



IN THE PARLIAMENT OF UGANDA

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THIRD SESSION - 12TH SITTING - SECOND MEETING

Tuesday, 14 November 2023

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

PRAYERS

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

The House was called to order.

COMMUNICATION FROM THE CHAIR

THE SPEAKER: Honourable members, I welcome you to this afternoon's sitting. You are most welcome back. *(Applause)* I would like to appreciate you for the commitment you have put towards your work, for the good of our country.

It has been a while since I last chaired this House. I would like to thank my young brother, Rt Hon. Tayebwa for steering the House while I was away. *(Applause)* I sincerely thank him for being a dependable honourable colleague. That is how we should work with each other. I went away on short notice, but I got the House the way it was. We thank God for that. *(Applause)*

In a special way, I also thank you, honourable members, for being in the House whenever we need you and all the time when we need you. Originally, we had adjourned to the 15th, but we had to call the House today because we have very important Bills. I thank you, Members, for being committed to your work. You are most welcome. *(Applause)*

As leaders of the 11th Parliament, we strive very much for cohesion and teamwork, irrespective

of the political parties. We try our best to work together with each other, for the good of this country. In doing that, we should be tolerant, be able to listen to each other and try to create a conducive environment for our own members and honourable colleagues.

We will ensure that we protect every Member's rights while in this House. We will ensure that we bring cohesion in this House so that we work for the good of our people out there whom we represent. Remember, we are the voice of the voiceless.

Honourable members, I am also aware of the outstanding demands of the Opposition, which will be presented to this House on the 19th. I have received a report from the Government and the Government Chief Whip will respond to that.

I have got a response from the Government that they will be presenting their position on what they were asked to do by the 19th. We should be able to get a report on issues of human rights and the civic space by the 19th of this month, which will be next week. Since 19th is a weekend, we shall receive it on Tuesday, which will be the 21st.

However, I would like to advise my honourable colleagues that you should not fight when you are out; please, fight when you are inside here. *(Applause)* Just like when you are in a home and you are fighting as husband and wife, do not run away; be there. *(Applause)* Stay there so that we see who is who. It is not good for us to go and start lamenting from outside. Let

us be here and solve our people's problems in this House. Getting out of this House is not a solution.

On that note, therefore, as a leader of this House, I am going to invoke the rule on the 15 sittings and I want you Members to come to the House. Do not miss the 15 sittings; do not be deceived that you should walk out. I will count the 15 sittings.

Honourable members, we all appreciate what is going on. We are all Ugandans and Uganda is for everybody. If you are not going to do work for Ugandans when you are in the House, then we will apply the rule for 15 sittings and see what to do. Remember, that is Rule 112(6) of the Rules of Procedure.

Honourable members, as you know, I went on a short leave. I bring you greetings from *Ssalongo*, *Nnalongo* and the *Balongo*. (*Applause*) You are all their uncles and aunties. Holding a position like mine does not stop one from being a mother. I hope I inspire most of you. (*Applause*)

Being a politician, I am not a civil servant for anyone to ask, "Why has she come back from leave?" I am not on maternity leave. (*Laughter*) A politician does not have maternity leave. The law prescribes for a civil servant; a politician is not a civil servant. Therefore, if I am in good health, I come and serve my country. (*Applause*)

The problem we have with our friends who love social media is that they know everything. They are doctors, nurses, gynaecologists, paediatricians; they even want to be *Ssalongo*'s when they cannot be. (*Laughter*) They want to know when a *Nnalongo* is pregnant. They know everything, but they do not know anything. Do not give us a shrinking social space. We are here to serve the nation; we have lives to live and we must live our lives to the fullest. (*Applause*)

Honourable members, as we start the House today, I went to Nsambya Hospital to check on one of our honourable colleagues,

Hon. Ssegirinya. I encourage all of you, as colleagues, brothers and friends, to check on him as a colleague, brother or friend. I was very impressed with the services in that hospital yet it is private.

On the same note, I thank Kampala Hospital; I had heard a lot of rumours that those politicians spend a lot of our money on going to give birth from outside the country. I gave birth at Kampala Hospital. They are still asking, "Why a private hospital?" It is a choice. Private institutions are here to complement Government institutions. Let us not look at smaller things, but be happy with our country and love it.

We need the private sector to complement the Government. Yesterday, I was in Mulago to visit Hon. Elotu who got involved in an accident. The time I went to the hospital, he was in the ICU. I did not know that Mulago had the best ICU. It has the best equipment in the country. The problem we have with Mulago is the human resource. As we go into the budgeting process, I want us to support the National Referral Hospital by providing them with money for human resources. We also need to support the private sector, which complements the Government sector.

Honourable members, as you are aware, the term of office for standing committees is coming to an end. I want to request all of you to put your applications to your respective whips. In the next meeting after the break-off, we should be able to consider the committees and the Commissioners. Those who want to take up those posts should put in their applications for consideration.

Finally, on a special note, I want to thank *Mama Janet Museveni* and His Excellency the President for the support they gave me when I was doing my motherly duty. I thank all of you for the messages you sent me and the love you showed me. (*Applause*)

In a special way, I thank Rt Hon. John Patrick Amama Mbabazi and the *Katikiro* of Buganda. All those people have been there for the *balongo* - you are the owners, but the others

are outsiders and so, we must thank them for that. I wish you nice deliberations for today. Thank you.

2.13

MR GEOFFREY MACHO (Independent, Busia Municipality, Busia): Thank you, *Nnalongo*, Anita Among, (*Laughter*)- the Speaker of the Parliament of Uganda. I appreciate your statement and welcome you back to Parliament. I say congratulations on behalf of the people of Busia Municipality and Busia District for having brought us twins.

In your submission, you have talked a lot about cohesion. I thank the Deputy Speaker in absentia; it was business as usual. That gives a picture to us who were in the 10th Parliament of demonstrating a lot of unity.

I want to agree with you that Parliament is the august House where all issues, complaints and battles are solved. It does not benefit our brothers and sisters in the Opposition to go and complain on the streets about the human and civil rights of Ugandans when they are out of the House.

They complain on the streets and outside Parliament, but always in the restaurant, corridors of Parliament and committee meetings, which brings a question mark whether they are the voice of the people who voted for them. I, therefore, call upon them to come back.

I also call upon the Government that we should stop dilly-dallying. Why do we take that long to give a statement on issues that the Opposition is asking for? The more we delay, the more we give a gap to the Opposition to show that the NRM regime is not performing; moreover, we have been there for some time.

Therefore, Madam Speaker, you are spot on. I pray that the Government comes with the right statement, not a workshop one - so that the Opposition comes back to the House and begins checking us who are in Government on that day you have given. Thank you.

THE SPEAKER: Thank you. Honourable members, one, the *balongo* are not a matter of discussion. As I said, they love you and wish you well.

Two, I talked about the issue of the Opposition and it is that. The Opposition is not one party. I have seen my elder, *Imat* Cecilia here. She is from the Opposition. I have also seen the President of UPC; he is from the Opposition. There is Opposition in the House. All we need is, as I said, cohesion - honourable members, it is free sitting. Hon. Namuyangu, there is a free seat here.

Honourable members, we will get a statement from the Government on the 19th on that. As Hon. Macho says, let us come up with a comprehensive statement. It does not cost us much. Our colleagues who are not in the House will come when they feel they should.

2.17

THE PRIME MINISTER AND LEADER OF GOVERNMENT BUSINESS (Ms Robinah Nabbanja): Madam Speaker, on behalf of the Government and the whole country, I congratulate you, *mama*, for being a *Nnalongo*. You look lovely. On behalf of the Government, we are happy working with you. (*Applause*)

I also congratulate my *muzukulu*, the honourable Member of Parliament who made it possible. (*Laughter*) That one. I also thank Members, especially all those who gave you congratulatory messages.

THE SPEAKER: Actually, including yourself, my sister.

MS NABBANJA: Including myself and I believe the President; everybody is happy that you made it. You have added to the population of this country. May God bless you.

THE SPEAKER: Thank you very much, my sister, Prime Minister. What I can tell you is that I am living a full life. The only thing I was left with was the *balongo*. I have it all now, I am living a full life; I have no problems.

2.19

MS JESCA ABABIKU (NRM, Woman Representative, Adjumani): Thank you, Madam Speaker. I join the rest in welcoming you back. I have one comment on the health status of our district referral hospitals related to what you mentioned about our national referral hospital.

Adjumani District referral hospital is collapsing. I have taken letters to the ministry. It is leaking and it is serving both the refugees and nationals.

I pray that we support our Committee on Health to ensure that we prioritise our health units this year because many of them are in dire need. Thank you.

THE SPEAKER: Thank you. Rt Hon. Prime Minister, before you came in, I talked about Mulago - you saw me. Mulago is doing a very good job; the only problem is the human resource. Now, the district hospitals must be looked upon.

Dr Ayume, you should look at all these hospitals in the Budget Framework Paper and see how we can improve the health services.

2.20

MS SARAH OPENDI (NRM, Woman Representative, Tororo): Thank you, Madam Speaker. I also welcome you back, but also on behalf of the Uganda Women's Parliamentary Association, I congratulate you for this double joy of our little twins. I wish you and the babies good health.

This country is blessed with very good doctors, some of the best doctors in the region. However, the doctors lack that enabling environment for them to perform the tasks that they need to perform.

For example, in the Neurosurgery Department in Mulago, they are very few. I do not think they are currently even more than 10 qualified neurosurgeons who are at Mulago Hospital, but the space is not there.

When you move to the regional referral hospitals - I know we were doing some work; you may ask what I did when we were in the Ministry of Health. However, with support from the Government, we have tried to expand and build some new structures, but still, there are not enough resources. The construction is very slow.

When you reach Mbale Regional Referral Hospital, finding four or five babies on a single bed - it is terrible with mothers standing beside these babies. They just needed Shs 8 billion to complete the new structure, but the money is phased over different financial years.

Soroti Regional Referral Hospital is one of those hospitals that have not received funding for expansion and yet, we have very good doctors. You remember the separation of the twins that was done by those doctors and we think the doctors cannot do their work? It is the environment.

Honourable colleagues, we are in the budgeting process - let us prioritise healthcare because the majority of our people cannot fly out of this country. You and I may go, but they cannot. Let us have the facilities so that they are able to get-

THE SPEAKER: Personally, I cannot go. I live within Uganda.

MS OPENDI: Thank you, Madam Speaker, for that. I hope that the others also follow suit. If you want to give birth, please, give birth within, it is not a medical condition to take you out of the country. Thank you.

THE SPEAKER: Thank you. Honourable members, we must take the issue of healthcare seriously. Let us not concentrate on only one hospital. Let us look at all the hospitals throughout-

Like we recently passed a law on organ transplant. I went to see the facilities, everything is available. However, still they do not have the human resources, the building where they can keep the donor and the recipient

during the recovery process. The construction is underway, but it is taking too much time.

I do not know - Chairperson, Committee on Health, you need to make a follow-up on this. Do you have anything to say?

2.24

THE CHAIRPERSON, COMMITTEE ON HEALTH (Dr Charles Ayume): Madam Speaker, on the sixth floor, in the corner, we have two theatres that were built purposely for organ transplant and three Intensive Care Units (ICUs) specially for that purpose.

However, the problem with Mulago Hospital is water. As I have mentioned earlier, the water comes in the night and by 10.00 a.m. there is no water. There are issues to do with the sewerage; the air conditioning is not working and of the six lifts, only one is working.

Therefore, we need Shs 25 billion to be able to put the hospital to the national referral hospital status and I hope we can get that during the budgeting cycle. Thank you.

THE SPEAKER: Rt Hon. Prime Minister, can you give a response to that?

MS NABBANJA: Madam Speaker, I believe everybody is aware that I was a Minister of State for Health (General Duties) and the hospitals fall under that docket. Being a Prime Minister and having been a Minister of State for Health (General Duties), I pledge - [*Hon. Omara claps*]

THE SPEAKER: First wait for the pledge - (*Laughter*)- he is clapping before you mention the pledge.

MS NNABANJA: Madam Speaker, it is Government's responsibility and policy to make sure that our people get the treatment they deserve in our hospitals. That is the reason we have health centres III at the sub counties and we are doing very well in that regard.

In every constituency, we are supposed to have a health centre IV and a number of health

centre IIIs are being upgraded to health centre IVs. At district level we are supposed to have a district hospital and a number of districts have hospitals.

At the regional level, the policy is that we have a regional hospital. At the national level we have five national referral hospitals and they are Kawempe, Kiruddu, Mulago, Butabika and Entebbe.

We make sure that these facilities get the required personnel and recently, these people were complaining all the time that they were not being well paid and Government has enhanced their salaries.

That is a plus for Government. We are moving in the right direction and we are going to make sure that all these other things are catered for. That is my pledge.

THE SPEAKER: Thank you, Rt Hon. Prime Minister. I would like to let the House know that when you look at the ICU, all the 29 beds have very modern equipment, but they have only 14 workers, meaning that they can handle only 14.

And for dialysis, they are supposed to handle 75 patients, but they have only 10 health workers, meaning that they cannot handle the rest. Therefore, let us see how we can budget for money to increase the labour. Basically, it is only increasing the human resource.

2.29

MR MUHAMMAD NSEREKO (Independent, Kampala Central Division, Kampala City): Thank you, Madam Speaker. Rt Hon. Prime Minister, the last time we were here, the minister in charge of health gave us a status report on COVID-19 in this country. We tasked her to tell us how many CT scans, high-dependency units, ICUs and MRIs are functional in this country. She stated that out of the 17 regional referral hospitals, they had procured these services, but there was no access to three-phase electricity power lines to make these services functional.

If it takes someone from Karamoja or Teso – let us say from Soroti – to move to Kampala just to have a CT scan conducted as a result of the malfunction of the regional referral hospital CT scan in that area, then you can look at the cost that someone in the rural area bears just to access these services that deal with diagnostics.

So, what is your pledge as well in order to make those services available, reliable and accessible to all the people nationwide?

THE SPEAKER: There is information from the Member for Kazo.

MR ATWIJUKIRE: Thank you, Madam Speaker. I worked with the health sector for some time, starting with Mulago and, later on, National Medical Stores. The issue of the health sector needs a serious dissect. We may come here and talk about it on the surface, but there are specific areas that we need to look at. Even for the issue of human resources, if we did an audit, we would find that there are people who have accessed the payroll of the health sector without working for more than three years.

Madam Speaker, we need to consider the National Health Insurance Scheme law or to operationalise it so that it can help us to address the critical areas of need in the health sector.

Finally, Madam Speaker, aware of the rationalisation attempt by the Government, we may need to think of a hospital management authority. What happens in the hospitals is that there is no one responsible. Even punishing a worker is not possible. There are no key performance indicators. We need to find a way of tasking the output to be made clear for our health sector. Thank you.

2.32

MR STEPHEN KANGWAGYE (Independent, Bukanga County, Isingiro): Thank you, Madam Speaker. First and foremost, I would also want to congratulate you -

THE SPEAKER: Honourable members, I have been advised by Dr Chris to be in the

House for only two hours. So, when you continue with matters – we have serious matters on the agenda. Doctor, isn't that what you advised me to do? *(Laughter)*

2.33

THE MINISTER OF INFORMATION, COMMUNICATION TECHNOLOGY AND NATIONAL GUIDANCE (Dr Chris Baryomuni): Thank you, Madam Speaker. I also add my voice to congratulate you.

Yes, there is what we call the postpartum period when somebody has just given birth. We give medical advice that such a mother should avoid stressful situations such as sitting for very long. *(Laughter)* So, it is true that we advised that you regulate the time you can be in a situation that prolongs stress and so forth. The advice we have given is that you should not sit for many hours. You can sit for a period of around two hours.

So, I concur with you that we need to limit the debate and go into serious issues.

THE SPEAKER: Thank you.

MR KANGWAGYE: Most obliged, Madam Speaker. Allow me to be brief. First and foremost, I do not know whether I got the honourable member well. He talked about the issue of water and air conditioning at Mulago. The issue concerning water in the hospital is something very important. I was of the view and I would like to know – and he wanted to know from the Government – whether we can be in a position to avail funds so that the issue of water and other challenges can be easily fixed without even giving space. That is what he wanted to know so that we can be able to answer.

THE SPEAKER: Thank you. Mulago is coming up with a supplementary, so, do not worry. They are coming to ask for money.

2.35

MR ALEX BYARUGABA (NRM, Isingiro County South, Isingiro): Thank you, Madam Speaker, for this opportunity. Allow me also to congratulate you. Congratulations!

On the issue at hand, Madam Speaker, I have had a go at the Uganda Cancer Institute myself. The Cancer Institute is one area that is extremely crowded, yet it is also supposed to be a centre of excellence for the entire East African region. At one time, patients were being treated - you can imagine being given chemo - in the corridors or even outside. It was such a sad sight.

It is going to be very difficult - like my colleague said, it is not necessary for us to go out of the country. It will take time. This is because, as we talk today, you can only be very sure - especially when you have a cancer problem - that it is there and at a particular stage, when you take what they call a PET scan. There is only one operational PET scan in the entire East African region, and that is in Aga Khan.

What exactly happened to ours? We were promised some time back, but we do not have any. So, somehow patients will still go out. I do not know whether they have fixed hours or it is not yet fixed. Can you, please, give us a hint on that?

Secondly and lastly, you talked of upgrading the health centres II to health centres III and health centres III to health centres IV. Up to today, Madam Speaker, I have not seen a list showing people hope that: "Look here, Isingiro South, you are going to get your health centre IV during this period." We have also not seen the criteria being followed.

I am a little bit perturbed by that and I think it is high time we came out clearly and squarely to know that either they are not there or those who have already got are the only ones we should be relying on, instead of continuing to tell people that health centres IV are there when actually there is none. I thank you.

THE SPEAKER: Honourable members, the health sector has a strategic plan and I think that is what is going to be followed. It is good we have known all these things at the budgeting process. We are going to budget for all these.

2.38

MR IDDI ISABIRYE (NRM, Bunya County South, Mayuge): Thank you, Madam Speaker. On behalf of the people of Bunya County South, the people of Busoga and Busoga Parliamentary Caucus, allow me to congratulate you for giving us twins. *(Laughter)* Madam Speaker, these twins have come at a time when Busoga is preparing to receive a queen, so, I call this a double blessing. Thank you very much for adding the double blessing in the region. You are an asset to the region of Busoga, not a liability.

Madam Speaker, on the issue of the health sector, we are talking about equipping Mulago National Referral Hospital, but at the same time, we must have a plan to decongest Mulago National Referral Hospital. This can only be done by investing much in primary health care. Let us look at our health centres because most of the issues that take people to Mulago National Referral Hospital can easily be solved from our health centres.

Madam Speaker, allow me appeal to the Government, that this is the time; now that we are planning for the country, this is the real time we should think about investing in the health sector. If there is an enemy now in the country - His Excellency the President has pacified the country, the only enemy we have now in the country is diseases.

What is killing our people are not rebels; we cannot compare this time to the past times, but if we can only invest in the health sector, we can have the country we deserve. I thank you very much, Madam Speaker.

THE SPEAKER: Thank you. Hon. Noah Mutebi?

2.40

MR NOAH MUTEBI (NRM, Nakasongola County, Nakasongola): Thank you, Madam Speaker. On behalf of the people of Nakasongola County and the district at large, allow me to congratulate you, but also to let you know that my mother was also a *Nnalongo* like you.

THE SPEAKER: I am the mother, do not worry.

MR MUTEBI: Madam Speaker, as we discuss our health facilities in the country, currently, many Ugandans cannot access health facilities because of the poor road network. I want to cite an example, there is a road, which joins Nakasongola to Nakaseke or which joins Kaweweta Barracks to the main road. The river is called Lugogo, which you cannot now access. I went there on Sunday for oversight and two people who were trying to cross died. The water took them either to River Nile, or to River Kafu, and their bodies are nowhere to be seen.

Madam Speaker, I want to appeal to the Minister of Works and Transport to send teams of engineers to a number of districts to make an assessment of our roads so that they come up with a report and that report be considered here so that we vote for emergency funding. Otherwise, many Ugandans cannot access health facilities, as I talk, because of the poor road network in this country. I thank you.

THE SPEAKER: Thank you. Hon. Musila, then - Dr Acuti, your chairman has talked. Yes, Hon. Musila, then *Imat*.

2.42

MR JOHN MUSILA (Independent, Bubulo East County Namisindwa): Thank you, Madam Speaker. You made history. *(Laughter)*

THE SPEAKER: Hon. Musila, first of all, I want you to withdraw a statement that we get Shs 2 million shillings per sitting. When I saw you, I remembered that it is not true that we get that money.

MR MUSILA: Madam Speaker, as my boss and because a younger sister has requested, I withdraw and apologise before this Parliament for the insinuations I may have made unknowingly and in a language, which is not very basic and indigenous to me.

Secondly, Madam Speaker, like I said-

THE SPEAKER: Before you go far *Rasta*, there are Members who go around saying that we get Constituency Development Fund (CDF). We do not get CDF. We have never got CDF. It is not him who said it, it is other Members who say that. If you do not know the difference between your emoluments and CDF, just say it and we shall help you clarify. Yes, *Rasta*.

MR MUSILA: I thank you again. And on behalf of the *Rasta* community of this country, you have become the historical Cleopatra, Nefertiti, to Uganda, Africa and the whole world. We thank you lady *Rasta*; you join us for that. *(Laughter)* The matter I want to speak about -

THE SPEAKER: I am a *Nnalongo*, not a *Rasta*.

MR MUSILA: Respect, Madam Speaker. The matter I want to speak about is health like my colleague from Isingiro talked about the health centre IVs. I come from a district of about 300,000 residents, not even one health centre IV. We grapple with getting these people to Mbale, which is 60 kilometres away.

Rt.Hon. Prime Minister, we need a definite proper plan so that we know and I tell my people in Namisindwa District, not only my constituents of Bubulo East.

Lastly, there is a sector we are not talking about, Madam Speaker; I should speak for them on matters of health and this is mental health. We have only one referral hospital. I can be a potential person any time from now -*(Interjections)*- yes, Hon. Nsereko, I am not yet until I am declared by Hon. Chris.

I want to say mental people maybe fall under the docket of People with Disabilities (PWDs) and they have not spoken for them. We need regional mental hospitals, Madam Speaker. Thank you very much.

THE SPEAKER: Thank you. It may sound funny, but what Hon. Musila is saying is very correct. We need those units throughout the country. Yes, *Imat*.

MS CECILIA OGWAL: Thank you, Madam Speaker. I appreciate that you have recognised me although-

THE SPEAKER: Doctor wants to respond on mental health.

MS CECILIA OGWAL: Before me?

THE SPEAKER: Yes, before you.

DR BARYOMUNSI: Thank you, Madam Speaker. I am also a former Minister of State for Health and I just wanted to say that we need a comprehensive debate on health and healthcare in the country one day, because a lot needs to be done to ensure that we address these issues, which are being raised.

I know the Minister of Health will come and give us detailed information, but there are efforts through the Ministry of Health to decentralise most of these services, including mental health, but I just wanted to provide information on cancer briefly.

Cancer is on the rise and we need to invest more in public education. It is also true that the Cancer Institute in Mulago is congested, but the institute has established a home nearby where those who come from upcountry can have a rest as they get treatment, in an effort to decongest the Cancer Institute.

Also, there are plans to build cancer institutes in the regional referral hospitals. I know for a fact that the Cancer Institute in Gulu has been completed. They are now doing a dry run for it to start functioning.

Construction is also going on in Mbale Hospital for a fully-fledged Cancer Institute and also in the plans, I think, the Minister of Finance, Planning and Economic Development has provided resources for a Cancer Institute in Mbarara and Arua Regional Referral Hospitals *-(Member timed out.)*

THE SPEAKER: Thank you, Dr Chris. Honourable members, as Dr Chris said, we need a debate on health care, a comprehensive

one. For now, let us move to something else and then, we will handle the health care. We need a whole day for that.

2.46

MS CECILIA OGWAL (FDC, Woman Representative, Dokolo): Thank you, Madam Speaker. I welcome you to the club of the *Balongos, Ssalongos* and the *Nnalongos*. I was there several years ago when I gave birth to two bouncing boys and they are still alive up to now.

I am very proud to see you follow in my footsteps - those special seeds have not yet disappeared from Uganda. I encourage young women to get the right men so that we increase our membership. *(Laughter)*

Madam Speaker, I am standing here not very aware whether the Opposition is still in protest. In case they are still protesting - because of a very important matter of national importance, I am compelled to come here and address the issue in the House because I have no other platform. I want to make that straight.

Since I am now here, I am pleading with the Government to make sure that the matter of the Opposition is addressed as soon as possible. We do not want to see a divided country. It is high time we showed political maturity by being together. Although we disagree, we should always be together.

Madam Speaker, I requested you that I raise a matter of national importance pertaining to a very important international agreement, to which Uganda and the whole of Africa were members and other regions are supposed to sign and the deadline is tomorrow.

Madam Speaker, you assigned me the responsibility to be in the delegation of African, Caribbean and Pacific-European Union (ACP-EU) and by virtue of that, I have been participating in the debate pertaining to this particular agreement. You are all aware that the ACP-EU had the Lomé Convention, which lasted for 20 years and from 2018 to 2020, they have been discussing how they can

review the agreement in order to come up with a new Cotonou agreement.

Indeed, the agreement has been reviewed, but new clauses have been entered into this new Cotonou agreement, which we have raised on the Floor of this House. We are insisting that the Government should come up and address this House so that we know the position of Uganda on the new Cotonou agreement.

Madam Speaker. In one minute, I want to tell you that this agreement raises four critical areas that need to be addressed;

One, the three regions, that is, Africa, Caribbean and Pacific have to be separated in this new agreement. Whereas the EU remains a solid block, Africa must now stand alone - Pacific and the Caribbean. We disagree with this because we are the ones going to benefit from the European Union fund. If we are separated, definitely our bargaining power will be weakened. We feel this is a matter we must fight and reject. We cannot allow to sign an agreement, which is going to make us weaker.

Two, one of the things that will hurt you, Madam Speaker and me and all Ugandans is that in that agreement, there is a supremacy clause, which says when you sign the agreement, all other international treaties and protocols will be subject to this agreement. In other words, we are talking about free trade protocols and so on, but they must all be subject to all the conditions that have been stipulated in this new Cotonou agreement. I think it is very important that we take a close look at the Cotonou Agreement before our President appends his signature.

Three, there is some new concept, which has come up in that agreement, which says that the council of ministers can now sit in Brussels and take decisions, which will be binding on the respective member states. In other words, you will now bypass Cabinet, you will bypass Parliament and whatever you discuss in Brussels, whether it will affect the export of coffee or whatever it is, we will have to accept because we have signed the new Cotonou Agreement.

Finally, Madam Speaker - there are many clauses we can all read. The document is available in the library, but one of the things that has come out loud and clear and emphasised in many areas is the issue of LGBTQI; the homosexuality, which we have been at the frontline fighting against is now a critical issue. If we do not accept this LGBTQI, then the EU will not accept us as a trading partner.

Madam Speaker, to make the whole thing nonsensical, we in Africa, in particular Christians - When you commit an abortion, it is a crime and you cannot enter Heaven because you have killed life. But for us, it is now a right that anybody can do abortion and this should not be a sin or a crime. I do not know whether we can allow that. As a Christian and an African, I do not think I would allow that.

Madam Speaker, it is important that you know the membership of this ACP-EU. The Africans are 48 members, the Caribbean are 16 members and the Pacific are 15, which makes 79 members of ACP. The EU are only 27. The 27 members are driving 79 members to sign protocols which are anti-interest of our member states.

Madam Speaker, I request that the Government clarifies to Ugandans how this matter is going to be handled because the deadline for signing is 15th of this month. I beg to submit.

THE SPEAKER: Can we hear from the Prime Minister? Attorney-General, do you have something to say? Please -

2.56

THE DEPUTY ATTORNEY-GENERAL (Mr Jackson Kafuuzi): Thank you very much, Madam Speaker and congratulations on the title *Nnalongo*. Welcome to the club.

THE SPEAKER: You are not a *Ssalongo*.

MR KAFUUZI: I am a *Ssalongo*, incidentally. Madam Speaker, the concerns presented by our elder Hon. Cecilia are valid. We have been looking at the Post-Cotonou Agreement together with the Ministry of Foreign Affairs.

We have prepared a report, which we plan to submit to Cabinet.

For purposes of allaying her concerns, we can present that report to Parliament maybe in two weeks' time, if you allow us.

On the issue of signing, we cannot assent to any agreement before Cabinet has looked at it.

THE SPEAKER: Honourable members, I do not want you people to go away. We have a Bill and we need quorum for it.

MR KAFUUZI: As a Government, we do not assent to any agreement unless all the legal processes have been adhered to. I understand that tomorrow is the deadline, but once Cabinet approves and once we have the green light, then we shall seek an extension of time and sign the agreement. I beg to submit.

THE SPEAKER: Hon. Cecilia Ogwal, you should have time with the Attorney-General and a team of ACP-EU led by the Deputy Speaker to discuss those things extensively and come up with Parliament's position. You are the ones who have been attending those workshops and so, you should be able to have a discussion with him and tell him what you think.

MS CECILIA OGWAL: Madam Speaker, I agree with you, but right now, the response given by the Deputy Attorney-General does not convince me because I want an assertive statement.

THE SPEAKER: You will go and sort that out of the House.

MS CECILIA OGWAL: Okay, but I would have wanted assurance that the deadline of the 15th of November – Uganda will not sign, but will seek time –

THE SPEAKER: He has already said it. The deadline is not cast in stone. Honourable members, in the Public Gallery this afternoon, we have student leaders from St Kizito Technical Institute Madera, Soroti District

represented by Hon. Herbert Edmund Ariko and Hon. Joan Acom. You are most welcome; please, stand up. Where are you? Those are the people from the East where wise people come from. You can have a seat. Join me in welcoming them. *(Applause)*

In the Public Gallery this afternoon, we also have a delegation of members of the Kabale District Speakers' Association. They comprise the speakers and the deputy speakers of the district, municipalities, divisions, sub counties and town councils. They are represented in Parliament by Hon. David Bahati. You are most welcome. *(Applause)* You have a very good Member of Parliament. They are also represented by Hon. Catheline Ndamira, Hon. Thadeus Kamara and Hon. Wilfred Niwagaba.

3.01

MR PETER MUGEMA (Independent, Iganga Municipality, Iganga): Thank you, Madam Speaker. My issue concerns Iganga General Hospital -

THE SPEAKER: I thought we had concluded on hospitals.

MR MUGEMA: Do me a favour because I represent the Basoga –

THE SPEAKER: Because you do not see so it is okay.

MR MUGEMA: I do not see properly so I am very grateful. Madam Speaker, I represent Iganga Municipality and Iganga is located on a highway along the Mbale – Jinja - Kampala Road. It serves the districts of Luuka, Kaliro, Mayuge, Namutumba and Bugweri. To our surprise, in all the arrangements – first of all, we thank the Government for renovating Iganga General Hospital to a status of qualifying it to be a referral hospital.

As per the plans of the Ministry of Health, it was supposed to be upgraded to a referral hospital, but there are powerful people – I think in Iganga, we are not as powerful and supportive of the NRM government. They said that the referral hospital will be taken to Bugiri

because it has more supporters of the NRM government than us, yet their demand was simple; to renovate Bugiri General Hospital. Our demand, on the other hand, is to upgrade our hospital to a referral hospital.

Our prayer is one; let them upgrade Iganga General Hospital and also take the extra mile – (*Hon. Taaka rose*)

THE SPEAKER: There is a point of order.

MR MUGEMA: Let me assure my sister before you go for that - yours is to renovate your hospital not to upgrade it. You are giving a Musoga an order. Are you looking for development or under development? (*Laughter*) I am fighting for two things; renovation and upgrade.

THE SPEAKER: Honourable members, the two hospitals can co-exist. Bugiri has its own hospital and Iganga also has its own. What goes to Bugiri is for Bugiri and what goes to Iganga is for Iganga. Iganga is basically for upgrade and Bugiri is a district hospital. We need all the hospitals operational. We do not fight for one or the other. What we need is for the ministry to ensure that both are operational. You, Basoga do not have to quarrel here. (*Laughter*)

MR MUGEMA: Madam Speaker, you have stated it rightly. Let Bugiri General Hospital be renovated and Iganga General Hospital be upgraded.

THE SPEAKER: That is what we want. Hon. Agnes Taaka, it is okay.

3.04

MR MUHAMMAD NSEREKO (Independent, Kampala Central Division, Kampala): Thank you, Madam Speaker. The people of Uganda are facing disruption in their order of business and communications operations. As you may have realised, many people have had their phones disconnected and SIM cards switched off. Most have been called for a verification exercise or update. Many people have their money stored on their mobile wallets on their SIM cards, but they cannot access it.

As we speak, over 700,000 Ugandans live abroad and may not have access to these services, but they have been using their functional SIM lines to either carry out remittances at home or store money on their mobile money wallet.

Recently, many received communication of disruption in service to the effect that their SIM cards are no longer fully functional for communication and operation of the mobile money wallet. Some were at the period where they were supposed to remit money for school fees for their children and others for their own operational businesses. As the august House, we want to be the voices of those people who cannot access the services for re-verification; some are in the diaspora while others are here.

The second issue is that those who have gone for re-verification have not found their money on the mobile money wallets and others at some centres have been told to pay a certain sum of money. The unpredictability of our investment society is a deterrence to investment. People should be able to know when they ought to update their SIM card registration or re-verify.

Secondly, we are going into a new phase where the SIM card is either attached to your travel document, like a passport or National ID. The issue before us that we have been talking about was the country-wide update of the National Identification Card by NIRA. We are going to go into an exercise of SIM card registration and a year later go into an update exercise for National ID verification.

If there is no coordination between departments of Government - the regulator in that case should be UCC to regulate these companies. There is a lot of outcries about the operations of telecom companies in this country over people losing money from their mobile money wallets to the unstable internet that is not fully functional like you can see the poor bundle services that they are handling, but also the poor speed of the internet that we have.

Finally, what is pressing now is that there are over a million people who cannot access

their mobile money wallets. Some are in the diaspora and others are here, but who is using their money for short-term borrowing and trading? As Parliament, we must audit that.

Therefore, we must –

THE SPEAKER: What is your prayer?

MR NSEREKO: My prayer is that the Minister of Information, Communications Technology and National Guidance, my good friend, Dr Chris Baryomunsi, informs the country as to why his government thinks it is doing a favour to the people to be on the telecom platforms and why there is disruption year after year and uncoordinated movements in the way you operate.

Uganda Communications Commission calls for verification and before we know, we shall have new countrywide National Identity Card verification and update. How many times shall we be moving back and forth?

THE SPEAKER: Thank you. Hon. Baryomunsi, you will have to come up with a statement to that effect. I have heard a number of people saying that they have been cut off.

3.10

THE MINISTER OF INFORMATION, COMMUNICATIONS TECHNOLOGY AND NATIONAL GUIDANCE (DR Chris Byaromunsi): Thank you, Madam Speaker. I thank Hon. Nsereko for raising the issue although he has mixed many things in his submission.

The Government is coordinated and the various agencies of Uganda; Uganda Communications Commission, National Identification and Registration Authority, Ministry of Security and Ministry of Information, Communications Technology and National Guidance are all coordinated and harmonised.

I will come with a written statement next week. For now, I can confirm that under the leadership of UCC, there has been a process of verification of sim cards. If your sim card

was not verified and you use it to call, there would be a reminder that “between now and 11 November, please, verify your sim card before it is switched off.” Personally, I verified my Airtel line and I was not charged any money.

Therefore, the process is on-going, but I will come with a written statement on Tuesday if you give me space to give the details. However, we shall investigate whether in the process people’s money have been removed from the sim cards.

THE SPEAKER: Finance has a response on money. You know he talks about money.

DR BYAROMUNSI: It is also true that next year, through NIRA, there will be mass registration of all citizens and there is no contradiction with the current process of verifying sim cards because you can get the new National Identity Card, but the NIN remains the same. All these activities are harmonised and well-coordinated within the Government. Thank you very much.

THE SPEAKER: It is also good for us to continuously have updates and verification.

DR BYAROMUNSI: In addition, Madam Speaker, one of the benefits of this exercise is to reduce or eliminate cybercrimes, which are committed using telecommunications. There are people who have sim cards, which are not registered in their names and they use them to commit crimes.

One of the benefits of this exercise is to make sure that if you have a sim card, it should be registered in your name and you are responsible for anything you do using that sim card.

Therefore, we call upon Members and the public to cooperate with the Government and make sure that sim cards are registered in their names.

THE SPEAKER: He was the mover of the Computer Misuse Bill. Therefore, he is the –
(*Laughter*)

DR BYAROMUNSI: A written statement to answer all the issues, but I also want to engage Hon. Nsereko to give me more details so that we can have a comprehensive response on the issues being raised.

THE SPEAKER: Thank you, Dr Baryomunsi.

3.31

THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi): Thank you, Madam Speaker. In 2020, this House enacted a law called National Payment Systems Act. This Act established a platform where all electronic money is regulated by Bank of Uganda.

I wish to allay the fears of Hon. Nsereko that those who are being cut off, their money is being lost. That is not the case; all these money settles in Bank of Uganda and there is a mechanism in Bank of Uganda where the claimants can claim all these balances. I thank you.

3.14

THE MINISTER OF STATE FOR TRADE, INDUSTRY AND COOPERATIVES (INDUSTRY) (Mr David Bahati): Thank you, Madam Speaker. When the people of Kabale heard about the good news of the twins, they were very happy and the testimony is the delegation that we have sent here today to tour Parliament. *(Laughter)*

THE SPEAKER: Honourable members, please, clap for the Kabale team. *(Applause)*

MR BAHATI: Honourable members, the Speaker of Kabale District Council, Madam Flavia Kanagizi, is the mother-in-law of the Rt Hon. Deputy Speaker, Thomas Tayebwa and she is here. *(Applause)*

We congratulate you; Madam Speaker and we pray and hope that now you have a new status; *Nnalongo* that gives you momentum to fight for causes of health, especially reducing the maternal mortality rate and infant mortality rate in this country. Congratulations.

THE SPEAKER: Thank you, Hon. Bahati. Thank you, our “mother-in-love” to the Deputy Speaker. You are most welcome. Thank you very much for coming. Next item.

BILLS FIRST READING

THE ALCOHOLIC DRINKS CONTROL BILL, 2023

THE SPEAKER: Honourable members, we have some Bills for first reading. I will invite the sponsor of the Bill, Hon. Sarah Opendi. This is pursuant to Rule 128 of the Rules of Procedure.

The Minister of Finance, Planning and Economic Development refused to give a certificate of financial implications and subsequently, we have had to invoke section 76(4) of the Public Finance Management Act, 2015 for the Bill to be read for the first time. Based on that, the Bill has spent 60 days and it is ready for first reading. Hon. Opendi, can you present your Bill?

3.16

MS SARAH OPENDI (NRM, Woman Representative, Tororo): Thank you, Madam Speaker. On 8 November 2022, this House granted me leave to introduce a Private Member’s Bill entitled, “The Alcoholic Drinks Control Bill, 2023.”

I have heard Members saying that we want to stop people from consuming alcohol. I would like to let you know that the object of this Bill is to regulate the manufacture, sale and consumption of alcoholic drinks, prohibits the sale of supplying alcoholic drinks to children and other related matters.

THE SPEAKER: Hon. Opendi, lay the Bill. We do not want the objects of the Bill because it was presented.

MS OPENDI: Thank you, Madam Speaker. As you have indicated, we relied on the 60-day rule and this Bill was gazetted. It is now my pleasure, honourable colleagues, to lay the Bill

entitled, “The Alcoholic Drinks Control Bill, 2023” for it to be read for the First Time. Thank you, Madam Speaker.

THE SPEAKER: Thank you, Hon. Opendi. In furtherance of Rule 129(1) of the Rules of Procedure, the Bill is accordingly referred to the Committee on Health and the Committee on Tourism, Trade and Industry – it was seconded. The problem is you are never here. *(Laughter)* Okay, let the drunkards second it.

Is the Bill seconded? It is seconded by Hon. Okot-Ogong, Hon. Linos Ngompek – I can see the only people seconding this Bill – Hon. Herbert, Hon. Alioni – *(Laughter)* – Hon. Macho; so, the Bill is seconded. Thank you.

The Committee on Health and the Committee on Tourism, Trade and Industry should handle this Bill together. We always benefit when two committees handle a Bill, especially one with an implication on health. Next?

THE CONSTITUTION (AMENDMENT)
BILL, 2023

THE SPEAKER: Yes, procedural matter?

MS OPENDI: Thank you, Madam Speaker. I previously sought leave for the first constitutional amendment. I brought a motion here and you referred it to the Minister of Justice and Constitutional Affairs.

I made another constitutional amendment and submitted it to your office, and on this Floor, the Minister of Justice and Constitutional Affairs indicated that they are going to have a Constitutional Review Commission, and for that reason, we cannot amend the Constitution piecemeal.

You even deferred all our motions – I presented a motion to you regarding ministers who are in court and are still holding office. Hon. Anthony Akol and Hon. Jacob Karubanga Ateenyi also had constitutional amendments.

Madam Speaker, the reason you deferred this was because, in your document, you

were referring to the Constitutional Review Commission.

It, therefore, beats my understanding when I see the Executive coming up with a constitutional amendment for a particular article so that we can have the commissions which are affected by the mergers passed.

Since we were assured that there would be a Constitutional Review Commission to handle these amendments, can we first have that Commission? Short of that, you will allow all of us to present our motions to this House.

Thank you, Madam Speaker. *(Applause)*

THE SPEAKER: Thank you, Hon. Sarah Opendi. I had several constitutional amendments that were on my table, and I wrote to the Attorney-General, but I have not got any feedback to date. Can we hear from the Attorney-General, on what the urgency is that requires a piecemeal constitutional amendment?

3.22

THE DEPUTY ATTORNEY-GENERAL (Mr Jackson Kafuuzi): Thank you, Madam Speaker. Hon. Sarah Opendi is shooting from the hip. I do understand her concerns and several other people have expressed them, just like the Speaker herself has written to us.

However, Madam Speaker, this Bill is being moved by the Ministry of Public Service, which is handling the issue of rationalisation – to deal with the proposed merger of the Equal Opportunities Commission and the Uganda Human Rights Commission.

Meanwhile, the rest of the comprehensive amendments which we have all been studying as a country – those proposed by law reform and those that we shall pick from the field – can be dealt with at once in one comprehensive move. This is because some of them may require referenda.

I request that you allow us to proceed with this. Thank you.

THE SPEAKER: Chairperson of the Committee on Legal and Parliamentary Affairs?

3.22

THE DEPUTY CHAIRPERSON, COMMITTEE ON LEGAL AND PARLIAMENTARY AFFAIRS (Mr Yusuf Mutembuli): Thank you, Madam Speaker. Let me also take this opportunity to congratulate you on joining our association.

If we are to have any amendments to this Constitution, the time is now, and we need a comprehensive amendment. *(Applause)*

Now that the Government thinks this is the particular article that must be amended, and others also have interests in amending certain provisions, the only time we can have the Government introduce these amendments is now. *(Applause)*

Madam Speaker, let the Deputy Attorney-General go and consider all the necessary amendments, come up with the Constitutional Review Commission and handle the amendments.

I do not see any urgency as far as this issue is concerned. Why only this? Do we think others are not important? Giving us only this is not fair to this country. I agree with all my colleagues that we need a comprehensive amendment to the Constitution. Thank you, Madam Speaker.

3.26

MR NATHAN BYANYIMA (NRM, Bukanga North County, Isingiro): Thank you, Madam Speaker. We should treat each other properly. The Cabinet has always been behind rationalisation. This House formed an ad hoc committee, and it reported here. We could not debate because the Minister of Public Service said he wanted 60 days. This House has not been given an opportunity to debate. Now, they come with the Bill –

THE SPEAKER: Maybe just to help you; there are several Bills. We have the Constitution (Amendment) Bill, 2023, that

seeks to harmonise the Uganda Human Rights Commission and Equal Opportunities Commission. We also have the Rationalisation of Government Agencies (Repeals and Amendments) Bill, 2023.

MR BYANYIMA: They are bringing this because they want it to go together – so we cannot allow it, we must be respected; we must be given a chance to debate. Why are you taking us to Egypt?

Madam Speaker, we cannot afford to go backwards. It is high time we respected each other – you are in Cabinet. We are all Members of Parliament, except that you have added responsibilities – nothing else. *(Laughter)* This is the same Parliament and we are the same.

When I see Hon. Muruli Mukasa, a senior NRM cadre, doing all sorts of things, you are taking us backwards and this is what was here before.

I am a senior person here – We sat here as a Parliament and deliberated about Uganda Commercial Bank up to midnight. Somebody said he would sell it on a Sunday and he sold it on a Sunday. Now what are we doing? Aren't we going back to look for a commercial bank? *(Interjection)* Cooperatives and so many things.

Madam Speaker, I do not want this House to be taken for granted. The Cabinet are up to something bad for this country. The country belongs to all of us. We want these amendments to come at once. Let us have a stake in this country; you cannot handle it single-handedly.

THE SPEAKER: Which amendments do you want to come at once?

MR BYANYIMA: This amendment of the Constitution is talking about commissions because they are here. He wants to abolish the Equal Opportunities Commission, the Uganda Human Rights Commission and the Law Reform Commission. Can you imagine a good government doing away with a commission for the laws?

You – I mean you, especially you. *(Laughter)*
This is the commission that prepares all the laws for this country; now you sit somewhere, then come and want to bring it under the ministry? *(Dr Baryomunsi rose _)*

THE SPEAKER: Honourable ministers, you will come last – no, it is a point of order.

MR BYANYIMA: To cut a long story short –*(Members rose _)*

THE SPEAKER: Honourable members, listen. Honourable members - Hon. Alioni, I have said that we can disagree, but do so respectfully. If the Member has risen on a point of order, let us give him a chance, to say what he wants and at the end of the day, it is this House to decide.

Let the doctor bring his point of order, we shall give another person a chance to say something and we move on. If the House says that we are not ready for the amendment, we will not force it.

DR BARYOMUNSI: Thank you, Madam Speaker. I am the elected Member of Parliament for Kinkizi East in Kanungu; so, nobody can stop me from speaking on this microphone.

I rose on the point of order; there has been a discussion within the Cabinet, which has also found space here and the Government did promise that we shall follow the rules to come to Parliament.

Now on the Order Paper, you allowed to have this Constitution (Amendment) Bill and also the rationalisation Bill, which gives chance to Parliament to be part of this discussion.

Is it in order for Hon. Byanyima, who is very senior, to impute that by Cabinet bringing these issues to Parliament, we are undermining Parliament? Because these Bills –

THE SPEAKER: Dr Chris, much as we have this on the Order Paper, this morning I passed the message to Hon. Muruli. Where you have a repeal and amendment of over 40 entities –

each of these entities has a sectoral committee; tell me, how are you going to handle this whole booklet with the 40 entities?

It means that we are going to have a Committee of the whole House, whereby if you are talking about UNRA, it will look at the Committee on Public Service together with the Committee on Physical Infrastructure.

When you are talking about health, you are talking about the Committee on Public Service together with the Committee on Health. How are you going to do that? You needed to do these things one-on-one. You are not going to bring everything in an omnibus. And remember that all of them have different laws.

3.32

THE MINISTER OF PUBLIC SERVICE (Mr Wilson Muruli-Mukasa): Madam Speaker, before I answer that question, allow me, on behalf of the Ministry of Public Service and the entire Public Service to congratulate you upon becoming a “*Nnalongo*”. Congratulations indeed, and we have to also congratulate the “*Ssalongo*” for the very commendable work that has been done. –*(Laughter)*

Hon. Nsereko is also a “*Ssalongo*”- he has claimed that, So, congratulations, to all the “*Ssalongos*” and the “*Nnalongos*” in this House and outside this House.

You have acceded to that very prestigious position of being a “*Nnalongo*” and allow me to use the very important congratulatory message that is used in this part of the country, “*Bweza bwa Nnalongo, Bweza bwa Ssalongo.*” *(Laughter)*

Indeed, I must –

THE SPEAKER: Honourable members, listen to Hon. Muruli, who is one of the senior legislators and because he is a senior colleague, he is going to listen to the House.

MR MURULI: Yes, and I always listen to the House, Madam Speaker. I must apologise that I did not receive your advice this morning.

However, I have had the opportunity, with your indulgence, to receive now the approach that we are going to use in handling this omnibus Bill.

Yes, there are many agencies involved. Unfortunately, there are various committees also involved and as you were asking, part of the answer as to how we are going to approach this was given by yourself.

Given enough time, we can engage the various committees involved with each of these agencies and then we come up finally to the House and debate this omnibus Bill and pass it, if you so wish.

The question of not debating is out. I think it is part of our procedure that we debate. This is to allay the fears of our senior colleague, Hon. Byanyima, who is a senior legislator - that there is some kind of stampede and that there is not going to be any debate at all. God forbid that there will be no debate. I would like to assure you-*(Interruption)*

MS OPENDI: Thank you, Madam Speaker. I rise on a procedural point. You constituted a select committee and this select committee used public resources to look at the proposed mergers and presented a report in this House. And you deferred debate, awaiting the Government to come back with a response to the proposal, so that we can debate.

However, instead of the minister coming to present their position on the report, we are seeing a Bill. Are we proceeding well as a House when you constituted a select committee whose report has never been debated and instead, before we debate, we are going into handling Bills?

THE SPEAKER: Honourable Minister, we had a select committee, a report and we are awaiting the position of the Cabinet. It does not stop us from debating if they are brought in a correct way.

That is why I am telling you, Minister: Do not bring them as an omnibus Bill. Bring them entity by entity such that we can compare our report and the Bill.

Bring a Bill on Uganda National Roads Authority (UNRA) – if you want to repeal the UNRA law, it is this House to know whether to repeal it or not. Do you get it? You are bringing your proposal, but we also have our proposal as a House. Then, we shall sort it out from here. However, you do not bring it as an omnibus Bill.

Hon. Byanyima, is that not what the House –?

MR BYANYIMA: That is what we would have loved because there is no better person here other than the sectoral committee. Each sectoral committee would definitely have a better judgement on whether an agency should be merged, mainstreamed or rationalised. Thank you.

THE SPEAKER: If we get different reports on UNRA, National Information Technology Authority – Uganda (NITA-U) and others, we will refer them to the different sectoral committees and those sectoral committees will bring those amendments. Whether we are amending an Act on UNRA, NITA-U or whatever, we want them separately.

Yes, Hon. Kwizera?

3.39

MR EDDIE KWIZERA (NRM, Bukimbiri County, Kisoro): Thank you, Madam Speaker. I join those who are congratulating you. The people of Bukimbiri congratulate you.

I appeal to Hon. Muruli Mukasa and the ministers to listen to me. On this omnibus Bill and the constitutional amendment as proposed by the minister, it is the power of Parliament to actually make or repeal a law. These omnibus provisions of about 40 clauses or Acts of Parliament can only be made when the minister justifies the cost implications.

The Bill should come with cost implications because not every person who is retired by Government policy or law is compensated in time. Look at the former East African Community employees. They are still demanding. Employees of those organisations that were privatised are also still demanding.

Honourable members, let us look at our budget. The budgetary provisions for salary, gratuity, pension and statutory obligations like paying the debts, is less than the money collected by this country, which is – we are at a red mark.

When you rationalise and begin to retrench people, it means it is a cost on the pension, which the Government of Uganda cannot sustain. So, they need to tell us that; “We are going to rationalise, so many people are going to lose their jobs and so much money will be paid and in what period,” instead of having pension and being promised gratuity, which they will never get.

The third point is that the honourable minister has taken over the Government, meaning that all the Bills will be handled by one minister.

THE SPEAKER: That will be handled by the Minister of Public Service.

MR KWIZERA: The omnibus Bill is going to be handled by one minister, which is irregular. So, we need justification for the cost and the political implications. This is because when the population is growing, services cannot be shrunk. We need these services. I thank you.

THE SPEAKER: Honourable members, when you look at the principles of the Bill, there is a Rationalisation of Government Agencies and Public Expenditure (RAPEX) Policy. First of all, we need to know the cost implications. I do not think the Government is even up to date on RAPEX Policy. You need to give us information on the cost implications of that policy.

We need to look at the structural, legal and service delivery implications and the implications on the multi-year commitments that we are going into. That is what we need to get from you.

Hon. Kateshumbwa? Honourable members, I think we are wasting a lot of time on this. I have a Bill that I must pass.

MR MURULI MUKASA: Madam Speaker –

THE SPEAKER: Honourable members, I repeat: We are taking a lot of time on this matter. My two hours have gone. Can you go and do what the House wants of you? That is number one.

The Attorney-General, we want to know when the Constitutional Review Commission will be in place. We need a comprehensive commission and we do not need this to be taken by one ministry, but by different ministries. If it is a repeal or amendment, we are going to do it.

MR MURULI MUKASA: Most obliged, Madam Speaker. However, before I sit down, I beg your indulgence that we, indeed, have a certificate of financial implications regarding this Bill, from the Ministry of Finance, Planning and Economic Development. That means that we have taken cognisance of the cost implications of what we are going to do.

Madam Speaker, I would like to say that, yes, this is the right moment. We are going to follow your advice. We shall consult further regarding this omnibus Bill.

I am mindful of the fact that we are taking too much time over this matter and that you have two hours. I beg that we go, consult and then come back. *(Applause)*

Of course, according to the policy, the omnibus Bill has actually captured the policy direction of rationalisation.

Thank you very much, Madam Speaker.

THE SPEAKER: If I could ask you, honourable minister: Which committee would we refer this Bill to?

DR BARYOMUNSI: Thank you very much, Madam Speaker. With the permission of the honourable minister, it is not the first time to have an omnibus Bill on the Floor of this House.

One way of handling it – because we chose to bring it as an omnibus Bill, but with different laws to be amended. One way of doing it – *(Interjections)*- do not say “No”. We decided as Cabinet.

Madam Speaker, you can refer the Bill to the committees to pick what belongs to them. For example, you can say the Bill on UNRA will be handled by the Committee on Physical Infrastructure; the Bill on NITA-U will be handled by the Committee on ICT. It will not be the first time it is handled in this House.

THE SPEAKER: Is there any challenge with you bringing different Bills and then we handle them?

DR BARYOMUNSI: There is a Chinese who said “It does not matter whether a cat is white or black as long as it catches mice.” We were trying to save time –*(Interruption)*- yes. We looked at those options, Madam Speaker. One option of –

THE SPEAKER: Let us not use the Chinese way; let us use the Rukiga way. *(Laughter)*

DR BARYOMUNSI: Yes, the Rukiga way. Madam Speaker, we looked at those options. One option was for each minister to bring the Bill affecting their ministry –

THE SPEAKER: You bring it.

DR BARYOMUNSI: The other option was to put them together to save time and then, at your level as the Speaker, you can make a ruling to instruct the different sectoral committees to handle the Bills which fall under their docket.

At the end of the day, the committees will have handled the Bills which fall under them. That is why I am saying, whether white or black, provided we achieve what we want –

THE SPEAKER: *Katesh*, you had something to say?

3.47

MR DICKSONS KATESHUMBWA (NRM, Sheema Municipality, Sheema):

Madam Speaker, we are in this state because Government did not fulfil its commitment. We had a report from the committee that we put out. We stayed the debate because we wanted Government to ask for time to come back to the House with a response to the report. They have never come back.

Now, they have come with Bills. I think this is taking us for granted. Madam Speaker, we need to appreciate the work of Parliament. You cannot have a select committee, it does a lot of work, the report is submitted, you promise to come back and then you don't. Now you are bringing an omnibus Bill, saying that you are putting everything together for us to pass. We must be able to look at all these amendments on their own merits. The committees must interrogate them. We must know the implications.

Madam Speaker, we rushed to transfer the Rural Electrification Agency (REA) to the Ministry of Energy and Mineral Development; you know what has happened. Once beaten, twice shy. We need to be very clear. We are ready to support Government and look at the rationalisation, but we must be orderly, and present proper information.

MR GEOFFREY MACHO: Thank you, my colleague, for giving way. The fact of the matter is that Cabinet is trying to hide very many things in these two Bills.

Madam Speaker, as per your directive and advice, the reports of the select committee are supposed to be discussed by Parliament. This means that the facts that were gathered in the field must have people's input. Minister of Public Service, we are not a rubber-stamp Parliament where you bring something omnibus and we pass it.

We cannot pass a law that can affect our people. Bad laws always affect the regimes in power. We cannot allow our NRM regime to lose popularity because there is something you are smuggling in.

THE SPEAKER: Next item?

BILLS
SECOND READING

THE PETROLEUM SUPPLY
(AMENDMENT) BILL, 2023

THE SPEAKER: Honourable members, the Petroleum Supply (Amendment) Bill, 2023 was read for the first time on the 31st of October and referred to the Committee on Environment and Natural Resources. The committee considered the Bill and is ready to report. I now invite the Minister of Energy and Mineral Development to move the motion.

I am also happy to see Hon. Nathan Nandala-Mafabi. I know he is a participant in this. Welcome. *(Laughter)*

3.51

THE MINISTER OF ENERGY AND MINERAL DEVELOPMENT (Ms Ruth Nankabirwa): Thank you, Madam Speaker. I would like to move that the Bill entitled, “The Petroleum Supply (Amendment) Bill, 2023” be read for the second time.

THE SPEAKER: Is the motion seconded? Seconded by Hon. Namuyangu, Hon. Nathan, please second the Bill *(Laughter)* - Hon. Omoding, Hon. Feta, the Prime Minister, the Government Chief Whip, the Minister of ICT, the Minister of Finance, the “Leader of the Opposition” (Hon. Linos), Hon. Omara, the Attorney-General, Hon. Odria; by the whole House. Thank you. Would you like to speak to your Bill?

MS NANKABIRWA: Madam Speaker, the Bill I presented for first reading had its main objective as giving mandate to the Uganda National Oil Company to be the supplier of the products to the oil marketing companies. The main objective is that we would like to move away from the system that has been multi-layered by our brothers in Kenya so that we shorten the import and supply route.

It is a very short Bill. It has four provisions which I am introducing and it is to basically improve on the supply of petroleum products so that we keep the country wet so that we are sure that any time we shall be having the products in the country. Therefore, security of supply and also managing of the costs. I beg to support.

THE SPEAKER: Thank you very much. Honourable members, you have heard the brief on the Bill. The committee chairperson is ready to present.

3.54

THE CHAIRPERSON, COMMITTEE ON ENVIRONMENT AND NATURAL RESOURCES (Dr Emmanuel Otaala): Thank you, Madam Speaker and honourable colleagues. Please allow me, as a medical doctor, to also congratulate you and also quickly add what you have already alluded to, before I present my report. Congratulations on the twins. I would like to say that as you rightly guided, we do not need to stress you. I would like to appeal from the onset that as we are considering this Bill, we do not stress mama. *(Laughter)*

THE SPEAKER: Honourable members, listen to the doctor.

DR OTAALA: Madam Speaker, because of your great love for this country, you came here to handle this very important business, but you are still within your period when the organs need to get back to their normal position. My appeal is that –

THE SPEAKER: Can you lay the minutes of the meeting?

DR OTAALA: My appeal is that we do the very best in the shortest time possible. I beg to lay on the Table, the minutes of the meetings of the Committee on Environment and Natural Resources as we scrutinised this Bill.

I would like to also report that there is a majority report and a minority report. As it is the practice of this House, I beg that both versions be accorded time for presentation.

THE SPEAKER: May we have a summary version of both reports because the emphasis must be put on Committee Stage. The reports that you have are only informative; they only give us information.

DROTAALA: Thank you, Madam Speaker, for that guidance. This is a report of the Committee on Environment and Natural Resources on the Petroleum Supply (Amendment) Bill, 2023.

The Petroleum Supply (Amendment) Bill, 2023 was read for the first time –

THE SPEAKER: There is a procedural matter.

MR AKAMBA: Thank you, Madam Speaker. I am raising a procedural matter under Rule 205 of our Rules of Procedure, which is to the effect that “*A Member or Members dissenting from the opinion of a majority of a Committee may state in writing the reasons for his or her or their dissent, and the statements of reasons shall be appended to the report of the Committee*”.

Madam Speaker, I am a member of the Committee on Environment and Natural Resources. The committee held its meeting that considered the Bill yesterday, 13 November 2023. The attendance of that meeting, as per the attendance book of this Parliament, was 23 members. I beg to lay on Table a copy of the attendance of yesterday’s committee meeting. *(Applause)*

In the proceedings of that meeting, we analysed the Bill clause by clause, as guided by the chairperson of the committee and we voted on all the clauses. For all the clauses that the committee assessed and voted on, the majority members who were in attendance, as per the minutes that the chairperson of the committee has laid were –*(Hon. Ariko rose)*

THE SPEAKER: Please sit down. Honourable member, what is your procedural matter?

MR AKAMBA: Madam Speaker, my procedural matter is that the chairperson of the committee is purporting to read a report,

as though he is reading a majority report, yet I have the majority report, in accordance with the proceedings of yesterday –

THE SPEAKER: How many signatures do you have in your report?

MR AKAMBA: Madam Speaker –

THE SPEAKER: Read for me the names of members who are in your report.

MR AKAMBA: Hon. Geoffrey Feta, Hon. Paul Akamba

THE SPEAKER: Those are two.

MR AKAMBA: Hon. Eddie Kwizera, Hon. Polycarp Ogwari, Hon. Christine Kaaya Nakimwero

THE SPEAKER: Absent. I am in receipt of a letter. Do not speak like you are the Speakers. I am in receipt of a letter saying, “We are out of Parliament.” Do not tell me those kinds of things. *(Applause)* Read the Members who are in Parliament and have not written to me.

MR AKAMBA: Madam Speaker, I do not know which Member has written to you.

THE SPEAKER: I am saying I am in receipt of a letter from the Opposition that they are not in Parliament. Do not smuggle in signatures.

MR AKAMBA: Madam Speaker, I do not know all the Members. All these members attended yesterday; I do not know who wrote to you and who did not.

THE SPEAKER: Listen. Hon. Christine Kaaya is absent. Go to the next.

MR AKAMBA: Hon. Aisha Nalule –

THE SPEAKER: She is also absent.

MR AKAMBA: Hon. Charles Tebandeke -

THE SPEAKER: Absent.

MR AKAMBA: Hon. Asinansi Nyakato.

THE SPEAKER: Absent.

MR AKAMBA: Hon. Jimmy James Akena.

THE SPEAKER: He is present.

MR AKAMBA: Hon. Moses Kamuntu.

THE SPEAKER: He is present.

MR AKAMBA: Madam Speaker –

THE SPEAKER: How many are those?

MR AKAMBA: Madam Speaker, can I be accorded time to present my procedural issue?

THE SPEAKER: I am saying, how many are they? I would like us to go in a systematic way. Those are six members you have. Chairperson, how many do you have on your list?

DR OTAALA: Thank you, Madam Speaker –

THE SPEAKER: Honourable members, this is not a do-or-die situation. Whatever you are doing in this House is not a do-or-die situation. Whoever – I have always warned my Members; Whichever Members come knowing that “for us, we are going to fight for this”, do accountability.

How many members do you have?

DR OTAALA: Madam Speaker, I have 22 members. *(Applause)*

THE SPEAKER: Can you read your report, then Hon. Akamba will read his?

DR OTAALA: Thank you.

THE SPEAKER: I have not asked him to read the names. Are you assistant Speakers? *(Laughter)*

DR OTAALA: Madam Speaker, thank you for –

THE SPEAKER: Can I have a summary of your report? I wish I were you, Members. That is why I like Hon. Nathan Nandala-Mafabi; he is only waiting for the Committee Stage. These reports are informative; you are going to get basically – We are not going to consider a report.

MR YUSUF MUTEMBULI: Madam Speaker, much as we need this Bill to pass, we must be mindful –

THE SPEAKER: I have not said we need it to pass.

MR MUTEMBULI: Yes, we all need it. What I am saying is that I have had the benefit of reading the decision of Zaake v. the Attorney-General, as far as issues of attendance and signing of reports are concerned.

One, the courts guided that before you sign on the report, you must have attended the proceedings. Since we do not want these mistakes to be made, can we find out how many Members attended and at the same time, appended their signatures?

If we proceed to assume that 22 members signed, when actually out of 22 or the 10, few of them attended, then we shall be proceeding contrary to the guidance given by the Constitutional Court, in the case of Zaake v. the Attorney-General.

THE SPEAKER: By the way, for your information, we are in court because of that case; we are challenging that decision.

MR MUTEMBULI: That is the position now, until it has been stayed.

THE SPEAKER: We are challenging that decision. You cannot talk about what has not been given a final ruling.

MR MUTEMBULI: That is my legal view, which I feel –

THE SPEAKER: Hon. Mutembuli, I am the custodian of the law in the House. *(Applause)* Go ahead.

DR OTAALA: Madam Speaker, I would like to give this House information that when we considered this Bill clause by clause yesterday, I did –

THE SPEAKER: Honourable member, can you read your report and then we let Hon. Akamba read his?

DR OTAALA: Thank you, for your guidance.

Madam Speaker, the Petroleum Supply (Amendment) Bill, 2023 was read for the first time on 31 October 2023 and referred to the Committee on Environment and Natural Resources for scrutiny. The committee considered the Bill in accordance with Rule 189(c) of the Rules of Procedure of Parliament and hereby reports.

Background

The Petroleum Supply Act was enacted in 2003 to provide –

THE SPEAKER: Hon. Mugema - Hon. Macho, first of all, you are a smuggler. I am going to smuggle you out. Let Hon. Otaala read the report. Hon. Mugema and Hon. Macho, I do not want to hear you talking for the next two hours. *(Applause)*

DR OTAALA: Thank you, Madam Speaker, for your guidance to the House. I was saying that the Petroleum Supply Act was enacted in 2003 to provide for the supervision and monitoring, importation, exportation, transportation, processing, supply, storage, distribution and marketing of petroleum products; establishment of the minister responsible for the petroleum sector as the regulatory authority, licensing and control of activities and installations, safety and protection of public health and the environment in petroleum supply operations and installations; encourage and protect fair competition in the petroleum supply market, repeal certain related laws and for connected matters.

The Act, however, does not empower the Ugandan National Oil Company (UNOC) to

solely import and supply all imports to the licensed oil marketing companies of petroleum products for the Ugandan market.

UNOC is a limited liability company owned by the Government of Uganda. It was established under Section 42 of the Petroleum (Exploration, Development and Production) Act and Section 7 of the Petroleum (Refining, Conversion, Transmission and Mainstreaming Storage) Act, both of 2013. It was incorporated under the Companies Act of 2012 as a limited liability company, with the shareholders being the Ministry of Finance, Planning and Economic Development (with 49 per cent of the shares) and the Ministry of Energy and Minerals Development (with 51 per cent of the shares).

The mandate of UNOC, among others, includes:

- i. Handling the State's commercial interest in the petroleum subsector;
- ii. Managing State's participation in petroleum activities;
- iii. Managing the marketing of the country's share of petroleum received in kind;
- iv. Evaluation of new upstream, midstream and downstream ventures;
- v. Optimising value for its shareholders; and
- vi. Developing in-depth expertise in the oil and gas sector.

The lack of empowerment for UNOC to be the sole importer and supplier of Uganda's petroleum products has contributed to instability of petroleum products supply in Uganda, unpredictable pump prices and financial stagnation for UNOC, which has curtailed its business progress.

It is from this background that the Petroleum Supply Act, 2003 is being amended in order to empower UNOC to be the importer and supplier of all petroleum products for the

Ugandan market. This is intended to ensure security of supply of petroleum products, improve petroleum product stockholding levels within the country and contribute to the competitiveness of retail pump prices.

The object of the Bill is to amend the Petroleum Supply Act, 2003 to empower the Uganda National Oil Company Limited to be the supplier of all imports to the licensed oil marketing companies of petroleum products for the Ugandan market for purposes of ensuring security of supply of petroleum products, to improve petroleum product stockholding levels within the country and to contribute to the competitiveness of consumer and retail pump prices.

The National Development Plan III (2020/2021-2024/2025) is rooted in a vision of a transformed Ugandan society, from a peasant to a modern and prosperous country within 30 years. The aim of the sustainable development of petroleum resources under the plan is to attain equitable value from the petroleum resources and spur economic development in a timely and sustainable manner.

The plan notes that the Petroleum Authority of Uganda and the Uganda National Oil Company were operationalised to regulate the petroleum industry and manage the business or commercial interests, respectively. This is in line with Vision 2040, which aims to transform the Ugandan society from a peasant to a modern and prosperous society.

The Bill, therefore, intends to actualise the intention of the National Development Plan III by enabling the Uganda National Oil Company to manage the business interests of the country by supplying all imports to licensed oil marketing companies of petroleum products for the Ugandan market.

Committee analysis, observations and recommendations

This part of the report will examine the proposed clauses of the Bill, their constitutionality and relevance in light of existing laws and policies,

court decisions and the mischief they intend to cure.

Amendment of objectives of the principal Act

Clause 1 of the Bill seeks to amend Section 3(f) of the principal Act, whose objective is to encourage and promote fair competition within the petroleum supply market, to eliminate discrimination or preferential treatment of any participant and to prevent monopolistic control of any segment of the supply chain.

The clause further proposes to insert a new objective (i) to facilitate the Ugandan National Oil Company or such other person nominated by the minister with Cabinet approval to import all petroleum products destined for the Ugandan market.

Committee observations

The committee noted that currently Uganda imports 90 per cent of its petroleum products through Kenya and 10 per cent through Tanzania. The country has an annual consumption of 2.5 billion litres of petrol, diesel, Jet A-1 and kerosene, with an annual growth of seven per cent. On average, petrol takes the biggest share of imports, followed by diesel, then Jet A-1 and kerosene, in that order.

The said petroleum products are purchased by Ugandan companies from Kenyan companies, which have been operating under the open tender system until April this year, when Kenya moved from open tender system to government-to-government dealing directly with the countries where they now import their petroleum products.

The Open Tender System (OTS) was guaranteed by the Ministry of Petroleum and Mining in Kenya which is responsible for regulation of imports of all petroleum products in Kenya.

The Ministry of Petroleum and Mining in Kenya instituted the quantities for the Kenyan domestic market for onward transit to neighbouring countries at a 60 to 40 ratio, respectively.

In essence, 60 per cent of all the fuel imported through Kenya is retained in the Kenyan market and neighbouring countries, including Uganda, Rwanda and the Democratic Republic of Congo have to share the 40 per cent share allocation.

The system currently imposes three layers of middlemen from the overseas refinery to the Ugandan oil marketing companies with companies including Aramco, Adnoc and Enoc as the first-layer traders from the overseas refineries.

Companies that constitute the second layer include Galana, Gulf and Oryx Kenya. The third layer includes Total, Vivo, Stabex, Rubis, City Oil and Hass which then supply to the Ugandan importer oil marketing companies. Each of these companies infuses a profit margin which is ultimately fed into the final pump price.

Madam Speaker, as you can see, that is a diagrammatic representation of the path of petroleum product importation into the country, but there is also the lower part which demonstrates how we are going to eliminate a number of middlemen when Uganda National Oil Company (UNOC) is empowered.

Volume of monthly petroleum imports for Uganda

The chart shows the volume of petroleum products imported by Uganda every month. The source is Ministry of Energy and Mineral Development data.

The committee noted that inability to purchase directly from the refineries, leads to an extra mark-up on Uganda's fuel from Kenyan companies, insecurity in supply for petroleum products and inability to directly negotiate for petroleum prices with the refiners which inevitably contributes to high and unpredictable pump prices.

The committee noted that the Bill proposes to cure this by making UNOC the sole importer and supplier of all petroleum products destined

for the Ugandan market to the licensed oil marketing companies and thus remove middlemen and their attendant cost and surcharge implications.

The committee, however, noted the revelation by the Ministry of Energy and Mineral Development that UNOC lacks the financial capacity to directly purchase petroleum products from the international refineries and shall thus be buying from an international company Vitol, which shall finance the supply of the petroleum products up to delivery points in Kenya and Tanzania on a non-immediate cash payment basis, to enable UNOC pay after supplying the oil marketing companies within Uganda.

The committee notes that the proposal in the clause shall go a long way in eliminating two layers of middlemen from the petroleum supply chain, as well as growing the capital base and business capacity of UNOC.

The committee therefore, recommends that clause 1 stands part of the Bill as proposed.

Interpretation

Clause 2 seeks to introduce a definition of "licensed oil marketing companies" -

THE SPEAKER: I thought that is what you discuss when it comes to the Committee Stage.

MR OTAALA: Thank you, for your guidance. However, I thought it would be – because we had observations too.

THE SPEAKER: You are now taking us to the Committee Stage. If you have finished the report –

DR OTAALA: Madam Speaker, thank you for the guidance. The committee noted that whereas it is important to define the term "licensed oil marketing companies" for clarity of use in the law, Section 17(2) of the principal Act prohibits a person from performing petroleum supply operations without having obtained a petroleum operating licence under the Act, but

not the petroleum supply operations licence referred to in the clause.

The committee, therefore, recommends that the words “petroleum supply operations licence” be substituted with the words “petroleum operating licence” for consistency.

Supply chain of petroleum products

Clause 3 of the Bill seeks to substitute Section 29 of the principal Act, which allows any person – whether Ugandan or foreign – to participate in all or any activities of the supply chain by restricting the importation and supply of petroleum products destined for the Ugandan market to the licensed oil marketing companies to be undertaken only by UNOC.

The clause also empowers the minister, by statutory instrument under exceptional circumstances with the approval of the Cabinet, to nominate such other person to import and supply all or a portion of petroleum products. The exceptional circumstances are, where UNOC fails to import and supply petroleum products in any given month or where UNOC becomes insolvent.

The clause further obligates all licensed oil marketing companies to purchase all their petroleum product requirements from UNOC or other nominated persons by the minister.

The committee observed that the clause buttresses with clause 1 to ensure protection and capacity building for UNOC, to shield it against competition as a Ugandan-owned company to import and supply petroleum products for the Ugandan oil marketing companies.

The committee further noted that the clause, by empowering the minister to nominate any other person, is introducing a buffer in case UNOC is unable to import and supply petroleum products or if it becomes bankrupt. This shall ensure continuity of supply so that there is no scarcity of petroleum products at any one time in the economy.

The committee, therefore, agrees to the proposal in the Bill.

Petroleum products to be imported and supplied by UNOC

Clause 4 introduces a third schedule which lists the petroleum products to be sourced and supplied by UNOC to include premium motor gasoline or super petrol, automotive gasoil or diesel, Jet A-1 and dual-purpose kerosene.

The committee noted that the proposal does not include differentiated or specialised petroleum products as well as lubricants, both of which are being imported and supplied into the Ugandan market.

The committee, therefore, recommends that the proposed third schedule be amended to include differentiated or specialised petroleum products and lubricants as shall be specified by the different oil marketing companies.

General observations and recommendations

Need for multiple suppliers

The committee observed that in Kenya, the G-to-G importation of petroleum products is undertaken with three multinational companies.

Whereas it is crucial to build the capacity of UNOC in the interim, this should be followed by Government identifying and entering into partnership with the multiple multinational players in the petroleum supply chain as in the case of Kenya.

The committee, therefore, recommends that Government identifies other suitable companies to supply UNOC in the long term.

Funding to UNOC

The Committee observed that since the inception of UNOC, it has lacked sufficient funds to execute its mandate of managing the State’s commercial interests in the oil and gas sector, including importation and supply of petroleum products from oil refineries abroad. Although the current endeavour is meant to build the capacity of UNOC to import and supply petroleum products to the Ugandan market, it still needs additional resources to

be able to deal directly with international refineries.

Recommendation

The committee recommends that the Government enhances funding for UNOC to enable it to independently execute its mandate.

Possible working partnerships for UNOC

The committee was informed that oil refineries only deal with big companies of high financial standing. For this reason, even Kenyan companies participating in the Open Tender System, (including Vivo Kenya) could not manage to have a stand-alone arrangement with refineries.

A typical refinery will require a Standby Letter of Credit or bank guarantee issued by one of the 50 top banks in the world for volumes of at least 356 days. In Uganda's case, the current annual import of approximately 2.5 billion litres would require a bank guarantee of at least \$1.5 billion.

Recommendation

The committee recommends that UNOC should explore possible working partnerships with willing entities that have developed capacity in the transportation and storage of petroleum products.

Establishment of the Technical Petroleum Committee

Section 8 of the principal Act 2003 provides for the establishment of the Technical Petroleum Committee which consists of a chairperson, and eight other members who possess qualifications and expertise in respect of petroleum supply and related matters to be appointed by the minister.

In addition, Section 9 of the principal Act outlines the functions of the Technical Petroleum Committee, among others, including advising the minister on proposed legislation, technical standards and specifications relating

to petroleum products and the supply chain, and developing and submitting to the minister proposals for the improvement of the petroleum supply policies, systems, regulations, technical standards and codes of practice.

The committee noted with concern that 20 years since the enactment of the Act, the Technical Petroleum Committee has never been set up. The absence of the committee indicates a significant gap in the oversight and advisory mechanisms for the petroleum supply and related matters which impedes the effective performance of this sub-sector.

Recommendations

The Ministry of Energy and Mineral Development should operationalise the Technical Petroleum Committee as stipulated in Part III of the principal Act 2003.

Elimination of intermediary oil marketing companies

The committee noted that there is an option for UNOC to deal with oil refineries directly. This would eliminate all middlemen from the supply chain.

Recommendation

The committee recommends that in the long term, UNOC should explore opportunities for direct engagement with refineries. This shall minimise costs and increase the stability of petroleum product supply in the economy.

I beg to report. *(Applause)*

THE SPEAKER: Thank you, chairperson of the committee. Honourable members, I want to remind you that if you do not agree with the person reading, or if you do not agree with the contents, keep quiet, and wait for yours to be read. At the end of the day, it is a question to be put; it is not about those arguments.

Now my Iganga man is here murmuring. When you want to fight, you go to the corridor; I think you have a personal problem. Now, Hon. Akamba, read your report.

4.32

MR PAUL AKAMBA (NRM, Busiki County, Namutumba): Thank you, Madam Speaker. I will go straight to –

THE SPEAKER: What are you clapping for? You know at one time they said – I am asking; why are you clapping? You have become the kind of people who say that as long as they say “Aye.” *(Laughter)*

MR AKAMBA: Compliance of the Bill to the National Development Plan III (NDP III)

The NDP III seeks to increase the competitiveness and strength of the private sector to drive sustainable and inclusive growth.

As a key to national development policy, the NDP III seeks to ensure that the Government works with the private sector to ensure that the resource-led industrialisation process is both sustainable and beneficial to its citizens.

NDP III advocates for the prevention of non-tariff barriers in regional markets, competition policies, and laws that encourage innovations, enforcement of standards and the proliferation of counterfeits.

The proposed amendments to the Petroleum Supply (Amendment) Bill, are, therefore, not in conformity with NDP III.

Committee Analysis, Observations, and Recommendations

This part of the report will examine the proposed clauses of the Bill, their constitutionality and relevance in light of existing laws and policies, court decisions, and the mischief they intend to cure. The analysis is based on the thematic areas as provided for in the Bill as well as new proposals to the Bill.

Amendment of the objectives of the principal Act

Clause 1 of the Bill seeks to delete Section 3(f) of the principal Act whose objective was to

encourage and promote fair competition within the petroleum supply market, to eliminate discrimination or preferential treatment of any participant and to prevent monopolistic control of any segment of the supply chain.

The clause further proposes to insert a new objective (i) to facilitate the Uganda National Oil Company or such other person nominated by the minister with the Cabinet approval to import all petroleum products destined for the Ugandan market.

Committee observation

The committee noted that currently, Uganda imports 90 per cent of its petroleum products through Kenya and 10 per cent through Tanzania. The country has an annual consumption of 2.5 billion litres of petrol, diesel, Jet A-1 and kerosene with annual growth of seven per cent. On average, petrol takes the biggest share of imports followed by diesel, Jet A-1 and then kerosene.

The said petroleum products are purchased by Ugandan companies from Kenyan companies, which have been operating under the Open Tender System (OTS) until April 2023, when Kenya moved from OTS to government-to-government (G-to-G), dealing directly with countries where they now import their petroleum products from.

The OTS system was granted by the Ministry of Petroleum and Mining in Kenya, which is responsible for the regulation of imports of all petroleum products in Kenya.

The committee noted that, whereas the proposal in the Bill is to have UNOC as the sole importer and supplier of all petroleum products for the Ugandan market, interaction with the Minister of Energy revealed that UNOC has no financial capacity to sustain the business of importation and supply of petroleum products for the Ugandan market, and it has executed an agreement with Vitol Bahrain EC, an international trading company, as the sole supplier of petroleum products for UNOC for five years, locking out all other competitors from the Ugandan market.

The committee noted that the hand-picking of Vitol Bahrain EC and the creation of a monopoly for it to supply UNOC was not justified.

Submissions from entities like HEK International Limited and E3 Group asserted that their capacity to finance the supply of petroleum products to Uganda National Oil Company (UNOC). Maersk Line Limited expressed their ability to offer a bank guarantee to UNOC so that UNOC directly deals with oil refineries. Details are in the minutes and attachments.

Had the Government invoked the provisions of the Public Procurement and Disposal of Public Assets (PPDA) Act and advertised the offer, a number of entities, including UNOC, would have expressed interest and the country would have got the best offers rather than limiting it to only one company. Better still, the Government should have considered Government-to-Government arrangement.

Further, the committee observed that there is a possibility of the Government dealing directly with refineries without involving intermediary oil marketing companies. A case in point is in Zimbabwe where a veteran company called CFS Energy Private Limited entered into an agreement with Laffan Refinery Limited 2.

I would like to lay on the Table proof of this kind of arrangement; the Laffan Refinery Ltd 2 with Zimbabwe. I beg to lay. Madam Speaker, the committee -

THE SPEAKER: What are you laying?

MR AKAMBA: I am laying a copy of the agreement that a company belonging to veterans in Zimbabwe directly entered into an arrangement with a refinery called Laffan Refinery Ltd 2 and it was able to succeed and yet it was a mere private company and not a Government company.

The committee noted that whereas inability to purchase directly from the refineries leads to an extra mark-up on Uganda's fuel from Kenyan companies, insecurity in supply for petroleum

products and inability to directly negotiate for petroleum prices with refiners inevitably contributes to high and unpredictable pump prices.

The proposed monopoly is not a preferable option since there is no competitiveness in price against a monopolistic player, importer and supplier. The chart in the report shows the pump price per litre of fuel in recent months.

The committee further noted that fluctuation and scarcity of petroleum products in Uganda is not singly attributable to the lack of a single national importer and supplier, but rather to a number of factors, all of which need to be holistically addressed and these include fuel stock levels.

Although Section 26 of the Petroleum Supply Act requires every licensee to maintain minimum working stocks of petroleum products as prescribed by regulations in order to ensure continuity of the petroleum supply, these regulations are not in place.

The Ugandan fuel market has numerous players with the biggest market share operated by multinational companies who determine their individual stocking and price decisions.

The committee noted that UNOC's stock levels are 30 million litres, but they lack consistency in replenishing the reserves. The chart in the report shows the volume and value of petroleum products imported by Uganda monthly.

Delays in transportation due to reliance on road transport

The absence of bulk and efficient transportation leaves oil marketing companies with the only option of picking products from Kenya by trucks. Although UNOC has utilised railway transport to bring products to Jinja storage terminal via the lake, the current lake transport facility ferry can only ship a maximum of 900,000 litres of diesel in five days.

The transport notwithstanding, UNOC does not possess the financial muscle to facilitate trading activities. It was noted that on October

31, 2022, UNOC had a trading stocking level of 6,701,604 litres of both petrol and diesel at the Jinja Storage Terminal and instead rents the premises out to other oil marketing companies.

There is no evidence that UNOC currently fully utilises the Jinja storage terminal.

The Tax Regime

In Uganda, gasoline which is petrol, diesel, aviation fuel and kerosene attract an excise duty in form of a fixed fuel levy by category per litre imported. For each litre of fuel, there is an excise duty of Shs 1,444 for petrol and Shs 1,140 for diesel. The chart shows the tax regime and the source is the East African Tariff regime.

The cost of taxation is inevitably transmitted to the final pump price contributing to the fluctuation in price. The committee noted that the lack of a sole importer to supply UNOC is not the sole ground upon which the scarcity, fluctuation in prices and non-direct participation by UNOC in the petroleum business is based.

Thus, it is not a direct justification for amendment to facilitate UNOC as a sole importer for all petroleum products destined for the Ugandan market.

Regional Comparison of Retail Pump Prices

The figure below shows the average prices per litre of petrol and diesel in three East African Countries. These are retail-level prices, including all taxes and fees as of 25 October 2023. Comparatively, retail pump prices for both diesel and petrol were highest in Kenya followed by Uganda and Tanzania.

Currently, Uganda is a liberalised economy whose fuel pricing is determined by the market forces of demand and supply with little or no involvement of Government.

The committee notes that although the proposal in the clause shall eliminate two layers of middlemen from the petroleum supply chain, the introduction of Vitol Bahrain EC still

creates a layer of a middleman who shall still buy from a refinery and sell to UNOC at a mark-up.

The committee further noted Uganda's commitments and obligations to equality and non-discrimination embedded in Constitutional provisions, judicial decisions, policy, regional and international legal obligations, as well as its policy on a liberalised free market economy.

The committee noted that the Bill offends The Constitution of the Republic of Uganda, 1995 under whose Objective IX of The National Objectives and Directive Principles of State Policy provides that the State shall encourage private initiative and self-reliance in order to facilitate rapid and equitable development.

This objective is in line with Section 2 of the Public Enterprises Reform and Divestiture Act, 1993, the objectives of which, in part, provides for the reduction of Government equity holding in public enterprises and promotion of local entrepreneurship.

Further, the Bill violates Article 21 of the Constitution which provides for a right to equality and freedom from discrimination wherein all persons are equal before and under the law in all spheres of political, economic, social and cultural life in every other respect and shall enjoy equal protection of the law.

Article 21(2) provides that, "*Without prejudice to clause 1 of this Article, a person shall not be discriminated against on the grounds of sex, race, colour, ethnic origin, tribe, birth, creed or religion, social or economic standing, political opinion or disability.*"

Article 40(2) entitles every person in Uganda to the right to practice his or her profession and to carry on any lawful occupation, trade or business.

The only exception to the enjoyment of these rights and freedoms is under Article 43 which prohibits a person from prejudicing the fundamental or other human rights and freedoms of others or the public interest which shall not permit -

“(a) political persecution; (b) detention without trial; (c) any limitation of the enjoyment of the rights and freedoms prescribed beyond what is acceptable and demonstrably justifiable in a free and democratic society, or what is provided in this Constitution.”

The committee notes that the proposed limitation to the enjoyment of economic rights through the creation of a monopoly is not justifiable in a free and democratic society.

The committee noted that the clause contradicts section 6(2)(a) and (b) as well as section 7(f) of the principal Act, which obligates the minister to make legislation and regulations to secure adequate supply of petroleum products at competitive cost - I emphasise “competitive cost” – for all consumers, promote the increase of opportunities for regional petroleum trade and encourage a diversity of supply sources as well as the observance of the principles of free market economy and fair competition.

The clause further offends section 30 of the principal Act, which prohibits activities against fair competition.

The committee further noted that the Competition Bill, 2023, as passed by Parliament though not yet assented to by the President, was a Government Bill whose policy objective was to promote and sustain fair competition in Uganda and prohibit anti-competitive agreements which have an adverse effect on competition in the market. It is important to take cognisance of its intended principles, which received Cabinet approval before it was tabled in Parliament.

The committee noted that Ugandan courts have struck out provisions of the laws that grant the Government preferential treatment over private parties, for instance, in the case of Attorney-General v. Osotraco Ltd (Civil Appeal No.32 of 2002), Uganda National Roads Authority v. Vivo Energy Uganda Limited (High Court Miscellaneous Application No. 209 of 2014) and Spedag Interfreight Uganda Limited &

three others v. Attorney-General & another (Constitutional Petition No.85 of 2011).

The committee noted that the Bill violates international instruments, including the COMESA Competition Regulations, 2004 and the EAC Competition Act, 2006. The COMESA Competition Regulations, 2004 prohibit member states from anti-competitive practices.

Similarly, the EAC Competition Act, 2006, to which Uganda is a signatory, stipulates as some of its objectives:

- (i) Protecting all market participants’ freedom to compete by prohibiting anti-competitive practices;
- (ii) Protecting the opening of partner states’ markets against the creation of barriers in inter-state trade and economic transactions by market participants;
- (iii) Guaranteeing equal opportunities in the Community to all market participants in the Community, and especially to small and medium-sized enterprises;
- (iv) Guaranteeing a level playing field for all market participants in the community by eliminating any discrimination by partner states on the basis of nationality or residence.

The committee noted, through interactions with stakeholders, that there are other players who can either work directly with UNOC or alongside it, to ensure competitiveness in pump price and guarantee security of supply of petroleum products.

The committee also noted that past experiences of monopolies, including UMEME, the Enrico agreement, the Iron Ore Agreement and the Dura Cement agreements have cost the country money and set a bad precedence for monopolies in Uganda, thus the committee’s decision against the creation of a monopoly for the petroleum sector.

Committee recommendation

The committee recommends that Clause 1 be deleted from the Bill.

6.2 Interpretation

Clause 2 seeks to introduce a definition of “licensed oil marketing companies” to mean a person granted a petroleum supply operations licence under Section 17 to import petroleum products into Uganda.

Committee recommendation

The committee recommends that as a consequence of the rejection of Clause 3, Clause 2 be deleted as well.

6.3 Supply chain of petroleum products

Clause 3 of the Bill seeks to substitute Section 29 of the principal Act which allows any person, whether Ugandan or foreign, to participate in all or any activities of the supply chain by restricting the importation and supply of petroleum products destined for the Ugandan market to the licensed oil marketing companies to be undertaken only by UNOC.

The clause, however, empowers the minister, by statutory instrument, under exceptional circumstances, with the approval of Cabinet, to nominate such other person to import and supply all or a portion of petroleum products. The exceptional circumstances are where UNOC fails to import and supply petroleum products in any given month or where UNOC becomes insolvent.

The clause further obligates all licensed oil marketing companies to purchase all their petroleum product requirements from UNOC or other nominated persons by the minister.

Committee observations

The committee noted that UNOC is incorporated as a limited liability company solely owned by the Government of Uganda, with its functions set out in Section 43 of the

Petroleum (Exploration, Development and Production) Act, 2013, to include:

- a) To handle the state’s commercial interests in the petroleum sub-sector;
- b) To manage state participation in petroleum activities; and
- c) To manage the business aspects of state participation.

The committee further noted that under UNOC’s memorandum of association, the objects of the company include:

- a) To manage the state’s commercial interests in the petroleum subsector on behalf of the Republic of Uganda; and
- b) To manage state participation in petroleum activities, including its business aspects.

The committee, therefore, noted that there is no legal deterrence to UNOC’s participation in business in the petroleum subsector. It should trade alongside other players, but perhaps offer more competitive prices that shall out-compete other players to create for it a natural monopoly.

Committee recommendations

The committee recommends that the clause be deleted for buttressing the already rejected monopoly proposal, but also for providing for UNOC’s right to engage in petroleum trade, a position that is already provided for in other legislations.

6.4 Petroleum products to be imported and supplied by UNOC

Clause 4 introduces a Third Schedule which lists the petroleum products to be sourced and supplied by UNOC to include premium motor gasoline or super petrol, automatic gasoline or diesel, Jet A-1 and dual-purpose Kerosene.

Committee recommendation

The committee recommends that the proposed Third Schedule be deleted consequential to the rejection of the Bill.

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

THE SPEAKER: Thank you, Hon. Akamba, for the report. Dr Otaala, thank you for the report. Honourable members, you have heard both reports. I will open minimum debate. As I said before, these reports are informative. What matters are the clauses. Yes, Hon. Stephen?

4.55

MR STEPHEN BAKA (NRM, Bukooli County North, Bugiri): Madam Speaker, I rise to support the report of the committee, which is the majority report. This country collectively sat here, as represented by their MPs, and made a law to put in place an institution that would take care of our interest in the oil sector – that is, Uganda National Oil Company. One of its major mandates is to take care of our interests collectively as a people.

It beats my understanding when I hear some quarters of this country – some Members – trying to put their interest in private companies. How can that be, Madam Speaker?

We should collectively empower Uganda National Oil Company to take care of our interests. It is like a child at home. When a father is at home, he takes care of the children. When they are sick, they must be taken to hospital. When it comes to schools, you want the best for your child.

Therefore, it is not right to use middlemen from Kenya to feed us when we can empower our child. We are a Government; a people. There is nothing better than empowering our own institutions.

We are always crying about strengthening institutions and this is an opportunity to strengthen our institution that can take care of our interests. What is wrong with our own child; UNOC partaking of the profits that the third parties take to Kenya?

The way I see it, UNOC – because a Member alluded to a lot of laws and I am a lawyer. Article 40 of the Constitution of the Republic of Uganda, where economic rights are provided

for, does not seek to stifle the businesses of these private companies. They can still get these products from UNOC as if they were getting them from third parties in Kenya and business will be done without any stifle. No one is throwing them out of business, but we are empowering UNOC to act like the middlemen in Kenya who earn a lot of money from us.

THE SPEAKER: Thank you. Honourable Members, UNOC is a Government entity. Let us run away from the dependency syndrome; we do not want to depend on those brokers. Hon. Alioni.

4.58

MR ODRIA ALIONI (NRM, Aringa South County, Yumbe): Thank you, Madam Speaker, for the opportunity. Allow me to congratulate you on the twins. I speak in the capacity of a *Ssalongo*, welcome to the family.

I am here in support of the Bill. UNOC is a Ugandan company and it stands to serve the interests of Uganda. Who are the shareholders? We have the Ministry of Finance, Planning and Economic Development that represents the country with 49 per cent of the shares, and the Ministry of Energy and Mineral Development with 51 per cent of the shares.

You know what we have been going through with oil and fuel prices in this country. You, who are listening to me, have been victims and you know what I am talking about in commerce. We are tired of our prices being controlled by neighbouring countries. We are not against other players; the private companies in this business, but UNOC is here to serve the interests of the Government in the oil sector.

It beats my understanding when I see my colleagues - instead of joining efforts to see that we support UNOC, they are trying to serve the selfish interests of the private companies in this country.

THE SPEAKER: Thank you.

MR ALIONI: Madam Speaker, I beg to submit.

THE SPEAKER: Allow Hon. Alioni to speak. Hon. Alioni, speak.

MR ALIONI: Madam Speaker, we have regulators and we are not saying UNOC will run as an independent company. No. We have got the Uganda Petroleum Authority as one of the regulators, so UNOC will not run independently as some of my colleagues think. With those few words, as we plan and join our submissions, think about these Members who are victims of the high fuel prices. Thank you. *(Laughter)*

THE SPEAKER: I will have Hon. Nathan Nandala-Mafabi because he and I are in the same business and after him, I will have Hon. Kateshumbwa.

5.01

MR NATHAN NANDALA-MAFABI (FDC, Budadiri County West, Sironko): Thank you, Madam Speaker. I would like to state, from the onset, that nobody is saying UNOC should not do business with fuel. Nobody has stopped them and the law allows them to do it. If they had wanted money, they should have brought a budget of US\$ 100 million and we would have given them to go directly to the refinery. Nobody stops them. I would like to ask the President and the people advising him that it is important we give UNOC money –

THE SPEAKER: Hon. Nankabirwa, can you listen?

MR NANDALA-MAFABI: It is to ask that UNOC should be given money so that it trades directly from the refinery. When you say, you are bringing Vitol, some of you may not know, but it is the shareholder of Vivo Energy, Shell. Vivo Energy is the one trading as Shell. They are using just a Trademark, but in short, they will go through the refinery, through UNOC to Vivo, and they control the market. I can tell you that what you are trying to do may have been done for them to make money at the expense of the people of Uganda.

Madam Speaker, I have seen today's approved Order Paper and Order 3 says, "The

Rationalisation of Government Agencies (Repeals and Amendments) Bill, 2023". This was put in question because there are some agencies that are not performing and we need to merge them. However, UNOC must have failed because if we have 30 million litres in Jinja and they do not even have one litre with which to regulate the market, they are making a mistake.

Let me give an example of the Bank of Uganda. It is in the forex – I will talk about only the forex. When the dollar goes too high, it brings in money to bring it down. When the money is too low, it mops it out so that the price stabilises. UNOC should be operating like the Bank of Uganda which does not come in to remove forex bureaus, but to regulate the market so that the economy moves.

I would like to explain how the economy moves in the fuel market. Oil is the first traded product in the whole world and everybody would like to trade in fuel. I would like to tell you that if you want anybody – let me ask a question that the minister will answer. How did you contract Vitol in the market?

In the public, we advertise and people bid. The best-evaluated bidder is the one who takes the contract. However, with this one, I have read all the newspapers and the *Economist* because I did Economics, and I have not seen an advert by UNOC looking for somebody to supply – *(Interjections)*–*(Hon. Enosi Asimwe rose)* Hon. Enosi Asimwe, I will help you. Do not panic.

THE SPEAKER: Hon. Nathan Nandala-Mafabi, he has a procedural matter.

MR ENOSI ASIMWE: Thank you, Madam Speaker. The Bill is more about empowering UNOC. The question that my honourable colleague is discussing or trying to debate is how UNOC will operate.

My sincere request to you, Madam Speaker, is that you guide us as to whether we should first deal with empowering UNOC and then we go to the part of how UNOC will operate.

The discussion – Yes, wait a minute. Look at the Bill; it does not mention Vitol or Shell. The argument is, why not first deal with empowering UNOC and then we all agree?

Number two – wait. Number two, we will come to how to empower UNOC to carry out the operations that we have given in the Act. Madam Speaker, kindly guide us on how to move.

THE SPEAKER: Honourable Members, the issue is about UNOC, but what Hon. Nandala-Mafabi is raising is also food for thought. He is raising the issue that we have already entered into an agreement with Vitol. How did we reach that level? That is something that should be corrected in the law. Before you enter into such an agreement, it must be approved by this House.

MR NANDALA-MAFABI: Thank you very much, Madam Speaker. When we come into the House - Hon. Enos, I want to tell you that I am one of those who come here for the interest of the country. If you have personal interests, I am not interested in them. What I am trying to explain - I have not raised anything against –(Interruption)

THE SPEAKER: Can you conclude? We have understood what you are saying.

MR NANDALA-MAFABI: Madam Speaker, I want to beg you to again conduct an induction for Members of Parliament – [Honourable members: “Yes”] Otherwise, the way they are behaving, they are making the House look - (Interjections)

Madam Speaker, I have the following that I want to lay on the Table for Members to follow for the purpose of understanding the law. There is Constitutional Petition No.85 of 2011; Spedag Interfreight Uganda Limited, which Hon. Akamba talked about. There is a ruling, Madam Speaker, on that. Maybe for the purpose of this meeting, the ruling is very clear. Unfortunately, the judges on that petition at that time included Alfonse Owiny-Dollo who is the Chief Justice -

THE SPEAKER: Why is it unfortunate?

MR NANDALA-MAFABI: This is because if the matter goes to court again, he will refer to his court ruling; the lower court – That during my time at the lower court, I ruled like this. I do not think he will run away from it –(Interjections)- Of course, there was the late Kenneth Kakuru - I have just mentioned a few.

Madam Speaker, this is ruling: “*I would, therefore, declare that act of the respondents executing a contract which is purported to vest monopoly rights over clearing, forwarding and handling services of all imports and exports to and fro Uganda through the Port of Mombasa in the 2nd Respondent is inconsistent with and in contravention of Article (40)(2) and Article (43) of the Constitution and to that extent, null and void. I would grant the petitioners costs of this petition...*” Signed on the 25th day of August 2020.

Madam Speaker, the one which was taken to court was Great Lakes Port Ltd. When Great Lakes Port Ltd signed the contract, they wanted monopoly. I lay this on the Table. (Applause)

Madam Speaker -

THE SPEAKER: Attorney-General, I hope you are taking note.

MR NANDALA-MAFABI: There is a supplementary, which is the East African Community Competition Act, 2006. Section 5 says, “*Prohibition of anti-competitive concerted practices*”. It was signed by the President of Uganda on 22 December 2011. This one is against monopoly.

Madam Speaker, unless we are moving away from East Africa - I lay the document on the Table.

There is the Third Statute we have read – (Interjections) - I am going to lay it. This one removed where they said, the Government is a poor businessman or businesswoman.

THE SPEAKER: Have you given out the microphone?

MR NSEREKO: Hon. Nandala-Mafabi, thank you for the wise information. I also thank Madam Speaker.

As Hon. Nandala-Mafabi has said, we are not against Uganda National Oil Company (UNOC) but in your report, you have clearly informed this House that UNOC is unable and therefore, it identified a partner by signing a Memorandum of Understanding.

The question is, if you are kicking out middlemen –

THE SPEAKER: Hon. Nsereko, it is also saying that it is capable of identifying other partners.

MR NSEREKO: Agreed, Madam Speaker, and we are not objecting to that. We are the same House that sat and passed a law that would fight the tendency to create monopolies in this economy. The reason is to start a policy that gives other start-ups empowerment. Just like we are empowering UNOC, there are also other players.

What countrymen will ask us is - We have knocked ourselves before on the matter of UMEME, Bujagali, Dura Cement, Pinetti in coffee and Lubowa hospital, yet we are coming back to the same House. How shall we explain to the people that we are the same House that comes here and legislates after agreements have been entered into by Government without consulting and involving the people of this country?

The information I want to give Hon. Nandala-Mafabi is that we are well informed about the status of UNOC and we must not be seen to come here and buttress the agreement that was signed between UNOC and Vitol. Give other players a chance and then you can come back so that we legislate for fair competition. *(Applause)*

MR NANDALA-MAFABI: Madam Speaker, you have heard. This is the Third Statute and I am happy my brother Hon. Felix Okot is around.

Madam Speaker, there are many fuel companies. There is BP, Excel, Total Energies and so on; there are so many. If the Government of Uganda wanted, it would come up and say, we cannot have only one but many. If you had many, there would be no issue being raised. If you want us to empower UNOC, we can do it. We can even offer a tax levy on fuel and say, Shs 100 will go towards empowering UNOC so that tomorrow, they are capable of running on their own. We did it to the *New Vision*. After the *New Vision* had picked up, we allowed other monopolies and we said, nobody will advertise anywhere in Uganda on Government contracts apart from the *New Vision*.

THE SPEAKER: Thank you. Hon. Kateshumbwa -

MR NANDALA-MAFABI: I would like to conclude with something small. Madam Speaker, you need information; it will help. I was in a meeting where a group called Sustainability and Energy Practitioners Association (SEPA) – I hope the chairperson of the committee was in that committee meeting. Their arguments were that they wanted more items to be added on the list, yet the people from SEPA are basically members of Vivo Energy and they came to support them. When Members asked the whereabouts of other members of SEPA like Total or Oryx Energies, they said they were busy.

Therefore, I would like to request the chairperson of the committee to send the CID to pick the documents because they failed to avail them.

In conclusion, Madam Speaker, I want to state that nobody is fighting UNOC. What we want to do is one, ask UNOC to come here with a budget and we give them money to go to the refinery. We shall give a guarantee.

Two, many companies have appeared before the committee because they said they have capacity. Madam Speaker, the moment you sign a contract of 2.5 million litres to Vitol, that company will go all over the world to source

money, come and supply, yet the money they are going to get has interest.

First, there will be interest on the money; there will be margins and there is monopoly. The moment you create monopoly in this country, the same prices will go high. I would plead that for now, the committee should be funded to go and visit oil refineries, if you agree, Madam Speaker. We can schedule either Singapore, Saudi Arabia or even Dubai so that they go and learn how fuel is dealt at the refinery.

Madam Speaker, a refinery is like a maize mill where people who deal in maize go. There will be buyers. Even those who bring crude oil refine it to a finished product but it is a maize mill and the buyers are known. However, the owners of the oil are those of the crude oil. Nobody should lie to you that the refinery is a problem. The problem is the crude oil dealers. The refinery knows who they are and who can buy fuel from the refinery.

Madam Speaker, they displayed that picture to divert us. The true story is that most of the big companies, like Shell and Vivo - if they have a managing director in the UK, his salary will be apportioned on that litre of oil sold in Uganda.

Therefore, the litre you buy in Uganda has high-cost overheads. You will discover that there are smaller dealers who have no big overhead costs and their pump price is too low. This is when we should be fighting to say, Uganda National Oil Company (UNOC), is it possible for you to get the crude oil from the refinery and deal with it, but not the vital which is going to be very expensive? *(Applause)*

THE SPEAKER: Hon. Kateshumbwa? Hon. Kamuntu, are you also going to talk about monopoly? You are one of the Members who enjoy a monopoly of iron ore in Uganda. Anyway, it is okay.

5.18

MR DICKSONS KATESHUMBWA (NRM, Sheema Municipality, Sheema): Madam Speaker, I have had the chance to facilitate the clearance of fuel into this country for many years and I would like to give information.

First of all, strategically, we need to support the Bill and I will explain. All the fuel that comes to Uganda goes through either Mombasa or Dar es Salaam. The Government, in the neighbouring country, decided to move away from the existing system; the Open Tender System (OTS), which was running at premiums as low as US\$ 35 per metric tonne, and negotiated premiums of US\$ 118 per metric tonne, in the case of gasoline.

That negotiation includes the fuel destined for Uganda. They negotiated a six-month credit period but when our companies pick the fuel, they must pay upfront. This means that the money our companies were paying is kept in the country to help its forex and then they pay the company six months later. Who is suffering? It is the Ugandan consumers.

What this Bill is trying to cure is - first of all, we can negotiate our premium that is much lower than what our neighbours have negotiated. The minister indicated the target that they have set, although that could even go down.

Secondly, the region receives around six ships of fuel in Mombasa. It has been receiving this fuel as a regional stock, and then it is pumped through the Kenyan pipeline system to Uganda, through Eldoret, Kisumu, and other places. Along the way, there are middlemen. The Government is trying to cut them out of the process. *(Applause)*

Therefore, as it is, what Government is trying to do - looking at our fuel needs of 200 million litres monthly - is that Uganda will be able to have two ships dedicated to it. If there are no supply chain constraints, that gives us security of fuel. However, that will depend on how organised we are and how the ministry regulates this process.

Madam Speaker, the best circumstances would have been that UNOC is capitalised to buy fuel from the refineries. *(Applause)* That is the future that we should be looking at. When I talk about the future, it can be tomorrow. That should be the ideal situation. This House is in charge of appropriation –

THE SPEAKER: Honourable members, it is just a matter of wording. It is an ideal situation. That is what we should do. There is a motion.

5.22

MR MICHAEL MAWANDA (NRM, Igara County East, Bushenyi): Thank you, Madam Speaker. Having heard various submissions from Members, I move a motion that we close the debate and move on to the Committee Stage.

THE SPEAKER: Honourable members, for the health of the Speaker, let us close the debate. Is it seconded? (*Members rose*) It is seconded by the Hon. Kabanda and the whole House. Thank you. The babies have to breastfeed.

Honourable members, in the House, I have 118 Members and 68 attending virtually so we have the quorum. I put the question that the Petroleum Supply (Amendment) Bill, 2023 be read for the second time.

(Question put and agreed to.)

BILLS
COMMITTEE STAGE

THE PETROLEUM SUPPLY
(AMENDMENT) BILL, 2023

5.24

THE CHAIRPERSON: In clause 1, there is no amendment.

MR NANDALA-MAFABI: Madam Chairperson, clause 1 is the one deleting competition in the oil sector. I propose that clause 1 be deleted.

The justification is that clause 1 will facilitate Uganda National Oil Company to be given money to compete with others in the oil sector. Failure to do that, we are creating a monopoly, which will be dangerous for this country.

MR ENOSI ASIIMWE: Thank you, Madam Chairperson. I suggest that we insert a section on the commencement date of this Act, once

signed, because it has a cost implication for the oil companies -

THE SPEAKER: Is that on clause 1?

MR ENOSI ASIIMWE: No, I was suggesting that before clause 1, we put a commencement date -

THE SPEAKER: Honourable member, Committee Stage moves clause by clause. Hon. Nandala-Mafabi is saying that we should delete clause 1 so that we remove the monopoly of UNOC. [*Members: "No."*] Have you put the question? I am going to put the question to Nandala-Mafabi's proposal. Those in favour of deleting the clause say, "aye" and to the contrary say, "nay".

(Question put and negatived.)

Clause 1, agreed to.

Clause 2, agreed to.

Clause 3, agreed to.

Clause 4, agreed to.

The Schedule, agreed to.

The Title, agreed to.

MOTION FOR THE HOUSE TO RESUME

5.28

THE MINISTER OF ENERGY AND MINERAL DEVELOPMENT (Ms Ruth Nankabirwa): Madam Chairperson, I beg to move that the House do resume and the Committee of the whole House reports thereto.

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

(Question put and agreed to.)

(The House resumed, the Speaker presiding.)

REPORT FROM THE COMMITTEE OF
THE WHOLE HOUSE

BILLS
THIRD READING

5.29

THE MINISTER OF ENERGY AND MINERAL DEVELOPMENT (Ms Ruth Nankabirwa): Madam Speaker, I move a motion – [Mr Mugema: *Procedure, Madam Speaker.*”]

THE SPEAKER: Hon. Mugema Panadol of Iganga, can you kindly sit?

MR MUGEMA: It is procedure, Madam Speaker.

THE SPEAKER: No, sit.

MR MUGEMA: It is a request, Madam Speaker.

THE SPEAKER: Since when did I – Hon. Kabanda cannot stand. Can you continue?

MS NANKABIRWA: Madam Speaker, I beg to report that the Committee of the whole House has considered the Petroleum Supply (Amendment) Bill, 2023 and passed all the proposals without any amendment. I beg to move.

THE SPEAKER: Thank you.

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

5.30

THE MINISTER OF ENERGY AND MINERAL DEVELOPMENT (Ms Ruth Nankabirwa): Madam Speaker, I move that the report of the Committee of the whole House be adopted.

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

(Question put and agreed to.)

Report adopted.

THE PETROLEUM SUPPLY
(AMENDMENT) BILL, 2023

THE SPEAKER: The quorum is maintained.

5.30

THE MINISTER OF ENERGY AND MINERAL DEVELOPMENT (Ms Ruth Nankabirwa): Madam Speaker, I beg to move that the Bill entitled, “The Petroleum Supply (Amendment) Bill, 2023” be read the third time and do pass.

THE SPEAKER: Honourable members, I put the question that the Petroleum Supply (Amendment) Bill, 2023 be read the third time and do pass.

(Question put and agreed to.)

A BILL FOR AN ACT ENTITLED, “THE
PETROLEUM SUPPLY (AMENDMENT)
ACT, 2023”

THE SPEAKER: The Bill is passed and Title settled. *(Applause)*

MOTION FOR ADOPTION OF THE
REPORT OF THE COMMITTEE ON
TOURISM, TRADE AND INDUSTRY ON
THE INQUIRY INTO THE GOVERNANCE
OF AND VALUE FOR MONEY FOR
BUDGETARY APPROPRIATIONS TO
COOPERATIVES FOR THE FINANCIAL
YEAR 2011/2012 AND FINANCIAL YEAR
2022/2023

THE SPEAKER: Honourable members, there was a report that was being investigated by the Committee on Tourism, Trade and Industry and having read the report thoroughly – Honourable minister, can you come back? Please be seated because you have to thank the House for passing your Bill.

Honourable members, the report that we are talking about – Listen to this attentively because today it is me and tomorrow it is somebody else.

Having read the report, the investigation was done by us and the findings of the report border on criminality. I find it hard, as a House, to be the ones to debate that report. I am therefore forwarding that report to CID, IGG and DPP. We are not competent enough to take action on that report. That report is retired from the Order Paper and forwarded. I request the Clerk to forward it to those institutions for further administration and management. I hope you have understood. Hon. Kabanda, do you have something to say?

5.34

MR DAVID KABANDA (NRM, Kasambya County, Mubende): Thank you, Madam Speaker. I would, of course, have something to say if I saw the report because we know some people who were involved in taking our money for the cooperative unions.

According to the information we have, those people were not captured in the report but were saved and they belong to this side as well as the Opposition side. It would be important that this House goes through the report such that we know who is going to appear before those authorities that are going to investigate them.

If these people have not been captured in the report, Parliament must come back and we go through because we cannot pretend to be fighting corruption and at the end of the day, those people who go on televisions as those who are supposed to check us, are the beneficiaries. After here, they go pretending to be fighting corruption - they pretend to be fighting President Museveni, but we save the same people.

Madam Speaker, it would be important that all of us look at the report because we have some evidence that these people were involved in taking money.

THE SPEAKER: Honourable members, as the presiding officer, I have been judicious enough. I have read the report and I am going to upload it for you to be able to see it. Where the CID, the DPP and the rest realise that they need more people - No, they take action. We

have given them the go-ahead to take action. Yes?

3.36

THE GOVERNMENT CHIEF WHIP (Mr Hamson Obua): Madam Speaker, congratulations. It is as if you read my mind; I wanted to request that since this is a report of an investigation conducted by a committee of Parliament, it would be important - Much as you have decided, as the custodian of our rules, to refer it, let it be uploaded for us to read for information purposes and for us to also internalise the findings and recommendations of the committee. Thank you.

THE SPEAKER: Thank you, honourable members. I do not want the Members to speculate. Read the report and understand it. Action will be taken by the relevant people. You are not the people to do that work. I am adjourning the House until 2 o'clock tomorrow. *(Laughter)*

(The House rose at 5.37 p.m. and adjourned until Wednesday, 15 November 2023 at 2.00 p.m.)