



PARLIAMENT OF UGANDA

# PARLIAMENTARY DEBATES

(HANSARD)

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OFFICIAL REPORT

THIRD SESSION - SECOND MEETING

WEDNESDAY, 13 DECEMBER 2023





IN THE PARLIAMENT OF UGANDA

Official Report of the Proceedings of Parliament

THIRD SESSION - 22ND SITTING - SECOND MEETING

Wednesday, 13 December 2023

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

enough for us to scrutinise and do a good job.

PRAYERS

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

*The House was called to order.*

2. The Committee on Budget will have to report to the House on the National Budget Framework Paper by 25 January 2024. I hope you are taking notes.

3. The ministerial policy statements will have to be tabled by 10 March.

COMMUNICATION FROM THE CHAIR

**THE SPEAKER:** Honourable members, I welcome you to today's sitting. Last Wednesday, we adjourned the House to today, to receive the Budget Framework Paper (BFP) for the Financial Year 2024/2025-2029/2030. I can gladly tell you that it was delivered to us and it is ready.

4. The Alternative Policy Statement will have to be tabled by the Leader of the Opposition and his Shadow Cabinet by 20 March 2024.

5. The proposed annual budget for the Financial Year 2024/2025 will have to be tabled by 25 March 2024.

I am happy that the undertaking that the Ministry of Finance, Planning and Economic Development (MoFPED) made has been fulfilled. We will wait for them to lay it on the Table.

6. The sectoral committees will report on the ministerial policy statements by 15 April 2024.

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As we embark on the budgeting process, I would like to notify the duty bearers to ensure timely compliance with the timelines of the budget. The earlier we prepare it, the better for us. Otherwise, I wish to guide as follows:

7. The tax bills - this is where we always have problems - We should be able to process these early enough so that we know where we are getting money from. This business of processing tax Bills on the last day together with the Appropriation Bill is not good. We should be able to process the tax Bill by 1 May 2024.

1. The sectoral committees will have to report to the Committee on Budget on the National Budget Framework Paper by the 15<sup>th</sup> of January, much as the Public Finance Management Act says, "by the 1<sup>st</sup>." We should be able to report early

Honourable members, following my earlier communication to the whips, I hereby remind you to expedite the designation of Members to various standing committees, pursuant to Rule

158(1) of the Rules of Procedure of Parliament. We shall be designating them during the first Sitting of next year, 2024. Failure to bring them will be presumed that you are comfortable with the leadership and members you have. Party whips should designate as well as the Whip of Independents, for the Independents. We will do it in the House.

Honourable members, as we go for the festive season, I am aware that many Ugandans are going to travel upcountry. I am also happy to see Gen. Edward Katumba here. As a result of many people travelling, the *Byanyimas* of today are going to increase fares, be very fast on the roads and cause accidents.

I would like to ask you to issue a statement on the fares that people should pay. The economy is not good and people do not have money – (*Applause*)– what is the difference between travelling now and during the Christmas season? If you get a bus hiking fares, stop it from moving until after Christmas. Let us be fair to our people. Let them not make a fortune out of nothing because they are really disadvantaging our people.

As we mark the end of the year, I reminded you the other day that we have an end-of-year celebration on 21 December. The Speaker is inviting you.

Honourable members, I would like to warn you. Please, do not over speed. If you want to reach early, leave early; speed kills. I also want to urge the public out there; much as you want to rush to the villages, town and wherever, we need you alive.

Honourable members, there was an allegation, which did not go well with some the leaders of this House. Allegations that are not substantiated are not good. It came to my attention that some individuals or groups of Members went maligning this House that we either gave Shs 100 million or we are about to give – whichever - as a bribe. What are we bribing you for?

I would like to request that before you come up with such an allegation, you should be able to substantiate it. You cannot just go - because this is a forum where you should come and talk.

For instance, you go to the media and start talking all of that. If you are getting money for homosexuality and you want to cover up your dirt, do not use this House to do that. (*Applause*) Do not use Parliament to cover up your dirt. “Eat” your money from the *bum shafters* - you cannot come and say that we are bribing you; bribing you for what? We are here to work. We are a people-centred Parliament and we are here working for our people.

I would like to confirm from the Chairman of the Committee on Budget: in the supplementary that we appropriated, did we have the Parliamentary Commission in the schedule?

2.11

**THE CHAIRPERSON, COMMITTEE ON BUDGET (Mr Mudimi Wamakuyu):** Thank you, Madam Speaker. I watched a news piece about those allegations on television and some people have also been calling me about them. However, with me here, I have a copy of the Supplementary Schedule No.1 for the Financial Year 2023/2024, which was laid on the Table to this House by the Minister of Finance, Planning and Economic Development. The copy is –

**THE SPEAKER:** Does it have the Parliamentary Commission?

**MR WAMAKUYU:** Madam Speaker, we do not have the Parliamentary Commission in this schedule.

**THE SPEAKER:** Maybe just for information purposes, all the money that comes to Members of Parliament comes through the Parliamentary Commission.

**MR WAMAKUYU:** Vote 104 is for the Parliamentary Commission. We do not have it here. I have the minister’s talking notes. The Minister of Finance, Planning and Economic Development is here and he can confirm this.

I also have a copy of the report, which we discussed and approved with the schedule but we do not have that item. As I speak, I think the person who said it should come out clearly and tell us exactly where the money was. This is because some of my people are calling me and asking, “Honourable, when are you coming? Please, factor in something for us for Christmas.” *(Laughter)*

Therefore, we do not have that item here. The person who said it can probably come out clearly to indicate where the money is but there is no money for the Parliamentary Commission.

**THE SPEAKER:** Honourable members, our work is for national service and we are paid for what we do. We are not bribed in any way. As a House of Parliament, we are not going to be diverted from the homosexuality that you are talking about, into bribes. They are trying to cover their homosexuality by saying that Parliament is being bribed; we are not bribed. Eat your money for homosexuality, sell your country and keep quiet on your own. *(Applause)*

2.14

**MR EDDIE KWIZERA (NRM, Bukimbiri County, Kisoro):** Madam Speaker, thank you, for your opening remarks. You have reminded the Minister of Works and Transport about speed but you forgot to remind him about the potholes because they also cause accidents. Kisoro Airstrip has potholes and flying stones; the minister cannot even fly there.

On the issue of the Shs 100 million, honourable members, we have a spokesperson for the House, who is the Speaker. The institution of Parliament also has a spokesperson. Should we listen to “*Lugambo*” by everybody? Will every Member of Parliament speaking outside his “*Lugambo*” be allowed? If it comes out in the public, isn’t it appropriate that he is put to order in the House to explain the source? From whatever we discussed, there was no question of Shs 100 million for each Member of Parliament.

Therefore, it would be better, if it pleases you, Madam Speaker, that the information attributed to one of the Members of Parliament be substantiated in this House. I thank you.

**THE SPEAKER:** Honourable members, if we allow to be diverted by the gay movement, which is receiving foreign support to erode our culture and values, we will continue debating the gays every day over that Shs 100 million. So, let us work. We have put the evidence on the Table that we did not get the money and it is a shame upon the person who is moving around spreading that information. I know this is probably due to the change in leadership and now people are trying to “buy” to be leaders. The panic mode is high.

2.16

**MR NATHAN BYANYIMA (NRM, Bukanga North County, Isingiro):** Thank you, Madam Speaker. It is very unfortunate at my age - and it is not usual to talk about any political leader because most of them are young - to find that some Member of Parliament does not know the decorum of Parliament. That is why we have a dress code and we must talk in a particular manner.

Therefore, for a Member of Parliament to go outside this House and say something that is non-existent at all - one time in 1998, a minister made an allegation against one of the Members. He was suspended, and we put a bar there for him to apologise. That is what is coming soon.

Otherwise, for somebody to talk about money, that means they are not supposed to be a Member of Parliament, not even a political head. I imagine that he must be above the bar, like that gentleman who I really respect, Hon. Mpuuga; I will continue holding you high. When it comes to others, I feel that we should definitely humble ourselves. Let us talk with evidence. You cannot talk about a colleague - we have a case in Parliament where somebody talked about a colleague outside here; it is now a case. We are supposed to treat other people the way we want to be treated so that we can be honourable members.

Secondly, the Minister of Works and Transport is here. We visited Katonga Bridge with the Deputy Speaker and we were told that the road would be opened before the end of November. However, currently people are still suffering going all the way through Ssembabule. I do not know when the works minister, Gen. Katumba, will open that road because I saw it completed.

Thirdly, the bus fares increase because when one takes people to Mbale or Mbarara, they come back with empty buses. So, we must also put something there to compensate them. When a bus takes people upcountry, it comes back with empty seats –

**THE SPEAKER:** You know, some people here are conflicted. Hon. Nathan and Hon. Felix are all conflicted. However, let us not make a fortune out of our people. These people do not have money and they are going home because they really have to go, not because they have the money to waste. Hence, we should be considerate enough not to overcharge them. Can I hear from the minister?

2.19

**THE MINISTER OF WORKS AND TRANSPORT (Gen. Edward Katumba Wamala):** Thank you, Madam Speaker. I would like to respond to what Hon. Nathan Byanyima said. The Katonga Bridge will be opened on Friday at 8.00 a.m. *(Applause)* I hope you will be there to witness the occasion.

On the issue of the bus and taxi fares, I am going to have an engagement with the leadership. They have an association, which we normally engage whenever the festive season comes about, to address the issues of fares, overloading, and speed. We are going to engage before the close of –

**THE SPEAKER:** Thank you. We will wait for your communication. I am happy you sent a communique the other time saying that the road should not be worked on because it would be a waste of money. We want to see your communication in regard to the transport fare, speed, and the action that you will take against those who will violate your communication.

I, therefore, urge the public to ignore the rumours by the honourable members and treat them with the contempt they deserve. When some of these people do not have what to say, they say and do nothing. Honourable members, let us finish early. I want to invite you to the Members' lounge this evening. I have a surprise for you today *–(Laughter)–* as we go for Christmas.

2.21

**MR PAULSON LUTTAMAGUZI (DP, Nakaseke South County, Nakaseke):** Madam Speaker, in the same vein, I have pain. There are also allegations in the media that some Members of Parliament in the Opposition “ate” Cooperatives' money. We have had a lot of calls from the public saying, “You are in the Opposition, did you ‘eat’ Cooperative's money?”

Through your office, Madam Speaker, we want to know the names of people in the Opposition, especially, who those “ate” cooperatives' money. I submit.

**THE SPEAKER:** Honourable members, the report on cooperatives – listen - was uploaded. I told you to read, understand and internalise it. If you see your name there, take yourself to the police. *(Laughter)*

The report was forwarded to the Criminal Intelligence and Investigation Directorate (CIID), the Inspector General of Government (IGG), and the Directorate of Public Prosecution (DPP). It is not just a matter of saying some Opposition Members were there. Should we talk about rice now? Next item.

## LAYING OF PAPERS

### I: VTHE NATIONAL BUDGET FRAMEWORK PAPER FOR THE FINANCIAL YEARS 2024/2025 – 2028/2029

**THE SPEAKER:** Honourable members, Section 9(5) of the Public Finance Management Act, 2015 and Rule 144(1) of the Rules of Procedure of Parliament require the Minister of Finance, Planning, and Economic

Development to table the National Budget Framework Paper by the 31<sup>st</sup> day of December of the year preceding the financial year in which the National Budget Framework Paper relates to.

However, because we are going for the Christmas festivities, we have asked the Minister of Finance to table the Budget Framework Paper early enough for us to take time off and study it before it goes to the committees for us to internalise and scrutinise it.

I now invite the minister to lay the National Budget Framework Paper.

2.24

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES)**

**(Mr Henry Musasizi):** Thank you, Madam Speaker. In compliance with Article 155(1) of the Constitution, sections 9, 3, and 5 of the Public Finance Management Act, 2015, Section 30 of the National Climate Change Act of 2021 and Rule 144(1) and (2) of our Rules of Procedure, I beg to lay on the Table, the National Budget Framework Paper for Financial Year 2024/2025 to Financial Year 2028/2029. I beg to lay.

**THE SPEAKER:** Please, lay.

**MR MUSASIZI:** Madam Speaker, pursuant to Rule 144 of our Rules of Procedure, I beg to lay on the Table, the Certificate of Gender and Equity Compliance of the National Budget Framework Paper 2024/2025 to 2028/2029. I beg to lay.

**THE SPEAKER:** Please, do. I see Hon. Christine Kaaya is very excited.

**MR MUSASIZI:** Yes, she was waiting for me, but this time I am well prepared for her. *(Laughter)*

Madam Speaker, in that regard, pursuant to Section 30 of the National Climate Change

Act, 2021, I beg to lay on the Table, the Certificate of Climate Change Responsiveness to the National Budget Framework Paper for the Financial Year 2024/2025.

**THE SPEAKER:** Thank you. Please, lay.

**MR MUSASIZI:** Madam Speaker, with –

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

**MR ENOS ASHIMWE:** Madam Speaker, Rule 32 requires the documents to be uploaded, but we do not have copies on the iPads.

**THE SPEAKER:** Pardon?

**MR ENOS ASHIMWE:** Rule 32 requires that we have copies of these documents he is laying, but they are not uploaded yet.

**THE SPEAKER:** The document is voluminous. It is being uploaded and it will take some time. You will have time with all of them because you are going to scrutinise all of them, committee by committee.

**MR MUSASIZI:** Thank you, Madam Speaker. I wish to inform the House and the country briefly, what what I have laid is all about. The Budget Framework Paper for the Financial Year 2024/2025 covers the following:

State of the economy

On the state of the economy, we wish to inform the House that Uganda's economy grew to Shs 184.89 trillion, approximately US\$ 49.5 billion, up from Shs 162.75 trillion, which is equivalent to US\$ 45.6 billion, registered in the Financial Year 2021/2022.

In real terms, the economy grew by 5.2 per cent in the Financial Year 2022/2023, compared to 4.6 per cent registered in the Financial Year 2021/2022. The economy is projected to grow by 6 per cent by end of Financial Year 2023/2024, 6.5 per cent in Financial Year 2024/2025, and at least 7 per cent over the medium term.



Over the past 12 months, the annual headline inflation slowed down from a peak of 10.7 per cent in October 2022, to 2.6 per cent in November 2023.

Inflation is expected to remain within the policy target of 5 per cent over the medium-term, supported by close coordination between monetary management and fiscal policy.

Madam Speaker, the theme for the Budget for the Financial year 2024/2025 remains the same as the one for the Financial Year 2022/2023, which is: “Full Monetisation of Uganda’s Economy through Commercial Agriculture, Industrialisation, Expanding and Broadening Services, Digital Transformation and Market Access.”

Madam Speaker, on the imports on the merchandise side, the merchandise exports increased significantly, growing by 54.9 per cent, from \$4.194 billion in October 2022, to \$6.498 billion in October 2023, largely driven by gold, coffee and maize exports.

While the imports grew by 26.2 per cent, slower than the growth in the exports resulting in the narrowing of the trade deficit by 11.2 per cent in the same period. Imports increased to \$9.356 billion in the 12 months to October 2023, compared to \$7.413 billion a year ago.

The increase in imports is largely in the oil and gas sector, mineral exploration, and vehicles and accessories.

Our priority areas for the 2024/2025 budget are the following:

Investing in the people of Uganda, peace and security, roads, electricity generation and transmission lines, prioritising money-earning investments and the effective management of our natural disasters. We have done this with the guidance of the President of the Republic of Uganda.

We are looking forward to growing our economy ten-fold in 15 years. This means that we are working towards moving our economy from \$49.5 billion to \$500 billion in 15 years,

and we shall do so by focusing on the following strategic areas:

1. Tourism development;
2. Agro-industrial development;
3. Mineral-based industrial development;
4. Oil and gas development, including petrochemical industries; and
5. Knowledge economy.

Madam Speaker, on the resource envelope, the total funding for the Financial Year 2024/2025 is projected to be Shs 52,722,682,928,748. The details are in the big document, which I have laid.

The financing strategy for the Budget will be as follows:

1. We are looking forward to deepening the Fiscal Consolidation Agenda through improved revenue collection, continued re-purposing of the Budget to improve efficiency and effectiveness of the public expenditure;
2. Controlled borrowing to reduce debt servicing costs while supporting faster socio-economic transformation and the implementation of our public investment financing strategy by exploring alternative and more sustainable sources of financing, including Public-Private Partnerships (PPPs), private equity funds, capital markets, climate financing, including carbon credit markets, among others; and
3. Improving efficiency in the execution of projects and public investments.

With this, our prayer to Parliament is to consider the Budget Framework Paper for the Financial Year 2024/2025 to 2028/2029. I beg to move.

**THE SPEAKER:** Thank you, honourable minister.

**THE CHIEF OPPOSITION WHIP (Mr John Baptist Nambeshe):** Thank you, Madam Speaker. I thank the minister for taking us through the Budget Framework Paper. The



minister is aware that the preparation of the Budget Framework Paper is supposed to be consistent with the National Development Plan, and the Charter for Fiscal Responsibility.

Besides laying the paper, he is required by law to lay two certificates here. He has laid one. This Budget Framework Paper is not only supposed to be gender and equity responsive, but also to have a certificate cleared by the Equal Opportunities Commission.

Madam Speaker, I stand to seek clarification from the minister, whether he is aware of the 10 programmes that could not even pass the test of the Equal Opportunities Commission. I know the minister is well-polished about the law, but Section 9(2) of the Public Finance Management Act gives him a stringent requirement.

**THE SPEAKER:** Thank you. The minister laid two documents, two certificates, and the one of gender was issued by the Equal Opportunities Commission - that is the one you want. He has also laid the one of climate change. So, he has laid the two documents.

Honourable members, pursuant to Section 97 of the Public Finance Management Act – yes, I wish I could first refer -

2.36

**THE LEADER OF THE OPPOSITION:** (Mr Mathias Mpuuga): Because I could easily invite the House to reconsider the referral.

**THE SPEAKER:** To reconsider? Okay.

**MR MPUUGA:** Thank you, Madam Speaker. I thank the Minister for timely bringing this Budget Framework Paper. However, I am a bit constrained because in his elaborate referral to the same - that is why the honourable member was a bit dissatisfied that we do not have the document because we could have helped the minister to make elaborate commentary on his submission. For instance, the minister has ably -

**THE SPEAKER:** Can I kindly lend you the copies of the certificates that I have here so you

have a look at them for you to speak, you have them?

**MR MPUUGA:** I will make reference, Madam Speaker, and thank you, for your kindness. A quick one - the minister has complied the Environmental Compliance Certificate, as per Section 30 of the Climate Change Act. This Act was passed by Parliament in 2021, but there are no regulations on the same.

I do not know whether we are moving well to extract a compliance certificate in a law that has no regulations. I do not know where the Minister of Water and Environment gets the audacity to lay a certificate from a law that is devoid of regulations.

Two, the minister has been a bit elaborate on what they intend to change. What he has not spoken about - including matters obtained from the Charter of Fiscal Responsibility - the minister is not clear whether they intend to make some changes on the Charter of Fiscal Responsibility because if that was the case, he should have laid the same here before the BFP as per the law and procedure.

Madam Speaker, would the minister clarify whether he is going to put the cart before the horse or we bear with him to make these undertakings?

**THE SPEAKER:** One good thing is that the minister is going to appear before all the sectoral committees and make an elaborate commitment, but let us hear from him.

**MR MUSASIZI:** Thank you, Madam Speaker, for your wise guidance. Indeed, when we appear before the various committees, which will be considering the Budget Framework Paper, we shall provide all the information pertaining to this process of scrutiny and we shall welcome issues from the Members.

However, I wish to inform the House that the Charter for Fiscal Responsibility is for five years. We approved the one we are using in 2021, and it will take us through these five years we are looking at, and afterwards, we shall process another. Thank you.

**THE SPEAKER:** Yes, Leader of the Opposition.

**MR MPUUGA:** Thank you, Madam Speaker. The minister is right on the fact that the Charter for Fiscal Responsibility was laid at the commencement of this term of Parliament. However, I am also alive to the fact that he is communicating change in the Government tact; revenue mobilisation and the like.

It is not a crime because under Regulation 4 of the Public Finance and Management Act (PFMA) Act, you are allowed to alternate. However, what I am saying is: if you are going to do it, will you inform the Parliament so that we are at par? It is not a crime for you to make changes in the charter. However, if you are going to make the same, lay the changes before the House. I am not saying you are committing a crime, but if I heard you so well -

**THE SPEAKER:** He can still bring the changes because of course, obviously, there will always be changes.

**MR MPUUGA:** I want him to make an admission that he is communicating a change so that we are not taken by surprise; some of us are very alert to what he is saying.

**THE SPEAKER:** You know; you need to - we are bound to have changes. There is something I have already noticed. I checked an account and I asked myself, "Why do we have this figure?" So, yes, the law allows you, minister.

**MR MUSASIZI:** Madam Speaker, I have worked with the Leader of the Opposition, Hon. Mathias Mpuuga, for all my life in this Parliament. We normally see some things the same way, especially in regard to these matters – *(Interjection)* – yes, on matters of budgeting and finance, he normally sees what I see. *(Laughter)*

Madam Speaker, we have just laid the framework and we are going to walk with this framework up to the end of January, Parliament will make recommendations, some of which will be changes and when I come back to lay

the budget estimates and the Ministerial Policy Statements, more information will be provided.

**THE SPEAKER:** There will be a second Budget Call Circular.

**MR MUSASIZI:** Yes, there will be a second Budget Call Circular. On the revenue, it is true that we are aggressively looking for ways of how to finance the budget using our own resources. We are currently implementing our domestic revenue mobilisation strategy and there are a number of things we are doing there.

Therefore, as and when it requires - like when we go to the committees - we will be proposing a number of things for your approval, and I know Hon. Mpuuga's concerns will also - we shall get there and when we do, we will be flexible enough to really move together on this.

This is not a matter of losing and/or winning but a matter of both winning in order to help us raise money, spend money efficiently and effectively for the good of our people of Uganda. I thank you.

**THE SPEAKER:** Thank you so much, honourable minister, and I must appreciate you for bringing the Budget Framework Paper early enough. The burden is now left with the chairpersons of both the budget and sectoral committees.

Pursuant to Section 9(7) of the Public Finance Management Act, 2015, and Rule 145(1) of the Rules of Procedure, the National Budget Framework Paper is accordingly referred to the Budget Committee and the various sectoral committees for consideration.

The sectoral committees will restrict themselves to the part of the Budget Framework Paper that falls within their jurisdictions.

In addition, I wish to guide as follows:

1. The consideration of the National Budget Framework Paper usually coincides with the festive season. As such, the chairpersons of various committees should adequately

mobilise their members and make sure that this work is done as early as possible. The consideration of the National Budget Framework Paper is time-bound as per Rule 145(2) of the Rules of Procedure of Parliament.

The Rules of Procedure of Parliament grant the sectoral of committees up to 20 January to report back to the committees, but that should be done before.

2. The Budget Committee has up to 1 February to table a report for consideration by the House.
3. The timelines, therefore, require early commencement of the consideration of this Budget Framework Paper by the relevant committees.

I now instruct the Clerk to Parliament - I know the tendency of my staff - not to allow any staff that works with the Budget and sectoral committees take leave; they will take leave after the budget has been processed.

In addition, I expect the committees to ensure adequate public participation during the consideration of the National Budget Framework Paper, Members, you need to participate in this process because this is when you get to know what goes to your district, your constituency and to Ugandans.

When doing this, we look at the policies that are being handled. You passed the laws in this House and now here is where you are going to relate the laws that you passed to what is being brought to you. I thank you, honourable minister for finance, on that. Yes, Hon. Ssasaga

**MR SSASAGA:** Thank you, Madam Speaker. I rise on a procedural point or guidance. Now that the Budget Framework Paper has been laid, the committees must actively participate so that by the January deadline, they have effectively handled the business. However, now that the lifespan of standing committees has expired, would it be procedurally okay that at least before we go for the Christmas period,

Members are designated to those standing committees?

**THE SPEAKER:** Honourable member, I thought that you have been in this place longer than me! (*Laughter*). You have been in Parliament longer than me. This only relates to sectoral committees. I did not mention anything to do with standing committees anywhere. Next item, please.

**MR ENOS ASIIMWE:** Thank you, Madam Speaker. My issue has a lot to do with the way our committees are structured. While I have not looked at the document, I believe that the Government has presented the document in a programme-based budget process they took over, yet our committees are still structured on sectors.

Last year, when we were processing the Budget Framework Paper and the Budget, there was a bit of disconnect because they were presenting as per the programme, while we were handling the process per sector.

Somehow, we would realise that while one sector would be asking for money for a critical item, another would be demanding money for a probably non-critical item. So, in the process, there was a disconnect.

Madam Speaker, I seek your guidance on whether it would be procedurally right to guide on how best we can handle the Budget Framework Paper, now that it is before us in relation to the programme-based budgeting.

**THE SPEAKER:** It is programme-based but cross-cutting. For instance, under the Committee on Legal and Parliamentary Affairs, there is Justice, Inspector General of Government (IGG) and Parliament itself; it cuts across and that can be harmonised.

**MR MUSASAZI:** Thank you, Madam Speaker. It is true the preparation of the Budget Framework Paper has been anchored on the 20 programmes on which our planning is based. However, we are aware that Parliament still operates in the old style of looking at sectors. I would like to allay the fears of Hon. Enos

Asimwe that even in these programmes, there are various votes, which we use for the supply and allocation of resources.

Therefore, when you get to a programme, you will be able to know which entity belongs to which vote and committee. As a result, the committees will be able to pick out what belongs to them. When we come to consolidation at the Budget Committee level, we shall merge, consolidate and report to the House as programmes. Thank you.

**MOTION FOR A RESOLUTION OF  
PARLIAMENT TO AUTHORISE  
GOVERNMENT TO BORROW UP TO  
\$295 MILLION FROM THE ISLAMIC  
DEVELOPMENT BANK AND \$30  
MILLION FROM THE OPEC FUND FOR  
INTERNATIONAL DEVELOPMENT FOR  
THE UPGRADING OF NATIONAL ROADS  
PROJECT IN UGANDA**

**THE SPEAKER:** Honourable members, reliable transport connectivity is a vital precondition for economic growth and development. We have just been talking about potholes here. We are now saying that we should get this loan and work on the road network so that we can connect the whole country, improve our transport infrastructure and reduce the freight costs.

Therefore, pursuant to Article 159 of the Constitution of the Republic of Uganda, sections 36 and 39 of the Public Finance Management Act, 2015, and Rule 155(1) of the Rules of Procedure of the Parliament of Uganda, I invite the Minister of Finance, Planning and Economic Development to move a motion for a resolution of this House to authorise Government to borrow for this purpose. I can hear some people with *kabiriti*. If you have a *kabiriti*, take it out. *(Laughter)*

2.53

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Thank you, Madam Speaker. In compliance with the laws you have

just cited - Article 159 of the Constitution of the Republic of Uganda, sections 36 and 39 of the Public Finance Management Act, 2015, and Rule 155(1) of our Rules of Procedure, I beg to move a Motion for a Resolution for Parliament to authorise Government to borrow up to \$295 million from the Islamic Development Bank “of China” and \$30 million from the OPEC Fund for International Development, for the upgrading of the national roads project in Uganda.

**THE SPEAKER:** Thank you. Is the motion seconded? Okay, it is seconded by Hon. Baka, Hon. Kasolo, Hon. Gen. Muhoozi, the representative for older persons, Hon. Nandutu and the Minister of Works and Transport, Hon. Magezi and the whole House that loves roads, including Hon. Dr Abed Bwanika - there is no Islamic Bank of China. He is making a correction. *(Laughter)*

**DR BWANIKA:** Let the Minister for Finance sit down. *(Laughter)*

**THE SPEAKER:** He is just making a correction.

**MR MUSASIZI:** I would like to correct my motion since I am the one to correct it. *(Laughter)* Madam Speaker, we are borrowing from the Islamic Development Bank. The issue of China –

**THE SPEAKER:** Is that Seattle in the UK? *(Laughter)*

**MR MUSASIZI:** We have one Islamic Development Bank. The issue was a typing error.

**THE SPEAKER:** The error has been corrected. Would you like to tell us the terms of this borrowing - let us get the terms first. I know you would like to know more about the roads; you will get that from the report.

**MR MUSASIZI:** Madam Speaker, I beg your indulgence to say why we are borrowing and the terms.

**THE SPEAKER:** Please, do so.

**MR MUSASIZI:** I would like to justify the loan as follows. The implementation of the project will contribute directly to the National Development Plan III key result areas of increasing the stock of transport infrastructure, reducing freight transportation costs and travel time.

The upgrading of the national roads project is part of Uganda's National Roads Network and will involve:

1. The upgrading of Katine-Ochero Road (70kilometres);
2. The construction of Masindi Port Bridge; and
3. The upgrading of Kyenjojo (Kihura)-Bwizi-Rwamwanja-Kahunge (68kilometres) and Mpara-Bwizi (37 kilometres).

Madam Speaker, you can notice that Hon. Frank is happy about this project. The Katine-Ochero Road is currently gravel and does not provide a reliable and an efficient all-weather link. This reduces the number of people who travel to the project-influence areas. The traffic levels on the road cause fast deterioration of the unpaved surface resulting into increased costs of maintaining the road in a motorable state.

At the Masindi Port Bridge, the existing ferry that facilitates crossing Victoria Nile to connect Rwenkunya-Masindi Port section to Kungu-Apac section is old with insufficient capacity to carry the ever-increasing traffic.

The Kyenjojo (Kihura)-Bwizi-Rwamwanja-Kahunge and Mpara-Bwizi Road is characterised by surface corrugations, inadequate drainage, poor alignment and a total carriageway width that varies between five to six metres.

Madam Speaker, the third National Development Plan identifies "access to and efficiency of transport infrastructure" as critical to Uganda's competitiveness and the country's ability to harness its regional and globalisation

potential.

Transport infrastructure is noted as a key component contributing to the NDP III goal of increased household incomes and quality of life by linking growth opportunities in key development sectors of agriculture, tourism and minerals, which facilitate national and international integration, and supports job creation and poverty alleviation.

The proposed improved road infrastructure is expected to trigger rapid socio-economic development and transformation of communities living within the project-impact zone. The selected roads are prioritised for implementation during the third National Development Plan under the Integrated Infrastructure and Services Programme.

The proposed date is consistent with the existing national vision, public debt management framework and the third development plan. The terms and conditions of borrowing are as follows:

- i) Loan amount - \$295 million;
- ii) The loan period is 20 years, including a grace period of five years; and
- iii) The effective interest rate is 4.75 per cent.

Madam Speaker, we have another component of \$30 million and its terms are as follows: the loan period is 20 years, including a grace period of five years and the interest rate is at 2 per cent.

Madam Speaker, with this justification, we presented the loan to the committee and they looked at it. With your guidance, the committee can take us through the details of what they saw in our proposal. Thank you.

**THE SPEAKER:** Thank you so much. Honourable members, that was just to inform the debate. I will now invite the committee chairperson - however, before I invite the committee chairperson, I want to interest the minister in the Kampala-Jinja Expressway. *(Applause)*



The Kampala-Jinja Expressway is a very critical road that takes you to our borders with Kenya, South Sudan and everywhere. The loan was approved in June 2020, but to date, four years down the road, nothing has taken place. The disbursement is at 0.1 per cent. So, how sure are we that the loan we are approving today is going to be utilised?

3.03

**THE MINISTER OF WORKS AND TRANSPORT (Gen. Edward Katumba Wamala):** Madam Speaker, I request that I come on the Floor as soon as Parliament resumes, to bring an updated report on where we are on the Kampala-Jinja Expressway.

The demands and requirements of that project are much deeper and more complex than the ones for the Katine–Ochero Road, which is a straightforward project. However, I will bring the details. I request that I be allowed to bring more details as soon as Parliament resumes.

**THE SPEAKER:** Honourable minister, that is a priority road, if you are to talk about priorities, in terms of roads. *(Applause)*

**GEN. KATUMBA WAMALA:** Much obliged, Madam Speaker.

**THE SPEAKER:** We need a report on that road and we will stop approving money for other roads before you start working on that road. *(Applause)*

Committee chairperson, can you give us a brief of your report because we still have the same kind of report on the next loan?

3.04

**THE DEPUTY CHAIRPERSON, COMMITTEE ON NATIONAL ECONOMY (Mr Robert Migadde):** Much obliged, Madam Speaker. First of all, allow me to thank my committee members for working around the clock to put up this report. And if it pleases you, Madam Speaker, I would request them to stand up for recognition.

**THE SPEAKER:** You only have four Members. *(Laughter)*

**MR MIGADDDE:** Madam Speaker, Parliament has over 500 Members and you can see those who are around - but they signed the report. That is why the report met your expectations.

**THE SPEAKER:** Anyway, committee members, thank you for working very hard. However, as you do approvals of these loans, ensure you follow up on the previous approvals; do not just approve them anyhow.

**MR MIGADDE:** Much obliged, Madam Speaker. We have pending reports on the performance of loans. When the time allows, we shall also present them.

Madam Speaker, allow me lay on the Table, minutes of the meetings of the Committee on National Economy with the Ministry of Finance, Planning and Development, on the proposal by Government to borrow up to \$295 million from the Islamic Development Bank, and \$30 million from the OPEC Fund for International Development for the Upgrading of the National Roads Project in Uganda held on 29 November 2023. I beg to lay.

**THE SPEAKER:** Please, lay.

**MR MIGADDE:** Madam Speaker, I know the report is uploaded but for purposes of procedure, allow me to lay on the Table, the report of the committee.

**THE SPEAKER:** Please, do.

**MR MIGADDE:** The minister highlighted the project components and laid the justification for the loans. Let me mention this: on page 12, there is project financing - see page 12.

The total project cost is estimated at \$347 million and the Islamic Bank will finance \$295 million through a combination of \$13 million and \$282 million instalment sales in steps one and two, respectively.

The OPEC Fund is expected to offer \$30 million through a parallel financing and this will be dedicated to the Katine-Ochero section. The Government of Uganda is expected to provide \$22 million in land acquisition. Therefore, that is counterpart funding.

#### Economic returns on the project

The project positive net present value averaging \$41.65 million with economic rates of returns for upgrading Katine-Ochero Road, construction of Masindi Port Bridge and upgrading of the Kihura-Bwizi-Rwamwanja-Kahunge is at 17.4 per cent and 15.7 per cent in addition to 20.8 per cent, respectively.

Since the internal rate of return is higher than Uganda's economic opportunity cost of capital at 11 per cent, it is an indication that the project is economically viable and impactful to the entire country, with both indirect and direct benefits.

According to the Ministry of Works and Transport, the funding requirements for the proposed interventions in the country, as far as the status of roads is concerned, amounts to Shs 580 billion; the bad roads. These requirements are categorised in the following entities: National Road Network - Shs 64 billion; DUCAR (DLGs and UCs) - Shs 429.8 billion; Ministry of Works (in terms of emergency response items for culverts, gabions, bailey bridges) - Shs 50.7 billion; and KCCA road network - Shs 35 billion. That is under observation.

The committee recommends that the Ministry of Finance, Planning and Economic Development should, as a matter of urgency, find money to cater for emergency repairs of the roads in the country.

#### Grace period of the financing

The committee observed that the Islamic Development Bank Draft Instalment Sale Financing Framework Agreement defines the payment period as being the period of 15 years, starting from the end of the gestation

period, provided that the period from the first disbursement date up to the last payment date shall not exceed 20 years.

The gestation period provided for under Article 2 of the framework agreement is five years from the first disbursement date.

The committee noted that the brief to Parliament by the Minister of Finance, Planning and the Economic Development indicated a grace period of four years, contrary to the provision in the financing agreement.

The committee recommends that the grace period be maintained at five years, similar to the gestation period provided for under Article 2 of the Draft Instalment Sale Financing Framework Agreement. This should be maintained in the financing agreement.

#### Risk Premium of the Financing Agreement

The committee observed that the Draft Instalment Sale Financing Framework Agreement provides for a risk premium as compensation for market risk assumed by the Islamic Republic Bank in refinancing prevailing at the time of disbursement. Such prevailing spread would be fixed for the relevant disbursement to be calculated for the remaining financing tenure.

The committee also noted that the risk premium was subject to semi-annual update by the bank to reflect changes in the market condition.

The committee observed that whereas the Minister of Finance's brief to Parliament indicated the risk premium being 0.5 per cent, the Draft Instalment Sale Financing Framework Agreement provided for the prevailing risk premium to be 0.7 percent.

The committee notes that higher risk premium reduces the grant element of the financing from the Islamic Development Bank and increases the debt servicing cost of this facility.

Additionally, updates made to the risk premium complicate the computation of the



debt servicing cost for the particular period, including annual projections.

The committee recommends that the Minister of Works and Transport renegotiates the risk premium at a lower rate and also have it fixed for the entire debt servicing period since the bank will incorporate the secured overnight financing rate in computing the payment instalments. This can serve as a parameter to reflect changes in the market condition as its variation is caused by the same.

Upgrading Kyenjojo (Kihura)–Bwizi–Rwamwanja–Kihunge (68 kilometres) and Mpara-Bwizi (37 kilometres)

The committee noted that the project appraisal document and the minister’s brief indicate that the selected roads for upgrading under this financing proposal have been prioritised for implementation during the third National Development Plan (NDP III).

The committee further noted that the upgrading of Kyenjojo (Kihura)–Bwizi–Rwamwanja–Kahunge (68 kilometres) and Mpara-Bwizi (37 kilometres) were not part of NDP III projects under the Integrated Transport Infrastructure and Services.

The committee was informed that the road was part of the NDP III project but was termed under “Rwimi-Dura-Kamwenge Road”.

The committee, therefore, recommends that the project name contained in NDP III be maintained for consistency with the NDP III.

The committee also recommends that going forward, all MDAs should adhere to the provisions of the NDP III to avoid distortions. The road is the same, but the naming does not tally with what is in the NDP III.

Land Acquisition and Compensation of Projects Affected Persons

In line with project costing and provisions in the financing agreement, the committee notes

that the Government of Uganda is expected to contribute \$22 million towards land acquisition. In addition, the Government of Uganda is expected to cater for all VAT-related costs that will arise during project implementation.

The committee observed that a number of projects being implemented by the Uganda National Roads Authority have experienced implementation delays because inadequate resources are allocated to land acquisition and the composition of projects affected persons. Acquisition of land and right of way in the project sites is vital before the on-boarding of contractors by UNRA to ensure the timely execution and completion of projects.

The committee recommends that MDAs should always undertake project designs prior to sourcing for money in order to minimise project delays and accrual of sufficient resources be allotted to land acquisition and composition of project-affected persons for this project.

Additionally, adequate funds be provided to cater for land acquisition needs for all ongoing roads to ensure they are fast-tracked and achieve their intended objectives.

Design and Scope Changes

The committee observed that some externally financed projects such as Busega-Mpigi Expressway have to undergo design changes and re-scoping of works. This, in effect, affects the progress of works due to the delayed finalisation of the designs and has most times resulted in increased variation costs.

The committee noted that the design changes are occasioned by the need to improve road designs, minimise land acquisition costs, incorporate environmental and social safeguards, among others, so as to optimise project outcomes.

The committee was informed that UNRA has built and continues to build capacity in network planning, designs and engineering and has since undertaken numerous designs in-house.

The committee recommends that the project design stage be accorded thorough scrutiny and this process be concluded before any funding is sourced. This will minimise project delays, accrual of commitment fees, and needless and unexpected cost overruns.

Madam Speaker, having listened to that, knowing the need for these roads, and aware that Uganda loses over Shs 428 billion annually due to bad roads, the committee recommends that the proposal by Government to borrow up to \$295 million from the Islamic Development Bank and \$30 million from the OPEC Fund for International Development for the upgrading of national roads project in Uganda be approved, subject to those recommendations. I beg to report.

**THE SPEAKER:** Thank you very much. On top of Uganda losing money on bad roads, it also loses people daily. That is what is most important, and that is what we should consider. As we approve these loans, honourable minister, we expect these roads to be worked on. Let us not just approve and they remain there. They should be worked on and completed – and by good contractors. Let us not give the contractors contracts simply because we know them. We need to have good contractors who will do a good job on these roads. Do not work on the road for one year and the next year, it is in bad shape then you come here again asking for loans; for taxpayers' money.

There is a motion – do you want to debate whether the roads should be worked on or not? For instance, in Kahunge, I even promised when I went there –*(Laughter)*– honourable members, the next loan is on the same roads. It is about people's lives. Okay, there is a motion.

3.18

**MR IGNATIUS WAMAKUYU (NRM, Elgon County, Bulambuli):** Madam Speaker, this report is very clear. I, therefore, move a motion that a question be put to adopt the report so we can move on to another item.

**THE SPEAKER:** Is it seconded? Okay, it is seconded by the honourable member from

Ochero Subcounty and the honourable member from Kahunge Parish.

Honourable members, I now put the question that the Motion for a Resolution of Parliament to authorise Government to borrow up to \$295 million from the Islamic Development Bank, and \$30 million from the OPEC Fund for International Development, for the upgrading of the National Roads Project in Uganda, be adopted by this House.

*(Question put and agreed to.)*

*Report adopted.*

**THE SPEAKER:** I instruct the Clerk to Parliament to extract the resolution and submit it immediately for immediate action. Next item. There is a procedural matter.

**MR ANGURA:** Thank you very much, Madam Speaker. I thank the House for approving that loan.

However, Madam Speaker, you talked about the Jinja Express Highway. I rose here -

**THE SPEAKER:** I thought I ruled on the Jinja Express Highway.

**MR ANGURA:** Yes, you ruled but I rise on a procedural matter. When you look at the road from Malaba, which is the main artery that brings in the revenue we are talking about in this House and the unprecedented congestion in Malaba - much as clearing moves fast, but as one moves to Malaba, about two kilometres to Malaba, they can take four hours to access the border because of traffic jam.

Madam Speaker, as we approve this loan, would it not be procedurally right that Government looks at fast-tracking the expansion of the road going to Malaba but also do a bypass since Malaba is the main border? I mean a bypass to separate the northern corridor from the southern corridor traffic, that is creating a bypass through Kwapa to join the Mbale Road towards Mbale. This is because traffic to Northern Uganda and the oil exploration areas

is increasing. So, would it not be procedurally right that the Government fast-tracks how we can expand those roads to enable us generate even more revenue? Thank you.

**THE SPEAKER:** Hon. Angura, do you know Gen. Katumba? I am just asking.

**MR ANGURA:** Thank you very much, Madam Speaker. Gen. Katumba is known to me and I know that he is responsible for the docket but -

**THE SPEAKER:** Now that you know him, kindly walk to his office and give him the information because that is a very crucial matter, which does not need to wait for this House.

**MR ANGURA:** Thank you very much, Madam Speaker. Most obliged but he has also heard. Thank you. *(Laughter)*

**THE SPEAKER:** Gen. Katumba, have you heard what we are talking about? We need that road to be worked on and I hope you have heard what he has said.

**GEN. KATUMBA WAMALA:** Madam Speaker, it is not the first time that Hon. Angura and I have interacted on that matter. I can assure him that we are in the process of creating lanes from Malaba to Tororo and also address the bypass, which would throw the traffic ahead of Tororo town.

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

MOTION FOR A RESOLUTION OF PARLIAMENT TO AUTHORISE GOVERNMENT TO PREFINANCE THE RECONSTRUCTION OF MASAKA-MUTUKULA ROAD (89.5KILOMETRES) AND REHABILITATION OF NYENDO-VILLA MARIA (11KILOMETRES), UPGRADING OF 3.5KILOMETRES ACCESS ROAD TO THE UGANDA PEOPLE'S DEFENCE FORCES BARRACKS IN MASAKA, 3.5KILOMETRES ACCESS ROAD TO MASAKA INDUSTRIAL PARK AND AN ADDITIONAL SCOPE OF 28.5KILOMETRES FOR KIKAGATI-KAFUNZO ROAD AT A TOTAL COST OF UGX 691,680,000,000

**THE SPEAKER:** Clerk, you need to upload all these reports. Can we just hear the terms of borrowing, now that everybody is clapping? Colleagues, for a long time, people have been raising issues on this road and you can see it from the excitement. Because everybody is excited, as per the same Article 159 of the Constitution, the Public Finance Management Act, sections 36 and 39 and the Rules of Procedure, we are going to move that this House authorises borrowing for the said roads.

However, before that, can we have the minister move a motion? We cannot just put the question before a motion is moved. Some of you have just come today. *(Laughter)* Please, move the motion.

3.25

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES)**

**(Mr Henry Musasizi):** Thank you, Madam Speaker. Pursuant to Article 159 of the Constitution of the Republic of Uganda, sections 36 and 39 of the Public Finance Management Act, 2015, and Rule 155 of our Rules of Procedure, I beg to move a motion for a Resolution of Parliament to authorise Government to pre-finance the reconstruction of the Masaka-Mutukula Road (89.5kilometres), the rehabilitation of Nyendo-Villa Maria Road (11kilometres), the upgrading of 3.5kilometres

of the access road to the Uganda People's Defence Forces barracks in Masaka, the 3.5kilometres access road to Masaka Industrial Park and an additional scope of 28.5kilometres for Kikagati-Kafunzo Road at a total cost of Shs 691,680,000,000. I beg to move, Madam Speaker.

**THE SPEAKER:** Thank you so much, honourable minister. Is that seconded? Okay, it is seconded by - I want to see the Leader of the Opposition *-(Laughter)* Okay, it is seconded by everybody, including the Leader of the Opposition, Hon. Bwanika, even Hon. Mbazira. Honourable members, you have heard. Can we now hear from the committee chairperson?

**MR MUSASIZI:** Madam Speaker, before the chairperson comes in, we need to justify by informing the country about what we are going to do and also the terms -

**THE SPEAKER:** I thought what you were saying was your justification.

**MR MUSASIZI:** No.

**THE SPEAKER:** Okay, justify. Give us the terms and your request.

**MR MUSASIZI:** Thank you, Madam Speaker. The Masaka-Mutukula Road is a critical link to the Port of Dar es Salaam and the road will facilitate the construction of the East African Crude Oil Pipeline (EACOP). It is, therefore, important that its reconstruction is prioritised and undertaken before any further deterioration on the road happens.

The reconstruction of the road cannot be financed within the current 2023-2024 Budget and Financial Year 2024/25 Government of Uganda Budget ceiling for Uganda National Roads Authority (UNRA), since it is overcommitted during the mentioned two fiscal years with ongoing road projects and those already considered to commence in Financial Year 2023/2024.

Government, therefore, proposes to engage a contractor to pre-finance the reconstruction of the road starting this FY 2023/2024 on the understanding that the Government shall refund the contractor in the 3<sup>rd</sup> year (FY 2025/2026) and 4<sup>th</sup> year (FY 2026/2027) after the start of the construction works and payments start in the third year after the realisation of some fiscal space to fund the project.

Madam Speaker, China Chongqing International Construction Corporation (CICO) Uganda Limited has expressed interest in pre-financing this road starting with Financial Year 2023/2024 on the understanding that the requisite costs of the civil works undertaken will be reimbursed over a period of two years starting in Financial Year 2025/2026 pre-financing amounts committing the Government, which requires it to seek authority of Parliament in line with Section 23 of the Public Finance Management (Amendment) Act, 2015.

The pre-financing will be done by the contractor for the first two years (24 months) of the project implementation at zero interest rate, and payment by Government will be done within the last two years of the project implementation, starting in the third year, that is Financial Year 2025/2026.

Briefly, these are the terms: no interest rate but the contractor will do the work and be paid at a profit. The funds do not have an interest rate, therefore, they are cost free but the benefit to the contractor is embedded in the margin or profit, which he will get as a result of doing this work. I beg to submit.

**THE SPEAKER:** Thank you. Much as there is a benefit in that and we are all excited about tarmacking roads that side, we need equity in the distribution of tarmac roads. When you go to some areas, you notice that they have no tarmac road(s); we need equity. And much as you have said that that is a very important road, the Kampala-Jinja-Malaba Road is equally very important. You need to ensure that you work on that road.

Roads like Karuma-Pakwach, Nebbi-Arua and Gulu-Atiak-Nimule, they are equally very important. When you bring a loan request for the construction of a road on this side, you should also bring one for the construction of a road on the other side for you to balance the equation.

Let us balance the 'boat' so that we are able to have - yes, I am not saying that we are not going to work on the road, let us work on it because it is overdue but you need to balance; please, balance.

**MR MUSASIZI:** Thank you, Madam Speaker. I know the Minister of Works and Transport will elaborate on this but at the Ministry of Finance, Planning and Economic Development (MoFPED), what guides us is the National Development Plan. All these new projects we are doing except for Masaka-Mutukula, which is in dire need -

**THE SPEAKER:** Does the National Development Plan have equity in it?

**MR MUSASIZI:** Yes. Madam Speaker, the National Development Plan emphasises balanced and regional development.

**THE SPEAKER:** Yes, that is what we are saying.

**MR MUSASIZI:** This is our guiding tool but I know that the Minister of Works and Transport, who is responsible for the sector, can add something but at the finance ministry, the guiding tool is the National Development Plan.

**THE SPEAKER:** At finance, you should be able to balance and say, "this time, we have funded this region, next time we should be able to fund this region and another time, we should be able to fund another region." (*Applause*)

We are representatives of all the regions in this country and so, people will look at us like we do not care about them. Can we first hear from the chairperson? Do you want to debate what you have not heard?

3.34

**THE DEPUTY CHAIRPERSON, COMMITTEE ON NATIONAL ECONOMY (Mr Robert Migadde):** Thank you, Madam Speaker. In the same spirit, allow me to lay on the Table the minutes and the report of the committee in consideration of the Mutukula-Masaka Road. I beg to lay.

**THE SPEAKER:** Please, lay.

**MR MIGADDE:** Madam Speaker, having listened to all those submissions, let me proceed to the observations and recommendations; they are summarised.

In particular, the committee looked at the unit cost of the road, which was on the higher side, and made the following recommendations:

The committee recommends that given the high unit cost of construction, the Ministry of Works and Transport and the Uganda National Roads Authority (UNRA) should ensure that the contractor delivers the best quality bridges and roads in order to achieve value for money.

In addition, the committee recommends that UNRA should increase places of convenience on the road, from one to two, since this is an international highway - that is within that cost.

Further, given the unit cost of the project, the 400 metres from Ndegeya Primary Teachers' College (PTC) be upgraded and street lighting should be included in the following urban areas: Masaka urban stretch to be increased to 10 kilometres; Bukunda urban stretch - 1.5 kilometres; Villa Maria-Nyendo Road - 11 kilometres; Masaka Industrial Park - 3.5 kilometres; and Kitwe Town on Kikagati-Kafunzo Road. We are recommending that within the same cost.

The other recommendation is on the slow disbursement in externally financed projects but this is specific to - we are considering the Jinja Express Highway that you mentioned earlier, and I request that I read this.



The Kampala-Jinja Express Highway (KJE) was at procurement stage seven years after the project started and by June 2022, it had attracted commission fees amounting to Shs 3 billion according to the Auditor-General's Report for the Financial Year ending June 2022 and between July and December 2022, Shs 1.1 billion was spent on commission fees.

The committee was informed that the delay in the implementation is partly attributed to the Cabinet and Parliament's loan approval conditions that delayed the project by 18 months, as well as delayed procurement of the project implementation unit due to lack of readily available skills in the region.

The committee recommends that UNRA should ensure that externally financed projects are only secured - we reiterated the earlier recommendation.

Further, for the Government of Uganda projects, UNRA should ensure the timely implementation to create the much-needed fiscal space that shall be required in two years, now that this loan has to be cleared within two years after implementation.

The Whistle-blowers' Protection Act, 2010 should be amended to provide for timeliness of procurement-related complaints as it is in the PPDA Act.

We mentioned earlier the issue of inadequate counterpart funding. The committee observed that the budget for land acquisition under this project, is not enough. Some projects had to stall as contractors had to wait for when the sections of the road would be acquired so as to access full possession of the site. For instance, civil works for Kigumba-Bulima, under the Kigumba-Masindi-Hoima-Kabwoya Road Project, commenced works a year after contract signature due to lack of adequate right of way, which was attributed to inadequate funding for land acquisition.

The committee recommends that the budget for land acquisition under UNRA should be enhanced to ensure the smooth implementation

of various projects with Government commitments. In addition, UNRA should prioritise counterpart funding for this project under the land acquisition project to ensure its timely implementation, leaving no room for blame on Government for any delays.

Currency breakdown of pre-financed projects

The committee recommends that UNRA should consider negotiating for better currency breakdown in the various contracts – because, Madam Speaker, the breakdown was 80 per cent US dollars and 20 per cent Uganda Shillings – so as to minimise on the foreign exchange risk associated with foreign currency to preferably, a ratio of 50:50.

In conclusion, the committee recommends that the proposal to pre-finance the reconstruction of Masaka-Mutukula Road (89.5kilometres) and rehabilitation of Nyendo-Villa Maria (11kilometres); the upgrading of 3.5 kilometres access road to Uganda People's Defence Forces barracks in Masaka, 3.5kilometres access road to Masaka Industrial Park; and an additional scope of 28.5kilometres for Kikagati-Kafunzo Road at a total cost of Shs 691,680,000,000, be approved subject to the observations and recommendations herein.

Madam Speaker, I beg to move.

**THE SPEAKER:** Thank you, committee chairperson, for the brief report. Honourable member from Nyendo, would you like to say something? There is a motion.

3.41

**THE LEADER OF THE OPPOSITION (Mr Mathias Mpuuga):** Thank you, Madam Speaker. I thank the committee chairperson for the report and the attendant observations. I have two remarks: one is that the House should recognise that for the first time, Government is bringing a pre-financed project for approval.

Two years ago, I raised the red flag over the avalanche of projects offered on yellow papers, committing Government without the scrutiny of Parliament. There was denial from

the Attorney-General. Now he has worked backwards. The House is at liberty to self-applaud for insisting that it was illegal, irregular and out of space.

Therefore, that was the way to go from the word go. I am glad that Government has woken up and corrected the illegality that was being vested on the taxpayer.

Secondly, I would like to congratulate the Minister of Works and Transport for finally working on the Mutukula Road. It was a monument of shame to the nature of neglect we can vest onto ourselves on such an international highway that brings a lot of revenue into the country. I hope it will change not only the face – Madam Speaker, it is when you drive through Tanzania, enter Uganda that you will realise that it is a whole new space on earth. It was a huge shame on us. I hope it will lift our image and also enhance the revenue inflow into the country.

Finally, I concur with you, Madam Speaker, that the ministries of finance and works need to harmonise balancing. While we are going to work on that international highway, the hinterland feeding into that highway is terrible. I admire colleagues coming from the oil districts; they got oil roads. We, the coffee farmers, have never got coffee roads despite supporting this country for generations; we have never had coffee roads.

If you go into the hinterland feeding that international highway, it is terrible. The roads going into the constituency of my sister, Hon. Namujju Cissy – some of the biggest coffee growers in the country for generations – are terrible.

The road from Masaka to Kiwangala-Ndagwe (over 60 kilometres) – the beauty is that Gen. Katumba knows so well about that road; and the road going to Bukomansimbi – the biggest producer of coffee – are terrible. I hope the honourable minister will –

**THE SPEAKER:** At least we have the milk roads.

**MS CECILIA OGWAL:** Point of information. Thank you, Leader of the Opposition. You mentioned –

**THE SPEAKER:** You should be thanking me. *(Laughter)*

**MS CECILIA OGWAL:** Thank you, Madam Speaker. I have heard the Leader of the Opposition talking about no coffee road for generations. One thing you do not know is that cotton was the first crop registered. *(Applause)* It is an international crop that we have grown. I was educated on its basis. However, up to now we are struggling to get the Ministry of Works and Transport extend some roads there.

Madam Speaker, let it be on record that the Minister of Works and Transport assured the people of the north that there will be security shortcuts to connect the North to the South through Amodo Swamp. It is now 10 years since; nothing has been seen.

Madam Speaker, you know that the highway that connects the North to the East has remained miserable, apart from that spot between Dokolo and Soroti. That is the only thing we can be proud of. While they wanted to make me feel good, the entire North is in bad shape.

Therefore, it is important that the Minister of Works and Transport should know that coffee goes through Lira-Kamdini, Soroti and the highway. We need cotton roads.

**THE SPEAKER:** Thank you. Honourable members, maybe just an announcement: we shall be having Christmas carols presided over by His Grace the Most Rev. Dr Stephen Samuel Kazimba Mugalu, on the 20<sup>th</sup>, in the Conference Hall. The letter has been written by Rev. Can. Christine Shimanya.

**MR MPUUGA:** Can I conclude?

**THE SPEAKER:** I have heard about the coffee roads.

**MR MPUUGA:** I am concluding, Madam Speaker.



**THE SPEAKER:** Okay.

**MR MPUUGA:** I was actually thanking the Minister of Works and Transport for this network. Finally, the Nyendo-Villa Maria Road that connects to a casket of monuments of historical nature of the Catholic faith was also really most deserving. I hope, like the committee has observed, because these are in the city and closer environments, lighting them would be most appropriate.

Therefore, I would like to agree with the committee for those observations. Thank you.

**THE SPEAKER:** Thank you. Honourable members, as we go for Christmas, to those of us who are cattle keepers, there is going to be a lot of theft. Then, we have also heard about the Anthrax outbreak in the districts of Kazo, Ssembabule and Kyotera; so, we should be able to protect our cows from being infected. This is also due to the weather because it is a rainy season – so, there is a lot of malaria. We should take note.

Honourable members, I now put the question that the motion for a Resolution of Parliament to authorise – by the way, I do not need a motion because the debate has been done.

Honourable members, I now put the question that the motion for a Resolution of Parliament to authorise Government to pre-finance reconstruction of the Masaka-Mutukula Road (89.5 kilometres) and rehabilitation of the Nyendo-Villa Maria Road (11 kilometres); upgrading of 3.5 kilometres access road to the Uganda People's Defence Force barracks in Masaka; 3.5 kilometres access road to Masaka Industrial Park; and an additional scope of 28.5 kilometres for Kikagati-Kafunzo Road at a total cost of Shs 691,680,000,000; be approved by this House.

*(Question put and agreed to.)*

*Motion adopted.*

**THE SPEAKER:** Honourable members, I thank you so much for all the work you have

done. As we end the year and go to join our voters to enjoy and celebrate Christmas – the birth of Jesus Christ – I wish you a Merry Christmas, a blessed one. Please Take very good care of yourselves. May the good Lord always be with you and bless you all. I adjourn the House *sine die*.

*(The House rose at 3.49 p.m. and adjourned sine die.)*