirinya and Hon. Ssewanyana spent a lot of time on remand and they are not the only ones. There are many Ugandans that have been arrested, remanded and Government is investigating later. Maybe, you would advise what motivates Government to arrest people without evidence and incarcerate them for a long time as they keep investigating?

Finally, on the issue of the Rt Hon. Jacob Oulanyah, I was in the House and I would like to support you. We made a resolution - the issue I raise is procedural. There is a resolution of this House and that resolution is binding on us. If Parliament makes a resolution, there is a procedure of turning around that resolution. I would advise anybody uncomfortable with that resolution that unless that resolution is rescinded by this House, it still stands.

Those of us who were in the House on that day and participated in that resolution are aware that we did resolve in that manner. Therefore, I would only advise that the discomfort - and even your guidance that people should register and come - the best approach would be that people come back to the House through a substantive motion seeking to rescind that resolution.

Until that happens, we will continue to be bound by that resolution. At least I was here. I would like to give some context so that this matter is settled because I have heard people say it was your imposition. It is not true, with due respect; and I remember that the resolution was unanimous. Those of us who were here -*(Applause)*- I do not recall objections in that regard. So, I thought we would provide context to that matter.

**THE SPEAKER:** Honourable members, no information on that because I have already ruled to that effect. I appreciate your contributions.

**MR BASALIRWA:** Finally, as the Chairperson of the Muslim Parliamentary Caucus, one of the countries of the Muslim world lost a leader last week - the President of the United Arab Emirates. At an appropriate time, I seek your indulgence that this House observes a moment of silence.

We enjoy a very good working relationship with the United Arab Emirates, as a country, and it would only be fair and in promotion of that diplomatic relationship that we observe a moment of silence for the departed Sheik.

**THE SPEAKER:** Honourable members, in the VIP gallery this morning, we have Hon. Dr Twa-Twa Jeremiah, a former Member of Parliament for Iki Iki Constituency. He is the Acting Dean of the Faculty of Health Science, Kampala University. He is also a visiting lecturer in Busitema Medical School. He has come to witness the proceedings. You are most welcome, doctor. Can we welcome him. *(Applause)*

On a sad note, we have lost the leader of the United Arab Emirates and as the honourable member said, we enjoy a good economic business relationship with the United Arab Emirates. Can we rise for a moment of silence in honour of the leader?

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

10.27

**THE FIRST DEPUTY PRIME MINISTER AND MINISTER FOR EAST AFRICAN COMMUNITY AFFAIRS (Ms Rebecca Kadaga):** Madam Speaker, Members of Parliament, *Habari za asubuhi kwa bunge la Uganda, Bonjour!* *(Laughter)* I am here today to fulfil a responsibility under Article 123 of the Constitution and Section 4 of the Ratification of Treaties Act.

It is true that I shall be coming to present Bills under Article 65 of the Treaty for the Establishment of the East African Community, but today, I would like to start with the protocol on the extended jurisdiction of the East African Court of Justice. I, therefore, beg to lay the protocol.

Madam Speaker, the East African Community has a membership of the Republic of Uganda, the Republic of Kenya, the United Republic of Tanzania, the Republic of Burundi, the Republic of Rwanda, the Republic of South Sudan and – as I had informed you recently – the Democratic Republic of Congo.

One of the areas of cooperation is in legal and judicial affairs, as part of the integration agenda. The East African Court of Justice is an organ of the community, established under Article 9(1)(e) of the treaty. Originally, it was restricted to interpreting the treaty and adjudicating on staff-related matters and provision for advisory opinions only. However, we are allowed to operationalise additional protocols.

Therefore, on 20 February 2015, the Heads of State of the East African Community signed a protocol to operationalise the extended jurisdiction of that court. His Excellency President Museveni signed on behalf of Uganda.

Upon signature of the protocol, all the partner states were enjoined to ratify that protocol. Once it is ratified, it will enlarge the jurisdiction beyond the interpretation of the treaty, to matters of trade and investment, the customs union, the common market and, eventually, the monetary union.

Madam Speaker, the protocol has gone through all the legal processes. The Attorney-General, in his letter dated 7 August 2018, cleared the protocol for ratification by Cabinet. It did not require an amendment of the Constitution.

Secondly, on 18 November 2021, the Ministry of Finance, Planning and Economic Development endorsed the ratification of the protocol since it required no additional funding from Government.

Finally, on 20 December 2021, under minute extract 358 (CT2021), Cabinet approved the ratification of the protocol and authorised the Ministry of Foreign Affairs to sign, seal and deposit the instrument of ratification with the Secretary-General of the East African Community.

We expect that this will strengthen the bilateral/multilateral cooperation among the partner states, increase the volume of trade and investment and, more importantly, be a smooth avenue for dispute resolution.

After signing, sealing and depositing the instruments of ratification, a notice will be communicated to the Ugandan population through the print media.

Let me also add that in order for the protocol to come into force, all the six partner states must sign, seal and deposit the instrument – and honourable members, you will be informed about that.

Thank you very much.

**THE SPEAKER:** Thank you, right honourable, and thank you for the report. We will be receiving the same kind of reports regularly. We thank you for fulfilling your constitutional obligation.

Next item. Supplementary *–(Mr Katusabe rose\_)-* Yes, procedure?

**MR KATUSABE:** Thank you very much, Madam Speaker. My procedural issue is about the value and attachment that we give to our supreme law; the Constitution.

Madam Speaker, all of us here swore to protect, preserve and defend this Constitution and we said, so help us God or Almighty Allah.

Madam Speaker, on Thursday, 12 May 2022, as I exited the House and got home, it occurred to me that my former party president, Dr Kizza Besigye, was violently arrested and roughed up - jerked around the trousers like a chicken thief. This is somebody that has offered himself for the highest office – somebody with the ability, capability and potential to become the Commander-in-Chief.

Madam Speaker, the procedural issue is simply to find out whether we still have what is termed “the Constitution”.

Madam Speaker, I am just wondering whether we, as Members of Parliament, still hold this Constitution very dear.

I make specific reference to Article 24 – under Chapter Four: Respect for human dignity and protection from inhuman treatment. It is crystal clear: *“No person shall be subjected to any form of torture or cruel, inhuman or degrading treatment or punishment.”*

Madam Speaker, Dr Besigye is a national leader, parent and brother to somebody. I do not think, in this House, anybody enjoys these ugly scenes that are going to dent this country.

My procedural issue, basically, is: Are we, as the august House, proceeding well, if we keep ignoring ugly scenes that are denting the country?

Are we proceeding well that this has become something that has got to define us as a country? This is a national leader, founding party president, president of the “People’s Government”, where I am honoured to serve as cabinet minister for foreign affairs.

Madam Speaker, it is within our power and mandate, as Members of this great House – people who swore to protect, preserve and defend this constitution. The Constitution is very clear; nobody is above the Constitution, including those commanders.

I demand, Madam Speaker, if it pleases you, that this House calls to order – specifically the commander and those that have roughed up, tortured, tormented and degraded Dr Besigye – that an investigation is undertaken and the law, as prescribed, takes its course.

Madam Speaker, I beg that this House takes its place. Otherwise, we are losing our relevance and I do not see that happening under your watch. The commanders must be identified –

**THE SPEAKER:** Thank you.

**MR KATUSABE:** Madam Speaker, thank you very much.

**THE SPEAKER:** Thank you. Attorney-General, I watched how Dr Besigye was being arrested and it was in a brutal way. I do not think that was right. We need to talk to our people on how to handle - especially when handling a person who is not armed. We need to see how to – you need to handle that issue.

When coming back – of course, that is what makes us have these issues of human rights. So, kindly, I would like you to follow it up with the security organs and advise them on how they should handle everybody. Even being in the Opposition – I mean, we are the same because today, they are handling Dr Besigye like that; tomorrow, it will be you. So, let us be fair to each other.

BILLS

SECOND READING

THE FINANCE (AMENDMENT) BILL, 2022

10.39

**MS JANE PACUTO (NRM, woman Representative, Pakwach):** Thank you, Madam Speaker. The Committee on Finance, Planning and Economic Development has been having marathon meetings processing the tax Bills and we ended a little bit late yesterday. We could not make copies of the report. We could not also upload it. However, we are in the process of doing that - if you could give us about ten minutes or so, we shall be ready, Madam Speaker. I beg to move.

**THE SPEAKER:** Have the Bills not been uploaded? Honourable members, we have to finish all the tax Bills plus the supplementaries in this morning sitting. We will finish all the tax Bills this morning. Honourable members, the reports are online; check your iPads.

BILLS

SECOND READING

THE FINANCE (AMENDMENT) BILL, 2022

**THE SPEAKER:** There is a procedural matter from Hon. Muwanga-Kivumbi.

**MR MUWANGA:** Madam Speaker, I beg your indulgence. I am not the Chairperson of the Committee on Finance, Planning and Economic Development, but bear with us. We literally ended the last meeting at about 9 o’clock and the final draft on one of the tax Bills is being considered, right now.

So, Madam Speaker, even the chairperson is not here. The vice-chairperson and many committee members are not here. We beg your indulgence of 15 minutes to enable us come here with good work.

**THE SPEAKER:** Can we handle Hon. Dr Monica Musenero’s response?

MOTION FOR ADOPTION OF THE REPORT OF THE SELECT COMMITTEE ON SCIENCE, TECHNOLOGY AND INNOVATION ON COVID-19 RELATED RESEARCH FOR THE FINANCIAL YEARS 2019/2020 TO 2021/2022

**THE SEPAKER:** Honourable members, in the last sitting, Hon. Dr Monica Musenero asked for time to go and read, and internalise the report. We received her response to the report and the report is available. Could she kindly present the response?

I want to request Members to avoid emotions when debating these things. Let us debate in a sober manner.

10.42

**THE MINISTER OF SCIENCE, TECHNOLOGY AND INNOVATION (Dr Monica Musenero):** Madam Speaker, I would like to appreciate this opportunity, for me to give a comment on the report. I beg your indulgence to make a few clarifications, which are not in the report, but which will help Members understand the report.

Whereas from 2022 - the report is about the period 2019/2020 up to June 2021/2022, I was Senior Presidential Advisor from 2020 to June 2021. I was appointed minister in June 2021. Much of the report refers to matters that occurred when there was a substantive minister, Hon. Dr Elioda Tumwesigye, and the Permanent Secretary to the Ministry of Science, Technology and Innovation called Mr David O. O. Obong. So, in my response, I will refer to them.

Madam Speaker, allow me to summarise my report. On the 11th of May, the report of the Select Committee on Science, Technology and Innovation on COVID-19 related research for the Financial Years 2019/2020 to 2021/2022, was read out in Parliament and laid on the Table.

The terms of the select committee are listed on page 1 of the committee report. These terms of the select committee are as follows:

1. To establish the progress in the development of a locally manufactured COVID-19 vaccine;
2. To establish the amount of funds so far released for the research, innovation and COVID-19 vaccine development;
3. To establish how effectively such funds were utilised;
4. To establish the challenges faced in the development of COVID-19 vaccines and medicines;
5. To inquire into any other matters incidental to the above; and
6. To recommend a way forward to Parliament.

Madam Speaker –

**THE SPEAKER:** Hon. Dr Musenero, we have all those terms in our report. Can you give us a summary of what you have written because we have it uploaded?

**DR MUSENERO:** Madam Speaker, first, I express my gratitude to the committee for taking the time to interface with me and the research team. Science is often not visible. The interactions of this committee were mutually beneficial and will improve the culture and practice of science in this country.

Madam Speaker, I will now turn to the content of the report and I will summarise each of my statements. The first area mentioned by the committee is that the pathogen economy research is necessary and viable in Uganda.

It is globally agreed that when COVID-19 became a pandemic, nobody had any rule book on how to handle it and the good effort of Government, was able to steer the country through this situation, even when the other countries were holding their own vaccines.

An initiative by Government began toward the end of the Financial Year 2020/2021, to make sure that we begin our own research, in order for us to address the current and future epidemics. This initiative referred to as “PRESIDE”, was meant to complement and not replace any on-going efforts, but was to only deal with specific issues, which were not being addressed and the relevant sectors were expected to continue with their work.

It is important that the honourable members of the committee and this House take note that Africa is the biggest consumer of vaccines due to the high number of diseases it has, but we produce only one per cent of the vaccines.

Madam Speaker, I go to point number two from the report. The committee members state that some research projects by our Ugandan scientists have progressed to the point of preclinical and clinical stages. In our report, the committee lists the stages of some of the procedures.

One of the terms of the select committee was to establish the progress of how far this research has gone. I would like to thank Parliament, which supported and funded the projects; you appropriated funding to these projects on three occasions.

The committee report on page three details the field activities that were undertaken, that led to the committee visiting the research institutions, which have the capacity to do this; including: The Uganda Virus Research Institute, the Joint Clinical Research Centre, Jenna Herbal Laboratory, Gulu University, Busitema University, Makerere University, College of Veterinary Medicine, among others.

Throughout their work, the report is consistent in recommending that these studies for the vaccine should be expeditiously concluded. This is important because it confirms to the progress made by the scientists.

Point No. 3 is that more funding should be allocated to quickly acquire research results and to build specialised facilities. On page 5 of my report, I explain the funds that were released and I would like to state that by the time this matter was raised on the Floor of Parliament, a total of Shs 31.03 billion had been released to the former Minister for Science, Technology and Innovation - sorry, had been appropriated and not released.

Then Shs 3.32 billion was released to the State House. All these funds were handled by the respective accounting officers. The institution called “PRESIDE” was a project; not a company. It did not have a bank account and all the funds were handled by the Ministry of Science, Technology and Innovation with the accounting officer being Mr Obong, the permanent secretary of the ministry, under the stewardship of the former minister, Hon. Elioda Tumwesigye.

PRESIDE did not handle cash nor did I handle any cash. The funds were always transferred directly from the Ministry of Science to the big Government institutions; they receive funding. The records for the electronic transfers are available, which show that these funds were received.

In Financial Year, 2021/2022 Parliament appropriated funds for the vaccine research and the details are in the paper. However, by the time of raising this matter on the Floor on 4 November 2021, no funds had been availed to the scientists at that point. So, although the funds were appropriated, they had not been released -*(Interruption)*

**MR MPUUGA:** Thank you, Madam Speaker. I see the honourable minister is making a response to the committee report, which is right. Unfortunately, she is reading a document which is not available to Members and I would rather we confirm availability - I have tried to scan around and I do not see it.

If we are supposed to respond to it, may you, Madam Speaker, confirm the availability of that document to Members so that we move well with the honourable minister?

**THE SPEAKER:** Clerk, have you uploaded the minister’s report? Did you upload it? Can we have the report uploaded? Honourable members and LOP, with all due respect; the report is being uploaded. Maybe she could continue because of time. We are also mindful of time. Please, can you summarise?

**DR MUSENERO:** Thank you, Madam Speaker. I just want to point out one area where the support of this Parliament to vaccines and other related research is highly appreciated. However, as the committee notes, the funding is still low compared to the governments that were able to fast-track the vaccine research, which was - for example, in the committee reports, on page 15. They point out that the United States and Germany invested approximately $2 billion and $1.5 billion respectively, in COVID-19. Nevertheless, the money, which was availed, has led to great progress as the committee appreciates throughout its report.

The last point, Madam Speaker, is on the need to establish laws and improvements in the operations related to the management and monitoring of research projects. We need to be cognisant of the fact that our science is still in its infancy and the committee made some recommendations for putting in place procedures to improve the management and monitoring of such projects. As the head of the sector, I highly welcome these recommendations and I am going to study, translate and implement them.

In conclusion, I would like to make specific reference to accusations against my person and the many eminent scientists that I was working with. The honourable member made a lot of accusations not only in the House, but also in the media towards -

**THE SPEAKER:** It is not the honourable member; we do not want you to talk about a Member. It is a report of the House.

**Dr Musenero:** I withdraw that, Madam Speaker. All my professional life, I have dedicated myself to fighting pandemics and rather dangerous disease outbreaks in pursuit of saving lives of people - I do not know and I may never know. I have fought epidemics such as Ebola, cholera, Marburg, hepatitis, yellow fever and typhoid.

It is on record that in 2014, as a team leader in Sierra Leone, I earned global recognition during the Ebola pandemic that claimed over 4,000 lives in a country with a population of 1.2 million people.

Never before has my integrity and commitment on duty ever been questioned. Despite the pain and anguish this has caused, I would like to say that - especially during this time - if in the course of my work and in the way I handled things I offended anybody, I regret those issues. I will work to build a reputation and the science. *(Applause)*

As I demonstrated here today, we welcome scrutiny. We appreciate constructive criticism and shall never hesitate to correct our wrongs. Above all, we shall be transparent and accountable to the nation.

Madam Speaker and honourable members, I thank you for according me the opportunity to make this response to you. I once again thank the Rt Hon. Speaker - because she instituted this committee. I also thank the committee for the way they have done it.

The committee demonstrates that no money was lost. A lot of progress has been made. They actually recommend that more funding be given to our scientists. Thank you very much. I submit.

**The Speaker:** Thank you. Honourable members, it is always a very good thing to be remorseful. I am very glad that the honourable minister has apologised to whoever she hurt during the process. Now, she is not saying that you should add her money, but the scientists –*(Interjection)*- when you start shouting like you are in Owino Market, that is not very far - she is saying that add the money to the scientists like Prof. Ogwang of Covidex.

The recommendations that have been made are very clear; she should remove herself from preside. She is now a minister. These recommendations must be implemented immediately and a report given to this House within the shortest time possible. We want a treasury memorandum on this report.

Honourable members, the document is now uploaded. You can look at it. We will allow minimum debate.

11.01

**Mr Xavier kyooma (NRM, Ibanda County North, Ibanda):** Thank you, Madam Speaker, for the opportunity. I thought I should give some few clarifications as Members come in. I would like to thank the honourable minister for –*(Interruption)*

**Mr ssemujju:** Madam Speaker, this report has been presented. You allowed and rightfully sought the minister to make a response. The issues that we are going to raise, will probably need both of them - the chairperson and the minister - to make responses. They cannot be making responses to their own report before they have heard from us.

In practice and procedure, it will be unprecedented that the chairperson presents a report and before it is debated, he is making clarification.

**The Speaker:** The chairperson presented the report. He wants to give highlights to help you in your debate. Maybe it is his side of diversion from what the minister has presented. It helps you. Hon. Xavier is a very brilliant man, by the way. He was my lecturer.

**Mr kyooma:** Thank you, Madam Speaker, for your wise ruling. Indeed, as guided, some of the clarifications I will give will help the Members.

I thank both hon. Yona and Dr Musenero for appreciating the report of the committee and the recommendations herein. Maybe, just a few things to put forward: When we presented, Dr Musenero indicated that actually preside is no more. I would like to stand by our committee that it still exists. In pursuing our work, it is one of the places we last visited. The secretariat was there.

When you look at the report of the Committee on Presidential Affairs on ministerial policy statements and budget estimates for the Financial Year 2022/2023, on page 16, you will establish that an amount of Shs 25 billion has been allocated for preside; meaning that it is still in existence.

However, I am happy. From the minister’s submission, I think she agrees with us, as a committee, that there were gaps in the governance.

When we presented, she said she is no longer the chairperson of preside and that was one of our recommendations. That is good news. However, the fact is that preside is still there - because it has been budgeted for.

Honourable minister, when you say no funds were lost, then it will appear as if you are watering down our report. The fact is, when you get to page 49, Shs 491 million was not accounted for. On page 46, Shs 2.06 billion went missing. Of the Shs 1.4 billion meant for salaries for preside staff - when you look at the appointment letters - only Shs 444 million was paid to the staff. The balance is nowhere to be seen.

I thought I should make these clarifications so that Members can debate from an informed point of view. Thank you. *(Applause)*

**The Speaker:** Thank you. As Parliament, we may not have the capacity to further investigate the money that was lost. We will refer it to the Inspector General of Government (IGG) - I wanted to start from up as we come down.

11.06

**Mr Ibrahim ssemujju (FDC, Kira Municipality, Wakiso):** Thank you, Madam Speaker. Hon. Ekanya should know that I am his whip; so, when your supervisor stands up, you sit down. *(Laughter)*

Madam Speaker, I have read this report. I would like to thank the committee. I know I was with Hon. Xavier in the Ninth Parliament. We missed you in the 10th Parliament.

I encourage all my colleagues to read this report especially page 59. Actually, start with page 58, which is the legal status of the Presidential Scientific Initiative on Epidemics (PRESIDE) -

**THE SPEAKER**: The legal status.

**MR SSEMUJJU**: Yes, the legal status. To me, this is where the problem starts. The committee makes very good observations on page 59, but fails to make a recommendation.

You have a Ministry of Science and Technology, but why did the President choose an entity that has no legal status to do this very wonderful work? The committee advised the President that while he has all these powers under the Constitution, he is regulated by the same Constitution. In fact, in my opinion, the first recommendation of the committee should have been to invoke Article 107 of the Constitution, which is on the removal of the President for abusing office and many other things.

This “*ad hocism”* and arbitrariness - I have learned that Hon. Yona Musinguzi was in the Ministry of Science and Technology. They legitimately felt very bad that while you assign the responsibility of science, something else is being created. That may have explained the emotion with which Hon. Yona was making submissions. Therefore, Madam Speaker, this Parliament has to be bold enough. Minister Musenero and PRESIDE are symptoms of a very strategic problem.

This Parliament enacted the National Agricultural Advisory Services Act. The President created Operation Wealth Creation under his brother, and told them to go and take over NAADS. Kiira Motors Corporation also had the same problem. I sit on the Committee on Budget, but when we interacted with Kiira Motors Corporation, they said that they thought they would manufacture buses and sell them to Kampala Capital City (KCC), but KCC no longer has the market. They now do not know who will buy their buses.

If we are not going to invoke Article 107, the biggest recommendation is to advise the President to begin working –

**THE SPEAKER:** Article 107 of the Constitution talks about the removal of the President and it gives the criteria of removal of the President. Article 107(1)(a) is on abuse of office. Which office has the President abused? If Dr Musenero has abused office, does that mean it is the President?

Article 107(1)(b) is misconduct or misbehaviour. Has he misbehaved? Do not drag the President into this. If money has been stolen by one of the people he appointed, let us hold that person responsible, not the President. *(Applause)*

**MR SSEMUJJU:** Madam Speaker, thank you very much. I had invited colleagues to look at page 59. It reads: “…including giving a judgement, a judgement telling the President to exercise his powers, in accordance with the Constitution.” Madam speaker, I do not want to engage in a debate with you -

**THE SPEAKER:** On the President, do not engage me; engage on the operation of the House.

**MR SSEMUJJU:** Madam Speaker, I am much obliged. I do not want to engage you in a debate, like you said, on the President.

The committee looked at all the issues that hon. Yona raised and made responses. In my view, Uganda is a poor country. If the USA is spending $2 billion on vaccines, countries like Uganda must accept that they will buy those vaccines.

The excitement that was caused that we were going to manufacture a vaccine - I actually thought before the end of the pandemic, there would be a vaccine manufactured by Uganda for its own consumption and neighbouring countries. Yet, research is still on-going. We have a similar problem with other initiatives like the Banana Industrial Development. Therefore, I would like to advise Government that where we are weak, we must accept. There is no point in starting an initiative to go and manufacture vaccines for COVID-19, when you can buy them at a relatively lower price from the market.

Regarding the many accusations made by Hon. Yona Musinguzi, the committee makes recommendations for further investigation by the Auditor-General, etc. I find this a very good report. I only invite colleagues to adopt it, and as you have advised, Madam Speaker, we can have other competent organs of the State look at what the committee recommends, including the Auditor-General. Thank you very much, Madam speaker.

**THE SPEAKER:** Thank you very much. Like I said, I am allowing five people to debate. Let us have three from this side and five from the other side.

11.12

**MR GEOFREY EKANYA (FDC, Tororo North County, Tororo):** Thank you very much, Madam Speaker. I would like to thank the committee for their report.

This Parliament, under the Rules of Procedure, has all the means to ensure that where we have a technical gap, we consult and co-opt technical experts to give us support. If you look at the report of the committee, they did a great job, but needed to have gone further. This is what I see when we normally handle many reports.

Science is a very complicated sector. If we only look at the financial aspect, we may not reach the conclusion. People can account for money, but science is a very complicated field. As a country, we need to invest in science, but we need the procedures and legal instruments in place.

Whereas my whip said we are a poor country and we do not invest, by the time Germany, Britain and Russia invested, researched and invented the medicine we are taking today; the lights, the ammonia nitrates, all the investigations and the developments we have in the world today were done 200 years ago and by then, they were not rich. Therefore, we cannot abandon investment in science. The most important thing is how we should use it.

In my opinion, the way forward is that whenever we are conducting an investigation, we need to hire the necessary experts. This is because money has been spent and released. The Constitution is clear in Article 164. It reads:

*“(1) The Permanent Secretary or the accounting officer in charge of a ministry or department shall be accountable to Parliament for the funds in that ministry or department.”*

*“(2) Any person holding a political or a public office who directs or concurs in the use of public funds contrary to existing instructions shall be accountable for any loss arising from that use and shall be required to make good the loss even if he or she has ceased to hold the office.”*

I repeat the words, “from that use.”

Madam Speaker, we have the former minister, who was in charge. We also have the former accounting officer, who was in charge. We need results and they need to account. *(Applause)* I know Dr Musenero took over office recently, but she needs to account on her part. When she took over the office, she also took over the assets and liabilities. Liability means if the then team entered a contract with any person and did not make good or pay, that is the liability she is accountable to, to ensure that person is paid. In terms of liability of loss occasioned, the former permanent secretary must be held accountable.

**THE SPEAKER:** Hon. Ekanya, may I find out from you who the accounting officer of PRESIDE is? Look at what Hon. Ssemujju was raising regarding the legal status of PRESIDE. Does PRESIDE have a legal status?

**MR EKANYA:** Madam Speaker, I have read the report. The Prime Minister, under the directive of the President, created PRESIDE with the finance mnister. They should have looked at the Constitution, the Public Finance Management Act and all other legal instruments to ensure that they established the right system and legal framework for implementation of the research, but they fell short and did not perform their tasks. Therefore, the scientists decided to get money and give it to themselves, without following the right procedure.

To this extent, we need to conduct a serious investigation to find out how much was given to the scientists. For example, if scientist A was given Shs 5 billion, did he or she really conduct the research, as per the laid down procedures and ethics?

Therefore, I agree with you, Madam Speaker, that this matter needs to be taken to the IGG with very clear instructions. If they do not have the right scientists to co-opt and investigate this matter to conclusion, they should hire. That is my recommendation.

11.17

**MR ASUMAN BASALIRWA (JEEMA, Bugiri Municipality, Bugiri):** Madam Speaker, I would like to thank you for the opportunity. I would also like to thank the committee for the report.

This report raises observations – and I would like to thank the committee for bringing them out – particularly, that Shs 2 billion was not accounted for; that PRESIDE, which was the mandate of now the minister, did not provide recommendations, and that project operational funds were not accounted for, to the tune of Shs 491 million. The chairperson mentioned it. There is unauthorised reallocation of project funds – that also comes out very clearly in the report.

What this report falls short of mentioning is who is responsible for these irregularities.

The report does not point to any particular individual. I think that is not deliberate. This is a matter that requires more investigation. I was waiting for this report to say that so and so is culpable for this anomaly. Unfortunately, that is not in this report. It falls short of mentioning who is responsible for what – who did what and who did not do what?

That is why, colleagues, in looking at this report, it is important that we agree – I would like to amplify the proposal by the Rt Hon. Speaker. The Auditor-General is the one who made revelations of unaccountability and irregular reallocations. We cannot send the same report to the Auditor-General, who already has an opinion. I would rather –*(Interjection)*

**THE SPEAKER:** No, you do not switch on the microphone and then say “information”. Continue.

**MR BASALIRWA:** My proposal, which I would like to amplify, is that since the Auditor-General looked at this matter – there are accusations of abuse of office, misappropriation and incompetence – I would like to advise and amplify the fact that this is a matter that should be forwarded to the IGG for further investigation. We need an IGG report because the IGG report will then bring out who did what and who did not do what. Otherwise – *(Interruption)*

**MR AWANY:** Madam Speaker, on page 48 under observations – the committee observed that the chairperson PRESIDE, Dr Monica Musenero, acted irregularly by authorising the virement, which was solely the responsibility of the Minister for Finance, Planning and Economic Development. In this respect, there is an accusing finger being pointed at Dr Musenero.

**MR BASALIRWA:** That is where the problem is. Read the recommendations. They make an observation on page 48. Now, listen to their recommendations;

“i) All virements between projects should be made in accordance with the Public Finance Management Act.

ii) PRESIDE should not reallocate funds.

iii) The minister responsible for STI should be relieved of her role as chairperson PRESIDE to avoid conflict of interest and to align this funding to principles of good governance.

iv) PRESIDE’s (or responsible entity) accounting officer should institute a robust monitoring system…”

These recommendations are not in tandem with the observations. If you are making an observation, that observation should be in tandem with the recommendation. Why were you shy to say that so and so stole this amount of money?

**THE SPEAKER:** There is a procedural matter. The issue that Hon. Asuman Basalirwa is raising is that your observation must speak to the recommendation.

**MR ATWIJUKIRE:** Madam Speaker, our rules allow us to amend the observations, recommendations and the report. *(Applause)* Isn’t it procedurally right that instead of spending more money in investigating this matter, as the Parliament of this country, we make precise recommendations to the effect that whoever we find culpable, according to the observations, is held personally liable? Thank you.

**THE SPEAKER:** Honourable members, we are debating the report. At the end of the day, we shall adopt the amendments together with what is in the report. What is important is for us to adopt the report, together with its amendments – and we need a treasury memorandum to that effect. It is also good practice, in report writing, that your observations must speak to the recommendations.

**MR BASALIRWA:** Madam Speaker, that is where I have a fundamental problem. By the observations not being in tandem with the recommendations, I do not think we were protecting anybody – I do not want to believe so.

Secondly, even if we are to talk about amending recommendations, you would have one challenge: the committee had an opportunity to interact with the witnesses, which opportunity we do not have, as the entire House. You run short of abusing the rules of natural justice. The committee had an opportunity to put all these issues to the witnesses to be able to come up with biting recommendations, which they did not do –

**THE SPEAKER:** Can you summarise?

**MR BASALIRWA:** Finally, I also propose - because in one of the recommendations, the committee, and rightly so, recommends that PRESIDE and its activities should be integrated in the existing scientific institutions. This is very good.

However, I was looking at the methodology; the committee interacted with so many stakeholders. They did not interact with the people that instituted PRESIDE: the President, and the Prime Minister – on the 20th of May, the President directed the Prime Minister – to try and understand why the President had to direct the Prime Minister to establish PRESIDE and not use the existing scientific institutions. Perhaps we would have known.

I am a president of a party. We, presidents, are privy to a lot of information. Perhaps the President has information on the existing institutions that we do not have.

It was important to interact, either with the President or the Prime Minister, to understand why there was PRESIDE and not the existing institutions in the methodology and the people they interacted with, including the minister and the others. This is because only the President and the Prime Minister can explain why it was PRESIDE and not the existing institutions. That information is not here. I thought that would have also helped us in trying to understand the context.

Otherwise, this is a very good report. I pray that it should be adopted subject to the recommendations of the Inspector General of Government looking at the abuse and malpractices here. Thank you.

11.27

**MR FOX ODOI (NRM, West Budama North East County, Tororo):** Thank you, Madam Speaker. I am cognisant of the wonderful guidance you have given to the House that we debate devoid of emotions, and that there are issues in the report that will probably require further investigations and the attention of the Inspector General of Government. Let me start my submission from that point.

Madam Speaker, in any investment, research and development is the most expensive aspect. Let alone in sciences, the investment you put in research and development does not immediately yield results; we must recognise that, as a House.

Secondly, for a nation or humanity to survive, we must invest in science and technology. If we do not invest in science and technology, we are headed for extinction.

The United States invested very heavily in the development of the atomic bomb and that is what saved humanity during the Second World War.

Therefore, Parliament must recognise the fact that we should help our Government and our scientists to invest in research and development. However, that is not to say that such investment must not be subjected to accountability. We should always ask for accountability.

The next issue is: How do you account for investment in science and technology? How do you account for research? If I present a thesis and go out to look for data to validate my thesis, and I fail to validate the thesis, can you turn around and say, “I have simply stolen the money?” I am asking a rhetorical question.

**THE SPEAKER:** Can I also ask you a question? That in terms of asking for accountability from a research institution, can output act as a product?

**MR FOX ODOI:** Yes.

**THE SPEAKER:** As Parliament, you gave Dr Ogwang money. Did he produce Covidex or not?

**MR FOX ODOI:** Madam Speaker, the answer is yes and no.

**THE SPEAKER:** Hon. Fox Odoi, kindly sit. Yes, we want to invest in science, technology and innovation. A country that does not invest in that is no country, but at the end of the day, we want to see results. What are the results? You may not give us accountability in terms of money or how much you have spent, but give us accountability, in terms of the product.

**MR FOX ODOI:** Much obliged, Madam Speaker. What I was trying to -

**THE SPEAKER:** We are also mindful that this process takes a little longer, and we should be certain that tomorrow or next year, we shall have the product. Remember, we budget every year for the same and so, when you do not expect to see anything - that is what Members are raising.

**MR FOX ODOI:** Madam Speaker, I entirely agree with your position only to add one aspect: that not every scientific research succeeds; some of them fail. I beg to submit.

11.32

**MR MAURICE KIBALYA (NRM, Bugabula County South, Kamuli):** Thank you, Madam Speaker. I decided to come in front here to make the Frontbench know that when we give them authority and power to run this country, it is not that we have given them power to takeover this country and use whatever they want as if they are running their homes.

The report from the committee is very clear, that PRESIDE and whatever went on, decided to recruit brothers, sisters and friends because they knew that they were reporting to themselves and were not answerable to anybody. That is why they gave themselves powers to fund projects that had been running and had been paid for before. They decided to incorporate them into the new projects and paid them money against Parliamentary regulations, to the extent that even some of the projects that Parliament passed to be funded were dropped and instead, they took over other projects that they wanted.

The fact that we gave the minister powers to do whatever they wanted and allowed her not to follow the guidelines issued by Parliament, but their personal guidelines, was the first point of mistake for PRESIDE and the honourable member.

The report is clear; there was no competitive bidding before these people got the money and nobody, under the research programme, had taken the initiative to have these incorporated yet if that had done so, we would be able to know that money was going here and there or that the project was being run like this and that.

Madam Speaker, these days when I walk in the area, they say, “You MPs are very lucky; you are in position to buy a pair of mice at Shs 8 million.” Even if we talked to Jesus and asked him to send us the species of this pair of mice, it cannot happen. We need to make the honourable minister accountable for this.

**THE SPEAKER:** Thank you. Speaking of moving around and people saying that honourable members can afford to buy a pair of mice at Shs 8 million, I again saw a news article circulating, saying that I have increased salaries for honourable members of Parliament.

I do not have powers to increase salaries for Members of Parliament. Those who are writing that kind of nonsense must stop. Members of Parliament are contented with what they are paid. So, those writing such should stop. What Members of Parliament earn is enough.

**MR KIBALYA:** As I conclude, the project had sectors where it was spending up to 164 per cent of the money yet during COVID-19, there was a 40 per cent cut on budgets across the board, but they were in position to spend 160 per cent; where were they getting this money?

Anyhow, I concur with the report. The minister should provide accountability and at the end of the day, we urge Members of Parliament should be exemplary, in that, when you are given authority, you use it well by censoring the minister.

**THE SPEAKER:** Thank you. Hon. Nathan.

11.36

**MR NATHAN BYANYIMA (NRM, Bukanga North County, Isingiro):** Thank you -

**THE SPEAKER:** Do not tell me of points of procedure because you want to speak.

**MR BYANYIMA:** Thank you, Madam Speaker. It hurts me when I see, at this critical time the resource envelope becoming smaller and smaller; that one of us takes the responsibility to squander the money that we so desperately need. Much as the science people are beating about the bush –*(Interjections)-* we have seen research being made before and it is already there in the country. I know, His Excellency the President wants this research to be done, but the people to entrust the money with are not there; they are dishonest. Indeed, she has apologised, but what next after the apology?

The report shows it. Madam Speaker, I must thank you for having initiated this select committee. The same thing is happening with the bananas in Bushenyi. It happened to the Kiira Bus Company and another one is in Kasese with the busman. We need this money. This lady has squandered Government money, and she is so brave to talk the way she does; it is so disappointing.

This country belongs to you, people. You are young people; you have a huge stake in this country. We want our people to use this money. The lady cannot hide behind science, no. There must be accountability in science research. There was an MoU; she says - what is that company? “PRESIDE”; it is no longer there. Now it appears in the budget. Madam Speaker, things must change.

**THE SPEAKER:** Thank you.

11.39

**MR EDDIE KWIZERA (NRM, Bukimbiri County, Kisoro):** Madam Speaker, thank you very much. I have read the report, but there are issues for those of us who have conducted academic research before. I would like to put some records straight; I have not seen a minister making a report proposal to the President before; we have the National Council for Higher Education, which is mandated by law to approve research.

**THE SPEAKER:** By the way, by then she was not a minister.

**MR KWIZERA:** Whatever it was -

**THE SPEAKER:** Okay. That was Elioda by then.

**MR KWIZERA:** When someone submits a research proposal to the Head of State, it is abuse. It is misdirection. That is very important.

Another issue is that when the committee makes reference to the President about the President directing the Prime Minister, the Prime Minister could have advised the President that -*(Interjections)-* I am reading from page 59 - that Musenero has written to me; she wants to do research. This is unheard of.

Do you have a research design? Was it looked at? What are the results? Do we have results? Accountability and appointment go with responsibility. Do we have the research results? And if they say there was no legal status, I am worried that even the Auditor-General and the IGG cannot audit an illegal entity. How will it be audited?

For the Auditor-General to release money under audit warrants - how did they get the money? I would think that this was actually robbery; disguised robbery because -

**THE SPEAKER:** Hon. Attorney-General, I would like to ask: When you get a directive from the President, do you just act or do you act according to the law?

**MR KIRYOWA KIWANUKA:** Madam Speaker, that sounded like a trick question, but yes, if you get a directive from the President, you act in accordance with the law. You comply with the directive in accordance with the provisions of the law.

**THE SPEAKER:** Thank you so much. Hon. Kimosho -

11.41

**MR DAN ATWIJUKIRE (NRM, Kazo County, Kazo):** Thank you, Madam Speaker. I would like to draw the attention of Members to page 48, where the observations are very clear. I will not read them; I will go to the recommendations. I would like to propose that we add, in the recommendations, that the minister responsible should be held personally liable, aware that Parliament does not have the power to direct the Executive.

This Parliament should urge the Executive and the President to make her step aside as the investigations go on. I beg to move, Madam Speaker.

**THE SPEAKER:** Honourable members, the honourable member is bringing an amendment. As Parliament, we do not have powers to direct the President. Read the case of Severino vs. the Attorney-General, which says that Parliament does not have such powers. The case of Fox Odoi vs. the Attorney-General is still on the same. We can only urge the appointing authority, but we cannot direct. Is hon. Kimosho’s amendment seconded?

**MR SSEMUJJU:** Madam Speaker, I ask colleagues to read the report. At the time “Preside” was founded, there was a minister called Elioda Tumwesigye, and a permanent secretary called Obong. If you want the minister, as an accounting officer, held responsible, it is him and the permanent secretary.

**THE SPEAKER:** We are saying the responsible person at the time.

**MR ATWIJUKIRE:** Thank you, Madam Speaker. I think Hon. SSemujju should read the report. Observation number one; “The chairperson of “PRESIDE”, Dr Monica Musenero acted irregularly by authorising payments, which were solely the responsibility of the Minister for Finance, Planning and Economic Development.” That is very clear.

**THE SPEAKER:** Honourable members, hon. Abed, let us have respect for each other. Let us debate one thing.

11.45

**DR ABED BWANIKA (NRM, Bulamogi County, Kaliro):** Madam Speaker, I have read and listened to the report. I am at pain; I was at the university with Dr Musenero. She was two years ahead of me. She is one of the most brilliant people that this country has ever had. She did her postgraduate in America, and decided to come back to this country. *(Interjections)*

We must separate the inefficiencies of the ministry of education and science, where research falls, and Dr Musenero, the scientist; those two are very critical. If this Parliament fails to disassociate those two, we will be seen as if we are killing innovation.

From the report, it is very clear that there are issues of financial –

**THE SPEAKER:** Honourable members, when you start making your “orders” –

**DR BWANIKA:** Madam Speaker –

**THE SPEAKER:** Honourable members, I am going to become tough on you people. *(Laughter)* Honourable members, let us have respect for everybody. *(Applause)*

If you cannot have respect for and listen to everybody who is speaking, then, what are we? We are dishonourable. We are honourable Members of Parliament. Let us give him his chance. He is an OB; you never know; he was, maybe, beyond an OB. *(Laughter)*

**DR BWANIKA:** Thank you, Madam Speaker. From the report, it is very clear that there are issues of financial mismanagement. *(Applause)* It is also very clear that there are issues of illegality, as far as the framework is concerned.

In this country, we know that if we are going to do any research in science, the responsible body is the Uganda National Council of Science and Technology; it must approve the research. It must promote and watch over that research. From that report, it is very clear that, that body did not do their work.

Madam Speaker, I have listened to one of the Members making a claim in our face. One of the most expensive transgenic mice in the whole world costs Shs 40 million. I am hearing people talk about Shs 8 million; it is Shs 40 million. Do not go on the street talking about Shs 8 million. For us who do science, it is Shs 40 million. That is what the highest transgenic mouse costs in the world. Shs 8 million is the cheapest.

I would like to end – *(Member timed out.)*

11.49

**MS JOY KATALI (NRM, Woman Representative, Jinja):** Thank you, Madam Speaker, for giving me this opportunity. I would like to thank the chairperson –

**THE SPEAKER:** You people, no lady has talked.

**MS KATALI:** Thank you, Madam Speaker, for giving me this opportunity. I thank the committee chairperson and members for the detailed and informative report, and also thank the minister for her response.

According to the minister, she says the report relates to a period when she was not a minister, and she seems to be comfortable with the output. I do not know whether she can show us anything on the ground right now. I also want to find out whether, when she became minister, she resigned from PRESIDE because if not so, the issues of corporate governance come up.

The misuse of funds, diversion of funds and reallocation without approval is becoming a trend in this nation. Whenever there is a programme or project, people get excited because they want to “eat” that money.

My colleagues have talked about the legal framework or the legal status of the entity that was not in existence. You wonder whether it was a bonanza for some people. I agree with you, Madam Speaker, that the IGG should further investigate this matter. Thank you.

**THE SPEAKER:** Once you talk about PRESIDE, that is one of the recommendations that have been made; that she must leave PRESIDE. Hon. Sarah Opendi? I am looking for a lady this side.

11.51

**MS SARAH OPENDI (NRM, Woman Representative, Tororo):** Thank you very much, Madam Speaker. It is extremely unfortunate –

**THE SPEAKER:** Members, two minutes.

**MS OPENDI:** It is extremely unfortunate that my dear sister, hon. Musenero, is caught up in all these anomalies.

Madam Speaker, I have heard statements here that hon. Musenero was not a minister then. However, I am quite aware that she was a Senior Presidential Advisor. The Leadership Code Act states or includes Senior Presidential Advisors as leaders *–(Applause)-* and, therefore, once you are a leader, you are actually supposed to conduct yourself in accordance with the Leadership Code Act, 2002, as amended.

Therefore, there are certain minimum standards required of every leader. If what I have read here is true that she was the chairperson of PRESIDE, and she was also a Senior Presidential Advisor, she can be held responsible for the omissions that I have read in this report.

It is extremely unfortunate that – I think on page 44; I do not want to read everything – people procure equipment. No formal request for equipment was made, creating wastage – no formal procedures were followed. Some equipment was procured yet they are available in-country. The thermal recyclers, laboratory freezers, micro plot starters –

**THE SPEAKER:** I said two minutes.

**MS OPENDI:** Indicating, Madam Speaker, that there was wastage -*(Interjection)*- Madam Speaker, can I just conclude on the issue of the IGG?

If we are to refer this report to the IGG, we must give a timeline. Otherwise, it will be an investigation forever. I would like to propose that should we refer this report to the IGG for further investigations, we give them three months within which to report back. Thank you, Madam Speaker.

11.53

**MS LAURA KANUSHU (NRM, PWD Representative):** Thank you, Madam Speaker. When people or departments come here for approval of budgets –*(Interruption)*

**MR MUWANGA KIVUMBI:** Madam Speaker, I am rising on a point of procedure. Have we lifted the requirement for Members of Parliament while in the Chamber, to wear masks? I can see my brother, my brother, my brother; a couple of Members here. Are we proceeding well, Madam Speaker?

**THE SPEAKER:** Honourable members, the Member is very correct. This is a closed area. You never know; somebody could be having – If you do not have a mask, can we distribute them for you?If you are not wearing a mask, get out. *(Applause)*

**MS KANUSHU:** Thank you, Madam Speaker. When people want us to approve their budgets, they come to us kindly and present their case. However, when we ask for accountability, as Members of Parliament, it looks as if we are attacking personalities.

I heard hon. Bwanika give a background of hon. Musenero’s education. I do not know whether that exonerates her from being accountable –*(Applause)*- but I also heard people say they want to fight science and technology. When we do innovations under science and technology, are we exonerated from being accountable? When we do research, is there any kind of research that we cannot account for? Therefore, I would like to support that we amend this report – and I would like to second the proposal by Hon. Dan Kimosho – but we must always demand for accountability.

I think that the minister should not be exonerated from this, because I think she was the accounting officer at the time and she must be accountable for the funds that we are asking for. This House must always ask for accountability. In the same way that people come here to approve their budgets, should be the same way they give accountability to this House, because that is our primary mandate. I thank you, Madam Speaker.

**THE SPEAKER:** Thank you. Honourable members, Article 164 of the Constitution of the Republic of Uganda says: “*(1) The Permanent Secretary or the accounting officer in charge of a ministry or department shall be accountable to Parliament for the funds in that ministry or department.”* “(2) says, “*Any person holding a political or public office who directs or concurs in the use of public funds contrary to existing instructions, shall be accountable for any loss arising from that use, and shall be required to make good the loss even if he or she has ceased to hold that office.”* This is a constitutional provision.

11.57

**MS GORRETH** **NAMUGGA** **(NUP, Mawogoola County South, Ssembabule):** Thank you, Madam Speaker. I am the Shadow Minister for Science, Innovation and Technology in the alternative government. *(Laughter)*

This is the most suitable moment for me to inform you, Madam Speaker, that I have totally failed to carry on my assignments as the shadow minister. I have even failed to locate this ministry. There is a resolution of Parliament that the ministry be housed under the Office of the President, but you find it under State House.

Madam Speaker, we need to be guided. This is a very critical ministry to this country, yet it is grappling with so many debts. It is using borrowed money, and it is this very money that is being misused by the honourable minister.

Whereas the honourable minister studied from abroad and is very experienced, the report shows that the minister failed to carry on her assignment. I totally agree that the honourable minister should be censured, as I also find where and how to carry on my assignment.

Madam Speaker, you would have found this ministry very vibrant if Dr Musenero was doing her work the way she is supposed to do. I am totally in the corridors and I have failed to do my work as the shadow minister. Now that we have this report, I request that we put this ministry to order.

The President is urging Government to increase salaries of scientists, but where are we going to find them? This is the very ministry that would have promoted scientists. We are looking out for research - funding research and development - because we want to create employment for the youth. Therefore, as the shadow minister, I strongly agree that –*(Member timed out.)* As the shadow minister, I request you give me a minute to conclude.

**THE SPEAKER**: As a shadow minister.

**MS NAMUGGA**: My prayer is that Parliament should put this ministry to order so that we can have this country get the output from this office.

As I have alluded, I am very vibrant and willing to serve this country, but I am rendered useless because my colleague is not doing her part. Thank you.

**THE SPEAKER:** Honourable shadow minister, where is the censure coming from? Is it in the report?

**MS NAMUGGA:** Madam Speaker, the report has its recommendation, but I move, in addition to what has been proposed by the committee, that -

**THE SPEAKER:** That is not how we move a motion to censure.

**MS NAMUGGA:** Madam Speaker, I can move a motion. I move that we amend -

**THE SPEAKER:** Honourable member?

**MS NAMUGGA:** Yes, Madam Speaker.

**THE SPEAKER:** I am saying, that is not how we move a censure motion. If you want to move a motion to censure, there is a procedure to follow, and not the way you are doing it. If you are going to follow the procedure, well and good. Otherwise, that is not how we do it in the House. Your leader will guide you on what to do.

**MS NAMUGGA:** Madam Speaker, it was just a notice.

**THE SPEAKER:** No. You do not have to give notice. *(Laughter)* Honourable members, you have debated this report. *(Mr Macho rose\_)* I like it when you stand, when the Speaker is speaking, including this smuggler of mine*. (Laughter)*

12.01

**MR GEOFFREY MACHO (Independent, Busia Municipality, Busia):** Rt Hon. Speaker of the Parliament of Uganda -*(Laughter)-* I am no longer a smuggler; I am a cross border trader.

I would like to appreciate the report, although the observations and recommendations do not meet my expectations. The mandate of the committee, in its report among others, was to establish the progress in development of a locally manufactured COVID-19 vaccine, to establish the amount of funds so far released to the research, innovation and COVID-19 vaccine development; and to establish how effectively such funds had been utilised.

I would like to agree with Dr Abed Bwanika. It is true Dr Monica Musenero is very brilliant and intelligent, but these brilliant and intelligent people know how to craft things, sometimes. I say so because the committee, in its recommendations, omitted the issue of performance and competency. I note the incompetency of Minister Musenero.

Madam Speaker, in our culture, they say that you can tell what will be a mushroom from the budding stage. When Dr Monica Musenero was a nutrition officer in Mbale, that was the same song - lack of clarity in expenditure and handling finances. How can a person destroy a ministry and then go to a secretariat and destroy jobs for Ugandans and blame the ruling NRM Government?

In the report, the ministry was getting between Shs 35 to 40 billion, but as we talk, they are getting Shs 3 billion, which means some jobs were lost and that was done intentionally to kill the evidence. That is why she sacked people.

Look at her – *(Interjections) -* The people who were sacked have families, children and they are suffering right now.

**THE SPEAKER:** Hon. Macho, can you withdraw your statement. When you say, “Look at her”, you are saying, look at all the women in this House.

**MR MACHO:** Madam Speaker, I want to withdraw the statement, “Look at her”. So, let me speak while looking behind. That was what I meant; to talk while looking at the minister.

**THE SPEAKER:** Let us have decorum in this House. She is an honourable Member of Parliament.

**MR MACHO:** Madam Speaker, I withdraw. I would like to proceed with my submission.

When Dr Stephen Malinga passed on, Dr Monica Musenero contested as a candidate and she got only 60 votes in the whole of the constituency. Why? It was because she lacked integrity.

**MR KINOBERE:** Madam Speaker, I would like to thank you for guiding the House. I also thank my colleagues who are debating -

**THE SPEAKER:** First sit, Hon. Kinobere. Honourable members, I think you still have too much energy for the morning session. I am now going to take you to Bills. Do you have anything to say, honourable?

12.06

**The leader of the opposition (Mr Mathias Mpuuga):** Much obliged, Madam Speaker –

**The Speaker:** I am not giving you, hon. Macho, all the way from Busia.

Rule 84 on use of unparliamentary language - let us have respect for each other. *(Applause)* There is presumption of innocence.

**Mr mpuuga:** Thank you, Madam Speaker. I would like to appreciate the committee for the report. At the beginning of this Parliament, we set ourselves quite high standards. This debate and the consequential output will speak to the commitment to those very high standards we set ourselves in this House.

Hon. Kyooma and his team should be applauded for the courage to dare. This House owes them a duty. If their findings are watered down, we shall have empowered a culture of impunity – we would have empowered a culture of “I don’t care.” All of us will be culpable.

The need for science and technology in this country cannot be overemphasised. All of us would desire to see this country progress on a clear path, where innovators and scientists guide our daily thinking and the path to development.

Madam Speaker, we have a national research agenda. I would like to invite the honourable members to be interested in appreciating this. The NDP III is very unequivocal on what science should look like. Therefore, in debating this, we must also focus on whether we are actually on the right path.

Investment in science, Madam Speaker, should not be just motivated by the availability of money, but availability of skills and commitment to invest those skills in a particular output. Hon. Namugga, the shadow minister for science and technology, ably observed that this House resolved, *inter alia,* that this ministry resides in the Office of the President. The Prime Minister should explain; why are we debating this ministry to be under State House? Was it defiance?

There is a resolution in the *Hansard* that the ministry resides in the Office of the President and not in State House. State House is the personal residence of the President and his family. We are voting funds for it. We are very clear on purpose and intention. Therefore, we need to find out from the Prime Minister whether Parliament was defied on that resolution.

**The Speaker:** Honourable LOP, I thought the Vote is under the Presidency.

**Mr mpuuga:** It is under Vote 002, in complete disregard of an existing parliamentary resolution. We expect the Prime Minister to make clarification. If it was defiance, we find a way of dealing with it.

Madam Speaker, I have no personal grudge with Hon. Dr Musenero, the former CEO of preside and now, minister. Her transfiguration from being a preside CEO to a minister does not, in any way, absolve her of being accountable and being held responsible for her role then.

I have read, clearly, the indictments in the report on virement of funds and failing to account for funds. One of the most unfortunate developments was that the minister was trying to rebuttal the report in her statement. Probably, she should have asked for a privileged statement to respond to the allegations.

The then Minister of Science, Technology and Innovation, Dr Elioda, has his own troubles. Wherever he is, he should really get out of his hiding hole to come and also account. The current minister has her own issues as a former CEO of preside. For that, she must be properly indicted by this House and held accountable.

Madam Speaker, when ministers are given this duty, they need to understand that they are doing it on behalf of the taxpayer. Accountability should not be a matter we are debating in this House – that preside was given public funds without legal status. The Attorney-General will advise this House whether it is a matter that the Public Finance Management Act and the Constitution can accommodate. Therefore, we should allow it to float and the people should be lining up the President and he will invoke his Executive powers to draw out public funds, yet people do not account.

I am also aware that a number of people have been claiming to be researching using public funds. The law is very clear on use of public funds to undertake research. Probably, the Minister for Finance, Planning and Economic Development will advise us: How many patents are in your custody on account of public funds voted on research? The law on ownership of discovery is very clear; whoever funds, owns.

Does the Minister for Finance, Planning and Economic Development have a catalogue of patents that are in their custody by virtue of funds voted by the taxpayer to finance them? It is one of the voids that people are exploiting; to use public funds to say they are working so hard on this and that, yet we are being fleeced, as taxpayers.

Madam Speaker, this House should have the courage. It is upon this House to invoke the provision of Article 118. For Dr Musenero, holding a public office calls for a high level of personal integrity. Unfortunately, for you, whether you were used or you used others, Article 118 is available. However, you are free to preserve your name and say, “I have jumped.”

In the circumstances, the report is very clear on violations of key provisions of the Public Finance Management Act, including failing to account for Shs 2.06 billion. What do we do about that? Is it just a happy-go-around to say, “People are researching?

As I conclude, we are lucky to be in the budget cycle. This particular Vote should not be given public funds without clarity as to how the funds are voted in that area. I want it to be one of the amendments that, in the face of the dark clouds surrounding this area, and until there is clarity as to how previously voted funds were used, they should not receive money.

Public universities are doing a lot of research, yet they do not have money. We should send that money to public universities; to the professors there with cool heads and a sense of direction, so that they can research, incubate researchers and help young people to get a very clear sense of direction while undertaking research. Their research components have been regarded as unfunded priorities over several financial years. They should receive this money.

Dr Musenero should go back for incubation, as we think, again, for the direction of science and technology in this country, Madam Speaker. I beg submit. *(Applause)*

**THE SPEAKER:** Thank you so much, Leader of the Opposition. I am with you that the vote should not be in State House because State House is supposed to be for private residence, unless it is done with the recommendation of the President; Article 172(2) refers to that. So, I do not know what could have happened to the budget committee because this House made a recommendation that it should be under Vote 002. Chairperson of the Budget Committee, do you have anything to say?

12.17

**THE VICE-CHAIRPERSON, COMMITTEE ON BUDGET (Mr Mudimi Wamakuyu):** Thank you, Madam Speaker. It is true that when the ministry was abolished, the money was transferred to Vote 001: Office of the President, where the functions of the ministry were transferred to.

I do not know what happened because in the course of the execution of the budget – and if the finance minister can guide the House - the money went back to Vote 002: State House. As I speak, the same budget is again still under Vote 002: State House, not Vote 001: Office of the President, as passed by Parliament. We have that challenge, but the minister can guide us.

**THE SPEAKER:** Honourable minister, can you guide us on how you deviated on the decision of the House, after we made an approval that the budget for the Ministry of Science, Technology and Innovation should go to Vote 002?

12.19

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi)**: Madam Speaker, it is true that I moved a motion here to move money for the Ministry of Science, Technology and Innovation to Vote 001: Office of the President.

However, since Hon. Mudimi raised this matter when I was consulting on another matter, which we are also about to deal with, I propose that I be given time to respond adequately.

**THE SPEAKER:** *[Members rose\_]* Do you want to act as speakers? If somebody is asking for time to give us information, let us give him that time. First of all, the LOP has already said that we should not give them innovation money, if they are going to be under State House, unless they are under the Office of the President. We need that information. You know that the State House budget is classified. We cannot audit it.

12.20

**MR IBRAHIM SSEMUJJU (FDC, Kira Municipality, Wakiso):** Madam Speaker, the decision that was taken by this House was to create a vote under the Office of the President; the same way we have the Internal Security Organisation and the External Security Organisation and the AIDS Commission. It was not just for sending money to the Office of the President.

The decision by this Parliament was that money will go to the Office of the President, but under a vote. I do not know what consultation Hon. Musasizi needs to make. Was the vote created? Did the money go there – because we are in the budget process and I sit on the Committee on the Budget?

Madam Speaker, that is why I said that there is something that this Parliament may not do. All these *“Musasizis”* are victims. You deal with a President who has turned his bedroom and sitting room into an office -

**THE SPEAKER:** Was the vote created? If yes, under which ministry was it created? The House made a resolution that the vote be created under the Office of the President. Can we hear from the Chairperson, Committee on Presidential Affairs?

12.22

**THE CHAIRPERSON, COMMITTEE ON PRESIDENTIAL AFFAIRS (Ms Jesca Ababiku):** Thank you, Madam Speaker. The information we have is that based on the decision taken by this House, the Ministry of Science, Technology and Innovation is under the Office of the President; that is Vote 001.

However, the current information, which is news to us, is that there is a letter indicating that for the coming financial year, we should provide for the Ministry of Science, Technology and Innovation –

**THE SPEAKER:** Where is the letter?

**MS ABABIKU:** Madam Speaker, can you allow me finish?

**THE SPEAKER:** What I am asking is: Do you have the letter?

**MS ABABIKU:** I am giving information; I have not come with the letter. However, a letter was written by the President advising that for the coming financial year, the Ministry of Science, Technology and Innovation should move from the Office of the President to State House.

When the honourable minister came with the team, we advised him to go to the Speaker’s office for guidance so that information is brought to this House. So, as of now, we are operating based on the decision of this House. We have not yet changed it. Thank you, Madam Speaker.

**THE SPEAKER:** Thank you so much. Honourable members, there was a decision by this House - the House is not aware of the letter from the President. We are not aware of it. Nobody came to the Speaker’s office - unless it was another speaker. So, we are not aware of that and we will still go by the decision of the House.

Secondly, we have agreed, as a House - there are some burning issues like abuse of office and money that has been lost – that we should refer this to the IGG and give the IGG three months. Thereafter, we report back on the actions taken.

Three, we have an amendment from Hon. Kimosho that has been moved and seconded.

Four, can I hear from Government?

12.24

**THE THIRD DEPUTY PRIME MINISTER AND MINISTER WITHOUT PORTFOLIO (Ms Rukia Nakadama):** Madam Speaker, I would like to thank the committee for the report. I would also like to take this opportunity to thank Members for their contribution in the House.

I would like to commit that Government is going to study the recommendations in the report and involve the relevant departments, like the IGG, and come back to the House, after three months, with the treasury memorandum. Madam Speaker, I thank you.

**THE SPEAKER:** Thank you so much, Prime Minister. We will be waiting for a treasury memorandum within three months. We are referring this report to the Inspector General of Government. We are also including the amendment proposed by Hon. Kimosho.

I now put the question that the report of the Select Committee on Science, Technology and Innovation on COVID-19 related Research be adopted with the amendment on taking the report to the IGG and the amendment from Hon. Kimosho.

*(Question put and agreed to.)*

THE SUPPLEMENTARY APPROPRIATION (NO.2), (NO.3), (NO.4) BILLS, 2021

**THE SPEAKER:** Honourable members, there were Bills that were presented to this House; the Supplementary Appropriation Bill No.2, Bill No.3 and Bill No.4. We did not pass these supplementary Bills. We got a legal opinion from the Attorney-General. Can the Attorney-General first take us through his legal opinion?

12.27

**THE ATTORNEY-GENERAL (Mr Kiryowa Kiwanuka):** Thank you, Madam Speaker. Sometime in February, I received a request from the Committee on Budget to answer a couple of questions. The first question was whether Parliament has the authority to decline approval of a supplementary expenditure authorised by a minister within the 3 per cent already expended.

I opined that under Article 156(2)(b) of the Constitution and section 25 of the Public Finance Management Act, a supplementary expenditure not exceeding 3 per cent does not require the approval of Parliament because Parliament, under the Act, has already lifted that requirement.

There was an inquiry as to why supplementary estimates show sums spent within three per cent laid before Parliament. I opined that again, under Article 156(2)(b) and section 12 of the Budget Act, it is a requirement that even the monies spent within the three per cent limit are presented to Parliament.

The next question was where Parliament has declined to approve the supplementary expenditure in (1) above, how then should that expenditure be treated? I opined that that cannot happen because Parliament has, by law, authorised the minister to make the expenditure of 3 per cent and it would be illegal for Parliament to reject what they have already authorised -*(Interruptions)-* I did not get that question.

The next question was, does the act of disapproval of the expenditure offend the PFMA? I said yes, it does offend the PFMA because Parliament has already allowed the 3 per cent expenditure.

On whether a Supplementary Appropriation Bill should automatically capture the amount, and expenditure, spent within the 3 per cent legal limit irrespective of whether the amounts were approved by Parliament and, therefore, are not contained in a parliamentary resolution. The 3 per cent expenditure over and above what was approved by Parliament was by law under Article 153 and section 32 of the PFMA, not expected to be in the Bill or in the Act of Parliament.

Therefore, it follows that the supplementary expenditure within the legal limit of 3 per cent is part of the supplementary expenditure, which should automatically be captured in the Supplementary Appropriations Bill.

The next question is whether it is in the spirit of the law for the minister to indicate, in the same supplementary schedule, that the 3 per cent legal limit has been partially used for the supplementary funding and request for additional funding over and above the 3 per cent.

I opined that the 3 per cent expenditure and how it is to be expended is a discretion that Parliament left to the ministry. They only have to come and account for it to the Parliament at the time of the Supplementary Appropriations Bill.

Whether a Supplementary Appropriations Bill should replicate figures or amounts contained in the relevant parliamentary resolutions or rather reflect amounts released by the ministry and expended by the agencies. The Supplementary Appropriations Bill should reflect all supplementary, including all supplementary approved by the minister within the 3 per cent limit as well as any other supplementary expenditure approved by Parliament over and above the 3 per cent limit. The Supplementary Appropriations Bill should have the amount approved by Parliament and also any 3 per cent that has been used by the minister.

Whether the Minister for Finance, Planning and Economic Development has powers to suppress allocations to votes within an approved national budget without the express approval of Parliament. I opined that no, suppression means putting down something; that is, removing it. We just need to be careful. There is a difference between suppression and cash flow management. This is because you may have less money than is required to meet your entire financial budget requirement. Therefore, the finance ministry may have to allocate the resources depending on the available resources. However, the minister cannot suppress a budget that has been passed by Parliament. *(Applause)*

I submit, Madam Speaker. I issued the opinion in writing on 13 April 2022, and I beg to lay the same.

12.33

**MR MUWANGA KIVUMBI (NUP, Butambala County, Butambala):** Thank you for this opportunity. Madam Speaker, we find the opinion of the Attorney-General not well-grounded in the law. I am not a lawyer, but I have this noble duty to hold a rebuttal of the Attorney-General’s opinion.

If we give in to what the Attorney-General wants us to do, we would turn this Parliament into a rubber stamp. I have a written rebuttal to him, which I furnished your Office with. I will read it verbatim for him to know that he is encroaching on very essential powers of this Parliament. This has been a very contentious issue over time. We must guide on it carefully.

The gist of that Attorney-General’s position

The Attorney-General, in his six-page opinion contends that:

1. Supplementary expenditure authorised by the minister within 3 per cent of the approved annual budget and already expended does not require parliamentary approval. That is the gist of his submission.
2. Spending of 3 per cent expenditure without the approval of Parliament is permitted under section 25 of the Public Finance Management Act and the Budget Act. Remember, the Budget Act was not repealed. Some sections of it were left out.
3. The minister is only required to lay in Parliament the estimates of the authorised expenditure within four months after the funds have been spent in line with Article 156(2) of the Constitution.
4. Parliament is only authorised to scrutinise the 3 per cent expenditure and make recommendations, if any, to the Executive. That is what you contended.

This approval of supplementary expenditure within the 3 per cent of the approved annual budget is not a legal requirement. In the event that the supplementary expenditures are found unlawful, Parliament may only make recommendations - whoever is found culpable for the unlawful spending and not approval.

The minister may submit to Parliament requests for a supplementary expenditure before exhausting the 3 per cent supplementary expenditure limit.

Parliament has discretion on such requests to approve or reject. Parliament has powers to approve or reject a supplementary expenditure above 3 per cent supplementary expenditure.

Supplementary Appropriation Bill should not automatically capture the 3 per cent supplementary expenditure authorised by the minister and other supplementary expenditures approved by Parliament.

Madam Speaker, that is what the minister contended and I would like Parliament to carefully listen to our observations.

1. Following the scrutiny of the Attorney-General’s opinion, the following observations are made:

(i) The Attorney-General is silent on the provision of regulation 18(3) and (6) of the Public Finance Management (Amendment) Act that requires the minister to approve the 3 per cent supplementary budget only when it is unavoidable or unforeseeable.

(ii) The burden of judgement guided by the regulation is placed upon the minister, and he or she is accountable for the approval Act.

Regulation No.18 of the Public Finance Management Act, as amended, states that:

(i) Where in respect of any financial year, money is expended for any purpose in excess of the amount approved for that purpose or;

(ii) For the purpose for which no amount was appropriated by the Appropriation Act.

(iii) A supplementary estimate showing the amount required or spent as the case may be, shall be laid before Parliament.

(iv) In case of excess expenditure; within four months after the money is spent, Parliament may approve a supplementary appropriation or the minister may approve a supplementary budget as the case may be, where the supplementary expenditure is unavoidable or unforeseeable.

(v) For purposes of this regulation, unavoidable - I do not want to define it for the minister. “Unavoidable” means an expenditure that cannot be postponed to the next year’s budget and “unforeseeable” does not include any expenditure that was foreseen at the time of budgeting.

Any expenditure in excess of the approved budget of a vote and which is not in accordance with this section shall be treated as a loss to public funds as provided for under section 79(i) of this Article.

In line with Article 153 of the Constitution, Parliament is solely charged with the responsibility of approving every supplementary estimate - for both those within 3 per cent, those approved by the minister and above the 3 per cent, those approved by Parliament – of the approved budget.

For a minister to come here and contend that the moment we pass a budget, automatically the minister has been given leeway to go and revise that budget and spend 3 per cent of that money, and will never require Parliamentary approval, is absolutely unconstitutional.

The power to appropriate is solely with this Parliament. Is it laid here for academic purposes? That you come, lay and walk away? It is laid here for us to scrutinise and say, “The minister approved, but was it unavoidable and unforeseeable?” If found not so, we reject it. *(Hon. Ssewungu rose\_)* Let me first finish making my submission. I will give you an opportunity. *(Interjection)* Okay, you give information.

**THE SPEAKER:** Why don’t you finish presenting your report then he will also come in?

**MR MUWANGA KIVUMBI:** Okay. Madam Speaker, *“Where in respect of a financial year, a supplementary estimate or supplementary estimates that have been approved by Parliament in the accordance with section 2 of this Article, a supplementary Bill shall be introduced into Parliament in the financial year next following that financial year to which estimates relate, providing for appropriation of the sums so approved.”*

The sums that go into the Appropriation Bill must have been approved; that approval is only in this Parliament. We cannot allow activism from the Attorney-General on this matter.

Hence, the 3 per cent supplementary budget approved by the minister is constitutionally subjected to parliamentary approval. The Black’s law dictionary, ninth edition, defines the word “approval” to mean;

a) To give formal sanction.

b) To conform authoritatively.

In Parliamentary law, it is to adopt.

Therefore, in the process of approval, Parliament subjects the minister’s approval to criteria provided in regulation No.18(6) of the Public Finance Management Regulations as amended.

Therefore, it is not automatic that the minister’s approval will be confirmed or rejected. This, for Parliament, is expected to exercise its discretion. The cited provisions when read together actualise the checks and balances that accrue from the principle of separation of powers.

Based on the already cited Article 156(3) of the Constitution, the Supplementary Appropriation Bill is only expected to contain estimates so approved by Parliament.

Therefore, it is not automatic that the minister’s approval of 3 per cent supplementary expenditure should be contained in a Supplementary Appropriation Bill. The opinion of the Attorney-General – your opinion, sir - is unconstitutional to this extent.

On the other hand, the approval of the supplementary should automatically be included in the Supplementary Appropriation Bill. Hence, the estimates in the Bill should be consistent with the resolutions of Parliament.

In line with Article 164(2) of the Constitution and regulation 18(7) of the Public Finance Management Regulations, the political or public officer that directed or concurred with the expenditure of a supplementary expenditure that was not approved by Parliament should make good the loss of the funds.

However, it should be noted that the powers of Parliament are limited to only determining whether the direction of occurrences in the public funds complied with the existing instructions of the law.

Pronouncement of the offence and recovery of the public funds are made by other organs of Government.

Article 162 of the Constitution states that any person holding a political or public office who directs or concurs in the use of public funds contrary to existing instructions shall be accountable for any loss arising from that use and shall be required to make good the loss, even if he or she has ceased to hold that office.

Guided by the dictates of Article 156 of the Constitution, when dealing with supplementary estimates, Parliament approves and appropriates; it does not recommend, for it is empowered to exercise approval, discretion to either confirm or reject the supplementary estimates.

The Attorney-General may have misconstrued the provisions in section 12(1) of the Public Finance Management Act that restricts Parliament to making recommendations to the minister on policy matters.

Section 12(1) of the Public Finance Management Act talks about Parliament analysing policies. This is what you referred to and misconstrued to refer to the approval of expenditure. I have quoted that section and it says *“Parliament shall analyse policies and programmes that affect the economy and the annual budget and where necessary, make recommendations to the ministry on alternative approaches to the policy or programme*”. That is as far as policies are concerned.

Besides, it is only the Executive that is that determines public policies in line with Article 111(2) of the Constitution. Article 111(2) of the Constitution states that, *“The functions of the Cabinet shall be to determine, formulate and implement the policy of Government, and to perform such other functions as may be conferred by this Constitution or any other law”.*

Nevertheless, legitimation of the policy or translating them into any law and appropriation is a preserve of Parliament as per Article 79(2) and 156 of the Constitution, respectively. Hence, Parliament is the only institution empowered to appropriate public funds and pass laws in Uganda.

Article 79(2) of the Constitution states; *“Except as provided in this Constitution, no person or body other than Parliament shall have power to make provisions having the force of law in Uganda except under authority conferred by an Act of Parliament”.*

Way forward

Based on the principle of separation of powers, Parliament should safeguard its powers that check the approvals of the minister, by either confirming or rejecting them. Both the Constitution and the Public Finance Management Act provide a sequence for approving supplementary estimates. Parliament holds superior and ultimate approval powers. In light of the observation made in this rebuttal, Parliament should not rely on the opinion of the Attorney-General when deciding on these reports on the Supplementary Appropriation Bills. It violates Article 156(3) of the Constitution.

The Attorney-General’s opinion should only be relied upon when it complies with the law. We are not under any obligation to comply with your opinion, if it offends the law. Besides, the Supreme Court says that the opinion of the Attorney-General does not bind Parliament on any appropriation matters for they do not relate to a contract or agreement or any other legal transaction to which Government or public institution is partially a party or has an interest.

The Supreme Court in Constitutional Appeal No.1 of 2015 - Hon. Theodore Ssekikubo & others vs the Attorney-General & others held, “In our opinion, in applying the generous and purposive rule of constitutional interpretation, while the legal opinion of the Attorney-General must be accorded the highest respect, it must be binding where it relates to a contract, agreement or any other legal transactions to which Government or a public institution is a party or has an interest. This is to give confidence to third parties to deal with Government.”

Madam Speaker, my rebuttal literally means that the Attorney-General’s opinion on this matter, which is unconstitutional, should be disregarded and we take the right decision.

Honourable members, those of you who are not well versed with the issues at hand - let me give a simple one-minute explanation. Parliament rejected some of the expenditure the Attorney-General wants us to include in the Appropriation Bill at the time of appropriation. They went ahead using the three per cent for the minister to allocate funds by disregarding the resolution of Parliament.

I was in the budget committee when the Chairperson, hon. Mudimi and others brought these expenditures and we found them as having abused the powers of Parliament, and we rejected those expenditures. They now want us to include them in the Appropriation Bill, having abused the powers of Parliament. Attorney-General, this is unconstitutional. You should apologise for this opinion. *(Applause)* I beg to move, Madam Speaker.

**THE SPEAKER:** Thank you, Shadow minister. Attorney-General, before you get up, I would like to refer you to Section 25(2) of the Public Finance Management Act, on the retrospective approval within four months.

12.51

**THE ATTORNEY-GENERAL (Mr Kiryowa Kiwanuka):** Thank you very much, Madam Speaker. First of all, for the record, the request for the opinion I got from the budget committee - I am happy that Hon. Muwanga Kivumbi is saying he sits on that committee. I was not privy to the facts he is raising here, as to what happened. I received only questions and I answered them as such. I was not aware of the purpose and this is why I would like to request you to listen to the opinion carefully.

Now that I am aware, I am going to read you the law. Section 25(1) of the Public Finance Management Act provides that the total expenditure that requires additional resources over and above what is approved by Parliament shall not exceed 3 per cent of the total approved budget for the financial year without approval of Parliament. The law requires that if Government is to spend any money above the budget, it must not exceed 3 per cent without approval of Parliament.

Section (2) requires that where the funds have been expended in (1) above, showing the sums spent before they are laid before Parliament, within four months after the money is spent - The law is very clear. It does not require that much legal interpretation. Government can spend, then lay it before Parliament within four months –*(Interruption*) - I am coming to that.

Madam Speaker, Hon. Muwanga Kivumbi relied on Regulation 18 of the Public Finance Management Act, which cannot amend or even alter the intentions of the principal legislation. Before you read the regulation, and what the regulation requires, you must be clear as to what the law states.

Madam Speaker *-(Interjection)-* let me finish. I do not need clarification. I thought it was mine.

**THE SPEAKER:** Can you hear what he has to say. Honourable Attorney-General, he wants a clarification on that. Let us move step by step.

**MR ODUR:** Thank you very much, Madam Speaker. The learned Attorney-General has informed us that regulations cannot amend the principal legislation. I agree. I would like him to clarify whether the Act can amend the Constitution. The point of clarification I need from him is whether an Act of Parliament can amend the Constitution.

**THE SPEAKER:** Make a specific reference. Do not do it omnibus.

**MR ODUR:**If it does not, then the Attorney-General is proceeding on what we call a “fishing expedition”. The Constitution is supreme. He knows very well that if a Bill comes to Parliament, it is only Parliament that can deal with such a Bill. Is a Supplementary Appropriation Bill, a Bill? If it is, then only Parliament has the preserve to deal with that Bill. We cannot even go beyond that.

**MR KIWANUKA KIRYOWA:** Madam Speaker, I agree with my *– (Interruption)*

**THE SPEAKER:** Get more clarification and then you will answer all at once.

**MR NANDALA-MAFABI:** Thank you very much, Madam Speaker. I also want to thank the Attorney-General. The clarification I seek from the Attorney-General – he is reading the law very well. Section 25 of the Public Finance Management Act is very clear on the supplementary. I wanted him to clarify to us whether the 3 per cent he is trying to bring falls under Section 25(7) of the Public Finance Management Act, which says “unabsorbable”, “unavoidable” and “unforeseeable”.

It goes ahead, in 25(7)(c), and says that; *“Unforeseeable” does not include an expenditure that was foreseeable by the vote at the time of preparation of the budget of the vote or an expenditure that should have been included in the budget of the vote*.”

Hon. Muwanga Kivumbi is raising that the 3 per cent was foreseeable at the time of preparing the budget of the vote. Therefore, I would like him to assist us on that.

Finally, Attorney-General, you are a very good learned man. We want to beg you, please, do not spoil your career – of being intelligent – to do things in a wrong way for some wrong people. Please, stay in your lane. I thank you. *(Laughter)*

**THE SPEAKER:** Thank you. *(Member rose\_)* More clarification? What would clear what Hon. Nandala is saying is: What was the 3 per cent meant for? This is what this House needed to know.

12.57

**THE LEADER OF THE OPPOSITION (Mr Mathias Mpuuga):** Thank you, Madam Speaker. I thank the learned Attorney-General for the revelations so far, that the request from the Budget Committee is well understandable. I am very sure he was not privy to the particular information, namely; that the gist of Hon. Muwanga Kivumbi’s minority report on the supplementary schedule is on the fact that the estimates in the Bill are different from what Parliament approved.

I do not know whether you are privy to that – that the Ministry of Finance, Planning and Economic Development was able to disclose to you that – it is part of the contention that – actually, they spent beyond what Parliament had approved and, therefore, an undertaking to scrutinise expenditure by expenditure will render your legal opinion sitting in a lane not clothed in the law. So, are you privy to that fact, learned Attorney-General?

Secondly, Madam Speaker – and related to my statement – I remember moving under rule 43 and asking the chairperson of the Budget Committee to explain the implications of passing the Supplementary Appropriations Bills for financial years that have already been closed. The question, learned Attorney-General, was that the Auditor-General had already laid reports for financial years 2018/2019, 2019/2020 and 2020/2021.

Therefore, the implication of passing appropriation Bills on the integrity of the reports – the Auditor-General had already made reports and, then, we pass the Bills retrospectively. The integrity of the reports, in your view, given the fact that they are late – did you get that information and, therefore, advise the committee and finance ministry accordingly? I remember the Speaker directing the Chairperson of the Budget Committee to address the issue when the reporting on the Bills came up.

Madam Speaker, it raises concerns regarding accountability of the funds relating to estimates in the supplementary Bills. That is why we are in this kind of quandary, learned Attorney-General. If you do not have all the information, the only justice you can do to this House, learned Attorney-General, is to say you only rendered an opinion limited to those matters, but you were not privy to the gist of the issues before Parliament. We can then move appropriately, learned Attorney-General.

Thank you, Madam Speaker.

**THE SPEAKER:** Can we, first, get a response from the learned Attorney-General? You see, we need to move and because we need to move, I have always urged my friends on the Front Bench this side that if you know you have made a mistake – the appropriation is a preserve of this House. *(Applause)* Where you have made a mistake, just accept that you made a mistake and we move so that you do not make the same mistake next time.

**MR KIRYOWA KIWANUKA:** Thank you very much, Madam Speaker. The reasons for the supplementary budgets are not within my knowledge and they are not even quite relevant in the interpretation of the provisions of the law. The reasons, like Hon. Nandala-Mafabi stated – the consequences of not being relevant and unforeseeable are different from the use. That is what we need to be clear about.

Secondly –*(Interjections)*- that is my view. I agree with the honourable member that accountability, under Article 164, is required. Accountability for any monies, under Article 164(2), is required and it is a constitutional requirement. Unfortunately, the honourable member referred to Section 12 of the Public Finance Management Act and I think you misinterpreted it because – *(Interruption)*

**MR MUWANGA-KIVUMBI:** Actually, the mother law here is the Constitution. I will only refer you, honourable colleagues, to Article 156(3) and I will read it:

“*Where, in respect of any financial year, a supplementary estimate or supplementary estimates have been approved by Parliament* – mark the words “have been approved by Parliament” *– in accordance with clause (2) of this article, a supplementary Appropriation Bill shall be introduced into Parliament in the financial year next following that financial year to which the estimates relate, providing for the appropriation of the sums so approved for the purposes specified in those estimates*.”

So, the commanding law – forget about regulations, forget about the Public Finance Management Act – is the Constitution, which is the supreme law.

**MR KIRYOWA KIWANUKA:** Madam Speaker, if I could be allowed to complete – because hon. Muwanga Kivumbi is answering what I am about to say.

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

**MR KIRYOWA KIWANUKA:** Thank you. Madam Speaker, Article 156 of the Constitution provides for appropriation. I will hasten to add that I hold the view that Section 25 of the Public Finance Management Act is unconstitutional to the extent that it provides a limit. I will opine as follows:

*“Article 156. Appropriation Bill.*

(2) *If, in respect of any financial year, it is found:*

*b. that any monies have been expended for any purpose in excess of the amount appropriated for that purpose or for a purpose for which no amount has been appropriated by that Act, a supplementary estimate showing the sums required or spent shall be laid down before Parliament, and in the case of excess expenditure, within four months after the money is spent*.”

This provision reads the same as Section 25, only that Section 25 added a limit of 3 per cent. So, the Constitution provided no limit; the Public Finance Management Act provide a limit –*(Interjections)*- Yes, to give it effect.

To agree with my colleague, it was wrong to use the Public Finance Management Act to purport to amend the Constitution. Therefore, I would actually state that any amount exceeding the appropriated sum would be constitutional. However, Madam Speaker - and I did raise this with you, we have been -

**THE SPEAKER:** It would be constitutional, but approved by this House.

**MR KIRYOWA KIWANUKA:** Madam Speaker, that is why I am saying that these provisions - it is dealing with what has been spent. And, Madam Speaker, you must remember that I had a conversation with you about bringing the PFMA in line with the Constitution. We have had an issue here with the funds and with a couple of things in the Public Finance Management Act, in bringing it in line with the Constitution. The interpretation that I have given may not be very palatable to Parliament, but that is what the Parliament wrote.

As I conclude, my learned friend and brother, the hon. Muwanga Kivumbi may not agree with my opinion, and has requested Parliament not to follow it. I would only hasten to add that Parliament may want to err on the side of caution and rely on my opinion more than his. I thank you.

**THE SPEAKER:** Honourable Member, can I hear from the Minister of Finance?

1.06

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Thank you, Madam Speaker. I am constrained to add anything after the Attorney-General has given his opinion. However, Hon. Muwanga Kivumbi’s concerns are in regard to processing the Bills that I am about to read to Parliament for the second time.

We have considered the Bills here many times and in these Bills, we have always provided amendments. I would like to suggest that we are allowed to present the Bills. I am sure the Committee on Budget has considered these Bills. If there are any amendments, where Hon. Kivumbi and others think some clause is irregular, then we amend –*(Interjections)*- yes. I beg to submit, Madam Speaker.

1.07

**MR JONATHAN ODUR (UPC, Erute County South, Lira)**: Madam Speaker, thank you very much. Respectfully, I disagree with the minister. What we are handling at this stage is to deal with the opinion of the learned Attorney-General that - I am sorry to use the word, “purport” - purports to say that Parliament does not have authority to process supplementaries. We are first dealing with that aspect. Then the second aspect, which you are raising, we are okay with it because when it comes to amendments, we shall deal with it.

However, the information I would like to give you is that whenever you read the Constitution and the Public Finance Management Act, you must read them with the Rules of Procedure of Parliament starting with rules 152 and 153, which are in consideration of supplementary estimates, and rule 154 as you go ahead. These are very clear because you are going to deal with votes.

Madam Speaker, when the vote is called, any Member of Parliament is free to move that let it be increased or reduced. That is what I understand about the appropriation process. Therefore, when the Attorney-General says that it should not -*(Interjections)–* yes, with reasons, of course, and the House can accept or even reject. That is what the minister is talking about.

So, even the argument that we have about its relevance and whether it was necessary and the rest, that is aside for now. For now, we want to deal with the issue the Attorney-General is raising, which is an attempted usurping of the powers of Parliament.

I would like to add that we should actually forgive this Attorney-General. I understand he is coming from dealing with parties elsewhere. This is a very serious House. We cannot entertain the hangovers of the parties here.

1.09

**MS ABDU KATUNTU (Independent, Bugweri County, Bugweri):** Thank you very much, Madam Speaker. I must apologise; I am not wearing a mask because of a respiratory problem.

**THE SPEAKER:** I have given you permission.

**MR KATUNTU:** Thank you, Madam Speaker. I would like to say this. Institutions of Government should work in harmony. We should not seek to have conflict. And, both Parliament and the Executive should realise one thing, that if we have those conflicts, then every institution will fight for its powers in accordance with the law, and we will have a stalemate.

This debate is unnecessary if somebody taking a decision would have put that in mind. And, let me explain why, Madam Speaker. If Parliament, in its wisdom, has decided that this expenditure cannot be or - okay, that you cannot appropriate this money for this particular use, the Executive cannot turn around and say, “We shall use the authority of three per cent for the same expenditure.” You will be causing conflict. You will be causing a conflict and at the end of the day, you will have a standoff because Parliament says, “We have reasons why we could not agree on this appropriation.”

The issue of the learned Attorney-General’s Office, we had this debate many years ago. And it took me to the Constitutional Court to cite the authority that the hon. Muwanga Kivumbi is talking about; the Ssekikubo case - that was me. I had to apply to be added as a party to make sure that, one, we have the independence of Parliament, but also recognise the role of the Office of the Attorney-General. The Supreme Court already pronounced itself on that; we do not have to start debating who has powers, this and so on.

In my view, Madam Speaker - and this is to the finance minister - it was wrong, on your part, to start using the window of 3 per cent to do what Parliament had refused to do. You should have told those facts to the Attorney-General because what you did has put him in a position where he rendered an opinion without knowing the background. And, that is wrong for any lawyer because for us, we render opinions based on the facts that have been provided.

Some of these facts are just coming to the Table now and hon. Muwanga Kivumbi can say no, “Attorney-General, you are wrong because of these facts.” And, actually, learned Attorney-General, those are the facts, but it is because they were not brought to your attention. Why were they not brought to the attention of somebody who was seeking your authority?  Was he acting in good faith? You also actually put the Office of the Attorney-General in the fray of your bad decision as finance?

Whoever sought the opinion of the Attorney-General should have given a background before they ended up with your questions that the learned Attorney-General tried to answer.

Madam Speaker, the problem is Finance. Do not make other institutions look bad. Colleagues, when a professional gives an opinion and he tells you this is what I was asked, let us respect that. You can only say, “Well, they should have given you more information.”

My advice is: if we can now know that the Attorney-General has more facts, then he can even look at the opinion and give the contextualised legal opinion according to the facts, other than now trying to use this Floor to fight who is right and who is wrong because of the problem created by the finance minister.

**THE SPEAKER:** Thank you, hon. Katuntu. Honourable Attorney-General, you were not given sufficient information for you to give an opinion in regard to this transaction. Finance, do you have anything - but I also just want to echo to you, Attorney-General, that the preserve of appropriation lies in this House.

We had a very sharp argument yesterday with my brother, the Attorney-General. He said, “As the Executive, we are the ones who do the budgeting.” This is not for a debate, but we resolved it. They do the budgeting, but even in the appropriation, we are not meant to change any figure. I said, in appropriation, when we are doing the supply, we can change a figure from one to the other. What we cannot change is the resource envelope. That is a preserve of Parliament that we are not about to give out. That is the only thing we have.

1.15

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker –

**THE SPEAKER:** Honourable members, we have 12 Bills to pass today.

**MR MUSASIZI:** Madam Speaker, I would like to appreciate Hon. Abdu Katuntu for the guidance he has given –

**THE SPEAKER:** Before my team leaves, honourable members, in the public gallery this afternoon, we have a delegation of exhibitors in the vintage automotive machines and the participants in the National Museum Day - that is 18 May 2022. Just stand up so that my Members see you. You are most welcome to the Parliament of Uganda. This is your Parliament and we promise to be a people-centred Parliament. *(Applause)* We will flag off the activity. We are joining you soon.

**MR MUSASIZI:** Madam Speaker, allow me to appreciate Hon. Katuntu for the arguments he has put forward. *(Interjections*) – Hon. Ssewungu, I know what I am talking about. I have the reasons –

**THE SPEAKER:** Hon. Ssewungu, stop disturbing the House. *(Laughter)*

**MR MUSASIZI:** Madam Speaker, I appreciate hon. Katuntu because of his consideration and respect for professionalism. I am a professional myself and I know what is meant by a professional opinion. I believe that for the life I have spent in this House, I am on a learning curve. Every other debate that comes through, we get new experiences. From these, we have gradually improved.

I appeal to you, honourable colleagues, that the law is there. When we are applying it, sometimes, the interpretation can be different from the expectations of the House. However, to move forward, let us always learn from our experiences. We take your advice where there are gaps. We shall continue to improve for the betterment of the House and this country. With this, I beg that we move forward to the next stage.

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

**MR SSEMUJJU:** Madam Speaker, the finance minister has Bills - a number of them. He has just finished a lecture on how he learns. How does his lecture help in decision-making?

The procedural matter I am raising is whether we are going to take decisions by lecturing. One Member finishes and another starts. I thought you provide specific information and we take a decision.

**THE SPEAKER:** The honourable minister is accepting the critique - the decisions that have been made and the information that has been brought. He is apologetic for it. He is saying this is a learning process. You know he was a chairperson and he has become a minister now. He is asking to go and look at the reports of the committee.

1.20

**MR NATHAN NANDALA-MAFABI (FDC, Budadiri County West, Sironko):** Thank you, Madam Speaker.  You are right. When you apologise, there is a punishment, which you can get. Instead of it being high, it can be reduced.

He was the lead person when we were making the Public Finance Management Act - Hon. Abdu Katuntu is here. We took time to do this and did it very carefully. For a minister who knows public finance to come here and plead ignorance, I am worried.

Under section 25(9) any expenditure, which is in excess is treated as a loss and the person who caused it is supposed to be held personally liable - not regulations. I am reading the law. This is section 25(8).

He is a professional accountant. I would like him to help us. What punishment does he leave with here? *(Laughter)* There can be forgiving, but this gentleman was the lead person. In fact, he was the chairperson.

Madam Speaker, I am raising this because a few minutes ago, we have been debating the report of the minister about the other money. We concluded that the finance minister –

**THE SPEAKER:** You hid from the debate because you are conflicted.

**MR NANDALA-MAFABI:** He was supposed to go and ask his Secretary to the Treasury to create a vote. The Secretary has never created a vote up to now. That is another punishment.

Madam Speaker, I would like to plead with you to ask the minister to determine his punishment before we can leave the House. Thank you.

**THE SPEAKER:** The Honourable minister will determine the punishment. Let us first look at the reports.

BILLS

SECOND READING

THE SUPPLEMENTARY APPROPRIATION (NO. 2) BILL, 2021

1.23

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, I beg to move that, The Supplementary Appropriation (No. 2) Bill, 2021 be read for the second time.

**THE SPEAKER:** Is the motion seconded? (*Members rose*\_) It is seconded by hon. Silwany, hon. Aogon, hon. Nandala-Mafabi, hon. Okwalinga, hon. Avur, hon. Keefa, hon. Milton and hon. Noah. Can you speak briefly to your motion - just on the principles.

**MR MUSASIZI:** Madam Speaker, the object of the Supplementary Appropriation (No.2) Bill, 2021 is to provide for supplementary appropriations out of the Consolidated Fund under Article 156(3) of the Constitution, and Section 25 of the Public Finance Management Act, 2015, as amended, of a sum of Shs 1,734,320,858,000 only to meet additional expenditure for the Financial Year 2018/2019.

I beg to move.

1.25

**THE VICE-CHAIRPERSON, COMMITTEE ON BUDGET (Mr Mudimi Wamakuyu):** Madam Speaker, this is a budget committee report on the Supplementary Appropriation (No.2) Bill, 2021. Before that, I have a document to lay on Table. I have a copy of the report, minutes of the meetings, submissions of the Bill, submission from the finance minister and the Office of Attorney-General. I beg to lay.

This Bill was for some time back. During the implementation of the budget for the Financial Year 2018/2019, Government sought additional resources and re-allocation to meet their expenditure requirements. These requests were laid before Parliament into supplementary Schedules 1 and 2, including an addendum, in accordance with the provision of Article 156(3) of the Constitution of the Republic of Uganda and Section 25 of the Public Finance Management Act, as amended.

We have looked into all these. It should be noted that on 1 April 2020, the Minister for Finance, Planning and Economic Development laid on the Table the Supplementary Appropriation Bill for the first reading. Further, the committee noted that the Bill was not considered by the House, as per Article 156(3) of the Constitution of the Republic of Uganda. This Bill was accordingly reintroduced and read for the first time on 29 September 2021, and referred to the Committee on Budget.

The minister has indicated the object of the Bill.

Assessment of the funds

The committee examined the Appropriation Bills against the Supplementary Appropriation Bills No.1 and No.2 laid in the House, the addenda to the Supplementary Appropriation Bills and the resolution of Parliament authorising expenditure for the Financial Year 2018/2019.

The resolution of Parliament

On 21 May 2019, Parliament approved a total supplementary expenditure of Shs 1,291,235,128,853 under Supplementary Appropriations Bills No.1 and No.2 for Financial Year 2018/2019. Parliament did not approve supplementary appropriation funding for the following votes: Central Government – Votes 015 and 023 – Members can read the numbers and the schedules, which I have indicated in Table 1 - the approval that was not done by the House.

Variation in amounts approved on recurrent expenditure

The committee noted inconsistencies between the figures appearing in certain votes - which you can read, and Table 2 also indicates the variances in the last column. It stretches up to page 8. There were also variances in the development expenditure in Table 3.

During the discussion we had with the Minister for Finance, Planning and Economic Development, the committee was informed that the supplementary appropriation amounted to Shs 1.7 –

**THE SPEAKER:** Honourable members, when we finish the Bills, we shall handle the coffee agreement and tourism. So, please, do not go. We must finish.

**MR WAMAKUYU:** A supplementary of Shs 1.73 billion, of which Shs 869.965 million was authorised by the minister within the 3 per cent legal provision, in accordance with Section 25 of the Public Finance Management Act as amended.

It was further noted that during consideration, Parliament rejected Shs 151 million in spite of the fact that it was authorised by the minister within the law, and it was included in the Bill. That is what the Attorney-General was trying to elaborate.

The committee sought an opinion of the Attorney-General, which opinion was read. I do not want to go into all that.

The committee recommends that Parliament should pass this Appropriation Bill into law, subject to amendments, but for avoidance of doubt, it is recommended that where the 3 per cent legal limit is abused, the responsible Government agencies may invoke Article 164 of the Constitution of the Republic of Uganda and Section 80 of the Public Finance Management Act in making good of the loss.

Madam Speaker, that was a brief report with the amendments, which are also there.

Madam Speaker, there is also a minority report on the same Bill, but I need your guidance, since they are related. I could run through the three reports and then, we can proceed to the committee stage. Madam Speaker, I seek your indulgence.

**THE SPEAKER:** Can we have the motion for the other report also; that is supplementary No. 3?

BILLS

SECOND READING

THE SUPPLEMENTARY APPROPRIATION (NO.3) BILL, 2021

**THE SPEAKER:** Minister? We will debate all of them and go to committee stage one by one.

**MR MUWANGA-KIVUMBI:** Madam Speaker, I beg your indulgence. If the chairperson could present all the reports, I could make one minority report because the arguments are literally the same.

**THE SPEAKER:** Yes, that is what we said.

**MR MUWANGA-KIVUMBI:** Let him present the second report. Then, I will come and make one -

**THE SPEAKER:** Let us have the minister.

1.33

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, I beg to move that, The Supplementary Appropriation Bill (No. 3), 2021 be read for the second time.

**THE SPEAKER:** Is it seconded? *(Members rose\_)* It is seconded by hon. Mudimi Wamakuyu, hon. Tom Aza, hon. Sylvia, hon. Solomon Silwany, hon. Silas Aogon, hon. Peter Okwalinga, hon. Keefa Kiwanuka, hon. Agnes and the majority of the House. Give us a summary of your report.

1.34

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, the object of the Bill is to provide for a supplementary appropriation out of the Consolidated Fund, under Article 156(3) of the Constitution and Section 25 of the Public Finance Management Act, 2015, of the sum of Shs 2,143,207,830,195, to meet additional expenditure for the Financial Year 2019/2020. I beg to move.

1.35

**THE VICE-CHAIRPERSON, COMMITTEE** **ON** **BUDGET (Mr Wamakuyu Mudimi):** Madam Speaker, this is a report of the Committee on Budget on, The Supplementary Appropriation (No.3) Bill, 2021 for the Financial Year 2020/2021. I have documents to lay and they are:

i) A report of the committee;

ii) Minutes of the committee meetings;

iii) The submissions made by the Minister for Finance, Planning and Economic Development; and

iv) Submissions made by the Office of the Attorney-General.

I beg to lay.

This is also for some time back - the Bills, which were introduced when we started the session. They were supposed to be disposed of some time back, but the challenges we had of COVID-19 and other issues could not allow us to proceed. That is why they are coming now. A Member asked me “why are you bringing a supplementary now, when the financial year has not ended?” I said “No, the Bill is different”.

Honourable members, I think you can read the background. On 3 December 2019, Government laid before Parliament, Supplementary Expenditure No.1, amounting to Shs 437.631 billion, reflecting 1.08 percent of the approved budget for the Financial Year 2019/2020.

On 3rd March, Schedule No.2 was laid amounting to Shs 662.337 billion, reflecting 1.64 per cent of the approved budget. On 19 March 2020, addendum one to Supplementary Schedule No.2, amounting to Shs 749.82 billion, of which Shs 638.879 billion, required Parliamentary approval and Shs 9.887 billion was a statutory vote to the Judiciary.

On 31 March 2020, again, addendum No.2 was laid on the Supplementary Schedule No.2, amounting to Shs 284 billion, to cater for interventions in combating the COVID-19 pandemic. Further, in March, again the same period, same date, addendum 1A to Supplementary Schedule No.2, for the Financial Year 2019/2020, amounting to Shs 2.408 billion was also laid to cater for street kids under the Ministry of Gender, Labour and Social Development.

Shs 932.765 billion, comprising addendum No.1 and No.2 of the Supplementary Appropriation Bill was approved by the House by a resolution of Parliament.

The chronology is there. Members can read through. I will move ahead to the next.

On 16 June 2021, the Minister for Finance, Planning and Economic Development laid Schedule No.3, amounting to 1,090.48 billion, of which 1,087.66 billion was approved by Parliament under Schedule No.3, through a resolution of Parliament dated 26th.

You can read the methodology we adopted.

a) We got the resolution of Parliament on the Supplementary Expenditure No.2 and No.3 for that year, including the addenda.

b) The Daily Hansards of 7th  April, and of 25th and 26th June 2020; and

c) The budget committee report at that time.

Observation

Variation between the Supplementary Appropriation Bill and the Parliamentary resolution

The overall assessment indicates a variation of Shs 89,437,929 between the Bill and the resolution of Parliament on supplementary expenditure for the Financial Year 2018/2019 and 2019/2020. The total expenditure estimates in the Bill - that figure is there. However, the total estimates as per the resolutions of Parliament was creating a difference.

General assessment

a. In considering the schedules, the Committee on Budget then deferred consideration of Schedule No.2, but resolved to process addenda No.1 and No.2 to Schedule No.2. Further note that Schedule No.1 was not considered by that committee by then, thereby creating a discrepancy between the figures in the Bill and the resolutions.

b. We went further to say that funds under Supplementary Schedule No.3 were approved by Parliament on 26 June 2021, but these were, however, not captured in the Bill, thereby creating a discrepancy between the figures in the Bill and the resolutions. The discrepancy was, however, explained by the Minister for Finance, Planning and Economic Development to the fact that not all the sums that were approved by Parliament were released by the finance ministry, due to the cut-off effect, that is, the end of the financial year. The financial year was coming to an end and so, they could not expend the money.

c. The Bill erroneously captures in the narration Financial Year 2018/2019 instead of Financial Year 2019/2020 that the estimates relate to.

d. Vote 791, Ibanda Municipal Council was erroneously captured as Njeru Municipal Council in the Bill under recurrent expenditure.

e. Vote 595, Ntoroko District was erroneously captured as Namayingo District in the Bill under the recurrent expenditure.

f. Funds under development expenditure were captured as recurrent expenditure, especially under the various missions abroad and vote 018, Ministry of Gender, Labour and Social Development. This was due to the presentation of the sum within the supplementary schedules erroneously and the parliamentary resolution reflected on them as such, but according to the minister, when you look at the effect, there was zero effect; it was a matter of just changing the votes.

g. Some funds approved by Parliament under Supplementary Schedule No.2 (Addendum 3), were not captured in the Bill. For example, Vote 110 - Uganda Industrial Research Institute (UIRI) funds under the development budget.

It should, however, be noted that during the committee’s interaction with the minister, the committee was informed that the funds approved by Parliament but not captured in the Bill represent those funds that were not released to MDAs due to the closure of the financial year.

It was also noted that statutory Votes, such as Parliamentary Commission, were reflected under recurrent estimates, yet, it has a direct charge on the Consolidated Fund.

It should be equally noted that funds captured in the Bill include the 3 per cent legal limit authorised by the minister but not processed by Parliament through a resolution.

In conclusion, we have noted inconsistencies in the approval made by Parliament as per the resolution against the estimates provided in the Supplementary Appropriation (No.3) Bill, 2021.

These are explained by the 3 per cent legal limit authorised under Section 25 of the Public Finance and Management Act.

The committee, therefore, recommends that the Bill be passed into law with the proposed amendments.

We have the proposed amendments. This report is big. We have annexes. Table 1 shows why Parliament deferred some of the approvals. Members can read these on their own. There is also a minority report attached.

I beg to submit.

**THE SPEAKER:** Thank you.

BILLS

SECOND READING

THE SUPPLEMENTARY APPROPRIATION (NO.4) BILL, 2021

1.47

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, I beg to move that the Supplementary Appropriations (No.4) Bill, 2021 be read for the second time.

**THE SPEAKER:** Is it seconded? *(Members rose\_)* It is seconded by hon. William, hon. Awas, hon. Aza, hon. James, hon. Simon, hon. Max, hon. Avur, hon. Connie – it is supported by the majority of the House. Can you speak to your motion?

**MR MUSASIZI:** Madam Speaker, the object of the Bill is to provide for supplementary appropriation out of the Consolidated Fund, under Article 156(3) of the Constitution and Section 25 of the Public Finance Management Act, 2015 of a sum of Shs 4,768,640,012,000? to meet additional expenditure for Financial Year 2020/2021.

I submit, Madam Speaker.

**THE SPEAKER:** Thank you. Honourable committee chairperson?

1.49

**THE CHAIRPERSON, COMMITTEE ON BUDGET (Mr Ignatius Wamakuyu):** Madam Speaker, this is the report of the Budget Committee on the Supplementary Appropriations (No.4) Bill, 2021. Before I present the report, I have the following documents to lay:

1. A copy of the committee’s report, including the minority report

2. Minutes of the meetings.

3. Submission on the Bill by the Ministry of Finance, Planning and Economic Development and the Attorney-General.

I beg to lay.

Madam Speaker, during the implementation of the budget for Financial Year 2020/2021, Government sought additional resources and reallocation to meet the expenditure requirement. These requests were laid before Parliament in five separate schedules – Schedules No. 1,2,3,4 and 5 – including addendum thereto, in accordance with provision of Article 156(2) of the Constitution of the Republic of Uganda and Section 25 of Public Finance Management Act, 2015. This was, again, referred to the committee for scrutiny.

Object of the Bill

The minister has read the object of the Bill.

Background

On 1 October, 2020, the Minister for Finance, Planning and Economic Development laid before Parliament supplementary expenditure estimates under Schedules No.1 and No.2 amounting to Shs 3,426 billion of which Shs 1,363 billion was three per cent of the approved budget and Shs 2,063 billion was over and above the 3 per cent legal limit respectively.

On 6 October, 2020, an addendum to Schedule No. 2, amounting to Shs 389.367 billion, was laid. Schedules No.1 and No.2 and addendum to Schedule No.2 were approved by Parliament under a resolution dated 20 October, 2020.

On 20 October 2020, Government again laid Schedule No.3 of Shs 353.87 billion and on 18 November 2020, they laid addenda No.1 and No.2 to the schedule, amounting to Shs 48.67 billion and Shs 5.64 billion respectively, and was approved by the House by resolution dated 20 November, 2020.

On 18 December 2020, Schedule No.4, amounting to Shs 94.32 billion, was laid.

On 2 February 2021, Government also laid Addenda No.1 and No.2 to Schedule No.4, amounting to Shs 111.477 billion and Shs 86.597 billion respectively, and this was also approved by a resolution of Parliament on the 3rd of March.

Methodology

We have examined these requests and the committee observed that a total of Shs 4,768,640,012,000 was captured in the Supplementary Appropriation (No.4) Bill, 2021 of which Shs 2,306,777,984,000 was recurrent expenditure and Shs 2,461,862,028,000 was development expenditure.

On the other hand, Parliamentary resolution on supplementary expenditure for the Financial Year 2020/2021 tabled amounted to Shs 4,773,953,049,000 of which Shs 2,294,401,511,000 was recurrent and Shs 2,479,533,538,000 was development. This resulted in an overall excess of Shs 5,295,037,000. That was the difference that was captured as illustrated in Table 1. When you look at the variance Parliamentary resolution - the variance between the Supplementary Appropriation Bill No.4 of 2021 and the Supplementary Expenditure Schedule of Financial Year 2020/2021, indicated below.

Expenditure over and above the expenditure approved by the House

The committee noted a situation where Government had proposed appropriation in excess of the resolution by Parliament. A total of Shs 55.618 million has been spent over and above the amount approved by Parliament. That table illustrates the difference, when you aggregate them together.

Expenditure below expenditure approved by Parliament

The committee noted that supplementary appropriation for the following votes detailed in Table 3 below were lower than the expenditure approved by Parliament for Financial Year 2020/2021. This implies that the Ministry of Finance, Planning and Economic Development had released less funds than approved less, hence affecting service delivery of affected votes. The details are there, honourable members, in Table 3.

The finance ministry explained to the committee that Government runs a cash budget and the underperformance was explained by low collections due the effects of the COVID-19 pandemic.

The committee noted that appropriation being of a historical nature, there was no need for the amendment.

The expenditure classified from development to recurrent

The committee observed that the expenditure under the following votes has been requalified as recurrent in the Appropriation Bill as opposed to development as resolved by the House. That is Table 4. The details are there - State House, Lands, Katakwi and all that.

The committee noted that the interchanged classification emanated from the data captured in the supplementary schedules laid before Parliament and the Parliament resolution thereto.

The committee noted that interchanges should ideally be corrected by an addendum to a Parliamentary resolution.

What is important to note is that the interchanges had zero net effect according to the Ministry for Finance, Planning and Economic Development. It was within the interchanges - the committee recommends that interchange classification, as presented in the Bill, be approved. In future, any interchange clarification should be corrected by an addendum. So, we are saying that in future, when such issues arise, money for recurrent posts in development should come for approval.

In conclusion, the committee noted that there are inconsistencies in the approval made by Parliament as per the resolution against the estimates provided in the Appropriation (No.4) Bill, 2021 tabled. However, the explanation given by the Minister for Finance, Planning and Economic Development should suffice, given the historical nature of the approvals involved in the Bill.

The committee, therefore, recommends that the Bill be passed into law with the proposed amendments.

Madam Speaker, I beg to report that this report is also accompanied by a minority report. The author of the report is in the House; he can speak to it.

**THE SPEAKER:** Thank you. Whatever has not been read, should be captured on the *Hansard* record. Thank you, hon. Kivumbi. You have three minority reports or two? Three? You said they are the same issues?

*(The**report is hereby appended.)*

1.59

**MR MUWANGA-KIVUMBI (NUP, Butambala County, Butambala):** Madam Speaker, the cross-cutting issues are literally the same. Just minor adjustments. The main gist of these arguments was dealt with in the earlier debate. Majority Opposition was based on the opinion that -

**THE SPEAKER:** So, do the minor adjustments come in the debate or at Committee Stage?

**MR MUWANGA:** I can speak to them briefly, in about four minutes.

Madam Speaker, in the Appropriation Bill No.2, the areas of dessent are: Inadequate proposed amendments, the minister’s approval of the supplementary budget is not equivalent to appropriation; we have dealt with it and the admissibility of the Attorney General’s opinion.

In this Bill, the majority committee agrees with us that sums of money that were supposed to be approved and put in the Appropriation Bill contained sums that were not approved. They do not go to the full extent to reject those sums. They approved some, and they left some.

In our schedule, we went to the full length to do justice. At the committee of supply, we have gone ahead to go to the full extent of removing every single coin that was not approved by Parliament. So, we went slightly further than the committee has gone at that stage.

On Appropriation Bill No.3, Madam Speaker, the minister and the Committee on Budget attempted to equate releases to approval by Parliament so that figures in the Bill can be based on what was released. Release is completely for budget performance. At the Bill stage, we were dealing with what was approved. Whether it was all released or not released was not our matter. So, the committee erred in trying to equate the figures as they were released.

So, at Appropriation, we are not for budget performance. That is why we find the majority committee’s position is highly inconsistent with what we require to do. We have provided the full amount as it should be in the schedule and when you go to the appropriation stage, we will deal with it.

Of course, the rest of the two issues are cross-cutting. In the Supplementary Appropriation (No.4) Bill, 2021, they still did the same thing. They aligned the Bill with releases. They also did selective amendments.

So, what we have done here is to go the full length, not to do the selective amendment, but address every coin that was not approved by Parliament and reject it.

The question before us is what do we do with it? Money has already been spent. That is a given. Okay. However, the law provides what is to be done that the accounting officers responsible - if it is a minister for this approval - are held responsible. We may not go to the full extent of what the law says, but in the minimum, in the last Parliament, we passed a resolution to call all the ministers to offer a formal apology. What you do not want to do, is have a repeat of this, and impunity of this practice; we have to cure it.

I beg to move, Madam Speaker.

**THE SPEAKER:** Honourable Minister, you have heard what the colleague is saying. We do not want these things repeated. We need an apology from finance. Actually, you are making the Attorney-General’s Chambers suffer for no good reason. We need an apology from you that such a thing will not be repeated. You should know where the powers to appropriate are.

2.04

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES)(Mr Henry Musasizi):** Madam Speaker, I need to know the extent of the apology. What have I done? *(Laughter)*

**THE SPEAKER:** Spending money outside the 3 per cent without the approval of the House. *(Ms Opendi rose\_)* Just a minute.

**MR MUSASIZI:** Madam Speaker, that is not correct.

**THE SPEAKER:** Was the money not spent beyond 3 per cent?

**MR MUSASIZI:** Yes.

**MS OPENDI:** Madam Speaker, it is now the minister’s word against ours. However, the point I would like to make is about this repeated apology. I remember I was in this House in the last term, when Hon. Matia Kasaija was on the Floor of this House, apologising for similar mistakes.

Will it be one apology after another? I think something else should be done. Of course, before we think of that something, the challenge now – the point I was making was that. Now that the minister has said they did not spend beyond 3 per cent, I cannot move with my proposal, Madam Speaker. Thank you.

**THE SPEAKER:** Why don’t you be woman enough and say what should be done? *(Laughter)* Can we have a clarification on expenditure?

**MR MUWANGA KIVUMBI:** Madam Speaker, we are moving in circles. The reasons we raise these minority reports – and we have had this argument – good enough, Madam Speaker, consistency in life is important.

These appropriation estimates relate to Financial Year 2018/2019. While rejecting these figures in the Budget Committee, we were with the current minister. The minister for planning, hon. Lugoloobi, was the chairperson and hon. Musasizi was a committee member. We can even trace a record of attendance of the same minister, while rejecting these figures.

So, why isn’t he man enough –*(Laughter)*- why isn’t he man enough –*(Interjections)*- no, let me make my submission. Why aren’t you man enough? We were in the same room; we did these things and rejected these figures. History has placed you where you are. You do not have to be – I do not begrudge you, but be man enough and say – can you repeat the very words you submitted to the committee while rejecting these figures?

Hon. Mudini kept on accusing me that it is hon. Lugoloobi and I who caused this crisis. We were with you –

**MR MUSASIZI:** Madam Speaker, it is true I was a member of the Budget Committee when these Bills were presented. To the best of my recollection – and which I still stand for now – the question was not whether the requirements of spending within 3 per cent have been complied with. The question was in these expenditures, were they meeting the test of supplementary expenditure, in regard to unavoidable and unforeseen. When you look at regulation 18, it adds other things.

I would like to be honest with you, hon. Kivumbi. If the records capture something different, I will apologise, but to the best of my knowledge, Madam Speaker, this was my argument then and I still stand by it.

**THE SPEAKER:** Let us see whether there is a variance when we are at the Committee Stage. We will look at that when we are at the committee stage.

**MR SSEMUJJU:** Madam Speaker, I do not know whether your advice was in form of a ruling, for the minister to decide whether to take it or not. Also, Hon. Musasizi thanked hon. Katuntu for giving advice. Just say “sorry” and we move on; why are you wasting time? These are your Bills. Just say “sorry”, we move on and finish the Bills.

**MS NALUYIMA:** In addition, Madam Speaker, the minister has already explained to this House what he is supposed to apologise for; that the ministry erred. It went over and above what is expected.

So, we request this House that we hear from him, giving this House an apology.

**THE SPEAKER:** That is not what he has said. You know, it is collective responsibility. It may not have been hon. Musasizi. Hon. Musasizi is a very good person; he knows finances. He was one of the best chairpersons on that committee.

What hon. Musasizi is saying is that let us go to the Committee Stage. We will have where we have figures. Where the figures are varying, then –*(Interruption)*

**MR MPUUGA:** Thank you, Madam Speaker. I do not want to be part of the mob to compel the minister to apologise; if he sees no wrong, even when it is confirmed actually that the figures in the Bill are different from what Parliament approved and he does not see a problem with that. The chairperson of the Committee on Budget – I have been very attentive when he was reading his report – attests to the fact that there is variance between what Parliament approved and what the Bills are saying. If the minister sees no wrong with that, we have put a red flag up there. It is up to him now to say that the red flag is misplaced. We shall hoist it elsewhere.

**MR MUSASIZI:** You see, we are dealing with figures and in accounting, we normally balance. At the end of the day, the figures must agree. What I am saying is that every figure that we have included in the appropriation Bills has a justification. When the committee queried, I went to the committee and provided responses, which responses the committee considered and the chairperson of the committee reported back.

I am wondering why the LOP wants me to apologise. For what? I have not done anything wrong.

**THE SPEAKER:** No. Was there expenditure beyond 3 per cent?

**MR MUSASIZI:** Madam Speaker, there was no expenditure beyond 3 per cent without the approval of Parliament.

**THE SPEAKER:** Was there approval of Parliament for that supplementary?

**MR MUSASIZI:** Madam Speaker, the law provides that we spend up to 3 per cent and come back to seek retrospective approval.

**THE SPEAKER:** When was that spent? Was it spent three or four months back?

**MR MUSASIZI:** Madam Speaker, we are dealing with 2018/2019.

**THE SPEAKER:** Are those the four months?

**MR MUSASIZI:** Madam Speaker, I would like to state before this House – like Hon. Mafabi said – I was there when this law was being made and I follow it to the dot. There is nothing that we have done, which does not comply with the Public Finance Management Act, except the subjectivity in interpretation, in regard to whether the expenditures were unforeseen and whether they were unavoidable.

**MR MUWANGA KIVUMBI:** Madam Speaker, the honourable minister is my friend and the chairman knows. In one of the considerations of the release, we found out. That is why they have gone ahead to reduce that money, even in the majority report.

In one instance, the money - both 3 per cent and that, which requires approval - spent was over and above. The chairperson can tell you. There is an item here and I can go for it.

**MR WAMAKUYU:** Madam Speaker, the amounts, which were within the 3 per cent legal amount was the result of the law, but there was no expenditure, which was above the 3 percent on the three schedules.

The challenge we have now is that the Supplementary Appropriation Bills were supposed to be disposed of. The one of 2018/2019 was supposed to be closed in Financial Year 2019/2020, but now, they rolled over.

The finance minister by then laid these Bills on time, but the problem was with Parliament; I can say that. When you look at the *Hansard*, these Bills were presented in time as per the law, but they were not considered by the committee of Parliament by then, where hon. Muwanga Kivumbi was a member. So, that is the problem. That is why they are coming now, much as you are pushing hon. Musasizi to explain, there was also an internal problem within Parliament by that time by the committee -*(Interjections)-*  I had left the committee by then and so, you should not point at me.

**MR JONATHAN ODUR:** Madam Speaker, I would like the chairperson of the committee to help this House, especially on the Supplementary No.2, which came to this House as applicable to Financial Year 2018/2019. If I remember very well, this very supplementary budget was time-barred, because it was related to the Financial Year 2018/2019.

Now, the committee has recommended, in its own report, that you correct Financial Year 2018/2019 and make it Financial Year 2019/2020, to bring it within the legal framework of this House. I thought here the committee should help us and be honest; where the supplementary is time-barred, this House’s hands are tied. It should not even find its way anywhere on the record of this Parliament.

The Executive can deal with it the way they want, whether they have done it with impunity. However, the moment it is time-barred, you have not brought it within the limits prescribed by law. This one of Financial Year 2018/2019 should not even be discussed by this House. Otherwise, it is going to raise a constitutional crisis.

**THE SPEAKER:** Honourable Attorney-General, the issue of time-barred?

2.16

**THE ATTORNEY-GENERAL (Mr Kiryowa Kiwanuka):** Madam Speaker, reading the provisions of the Constitution, it is required to be laid within four months.

**THE SPEAKER:** Yes.

**MR KIRYOWA KIWANUKA:** Obviously, I am taking the word of the honourable member. If, indeed, it was filed out of time, then it will be outside the provisions of the Constitution. Unfortunately, I cannot quite say what the consequence is at this point, but I can go and read up on it and give advice on what the consequence is.

**MR MUSASIZI:** Madam Speaker, I was trying to check for the date when we submitted the Bills, but in the circumstances that I cannot get it, I will rely on the Members’ submissions and apologise for submitting the Bills late. *(Applause)*

**THE SPEAKER:** Thank you. Honourable members - I mean, we should move on. Hon. Kivumbi and the Attorney-General, can we move to the committee stage?

Honourable members, let me first put the question that the Supplementary Appropriation (No.2) Bill, 2021 be read for the second time.

*(Question put and agreed to.)*

**THE SPEAKER:** I put the question that the Supplementary Appropriation (No.3) Bill, 2021 be read for the second time. 

*(Question put and agreed to.)*

**THE SPEAKER:** I put the question that the Supplementary Appropriation (No.4) Bill, 2021 be read for the second time. 

*(Question put and agreed to.)*

BILLS

COMMITTEE STAGE

THE SUPPLEMENTARY APPROPRIATION (NO.2) BILL, 2021

Clause 1

**THE CHAIRPERSON:** I put the question that clause 1 stands part of the Bill.

*(Question put and agreed to.)*

*Clause 2, agreed to.*

Clause 3

**MR WAMAKUYU:** Madam Chairperson, I propose to move an amendment that we delete Vote 101- Judiciary under the recurrent estimates where it appears in the Bill. The justification is that it is a statutory vote, which has a direct charge to the Consolidated Fund account. I beg to move.

**MR MUSASIZI:** Madam Chairperson, I agree with the chairman.

**MR MUWANGA KIVUMBI:** Madam Chairperson, I would like to delete from the Bill the following votes and their corresponding expenditure estimates. I am going to read the numbers and it is tedious work:

1. The Ministry of Trade and Cooperatives - Shs 7.9 billion.
2. The Ministry of Science, Technology and Innovation - Shs 3.5 billion.
3. The National Citizens and Immigration - Shs 60 billion.
4. Uganda Revenue Authority - Shs 17 billion.

**MR ODUR:** Madam Chairperson, I would like to seek your guidance on the procedure we are adopting for adjustments of the figures. I thought that when we come to the votes or when the vote is called, that is when the honourable colleague can move the specific amendment applicable to that vote rather than by omnibus proposal, the way he is proposing.

**THE CHAIRPERSON:** I think we cannot also delete those votes because there was already an expenditure on it. So, it would leave these votes in arrears.

**MR ODUR:** No, we are guided by the reports of the committee; both the majority and minority. They have put in their reports that there are figures that are not matching. I saw from both the majority report, and even the minority report has indicated the same. So, it means once we come to those figures where they have captured errors and they have specifically mentioned that -

**THE CHAIRPERSON:** The deletion of the committee is on the statutory vote, that is the Judiciary.

**MR MUWANGA KIVUMBI:** The justification for the expenditure is that the votes I was moving, that the expenditure items were not approved by Parliament and contravene Article 156(3) of the Constitution, hence are unconstitutional and illegal. These were not approved.

Madam Chairperson, what you are dealing with, is the figures that were approved by Parliament. So that is what we should incorporate into and adjust them. That is the justification of why we want all these votes deleted.

**MR MUSASIZI:** Madam Chairperson, I am just wondering what Hon. Kivumbi means when he says, “these figures were not approved by Parliament.” These are the figures we brought under the 3 per cent - retrospective approval. I am sure it is being done now.

**THE CHAIRPERSON:** Can I first hear from the Attorney-General of the Opposition side?

**MR NIWAGABA:** Thank you, Madam Chairperson. The law envisages two types of approvals. There is one, which is automatic that Parliament passed and giving the minister discretion to spend up to 3 per cent. That one cannot be subjected to any other approval by Parliament because it is deemed to have been given by Parliament when it enacted the law giving that approval.

The second form of approval is: If the expenditure exceeds 3 per cent, that is when Parliament would be called upon to approve. Therefore, I am not sure whether what my colleague, hon. Muwanga Kivumbi is talking about is that, that exceeds the three per cent. If it is within the 3 per cent, then the approval was given by operation of the law and we do not need to deliberate on it.

**THE CHAIRPERSON:** Thank you. The ministry or the vote that is being suggested is a statutory one that does not need any approval. I think that is why the chairperson is suggesting that we delete it.

**MR MUWANGA KIVUMBI:** I have a resolution of Parliament on the Supplementary Appropriation Schedule (No.2) for the Financial Year 2018/2019, detailing every vote that was approved and the amount corresponding. Therefore, any amount that is not in this vote, which was approved by Parliament to that extent, is not covered. Hon. Niwagaba, with due respect, you missed the debate that you did not attend. I had spoken to you before you stood here to speak.

By virtue of that, I would like to contend that these are the amounts we approved. The figures that are not in this Bill - this is what was approved. The figures that are beyond cannot be approved –

**THE CHAIRPERSON:** Honourable Shadow minister, why don’t we bring that under the long title? We net off the figures that were not approved - if you confirm that they were not - which are beyond the 3 per cent.

**MR MUWANGA KIVUMBI:** Madam Chairperson, the easiest way to do it - this is tedious work and we have been thorough to the detail – We have a schedule we suggested in the minority report and it is detailed. Our resolution is that it should be adopted as it is because it addresses all the inconsistencies. After all, you have apologised and we approved it.

**THE CHAIRPERSON:** Your report was adopted together with the main report. That is captured so, can we move on.

I put the question that the schedule to the Bill be amended as proposed by hon. Musasizi.

*(Question put and agreed to.)*

*The Schedule, agreed to.*

**MR JONATHAN ODUR:** Madam Chairperson, schedules include votes. In legislation, those votes are the same as clauses.

**THE CHAIRPERSON:**  There is a vote we have read.

**MR JONATHAN ODUR:** We can check the schedules and see what is there. These schedules contain votes and we must pronounce ourselves on these as Parliament, one by one. That is when they will have the full force of the law. You cannot bring a Bill and then process it omnibus. It would be in violation. He knows it.

**MR MUSASIZI:** Madam Chairperson, it is good that hon. Odur knows that I know this. We have several approaches of doing this and it depends on the presiding officer. There are times we read – call vote by vote, and there are times we –*(Interjections)*- yes in the appendix, we attach a schedule and call it at once. We have done this several times.

**THE CHAIRPERSON:** It is during the supply when you call vote by vote.

The Title

**MR WAMAKUYU:** Madam Chairperson, I beg to move that the long title be amended as follows:

“A sum of Shs 1,732,374,237,000 to meet additional expenditure requirement for the Financial Year 2018/2019.”

The justification is Vote 101, Judiciary, is a statutory.

**MR MUSASIZI:** Madam Chairperson, I agree with the chairperson of the committee.

**THE CHAIRPERSON:** Honourable members, I put the question that the long title of the Bill, be amended, as proposed.

*(Question put and agreed to.)*

*Title, as amended, agreed to.*

MOTION FOR THE HOUSE TO RESUME

2.30

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Chairperson, I beg to move that the House do resume and the Committee of the whole House reports thereto.

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

*(Question put and agreed to.)*

*(The House resumed, the Speaker presiding\_)*

REPORT FROM THE COMMITTEE OF THE WHOLE HOUSE

2.31

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, I beg to report that the Committee of the whole House has considered the Bill entitled, “The Supplementary Appropriation Bill (No.2), 2021” and passed it with amendments.

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

2.32

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

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

*(Question put and agreed to.)*

*Report adopted.*

BILLS

THIRD READING

THE SUPPLEMENTARY APPROPRIATION (NO.2) BILL, 2021

2.32

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, I beg to move that the Bill entitled, “The Supplementary Appropriation (No.2) Bill, 2021” be read for the third time and do pass.

**THE SPEAKER:** I put the question that the Supplementary Appropriation (No.2) Bill, 2021 be read for the third time and do pass.

*(Question put and agreed to.)*

A BILL FOR AN ACT ENTITLED, “THE SUPPLEMENTARY APPROPRIATION (NO.2) ACT, 2022”

**THE SPEAKER:** Bill passed and title settled. Congratulations. *(Applause)*

BILLS

COMMITTEE STAGE

THE SUPPLEMENTARY APPROPRIATION (NO.3) BILL, 2021

Clause 1

**THE CHAIRPERSON:**  I put the question that clause 1 stands part of the Bill.

*(Question put and agreed to.)*

*Clause 1, agreed to.*

*Clause 2, agreed to.*

Schedule

**MR WAMAKUYU:** Madam Chairperson, I beg to move that the schedule be amended as follows:

1. Under recurrent expenditure, delete statutory votes (Vote 101 - Judiciary and Vote 104 - Parliamentary Commission) whenever they appear in the Bill.

Justification

Statutory votes have a direct charge on the Consolidated Fund, and so, are not supposed to be part of these.

2. The other amendment is that we have to:

a) Replace the “Financial Year 2018/2019” with “Financial Year 2019/2020” wherever it appears in the Bi11.

b) Under recurrent expenditure, Vote 595, replace “Namayingo District” with “Ntoroko District”.

c) Under recurrent expenditure; Vote 791, replace the words “Njeru Municipal Council” with “Ibanda Municipal Council”.

The justifications is:

a) The correct financial year to which these estimates relate is 2019/2020.

b) Vote 791 belongs to Ibanda Municipal Council, not Njeru Municipal Council.

c) Vote 595 belongs to Ntoroko District, not Namayingo District.

I beg to move.

**MR MUWANGA KIVUMBI:** Madam Chairperson, this is why I commented that they just went half the distance. My humble request is to approve this schedule with amendments, as they are contained in the minority report. I beg to move.

**THE CHAIRPERSON:** I think there was a problem on the numbering of the votes, where Vote 595, which belongs to Ntoroko, was given to Namayingo. However, the figures will come as an appendix, as I have already ruled.

**MR MUWANGA KIVUMBI:** Madam Chairperson, I am not objecting to what the chairperson read. I agree with changing those. I am only saying that since we have adopted this approach – which the chairperson finds convenient and I do not, but for Heaven’s sake we will move with it – we approve the figures as the schedule appears in the minority report. For example, the first justification is that the expenditures contravene the Constitution and were not approved -

**THE CHAIRPERSON:** Hon. Muwanga Kivumbi, we already approved the figures as an appendix, but the mistake is that Vote 595 belongs to Ntoroko, not Namayingo. That is what he is correcting.

**MR MUWANGA KIVUMBI:** That is okay. I am only talking about the further amendments. That whole schedule should be amended as per what is contained in the minority report.

**THE CHAIRPERSON:** Yes, it is amended.

**MR MUSASIZI:** Madam Chairperson, I agree with the chairperson’s position, not the minority report. *(Laughter)*

**THE CHAIRPERSON:** You have not understood the basis of the minority report. He is not making a submission that you need to change. He is saying that we should take the figures as an appendix. That is why I was labouring to explain that the changes here are basically on a vote not on the amounts. There was a mismatch on the votes. The Vote meant for Ntoroko was given to Namayingo. He is in agreement with it. I do not know why you are mentioning the shadow - I think you just like hon. Kivumbi.

**MR MUSASIZI:** Madam Chairperson, I agree with the drafting, as proposed by the Chairperson of the Committee on Budget.

**THE CHAIRPERSON:** I put the question that the schedule to the Bill be amended as proposed.

*(Question put and agreed to.)*

*Schedule, as amended, agreed to.*

**MR WAMAKUYU:** Madam Chairperson, I beg to amend the long title of the Bill to read as follows:

“... a sum of Shs 2,123,321,107,195 to meet additional expenditure for the Financial Year 2019/2020”

The justification is that Vote 101- Judiciary and Vote 104: Parliamentary Commission are statutory votes.

**MS OGWAL:** I am a bit lost, although I have been following very closely. I have been following these figures for several years. We need to take a closer look at the point raised by Hon. Muwanga Kivumbi because it has some constitutional and legal implications. Those figures contained in the schedule were not approved.

Therefore – probably – the minister, the budget team and the minority should sit aside and find out how they can reconcile those figures. If you do not do that, we are going to approve matters, which we have not agreed to or which will hurt the law. I am just thinking aloud. I may be wrong, but I think we need to clean up those anomalies.

I think I must be right because I have followed these figures for years. Since the minority report has the correct figures – as approved – can we put it aside and then just balance the figures? I think people like hon. Nandala-Mafabi – the accountants – can help us to put the figures right. The fact of the matter is, hon. Muwanga Kivumbi has the correct record and the Committee on Budget and the ministry have wrong figures. Can the two sit down and clean themselves up?

**MR MUWANGA KIVUMBI:** What we are doing here right now is adopting the schedule, as per the minority report. When you adopt the majority report with a minority report, you have literally amended the schedule in the majority report.

**THE CHAIRPERSON:**  We have reconciled.

**MR MUWANGA KIVUMBI:** When you reconcile that, our office will go further and harmonise these figures.

**THE CHAIRPERSON:** Yes, the budget office will go further.

**MR ODUR:** Just for the record and to be clear, then, the question should capture that the amendment proposed by the minority is put and then we approve it.

**THE CHAIRPERSON:** I already made a ruling that the minority report was adopted – and the schedule as an appendix.

**MR MUWANGA KIVUMBI:** Further amendment to what the Chairperson raised is that – just for emphasis – the schedule, as attached in the minority report also be adopted for reconciliation. *(Applause)*

**MR MUSASIZI:** Madam Chairperson, I agree that the minority schedule be adopted for reconciliation.

**THE CHAIRPERSON:** Thank you. Hon. Cecelia Ogwal is already saying no before we even put the question. *(Laughter)* I am happy she knows there are some accountants here like hon. Nandala-Mafabi. Hon. Cecilia was one time in a beauty contest*. (Laughter)* I put the question that the long title to the Bill be amended as proposed.

*(Question put and agreed to.)*

*The Title, as amended, agreed to.*

MOTION FOR THE HOUSE TO RESUME

2.45

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Chairperson, I beg to move a motion that the House do resume and the Committee of the whole House reports thereto.

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

*(Question put and agreed to.)*

*(The House resumed, the Speaker presiding\_)*

REPORT FROM THE COMMITTEE OF THE WHOLE HOUSE

2.46

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, I beg to report that the Committee of the whole House has considered the Bill entitled, “The Supplementary Appropriation (No.3) Bill, 2021” and passed it with amendments.

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

2.46

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

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

*(Question put and agreed to.)*

*Report adopted.*

BILLS

THIRD READING

THE SUPPLEMENTARY APPROPRIATION (NO.3) BILL, 2021

2.47

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, I beg to move a motion that the Supplementary Appropriation (No.3) Bill, 2021 be read for the third time and do pass.

**THE SPEAKER:** I put the question that the Supplementary Appropriation (No.3) Bill, 2021 be read for the third time and do pass.

*(Question put and agreed to.)*

A BILL FOR AN ACT ENTITLED, “THE SUPPLEMENTARY APPROPRIATION (NO.3) ACT, 2022.”

**THE SPEAKER:** Bill passed and title settled. *(Applause)*

BILLS

COMMITTEE STAGE

THE SUPPLEMENTARY APPROPRIATION (NO.4) BILL 2021

Clause 1

**THE CHAIRPERSON:** I put the question that clause 1 stands part of the Bill.

*(Question put and agreed to.)*

*Clause 1, agreed to.*

*Clause 2, agreed to.*

The Schedule

**MR WAMAKUYU:** Madam Chairperson, I propose the following amendments on the schedule. Delete Vote 101 – Judiciary under recurrent estimates whenever it appears in the Bill.

The justification is that it is a statutory vote which has a direct charge on the Consolidated Account.

Recurrent expenditure

Vote 014 – Ministry of Health

Replace Shs 183,072,140,000 with Shs 178,072,140.

Vote 122 – Kampala Capital City Authority

Replace Shs 5,543,190,000 with Shs 5,503,190,000, under development expenditure.

Vote 579 – Bududa District

Replace Shs 699,551,000 with Shs 121,123,000

The justification is to harmonise the amounts as approved by Parliament. I beg to submit.

**MR MUWANGA KIVUMBI:** I concur, but in addition, as per the schedules in the minority report, as already approved.

**MR MUSASIZI:** Madam Chairperson, I agree.

**THE CHAIRPERSON:** I put the question that the Schedule to the Bill be amended as proposed.

*(Question put and agreed to.)*

*The Schedule, as amended, agreed to.*

The Title

**MR WAMAKUYU:** Madam Chair, I beg to move an amendment to the long title to read as follows: “The Sum of Shs 4,653,359,476,000 only to meet additional expenditure for Financial Year 2020/2021.”

The justification is that Vote 101 for the Judiciary is a statutory vote; and two, it is to harmonise the amounts as approved by Parliament. I beg to submit

**THE CHAIRPERSON:** And, in reconciliation with the schedule that appears in the appendix.

**MR MUSASIZI:** Madam Chairperson, I agree with the proposal moved by the Chairperson of the Committee on Budget.

**THE SPEAKER:** With a proposal on reconciliation.

**MR MUSASIZI:** Madam Chairperson, I agree with the proposal by the Chairperson, Committee on Budget and also the Shadow Minister for Finance that the schedule be reconciled.

**THE SPEAKER:** Thank you, I put the question that the long title of the Bill be amended as proposed.

*(Question put and agreed to.)*

**THE SPEAKER:** I put the question that the title as amended stands as part of the Bill.

*(Question put and agreed to.)*

MOTION FOR HOUSE TO RESUME

2.58

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Chairperson, I beg to move that the House do resume and the committee of the whole House reports thereto.

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

*(Question put and agreed to.)*

*(The House resumed, the Speaker presiding\_)*

REPORT FROM THE COMMITTEE OF THE WHOLE HOUSE

2.54

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, I beg to report that the Committee of the whole House has considered the Bill entitled, *“*The Supplementary Appropriation (No.4) Bill, 2021” and passed it with amendments.

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

2.55

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, I beg to move that the report from the Committee of the whole House be adopted.

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

*(Question put and agreed to.)*

*Report adopted.*

BILLS

THIRD READING

THE SUPPLEMENTARY APPROPRIATION (NO.4) BILL, 2021

2.55

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, I beg to move a motion that The Supplementary Appropriation (No.4) Bill, 2021 be read for the third time and do pass.

**THE SPEAKER:** I put the question that The Supplementary Appropriation (No.4) Bill, 2021 be read for the third time and do pass.

*(Question put and agreed to.)*

A BILL FOR AN ACT ENTITLED, “THE SUPPLEMENTARY APPROPRIATION (NO.4) ACT, 2022”

**THE SPEAKER:** Bill passed and title settled. *(Applause)*

*(Whereupon the Sergeant –At-Arms returned the mace to the Table.)*

**MR ODUR:** Madam Speaker, the procedural matter I am raising has just been done, your power and authority to ask those questions were not in place. So, I beg that it be readdressed now that he is back; you ask the question so that it cannot be challenged. Otherwise, there was no Parliament.

**THE SPEAKER:** Honourable members, that is the only place where I get my powers.

BILLS

THIRD READING

THE SUPPLEMENTARY APPROPRIATION (NO.4) BILL, 2021

2.58

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, I beg to move that “The Supplementary Appropriation (No.4) Bill, 2021” be read for the third time and do pass.

**THE SPEAKER:** I put the question that “The Supplementary Appropriation (No.4) Bill, 2021” be read the third time and do pass.

*(Question put and agreed to.)*

A BILL FOR AN ACT ENTITLED, “THE SUPPLEMENTARY APPROPRIATION (NO.4) ACT, 2022”

**THE SPEAKER:** Bill passed and title settled.

*(Applause)*

**MR MPUUGA:** Thank you, Madam Speaker. Hon. Musasizi has no reason to look at me with that scary look -

**THE SPEAKER:** Just a minute before your procedure. Clerk, in the *Hansard*, capture all that has been said and what has not been read. Can I have the Coffee and Naguru reports uploaded?

2.59

**THE LEADER OF THE OPPOSITION (Mr Mathias Mpuuga):** Madam Speaker, it is a very small matter, I saw my friend a bit worried. I am not dragging you back, but as a way of keeping the decorum of this House intact, I appeal to the Front Bench that this kind of shabbiness should not happen again. The Speaker is put in a very difficult situation to try and roll back on matters we would have handled in a smart way.

Secondly, the Front Bench is not communicating with us and we have no choice, but to undertake citizens’ arrest on them. If they have issues and they believe they are going to come here and ram through matters, the small numbers here are technically prepared to take you on.

Madam Speaker, you should not allow the Front Bench to use this House as a rubber stamp. If there are procedural challenges, let them come out and we move in a tidy manner.

We cannot continue being part of this untidiness and all of us must be apologetic for moving shabbily when people are sleeping on duty.

I saw my chairperson of the Committee on Budget struggling to deal with matters that do not belong within his domain because people are sluggish. This should be on the record; the Front Bench should not make work difficult for us. If you have issues, we are here for the business of the country. Please, communicate. Otherwise, we are ready with handcuffs; shall we have you for lunch?

**THE SPEAKER:** Thank you. What you should know is that I can never allow to be a rubber stamp; the Anita Among I know can never allow that.

**MR ODUR:** Thank you, for your indulgence. The procedural matter I wanted to raise relates to issues that emerged from the report. It is true that some of the figures that we pass here have been misrepresented, which portrays Parliament differently.

**THE SPEAKER:** We are going to reconcile and after, kindly, give me the reconciled figures.

**MR ODUR:** And that certificate should be under your hand, Madam Speaker. This is the correct thing that Parliament passed.

**THE SPEAKER:** Yes.

**MR MUWANGA KIVUMBI:** As we proceed, that screen can be very distractive; after all, it lacks local content, it is showing CNN. If it was showing a local television, it could have been accommodated, but it distracts Members.

**THE SPEAKER:** You know, hon. Muwanga Kivumbi has been distracted by that screen. We either have it switched off or we have it to show the House.

BILLS

SECOND READING

THE FINANCE (AMENDMENT) BILL, 2022

3.03

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, having gone through various processes on the Bill, as Government, we feel we need to do further consultations and I, therefore, move to withdraw this Bill.

**THE SPEAKER:** Thank you very much.

BILLS

THIRD READING

THE UGANDA REVENUE AUTHORITY (AMENDMENT) BILL, 2022

3.04

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, in the same vein, we have been consulting on the Uganda Revenue Authority (Amendment) Bill and we feel we should continue with the consultations and, therefore, withdraw the Bill.

**THE SPEAKER:** Thank you very much. Two Bills have been withdrawn.

**MR NANDALA-MAFABI:** Madam Speaker, the minister is making a very big mistake to withdraw Bills where a committee has sat, made a decision and the reports are ready and signed. This is in bad faith. This is already property of Parliament. If he wants to withdraw, we should wait for the committee to present a report and we discuss it. Then at an appropriate time, it is done.

This report is very good and will help the management of the Uganda Revenue Authority. Perhaps, they want theft in Uganda Revenue Authority that is why they want to withdraw it. Otherwise the amendments which have been brought are going to streamline revenue collection and this country will be in a better position than it is in currently.

So, Madam Speaker, is it procedurally right for us, having been here for many months, working day and night - Yesterday we left here after midnight because we were working on that Bill. Now, the minister in just a second comes and withdraws it. Is it really procedurally right, Madam Speaker?

**THE SPEAKER:** Former commissioner for Uganda Revenue Authority, I hope you are not conflicted. The Bills were brought by the Executive and they have decided to withdraw their Bills; let them withdraw. Next time we need to bring a Bill to amend the operations of URA.

Now, these ones are on the collection of revenue. You need to come up with the real Bill to amend the URA Act. In terms of the running of URA. *(Member rose\_)* I know what you want to say. *(Interjections)* I know what you mean. I agree with you, but bring an amendment to the Act.

**MR NANDALA-MAFABI:** Madam Speaker, one time you chaired COSASE; the issues you raised in COSASE are the ones we are correcting now. Madam Speaker, maybe you know the object; the Commissioner-General wanted to become the URA himself.

So, Madam Speaker, wouldn’t it be procedurally right -?

**THE SPEAKER:** He is on point of procedure.

**MR NANDALA-MAFABI:** Madam Speaker, you need to take such people for induction. You are shaming us, members of the Committee on Finance. *(Interjections)* Do not panic. You will grow fat later. *(Laughter)*

This was an opportunity for Parliament to handle this matter. We have handled it very well. Is it procedurally right - even if the Commissioner-General came to you - to really change? Yet, the committee has 40 members who have all signed apart from - Even Enos who is standing has also signed. He wants to change now.

Is it procedurally right, Madam Speaker, that we really withdraw the Bill at this stage without consulting the House and without debating it?

**THE SPEAKER:** Honourable member -

**MS OGWAL:** Madam Speaker, I just want to draw the attention of the House to our rule 140(1);

It says, “*A Member in charge of a Bill may at any time give notice that he or she wishes to withdraw the Bill subject to the approval of the House.”* That is our own rule.

Personally, I think it is good - I just want to advise the previous speaker that when a child has performed badly and he confesses that “I have failed,” I think you need to admit that the child is weak and has indeed failed. I am trying to inform hon. Nandala-Mafabi. Please, if a child has performed badly in class and he has come to confess that he has failed, I think we just allow him to repeat the class.

Madam Speaker, this one will require your authority to allow this rule to be amended so that the minister can be helped. He has now declared that he is a weakling; we should help him.

**THE SPEAKER:** Honourable Members. As per rule 140, the House must approve. The Minister has said he is not willing to proceed with these Bills. I am now going to put a question for approval.

**MR NANDALA-MAFABI:** Madam Speaker, is it procedurally- the minister is -

**THE SPEAKER:** Hon.Nandala-Mafabi, I know what you want to bring. I know your issues with URA. What you can do is to ask for a Treasury Memorandum of the COSASE report. What did they do? Minister, we want a treasury report on what was done in URA and all those institutions.

3.10

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, I am going to follow-up on the Treasury Memorandum and report back to the House.

3.11

**MS JANE PACUTO (NRM, Woman Representative, Pakwach):** Thank you, Madam Speaker.Madam Speaker, it is with a lot of dismay for us as the Committee on Finance, particularly the leadership, to hear this from the minister after we have processed the report. Really? I do not know if it is in good spirit. It is an insult to our personality as the leadership of the committee. We laboured to process the report. We left here yesterday at about 9.00 p.m. I have been in touch with the minister since morning, but only for him to surprise us. Madam Speaker, it demotivates; I do not think it is proper.

3.12

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, I think it is in order for me to formally move - and I would like to move like this. I beg to move a motion that the Finance (Amendment) Bill, 2022 and the Uganda Revenue Authority (Amendment) Bill, 2022 be withdrawn. I beg to move.

**THE SPEAKER:** Is it seconded? Point of procedure. Leader of the Opposition?

**DR KEEFA KIWANUKA:** Madam Speaker, of course, I add to the voice of –

**THE SPEAKER:** Can you withdraw these, one by one? First withdraw the Finance (Amendment) Bill, 2022. *(Hon. Keefa Kiwanuka rose\_)*.Is it on the same?

**DR KEEFA KIWANUKA:** My procedural matter is, instead of wasting Parliamentary time - he has already wasted a lot of our time. We were here last night, working around the clock, regarding these Bills. We have nine Bills and we have seen him withdrawing them, one by one. Can he tell us how many of these Bills he is withdrawing so that the matter is settled once and for all?

**MR RUHUNDA:** Madam Speaker, when you are withdrawing a Bill and moving a motion to withdraw, you do not just withdraw without justification. You have –

**THE SPEAKER:** His first withdrawal was a notice.

**MR RUHUNDA:** Madam Speaker, I request the minister to apologise and then, withdraw.

**THE SPEAKER:** Honourable minister, withdraw the first Bill, which is the Finance (Amendment) Bill, 2022 and then we go to the next.

**MR MUSASIZI:** Madam Speaker, I beg to move a motion that the Finance (Amendment) Bill, 2022 be withdrawn.

**THE SPEAKER:** Is that seconded? (*Members rose\_)* It is seconded by hon. Wamakuyu Mudimi, the Attorney-General, hon. David Bahati, hon. Iddi Isabirye, hon. Fox Odoi, hon. Tom Aza and hon. Rose Obigah. Honourable members, the honourable member has moved a motion that he wants this Bill withdrawn. I put the question to that.

*(Question put and agreed to.)*

*The Finance (Amendment) Bill, 2022, withdrawn.*

**MR NANDALA-MAFABI:** Madam Speaker, the procedural issue I am raising is under rule 140. It says –

**THE SPEAKER:** I know it does not specify how much time a notice should be. The mention that he is withdrawing is notice enough.

**MR NANDALA-MAFABI:** Yes, Madam Speaker and that is why you are right. The minister should give us notice. The minister will go and sleep, come tomorrow and then say, “I gave you the notice yesterday”. If we move like this, we are going to –*(Laughter)*

Therefore, is it procedurally right, Madam Speaker, for the minister to come in just a second, give notice and withdraw, after wasting the time of the committee? No.

**THE SPEAKER:** Honourable Members, can we go to the next debate as we halt the Uganda Revenue Authority (Amendment) Bill, 2022?

BILLS

SECOND READING

THE TRAFFIC AND ROAD SAFETY (AMENDMENT) BILL, 2022

3.19

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, I beg to move a motion that, The Traffic and Road Safety (Amendment) Bill, 2022 be read for the second time.

**THE SPEAKER:** Is it seconded? It is seconded by the whole House. Can you speak to your motion a bit, if you can?

**MR MUSASIZI:** Thank you, Madam Speaker. The Bill seeks to amend the Traffic and Road Safety Act:

1. By substituting for the word “Date”, the word “Year” in sections 14A and 14B by repealing paragraphs (a), (b) and (f) of section 178;
2. By substituting for the word “Board”, wherever it appears, the words “Competent Authority”;
3. By substituting for the words, “Secretary to the Board” wherever it appears, the word “Commission”; and
4. For other related matters.

Madam Speaker, when this Bill was read for the first time, it was referred to the Committee on Finance, Planning and Economic Development, and I am aware the chairperson is ready to present his report.

3.22

**THE CHAIRPERSON, COMMITTEE ON FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Dr Keefa Kiwanuka):** Madam Speaker, we have had the opportunity to process these Bills and we are ready to report. Actually, we are ready to report on all the Bills. We have divided up and we are collaborating on this. I would like to invite my deputy to start off with this Bill, Madam Speaker.

3.23

**THE VICE- CHAIRPERSON, COMMITTEE ON FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Ms Jane Pacuto):** Thank you, Madam Speaker. I am here to report on behalf of the Committee on Finance, Planning and Economic Development on the Traffic and Road Safety (Amendment) Bill, 2022.

Allow me, before I go to the report, to congratulate all Members of Parliament upon the one year we have completed in the Parliament of Uganda. I thank God thus far He has brought us.

Madam Speaker, I would like to start with the introduction. However, before I present the report, allow me to lay on the Table the minutes and a copy of the same Bill for the *Hansard* to capture it.

Maybe, Madam Speaker, with your indulgence – because I have a number of Bills that I will be reporting on – I would like to lay the minutes at once and then lay the reports as and when I -*(Interjection)-* Now, are you the Speaker?

Madam Speaker, I beg your indulgence. Hon. Odur is disrupting me. I wanted to lay the minutes at once, but handle the Bills one by one and then lay them on the Table. Thank you, Madam Speaker.

**THE SPEAKER:** Hon. Odur, why don’t you leave the girl child? *(Laughter)*

**MR ODUR:** Madam Speaker, she is my sister-in-law. So, culturally, I can smile with her. *(Laughter)*

**THE SPEAKER:** Okay. Those issues of sisters-in-law -*(Laughter)*

**MS PACUTO:** Madam Speaker, I would like to thank hon. Odur for putting it on record that I am his sister-in-law, but while we are here, let us do what has brought us here. *(Laughter)*

Madam Speaker, this is a report of the Committee on Finance, Planning and Economic Development on the Traffic and Road Safety (Amendment) Bill, 2022

Introduction

The Traffic and Road Safety (Amendment) Bill, 2022 was, at the 18th Sitting of the Third Meeting of the First Session of the 11th Parliament of Uganda held on Thursday, 31 March 2022, presented for first reading and referred to the Committee on Finance, Planning and Economic Development for further scrutiny.

Madam Speaker, the committee considered the Bill through consultations with different stakeholders, hence this report.

Object of the Bill

The object of this Bill is to amend the Traffic and Road Safety Act, Cap. 361; by substituting for the word “date”, the word “year”; by repealing paragraphs (a), (b) and (f) of section 178; by substituting for the word “board” wherever it appears, the words “competent authority”; by substituting for the words “secretary to the board” wherever they appear the words “chief licencing officer”, and other related matters.

Madam Speaker, again, I beg your indulgence. To save time, I will skip the methodology – Members can read that. Allow me to go straight to observations of the committee.

The committee observed that the Traffic and Road Safety Act, Cap. 361 provides for the law relating to road traffic, traffic offences and other purposes connected with road traffic and road safety.

The Traffic and Road Safety (Amendment) (No.8) Bill, 2022 was laid before Parliament to amend the Act. The Bill seeks to streamline the current law with structural changes at the ministry, for instance, making the Department of Transport Regulation and Safety as the competent authority.

Clause 2: Amendment of section 2(1) of the principal Act

Madam Speaker, the committee observed that clause 2 of the Bill seeks to amend section 2(1) of the principal Act by inserting in the definition section, the word “commissioner” which shall mean “the commissioner responsible for transport regulation and safety”. This follows the amendment of the principal Act by the amendment Act of 2020 that restructured the sector and placed responsibility with the Department of Transport Regulation and Safety in the ministry responsible.

The committee agrees that the departments under ministries are headed by commissioners and, therefore, the clause will be in line with Government structures as well as the prevailing law.

Clause 3: Amendment of section 14A of the principal Act

The committee observed that clause 3 of the Bill seeks to amend section 14A of the principal Act by substituting the word “date” with the word “year.” The committee noted and agreed that section 14A deals with restrictions on the importation of motor vehicles based on their date of manufacture. Most vehicle documentations do not provide for the date, but year of manufacture and, thus, this will make it easier to compute the years in order to comply with the law.

Clause 4: Amendment of section 14B of the principal Act

Again, this is talking about substituting the word “date” with the word “year.” The committee, again, notes that section 14B places an environmental levy on importation of motor vehicles based on their date of manufacture. Since most vehicle documentations do not provide for date, but year of manufacture, the amendment will make it easier to compute the years in order to comply with the law as earlier stated.

Clause 5: Amendment of section 178 of the principal Act

The committee observed that clause 5 of the Bill seeks to amend section 178 of the principal Act by repealing paragraphs (a), (b) and (f). The committee further noted and agreed that section 75 of the Traffic and Road Safety (Amendment) Act, 2020, repealed section 168 that provided for the National Road Safety Council, thus abolishing the council. Therefore, section 178(a), (b) and (f) that refer to the council are redundant.

Clause 6: Amendment of section 41 of the principal Act

The committee observed that clause 6 of the Bill seeks to amend the Traffic and Road Safety (Amendment) Act by replacing the word “board” with “competent authority” and “secretary” with “commissioner”. The committee noted that section 31 of the 2020 amendment Act substituted the Transport Licencing Board with the Department of Transport Regulation and Safety in the ministry responsible for transport as the competent authority. Therefore, references, within the principal Act, to the “board” would be redundant.

Furthermore, departments under ministries are headed by “commissioners” and, therefore, the clause will be in line with Government structures as well as the prevailing law.

Clause 7: Amendment of the Fourth Schedule of the principal Act

The committee observed that clause 7 of the Bill seeks to amend the Fourth Schedule of the principal Act by substituting the word “date” with the word “year.” Following the intended amendment of section 14B by clause 4 of the Bill, it is only logical that the Fourth Schedule that provides details of the environmental levy is also amended accordingly.

Most vehicle documentations, as earlier stated, emphasise on year rather than date. The committee further observed that the Bill, if passed, would streamline apparent errors in the prevailing Act, given the changes made by the 2018 and 2020 amendment Acts.

Recommendation

Madam Speaker, the committee recommends that the Traffic and Road Safety (Amendment) Bill, 2022 be passed into law. I beg to move.

**THE SPEAKER:** Thank you. Can we have all of them laid? *(Mr Muwanga Kivumbi rose\_)* Do you have a minority report?

**MR MUWANGA KIVUMBI:** Madam Speaker, on this Bill, we do not have a minority report.

**THE SPEAKER:** On which one do you have a minority report?

**MR MUWANGA KIVUMBI:** There are only two where we have the minority reports. If the House goes ahead with the URA Bill, then we will have a minority report. We also have a minority report on the Income Tax Bill.

**THE SPEAKER:** Okay. Let us first have those without minority reports read.

BillS

Second Reading

The Value Added Tax (Amendment) Bill, 2022

**The Speaker:** I am just doing a reminder; it is not withdrawn, but pending.

**Mr MUWANGA kivumbi:** Madam Speaker, I rise on a point of procedure. Wouldn’t it be procedurally right - because each Bill attracts a report and –

**The Speaker:** Do you want us to process Bill by Bill?

**Mr MUWANGA kivumbi:** One by one, yes.

**The Speaker:** Okay, no problem. The Traffic and Road Safety (Amendment) Bill has been read. Do you have something to say?

3.33

**Mr silas aogon (Independent, Kumi Municipality, Kumi):** Madam Speaker, reading through the report shows that this committee did a thorough job. This is one of the reports that we do not need to dwell on very much unless a Member has seen something very serious that needs further attention. It is purely dealing with issues of streamlining the current law and structures in the ministry.

Therefore, I would move that unless there is some serious issue you have seen, we move on to the next stage. I beg to move.

**The Speaker:** Thank you. Can we move to the next stage - Honourable members, I put the question that the Traffic and Road Safety (Amendment) Bill be read for the second time.

*(Question put and agreed to.)*

bills

committee stage

The traffic and road safety (Amendment) Bill, 2022

3.34

Clause 1

**The Chairperson:** I put the question that clause 1 stands part of the Bill.

*(Question put and agreed to.)*

*Clause 2, agreed to.*

*Clause 3, agreed to.*

*Clause 4, agreed to.*

*Clause 5, agreed to.*

*Clause 6, agreed to.*

*Clause 7, agreed to.*

*The title, agreed to.*

motion for the house TO resumE

3.36

**The Minister Of state for Finance, Planning and Economic Development (General Duties) (Mr Henry Musasizi):** Madam Chairperson, I beg to move a motion that the House do resume and the Committee of the whole House reports thereto.

**The CHAIRPERSON:** Honourable members, I put the question that the House resumes and the Committee of the whole House reports thereto.

*(Question put and agreed to.)*

*(On resumption, the Speaker presiding\_)*

Report FROM the Committee of the Whole House

3.37

**The Minister Of state for Finance, Planning and Economic Development (General Duties) (Mr Henry Musasizi):** Madam Speaker, I beg to report that the Committee of the whole House has considered the Bill entitled, “The Traffic and Road Safety (Amendment) Bill, 2022” and passed it with no amendments.

Motion for adoption of the report of the Committee of the Whole house

3.37

**The Minister Of state for Finance, Planning and Economic Development (General Duties) (Mr Henry Musasizi):** Madam Speaker, I beg to move that the Report from the Committee of the whole House be adopted.

**The Speaker:** Honourable members, I put the question that the House adopts the Report of the Committee of the whole House.

*(Question put and agreed to.)*

*Report adopted.*

bills

third reading

the traffic and road safety (Amendment) Bill, 2022

3.38

**The Minister Of state for Finance, Planning and Economic Development (General Duties) (Mr Henry Musasizi):** Madam Speaker, I beg to move that the Bill entitled, “The Traffic and Road Safety (Amendment) Bill, 2022” be read for the third time and do pass.

**The Speaker:** I put the question that the Traffic and Road Safety (Amendment) Bill, 2022 be read the third time and do pass.

a bill for an act entitled, “The traffic and road safety (Amendment) Act, 2022.”

**The Speaker:** Title settled and Bill passed*. (Applause)*

Bills

second reading

the value added tax (Amendment) Bill, 2022

3.40

**The Minister Of state for Finance, Planning and Economic Development (General Duties) (Mr Henry Musasizi):** Madam Speaker, I beg to move that the Bill entitled, “The Value Added Tax (Amendment) Bill, 2022” be read for the second time.

**The Speaker:** Is it seconded? Okay, it is seconded by hon. Alex Ruhunda, hon. Basil Bataringaya, hon. Irene Muloni, hon. Noeline Kisembo, the Minister for Works, hon. Jane Avur, hon. Cecilia Ogwal, the Army representative, hon. Okia, hon. Connie Galiwango, hon. Rose Nyakikongoro, hon. Agaba, hon. Amos Okot and hon. Enock Nyongore – okay, by everybody. Can you now speak to your motion?

**Mr musasizi:** Madam Speaker, the Value Added Tax (Amendment) Bill, 2022 seeks to amend the Value Added Tax Act Cap. 349 to –

1. Provide for Value Added Tax on imported services using businesses in making exempt supplies;
2. Provide for repeal of the exemption on cottonseed cake;
3. Exempt assistive devices for persons with disabilities;
4. Provide for an exemption for supply of an Airport User Services charge by the Civil Aviation Authority;
5. Provide for equal treatment of supplies of educational materials from the East African Community Partner states; and
6. Provide for other related matters.

Madam Speaker, we presented this Bill to the committee and the committee is ready to report to the House.

**THE SPEAKER:** Thank you, minister. Chairperson?

3.42

**THE VICE-CHAIRPERSON, COMMITTEE ON FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Ms Jane Pacuto Avur):** Thank you, Madam Speaker. I rise again to present the report of the Committee on Finance, Planning and Economic Development on the Value Added Tax (Amendment) Bill, 2022. For the record, I beg to lay on Table a copy of the same report.

**THE SPEAKER:** The same report has a minority report; that will be presented.

**MS PACUTO:** Madam Speaker, we did not get notice to that effect. We got notices of two minority reports, in writing, from hon. Muwanga Kivumbi.

**THE SPEAKER:** Members, for harmony, let us have the report read *–* Hon. Nsereko, do not come and quarrel like you are in your home. I am saying we shall have both reports. However, next time, you have to give the chairperson a copy of the minority report because it forms part of the report.

3.44

**MR KEEFA KIWANUKA (NRM, Kiboga East County, Kiboga):** Madam Speaker, the fact is that we have not seen the minority report. He mentioned in passing that he may disagree with us, but he did not give us the report or the notification officially *–(Interjections)-* this is the problem I have with hon. Nsereko in the committee; that is how he behaves -

**THE SPEAKER:** Honourable members, do not bring your disagreements from the committee to the House. Can you go ahead with the report? Give us a summary of your report.

**MS PACUTO:** Thank you, Madam Speaker, for your indulgence. With that, I will skip the introduction. The minister has already stated the object of the Bill.

Committee observations

The committee identified various cross-cutting issues and made the following observations regarding the value added tax. I will just read the first observation. It is actually only one.

The accumulation of interest and penalties accruing to delayed payment for Government supplies of goods and services

The committee observed that Government delays to pay for services and goods supplied. Subsequently, the supplies attract penalties and interest on these services supplied.

While meeting the Minister for Finance, Planning and Economic Development, the committee was informed that Government is trying to solve this by holding personally liable those accounting officers who accumulate arrears that are not budgeted for in the financial year in question.

That notwithstanding, the committee noted that some supplies to Government are subject to multiyear commitments, while resource allocations may be subjected to delays during the lifespan of the contracts.

The committee, therefore, observed that all supplies to Government should be deemed to have been paid in accordance to Section 24(7) of the Value Added Tax.

The committee recommends that the Value Added Tax (Amendment) Bill, 2021 be amended to ensure that VAT on goods and services supplied to Government is deemed to have been paid.

Specific observations and recommendations

Extension of waiver on accommodation facilities

The committee observed that exemption on accommodation for tourist hotels and lodges, both upcountry and within Kampala, under section 19, was enacted to ensure that hotels and other accommodation facilities, under the hospitality industry, are given the necessary policy support to recover from the effects of COVID-19.

The committee further observed that the hospitality industry has not yet fully recovered from the adverse economic shocks of COVID-19. There is, therefore, a need to extend a waiver on VAT, on accommodation for tourist hotels and lodges located both upcountry and in Kampala until 2023.

The committee recommends that in the second schedule, under item one, HH(a), be amended to extend non-taxation of accommodation on tourist hotels and lodges from 1 July 2022 to 30 June 2023.

Cotton seed cake

The committee observed that the cottonseed cake is a key input in the poultry sector. For example, for poultry feed, eight to 10 per cent of the feed is cottonseed cake, which is 15 per cent of the cost of feeds. Putting 18 per cent VAT means that the feeds will increase in price by 18 per cent.

The committee, therefore, recommends that clause 4 of the Value Added Tax (Amendment) Bill, 2022 be moved to the third schedule of the VAT Act to benefit from zero-rate.

Amendment of the third schedule of the VAT Act - exemption on education materials in the East African Community

The committee observed that clause 5 of the Bill seeks to amend the third schedule of the VAT Act to exempt educational material supplies from East African Community Member States. The committee is cognisant of the fact that Uganda is a signatory to the Florence Agreement that compels Government not to impose any taxes, internal or external, on educational material. The goal of that agreement is to promote education by making educational material affordable.

The committee, however, observed that owing to the two-year school closure in Uganda, as opposed to other East African Partner States, the paper sector in Uganda had restricted business activity in that period, leading to financial losses that have not yet been recouped in the current financial year. The committee, therefore, supports the proposal, but recommends a transitional period of at least one year to allow the paper industry to recover.

Recommendation

The committee recommends that clause 5(a) of the VAT (Amendment) Bill, 2020 be deleted.

VAT rate for domestic electricity consumers

Madam Speaker, this follows the law that we recently passed on the Electricity Bill.

The committee observed that the report of the Committee on Natural Resources on Electricity (Amendment) Bill, 2021 noted the importance of varying the VAT rate paid on electricity sales for domestic consumers. The Committee on Natural Resources noted that Kenya, in 2020, lowered the tax tariff on the VAT rate per electricity sales from 16 per cent to 14 per cent, leading to a surge in demand for electricity.

The committee further noted that in 2020, the domestic consumers, through *Yaka*, bought electricity units worth Shs 466 billion and topped it up with VAT payments of Shs 85.6 billion. The lowering of the VAT paid on electricity from payments of eight per cent to 10 per cent for domestic consumers would have resulted in Government losing Shs 47.7 billion, leading to a revenue loss of Shs 38.1 billion.

The committee further observed that this policy measure would only affect domestic consumers who contribute 29 per cent of all sector revenues, and leaving 71 per cent of the electricity sold, would still have a VAT rate of 18 per cent. The combined effect would - instead of Shs 289 billion, which URA collected in VAT on electricity sales in 2020, the actual collections would have been Shs 250.9 billion.

The committee noted that this policy, when combined with other sector efficiency measures, would clear deemed power in the system, further saving hundreds of billions that the taxpayer will be paying after the commissioning of Karuma Dam later this year.

The report of the Committee on Natural Resources took cognisance of Government’s electricity connection policy aimed at accelerating access to clean energy. The policy provides for free connection materials after the beneficiaries undertaking house wiring and payment for the survey and testing of the installation. However, the funding of this policy has not been consistent resulting into delayed connections.

The committee observed further that the customers have, therefore, since resorted to self-financing. However, the committee notes that the reflective cost of self-financed new connections is prohibitive, currently at about Shs 720,883, for a no pole connection and Shs 2,741,188 for a one pole connection, inclusive of VAT.

This high cost of new connections is an impediment to the Government initiative for accelerating access to clean energy. The committee observed that the removal of VAT on the cost reflective of new connections, will reduce the above cost to about Shs 610,000 for a no pole and about Shs 2,320,000 for one pole connection, hence contributing to affordability and reduction in the cost, reflective of new connections, in line with Government policy for electricity collection.

The removal of VAT will support customer-funded connections in circumstances where Government has not been able to provide funds to support the free connection policy. The committee, therefore, recommends that VAT be zero-rated for the cost of new connections for domestic consumers, no pole and one pole, to support accelerated access to clean energy.

Madam Speaker, I beg to report.

**THE SPEAKER:** Thank you, committee chairperson, for the report.

3.54

**MR MUHAMMAD NSEREKO (Independent, Kampala Central Division, Kampala):** Thank you, Madam Speaker. We apologise for the delay in uploading this report. It was caused by our team in the ICT department.

However, I would like to categorically state, for the record of this House, that I notified Members, that I shall be presenting a minority report on the Value Added Tax (Amendment) Bill, 2022. I will be very brief.

To the points of dissent, as to where honourable colleagues found it important to exempt – because we were drawing comparisons – to exempt VAT on lodges and hotels as compared to VAT on a suggestion that we made on bread.

In our opinion, we proposed an exemption of 18 per cent of VAT on bread, which is an integral part of the meal for young people in this country. That would tantamount to a reduction; if a loaf was 400 grams at the cost of about Shs 4,543, a reduction of Shs 683 - I know there is this notion of eating cassava*. (Laughter)*

But the reason we are there is to provide solutions to our people and for our people. The only redress they can seek is from this august House, and the only time we have to do it is at taxation when it is not advisory, but action.

To the contrary, we think that for every single person who enters into a lodge or a hotel, they have capability to meet the 18 per cent tax. There is no problem of occupancy at the moment. We have a secure country, and this is the notion that has been put forward.

If you compare the two, we think going to lodges and hotels is more luxurious than our young people having a loaf of bread at home. We cannot be the same country to insensitively tell people that if they cannot afford bread, they can try something else, but have exemption for luxurious people who go to hotels to enjoy nights out and sleep out. This is comparative.

In my opinion, if we included VAT on hotels and lodges, we would get much more money in form of tax collection than what we have exempted on a loaf of bread*. (Applause)* Therefore, one would offset the other.

This does not in any way hurt our tourism industry because in every country, we pay VAT. By the time you book for a holiday, for our tourists, the millions that they are, the 18 per cent VAT that is added on lodging facilities does not deter them from making Uganda their choice of destination.

We also proposed an exemption of VAT of 18 per cent from computers and computer accessories. We are in a time of technological transformation and digital transformation. The world is on a roller coaster of transforming into a global technological centre. With our low digital literacy levels and with our poor infrastructure, computers are the basic tools for people to learn or to be digitally connected. Laptops, computers, kindles for children; the computer economy –

**THE SPEAKER:** Summarise, please.

**MR NSEREKO:** Yes, Madam Speaker, I am trying to summarise.

The computer economy, as the President said, accounts for the third most integral part in our national development plan; the NDP III.

After agriculture and industrialisation, our concentration is on ICT. The basic tool, whether for studying or working digitally, is the computer. Few Ugandans can afford a brand new computer that can be used for software engineering, programming or coding.

The world is in a shortage of over three million programmers, software engineers and coders, but Uganda cannot help cover up that gap if the basic tool of learning - the computer - cannot be accessed by most of our young people, or even being affordable by our parents.

Therefore, we advocate for zero tax on computers, laptops, GPUs, what we call computer accessories and software, for at least computers of five years and above. This will make them affordable, accessible and usable to our people.

For the people who are seated in this august House, if we want to curb the issue of unemployment, let us get people to start their own jobs - to work remotely. A teacher may not be able to be employed by this Government, but can perform tutorials remotely for children of other countries and even earn more, and will not put pressure on this Government for salary increment. The only basic tool that they have is the computer. We, therefore, cannot sit in this august House and create waivers for lodges and hotels and leave out the basic tool which is the computer, laptops, projectors and kindles.

**THE SPEAKER:** Thank you.

**MR NSEREKO:** Therefore, our recommendation is to amend the Value Added Tax (Amendment) Bill to exempt computers and computer accessories of five years. I would be proud and happy if this august House joined me and joined the country -

**THE SPEAKER:** For how long?

**MR NSEREKO:** The ones that are five years old because it is what we can afford. The newer the computer with a greater software, the more expensive it is. For at least five years, then, we can capture a number of - now it is becoming mandatory for a child to join university with a laptop. How many parents can afford a new laptop of over $2,000, if they cannot afford basic tuition?

Our view is to amend the Second Schedule of the Value Added Tax Act to include section 1(a)(i), where we would introduce an amendment to state “bread be exempt of Value Added Tax”.

Then the one for computers is: by amending the schedule - and I clearly earmark - to introduce the exemption on Value Added Tax and Withholding Tax, which will come in the Income Tax Act; and Withholding Tax on computers that are five years of age from manufacture. I beg to move, Madam Speaker, and thank you very much for the opportunity.

**THE SPEAKER:** Thank you, Hon. Nsereko, for the minority report.

**MR NSEREKO:** It is by law that I have to state clearly that the dissenting opinion was not mine alone. Those who signed are: Hon. Nabukeera Hanifa, Woman MP Mukono District, Hon. Muwanga Kivumbi, MP Butambala, Hon. Masaba Karim, the people’s representative of Mbale Industrial Division and myself. Thank you.

**THE SPEAKER:** Those are all people from the city. Honourable members, in the public gallery this afternoon, we have a delegation from Kilak South County, Amuru District represented by Hon. Gilbert Olanya and Hon. Lucy Akello. You are most welcome and thank you for coming. *(Applause)* While here, feel at home.

I would like to put the record correct that the exemption on hotels is for tourists and not everyone. Chairperson, did I hear it right?

4.05

**THE CHAIRPERSON, COMMITTEE ON FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Dr Keefa Kiwanuka):** I am surprised that hon. Nsereko, representing the people of Kampala, has trivialised the exemption of hotels and lodges, which are struggling at the moment. We are trying to see how best this industry can be supported, and this was generally accepted in the committee, but unfortunately, he did not attend the meeting.

4.06

**MR SOLOMON SILWANY (NRM, Bukooli County Central, Bugiri):** Thank you, Madam Speaker. I stand to support the committee report, but also agree that we add the amendments proposed by hon. Nsereko in the minority report.

While the hotel industry suffered so much during COVD-19 - these people have not been working for the last two or three years, and there was no business. Exempting hotels from Value Added Tax will attract more people to go to these hotels, and it will increase their business potentials.

We should not only talk about external tourists because we shall discourage internal tourism. Some of us and other Ugandans go to Murchison Falls and everywhere to support tourism. Therefore, when we are talking about tourism, we should talk about both internal and external tourists to be exempted.

I seek the indulgence of this House to concede to hon. Nsereko’s proposal of waiving 18 per cent taxes on computers because all our children need computers to be in school. These days, for admission to a university, parents are asked for a computer, and we are moving in the direction of information technology. I beg that we support the majority report, but add hon. Nsereko’s amendment in the minority report so that they move together. I beg to submit.

4.08

**MS CONNIE NAKAYENZE (Independent, Woman Representative, Mbale City):** Thank you, Madam Speaker. It is good to promote investors, but look at the local person. How many can afford going to those hotels? I thought we would look at those other goods that are more cross-cutting. Yes, hotels are cross-cutting, but there are goods that affect the local person more, where the taxes are very high, and we have not looked at them.

Instead of waiving tax, we would lower it, other than removing it completely. Not all local people own those hotels. The people who own these hotels can manage to pay these taxes. We would rather reduce on the tax, other than completely waiving it. I submit.

**THE SPEAKER:** Hon. Connie, I agree with you. I get surprised - tomorrow we are bringing expenditure; we want money, but when I see the committee waiving taxes, where are you going to get money to fund the budget you are bringing tomorrow? You are going to supply the budget tomorrow yet you are waiving everything. Where are you going to get the money? I would like to understand this from the chairperson of the committee?

4.10

**MR MUHAMMAD MUWANGA KIVUMBI (NUP, Butambala County, Butambala):** Madam Speaker, in this budget, if you read through all the Bills, that is the question we grappled with at the Committee Stage. When you go through all the Bills, you will realise that we are doing a lot of waiving, but resisting exemptions. Where we are resisting exemption on tax by Government, we are yielding billions of shillings to enforce the revenue side. So, on the total balance, the committee report will have a surplus from what was proposed.

As we go through Bill by Bill, you will realise that we have done a lot of resisting exemptions. For example - I do not want to debate by anticipation, but when you look at what we are going to do in Bujagali, in one go, we shall yield over Shs 400 trillion because it is $300 million.

Madam Speaker, I would like to comfort you that as we recover from COVID-19, we have taken care of the revenue side at the committee stage.

**THE SPEAKER:** How about the expenditure?

**MR MUWANGA KIVUMBI:** Madam Speaker, I based it on the Committee on Budget and Committee on Finance, Planning and Economic Development. I cannot debate in anticipation what shall be in the budget. What we have done in the Committee on Finance *- (Interruption)*

**MR NANDALA-MAFABI:** Thank you, Madam Speaker, and I thank Hon. Muwanga Kivumbi for giving way. What we are doing now is that we are trying to look at the revenue side. The moment we get the revenue, it will determine the expenditure. When you have low revenue, you will have low expenditure. That is why the tax Bills are coming before the passing of the budget.

Madam Speaker, do not get worried. Both the income and expenditure have loopholes. In the expenditure, there is where there is where you have air. That one will be dealt with to match the revenue side.

As hon. Muwanga Kivumbi has just said, Madam Speaker, you will notice that where you are removing exemptions, the money you are going to generate, you will not believe. He has mentioned Bujagali. In fact, for Bujagali, every year we will generate not less than $600 million. How much is that in Uganda currency?

Madam Speaker, we want you to sit comfortably, knowing that we are taking care of this. *(Applause)*

**THE SPEAKER:** Honourable members, can I hear from the finance minister?

4.13

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Thank you, Madam Speaker. I wish to observe that these reports that we have just started to consider are part of the process of considering the budget. Whereas the objective of these Bills may be to streamline how businesses are done – how to create an enabling environment for businesses to function – we also have to be cognisant that we use revenue Bills to generate money to finance the budget.

Madam Speaker, my biggest concern on VAT – when I look at the general proposals brought by the committee, in total disregard of our consent, they are all aimed at reducing revenue. The moment this happens, it means that tomorrow, I will have to come here and propose a reduction. This has an implication on the expenditure side.

Madam Speaker, my prayer is that, as Parliament considers these Bills, let us factor in the idea that on the other side – which hon. Isiagi is considering – the Chairperson of the Committee on Budget will be requesting Government to spend on various things. There is already a predetermined resource envelope of about Shs 25 trillion, which must be financed by the proposals we are making today.

Therefore, I appeal to the House to give us this revenue so that we finance the budget. I beg to move.

**THE SPEAKER:** Hon. Kateshumbwa -

4.15

**MR DICKSONS KATESHUMBWA (NRM, Sheema Municipality, Sheema):** Thank you very much, Madam Speaker. I would like to appreciate the work of the committee and the recommendations. Specifically, I would like to contribute on two recommendations.

The first one is where the committee recommended that the Value Added Tax (Amendment) Bill be amended to ensure that VAT on goods and services supplied to Government is deemed to have been paid.

Madam Speaker, this is a very dangerous recommendation. It is going to erode the revenue base. While I acknowledge that we have been dealing with a problem of arrears by Government – where people supply Government and they are not paid, but are forced to borrow money to go and pay VAT – I think that this amendment should restrict itself to the interests and penalties accruing, but not the VAT.

So, I would like to propose that the amendment be adjusted to capture only the interest and penalties accruing. It should be that if you have supplied Government and you have not been paid for some time, the interests and penalties that URA computes should be deemed to have been paid, but you should pay the VAT. If we leave it like this, we will be eroding the tax base. *(Applause)*

Madam Speaker, I would like to go to *– (Interruption)*

**MR NANDALA-MAFABI:** Madam Speaker, I would like to thank my colleague, Hon. Kateshumbwa, for giving way. In short, what you are raising is that you are not going to apply accrual, but you are going to apply a cash basis. Is that what you are saying?

**THE SPEAKER:** Yes.

**MR NANDALA MAFABI:** It would be better that you move the amendment that for Government supplies, we should do it on a cash basis. After you pay me, that is when I do the accountability. If you say VAT should be for penalty and interest only, there will be a complication. Why? I can get money by saying that this is my outstanding VAT, yet maybe it is not all for Government, and I compute that all this interest should not be there. If it is for accountability - for purposes of filing my tax returns at the end of the month on a cash basis, it will solve the problem. I think the Attorney-General is aware of what I am raising.

**MR ENOS ASIIMWE:** Madam Speaker, thank you. I thank hon. Kateshumbwa. Actually, what you are proposing was the spirit of the amendment. We are not saying that they should not pay the VAT, but they should be exempted from the penalties and the interests that accrue once the delays are made by Government payment. We are in line with you. That was the spirit of the amendment.

**THE SPEAKER:** That is not how it was presented.

**MR ENOS ASIIMWE:** I think it could have been stated wrongly, but that was the spirit of the amendment.

**THE SPEAKER:** That was not how it was presented.

**MR KATESHUMBWA:** I am responding to the recommendation of the committee. What I would like to say is that hon. Nandala-Mafabi is right because you are looking at what treatment we give should to this problem. If the treatment is going to be cash basis, I think it is okay. I do not think the minister has a problem with accepting that recommendation.

I need to go to the second clause, which is clause 5. Madam Speaker -

**THE SPEAKER:** Why don’t we look at that at committee level – clause by clause?

4.19

**MR SILAS AOGON (Independent, Kumi Municipality, Kumi:** Madam Speaker, it is actually at this moment that we now enjoy the benefits of being in the House. At this time, we get to know that it is very important to be sober. At this moment, we must be able to stand with the people, but also stand with the ministry. We must be responsible citizens, but also representatives of the people. We need revenue and at the same time we also need to save the people from the costs.

Therefore, my opinion is that we go to the Committee Stage, but carefully, deal with these matters with calmness, while trying to accommodate each person’s opinion. That will help us make a proper way forward.

With that, Madam Speaker, I would love to move that we do not waste a lot of time on debate, but go to Committee Stage and consider these matters provision by provision, in a calm manner.

I beg to move.

**THE SPEAKER:** Honourable members, what is very important are the clauses. You need to analyse the clauses critically – where you are going to accommodate what the honourable member for Kampala said and then, what this side said. I tend to agree with Hon. Silas Aogon that we move to the second reading and critically look at clause by clause.

4.22

**MR JONATHAN ODUR (UPC, Erute County South, Lira):** Madam Speaker, thank you. I respectfully agree with that, but only when assured that when we reach that stage, we are going to have an extensive debate because at this stage, we are debating the principles that underline these taxes.

If we understand the principles at this stage, it will make it easier for us to process the clauses. So, if we go to that stage and we have assurance from you that we will have an extensive debate on it, then, I have no problem. Otherwise, this would be the opportunity to discuss some of –

**THE SPEAKER:** You will have the time to debate it. Honourable members, I put the question that the Value Added Tax (Amendment) Bill, 2022 be read for the second time.

*(Question put and agreed to.)*

BILLS

COMMITTEE STAGE

THE VALUE ADDED TAX (AMENDMENT) BILL, 2022

4.23

Clause 1

**THE CHAIRPERSON:** I put the question that clause 1 do stand part of the Bill.

*(Question put and agreed to.)*

*Clause 1, agreed to.*

*Clause 2, agreed to.*

New clause

**THE VICE-CHAIRPERSON OF THE COMMITTEE ON FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Ms Jane Pacuto Avur):** Madam Chairperson, the committee would like to amend the Bill by inserting a new clause to read as follows:

The Bill is amended by inserting immediately after clause (2) the following:

“Amendment of Section 24 of the principal Act

Section 24 of the principal Act is amended in subsection (7) by substituting the phrase “Contractor executing an aid-funded project” with the word “supplier.”

The justification, Madam Chairperson, is for ease of administration of a tax and to remove the unfair treatment of suppliers in regard to payment of interest on unpaid VAT that arises from delays in payment by Government ministries and departments.

I beg to move.

**MR MUWANGA KIVUMBI:** Madam Chairperson, we have no objection.

**THE CHAIRPERSON:** Minister?

**MR MUSASIZI:** Madam Chairperson, I strongly object to this proposal on the following grounds. But let me first bring up the background. Madam Chairperson, the proposal is to introduce the deemed VAT payable by suppliers to Government.

The implications of this, if passed, Madam Chairperson, is that you will cause distortion in the VAT law, especially on supplies where the total budget for the MDAs includes VAT. I know currently, Government is struggling with the administration of the deemed VAT provisions, which already exists, especially under donor-funded projects.

The issue that the suppliers have is the interest that accrues as a result of late payment. However, we can work out a way of waiving this interest with URA, without necessarily bringing this proposal, Madam Chairperson.

**MR KATESHUMBWA:** Madam Chairperson, I support the minister. I think we make the amendment to provide for cash basis accounting to treat this problem, once and for all.

**THE CHAIRPERSON:** Honourable minister, do you agree with that?

**MR MUSASIZI:** Madam Chairperson, I agree.

**THE CHAIRPERSON:** Can you redraft it to what you want it to be?

**MR ODUR:** Madam Chairperson, the problem I have is: if we are going to go into the standards of accounting and in the law, start inserting issues like cash-based accruals; those issues can be dealt with administratively. We cannot sit here and start delving into the merits of accounting.

**THE CHAIRPERSON:** No.

**MR AOGON:** Just before hon. Nandala-Mafabi comes in - you see, this is a matter that has a financial implication. We cannot let it be handled administratively. This House has the powers to take a decision. Our issue is, can we exempt suppliers from being penalised, at the time the money stands unpaid by Government? So, that is a simple thing, but not to say that it is administrative.

Let us ask the drafters to reword this, to the extent that for the period the money stands unpaid, suppliers are exempted from penalties - the interest to be paid. It is as simple as that.

**THE CHAIRPERSON:** Thank you. Hon. Nandala-Mafabi, can you redraft it the way it is supposed to be?

**MR NANDALA-MAFABI:** Yes, we are going to help. Madam Chairperson, the minister says they will find a way to waive this penalty. And it is true there is a procedure on how to waive penalties and interest. The Commissioner-General of URA has the discretion though there is a limit. The finance minister has a limit and that is why it must be done via the law.

Since we have all agreed - first of all, we are going to maintain clause (7) as it is. Then, we can maybe put clause 7A – (7) is already a clause - to say:

“All supplies for goods and services to Government shall be accounted for on cash basis.”

The justification is that when you are paid is when you account for VAT. This will solve the problem of interests and penalty. *(Applause)*

**THE CHAIRPERSON:** Hon. Nandala-Mafabi, which clause is that?

**MR NANDALA-MAFABI:** Madam Chairperson, under section 24 of the principal Act, it talks about the calculation of tax payable on taxable transactions. Now, if you go to clause 7, you realise it says, “For purposes of this section, the tax payable on a taxable supply made to a Government ministry, department or agency by a contractor executing an aid-funded project is deemed to have been paid by that ministry, department or agency, if the supply is for use solely and exclusively for the aid-funded project.”

So, we can leave that at that. Now, for the next one, we are putting clause 7A and we are saying: “All supplies –“

**THE CHAIRPERSON:** No, don’t first go to clause 7A. This is a new clause. The new clause after clause 2 is what was being suggested by the committee. So, we can rephrase the new clause the way you are saying it.

**MR NANDALA-MAFABI:** No, no, it will be a subclause under section 24. So, we can say that let us insert a new subclause in section 24 of the principal Act to read as follows: “All supplies to a Government ministry, department or agency by a supplier of goods and services shall be accounted for on cash basis.” You account after you have got the money.

**THE CHAIRPERSON:** Honourable minister?

**MR MUSASIZI:** Madam Chairperson, what we are dealing with, can be addressed under section 26 of the VAT Act, which deals with the cash basis kind of accounting. And, I would like to propose as follows:

Section 26(1), this section applies to:

a) A taxable person with an annual value that does not exceed Shs 500 million or

b) Supplies goods or services to Government.

**THE CHAIRPERSON:** Honourable minister, I am asking; how do we handle the new clause? Do we delete it?

**MR MUSASIZI:** Madam Chairperson, we delete the new clause and replace it with my proposal.

**THE CHAIRPERSON:** Of section 26, yes.

**MR AOGON:** Madam Chairperson, my concern was that according to the committee’s report, they said: “deemed to have been paid.” And, the suggestion from hon. Nandala-Mafabi should be replacing that proposal because I think hon. Kateshumbwa had a problem with that particular provision. So, that is where the issue is; replace that “deemed to have been paid” with the new insertion.

**MR NANDALA-MAFABI:** What hon. Silas Aogon is raising is what we are trying to cure; that until I have been paid by Government, there is no way URA should demand VAT from me. That is what we are trying to do.

**THE CHAIRPERSON:** Yes.

**MR NANDALA-MAFABI:** So, if you are not demanding from me, there is no interest or penalty to be computed, and what you are saying is that we had wanted to put it near the government-aided projects, but now I have rejected it. However, we have a section which deals with cash basis.

**THE CHAIRPERSON:** That is section 26 of the principal Act.

**MR NANDALA-MAFABI:** Where we took it from is the right place.

**THE CHAIRPERSON:** It becomes an insertion.

**MR NANDALA-MAFABI:** Okay, that is good.

**THE CHAIRPERSON:** So, we are deleting what is there and bringing section 26, which is in the principal Act as a new clause.

**MR MUSASIZI:** Madam Chairperson, we are not deleting section 26; we are deleting what is in the insertion. Does the chairman agree with me?

**THE CHAIRPERSON:** Chairperson, do you agree?

**MS PACUTO:** Madam Chairperson, I concede.

**THE CHAIRPERSON:** Honourable members, I put the question that a new clause be inserted immediately after clause 2 as proposed by Hon. Henry Musasizi.

*(Question put and agreed to)*

*New clause, agreed to.*

**THE CHAIRPERSON:** It is a new clause.

**MR NANDALA-MAFABI:** No, Madam Chairperson, it is not a new clause. The clause now will be 26 and under it, we are putting subclauses.

**THE CHAIRPERSON:** Nathan Mafabi of Budadiri, it is a new clause in our Bill; in the amendment.

Clause 3

**THE CHAIRPERSON:** I put the question that clause 3 stands part of the Bill?

*(Question put and agreed to.)*

*Clause 3 agreed to.*

Clause 4

**MS PACUTO:** Madam Chairperson, clause 4 is an amendment to the second schedule to the principal Act. Clause 4 is amended by inserting immediately after paragraph (D) the following: by substituting for paragraph HH(a) the following, “The supply of accommodation in tourist lodges and hotels inside the radius of 50 kilometres from the boundaries of Kampala from 1 July 2022 to 31 June 2023.”

The justification is that the proposed amendment has the effect of rendering the prices of accommodation in tourist lodges and hotels within a radius of 50 kilometres affordable. I beg to move, Madam Chairperson.

**MR OLANYA:** Thank you, Madam Chairperson. Looking at the reasoning of the committee of 50-kilometre radius, in the main report the committee presented and I thought they were meeting hotels, covering the whole country. The 50-kilometre radius of Kampala is not all that serious.

You know, this COVID-19 pandemic affected hotels across the country. If you are talking about a radius of 50 kilometres, it means the hotels around Kampala. What about the hotels in eastern Uganda, northern Uganda and western Uganda?

Madam Chairperson -*(Interruption)*

**THE CHAIRPERSON:** By the way, if you are talking about tourist lodges, most of them are not in Kampala. They are in Chobe, Elgon, Bugisu, and Fort Portal Tourist City; they are not in Kampala.

**MR KEEFA KIWANUKA:** Madam Chairperson, at the moment, all hotel accommodation outside Kampala has an exemption. And that is indefinite. Now, what we are proposing for the one within the radius of 50 kilometres from Kampala is intended within the urban area of Kampala and the neighbourhood; that one has an exemption at the moment.

And, what we are proposing is again not indefinite; we are proposing it for one year. Just to support them as they recover -*(Interruption)*

**THE CHAIRPERSON:** But even the others with an exemption also need assistance. Are you going to support them also?

**MR KEEFA KIWANUKA:** No, the ones outside Kampala already have an exemption -*(Interjection)-* it is in the principal Act.

**MR ENOS ASIIMWE:** Madam Chairperson, there was an intervention in the principal Act sometime last year; that is under schedule 2 HHHA - they said the supply of accommodation in tourist lodges and hotels inside the radius of 50 kilometres and they had exempted them from 1 July 2020 to 30 June 2021. This exemption expired.

We want to exempt them for one more year to allow them to recover from COVID-19. Then thereafter, the exemption will not exist anymore, and then it will continue for those that are upcountry, because the Kampala hotels are not entirely for tourism purposes. We looked at the upcountry hotels to be the ones in the tourism business. So, that was the purpose.

**THE CHAIRPERSON:** Are you saying that it is for the Kampala hotels only?

**MR ENOS ASIIMWE**: We are only exempting Kampala hotels for this COVID-19 era.

**THE CHAIRPERSON:** I assume that –

**MR ENOS ASIIMWE**: That is what the law is saying here.

**MR NANDALA MAFABI:** Thank you very much, Madam Chairperson. Under the principal Act, HH (h), the supplies of accommodation in tourist hotels and lodges located upcountry are exempt. Now, the ones here in HH(a) which I would have liked - the finance minister, hon. Musasizi himself, was a chairperson when they were introduced during the COVID-19 time; they were not there initially. So, they were given up to 2021. The exemption around Kampala was from 1 July 2020 to 30 June 2021, as hon. Enosi has raised.

However, when the Tourism Board and hotels came, they said, “It is true we have benefited for one year; it has expired in 2021, but the situation has not improved.” Therefore, it was in the wisdom of the committee that they should be added from 1 July 2022 to 30 June 2023. This one does not include hotels upcountry like Chobe, Margharita, Gulu Inn, Soroti Hotel, Mt Elgon, Busia White Horse and Bubulo Resort etc. *(Laughter)*

**Mr odur:** Thank you, Madam Chairperson. This proposal violates the principle of taxation; it is very discriminative. At the time it was proposed, the country was under lockdown and the entire purpose was - at that time - that because the tourists were not coming to these hotels, they were suffering; so they ought to have been supported.

However, now the economy has been reopened, and we have people who are in the transport sector suffering. You cannot justify this. Schools are suffering. Every other sector is suffering at the moment. *(Applause)*

This House just last week, I think hon. Kateshumbwa and a few others, had brought a proposal here that we need to have a policy that will drive every exemption that is granted, out of this country. We have not yet resolved that –

**The chairperson:** To everybody.

**Mr odur:** Yes. Therefore, on this basis I think the committee *–*

**The chairperson:** I thought you had finished. Honourable minister, what is your say?

**Mr musasizi:** Madam Chairperson, I am strongly opposed to this proposal on a number of grounds, but most importantly, to save the Committee of the whole House time. Let me just say that if this House passes this proposal, you will literally have donated Government revenue. This is what you will have benefited from granting this. This is one source where Government can really get money to run its activities.

**Ms pacuto:** Madam Chairperson, having listened to Members’ views and those of the minister, I concede that truly, we need revenue for this country for the next one year; and so, we leave the clause as it is.

**The Chairperson:** I put the question that clause 4 stands part of the Bill.

*(Question put and agreed to.)*

*Clause 4, agreed to.*

**Mr nsereko:** Madam Chairperson, on the second schedule we still have an amendment. You told us to wait.

**The Chairperson:** You can introduce another schedule. Must you amend what was there?

**Mr nsereko:** Thank you, Madam Chairperson. In the report, I propose the removal of VAT on bread. Madam Chairperson, my proposal is to introduce paragraph (nnn) to introduce an amendment to the supply to read as follows:

“VAT be exempt on bread and bread inputs.” I beg to move.

**Mr aogon:** Madam Chairperson, at this time when we are thinking about the increase in commodity prices, we must be able to look at those that go into our stomach first. Therefore, I stand with the proposal from the honourable member for Kampala Central. That VAT must be dropped so that people can be able to afford something, at least, for now. Thank you.

**Mr katabaazi:** Madam Chairperson, the issue in Uganda is that we are having a regressive tax system, which favours mainly the “big boys”, but works against production. Our aim here is to widen the tax base, but people should be able to produce more.

We would do very well as a country if - I will give an example of one of the best exports we have in Uganda, which is gold. It does not really reflect much in the tax revenue of this country. If we are to get VAT, let us say on gold, instead of things which are very important in life like water, soap and some of the things, we would be doing better.

Secondly, some of these tax exemptions are targeting the small players - to kill them out and favour the “big boys”. You will find that even here, why it is segregative is that it is only in Kampala – it is in Kampala where we have very big hotels. Someone starting with a small lodging facility somewhere is pushed out and they cannot progress.

**The Chairperson:** Thank you, *Ssabakristu.*

**Mr kateshumbwa:** Madam Speaker, I appreciate the spirit under which Hon. Muhammad Nsereko is bringing this clause. However, it is counter and will not yield the benefits you are looking for. Why? Bread, unlike other products - all the bread that is consumed is actually made here. All the inputs that go into making bread - wheat, cooking oil and others will actually have VAT.

If you tell someone who is making bread that he does not claim the input VAT, then you are actually making the final product more expensive.

Therefore, I propose that the ministry should look at other ways, but should not tamper with this provision. You are not going to achieve the results you are looking for because all the inputs are imported and they pay VAT at importation. If you say you are going to exempt the output VAT, then you will have a problem with the input.

**The Chairperson:** Thank you. Do you want to respond to that?

**MR NSEREKO:** Yes. Thank you, Madam Chairperson. I can see my honourable colleague, hon. Omara, saying I am a member of the committee - but I moved this proposal.

The question as has been presented by hon. Kateshumbwa is that if we removed Value Added Tax on bread, they would not be able to claim - you are actually not right. The reality is that the proposal I gave is very clear. It will bring a reduction of Shs 640 on bread and bread inputs. Let us go slowly.

Now, if I exempt the inputs that you use from VAT, that means the cost of production at source then drops. When it goes down, definitely the cost of the final good automatically goes down. That is the issue. Instead of carrying it onto the final consumer, it is off set and the price drops. The question is -

**THE CHAIRPERSON:** Are you saying we should even remove VAT on cooking oil, sugar, yeast, wheat flour? I am just seeking clarification.

**MR NSEREKO:** Madam Chairperson, as long as it is declared as an input for the production of bread, then, so be it. I remember when we were debating processed milk here, the question that arose was whether removal of VAT on processed milk would lower the price of milk. I can show you here -

**THE CHAIRPERSON:** Member for Kampala Central Division, the administration of that tax will not be easy. That is one thing you should know.

**MR NSEREKO:** I know there is a big battle on this issue, but let us use what I am exactly saying here. In this schedule, we debated the issue of the exemption of processed milk and I remember that question arose. The very same people who are saying bread would not go down were very happy to say, “Will you exempt every input on processed milk?” They said, “Yes.” Now on bread, they are saying there are very many inputs.

If this very same Government can exempt things like sweets, chocolates, chewing gum - and I can show you - if you asked us where the tax is, we shall show you exactly where they have exempted. Give us the chance to show it. Move to this very same schedule.

**THE CHAIRPERSON:** Honourable members, like I said, let us debate with calmness. Hon. Amero is going to ask how many people in Amuria eat bread. She will ask for tax exemption on salt, sugar, soap. Now, let me also debate for my people in Bukedea. How many people in Bukedea eat bread in a day? *(Applause)*

**MR NSEREKO:** Thank you, Madam Chairperson. There is no reason for me to disagree with you. The reason we have this very platform is to represent the views of our people and you have said it. When it came to cotton seed, we agreed because it is an input for production somewhere. This is the time for everyone to present a proposal. If you think salt is where there is leverage, why not? However, I can tell you already I think salt is exempt. If you think it is sugar or soap, then let us address the inputs of soap. We are here on the Floor of Parliament asking Government to present the very same thing; they did not present. We presented ours -

**THE CHAIRPERSON:** We have heard your case.

**MR RUHUNDA:** Madam Chairperson, I think the crisis we are faced with is enormous because all prices have gone high and we need a holistic solution; maybe we do not have serious economists who are trying to address how the economy can be resuscitated. As we speak, businesses are doing badly.

Now, what criteria are we going to follow, by being selective on different products? What type of data have we collected to convince us that the bread, as a product, is the priority to be exempted? This is going to open the Pandora’s Box. This is because as we go back to our constituents, they will be asking why we did not deal with soap, for example. I think we need the committee to do more homework on these matters that make financial sense for the economy. We cannot address that at this point, because it will be a big problem.

**THE CHAIRPERSON:** We are in a Committee of the whole House; we will either reject or accept it.

**MR MUZAALE:** Thank you, Madam Chairperson. I would like to say that I am in disagreement with my brother, hon. Nsereko. The issue of prices needs a comprehensive strategy, not just a mere selection of a few items, where we say we should exempt them from taxes.

We all understand, just like my brother has just said, almost every item, beginning with fuel - in my view, if we are to look at a product that we exempt from VAT or taxes, it should be fuel because it has got a multiplier effect on the rest of the commodities. Therefore, until this House comes up with a comprehensive strategy to do with deduction of prices, that is when we shall say, fine, let us sit down and look at the best way we can handle this.

Let me say this. Honourable minister, one of the strategies on the issue of prices - if we are keenly looking at it and we want to solve a problem - is that let us try to open up the border for one month and see how prices will go down, minus even looking at exemptions. That problem will be solved. I thank you, Madam Chairperson.

The minister is asking me which borders are closed. Of course, there are trade embargoes on importation of certain goods here. If we allow the importation of every product here, the prices of goods will go down.

Madam Chairperson -

**THE CHAIRPERSON:** Are we still talking about bread?

**MR MUZAALE:** Yes, Madam Chairperson.

**THE CHAIRPERSON:** Honourable members, I would like to put the question. I put the question to hon. Nsereko’s proposal that we exempt taxes on bread and its ingredients.

*(Question put and negatived.)*

**MR NSEREKO:** There is still another amendment. I can see hon. Ruhunda excited that he has voted “No” against bread. *(Laughter)* I would like to congratulate him – that is his position and that of the people of Fort Portal.

**THE CHAIRPERSON:** Honourable, can you handle your issue on computers?

**MR NSEREKO:** Madam Speaker, my second amendment in the Second Schedule is regarding the supply of new computers and to the effect of the amendment of the Second Schedule – of exempt supplies. The amendment is part one – paragraph (v) – which covers the supply of new computers, desktop printers and computer parts and accessories.

The issue here, honourable colleagues, is the issue of five years, because this is for only new ones. In this case, you all know the price of a new computer. At the moment, it goes for about $1,000 – $1,500.

For young people who want to start early programming, software engineering and others, this is rather expensive. I would like the exemption to be extended to computers, printers and desktops of up to five years, as presented in the report *– (Interruption)*

**MS OPENDI:** Thank you, Madam Chairperson. I have heard hon. Nsereko quoting the price of a computer at about $1,500. Hon. Nsereko is one of those who were here supporting the tenants against paying rent in dollars. Why are we not proud of our shillings? Can you put the price of a computer in shillings?

Madam Chairperson, is hon. Nsereko in order to speak in dollars when we are here in Uganda and in this Parliament?

**THE CHAIRPERSON:** He did not mean dollars. He wanted to say Uganda shillings. *(Laughter)*

**MR NSEREKO:** Thank you, hon. Opendi. Indeed, who am I not to be proud of the shilling? I support that. For everyone – for our people way down there to understand, the estimation comes to about Shs 5 million.

Honourable colleagues, like I said, in the next few years, the whole world will be digitally connected. If you told people 30 years ago that over five billion people would be connected on the internet today, few would believe you. With the fast growth in the infrastructural development of technology, if our children of this generation are left behind, then, for sure, we shall lose a lot.

The region has embraced this. I would like to urge you, honourable members, to support me in this matter so that we can boost technological growth and digital transformation for our country that will, in turn, broaden the tax base. I can tell you that people are now working remotely by only that single gadget. Others are doing remote learning – they can study even when they cannot afford universities here. I can hear hon. Silas Aogon saying that he has given me 100 per cent stamp.

Therefore, Madam Chairperson, why don’t you put a question on this note?

**THE CHAIRPERSON:** Let the minister concede and I put the question. Hon. Amos Okot, do you have something?

**MR KANKUNDA:** Thank you, Madam Chairperson. I would like to share information that, currently, computers are exempted from import duty, which would otherwise be at 25 per cent. For us to have an extra exemption of 18 per cent VAT would be too much yet we are grappling with lack of revenue to finance our budget. For now, I propose that we maintain the exemption of import duty, but we do not add VAT.

**MR MASABA:** Thank you very much. Chairperson, I am trying to give him information. We are not introducing it. Please, check the Second Schedule – section 19 – the new computers are already exempt. We want to include computers which are at least five years from when they were manufactured. It is there, but not many people can –

**THE CHAIRPERSON:** Honourable members, can we first hear from the owner of the money?

**MR MUSASIZI:** Madam Chairperson, first of all, the useful life of a computer is five years. If you are *–(Interruption)*

**MR OKOT:** Thank you, Madam Chairperson –

**THE CHAIRPERSON:** Hon. Nsereko, can you listen?

**MR OKOT:** Last year in November, I attempted to import old computers, but it was denied. It is not allowed for one to bring old computers. They do not want it. They refused me to bring old computers yet I was supposed to bring them here for school purposes.

What they are trying to propose is to open windows for old computers to be brought into the country. This is not allowed. The position now is that it is not allowed. Old computers are not allowed, but new computers are exempted. You can bring new computers without paying taxes. *(Applause)*

**MR NSEREKO:** What the honourable member is saying is not wrong. That is what I read. However, for anyone who is dealing with technology – the affordability for a P.7 child in a family *–(Interruptions)*– who wants to be a future programmer; they cannot afford a new computer. You may not understand, but you will see it. A computer of five years *–(Interjection) -* If you drive old cars, who are you to say that –

**THE CHAIRPERSON:** Hon. Nsereko, can you leave me to manage the House? The tolerance stops somewhere. Debate with soberness. *(Applause)* Do not bring emotions into this field because at the end of the day, I am going to put the question. If people are saying that Uganda should not be a dumping ground, it shouldn’t be.

Hon. Fox Odoi, did you have something to say.

**MR ODOI-OYWELOWO:** Thank you, Madam Chairperson. You have stated it all. A five-year old computer is only destined for dumping. It is due for destruction.

The problem is; the cost of destroying computers is enormous. They are an environmental hazard. This country cannot afford to meet the cost of destroying those computers. Thank you.

**MR ATWIJUKIRE:** Thank you, Madam Chairperson. I stand to support the proposal moved by hon. Nsereko for one reason: during the COVID-19 period, this country was paralysed. Our children were at home and the low-income earners could not afford a computer for their children to learn from home.

Think about that low class of people and put them into consideration for the affordable computers, so that in future if what happened to this country recurs, they are able to benefit from the decision we make today. Thank you.

**THE CHAIRPERSON:** Honourable members, I wish you could legislate in a way that you bring, say, assembling plants to Uganda that can be exempted from VAT taxes; that will be able to attract a lot of money. That is the kind of debate I expect Members of the 11th Parliament to bring.

**MS ROSE OBIGA:** Thank you so much, Madam Chairperson. The lifespan of a computer is two and half years, if one is to avoid environmental degradation. If we allow five years computers to be brought here, we are going to create a dumping ground here, which Uganda is not ready for. Unless we say that we are going to have an assembling plant here, this country cannot allow it to be a dumping ground. Thank you.

**MR LUKWAGO:** Thank you, Madam Chairperson. I stand to express my concern that what the Eleventh Parliament is exhibiting, shows that we are not alive to the situation in our country today.

What we are focusing on are the high-end people of this country; people who can afford computers of Shs 5,000,000, but not the persons who cannot afford a chapati today.

Hon. Kateshumbwa raised a very crucial issue in his submission when he said that, when we exempt the ingredients, for instance – and as you know a question was put to that effect. Why don’t we zero-rate for instance, wheat so that the import and Value Added Tax can be claimed?

**THE CHAIRPERSON:** We are on computers not wheat.

**MR SASSAGA:** Thank you, Madam Chairperson. I support what hon. Nsereko said for these reasons. If you moved across the country, to both primary and secondary schools, you will realise that they have introduced computer studies for their learners and that is across all our constituencies.

The cost of a computer on the market right now is very high. The old computers are not compatible with some programmes because they are outdated. So, for software to work very well, it needs new computers.

The honourable has a point. If we can exempt, for example, the tax on those computers, many of them will be imported and that will be very good because even our learners or parents in those schools where Government is not supplying computers can buy by themselves and that will make learning very easy.

**THE CHAIRPERSON:** Thank you.

**MR KATUSABE:** Madam Chairperson, thanks for your resilience; you have been seated since morning. Well, I also want to echo my total support to what hon. Nsereko proposed. I cannot imagine that I have to say that in this 11th Parliament, we have the luxury to contemplate whether we should waive taxes specifically, Value Added Tax, on computers. It is sad because we knew that globally a second grade -

**THE CHAIRPERSON:** By the way, Value Added Tax is already waived on the new computers. The question is: Should we allow the old computers to come in? Yes or no? Have we agreed, as a country that we have become a dumping ground? Why don’t we have an assembling plant put up here? If we can have Kiira Motors Ltd, can’t we have a computer assembling plant here?

Can’t we give incentives to an institution to build an assembling plant here? And, these computers of five years and above, their lifespan is limited.

**MR KATUSABE:** I totally support your wisdom, but we are confronted with - what do we have to do right now because while your beautiful proposal could help us in the future, but here, we are confronted with a challenge that we have to respond to our pressing, emerging and immediate needs.

Hon. Nsereko’s proposal would support the country, especially the education system, in the immediate term and then the computer assembling plant can come in the medium or long term.

Otherwise, the people that sent us here must be wondering why we have to talk about computers all the time and not water, power.

**THE CHAIRPERSON:** Honourable members, our very good Constitution says in parts thus, “…who shall legislate for the good Governance of a country, development and order…” Development is not short-term; it is a process.

The fact that we have given VAT exemption on the new computers means we have created a window for us to bring in a plant to assemble computers.

I now put the question to the amendment being brought by hon. Nsereko of exempting computers and accessories of five years and below.

*(Question put and negatived.)*

**MR NSEREKO:** Madam Chairperson, we would like to seek voting by a show of hands; it is allowed in the rules. We conceded on bread, non-fair circumstances -

**THE CHAIRPERSON:** Honourable members -

**MR NSEREKO:** The rules are that if we stand up and we decide that we do division lobby -

Clause 5

**MS PACUTO:** Clause 5 is thus amended as follows:

1. By deleting paragraph (a);

2. Inserting immediately after paragraph (e) the following;

“The supply of cottonseed cake.”

3. By inserting immediately after paragraph (b) the following;

“The supply of electrical energy to new connections for domestic consumers.”

Justification

1. The proposed amendment has the effect of rendering the cost of educational materials more costly.

2. To zero-rate the supply of cottonseed as earlier explained so that the prices of poultry feeds can come down.

3 To make electricity more affordable to the end-user, which will promote the protection of the environment.

Madam Chair, I beg to move.

**MR MUSASIZI:** Madam Chairperson, I do not agree with the two proposals because of the following reasons:

1. On the cottonseed cake; the committee proposal to zero-rate cottonseed cake will create refunds, which shall be burdensome to us as a Government and stretch the refund budget.

Madam Chairperson, as a principle of VAT, an input that is exclusively used *-(Interruption)*

Madam Chairperson, I was saying that I object to the proposals and my justification is that when we zero-rate cottonseed cake we shall create refunds, which shall be burdensome to both the administrator and at the same time this will stretch our tax refund budget.

Madam Chairperson, I wish to state that as a principle of VAT, an input that is exclusively used to produce an output should not be zero-rated, but rather should be exempted.

Madam Chairperson, on the same principle regarding the committee proposal to zero-rate the supply of electrical energy, we object to this proposal on the account of:

1. The revenue loss to Government shall be much more than the benefits to the final consumer.

2. Zero-rating is limited to exports and a few supplies such as educational materials. It will be administratively difficult for the management, and also the cost of initial connection is high, because of the non-tax inefficiencies such as the contractor’s fees, which is not necessarily VAT.

I beg to submit, Madam Chairperson.

**MR KATESHUMBWA:** Thank you very much, Madam Chairperson. On the issue of the cottonseed cake, I propose and agree that instead of zero-rating it, we exempt it. The whole primary purpose is to help the local farmer who is not even registered for VAT, who will buy without being charged VAT, and he goes and rears his chicken.

So, rather than zero-rating it, I propose that we amend it, to have it exempted.

Madam Chairperson, on the same clause, I would like to comment on the issue of VAT exemption on the educational materials in the EAC. First of all, the Florence Agreement being quoted, which is a UNESCO Treaty that was established in 1950, does not necessarily exempt. It actually restricts the kind of educational materials that are exempted.

Madam Chairperson, what the committee is recommending is in violation of Article 75 (6) of the EAC Treaty. This article indicates that the partner states shall refrain from enacting legislation or applying administrative measures, which directly or indirectly discriminate against the same or like products of other partner states.

What the industry is suffering from is not threats from the EAC. They are suffering from threats of imports from India, Dubai, China, and Egypt. Therefore, I would like to say that the recommendation by the community should be disregarded. We maintain the way it was captured so that we are not at fault with the EAC. If we take this trend, honourable members, we are going to be at the receiving end when we start facing non-tariff barriers, while exporting our goods in the region. I beg to submit.

**THE CHAIRPERSON:** I put the question that clause 5 stands part of the Bill.

*(Question put and agreed to.)*

*Clause 5, agreed to.*

The Title

**THE CHAIRPERSON:** I put the question that the title stands part of the Bill.

*(Question put and agreed to.)*

*Title, agreed to.*

MOTION FOR THE HOUSE TO RESUME

5.30

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Chairperson, I beg to move a motion that the House do resume and the Committee of the whole House reports thereto.

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

*(Question put and agreed to.)*

*(The House resumed, the Speaker presiding\_)*

REPORT FROM THE COMMITTEE OF THE WHOLE HOUSE

5.30

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker,I beg to report that the Committee of the whole House has considered the Bill entitled, “The Value Added Tax (Amendment) Bill, 2022” and passed it without amendments.

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

**THE SPEAKER:** *(Hon. Cecilia Ogwal rose\_)* But there was no amendment.

5.31

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, I beg to move that the report from the Committee of the whole House be adopted.

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

*(Question put and agreed to.)*

*Report adopted.*

BILLS

THIRD READING

THE VALUE ADDED TAX (AMENDMENT) BILL, 2022

5.32

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** MadamSpeaker, I beg to move that the Bill entitled, “The Value Added Tax (Amendment) Bill, 2022” be read for the third time and do pass.

**THE SPEAKER:** I put the question that “The Value Added Tax (Amendment) Bill, 2022” be read for the third time and do pass.

*(Question put and agreed to.)*

**THE SPEAKER:** Hon. Cecilia Ogwal, VAT is exempted. I even grow cotton more than you do, if you are not aware.

A BILL FOR AN ACT ENTITLED, “THE VALUE ADDED TAX (AMENDMENT) ACT, 2022”

**THE SPEAKER:** Bill passed and settled. (*Applause*). Thank you.

Honourable members, let us look at the two Bills which do not have minority reports. That is the Stamp Duty (Amendment) Bill, 2022 and Tax Appeals Tribunal (Amendment) Bill, 2022 first. Those are very small.

BILLS

SECOND READING

THE STAMP DUTY (AMENDMENT) BILL, 2022

5.34

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, I beg to move that the Stamp Duty (Amendment) Bill, 2022 be read for the second time.

**THE SPEAKER:** Is it seconded? It is seconded by majority of the House. Can you speak to your motion?

*(Motion seconded.)*

**MR MUSASIZI:** Madam Speaker, the Stamp Duty (Amendment) Bill seeks to amend the Stamp Duty Act of 2014 by providing for the amendment of the stamp duty rate, for agreements relating to deposit of title, deeds, pawn, pledge of the total value; to provide for the amendment of the stamp duty rate for security bonds or mortgage deeds executed by way of security for the due execution of an office, or to account for money or other property received by virtue of security bond or mortgage executed by surety to secure a loan or credit facility of entry total value; to provide for the amendment of the stamp duty rate for trusts concerning any property made by any writing, including a transfer from a holder of letters of administration or probate orders, to a beneficiary, and provide for other related matters.

Madam Speaker, we presented this Bill to the committee and they are now ready to report back to the House.

**THE SPEAKER:** Thank you.

5.38

**THE VICE-CHAIRPERSON, COMMITTEE ON FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Ms Jane Pacuto Avur):** Thank you, Madam Speaker. I am here, once again, to report on the Stamp Duty (Amendment) Bill, 2022. With your indulgence, Madam Speaker, allow me to skip the first bit of it and go straight to committee observations and recommendations – and that is 4.0.

According to a recent study titled, “Cost of Tax Incentives to Uganda’s Socio-economic Landscape”, tax incentives have not delivered on their expected purpose, such as providing jobs, revenue to Government and attracting investment, as anticipated.

The study by local and international civil societies indicated that on average, Government spends at least Shs 75 million every financial year on a range of companies that are entitled to tax holidays and exemptions on import and excise duties.

The committee observed that there is need for Government to assess the criteria for tax exemptions and ensure that a cost-benefit analysis of the same is undertaken, before more exemptions are granted.

Committee recommendation

The committee, therefore, recommends that clause 2 amending item 60A (f) of the Stamp Duty (Amendment) Bill, 2022 be deleted.

Madam Speaker, I beg to report.

I would like to lay, for the record of the *Hansard*, a copy of the Stamp Duty (Amendment) Bill, 2022.

**THE SPEAKER:** Thank you, honourable chairperson. Hon. Silas Aogon? There is no controversy on this; we are in agreement.

**MR AOGON:** Madam Speaker, whereas it looks like there is no controversy, I have a comment. First, it is indeed vital that when we talk about issues of exemptions, we go down and thoroughly concentrate on the cost-benefit analysis. This is the level where we do not apply emotions, but exercise reality. Therefore, people who are intending to help their country should now be holding their calculators to see what can be done to help the country.

My proposal is for us to look at what we are forfeiting as Government, and how much that can induce economic action, through the decision to exempt.

I have seen *–(Interjection)*- there is interference at the back and that could be some vital information. Hon. Odur, I could benefit from that, otherwise, this is a House of people who have brains and they share. Can we hear from you?

**MR ODUR:** Actually, I was seeking clarification from my brother in light of the recommendation by the committee. In which direction is he driving this House? That is the information I want from him.

**THE SPEAKER:** Hon. Odur, I expected you to pronounce whether we can go to Committee Stage, since my Member from Kumi is leading the House towards Kumi?

**MR AOGON:** Madam Speaker, he was only helping me to think, yet I also have a brain. Therefore, I would like to request this House to accept that all we need to do, is to go to Committee Stage so that we are able to *– (Laughter)*

**THE SPEAKER:** Honourable members, we are now at Committee Stage. I put the question that “The Stamp Duty (Amendment) Bill, 2022” be read for the second time.

*(Question put and agreed to.)*

BILLS

COMMITTEE STAGE

THE STAMP DUTY (AMENDMENT) BILL, 2022

5.43

Clause 1

**THE CHAIRPERSON:** I put the question that clause 1 stands part of the Bill.

*(Question put and agreed to.)*

*Clause 1, agreed to.*

Clause 2

**THE VICE-CHAIRPERSON, COMMITTEE ON FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Ms Jane Pacuto Avur):** Madam Chairperson, you realise that all of us, if not most of us, are representative of farmers and so, we need to help farmers in this country. I would like to move an insertion in the form of an amendment in this form.

“To propose for a nil stamp duty on item 48 of Schedule 2 of the Stamp Duty Act.” Item 48 relates to the agricultural insurance policy, and the current stamp duty rate applicable is Shs 35,000.

The justification is to encourage uptake of agricultural insurance services for our farmers. So, we are introducing a nil stamp duty, and we are terminating the current stamp duty of Shs 35,000 so that our agricultural farmers can partake of agricultural insurance services.

**THE CHAIRPERSON:** Thank you. Minister?

**The Minister Of state for Finance, Planning and Economic Development (General Duties) (Mr Henry Musasizi):** Madam Chairperson, the proposal is seeking to help our rural farmers to manage the risks of weather, and drought among other things. Therefore, I concede.

**THE CHAIRPERSON:** I put the question that clause 2, be amended – Is it a new clause?

**MR MUSASIZI:** Madam Chairperson, it is an insertion in the schedule. Unless there are – Do you have any other?

**THE CHAIRPERSON**:I put the question that clause 2, as amended, stands part of the Bill.

*(Question put and agreed to.)*

*Clause 2, as amended, agreed to.*

*The Title, agreed to.*

MOTION FOR THE HOUSE TO RESUME

5.46

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, I beg to move that the House do resume and the Committee of the whole House reports thereto.

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

*(Question put and agreed to.)*

*(The House resumed, and the Speaker presiding\_)*

REPORT FROM THE COMMITTEE OF THE WHOLE HOUSE

5.47

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, I beg to report that the Committee of the whole House has considered the Bill entitled, “The Stamp Duty (Amendment) Bill, 2022” and passed it with amendments.

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

5.47

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, I beg to move that the report from the Committee of the whole House be adopted.

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

*(Question put and agreed to.)*

*Report adopted.*

BILLS

THIRD READING

THE STAMP DUTY (AMENDMENT) BILL, 2022

5. 48

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, I beg to move a motion that the Stamp Duty (Amendment) Bill, 2022 be read for the third time and do pass.

**THE SPEAKER:** I put the question that the Stamp Duty (Amendment) Bill, 2022 be read for the third time and do pass.

*(Question put and agreed to.)*

A BILL FOR AN ACT ENTITLED, “THE STAMP DUTY (AMENDMENT) ACT, 2022”

**THE SPEAKER:** Title settled and Bill passed.

Can we have the Tax Appeals Tribunal (Amendment) Bill, 2022?

BILLS

SECOND READING

THE TAX APPEALS TRIBUNAL (AMENDMENT) BILL, 2022

**THE SPEAKER:** Honourable minister?

5.49

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, I beg to move that the Bill entitled, “The Tax Appeals Tribunal (Amendment) Bill, 2022” be read for the second time.

**THE SPEAKER:** Is it Seconded? It is seconded by hon. David Bahati, Minister for Bunyoro Affairs, Minister for Defence and Veteran Affairs, hon. Solomon Silwany, hon. Kateshumbwa, hon. Silas Aogon, hon. Rose, hon. Ocen, hon. Mawanda – the whole House. Can you speak to your motion?

**Mr musasizi:** Briefly, Madam Speaker, the Bill seeks to amend the Tax Tribunal Act, Cap. 345 to provide for the increase in the number of members of the tribunal from five to nine. The committee considered the Bill and is ready to report.

5.51

**The Vice-Chairperson committee on Finance, Planning and Economic Development (Ms Jane Pacuto Avur):** Madam Speaker, for purposes of saving time, allow me go straight to the observations.

The committee considered this Bill and observed that the Bill proposes to increase the number of members of the tribunal from five to nine. The committee has no problem with that because the purpose is to reduce on the case backlog. Therefore, the suggested increase in number, we believe, will contribute to timely tax dispute resolutions.

Our recommendation, as a committee, is that the Tax Appeals Tribunal (Amendment) Bill, 2022 be passed into law.

Madam Speaker, I do report. I lay, for the *Hansard* record*,* a copy of the Tax Appeals (Amendment) Bill, 2022.

**Mr aogon:** I am seeking clarification from the vice-chairperson of the committee on how the increase in the number will be able to help in reducing the amount of work - catalysing the speed of work. Can you justify it deeply?

**Mr pacuto:** Madam Speaker, the way boards work is that out of the number of nine, they are able to come up with committees. In our discussion, we thought that since they are nine, committees could be composed of either two or three members such that at any one time, you could have about three members constituting a tribunal and you can have three tax complaints being handled at the same time.

**Mr odur:** Madam Speaker, I also need clarification from the committee. The tribunal is supposed to be chaired by somebody qualified to be a judge. In this increment, you seem to be interested in addressing the expeditious disposal of the cases. However, if you still have only one person qualified at that level, it means even the subcommittee cannot proceed. Have you taken care of it?

Secondly, have you taken care of the gender composition of the nine members to ensure that they, at least, have some ladies?

**DR KIWANUKA:** Honourable members, there are two things. There is the tribunal, which is an entity - the organisation - and then the panels. The tribunal, as an organisation, is chaired by a judge, but the panels can be constituted by any member of the panel. There is no restriction on how they are constituted.

According to the legal guidance, the tribunal can constitute itself into three panels if they have nine members. That is the spirit behind this amendment.

**Ms pacuto:** On the question of gender consideration, we thought that this is at the time of appointing. We would not have to bring it in when we are coming up with a law. It is actually implied. In our Constitution, any such board must consider at least two-thirds to be women.

**The Speaker:** That is constitutional, but you need to specify it.

**Mr aogon:** Madam Speaker, I was trying to give information that much as the Constitution has given us the principal direction, it is our duty, through these Bills, to create an Act that enables the Constitution to move. We are the ones to give it life.

Therefore, I would propose that the committee asks the draftsperson to draft properly, what is amicable.

5.56

**Mr dicksons kateshumbwa (NRM, Sheema Municipality, Sheema):** Madam Speaker, I stand here to support the amendment. However, the clarification I need from Government is on whether this is going to address the issue of backlog.

One of the things that can help address the backlog and unlock so much tax that is stuck in the tribunal, is by having the tribunal fulltime, because it is also impacting on business. You have a dispute going on for years because the tribunal sits on an ad hoc basis.

Therefore, I do not know whether passing this is actually going to address the problem of case backlog.

5.57

**The Attorney-General (Mr Kiwanuka-Kiryowa):** Thank you, Madam Speaker. We held a view that it would go a long way in resolving the issue of backlog. However, we shall look at it and if we find that it is not working, we shall definitely come back. However, we have taken note of the concern.

On the issue of the composition, we have no problem with adding that “40 per cent shall be women”.

5.58

**Ms rose obigah (NRM, Woman Representative, Terego):** Thank you, Madam Speaker -

**The Speaker:** With women emancipation, we can now go 50/50.

**Ms obigah:** Thank you, Madam Speaker. A good law must have express terms. I would kindly request that the committee should go ahead and put that 40 or 45 per cent in black and white because anyone can manipulate this and use it in another way. So, put it down -

**The Speaker:** That will be put because the committee is still this House. It has now come to a Committee of the whole House.

Honourable members, I put the question that the Tax Appeals Tribunal (Amendment) Bill, 2022 be read for the second time.

*(Question put and agreed to.)*

Bills

committee stage

the Tax Appeals Tribunal (Amendment) Bill 2022

Clause 1

**The Chairperson:** Honourable members, I put the question that clause 1 stands part of the Bill.

*(Question put and agreed to.)*

*Clause 1, agreed to.*

*Clause 2, agreed to.*

The Title

**Mr odur:** Madam Chairperson, I am proposing the insertion of a new clause under 2 that “at least one-third of the members should be women”.

**The Chairperson:** We said “40 per cent” and that the draftspersons will include that.

**Mr odur:** Okay.

**The Chairperson:** Title – it is going to be big? How many women do we have in Uganda? *(Laughter)*

I put the question that the title stands part of the Bill.

*(Question put and agreed to.)*

*The Title, agreed to.*

MOTION FOR THE HOUSE TO RESUME

6.00

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):**  Madam Chairperson, I beg to move that the House do resume and the Committee of the whole House reports thereto.

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

*(Question put and agreed to.)*

*(The House resumed, and the Speaker presiding\_)*

REPORT FROM THE COMMITTEE OF THE WHOLE HOUSE

6.01

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, I beg to report that the Committee of the whole House has considered the Bill entitled, “The Tax Appeals Tribunal (Amendment) Bill, 2022” and passed it with amendments.

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

6.02

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, I beg to move that the Report of the Committee of the whole House be adopted.

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

*(Question put and agreed to.)*

*Report adopted.*

BILLS

THIRD READING

THE TAX APPEALS TRIBUNAL (AMENDMENT) BILL, 2022

6.03

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Madam Speaker, I beg to move that the Bill entitled, “The Tax Appeals Tribunal (Amendment) Bill, 2022” be read for the third time and do pass.

**THE SPEAKER:** I put the question that the Tax Appeals Tribunal (Amendment) Bill, 2022 be read a third time and do pass.

*(Question put and agreed to.)*

A BILL FOR AN ACT ENTITLED, “THE TAX APPEALS TRIBUNAL (AMENDMENT) ACT, 2022”

**THE SPEAKER:** Title settled and Bill passed. *(Applause)*

Honourable members, I would like to thank you so much for the effort exhibited today. We have moved a long way. We are left with the Income Tax, Excise Duty, the Tax Procedure Code and that of URA. We will handle those first thing in the morning tomorrow and then in the afternoon, we will handle the Coffee and Naguru matters.

Honourable members, we need to finish whatever we are doing. If we can supply on Thursday, then we shall go for recess, and we will be good to go. However, I would like to thank you for today. The House is adjourned to tomorrow at 10 o’clock.

*(The House rose at 6.05 p.m. and adjourned until Wednesday, 18 May 2022 at 10.00 a.m.)*