

**PARLIAMENT OF UGANDA**

**Wednesday, 21 April 2021**

*Parliament met at 2.53 p.m. in Parliament House, Kampala.*

PRAYERS

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

*The House was called to order.*

COMMUNICATION FROM THE CHAIR

**THE SPEAKER:** Honourable members, I welcome you to this afternoon sitting. I have two pieces of sad news: The first is the death of President Idriss Déby, the President of the Republic of Chad who was killed yesterday, 20 April 2021.

President Idriss Déby had just been re-elected for a sixth term but was killed before commencing the new term. As you know, he has been a very senior member of the Summit of Heads of State of the African Union.

We send our condolences to the people of Chad, the African Union and the rest of the continent. We pray for stability for that country during this period of uncertainty and a quick return to civilian rule.

Secondly, we also received, yesterday, the news of the death of the Chairperson of the Commonwealth Parliamentary Association (CPA), Hon. Emilia Monjowa Lifaka. She also died yesterday in Cameroon.

She was first elected to the National Assembly of Cameroon in 2002 and has been the Deputy Speaker until her death.

She was our chairperson of the Commonwealth Parliamentary Association. She was also an alternative President of the Association 2012/2013, 2013/2014 and she was the coordinator of the 60th CPA Conference hosted in Cameroon, in 2014.

You may remember that in 2019, she was here at the 64th CPC again as the head of the Executive Committee of the CPA, which she has been since 2017. Her tenure was due to expire at the next General Assembly of the CPA.

She was the first African in more than 100 years to hold that position. We send condolences to the National Assembly of Cameroon, the CPA fraternity worldwide and the people of Africa on the loss of this industrious lady who still had a lot to offer.

I invite honourable members to rise for a moment of silence in respect to President Idriss Déby and Hon. Lifaka.

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

**THE SPEAKER:** Honourable members, there are just three issues of national concern. Let me invite Hon. Nambozo.

2.59

**MS FLORENCE NAMBOZO (NRM, Woman Representative, Sironko):** Thank you, Madam Speaker and colleagues. I rise on a matter of national importance concerning the state of bridges in my district.

Last year, in November, I stood on this Floor and raised the same issue. When it rains, the areas of Mt Elgon are seriously affected by the rains that come down with boulders. We had most of our bridges washed away. As I speak, a bridge that connects five subcounties has not been worked on ever since last year.

It was at a width of 8 metres but right now, it is at 35 metres. I request the Government, through the Ministry of Works and Transport and the Uganda National Roads Authority, to come and help the people of Sironko because the longer they take, the wider it is going to become and it will also be more expensive. Thank you, Madam Speaker.

**THE SPEAKER:** Could you give us the name of the bridge? You are saying five subcounties; I do not know which ones.

**MS NAMBOZO:** Madam Speaker, it called Bumasifa - Legenya Bridge.

**THE SPEAKER:** Fortunately, I see the Minister of State for Works here; hon. Kabatsi.

3.00

**THE MINISTER OF STATE FOR WORKS AND TRANSPORT (TRANSPORT) (Ms Joy Kabatsi):** Thank you, Madam Speaker. We are going to look at this bridge and see what can be done. Bridges are very expensive and the money available - we will have to see what to do; I am going to inform the Ministry and UNRA.

**THE SPEAKER:** Can you give an update by next week about what you are doing?

**MS KABATSI:** We shall give an update in two weeks.

**THE SPEAKER:** Okay. That is a Government assurance.

**MS NAMBOZO:** Thank you, Madam Speaker. Does it imply that the Minister did not know about this? It happened last year and I came to this House. The district of Sironko has written an impact assessment report to the Ministry. Thank you.

**THE SPEAKER:** Honourable minister are you aware that since November, this bridge has been broken?

**MS KABASTI:** Madam Speaker, I am aware that the people from Sironko have had meetings with UNRA and the Ministry. However, I am not too sure when work will begin or what was decided. However, I am going to follow it up and bring a report in two weeks.

**THE SPEAKER:** Okay, that is a Government assurance.

3.03

**MS MARGARET RWABUSHAIJA (Independent, Workers Representatives, National):** I rise on matter of national importance. It concerns the need for more fire fighting equipment and community policing on fire safety.

Fire outbreaks are nothing new in the news lately. Almost on a monthly basis, there is a story that runs in our news channels about fire outbreak in buildings.

It is not so palatable when you know that people are losing their properties and in some cases, lives. A case in point is in in July last year when a fire ripped through Nyamityobora Market in Mbarara and destroyed a lot of property worth millions. Also, we should remember that the National Leadership Institute located at the Ministry of Lands, Housing and Urban Development Building got burned and nothing was saved. We remember with nostalgia the 10 students that died in a burning dormitory at St Bernard’s Secondary School in Manya, Rakai District.

Recently, a building near Wandegeya caught fire and people lost property. The Joint Medical Stores that was also holding Star Pharmaceuticals Limited caught fire on 9 April 2021.

My prayer is that the Minister of Internal Affairs should come to this august House to inform us on what measures it can put in place to effectively and efficiently manage damages caused by the rampant fire outbreaks. I know that whenever we have riots, the police vehicles are on standby for rapid response but when it comes to fire, there is always the excuse of traffic congestion. As a result, the fire fighters do not reach in time. At times, we hear that even if they reach on time, the trucks do not have water.

I also would like the minister to explain to this House why the ministry cannot bring services closer to the people. In the case of Kampala, why don’t we have a fire fighters’ department at division level so that there is rapid response whenever such occurrences are observed? I thank you.

**THE SPEAKER:** Thank you, honourable members. The Minister of Internal Affairs is required to come and explain to this House and the country the state of preparedness in relation to fire outbreaks in the community, taking into account what has just transpired recently in the Joint National Medical Stores. Can he come within one week?

3.06

**MR HENRY KIBALYA (NRM, Bugabula County South, Kamuli):** Thank you, Madam Speaker. I address myself to a matter that is in the interest of Ugandans. When we were in school, the Uganda Development Bank (UDB) had lost meaning of a bank. It had only remained with the structures. Recently, a lot of money was injected into UDB.

In the current financial year that is ending in June, approximately Shs 1 trillion was allocated to help those sectors that had suffered during COVID-19. To the disappointment of Ugandans, part of the money that was given by the Ministry of Finance, Planning and Economic Development to UDB, was again given to an investor who is dealing in real estate - where we do not expect UDB to deal - instead of helping the sectors that had suffered the effects of COVID-19.

Ugandans know from history that UDB was brought down by the mafias that are so selfish and feel that whatever is in this country or banks belongs to them. It is the same stupidity that is coming up now in UDB. The scandals that are coming up in UDB take us back to where it was before and yet recently, Ugandans were beginning to have hope that UDB was recovering again.

The concerns of Ugandans are reflected in two prayers. The first one is that the Minister of Finance, Planning and Economic Development comes and explains before the House what has transpired between the Ministry of Finance and UDB in the memorandum they exchanged to ensure that money changes direction.

Secondly, this was just an iceberg showing that there is a lot going on in UDB. Through your office, Madam Speaker, I pray that you come up with a select committee to investigate the rot that could be in UDB to save more money that will be injected there and help Ugandans who have interest and hope in that bank.

**THE SPEAKER:** Honourable minister, do you have something to say about UDB?

3.09

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PLANNING) (Mr David Bahati):** Thank you, Madam Speaker. It is true that His Excellency the President announced in the last financial year that is ending in June 2021, an investment of Shs 1 trillion to help companies that are coming out of the effects of COVID-19.

In this financial year, we injected Shs 485 billion and next financial year, we will add another Shs 100 billion. Also, we are mobilising resources, some of which are before us today, to finance the economic activities in our country.

The issue of who is benefitting from the bank has come before the Committee on Finance, Planning and Economic Development. As hon. Kibalya said, it is true that a few companies in real estate benefitted from this package. It is also true that there are other companies, especially manufacturing companies, who are benefitting from this fund.

Yesterday, the Committee on Finance, Planning and Economic Development undertook to have a meeting with UDB to iron out the issues on how they focused on real estate vis-à-vis other sectors. There were some explanations that we gave to the Committee on Finance, Planning and Economic Development. I wanted to suggest that we come back again to this House when the Committee on Finance, Planning and Economic Development has reported so that we explain the three areas that the UDB financed that were not originally under our instructions.

I also would like to take this opportunity to say that the money that we put under UDB was not to be given out freely as it was previously reported in the papers, that we are bailing out companies. Actually, all the people who have got money from UDB have got it to support their normal businesses and they are paying interest out of the loans to sustain the bank.

**THE SPEAKER:** Maybe we should wait until the Committee on Finance, Planning and Economic Development reports so that we do not have two debates.

3.12

**MR SILAS AOGON (Independent, Kumi Municipality, Kumi):** Madam Speaker, the aspect of equal opportunity on gender, equality and equity is so critical in everything that we do. We are so much focused on the big people. We are in a country where we are talking about the small versus the big, the rich versus the poor, and the urban versus the rural.

Right now, there are companies which are still under lockdown. We are talking about the entertainment industry for instance. I want to believe that they also contribute to the development of this country but the country is so quiet. You are very silent about what you are doing concerning such people. Regarding those players who cannot play the game now because of COVID-19 restrictions, what is it that the Government is doing? It seems that we are focused on a certain class of people.

Madam Speaker, we would love that the minister comes out clearly to tell us the criteria that we are using in distributing these resources. I want to believe that what people get from UDB is not what we get from commercial banks; there is a difference. Somehow, those who benefit from UDB are better placed to get better credit. Was real estate highlighted as the number one to benefit from this?

**MR BAHATI:** Madam Speaker, the committee on finance will report on this. However, there are sectors that we agreed that the bank should invest in and they included agro processing, manufacturing and other sectors.

Secondly, on the issue of entertainment, hon. Aogon, we are discussing this matter to begin with the promoters. We have been engaged on how we can help them. However, the Ministry of Gender, Labour and Social Development is specifically coming up with a programme on how to help the entertainment industry in this country.

**MR OKUPA:** What the minister should answer is, was real estate part of the would-be beneficiaries of the money we have put in the ADB? I think that is it but you are now dodging the question. Just tell us if it was part of it or not. Now you are mentioning agro industry, manufacturing – It is just a specific question; was it part of it or not?

**MR BAHATI:** Madam Speaker, as I said, we are going to come back and clarify whether real estate was part of the sectors that were supposed to be financed. However, the money was supposed to go for security. Tomorrow, I will come and confirm whether real estate was part of this sector. Thank you.

**THE SPEAKER:** Honourable members, let us wait for the committee on finance to report then we can have a debate based on their research and evaluation.

LAYING OF PAPERS

3.16

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PLANNING) (Mr David Bahati):** Madam Speaker, I beg to lay a request by the Government to mobilise resources through borrowing of €107.4 million from the African Development Fund, €193.72 million from the African Development Bank and €25.9841 million from the Corporate Internationalisation Fund of Spain for the refurbishment of the Kampala–Malaba meter gauge railway project.

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

MOTION FOR A RESOLUTION OF PARLIAMENT TO AUTHORISE GOVERNMENT TO GUARANTEE UGANDA DEVELOPMENT BANK LIMITED TO BORROW USD 15.0 MILLION FROM THE EUROPEAN INVESTMENT BANK; USD 10.0 MILLION FROM INTERNATIONAL ISLAMIC TRADE FINANCE CORPORATION; USD 20.0 MILLION FROM OPEC FUND FOR INTERNATIONAL DEVELOPMENT; AND USD 20.0 MILLION FROM THE ARAB BANK FOR ECONOMIC DEVELOPMENT IN AFRICA

**THE SPEAKER:** Honourable members, as you may recall, we had partially handled this matter; there were just two areas we had asked the committee to review. Therefore, we thought that we would complete them before we go back to our other substantive business. Honourable Chairperson -

3.18

**THE CHAIRPERSON, COMMITTEE ON NATIONAL ECONOMY (Ms Syda Bbumba):** Thank you very much, Madam Speaker.During the 26th Sitting of the Third Meeting of the Fifth Session of the Tenth Parliament which was held on 1 April 2021, a report of the Committee on National Economy was presented to this House to authorise the Government to guarantee the Uganda Development Bank Limited to borrow US$ 16 million from the European Investment Bank, US$ 10 million from International Islamic Trade Finance Corporation; US$ 20 million from Opec Fund for International Development; and US$ 20 million from the Arab Bank for Economic Development.

Madam Speaker, you guided that the committee reconsiders the matter and widens the scope of its consultations by interfacing with the private sector, especially the small and medium enterprises who are prospective clients of Uganda Development Bank and granted the committee one week to report back.

The committee reconsidered the matter and now we beg to report back. We have not been able to report back in the given time because of the business in the House. The committee reconsidered the matter and I wish to lay on the Table the addendum of the report of the consultative meeting which we had with the private sector.

Madam Speaker, the methodology which we used in reviewing the request is, we interfaced with the Private Sector Foundation Uganda, Uganda Manufacturers Association, Uganda Women’s Entrepreneurs Association, Small and Medium Enterprises represented by the following:

1. Acacia Industries
2. Inter Africa Corporate
3. Bella Wines
4. The Day Nursery, Luzira
5. African Business Women, Uganda
6. Fame Limited
7. African Adventure Travellers
8. Home To Africa Association Of Uganda
9. Inter African Corporate Limited
10. Mama Care Foundation
11. GMT Works
12. Kika Farm Limited
13. Mulwana Foods
14. Whispers of the Nile
15. Mr Rogers Kakeeto
16. UGA Ford Micro Finance Limited
17. The Association of Uganda Tour Operators
18. Uganda Investment Authority
19. Uganda National Chamber of Commerce and Industry
20. Uganda Law Society
21. Uganda Development Bank

Madam Speaker, according to the Strategic Development Plan 2020/2024, Uganda Development Bank intends to explore various avenues to increase and diversify its funding sources. In addition, given the crucial role of the private sector in the economic growth path of the economy, it is imperative that the Government accords the necessary support to strengthen the sector.

In addition, the year 2020, as we all know, was unprecedented world over with the onset of the COVID-19 pandemic. The economy of Uganda witnessed unprecedented shocks emanating from the impacts of COVID-19.

Madam Speaker, consequent upon that, adequate and appropriate funding remains a critical success factor for Uganda Development Bank to achieve the strategic aspiration. The bank looks at raising USD 500 million during the strategic period.

This is amidst concerns about the elevated risks to public debt sustainability stemming majorly from the worsening liquidity debt indicators.

It should be noted that Government has been capitalising Uganda Development Bank annually. However, in 2020 because of COVID-19 and the effects on the economy globally, it was not able to put in the usual privatisation.

Government is looking at new measures for the faster recovery of the economy and part of these measures include Government commitment to capitalise Uganda Development Bank with Sh 1 trillion, out of which Shs 455.18 billion was allocated out of the proceeds from the International Monetary Fund and World Bank loans and the funds appropriated under the supplementary schedule 1 for the financial year 2020/2021.

Other recapitalisation funds were to be realised through the borrowing.

Despite the need to recapitalise the bank, there are concerns of the elevated risks of public debt sustainability. The major vulnerabilities to the outbreak are emanating from the slow growth of exports and increasing debt service burden.

Madam Speaker, I now wish to respond to the issues which were raised in the sitting of 1st April this year. The first one was why Uganda Development Bank doesn’t lend bellow Shs 100 million and why they have that cap.

The cap of Shs 100 million is a long-standing policy issue and has been the case for over 12 years, the rationale is that Uganda Development Bank should focus on a certain size of projects given its project life cycle approach and below which other funders such as Post Bank and the Microfinance Support Centre can support.

However, the bank has innovated different approaches to support small borrowers as below. Farmers with any amount of need, however small, are supposed to go through the Agriculture Value Chain Financing Approach and Farmer Group Loaning Model; where funds are provided to a registered group through a kind of apex model and individual farmers access the funds through their groups.

This model has enabled the bank, for example, to support over 50,000 small holder borrowers. The bank has also partnered with the United Nations Capital Development Fund where the funds are availed to the supporting agro-small and medium enterprises (SMEs) under the start facility where minimum lending is Shs 36 million.

The lines of credit that we are providing the Government owned banks are done on Uganda Development Bank terms to cater for the small borrowers with less than Shs 100 million.

Also, because Uganda Development Bank is not decentralised, it is trying to reach out to potential borrowers through partnership with other agencies.

The bank, with its partner - the Food and Agriculture Organisation (FAO), has developed digital finance solutions where lending to small borrowers will be done through a vintage company. This uses alternative credit scoring tools and beneficiaries can get funding at easy terms including no collateral. The first vintage has already signed Uganda Development Banks’ term sheet.

The second issue was why Uganda Development Bank lends to commercial banks. Banking has evolved where sharing platforms is one of the key characteristics. The bank decided to extend funds to only Government owned commercial banks to support UDBs mandate.

The structure of the lines of credit from UDB to the Government owned commercial banks are extended to the final beneficiaries on UDBs terms. So, the cost of the funds and the terms to the final beneficiary do not significantly vary from when a client borrows from UDB directly.

This was done to support with faster deployment of funding received for production, import replacement and manufacturing but also to accommodate small borrowers who UDB would not ordinarily serve. The partnership was so far concluded with Post Bank Uganda, the bank is also in discussion with Pride Microfinance Bank, Housing Finance Bank is under negotiation of the terms.

The money these banks receive from UDB is lent to SMEs in agriculture and manufacturing only, with interest rates capped at not more than 13 per cent to the borrower. Before UDB disburses funds to the Government owned banks, the banks will share with UDB a list of the intended beneficiaries and by doing this, they ensure that the funding - even though the Government owned banks is channelled to the beneficiaries - the UDB would otherwise be serving but leveraging on the structures of the Government banks.

Also, only about 15 per cent of the total funding received was earmarked for channelling through Government owned banks.

Madam Speaker, when we interacted with stakeholders, they also raised issues which I would like to share with the House. They were concerned about UDB’s role in the COVID-19 stimulus fund.

The bank received funding to implement a component of the Government’s stimulus package specifically to support resilience and self-sufficiency of the economy by ensuring that the country had essential goods and services to mitigate and support the faster recovery of the economy from the negative impact caused by the pandemic as well as import substitution.

To that end, the funds are being deployed in agriculture, manufacturing, agro-industry sectors to eligible borrowers. Uganda Development Bank has not received any funding to bail out struggling businesses and funding received was not meant to be given out as a package or a grant to the struggling businesses.

The stakeholders raised the issue of UDB’s intervention for post COVID-19 support. To date, since August 2020, 50 per cent of the above mentioned funds have been disbursed while the remaining are fully committed with projects at various levels of implementations and borrowers are undergoing post approval processes.

The bank, in partnership with the European Union, set up an intervention facility for the tourists sector involving a grant tied to job retention and a loan in soft terms. UDB deferred payments for all the serving portfolio clients in its portfolio; clients will not be penalised for non-payment of loans during the deferred period.

This is also in line with the relief measures by the banking sector provided by the Bank of Uganda and is also part of the stimuli package.

On the visibility of the bank, the stakeholders raised concern of UDB not having branches but it responded that they are reaching out to their stakeholders through workshops and conferences and they are using banks they are partnering with to help them reach out to those customers who cannot easily reach them.

The bank also entered a partnership with the Private Sector Foundation Unit, the Uganda Manufacturers’ Association, Uganda National Chamber of Commerce and Industry, Uganda Investment Authority among others to undertake various initiatives and use of their platforms to constantly engage with their members.

On the stringent eligibility criteria to access funds for SMEs, the bank stated that they are necessary to maintain shareholders’ capital because these are public funds and they are accountable for it. They need the stringent measures to ensure that the funds are properly applied and paid back.

A special programme has been set up for SMEs to support increased access to capital. The bank will go an extra mile to train, incubate, support and assist on registration and to ensure tax compliance measures.

The stakeholders were wondering why UDB is lending Housing Finance Bank. I have already explained that this is part of the partnership. The partner disburses the money on agreed terms with UDB and UDB clears the list of the beneficiaries.

On the tourism intervention fund stringent conditions, in a move to save, as well as revive the sector, UDB has partnered with the European Union – as I have already stated – and they are trying to give soft loans and grants for retention of jobs in the tourism sector.

The conditions for access to funds were developed after consultations with te European Union that was bringing in the grant. Also, sector players like the Uganda Hotel Owners Association, Association of Uganda Tour Operators (AUTO) and UDB were consulted and a consensus reached. It is on those terms that the money to the tourism sector is being given out.

You are wondering about UDB specialists. They have specialists to handle technical issues and UDB’s response was that the bank has sector specialists who work closely with the financial credit analysts when looking at projects. They have, for example, agronomists, civil and mechanical engineers, environmental specialists, equity specialists, to mention but a few.

On UDB’s monitoring of projects, I can say that UDB has got a dedicated monitoring and evaluation unit. The unit oversees the monitoring of projects funded by the bank and makes necessary recommendations.

The bank is growth-oriented; that is why it can extend funding to start-ups and projects, which commercial banks shy away from. They have non-financial services like business advisory and project preparation, which other banks do not offer.

The primary objective of UDB is to ensure the project is well implemented and successful and therefore, they walk the client from beginning up to the end.

On non-collateralised lending support to associations like the Uganda Women Entrepreneur Association Limited, the bank is exploring opportunities to create solutions with the likes of UWEAL to develop appropriate products and solutions for the members.

The bank prioritises cross-cutting issues, as they form a critical component in the overall assessment of credit and contributing to the development impacts that are sought by the bank. For each of these issues, the bank has put in place a strategy to help mainstream them in the operations.

In conclusion, Madam Speaker, the committee reiterates its observations and recommendations to this House in its report, which was presented on 1st April, for the House to pass the grant of $15 million from the European Investment Bank, $10 million from the International Islamic Trade Finance Corporation, $20 million from OPEC Fund for International Development and $20 from the Arab Bank for Economic Development in Africa.

The committee recommends that this request be approved, subject to the recommendations and clarifications provided.

I beg to submit, Madam Speaker. *(Applause)*

**THE SPEAKER:** Thank you very much, honourable chairperson and the entire Committee on National Economy. In particular, I think we are happy that more information has now been provided, especially for the small actors.

Are there any comments? We had partially discussed this?

3.38

**MR LAWRENCE BIYIKA (NRM, Ora County, Zombo):** Thank you, Madam Speaker and the Chairperson of the committee on National Economy. I thank you for the presentation and the clarifications made thereof.

My concern is only on the interest rate. Some time back, when we had a West Nile Symposium at Muni University, the President asked the Managing Director of UDB what the interest rate was and what Government should do to bring the interest rate to about 10 per cent.

The lady answered that they needed at least Shs 3 trillion to bring the interest rate to 10 per cent. However, even 10 per cent for Uganda, where the other things that support agriculture are expensive, is still high yet you are talking of 13 per cent. That is an area that we really need to look into.

If I can borrow, as an example, from the Agricultural Bank of Thailand or if you are a community and you are borrowing – for example for a sugarcane processing machine, the interest rate is 0.01 per cent. If you are an individual and want to start agricultural enterprises, the maximum interest rate is 6 per cent.

Therefore, we really need to reconsider this. They are doing that at 6 per cent when the cost of electricity is low and the transport system is well developed. These are factors we need to consider in order to empower our people.

Thank you very much, Madam Speaker.

3.40

**MR JESCA ABABIKU (NRM, Woman Representative, Adjumani):** Thank you, Madam Speaker, for this opportunity. I thank the chairperson and the entire committee for the report presented. I also thank Government for bringing this request because as Parliament, we have been crying and requesting for agricultural loans to support our farmers but also, those small borrowers in other sectors. Therefore, I support the proposal brought on the Floor of Parliament.

Madam Speaker, I agree with my colleague who has just raised the issue of interest rates because majority of the small borrowers are still limited with financial capital. Building Uganda necessitates supporting such people.

If we say that the interest rate is going to be 13 per cent or not more than 13 per cent, that will not going to help many of our small borrowers. It will still pick on those who have grown to a certain level yet we still have many small borrowers.

Madam Speaker, we have people who are growing daily and whose bases need to be supported. Therefore, I request that we come up with a specific figure, agreeable to the standard of our small borrowers. This will help us to eliminate the stagnation in which we have been of the 68 per cent of the people still in subsistence farming.

Madam Speaker, I am also interested in the procedures. We often approve things here thinking that our people will easily access the services but the procedures often become very tedious. Therefore, I wish to hear more about the procedures that my small farmer in Adjumani is going to follow in order to access these services.

The chairperson also talked about information dissemination and she mentioned one of the methods that are to be used, which is carrying out workshops.

Madam Speaker, the same committee noted that the branches of our banks are not everywhere. Many of our districts are rural. Therefore, I propose that we involve the agricultural, commercial and extension officers of the districts so that they will be able to pass on this information. With that, I strongly support the borrowing of this loan to support our farmers. Thank you.

**THE SPEAKER:** Does the chairperson have a response on how to access the facility?

3.43

**THE LEADER OF THE OPPOSITION (Ms Betty Aol):** Thank you, Madam Speaker. I also support this loan. However, I would like to raise a very serious issue about the ordinary persons out there who cannot borrow much. We cannot subject them to only commercial loans.

Originally, there used to be cooperative banks. How can we help our ordinary person better to also access loans for farming? They struggle yet these big loans go to people who are already developed; those who can buy equipment like tractors.

There are also those who would like to do ox-cultivation or animal traction. However, they cannot access loans with low interest rates. How can we help our people access loans with low interest rates? Thank you.

3.45

**MR JACK WAMANGA-WAMAI (FDC, Mbale Municipality, Mbale):** Thank you, Madam Speaker. Uganda is an agricultural country. We get most of the resources from agriculture. However, when you look at these loans, they are very high and cannot attract people into agriculture.

What the Government should do is to bring down the interest rates for people who are going into farming. Very many people are now leaving the towns and capitals to go into agriculture. To attract many of the university graduates who are on the streets into agriculture, you have got to bring down the interest rates on loans.

Madam Speaker, you visited the Hass Avocado Farm in Mayuge. It is a very good agricultural produce. If the interest rates were low, many Ugandans would go into a fast-growing venture. Avocado is good paying but it is very tedious. You need water, good soil, farmers and people to work on the farm full time. Therefore, to help Ugandans go into this fast-growing agriculture, we need low interest rates so that people can go and borrow money and start going into agriculture. That way, we can help our people.

When you keep the interest rates high, people avoid agriculture and will come to town to look for white collar jobs, which are lacking. The Government must now work on that to ensure that Ugandans go into agriculture and increase the exports from this country. Coffee and tea exports went down. There is no cotton. The cooperative societies went down. To bring back these, we must bring down the interest rates so that people can borrow money and go into agriculture. Thank you.

3.47

**MR GILBERT OLANYA (FDC, Kilak South County, Amuru):** Thank you, Madam Speaker. I would like to thank the committee for noting that Uganda Development Bank (UDB) is in Kampala mostly. However, I would like to propose that its branches should be spread regionally.

I remember some time back, farmers from Amuru District were given forms from the Uganda Development Bank to fill. After filling them, none of the farmers from my district managed to get that money from Uganda Development Bank.

I would like to find out if Uganda Development Bank can liaise and work together with other banks in upcountry districts. We have banks that are more easily accessible by the farmers. If you have branches only within Kampala, it becomes very difficult for a farmer to move from my district, Amuru to Kampala, process loan documents and go back. That is quite hectic. Therefore, I would like to appeal to Uganda Development Bank to work together with other small banks within the districts so that it benefits the community.

Secondly, the committee noted that the loan is mostly being accessed by the already rich people. I think this is true. My colleague raised the matter of national importance that the money was accessed from Uganda Development Bank for putting up real estate. It is true that only well-to-do people are accessing this money yet we want the poor of the poorest to benefit from this particular loan. Let the bank change its mode of working and it goes nearer to the community in various districts. I beg to move.

**MS BBUMBA:** Thank you, colleagues. I cannot agree more with you on the issue of interest rates. Interest rates comprise cost of borrowing, cost of funds, operating costs and economies of scale. UDB is not doing well in all those three areas. They are still small and as such, the operating costs are still high. They are also borrowing at high interest rates and that is why the rate is high.

It is important that the Government comes up with interventions especially in agriculture to bring the interest rates further down, although it is the lowest among the banks.

On accessibility, UDB should be accessed by all people. Again, because of its size, it is not able to go direct to the consumers at the moment. That is why they are partnering with the Government or the commercial banks. They are very careful.

We asked them why they do not partner with commercial banks but they said they are trying to be conscious because of what happened to some commercial banks some years ago.

They have partnered with Pride Microfinance, Post Bank and Housing Finance Bank to reach out to those people who are far. They go and hold stakeholders’ workshops and loan applications are channelled through those banks.

On access by small borrowers, they support them through these small banks like Pride Microfinance and Post Bank. The small borrowers access that money through their associations because it would be very expensive to move from here and appraise a project for Shs 10 million on the islands. They put them together and these are working very well, like under the palm project and it is a big success. We received a testimony through those sector associations that they are getting Uganda Development Bank money and it is working very well.

Madam Speaker, UDB is the only bank that finances start-ups. Most commercial banks and all the other banks in the country finance projects that have already started. However, because of the mandate of UDB, they even assess the would-be borrowers to write projects, fund them through whatever arrangement and then walk all the way with them by providing advisory services, in order for them not to get off track and also to be able to achieve their objectives.

I thank you, Madam Speaker, and colleagues.

**THE SPEAKER:** Honourable Members, I put the question that the question be put.

*(Question put and agreed to.)*

**THE SPEAKER:** I now put the question that this House do approve the proposal to authorise Government to guarantee the Uganda Development Bank Limited to borrow:

1. USD 15.0 million from the European investment bank
2. USD 10.0 million from International Islamic Trade Finance Corporation
3. USD 20.0 million from OPEC Fund for International Development
4. USD 20.0 million from the Arab Bank for Economic Development in Africa.

*(Question put and agreed to.)*

MOTION FOR A RESOLUTION OF PARLIAMENT TO AUTHORISE GOVERNMENT

TO BORROW KUWAIT DINARS 6.0 MILLION (US$ 19.8M) FROM THE KUWAIT

FUND FOR ARAB ECONOMIC DEVELOPMENT (KFAED) TO SUPPORT THE

PROGRAM OF OPERATIONS FOR THE YEARS 2020-2024 FOR THE UGANDA

DEVELOPMENT BANK LIMITED

3.54

**MS SYDA BBUMBA (NRM, Nakaseke North County, Nakaseke):** Thank you, Madam Speaker. I would like to present a report of the Committee of National Economy on the proposal to borrow Kuwait Dinars 6.0 million ($ 19.8m) from the Kuwait Fund for Arab Economic Development (KFAED) to support the programme of operations for the years 2020-2024, for Uganda Development Bank Limited.

Madam Speaker, a loan request was presented to this House by the Minister of Finance on 25 June 2020 and it was referred to our committee. The committee considered and scrutinised the request and now wishes to report.

Before I proceed, permit me to lay on the Table the following documents, which we used in scrutinising the report.

1. The report of the Committee on National Economy on the proposal, which I am presenting to you now;
2. The addendum to the report of the Committee on National Economy on the proposal by Government to borrow up to six million Dinars;
3. Minutes of the meetings;
4. Brief to Parliament on the proposal by the Ministry of Finance;
5. A letter from H.E the President, approving the capitalisation of UDB;
6. A letter from the Ministry of Finance on the certificate of financial implication;
7. National Planning Authority recommendation;
8. Update on utilisation of funding for Uganda Development Bank;
9. International Islamic Trade Finance Cooperation intimation; and final terms and conditions of Murabahah Financing;
10. The draft line of credit agreement between the Arab Bank of Economic Development in Africa and UDB for $10 million;
11. The third line of credit to Uganda Development Bank Limited draft loan agreement, between UDB and OPEC Fund for International Development;
12. The finance contract between the European Investment Bank and UDB of 15 million, and the Arab Bank for Economic Development in Africa indicative term sheet for the private sector facility of up to $10 million;
13. The OPEC Fund for International Development General Conditions applicable to the public sector loan agreements;
14. Uganda Development Bank Annual Report for 2019;
15. The report of the Auditor-General on the financial statement of UDB for the year ended 2019.

I beg to lay.

In scrutinising the loan, we held meetings and we were also informed by the consultative meeting, which we held on 15th April with the private sector. We reviewed eight documents.

The background to this loan is the same as the one which I have just presented. Under table two, we have a list of UDB lines of credit guaranteed by Government and all of them are fully utilised; except for two, which are between 60 and 80 per cent utilisation.

Table three gives key selected UDB performance indicators and all of them are positive. On the development impact of the bank, it is the same like in the previous paper and this is covered under table 7- *(Interruption)*

**MS OGWAL**: Madam Speaker, the chairperson listed some very important documents and I am interested in two of them. She was supposed to lay the documents on the Table. Unfortunately, she went ahead to start reading the report before laying the documents. Is it procedurally right, Madam Speaker, for her to continue reading the report before we see the documents she has listed?

**THE SPEAKER:** Have the documents been laid?

**MS BBUMBA:** Madam Speaker, I had serious intentions of moving the document to the Table but I got excited to proceed with the report.

Madam Speaker, according to the bank’s strategic plan, the bank intends to explore various avenues to increase, diversify, and leverage its resources to increase and catalyse investment in the initiatives detailed in the strategic plan. The Bank is looking at $500 million over the period. Table 5 gives the capitalisation of UDB, which is quite low.

On the purpose of the proposed line of credit, UDB had a pipeline of Shs 709 billion of Small and Medium Enterprises that need long term financing. These SMEs are involved in sectors financed by the bank.

The bank wide goal for 2021 is to disperse Shs 502 billion from the approval of Shs 702 billion. The bank has commitment of Shs 351 billion, worth of proceeds of this loan. These proceeds aim at promoting SMEs and medium scale investment projects, which contribute to economic and social development in the republic of Uganda, through providing finances.

The UGANDA Development Bank shall allocate 20 per cent of the proceeds of the loan to finance SMEs investment projects and shall allocate 80 per cent from the proceeds of the loan to finance medium scale investment projects.

The bank will lend the loan to SMEs at an average interest rate of 7 per cent on the dollar loan and 12 per cent if it is a shilling loan.

Madam Speaker, Table 8 gives the loan terms and budgetary conditions. The loan is highly concessional.

Loan Conditions include:

1. Approval by Parliament.
2. Legal opinion of the Attorney-General on the loan documentation.
3. Letter to the Kuwait Fund for Economic Development authorising persons to withdraw applications together with their specimen signatures.

The level of concessionality is covered under Table 3.

Budgetary Implications

The capitalisation of UDB is included in the approved estimates of the Ministry of Finance, Planning and Economic Development under Vote 008 with an approved estimate provision of Shs 103.5 billion as appropriation in aid to UDB in the 2019/2020 financial year.

Loan and Current Debt

The debt stands at 49.9 of the GDP.

Despite the increase in sovereign debts and increased risks and vulnerabilities in the next few years, we are assured by the Ministry of Finance, Planning and Economic Development that the debt is still sustainable. The major vulnerabilities to the outlook relate to the slow growth of exports and the increasing debt service burden.

Debt service, as a percentage of revenue, has increased over recent years to over 20 per cent, a level usually seen in low income countries faced with high risk of debt distress. The increase in debt service has majorly been a result of increased domestic borrowing, which is typically more expensive and non-concessional commercial external debt. There is need, therefore, for Government to stay within the Charter of Fiscal Responsibility budget deficit target of three (3) per cent.

I now move to the observations and recommendations. They are the same as those in the earlier loan, but for the benefit of those who are not here, I will repeat them.

The committee noted the increased risks and vulnerabilities in the next few years that will impact the sustainability of Uganda’s sovereign debt. The committee recommends that Government should ensure that the infrastructure investment financed by debt yields the envisaged growth dividend, and that Government should improve on revenue collection by a half per cent of the GDP per year over the next five years. We know that Uganda has got the lowest GDP to tax ratio in the region.

The Ministry of Finance, Planning and Uganda Revenue Authority should fast-track the domestic revenue mobilisation strategy which addresses major bottlenecks or inefficiencies in tax administration. This will result into more revenue collection, and consequently, reduce the resilience on borrowing.

Government should fast-track the development of an oil sector and ensure that oil export commences. Government should slow the pace of contracting commercial external financing and domestic debts which are associated with high interest rates.

Government should also scale down on financing infrastructure development through debt once the on-going projects are completed.

On financial sustainability, the committee recommends that in order for UDB to finance its capacity of providing development financial solution as enshrined in its mandate, the bank should seek out an appropriate means of funding that will generate requisite capital to finance its investment needs at affordable cost.

On enhancing operational efficiency, the committee noted the operational risk exposure of the bank. Therefore, it recommends that UDB should further digitalise several aspects of its operations with the aim of leveraging technology to transform customer experience and to expand its outreach. The bank should focus on building an adequate staff competences among the staff to ensure that the bank addresses the institutional needs both for now and the future.

On the regional presence of the bank, which you alluded to in the previous report, the bank should consider the need to deepen their services by establishing and equipping regional specific branches in Uganda as the case is in Brazil, China and Ethiopia and also setting up branches countrywide and strengthening the partnership with Government banks which have got regional presence.

In conclusion, the committee recommends that the request by Government to borrow Kuwait Dinar 6 million, which is equivalent to $19.8 million from the Kuwait Fund for Economic Development to support the programme of operations for the years 2020-2024 for UDB be approved subject to the recommendations.

Madam Speaker, I beg to present. Thank you.

**THE SPEAKER:** Thank you, honourable chairperson. Honourable members, as you will appreciate, the principles in the other loan are exactly the same as these ones. I do not know whether anyone has any comment.

4.09

**MR STEPHEN BIRAAHWA-MUKITALE (Independent, Buliisa County, Buliisa):** Thank you, Madam Speaker. I would like to thank the chairperson of the committee for this report. More so, I thank her for accommodating our earlier concerns by meeting the stakeholders although I was out of town.

Ideally, UDB should be a special purpose vehicle for getting affordable long term finance as opposed to the commercial banks which have financed the short gestation projects. I am only concerned that in accordance with the NDP III and Vision 2040, the strategic plan is very conservative; $500 million is not a lot of money even if you want it to finance the mineral sector or the oil and gas sector.

How I wish at strategic level, Cabinet upgrades UDB. Capitalisation cannot be by just how much profits they are making. If we are going to have the industrialisation we talk about in the industrial policy, then I think Government must, like we are seeing trillions of shillings being pumped elsewhere, help the private sector. That is the only way we can build a credible Private Sector which we have been lacking.

I would like to plead with our colleagues in Parliament that as we go for the budget process, we need to be much more vigilant because Article 159 gives only Parliament the mandate to approve Government’s commitment to borrow loans. I think in the new culture of the Public Private Partnership projects, with challenges of contingency liabilities and sovereign guarantees, Parliament needs more latitude and leverage in terms of scrutinising the Public Private Partnerships.

Also, there is this hybrid now of the oil and gas – that recoverable cost has been my contention. Over the years, it requires parliamentary approval. You cannot seek parliamentary approval for $10 million for a neonatal hospital but you are going to commit $15 billion without parliamentary approval. I think Parliament will have abdicated its responsibility in terms of scrutiny.

Madam Speaker, we passed a law here making Uganda Development Corporation the arm leading industrialisation. Now, Uganda Development Bank and the Uganda Development Corporation (UDC) should be working hand-in-hand. Therefore, when we talk about UDB struggling and we do not ask about its mother, which is supposed to be UDC, then there is something lacking in our industrialisation agenda.

I would like to give a testimony that about 12 years ago, we did acquire 29 square miles of an industrial park in Hoima. It is nowhere in the agenda of financing. How I wish there was a loan today on this Floor to finance the Hoima Industrial Park. We have signed the HICOP, we found money last time for the airport; the runway is almost ready but to see that vast industrial park full of venomous snakes, baboons and others animals is not good.

You remember that UWOPA went there 10 years ago trying to see how women were being shifted very fast to create space for an industrial park, which is non-existent. I pray that the Government looks at it. As we battle with the debt stock close to $18 billion, can we find resources to go for the areas, which are very lacking so that we can put the money in the oil sector and into minerals and not forgetting the value addition given the challenges that comes with it?

I would like to end by saying that just yesterday, we were talking about upgrading UWEAL to a women's bank. We are asking, why not cooperative banks made out of it? In some jurisdictions like Kenya, there are so many mortgage housing banks. I am happy they are partnering with Housing Finance Bank. We would like to see more chain and sector specific-cluster financing so that we can move this country forward.

I would like to support the loan but I request that we get a more serious and ambitious strategic plan, which can move us in the direction of Vision 2040. I thank you so much.

**MS OGWAL:** Madam Speaker, this is the second time in one week that we have been told that documents have been laid, when physically they are not there. Unfortunately, this time, it involves our own committee. I was specifically interested in the audited report so that I can understand how this money is being used and the opinion of the Auditor-General on the performance of this bank we are putting so much money into.

Unfortunately, Madam Speaker, although an audited report is among the documents listed as laid, I have gone through the file and I have not seen any. I have even consulted with the chairperson who laid the documents, which purportedly includes the audited report and I can now confirm to you that the document, which has been laid by the chairman of the committee, does not contain the audited report, which our *Hansard* has already captured as having been laid.

Therefore, I am seeking procedural guidance on two things. One, that the audited report as laid be expunged because it is not here and two, I would think that Madam Speaker, you could probably come up with specific guidance as to how we can now present documents which we can refer to after our debate.

The way things are going, it looks as if we are told documents have been laid when they are not there. This is not a nice way of handling business in Parliament. Therefore, I need guidance. I am handing back the file to the Clerk but I am just trying to tell you that I have confirmed beyond doubt. Even the chairperson has looked through again and has also now acknowledged that the audited report is not in this file. I thank you, Madam Speaker.

**THE SPEAKER:** Was the audited report a requirement for this loan?

**MS BBUMBA:** Thank you very much, Madam Speaker. I would like to thank hon. Cecilia Ogwal Atim for pointing out an omission. I saw the soft copy of the report and I instructed the Clerk to make it part of the documents. However, he put there the annual report and said that the other one was too voluminous but I apologise for that omission. The report will be provided tomorrow.

Madam Speaker, I, therefore, wish to request to be permitted to expunge the audited report among the documents laid on the Table. I thank you. We have it in soft copy.

**THE SPEAKER:** Honourable members, in the absence of the audited report, the Clerk is hereby directed to expunge reference to the audited report because it is not there.

4.18

**MR JAMES NIRINGIYIMANA (NRM, Kikinzi West County, Kanungu):** Madam Speaker, I would like to thank you for especially allowing hon. Cecilia Ogwal to present and even scrutinise the file. This is a representation of Ugandans and where our own comes and says something is laid - Madam Speaker, you even asked whether it had been laid and she said everything is in the file.

Madam Speaker, when something comes up, we need to have stringent measures to restrain these chairpersons who are presenting serious documents to this House and Ugandans to avoid such unnecessary omissions. It seems it has not become a culture of passing a loan.

Do we come here to just rubberstamp or to pass a loan that is tangible and meaningful for Ugandans. Those issues that are required should be scrutinised before you come here and request the Speaker to put you on the Order Paper. At least one should be ready to present those documents that are necessary to highlight major issues that can guide the Parliament to pass something meaningful for the country. I salute you, Madam Speaker.

**MS BBUMBA:** Madam Speaker, I request Parliament to accept our apology. However, right now, the Clerk is printing it.

**THE SPEAKER:** Are they printing the audited report?

**MS BBUMBA:** Madam Speaker, yes.

**THE SPEAKER:** How voluminous? Let us have it.

4.20

**MR JOHNSON SSENYONGA (NRM, Mukono County South, Mukono):** Thank you, Madam Speaker. As I stand to support the motion of borrowing, I have a concern in the report, which should be seriously noted for the Members and even for the new members to continue following.

Earlier on, we talked about UDB and here, they have emphasised small scale industries and small-scale entrepreneurships. That is where the emphasis is and I want to put to the minister so that he can make sure that this time it is not only the big giants benefiting because it is clearly indicated that at least 20 per cent of the loan will go to small-scale industries.

Otherwise, many of our people consider these loans to be meant for a few instead of helping the majority who are really helping this country with solving the issue of unemployment. However, I support the loan.

**THE SPEAKER:** Hope the minister has noted the concern of the citizens about access and the SMEs. They should now feature prominently in your proposals.

I now put the question that the question be put.

*(Question put and agreed to.)*

**THE SPEAKER:** I now put the question that this House do approve the proposal to authorise Government to borrow Kuwait dinars 6 million from the Kuwait Fund for Arab Economic Development to support the programme of operations for the years 2020/2024 for the Uganda Development Bank.

*(Question put and agreed to.)*

MOTION FOR A RESOLUTION OF PARLIAMENT TO AUTHORISE GOVERNMENT TO BORROW SPECIAL DRAWING RIGHTS 57 MILLION EQUIVALENT TO US$ 78.2 MILLION FROM THE INTERNATIONAL DEVELOPMENT ASSOCIATION OF THE WORLD BANK GROUP TO FINANCE THE UGANDA INVESTING IN FORESTS AND PROTECTED AREAS FOR CLIMATE SMART DEVELOPMENT PROJECT

4.23

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PLANNING) (Mr David Bahati):** Madam Speaker, I beg to move a motion by Government to borrow Special Drawing Rights 57 million which is equivalent to US$ 78.2 million from the International Development Association of the World Bank to finance Uganda Investing in Forests and Protected Areas for Climate Smart Development Project.

**THE SPEAKER:** Members, is it seconded? It is seconded. Make your justification and then the chairperson can report.

**MR BAHATI:** Madam Speaker, the National Development Plan has identified 18 programmes that have been designed to deliver the required results under this plan. Among them is climate change, natural resources, environment and water management. Another one is agro-industrialisation and tourism. This particular product is designed to implement the first programme of climate change, natural resources, environment and water management.

We have been talking about this issue of climate change for some time now and one of the areas that we think we should have impact is in afforestation, water and environmental management.

This loan was considered by the Committee on National Economy, they have made comments and are ready to report. But the purpose is to protect our environment, support climate change management in this country; an idea and objective that this House has been progressively and aggressively pursuing.

I would like to recommend this request to Members of this House for consideration and approval to protect our environment. I thank you.

**THE SPEAKER:** Thank you very much. Can I invite the chairperson of the committee.

4.26

**THE CHAIRPERSON, COMMITTEE ON NATIONAL ECONOMY (Ms Syda Bbumba):** Thank you, Madam Speaker. I am presenting the report of the Committee on National Economy on the proposal by Government to borrow Special Drawing Rights 57 million equivalent to US$ 78.2 million from the IDA of the World Bank to finance the Uganda Investing in Forests and Protected Areas for Climate Smart Development Project.

Permit me to thank my colleagues who we worked with to scrutinise this loan. This loan was presented to this House on the 11th of this year and it was referred to our committee for consideration.

We held meetings with Ministry of Finance, Planning and Economic Development and with the Ministry of Water and Environment. We also made field visits. We went to the lower Albertine region: Kamwenge, Kasese and Rubirizi.

We also went to the upper Albertine region: Hoima, Kikuube, Masindi and the upper Nile region: Arua, Moyo and Yumbe. The main objective of the oversight visits was to appraise the committee on the project sites and intended project documentation. We reviewed 14 documents covered under paragraph 2.3.

By way of background, forests and trees have an important role to play in the struggle to reduce poverty. Initiatives based on sustainable local forest management, as part of our rural development and sustainable livelihood strategies, can support good governance and increase benefits to the poor.

Trees have many agricultural uses such as food, fuel, fodder, fertiliser, shade, wind breaks, fencing, packaging, water regulation and soil erosion prevention, to mention but a few.

Uganda’s economy remains heavily reliant on renewable natural resources. A heavy reliance on rain-fed and subsistence agriculture continues to expose the economy to risks from adverse weather and these risks are likely to grow under most scenarios for future climate change.

Uganda is vulnerable to climate change and its impacts are already being experienced. You all remember the hostile weather we had in January up to almost February; that was a result of the destruction of our natural forests.

Uganda has experienced severe reduction in forest cover as well as wetland degradation and encroachment. The forest cover in Uganda has reduced from 20 per cent in 1986/87 to 9.5 per cent in 2017/18. The implication is that there are increased vulnerabilities and disparities in incomes as well loss of livelihood to the population and reduction in GDP growth.

On the other hand, forests and wildlife are particularly important for tourism and we all know that before the advent of COVID-19, tourism was one of our main sources for foreign exchange.

Given the increased interest in forest management in Uganda, this proposed project will complement Uganda’s National Wetland Programme that seeks to-

1. restore and support sustainable management of Uganda’s wetlands;
2. compliment NDP III efforts that target to increase Uganda’s forest cover from the current situation of 9.5 per cent to 15 per cent by 2024/2025;
3. address wood fuel-based energy security for both communities and refugee settlements and growing environmental degradation; and
4. make substantial contribution to addressing the country’s priorities in climate change which aim to increase the level of ambition and commitments to both adoption and resilience.

The project linkage to the country’s strategy

NDP 3 has identified 18 programmes that have been designed to deliver the requisite results under this plan and among this programme is climate change, natural resources, environment and water management.

Secondly is the agro-industrialisation programme. This aims to increase commercialisation and competitiveness of agricultural production and agro-processing.

Thirdly, it aims at supporting tourism development programme. This aims to increase Uganda’s attractiveness as a preferred tourist destination.

The Uganda investing in forests and protected areas for climate smart development project is in line with the other programmes and if well implemented, will directly support the following four objectives under the NDP III:

1. Increasing agricultural production and productivity.
2. Reducing climate change vulnerability.
3. Reducing human and economic loss from natural hazards and disasters, and
4. Increasing incomes and employment through sustainable use and value addition to water, forests and other natural resources.

Therefore, the Uganda investing in forests and protected areas for climate smart development project is in line with the Uganda Vision 2040 and the Third National Development Plan 2020/2021 to 2024/2025 and is consistent with the goal of this plan, “To Increase Household Incomes and Improve Quality of Life of Ugandans.”

The project is also aligned to other planning frameworks, among which is the Uganda National Climate Change Policy, 2015; National Agricultural Policy, 2010 and the Uganda National Forestry Policy, 2001.

The alignment of the project with the Sustainable Development Goals

It is aligned to Goals 1, 13 and 15.

Madam Speaker, on the performance of loans in the water and environment sector; these are covered under Table 6. They are 12 loans but due to certain reasons, some of them have been slow in utilisation.

The current low disbursement is attributed to the continued slow pace by Government, in fulfilment of loan effectiveness conditions, costly land compensation claims and inadequate project preparedness for those projects. The majority of these projects were approved by Parliament two years ago.

On the project objectives, impact, outcomes and outputs, these are covered under paragraph 7. The overall goal of the project is to improve sustainable management of forests and protected areas and increase benefits to communities from forests in target landscapes.

Madam Speaker, table 2 gives the project development objective indicators.

The project’s geographical focus is on selected priority areas in western and north-western Uganda. The project target landscapes include Albertine Rift, the refugee-hosting districts of West Nile Region, and Lamwo district. The project will support activities in 17 districts, which are listed under table 3.

Madam Speaker, the project explicitly seeks to support engagement of people living in and deriving their livelihood from forests that are targeted for intervention under the project. Those are the target beneficiaries. The tourism sector and wood value chain players will also be important beneficiaries.

The Government of Uganda agencies in the natural resources sector and their staff, mainly Uganda Wildlife Authority and National Forestry Authority, as well as district natural resource office staff in the target districts will benefit from improved capacity for service delivery.

The project components, Madam Speaker, are covered under table 4.

The first component, which will take $47 million from the IDA, will cover improved management of protected areas. Component 2, which will consume $40 million, will increase revenues and jobs from these forests and wildlife-protected areas through targeted investments in tourism and productive forests. Component 4 will take $5 million. This will be for project management and monitoring.

Madam Speaker, the projected costs and financing arrangements are covered under table 4; where the IDA will cover 43.88 per cent. The grant will cover 6.73 per cent and the IDA grant for refugees sub-window will cover 32.55 per cent.

On the loan terms; the loan terms are provided under table 6. This loan is highly concessional with a maturity period of 38 years, a grace period of six years, service charge of 0.7 per cent on amount drawn and 0.5 per cent as commitment fee on undrawn balances.

The loan has the following terms and conditions:

1. Satisfaction by the IDA that the recipient has an adequate refugee protection framework.
2. The recipient has prepared and adopted the project implementation manual.
3. The recipient has established the Project Steering Committee, and
4. The recipient has established the project coordination unit, satisfactory to the lender.

Madam Speaker, on budgetary implication; Government of Uganda will be required to provide counterpart funding to a tune of $30 million. The Ministry of Finance, Planning and Economic Development has assured us that they are committed to avail the required counterpart funding under the respective votes of the project implementing agencies; that is Ministry of Water and Environment and Ministry of Tourism, Wildlife and Antiquities.

Madam Speaker, on economic benefit and return of the project; the estimated net economic project return over a 25-year period, using a five percent discount rate, is about two billion dollars, with a benefit-cost ratio of seven.

When excluding social value of carbon, the project yields an economic net present value of $528 million and has a benefit-cost ratio of 2.6. The Economic Internal Rate of Return is 40 percent.

Madam Speaker, this project is going to create gainful employment for over 22,000 people – green jobs. It is going to enhance eco-system services. There will be improved management of 1,157,073 hectares of central forest reserves, national parks and wild reserves through improved forest protection and enforcement management.

The project is envisaged to be implemented within six years starting from the effectiveness date. It is to be implemented by the National Forestry Authority (NFA), Ministry of Water and Environment, and Uganda Wildlife Association.

The debt to Gross Domestic Product (GDP) ratio now stands at 49.9 per cent. We are about to hit the threshold. However, the Ministry of Finance, Planning and Economic Development still assures us that despite the increase in foreign debt, increased risks and vulnerabilities in the next few years, the debt is still manageable.

On compliance with parliamentary approval, the ministry got a score of 64 per cent, which is well above average.

Observations and recommendations

On the low absorption of funds, the committee noted that absorption of funds for debt financed projects in the water and environment sector was very low.

The committee therefore, recommends that the Ministry of Finance, Planning and Economic Development and the Ministry of Water and Environment should ensure that all inefficiencies that affect the sufficient utilisation and absorption of funds for debt financed projects in the water and environment sector are mitigated to guarantee the timely implementation.

The committee noted that Government has been slow in the fulfilment of loan effective conditions upon signing of loan agreements, in order to trigger the disbursement of committed funds for the implementation of debt financed projects.

In addition, majority of International Development Agency (IDA) debt funded projects have frequently registered delayed start-ups and implementation. In some cases, they have even cancelled them.

The main reasons for the delay are:

1. Lack of detailed engineering designs;
2. Inadequate consultation and agreements with stakeholders;
3. Weak presence of implementing institutions in local levels; and
4. Lack of understanding with the loaners.

The committee recommends that Government ensures the speedy fulfilment of effective conditions of the Financing Agreement for these loans in order for the committed funds to be released by the bank in time.

Technical design of the project

The committee noted that while the individual components of the project are well tested in Uganda and elsewhere, bringing these together in a landscape approach is inherently complex.

The committee recommends that the project steering committee ensures that the responsibilities of individual implementing agencies of this project are clearly defined in the project documentation.

In addition, the project design should ensure that implementation responsibilities are fully aligned with the mandate of the project implementing agencies.

Provision of taxes in the total project costs

The committee recommends that the Ministry of Finance, Planning and Economic Development ensures that taxes are captured as additional counterpart funding to be provided for by Government during the implementation of this project.

Institutional capacity and sustainability

The committee recommends that the project steering committee ensures that the technical service providers that will be engaged by the Ministry of Water and Environment manage component three implementation, while engaging closely with district local governments deliberately, build their technical capacity for project implementation.

Sector strategies and policies

The committee recommends that the project steering committee engages inactive policy dialogue at a high level and embed the project's interventions within the broader Reduced Emissions from deforestation and forest degradation strategy of the country.

In conclusion, subject to the recommendations herein, the committee recommends approval of the proposal by Government to borrow Special Drawing Rights (SDR) 57.0 million (equivalent to USD 78.2 million from the International Development Association (IDA) of the World Bank, to finance the Uganda investing in forests and protected areas for the Climate Smart Development Project.

I beg to report. Thank you.

Madam Speaker, I have a number of documents, which I would like to lay on the Table:

1. The report of the committee, which I have just presented;
2. Minutes of the meetings;
3. Brief to Parliament by the Ministry of Finance, Planning and Economic Development;
4. A letter from the Ministry of Finance, Planning and Economic Development to the head of Public Service seeking clearance;
5. A letter from the Prime Minister to the head of Public Service on the loan request;
6. Clearance by the National Planning Authority;
7. A letter from the Ministry of **Water** and Environment to the Ministry of Finance, Planning and Economic Development on the subject matter;
8. The Ministry of Finance, Planning and Economic Development’s letter to His Excellency the President and
9. His Excellency the President’s letter clearing the borrowing;
10. The Cabinet memorandum, which was submitted on the loan request;
11. The agreed minutes of negotiation between the Republic of Uganda and the International Development Association (IDA);
12. The World Bank project appraisal document;
13. The draft amortisation of the loan repayment schedule,
14. The Uganda investing in forests and protected areas for climate smart development environment and social commitment plan;
15. The environment and social commitment plan; Uganda investing in forests and protected areas for climate smart development;
16. The regulatory impact assessment report for the project;
17. The Cabinet decision taken during the Cabinet sitting of 21st February;
18. The project implementation manual; and
19. The project appraisal manual for investing in the project.

I beg to lay.

**The Speaker:** Thank you, honourable chairperson.

4.49

**Mr Emmanuel ongiertho (FDC, Jonam County, Pakwach):** Thank you, Madam Speaker. I do not know whether to say I support this or not but – let me say that I do not support it for this reason.

I would have loved us to borrow a loan to build on what we are doing well. I would like to give just four situations to show that because in terms of environment management, we perform very poorly. If we cannot do the things we can within our means manage well, what about the loans when they eventually come?

The other day, the Minister of State for Environment was here lamenting how they arrested a lorry with charcoal knowing that there is this one situation, where they have made arrests but there are very many others that have come through and are already being sold here in Kampala.

The second situation is: you will remember that at some point my colleague, Hon. Nantaba, was fighting people who were replacing trees with sugarcane. Now, we are eventually going to be experts in protecting our trees.

Thirdly, all over, we are seeing situations where trucks of murrum are ferried to fill wetlands for people to do all kinds of construction; their own houses or factories and we are seeing that.

We know for sure that at some point, the Government had this policy, where they would parcel some land within the Government forest reserves for people to plant trees. We even know that was seriously mismanaged and, in some situations, people did not even plant trees but were doing other things. Therefore, for these four situations, which have been given as examples, I want to say that I am not in for this loan. Thank you.

4.52

**MS CECILIA OGWAL (FDC, Woman Representative, Dokolo):** Thank you, Madam Speaker. I am becoming very suspicious about advisors of the Cabinet. It looks as if their target is to find justification for a loan and then, it is quickly brought to Parliament.

Madam Speaker, the committee has been very smart in trying to highlight the importance of improving the environment, the forest cover, wetlands, and they have done it very well.

When you talk about forest cover or wetlands, the challenges we have are across the country. Madam Speaker, you recall when you hosted CPC in Uganda, one of the activities that was appreciated by the delegates, was exposing them to areas of our natural resources. For example, the rich fresh rivers that we have - I remember we took them to Jinja, they planted trees in order to improve the forestry cover and they climbed some hills in Uganda.

The problem of forestry cover is a national issue and after the conference you declared that Ugandan Parliament would be at the forefront to drive afforestation in Uganda. We discussed this matter and even requested that in the budget to follow, we should have included a national wide afforestation exercise led by respective Members of Parliament in their areas. I remember this was agreed upon and I offered as the person who spearheaded the tree planting exercise during CPC that we would start from Dokolo. You all know that we have the traditional forestry in Agwata and it is historical.

Today, I am very amused by that - the good thing is that I am not a tribalist because I come from almost all over. When you look at page 11, the justification for the choice of beneficiaries has not been given.

I have seen our home in Bunyoro - there is Hoima, and Kiryandongo. I can also be associated with Kamwenge and Kibale. In West Nile we have Adjumani, Arua, Koboko and Yumbe, which is still part of my home. Then you come nearer to my mother or father’s home, we have Amuru and Lamwo. Now what about the rest of the country? Talk about the east, the west, the central and Karamoja, which is severely suffering from drought. Yet, we are talking about reafforestation.

Madam Speaker, we almost lost a Member of Parliament, who was leading a protest to save Mabira Forest. Thank God she is still alive. I hope she will committee her life to ensure that she opposes any policy that encourages pollution in this country.

This Parliament some years back, passed a law, which was adopted by all East African countries to ban *kaveera* or polythene materials. I have seen it being implemented in almost all East African countries but Uganda has failed to do it. Why? It is because this economy seems to be driven by *mafias*.

If a *mafia* has an industry producing polythene products, you cannot touch him or her since they call themselves untouchable. We have asked: who are these *mafias*? I would be willing to go and sit down with them and negotiate. Otherwise, this issue is just too much of a burden. I am sure these *mafias* are producing and they have grandchildren. Whereas, they are eating now, their grandchildren need to live a good life in the future.

Madam Speaker, I want to take the route of the colleague who spoke before me. This is a very good loan; we should have got it yesterday. Otherwise, we need to focus on the environment. However, until all these things are sorted out, make it a national agenda, and get everybody all over Uganda, sensitised and recognise their responsibility that we will only survive if - because we still have arable land, if we can plant trees. The scientists said trees are the lungs of the earth. Therefore, if we planted trees, we would have effectively dealt with pollution.

Madam Speaker, can we have a nationally balanced and strategic plan on afforestation and wetland management in the country? I do not want to say that I completely reject this loan but I request that we stay this loan until all these matters are sorted out. I beg to submit.

It is a good loan but it must be sorted out. Let it be a national driven activity – and in fact, the amount is big. You are making me feel, as if I am a greedy person because most of the forests will be done in my home areas such as West Nile and Acholi. Now, what about the others? Don’t you want Buganda to come and visit us? What about the people of Kigezi and Karamoja who are our neighbours?

4.59

**MS HELLEN ASAMO (NRM, PWDs, Eastern):** Thank you, Madam Speaker. The intention of the loan is very good on the issues of climate change and one can be tempted to support it.

I have similar reasons - when I looked at this loan, I saw it going to the refugee hosting districts and I ask myself: in Uganda, the barest area is eastern Uganda. I am not saying this because I come from there. I represent a national constituency and I have moved in this country.

In eastern Uganda, we are already being threatened as a desert. From Karamoja, Teso, Busoga - even Mabira is just on the road; it is no longer behind there. How I wish the loan could be restructured so that each region has something to benefit.

When you get the hot temperature in eastern Uganda, you will not wish to stay in that community.

The other issue is on the sensitisation of our people. Sometimes we put money to waste. The trees will be planted, but maintaining them will be a problem. That will be the end of the story. You will find Ugandans taking their animals to graze in those grazing areas. Maybe, the minister can assure us on how they are going to protect this forest, so that the people do not use it. Moreover, you are going to deal with refugees who are not citizens of Uganda. They are likely to attack the forest and use it for their own personal benefits.

The other thing is on counterpart funding. We get loans, but the Government’s side is very slow in putting in the counterpart funding and yet the loan will start earning interests. I did not hear from the report whether this commitment has been put in place.

The chairperson of the committee or the minister should assure us that the counterpart funding is already in place or it is being processed in the next budget. It is because after we approve loans, you will come back after two years and find Government has not yet got the money. I will use SAGE programme as an example where we are begging Government to put counterpart funding. Up to day, the counterpart funding is not yet there. So, we might get the money but then the counterpart funding will be missing.

Otherwise, this would be a good direction to start looking at climate change. I think we need to have it covering all the other areas. Strategically, where is it worse? In my opinion, the worst part is in eastern Uganda. Thank you.

5.03

**MR DAVID ABALA (NRM, Ngora County, Ngora):** I thank you for giving me the opportunity. I have read the report, but it is showing me a lot of issues. The first thing I want to say is that this loan is good. Like my other colleagues have said, the amount of money we are referring to is over $70 million and not $10 million.

If we are to look at our history, in 1990, 70 per cent of Uganda’s natural forests cover was owned by individuals. By 2017, it reduced to a bare minimum of 38 per cent. In that period, the Ministry of Water and Environment was in existence in Uganda and they were just watching. I do not know why they did not take punitive actions in addressing such problems.

That is why so many parts of Uganda are bare. For example, look at eastern Uganda, especially Ngora where I come from. The place is bare. As we talk, the desert is actually reaching us anytime from now. The environment has been depleted. Incidentally, this loan is not talking about such areas. This is very serious, Madam Speaker.

As Hon. Cecilia Atim said earlier on, we are not rejecting the loan. However, we shall only approve it on one condition that the entire country is covered instead of selecting some areas. Moreover that is where most of the people are.

The people from eastern and north eastern Uganda, with Karamoja being the hottest area in the country, they can benefit from this loan. That is my opinion - it is a good loan. We are going to reap the benefits through employment and improved GDP. However, those benefits can only be seen clearly if we are looking at Uganda as a whole, and not a specific region and sub-regions while leaving others out. As Hon. David Abala, I may not support that element.

I would like to add that this loan is not a gift or grant. We are going to pay it back *–(Interruption)*

**MR NANDALA-MAFABI:** Thank you, Madam Speaker. I thank Hon. David Abala for giving me way. I would like to tell you that we borrowed money sometime back to plant forests. The information I would like to give to you is that, they should have first come to say, “From the earlier loan we got, we planted forest in this area, and now this loan is going to facilitate the planting of forest in this other area”.

Kakungulu came to eastern Uganda and he planted Mvule trees without borrowing even a single shilling. How can a whole Government now go and borrow money for purposes of planting trees? That is the information I would like to give you.

**MR ABALA:** Thank you for the information. Kakungulu planted trees in Ngora and as I talk now, those trees are still there.

I would like to appeal to Government to include all other regions such that all of us are on the same page. As a result, we shall move together as a country.

I thank you. For now, let us stay the approval of this loan unless other regions are included.

5.07

**MS JESCA ABABIKU (NRM, Woman Representative, Adjumani):** Thank you, Madam Speaker, for the opportunity. I thank the committee for the report and the recommendations. I also thank the Government for this loan request.

I come from a refugees hosting community. I have lived with the refugees for the whole of my life. The destruction and reduction of the forest cover in our district is so alarming. I visited Bidibidi and I was in Kyangwali two weeks ago. Things are so bad there.

When the refugees come to our country, they start life by using the forest products for establishment of their homesteads, and other things. I thank the committee and Government for prioritising the refugees hosting communities.

I have listened carefully to the request made by my colleagues. I propose that the ministry, also in its own mandate, can prioritise the refugees hosting districts, but we need affirmative action. The situation is so horrible. The land is bare. Therefore, I support the Government’s request and the committee’s recommendations.

As refugees hosting communities, we also need more Government interventions in the mainstream activities of the Ministry of Water and Environment. Honourable minister, listen carefully to what I am saying instead of engaging in other micro-meetings. To repeat what I just said, we need more affirmative action in protecting our environment under refugees hosting programmes.

I pray that when it comes to implementation, the money that our country will get should be allocated fairly. We have challenges when Government get money; the districts which are hosting fewer refugees normally get more money. We pray that this looked into. Therefore, I propose that the districts which are hosting more refugees should be given more money, because the level of destruction in those districts is too high.

Madam Speaker, I also encourage the Ministry of Water and Environment to liaise with our Ministry of Local Government. We need to have bylaws - We are not doing enough as local governments. If we have these bylaws, members may have a change in mindset and in our activities, especially agricultural activities and maintenance of our homes, we should be planting trees.

Madam Speaker, I also propose that the minister should do more work. I trust the honourable minister - as stated earlier on by Hon. Cecilia Ogwal - you have your records set. I propose that you remain exemplary to protect our reserves; forests and wildlife reserves with the Ministry of Tourism. That is the brand we have given to you and we are watching you carefully.

Under the Office of the Prime Minister, in the protection of the woodlands and establishment, there is a big cry from the communities. I pray that this is handled. We discussed this as West Nile Caucus in our last review meeting and we raise this matter especially in clearance of land and maintenance of wood loads under protection of the forest cover and opening of more forests.

Madam Speaker, the labourers are lowly paid. A person works for 10 days and is only given Shs 40,000. If you divide Shs 40,000 by 10, it means that each day you work for three to four hours and you are given Shs 4,000. This has not gone well with our people and it is affecting the project that is on-going. Therefore, we request that this rate be increased.

I also request, under this project, that individuals should be allowed to open wood loads because what is now on-going is that a wood load is given to a village and, therefore, it limits the participation of individuals who will wish to open their own wood loads and they are incapacitated. Therefore, I request that interested individuals should also be brought on board.

I thank you for the opportunity and I support this report 100 per cent. Thank you so much.

5.15

**MR JAMES NIRINGIYIMANA (NRM, Kinkizi West County, Kanungu):** Thank you, Madam Speaker, for this opportunity. I stand here to support this loan request which is augmenting the work you have tirelessly started and moved forward to implement by yourself and this Parliament. The sector could have looked into your efforts and has seen that it is important to support the request and the thinking of this Parliament to improve the forest cover and promote tourism.

I am happy when you say that Uganda is investing in forests and protected areas for climate smart development. Why I have picked interest is that the job creation that is highlighted in this programme is immense and what I would say is that in implementation of this programme, we need to restructure and include these people especially women who are around these national parks.

We are talking about the roads in national parks and improvement of tourism sites in the national parks but the people around national parks are suffering. I happen to be a representative of Kinkizi West where there are two national parks; Bwindi and Queen Elizabeth. I am happy when I see the electric fencing of these national parks. However, the problem is that they are not highlighting to what extent the fencing is going to cover. Is this loan going to fence the whole of Kinkizi, for example, which is touching national parks where the elephants have been eating people’s crops?

Madam Speaker, what about these people who are killing lions? They are not killing them because they wish to; they are killing lions because they are suffering and poor. You can imagine, the person who killed the lion testified that he wanted to sell some fat for Shs 40,000. Killing a lion for Shs 40000!

What intervention are we putting in these places such that these people can leave poaching and concentrate on economic activities? I am happy that you are putting up tea projects to prevent vermin. However, along Queen Elizabeth National Park, you cannot plant tea along those areas. What other crops can we put there such that these people can participate?

Madam Speaker, the report shows that the people around the national parks, especially Queen Elizabeth are the poorest and they do not go to school. What intervention are we putting? I am happy that this is a multi-sectoral loan, where we have water and environment and tourism. Can we also include such interventions where we can have the people around these national parks access a vocation because mind-set change goes with the conscientization level? Conscientization level goes with the level of education. How do we bring these people on board such that they can leave this primitive way of living?

Madam Speaker, if those ones could be included and well implemented - if it is not hijacked by the *mafias* - this is a good project and a good loan we have had in this country. I stand to promote and support this loan.

5.18

**MS MARGARET BABA DIRI (NRM, Woman Representative, Koboko):** Thank you, Madam Speaker. I rise to support this loan because it is very important. We know how degraded our environment is. However, the challenge I have seen now is that this loan has come at a time when we have been borrowing again and again everywhere. It seems we have borrowed all the banks and people are really fatigued.

You remember when you called and they said another loan. Therefore, people are fed up with borrowing. I do not know when we shall stop borrowing; I think it is too much. Let us try to raise our economy so that we stop borrowing. Otherwise we shall sell our Uganda.

Now, I am wondering when we get this loan, how we shall protect these forests. Where shall we get the angels to respect the trees we are going to plant? Therefore, it is a very big challenge. I would like to know exactly how you are going to do it? Are you going to provide tree plants? Are you going to organize people to protect the trees? I need more clarification. We need a lot of sensitisation to see that we respect the trees we planted.

I have tried to encourage my people plant trees, but when you plant them, by the dry season, all of them dry up, you begin afresh in the following season; so, our problem is water.

We need to be supported to irrigate our plants, because during the dry season, we do not get anything at all. We need to sensitise the people to keep their animals well because they roam around and spoil all the trees. How are we going to protect the trees?

Now, coming to the refugee hosting areas, today I am very happy that at last Koboko came out among them. Very often, when you talk of refugee hosting areas, Koboko is left out.

People used to sympathise with us refugee keeping people. They destroy everything; they are too many in a small place; they have left a lot of bare places, which need to be reforested.

When you have your children and have little food to share, you can say to one, “Hold on for a while, let us give to this area first, when I get more, I will give you later.” I would like to urge those quarrelling that this money is little. If we say it should go everywhere in Uganda, what impact will it create on the environment?

So, let us support this loan for the West Nile and the areas indicated and when your time comes, we shall also support you. We should not spread it everywhere or stop the loan; we need to improve our environment, thank you.

5.23

**MR MAURICE KIBALYA (NRM, Bugabula County South, Kamuli):** Thank you, Madam Speaker. I also join colleagues in thanking the chairperson and support the loan. I need to take it up from where Hon. Baba Diri ended, where some colleagues said that the loan should cover the whole country before they support it.

If we develop a spirit that a loan should cover the whole country before we support it, then we shall not pass any loan here. We supported a loan for Rural Electrification Authority to cover all the sub counties in the country, I need one MP here to stand and say power came to their sub county!

The moment a loan is amorphous, we do not achieve what we want; but in economics something must be specific and measurable. I do not come from the area where these trees are going to be planted, but I must support it, so that next time, when a loan in the same line comes, it must be for Busoga.

Everybody here knows that the effect of sugarcane industry removed all the forest cover from Busoga. The issues of climate in Busoga are high but if I stand here and say, “Unless Busoga is included I won’t support it” then when a loan comes that is only touching Busoga, the rest who come from West Nile will also not support it because it is only handling Busoga.

Every area has its own issues and problems, because according to the objectives - these districts that are here are 30, when they are covered, it is a mile moved in afforestation.

I am waiting for the time when Busoga, eastern Uganda, will be covered. In the area, they told us that the project objective here is to improve the management of protected areas. If some of these people from these districts are covered and happy, they will be in position to add value to what we are doing in this country.

The refugees that we are suffering with; if they are protected and something is done for them life will get better. If the forest cover in Budongo, Adjumani is handled, then we shall be happy that next time, the forest cover that will be handled will be of my area.

I was sharing with the Minister of Finance here. I asked him a question and he was giving me information; I want him to give it to all the MPs here so that we share and put him on the cross together. Honourable minister of finance *–(Interjections)-* one second for the information you wanted to give. In the minutes that I have here *–(Interruption)*

**MR AJEDRA:** Thank you, honourable colleague, for giving way. The information that I was sharing with our colleague is that this loan has a very high grant element of about 48 per cent; it is only about 52 per cent, which is loaned.

Secondly, to cater for the other areas, I was sharing with the Minister of Water and Environment that the Government of Uganda will provide funding to cover those other areas using our normal budgeting process.

**MR KIBALYA:** Madam Speaker, this loan handles the SDGs which Uganda needs to address; and this loan involves people’s income. Madam Speaker, I urge colleagues to support it and not say that the loan is not in Koboko, Mbale, Busoga or Kayunga; no. Kayunga or Mbale’s time will come and we shall be here to support them.

I request you also to support when the Busoga issue comes here to plant trees that side, thank you. The Prime Minister is asking me to tell people that Rome was not built in one day, so their time will also come.

5.28

**MS JOVAH KAMATEEKA (NRM, Woman Representative, Mitooma):** I do not know who made my colleague a spokesperson of the Prime Minister. I want to thank Hon. Syda for submitting for the loan.

Madam Speaker, in a situation where we are choking under the burden of loans, I think this loan is unnecessary. I want to thank Hon. Baba Diri for her submission.

We have sat back as a Government and let the environment be destroyed and let our forest cover be depleted. With the rainy seasons that we have and the climate that we are endowed with, this loan is not necessary. I beg to submit.

All we need are the right policies with the right punitive measures and serious enforcement of those policies, and the environment will restore itself. We need to chase away developers from our wetlands.

We are suffering unprecedented floods because the water channels are being blocked by illegal and unplanned construction. We need to chase away these people and in a matter of months our wetlands will restore themselves.

We need to be serious, otherwise even this loan if we got it, will be wasted. We have seen unplanned distribution of tree seedlings to people who do not even have land, people who are not ready to receive them and the seedlings dry up, plus the coffee seedlings.

Let us empower the police and local governments to enforce tree planting and we will achieve what we want without borrowing. Just as a colleague said about the late Kakungulu, he went to the east and planted trees, if we are serious, we can achieve a lot.

The refugees are not going away so, how sure are we that if we plant the trees that we will have purchased with the loan, these trees will survive? We have seen people cut trees for firewood. They have depleted the forests because of firewood. Are we giving alternative sources of power and are these sources affordable?

These are matters that should engage us. Let us concentrate on sensitising our people about the need for preservation of the environment. Let them guide them. They have the seeds; they can grow seedlings. There are many who are ready to grow the seedlings and benefit from this. All we need is that they are guided.

Madam Speaker, I beg to submit that this loan – at this material time – is not necessary. Thank you. We can do so much without borrowing.

5.31

**MR EDWARD MAKMOT (Independent, Agago County, Agago):** Thank you, Madam Speaker, for this opportunity. I also add my voice to those thanking the committee for this report.

Madam Speaker, while I agree that the spirit of this loan is good, I want to air some reservations. I appreciate that this is in the right direction. However, like other members have stated, I remember - here on the Floor of Parliament – we brought up the issue of charcoal burning in Agago. Actually, Adilang had become the epicentre for charcoal burning.

The environmental degradation level was so high. The Minister of Water and Environment made a statement here and I remember you recommended that next time, he should come with a plan for seedlings. I was hoping – and I believe my people are hoping – that when a time such as this comes up, Agago will be seen somewhere.

Madam Speaker, when you look at the people living near the game parks – the areas that are supervised by UWA – I know that we live in an animal corridor; we often get animals from Kidepo Game Park destroying crops, killing people, among others and UWA has an office in our area. I wonder why a place like that, which is bordering Kidepo, is not here and has – for many times – not appeared on a list like this one.

Madam Speaker, having stated that, I want to echo what my other colleague had stated earlier. We have talked about cattle rustling in the districts that neighbour Karamoja. We have talked about the semi-arid environment that is in Karamoja that extends to the neighbouring areas.

In most cases, we do something right in Karamoja but we forget about the neighbours yet most of the times, you find these people are being hosted in these neighbouring areas. This is also time for us –

When I was speaking to the chairperson of the committee on the sideline, she was like, “Oh, this is a very small loan”. Why don’t we consider a bigger loan because how many times are we going to keep getting loans of a similar nature? Next time, people are going to say, “No, let us look at another area.”

There are areas which are supposed to be covered here but they have been left out. I do not know whether it is because there is lack of knowledge. Madam Speaker, I feel like this is something that the committee and maybe the minister or the relevant authorities need to put into consideration. These areas that I am talking about are neighbouring the game park in Kidepo and are in the animal corridor and this loan is intended for such areas.

In addition, we also have the issue of insecurity due to cattle rustling and movement of the nomads during the dry season because of the environment. Why is that not reflected here? There is need to review this, accommodate that and then we can pass this.

I also think that you cannot say that it should be all over the country before it is passed. Even if it is not across the country, like SAGE, it could be a pilot but it should considerably cover some of the areas that we are talking about. Thank you.

5.35

**MS NOELINE KISEMBO (NRM, Woman Representative, Kibaale):** Thank you, Madam Speaker, for the opportunity. I support this loan and I thank the committee for processing the loan.

Considering the negative effect of climate change that we are experiencing as a country and globally, any strategy or approach towards improvement and restoration of the environment, acting in a climate smart environment is an effort worth supporting.

Madam Speaker, I happen to come from Kibaale and greater Kibaale which covers the districts of Kagadi, Kakumiro and Kibaale have the biggest number of central forest reserves that are in a very sorry state. The depletion rate is very high.

I am looking at this loan as a measure to improve the restoration of these central forest reserves and its protected areas. However, we need to look at other strategies. Why are these forests getting depleted? Why are they encroached on so much?

When we look at one of the activities that have led to the depletion, charcoal burning, it is everywhere, like other colleagues have stated. What is Government putting in place to reduce this?

I would appreciate that alongside this strategy, there is also a measure to bring alternative source of energy for the local people cooking. We have oil and gas in the country. What are we doing in that direction to ensure that as we restore the environment, the forests are not going to be encroached on with such depletion measures?

Madam Speaker, you have been calling upon the Minister of Water and Environment in this House to put a robust campaign towards tree planting across the country but this has not been forthcoming. I imagine that with this loan, honourable minister, one of the things you are going to do is a robust campaign of tree planting across the country so that we are able to “green” the environment again.

Therefore, I stand to support the loan with hope that our central forest reserves in greater Kibaale, as I have seen in the report, will be restored.

Lastly, Madam Speaker, as we try to restore, we also need to act smart. Up to now, I am still bleeding that we have lost a bit of Bugoma Central Forest Reserve and I have not seen the Government put up a spirited fight to save the destruction of Bugoma. We need to have actions match the strategy that we are putting in place. Thank you, Madam Speaker.

5.39

**MR GODFREY ONZIMA (NRM, Aringa County North, Yumbe):** Thank you, Madam Speaker. I support the loan.

My first point is about usage of loans. Many times, we borrow loans before we come up with a proper design on how we are going to use them. When you look at the design of some of these projects, most of the money goes to waste.

You find that some of the budget lines that take a lot of money involve issues to do with equipment, training, capacity building and the rest. The actual money that goes on the ground for the activity is very small. Madam Speaker, that issue must be looked into.

Secondly, members have been asking why the loan is going to support tree planting in refugee areas. Honourable members, there is a lot of refugee effect on the environment; it is great. Most of the houses that the refugees construct are local buildings made out of trees. So that has impact on the cutting of trees.

There is not any other energy source apart from firewood. All these refugees cut trees for firewood. For example, in Yumbe, we have over 250 refugees. I was looking at the number in Adjumani. I think it is half the local population. Therefore, the impact is great.

Sometimes when we stand on the Floor of Parliament and say, “No, I can’t support this because it is not from my area,” we should take time to look into some of these constituencies.

There was a time when Hon. Rukiya Chekamondo was making effort to ensure that that road from Kapchorwa to Swam is tarmacked. It never made sense to some people. However, when some of us went and moved on that road, that is when we said, “We must all go for this.”

When the honourable member from Buvuma was making effort to ensure that there must also be boat ambulances, it was not until some of us witnessed a pregnant woman being transported on the water using a local boat that we said, “We need to end this.”

Therefore, when we come here, we are elected by various constituencies but we constitute ourselves into a national Parliament of Uganda. We should portray that nationalistic characteristic here other than looking at our local constituencies.

I would like to talk about the issue of maintaining the existing forests. It is very unfortunate. I would like to speak as a witness. Kei National Forest Reserve is next to my home. In fact, from our home to the forest reserve, there is no other home up to South Sudan Border. Before 1992 when Government did not come out effectively to take over this forest, it existed without any problem. However, when Government came in, in the name of protecting the forest, it was degraded.

Recently when people were cutting *Afizira* trees in the forest, we mobilised and arrested them and made sure that these logs are offloaded at Kei Subcounty. Unfortunately, the group of people who went to get this were supported and backed by the Environment Protection Unit Police. The gentleman who led that operation is called Kasirabo.

The degradation of the forest is being backed by officials who are supposed to protect the forests. Right now, they are burning charcoal. Madam Speaker, if you had chance to go to Kei National Forest, people are burning charcoal. When you get there, they pick guns. The charcoal being burnt there is exported to Kenya. The people who burn the forest are those supposed to protect the trees.

We cannot act in one way to destroy what is existing and in another situation we say that we should borrow money to plant them. That is a paradox.

Therefore, honourable minister, you need to talk to your people. In a moment they are giving licences to so and so to go and split timber. The other goes to lay an ambush to arrest the timber. These are real things happening, not rumours.

There are officials who are in this sector offices whom the forest has become resources from where they earn money. I think it is good to support the loan to ensure that the forests are rehabilitated and more trees planted but we should show a sign of seriousness to ensure that we protect what is existing.

I would like to say that the other week, local people had mobilised themselves wanting to demonstrate against the massive destruction of this forest. However, authorities went in to say, “If you do this, we shall arrest you.” That is where the problem comes from. There should be a kind of positive attitude shown by those who are supposed to protect these forests to ensure that they are protected.

Areas where we need to also put more effort to plant more trees can come in. Thank you.

5.45

**Mr George ouma (NRM, Bukooli Island County, Namayingo):** Thank you, Madam Speaker. When an issue of a loan comes, we all know it is going to be a burden on Ugandans. The intention of this loan is good but what I know is that the *mafias* will kill the sanctity of the spirit. I also know that the virus will eat its own good intention.

The minister is here and even before I came to this Parliament, I used to admire her when she talked about Mabira Forest. As my colleague has said, along the road are trees but behind there, there is nothing. We are borrowing and the loan is going to do nothing apart from maybe benefiting some few people.

What is lacking – when you go to the districts or subcounties, there are seedlings. First of all, Ugandans should be sensitised. When we went to Kenya the other time with my colleagues, we saw very many trees planted by people. We asked them about it and they said, “The President of this country said, ‘cut a tree, plant two or ten.’”

Secondly, to make Kenya Green, the government made sure that they would take seedlings and a member of the family was paid to plant the trees. You see that the whole country is green.

However, we are asking for this loan but I am very sure nothing will take place as my colleagues have said. Go to the water now and see boats being escorted taking charcoal to Kenya with guns. We are destroying our own environment and then want to borrow. Why can’t we first of all stop people who destroy the environment and are untouchable in this country?

Shouldn’t the minister give us assurance first of all? What has gone wrong with the ministry to protect the *mafias*? She knows them and everybody does – *(Interruption.)*

**Mr atiku:** Thank you, honourable colleague, for giving way. I am a member of the committee. I would like to supply the House with this information with particular reference to a forest reserve called Laura found in Madi-Okollo District, formerly part of Arua.

In this forest reserve, the National Forestry Authority (NFA) has permitted people to cut down all the natural tree cover that was in that forest reserve. They are replacing it with artificial tree species, some of which have failed due to rampant fires that are lit during dry season. That has partly affected the weather pattern in Arua and the environs.

Therefore, as we look for resources to replant, National Forestry Authority and the Ministry of Water and Environment need to put their house to order. Otherwise, it is like washing a clean cloth and spread it to dry in the mud. Thank you.

**MR SSENYONGA:** Thank you, for giving way. Madam Speaker, I agree with the honourable colleague. There is already a tree-planting programme in Northern Uganda, which is valued in millions. I know my chairperson has come to you; we visited three districts but throughout those three, we managed to see only four trees yet the project component is in millions. We have asked our chairperson to allow us go back. Otherwise there are so many projects where money is injected when nothing is taking place.

**MR OUMA:** Thank you very much. As I conclude, Madam Speaker, I would like to thank the committee but we are suspicious because whatever is brought to this country benefits a few people.

I want the minister, if she is very sincere to this country, to come back next week or the other week and tell the House who these untouchable people are yet they are destroying the environment and wetlands. Sometime when you talk about them, you become a victim of circumstances. Thank you, Madam Speaker.

5.52

**MS NORAH NYENDWOHA (NRM, Woman Representative, Buliisa):** Thank you, Madam Speaker. I would like to thank the committee for endeavoring to come up with some of these things like this request for a loan for the climate smart development project.

As we discuss this loan, we need the assurance from the ministry that they are actually interested in restoring the forest covert in this country. Why am I saying this? It is common knowledge to all Ugandans that this country was interested in the forest cover and they put in place the National Forestry Authority. The bigger question is: if we already have existing forests, how far have we gone to protect them? For example Bugoma Forest has been cut for sugarcane planting. Where is our interest as Government as we go ahead to appropriate funds to restore forest cover in this country?

As we support this loan, I think we need to have some amendments if it has to benefit this country. The project components that we have been given by the committee - improvement and management of the protected areas, increased revenues, jobs from forest and wildlife protected areas and project management and monitoring – should be given real attention and Government has to make sure this is done.

We should be aware that some of these protected areas are shared between districts. For example, Budongo Forest shared between Masindi and Buliisa districts. Bugungu Wild Life Reserve is shared by other districts and same with MurchisonFalls Conservation area, which is shared by more than one district.

Therefore, I request and implore the ministry and the committee to handle the entire upper Albertine Region and Upper Nile if this project is to register success. Madam Speaker, there are forest reserves in this country, which do not even have a single tree. For example, Masega Forest, which is just in name without a single tree yet some of these places are completely bare.

I want to implore the Minister of Water and Environment to interest herself in finding out why we refer to a place as a forest reserve when there is no single tree yet when we are tackling some of these things; they have not been included as some of the areas where this project is going to benefit. Thank you, Madam Speaker. Otherwise, I request that we restructure this loan and make amendments for the benefit of the country.

5.56

**MR STEPHEN MUKITALE (Independent, Buliisa County, Buliisa):** Thank you, Madam Speaker and the Chairperson of the Committee on National Economy. Just for institution memory, you remember, I was the Chairperson of the Committee of National Economy who processed more than 13 major roads without Bunyoro getting any. However, I want to assure you that in the last two years, we have been the most rewarded. Therefore, I cannot speak as if I am a local village leader. Therefore, I appeal to Members to always have a national outlook.

However, what did we do in 2010 for us patiently wait for other roads? We put up a tradition as a committee that the minister, while presenting a loan request for Nyakahita-Ibanda Road - there was Viru-Raba and Gula-Atiak roads**;** there was a national character. I would therefore, like to request the ministry - I know there are other interventions in other regions and there are others which are pending – and I say this because this project is about 10 years late.

Madam Speaker, when you helped me process the motion for the Tree Planting Act 2003, thanks to the Seventh Parliament, when we tried to operationalise it, is when we were assured that there is money and a project which has integrated water resource management, the wetland component, the tree planting component - what I see that has disappeared is water for production component. That is what we were assured of. There is the Kyoga Zone; there is the Victoria Zone, Karamoja - all these zones were there. Can I request the ministry to give us that map, which gives all these regions?

I remember when this project was being conceived, I was convinced to go to the ministry - by the way, it was at a farm income enhancement, which was being fought by both the ministries of Agriculture and Water; there was hegemony of who should be in charge. I do not know why it has delayed.

Let me request that this project should be rolled out. I even do not know where the escarpment of Lake Albert - the Biiso,Budongo and the delta connecting Acholi, West Nile and Buliisa has disappeared. It was in this project. I would like to request that in the next project, we rollout to these other areas because as you are aware, before we produce the liquefied petroleum gas, which is an alternative for this pressure, we need enough trees in that area to help us before the oil production starts.

Madam Speaker, the ministry of finance has been mean with information. Whenever we present loan reports, the Speaker requests the ministry of finance to own the motion. What is on that motion? The minister has finally given information to my *muzukulu* about loan terms and conditions, which should be owned by the minister and there is a brief to Parliament so that when members are looking at the committee report, they have terms and conditions - because there is a grant component, which had not been brought to the attention of the members. They could be technical support and this is where some of these questions could be answered.

Therefore, the terms and conditions, feasibility study and Cabinet brief to Parliament is a requirement and I think should also be – *(Interruption)*

**MR KEEFA:** Thank you, hon. Mukitale. The information I would like to give is that this is actually not an ordinary loan. It is an International Development Association supporting the Uganda Government. It involves strong eligibility criteria. It is specifically for countries that are poor and are eligible for this support. Of course, there is that element of refugee host.

Also, the grant component has somehow been downplayed; it is 61 per cent. The way we have been discussing it actually is like it is a five per cent loan. That is the information I wanted to give. Thank you for giving me the time.

**MS KAMATEEKA:** Thank you, Madam Speaker. Hon. Mukitale, you said that before the oil comes out, we need forest covers restored in that place. I thought that the contract for the extraction of oil comes with a component for restoration of the area that will have been destroyed. So, do we need a loan to cover this kind of activity? I need clarification in that regard.

Otherwise, what the hon. Keefa has just said it helps in processing the loan, knowing that it is largely a grant. That information should have come out clearly. At what rate are we borrowing? Thank you.

**MR BIRAAHWA-MUKITALE:** Thank you, Madam Speaker. Both pieces of information are very important. I saw the grant element had been really underplayed and yet it is very important.

Also, in the days, when we are having too much commercial loans or sometimes borrowing domestically at a very high rate, you cannot resist an IDA multilateral concessional loan because that is the way to go. In fact, we should have done this yesterday.

I would like to thank hon. Kamateeka for her change of heart because when she first came here, she condemned tree planting for regeneration. When I followed up those who passed the Tree Planting Act, 2003, they were actually informed by technical information. Because of population explosion and pressure on bio fuel, we can no longer wait for regeneration. So, tree planting has become a required mix to make sure that you provide the biofuel as you wait for alternative ways of providing that much needed biofuel.

Finally, I request that the Tree Planting Act, 2003 should be implemented. After I presented my motion, I was told the Act was going to be implemented. On your own, you have planted trees in Karamoja. Hon. Cecilia Atim said she planted trees in her constituency. Why do we have to wait for the Speaker to go to an area yet this should have been a priority in the national budget? In NDP III, we have done the two. If we do not do that, I see we will have a very big problem.

Otherwise, for us in the Albertine Region, we are looking to be put on the rollout whereby the whole country can benefit. I thank you.

**THE SPEAKER:** As I invite hon. Olanya, arising from this debate, I am seeing that even the report on loan performance is incomplete. It is talking about percentages, but I do not know whether these percentages are in Kampala or Kitgum. I think if the Chairperson of the Committee on National Economy does not mind, in the future, we should have a report on the coverage. Where is the 7 per cent of the coverage in Uganda? We should know this.

Members are now talking about the loans we have passed, but here, you are saying 73 per cent has been disbursed. Where exactly are they? I think it is now important that we know where these loans have worked. Like Members are saying there are four trees in one area and yet we passed a loan here –

6.04

**MR GILBERT OLANYA (FDC, Kilak South County, Amuru):** Thank you, Madam Speaker. I thank the chairperson of the committee for this important motion.

Environmental degradation is real, especially in the Northern part of Uganda, more so in the eight districts within the Acholi subregion. Currently, if you see the trucks carrying charcoal from the North, you wonder. I remember in the last Parliament, we debated this matter very extensively.

As a country, we accepted one of the steel factories in Jinja to use charcoal. The best we can do for this country is to stop the people who are degrading our environment. We should tell the investors who own industries that use charcoal as a source of their energy to change to electricity. If we keep encouraging them, it will be very difficult to stop charcoal burning, sale of firewood and destruction of the environment.

This loan is quite timely. It is very important to plant trees. My appeal is, when the project is going to be implemented, let it go through the district local government for proper implementation. We are fond of recruiting new project coordinators and project controllers after getting money and in the end, the money disappears. Let us go through the district local governments. Let them liaise with the subcounty leadership to ensure people plant trees.

If we do not plant trees, in some years to come, we shall get it rough. For example, my district borders South Sudan. During the dry season in Acholi sub-region, you will feel a different kind of heat. You will feel that desert is moving towards Uganda. This is because most of the trees are being destroyed. Let us get a way of stopping the people who are destroying our trees.

Finally, I remember a year and some months ago, security personnel tried to stop people who were burning charcoal within Acholi sub-region. We had a very serious scenario. In fact, people who are burning charcoal move with escorts. Police officers are the ones guarding them and they escort them up to Kampala. After selling their charcoal, they go back to Acholi sub-region and continue destroying our trees.

Honourable minister, let us take the issue of environmental degradation very seriously. Let us stop the people who are destroying our trees. We know them and you also know them, but they are well connected. They are coordinating with the people in high authority and they have become very untouchable. Let us stop that impunity in our Government. I thank you.

6.08

**MR NATHAN NANDALA-MAFABI (FDC, Budadiri County West, Sironko):** Thank you, Madam Speaker. From the onset, I would like to state that for the first time, I do not think we shall commit a crime, if we do not pass this loan. You are aware of these shops, where you can buy one and get one for free. It means the whole cost of the two is embedded in one.

When a colleague comes here and says because the loan has a grant element, it is a good loan, he forgets that these grants have a cost. If they have a cost, why should you waste it where it is not needed?

We are not saying cutting trees is wrong, but we should cut trees when knowing that we are not destroying the whole environment. As you cut trees, there must be a process of regeneration so that the tree cover continues to exist.

Madam Speaker, today, you have passed a total of Shs 1.4 trillion. I do not know what you are doing to this country. If we care for this country, I do not think we should burden our people and ourselves otherwise, we have the authority to pass this loan in this format.

Tree planting in the whole world is done by the Governments themselves. For example, in China, at the end of every month, everybody is supposed to plant six trees. China which was initially with climate problems is now green. And this is what the RDCs, MPs and you Madam Speaker would be doing; directing that from now on, on every Saturday, we plant trees instead of coming here to borrow money for trees.

I can tell you, Madam Speaker, that we have borrowed a lot of money and are having these debts on the balance sheet; on a piece of paper but many of them are not being utilised because of people wanting this money for themselves. Having analysed projects, you discover a lot of money in non-performing projects and yet we are paying interest and commitment fees.

Madam Speaker, it would be fair for this country that we give examples. We borrowed money here for trees, my brother hon. Mukitale was the chairperson. He has come here to say that we should borrow more for trees instead of saying that what we borrowed but the loan never performed. We borrowed $48 million during your time. *(Interjection) -* give, as you come to give*-(Interruption)*

**MR MUKITALE:** Thank you so much senior hon. Nandala. It is true that the Government of Uganda, from the European Union did get a grant for the Sawlog project, and it introduced a very good culture. I do not want to go into the land grabs and the challenges on the land. However, I must admit that the project for tree planting, at that debate after you passed that very good tree planting Act was that we regenerate, and allow trees to grow. Remember the *Mabira* debate or do we plant because of pressure.

It is true; we went as a Committee on Natural resources in 2007/2008 to look at the piloting of the Sawlog project, by the European Union. It was indeed renewed and money was given. The trees you see in most of these areas are a product of that. I don’t think it was a bad project, though I was not a beneficiary. However, it reintroduced the Kakungulu culture, but this time with a refund of 60 per cent; if I still remember. However, it was not a loan approved by Parliament.

We are saying that if it is possible for the protection of the ecological zones - you need to understand the background; they are different 12 ecological zones in this country. I thank you.

**MR NANDALA-MAFABI:** Madam Speaker, I think the chairman has no institutional memory, but he doesn’t remember very well. There was a grant from European Union and was borrowing money from African Development Bank, if you recall. I think you have a bad memory, and I will show that to you tomorrow.

Madam Speaker, that money was borrowed. There was a project after Amps; Amp 1, Amp 2, it was where the money was put, and I can tell you that it was a loan. If the grant was there, which was under water, but there was also a loan. Therefore, your memory doesn’t serve you correctly.

Madam Speaker, the trees we planted, if it is true would not be having seeds for the future. That means that anytime we need to plant trees, does it mean that we must go and borrow? What happened to the seeds which were meant to have generated as a result of that African Development Bank loan and the grant? There was something to be generating tree seedlings, so that they would be able to be planted everywhere. And the model project was to be in every sub county.

However, you are coming here and saying that we need to borrow more, I do not know what happened to that the previous loan. It should have done an evolution.

Today, I learnt a lot of things. One, the reason why people are cutting trees is because the need most of it for the purpose of power generation, charcoal and firewood. We know those who are bringing here to sell because we need to buy charcoal. Why hon. Mukitale buy charcoal, it is because electricity is very expensive. If electricity was cheap, there would be no need to dirten your kitchen with charcoal and gas.

The reason is this, we in Parliament have allowed an elephant or a lion called ERA, every now it is increasing rates. As we speak, it has doubled power rates. As you double power rates, people leave electricity and go for charcoal.

Madam Speaker, you are aware of REA; they were supposed to construct power lines in the village. You can go in the villages and see a power line passing, but no villagers can afford to put that power in his house. Did you bring them for a show?

New connections are supposed to be missing - *(Interruption) -* you give me information. I am ready to receive it *(Laughter)*

**MR KABERUKA:** Thank you, hon. Nandala for giving way. Madam Speaker, the information I would like to supply to my colleague is that, while we passed a loan - actually many; loans TIBEA; that is EXIM Bank; Islamic Development Bank; there was a component of free connection.

Apparently, the free connection has disappeared, and people are struggling to connect themselves. When we pass a loan for any company, connection should also be availed to homes. However, they have now abandoned that element and now it is upon a person to pay money to be connected.

Secondly, another element or condition that was given in the loan was that, at least where the transformer is, there should be one kilometre radius which has been abandoned. Therefore, what you are saying is true, we need to go back to the drawing board and at least know where we are investing. Are we recouping back to our people? What is the intention? I salute you.

**MR NANDALA MAFABI:** Thank you so much - *(Interruption)-*

**MR AOGON:** Madam Speaker, he is my neighbour and a *muko* or *amuran,* and he has given me a chance to give information and that is delightful. If you come to my constituency, REA did a good job and people were given poles for electricity and the wires were there. To date, after like a year plus, there is no single connection. Therefore, the so-called free connection policy, I do not know where it is squatting. Madam Speaker, we have a problem.

Now, before I sit down after giving this valuable information, I would like to inform you that, even when a woman has conceived, before the nine months when delivery is ti occur; when doctors discover that there is danger and that the womb is likely to kill the mother, there is a chance for abortion. We need to abort this loan. There is a problem and the loan needs to be aborted. Otherwise it can kill the mother. I thank you.

**MR NANDALA-MAFABI:** Madam Speaker, what we are raising here is that, even if you approve this loan; because the population growth is increasing and the demand for power too even these trees, will cut be when they are still young. Yes, because they will say “I need fire, so I will cut the tree”.

Therefore, Madam Speaker, we must address the issues; one, is the minister capable to manage the mafias? No, she can’t. We, Parliament, have we failed? I heard my colleague hon. Olanya crying here that there are big shots’ who is the big shot that cannot be shot? *(Laughter)* [Members: They are there -]

Madam Speaker, who is this one allowing charcoal to move, trees to be cut - highly connected that we cannot disconnect him or her? If we don’t do it, it will continue. Yesterday, I heard you say that honourable minister, bring one “big fish” here and I say that you have charged a “big fish.” Can she? It is us Members of Parliament to get up and charge the “big fish.”

If we do not do so, we are going to borrow money –*(Interjection) -* the big fish is here *–(Laughter)*

**THE SPEAKER:** We need to conclude.

**MR SSEWUNGU:** Madam Speaker, the reason I have kept quiet throughout this debate is that - I am now giving the honourable Member information that members must know that before this Government came to power, we had enough forests in this country and they used it very well to fight a bush war.

After the war, go along Mityana Road, all these bushes were cleared because some other people would copy the same behaviour and maybe attack Government.

As you think of planting, there are people who do not like forests at all because they know how to get power through being in the bush for a long time and capture power.

The Bakiga here can bear witness with me, there are many Bakiga planting trees to cut pine and others; they have got money from the Western world without loans, they are giving them funds to plant trees.

Trees here are not so much loved until the regime changes because they went through the bush and to capture power so be very careful. Even Mabira was being demolished recently because of the same fear. *(Laughter)*

**MR NANDALA-MAFABI:** Madam Speaker, it is becoming interesting, another big fish is here.

**MS NANTABA:** Madam Speaker, I am not the “big fish” here; I am actually a victim. *(Laughter)*

I know that the Minister of Finance knows that Parliament is agitated with loan approvals and he has learnt a way of “packaging” for Parliament to approve easily because when he brings a loan touching environmental protection and restoration of our protected areas that are in bad state, he knows that people will support it. But to add my voice to hon. Nandala’s issue, this is money that is going to be thrown to the “dogs” again.

The loan is packaged, the will is good but you cannot see results when some forests are already registered in the names of the “big fish”.

We have forests that are already taken; some are just waiting. The National Forestry Authority allows deforestation and once a full forest is depleted the land grabbers move in.

When NFA runs to court, it is always a game between the big fish and for NFA, they pretend as if they are running to court to protect the forests and the judge moves to the ground and when there are no trees, the accused says “I did not find a tree here; I bought this land from the district land board.”

The forests are already titled in the names of private individuals that even if you approve loans they are wasting time.

Kayunga’s three forests, two are gone, even the one left is about to be taken because someone has moved in planting sugarcane.

The one remaining is about to go; I will not come back here to present the same issue because Parliament has become so powerless that it cannot even protect what it has gazetted.

Madam Speaker, I wish the minister could present titles of forests he is intending to protect using this loan such that we know how many kilometres of barbed wire we will need to fence around these protected areas. He is bringing blanket things; if we are going to protect these forests, why - We are going to protect these forests, what are the detailed activities under this loan. You are just talking about recovering of wetlands, wetlands are now sugarcane plantations. So, what are you going to do with those in wetlands full of sugarcane?

You are talking of sustainable management of forest reserves; a collaboration between the local communities, NFA, Ministry of Finance, Water and Environment. Both ministries are going to be involved but what are their activities?

Madam Speaker, I am not in support of this loan because we are just becoming a rubber stamp; just approving loans for people to steal money. The truth is that the forests are going; they are registered in private individuals’ names and they will not allow you to use the money on land they have already acquired.

Some forests like Bugoma forest are already on the way - someone is holding onto some papers; very soon they will show them and take that forest as others have gone. So what is the use of us approving loans when what we are intending to protect is already threatened?

**MR NANDALA-MAFABI:** Madam Speaker, I want to conclude but from what hon. Nantaba has raised, what are we going to protect; where is the area we are going to plant?

I want to state today that as soon as you pass this loan, they are going to sit down and change the design of the project and when they change it, they will never come to the House.

I propose that for the first time in this year, let this loan be rejected in totality and we say; “We have over-borrowed for this financial year, let us wait for the next.” Thank you.

6.26

**MR LAWRENCE BIYIKA (NRM, Ora County, Zombo):** Thank you, Madam Speaker and honourable members for raising your concerns. I have listened carefully to all of you and looked at the map of the proposed project area. Technically speaking, I pray that we pass this loan. Why? The project area is a very important watershed and we cannot just sit and say; now because the environment is being degraded, we can do nothing. Let us give it a benefit of the doubt but passing it with amendments.

When I look at the project area and if we are interested in sustainable management of forests and protection of the water shed, it has covered part of the Albertine region - the districts of Hoima, Buhweju but has also gone to the upper Nile.

So why do we leave out the districts like Buliisa, Masindi, Nwoya, Pakwach, Nebbi, Zombo and Maracha? The upper Nile should be included so that we address that watershed in totality because we do not want to come back and say we are borrowing money to plant trees in Maracha which is a very small district but with high environmental degradation.

The second prayer is that this project should be able to give alternative livelihood for the adjacent population in this area. They are going for charcoal because they do not have alternatives. Let us give them alternative income generating activities that can make charcoal burning unprofitable, I pray. Thank you.

**THE SPEAKER:** Honourable members, I have one question. I see here Bugoma Central Forest Reserve which has been cut down to plant sugarcane; are we borrowing money for Bugoma?

I see Budongo Central Forest Reserve, which has equally been depleted by again sugarcane farmers. For whom are we borrowing?

6.28

**MS CECILIA OGWAL (FDC, Woman Representative, Dokolo):** As the minister is coming, maybe she can give us explanation. Can the minister clarify because she comes from Acholi? There is Abera Forest in Acholi which used to be well entrenched and I thought that it would help us a lot as an umbrella for that particular area and also Agwata Forest Reserve in Dokolo. I believe there are quite a number across the country.

Can you tell us who are the people depleting because you cannot be a minister and you do not know the destroyers? You want us to plant but then you must also know those who are destroying them. Therefore, can you clarify, so that we know how we can support you.

Madam Speaker, I may not have another opportunity. My prayer is that because this loan is so important – I am so passionate about the environment, I was wondering whether we could agree – not to reject it completely, but to stay this loan until Government comes back with a specific definition on the direction, we are taking the loan. We can then probably decide to either reject or approve it.

However, for now, Madam Speaker, my prayer is that we stay the loan. Of course, the minister can tell us anything she wants to tell us, but among the things she should tell us is who is destroying the forests in your own home area. We want to know.

6.30

**THE MINISTER OF STATE FOR WATER AND ENVIRONMENT (ENVIRONMENT) (Ms Beatrice Anywar):** Thank you, Madam Speaker and honourable colleagues for the issues you have raised. I understand the concerns – firstly, concerning the many loans that as a country we are passing and probably this one got us when we were a bit fatigued.

I also appreciate honourable colleagues for the desire to protect the environment and yet we see the contrary in most parts of this country.

Madam Speaker, I thank the chairperson and the committee members for having processed this loan. This is a very important loan. I know it is coming at a time when we have mixed feelings. However, if we look soberly into details of this loan, this is a loan I would really beg that we allow to pass.

Madam Speaker, yes things have gone wrong. Are we saying, as leaders of this country, that we shall let it go and more so the environment, which is a pillar of development in this country? Your concerns are all passionate to all of us and that shows how we want things to be done right. How can we turn this situation around, if we do not allocate funds to that effect?

I have been on the Floor of this Parliament, passionately saying that even the ministry is underfunded. Most of the activities cannot be implemented because we do not have the funds available. This is the only way we can be given such amounts of money and Parliament tasks us to produce results.

For example, Madam Speaker –*(Interruption)*

**MR NANDALA-MAFABI:** Thank you very much, Madam Speaker. I have seen the minister in charge of environment about to cry –*(Laughter)*- and it is very bad for us to see a woman and mother crying, when we gave her a ministry to look after.

Her cry is that we have underfunded the ministry. She now wants to borrow money in the name of a forest, so that she goes and funds her ministry; maybe to be fuel for her car or field work.

Madam Speaker, the Parliament of Uganda is well designed in such a way that it always approves budgets according to the requests that the ministries have presented. It allocates them according to priority, which is the best going downwards. When money gets finished, the ones which are unfunded are not important immediately.

Madam Speaker, is the minister of environment in order to come and cry that she now wants money in a loan - through a project - so that she runs the ministry, yet we, as Parliament, have appropriated and we are going to appropriate money for the ministry directly, according to their needs?

**THE SPEAKER:** Honourable members, she is just very keen on delivering the trees for this country. *(Laughter)*

**MS ANYWAR:** Thank you, Madam Speaker, for your wise ruling. I am even surprised that an uncle can stand up and allude that a point advanced passionately means crying. However, you are entitled to your opinion, honourable colleague.

Madam Speaker, I am very passionate about this. This loan entails two ministries and touches fundamental sources of revenue. What Members are perceiving is that the loan is specifically or purely for tree planting. We have other components, which I would implore colleagues to look into.

We are going to create jobs and do electric fencing so that our animals – which hon. Olanya and other colleagues also alluded to – stop escaping out of their cages and coming to destroy the homesteads.

We are already alluding to this loan to ensure that those who are living around the protected areas have a source of livelihood. It is all embedded here, Madam Speaker.

It would also be wrong to sound as a national leader that we are going to have a loan, which is cutting across all parts of the country. I also want to comfort you that we also have that fear on this loan. The area of tree planting is across the country. Leave alone those which are specific for the refugee hosting districts.

My honourable colleague – through you, Madam Speaker – I would implore you to change your mind. Look at this loan as a starting point to correct what has gone wrong. We cannot refuse to go to sleep because we are going to dream badly.

We need this loan to put a few things, starting –*(Interruption)*

**MR AKAMBA:** Thank you, Madam Speaker and the honourable minister for giving way. The information I would like to give you – and indeed to the House – is the fact that we are looking at the loan as if it only has one component of tree planting.

A critical look at the report will disclose that in addition to planting trees, we have electric fencing of the national parks. We have the forestry stations. We have boundary opening of forest reserves that will sort out the issue of the cries that the forest reserves are being taken away. It will also resolve remote fencing and tracking equipment. The loan looks at re-equipping Nyabyeya Forestry College.

So, it will train more people and equip them with technical knowledge on how to go about forestry and indeed the environment.

The most important thing – the information I want to give the honourable minister – is that out of the total loan amount, $60 million is a grant; a very small portion is what is coming in as a loan.

So, that is the information I wanted to give you, honourable minister and the Members.

**MS ANYWAR:** Thank you, honourable colleague. Madam Speaker –*(Interjections)­*- Madam Speaker -

**THE SPEAKER:** Honourable members, we need to conclude. You know we are in Ramadhan.

**MR MUKITALE:** I have very useful information, honourable minister. You know I was your ally in the Committee on Natural Resources when we were fighting this battle, when you were still a backbencher.

Madam Speaker, the information I want to give this House is that read the Tree Planting Act, 2003. These watersheds exist. The lakeshores exist. The riverbanks exist. However, the point raised by hon. Nantaba and others, which is valid, is that a lot of them have been grabbed.

The amendment I would like to make is that as we rollout this project, can the minister make a commitment that all those titles – it was discussed here in the Eighth Parliament – fraudulently acquired on those forests are cancelled and revoked?

Some of us on the lakeshores, nature has claimed back the lakeshores. Therefore, the lakeshores, riverbanks and tree planting – I took time to read that Act, it is very good and it is what we are trying to operationalise, unfortunately in piecemeal.

Therefore, the information I am giving is that you should commit that you will revoke those titles.

**Ms anywar:** Thank you. Colleagues, you are quite aware that the process of cancelling titles in wetlands and forests is on-going. I would like to commit myself, on behalf of my Government, that in due process, with the enforcement of the letter from His Excellency to implement this, we are going to cancel those titles in wrong places.

Madam Speaker, you are aware that the land said to be bare is Government land; the National Forestry Authority (NFA) –*(Interruption)*

**Mr niwagaba:** I am seeking clarification from you, honourable minister. You have talked about the process of cancelling titles illegally acquired or acquired otherwise in wetlands and forest reserves. Is it possible for you to give us the details of ownership of titles in respect of the areas affected by this loan for us to know whether the loan we are going to give you is affected by a prior ownership of the title by different persons all together?

**Ms anywar:** Madam Speaker, we are talking about Government land. In this project, we do not have areas owned by individuals. Planting wood on private land is part of the component where the owners of the land, who are going to get engaged in planting those trees, are going to be funded through this arrangement.

Allow me to conclude –

**Mr okupa:** Madam Speaker, you asked a question. Now the minister says there is no forest, which is owned individually. You asked about Bugoma Forest where individuals have titles. Hon. Nantaba has issues in Kayunga where people have got titles in the forest.

**Ms anywar:** Madam Speaker, I am coming to your question as has been alluded to by hon. Okupa. You are quite aware that areas like Bugoma Forest are one of those cases, which are in court including where hon. Nantaba had already alluded. This House directed me to go and visit some of these areas.

We came back and reported that as much as the so-called mafia had taken over part of the land, we are engaging them in courts of law. Once issues are before the courts, we must allow the process to go on. We cannot proceed with that.

On Bugoma and other forests, as a ministry and Government, we are taking the legal way to redeem them, including the titles. I would like to make this correction for the *Hansard.* I did not say that we do not have areas where titles have been claimed. I am saying that where we are implementing this project, none of those areas are under some arrangement, which we know that you wanted us to bring in here.

Madam Speaker, allow me to get to this. The Members are asking; “Do you know these people and how are you going to deal with those who are degrading the environment?” Administratively, let me start with this. There was a submission by a honourable colleague on Kei Forest where my staff have been implicated. He mentioned one of the officers.

I would like to inform this House that the said officer, because of similar engagements, has been recalled. I personally wrote to their ministry to recall and deploy him elsewhere. This is administrative and it is happening within my ministry. The same is with the officials of NFA. Whoever has that evidence and we get hold of them, we are taking administrative measures. We are not handling them with soft gloves. We are dealing with those ones.

The Minister of Finance, Planning and Economic Development has something to say.

**Mr ajedra:** Thank you, honourable colleague, for giving way. As the Ministry of Finance, Planning and Economic Development, we took a long time to negotiate this loan with the International Development Agency (IDA). One of the reasons they were able to advance the loan to us was because we needed to cater for certain elements in the project.

One of the elements that have not been highlighted here is the fact that we are also going to develop tourism in the national parks, in addition to fencing them. All of you know that tourism, until recently because of COVID-19, was the top foreign exchange earner in this country; way above agriculture and other sectors.

Therefore, this project will go a long way in trying to develop the tourism sector in this country. Remember that we have staff who are in the field. They do not have housing and part of this loan is to construct staff housing in the national parks. As such, we should not look at this loan and grant as if we are just going to plant trees.

The National Forestry Authority, using the budget that is allocated by Parliament, continues to produce seedlings, which are being distributed throughout this country.

I must declare my interest; I am an environmentalist and I have over 50 acres of trees planted. When I see destruction of forests in this country without us, as national leaders, going that extra mile to try to protect even the little that is there, I think we are doing a disservice to this country.

The fact that some things are going wrong does not mean that we should fold our hands and just watch them go. The forest cover has substantially reduced in this country, if you read the report of the committee. Do we want it to get to zero? –*(Interruption)*– I will take the information.

**The Speaker:** We need to conclude.

**Mr ssewungu:** Did you first take a loan to plant those 50 acres of trees that you own? Can you inform this House?

Secondly, I have taken time without seeing you here processing loans; this is my first time to see you. When you do not see hon. Bahati here; the expert of these loans, it is not blessed by your side. *(Laughter)*

**Mr ajedra:** Madam Speaker, if I am not in Parliament, it means that I am doing other national duties in the ministry. We do not all have to be in Parliament to be able to carry out –

As I was saying, we should not look at this loan component as a tree planting exercise; it is much more than that. The terms and conditions of the loan are very clear. This is a concessional loan with a huge grant element. That is one of the reasons why we were able to negotiate with the IDA.

The terms and conditions are very clear; we have a grace period of six years. IDA is providing a grant of about $ 70 million, the Government of Uganda, which is going to be providing the counterpart funding which has been talked about a lot is going to be providing about $ 30 million and the loan component will be $78.2 million. Therefore, honourable colleagues, I do not think we should miss an opportunity like this one because of-

**THE SPEAKER:** Hon. Ajedra, give me the breakdown again; I thought the total is $78 million.

**MR AJEDRA:** The loan component is $78.2 million, the grant element is $70 million, and the Government of Uganda is providing 30 million.

In addition, as I said, the grace period is six years and we have 38 years to pay the loan. The interest rates are highly concessional; 0.75 on the drawn credit balance and 0.5 on commitment. Therefore, you can see it is highly concessional. I request my colleagues that we pass this loan so that the implementation of the project can proceed.

**THE SPEAKER:** Honourable members, you know we are in Ramadan. We are keeping the Muslims here yet it is almost 7pm, we are not being fair please.

**MS ANYWAR:** Madam Speaker, as I conclude –*(Interruption)*

**MS OGWAL:** I think I pleaded for this loan and I thought that the two ministers would have considered my humble cry- you have not seen the tears but I have been crying. This is a very good loan and I get insulted if the Minister opens the file and starts emphasizing. Some of us read these documents and scrutinize them. Therefore, we have understood, you do not need to come here and lecture again because we have read and that is why we are engaging you.

Madam Speaker, the Minister of Environment has admitted that there have been some areas they have not focused on. There are some titles that are going to be cancelled and those are our concerns.

My appeal and prayer to the two ministers and to the Government; can we rectify the areas that we have identified? They are so crucial. The issue of forest covers starts from Karamoja to Kisoro and we are saying, can we cater for that instead of just a few areas that have been identified.

We need all these issues. You have listened to us, we have to give you evidence painfully. I wish you could say that give us one month for us to rethink and come back with a position. Now you are just pushing us whether we like or not; you have already seen that I cannot swallow that food because it has nails in it that is what I am telling you but you are forcing me to swallow it.

Would you rather that we reject it? I would rather we save it and give you time. Your appeal to the House would be that give us one month or a week so that we come back with a well-packaged loan and definitely we will pass it.

I personally support this loan but I cannot pass it now although, I have been waiting for it for a very long time but I cannot pass it because of all the pitfalls that have already been identified.

Madam Minister, please go- I do not know how to describe it in English, Madam Speaker. Can the Minister just now tell us what to do; do you want us to say no or you want to plead with the House to give you time to go and repackage the loan?

**MS NANTABA:** Madam Speaker, you had allowed me to say something. In addition to what hon. Cecilia has alluded to, you asked the Minister to give us the situation as far as Bugoma Forest is concerned and how the status is now.

She said that none of the protected areas that have been ear marked in this project is titled in the names of any private individual. Can the Minister produce titles of those protected areas she is intending to protect, to recover, or to restore using this money before we approve this loan such that we know there will be value for money? In addition, for avoidance of doubt, we just want know where our money is going in case we get it. Can she produce land titles of all those protected areas?

**MS ANYWAR:** Madam Speaker, hon. Ida Nantaba- who is my daughter, was one time a Minister of Lands. She is aware as much as the House is that the process of titling all our forests is just starting; we do not have land titles to our central forest reserves. We are only starting to title them as a way of protecting them. Therefore, for her to ask me to bring the titles, I think that would be unfair.

However, I would buy the idea that way forward, we need to title them because the truth of the matter is that the smart people just come put titles long the side of natural resources and then claim it is theirs. Madam Speaker, and honorable colleagues, my last passionate appeal is that I have heard the voice of Members *–(Interruption)*

**MR AOGON:** Madam Speaker, constitutionally, the issue of regional balance is very pertinent. If we are going to spend over 38 years paying for this loan, you realize that all Ugandans will be participating in repaying. Now you are in the situation of making other people to be consumers of the loan while others will just be paying and watching. I do not think that is orderly.

Therefore, I would love to see the Minister commit herself to making sure that there is fairness; even me in Kumi, I have a forest that needs to be resurrected. Can I see what my people are going benefit before you have this loan goes through *–(Interjection)-* this issue of saying order; it does not work here. You first attend to my issue as well. Therefore, Madam Speaker, regional balance, equity, and equal opportunities should be ensured but not making others to pay while others eat.

**MR KEEFA:** Madam Speaker, I think it is obvious that we would have wanted several other areas to benefit. I would have wanted also Kiboga to benefit from this. I am a member of the Committee on National Economy, and these are the things I had at the back of my mind when we were processing this.

However, there is an issue that colleagues must appreciate that this is a World Bank loan, which I think, has taken close to eight years to negotiate. It has gone through a very rigorous process where each and every aspect of it was assessed. It is not like an ordinary loan when you are probably doing domestic borrowing and then you can easily restructure.

My appeal to the Members is that yes there is need for a lot other out there. In the appropriation and the subsequent budgeting process, we should be focusing on these things. However, that does not mean that we stop processing this loan. It is a very good loan and I strongly support it.

**MS ANYWAR:** Madam Speaker, not to make my colleagues feel bad about this loan, I have listened to their submissions. I have made my plea through the Speaker. I thank the chairperson of the committee who is also beefing up the issue. The bottom line is that we need this loan to manage our environment.

Secondly, the regional concerns have been taken note of. We have processed loans here starting with one phase before progressing to another. We would be happy to roll out starting from this one before we cover other areas.

On the issue of protecting the environment and the commitment we have globally, what signal will the rejection of this loan send? It sends the signal that we are not up to protecting the environment. We might have some shortcomings as a country, but we are promising to work on them administratively and report back.

That is my passionate plea. It is not a cry, as my uncle, hon. Nandala-Mafabi, is saying but the passion all of us here have for the environment. That is why we have debated this matter till this time.

Madam Speaker, you have been championing the protection of the environment. You have been hailed globally for being the champion of the environment.

If there are shortcomings, as they have been identified by my elder and namesake, hon. Cecilia Atim, they will be taken note of and we will take care of them. For now, let the loan proceed while we fix those shortcomings.

I pray that if it pleases you, honourable members, you approve the loan. If you are so passionate about the shortcomings as elaborated by hon. Cecilia Atim, we can be given even a week or a few days to go back to make some adjustments and I come back to plead with you to allow this loan pass so that we can conserve our environment. I beg to submit, Madam Speaker.

**THE SPEAKER:** Honourable members, a lot of questions have been raised around this loan. I agree with the minister that we give her one week to make adjustments. Then, she can come back so that we see how we can patch up the areas.

Secondly, if you could come back with the breakdown of where other loans have performed in the country and how much of the country has been covered so that as we add more money, we know where to put more and where not to put more.

On the issue of the title deeds, obviously you cannot get them in a week’s time. It also raises questions on how you will identify the areas of operation.

Personally, I think you should come and give us an explanation on what has been done so far with the previous loans so that we know where they are. Then, we can add on those loans knowing that we have catered for an area, and we need more in another area. We are not rejecting the loan. We are just giving you time to respond to a number of queries, which have come up. We should satisfy ourselves before we take a decision.

Today is Wednesday. So, you will be back on the Order Paper on Wednesday next week. Just bring us your report and we will take a decision. Thank you.

Honourable members, because of the Ramadan period, we cannot do more. Tomorrow, however, we shall handle the Climate Change Bill and the Rules of Procedure. We hope the Parish Development Model Report will be ready and also, we will have one or two other motions on the Order Paper.

House is adjourned to tomorrow at 2.00 p.m.

*(The House rose at 7.03 p.m. and adjourned until Thursday, 22 April 2021 at 2.00 p.m.)*