**Wednesday, 13 May 2015**

*Parliament met at 2.07 P.m. in Parliament House, Kampala.*

PRAYERS

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

*The House was called to order.*

COMMUNICATION FROM THE CHAIR

**THE DEPUTY SPEAKER:** Honourable members, I welcome you to this sitting. I thank you very much for the effort you are putting in to enable us deliver this budget in this difficult transition and deliver it in time to help the people of this country move forward.

The next 12 months will be the last 12 months of this Parliament. We are going to have many competing demands for our time but we still know we are not done yet. The people gave us the mandate, which has a few more months to run and we must finish properly. Therefore, let us break on and do it and do it right.

Honourable members, I was supposed to communicate today my guidance on how we are going to handle the Constitutional (Amendment) Bill and other issues that might be coming from other people that are not accommodated in that Bill. I will do this when the House is properly constituted and attendance is better.

The simple of it is that everything that comes to the House comes through some means. It comes through Bills, motions, petitions or questions; they are mechanisms by which matters are brought to the House. That is the housing or the vehicle that moves these matters on the Floor of Parliament.

We have a Constitutional (Amendment) Bill, a vehicle that is going to pass through this House carrying amendments proposed in the Constitution. That vehicle should, in essence, carry all matters related to the subject matter so that we do not have a multiplicity of things coming up into the House again and finding their way.

In that regard, since the Constitutional Amendment process is already in place, any Member of Parliament or person from the public who has any issues that relates to matters of constitutional amendment does not have to come directly to the Floor again since the matter is already with the Committee on Legal and Parliamentary Affairs.

I urge the committee to open and entertain all matters, receive all petitions, all presentations and all requests, process all of them and take a preliminary decision there and when they come to the House, they guide us on how to proceed with whatever they have received as a committee. That will be a good way to avoid very many things happening in very many places. That will be the one-stop centre where all matters relating to this process should be directed. Thank you.

2.12

**MR MOSES KASIBANTE (Independent, Rubaga Division North, Kampala):** Thank you very much, Mr Speaker. I rise on a matter of national importance regarding the National Voter Register updating exercise that ended on Monday.

As MP, I have witnessed very many people in my constituency and I believe the concern cuts across the country. So many people who had turned up to be registered were turned away because the people who were in charge did not have enough application forms to register the number of people that had turned up. I believe that this was some kind of inefficiency on the part of Government.

In my constituency, for example, in about four registration stations that I physically visited, about 100 Ugandans who had turned up could not be accorded a chance to register because the applications forms were not enough. They had been promised to bring the forms on the last day but it all ended without bring the same.

My request to the Government is simple, that you should direct the Electoral Commission not to stop this exercise because a number of Ugandans were left out technically not because they did not turn up to register but because application forms were not enough. Thank you very much.

**THE DEPUTY SPEAKER:** Thank you.

**MR MAWANDA:** Thank you very much, Mr Speaker. I would like also to add my voice to hon. Kasibante’s submission. There are also cases in my constituency where people did not register due to lack of forms which the registration officers did not have. In that regard, the problem of people failing to register was not out of their inefficiency but because the registration forms took time to be delivered to some of those centres and my people missed out.

It is also my prayers, that some extension be given to our people to be able to register. Thank you very much.

**THE DEPUTY SPEAKER:** Thank you. Do we have a response from the Government on this issue?

2.16

**THE GOVERNMENT CHIEF WHIP (Ms Ruth Nankabirwa):** Thank you very much, Mr Speaker. I would like to thank the Members who have raised this matter of national importance.

Right from the beginning of registration for IDs, a timetable was drawn. Secondly, the Electoral Commission has also got constitutional timeframe. That means we need to have a cut-off point in order to allow the Electoral Commission to prepare for the national elections. After that, registration of Ugandans will continue; it is a continuous process.

I cannot stand here and commit Government without further consultation that it will be possible for the Electoral Commission to give us yet another period. This is because initially the deadline because initially the deadline was 4th May, issues were raised and extension was done up to 11th May. Today is 13th May; I cannot commit Government without doing further consultations.

However, I also sympathise with the people who have not got a chance yet for registration. This is a matter I am going to carry forward with the Prime Minister and see what we can come up with.

**THE DEPUTY SPEAKER:** I think that is okay. If it is because the papers for registration were not there but the people were there, then you need to find out more details and see how best it can be handled.

2.17

**MR PETER BAKALUBA (NRM, Mukono County South, Mukono):** Thank you very much, Mr Speaker. I am rising up on a matter of national importance concerning illegal surveys and issuance of illegal land titles on Zirimiti Central Forest Reserve in Ntenjeru Sub-County, Mukono South Constituency, Mukono District.

Last year on behalf of the concerned citizens of Bugoye and Ssaayi Parish in Ntenjeru Sub-County, we acted as whistle-blowers and informed the National Forestry Authority about some people who had acquired illegal land titles with the intentions of growing sugarcane on that forest reserve.

The NFA field staff, applying their GPS point discovered the encroachment and the illegal surveys that had been done on Kasaala, Nabanga, Mwola and Zirimiti central forest reserves which were sanctioned by Mukono Land Office.

This illegality has affected the natural resources of the area. It has encouraged encroachment on these forest reserves and there are even some fenced areas, which actually affect our people even to draw water from those forest reserves.Therefore, we are calling upon Government to intervene most especially to handle the Lands Office and the Land Board of Mukono District to see to it that they can recall the land titles or see to it that they can be cancelled. I thank you very much.

**THE DEPUTY SPEAKER:** The matter of these forests, honourable minister.

2.20

**THE MINISTER OF INTERNAL AFFAIRS (Gen. Aronda Nyakairima):** Thank you, Mr Speaker. I thank you, honourable colleague for raising this matter. We have been handling land wrangles especially where there is a conflict with the community and then bringing in insecurity. I just want to commit Government that we are going to work with the colleague and authorities in the district and find out who is in the middle of this conflict. I promise we will resolve this with all the parties and then report back to Parliament. Thank you, Mr Speaker.

**THE DEPUTY SPEAKER:** Thank you. That should be the way to handle things. Honourable member, you liaise with the minister and move this matter forward. If there are still outstanding issues, you come back to us.

**REV. BAKALUBA MUKASA:** In fact, I have also this document. I do not know whether I can lay it.

**THE DEPUTY SPEAKER:** No. it is not necessary. Take it through the process and then, we see. When there is any issue, you come back. Thank you.

BILLS

FIRST READING

THE NON-GOVERNMENTAL ORGANISATIONS BILL, 2015

2.21

**THE MINISTER OF INTERNAL AFFAIRS (Gen. Aronda Nyakairima):** Thank you, Mr Speaker. I beg to move that the Bill entitled, “The Non-Governmental Organisations Bill, 2015” be read for the first time. I also beg to lay on Table the Bill and its certificate of financial implications. (*Members rose\_)*

**THE DEPUTY SPEAKER:** Thank you. I see the Government Chief Whip rising to second the motion for First Reading of this Bill. I see the member for Ajuri County; PWD Eastern; Bungokho; Soroti Municipality and the whole House. Thank you.

The Bill stands committed to the appropriate Committee on Defence and Internal Affairs for expeditious handling. I see the chairperson here on this date. Madam Chair, take note. The Clerk will extract a formal communication and forward a copy of the Bill for you to handle expeditiously to regulate this sector, which is occupying many areas in the country so that we have full view of what the updated situation will be.

LAYING OF PAPERS

1. PUBLIC SERVICE COMMISSION ANNUAL REPORT (1 JULY 2013 – 30 JUNE 2014)

**THE DEPUTY SPEAKER:** Who is laying this document from the Parliamentary Commission? Parliamentary Commission? Can any Member lay this document? The papers should be here. They are not there? They have denied this opportunity to honourable members. Okay, we stay on that When they get the papers, they will be laid accordingly.

1. RESPONSE TO THE RECOMMENDATIONS OF PARLIAMENT ON THE NATIONAL BUDGET FRAMEWORK PAPER FOR FINANCIAL YEAR 2015/2016 AND OTHER BUDGET RELATED DOCUMENTS

2.23

**THE MINISTER OF STATE FOR FINANCE (PLANNING) (Mr David Bahati):** Thank you, Mr Speaker. I beg to lay the responses on the recommendations of Parliament to the National Budget Framework Paper for financial year 2015/2016.

**THE DEPUTY SPEAKER:** Let the records capture that. There are no documents?

**MR BAHATI:** Mr Speaker, on the 1 April 2015, in accordance with Article 155, we laid on Table some documents accompanying the National Budget Framework Paper. Since then, we were reminded on the 8th April, that there are additional documents that needed to be laid. Mr Speaker, I beg that these documents be brought to this House next Tuesday.

**THE DEPUTY SPEAKER:** Can you list out those documents you are referring to so that the records can capture them?

**MR BAHATI:** Mr Speaker, one of the documents we are going to lay on the Table is the budget estimates for statutory bodies and also our commitments with different inter-governmental organisations. Those are the ones that we have so far identified as those that we have not laid to this House.

**THE DEPUTY SPEAKER:** Those are the documents that are in the Schedule to the Public Finance Management Act.

**MR BAHATI:** Yes.

**THE DEPUTY SPEAKER:** Okay. Thank you.

2.25

**MR GEOFREY EKANYA (FDC, Tororo County, Tororo):** Mr Speaker, I would like to thank the honourable minister for what he has laid. The Speaker then, read the list of documents, which were missing and it is on the *Hansard.*

**THE DEPUTY SPEAKER:** Do you have the list there? Can you?

**MR EKANYA:** I can pick from my office if I am given some time. Also, section 13 of the Public Finance Management Act outlines the documents. I personally, raised a letter to the Speaker and copied to the Minister of Finance, which I can pick. These documents are more than one. Some of the documents that the Ministry of Finance laid do not conform to the law.

For example, I picked this from what was laid in relation to section 13 of the Public Finance Act laid on Table on 1st April by hon. Aston Kajara. This is the national budget deficit financing.

The requirement of the law is that the documents to lay on date should be in relation to the budget for the financial year we are handling but then you can give more information. However, what they laid is the old laying according to the Budget Act.

Therefore, I would like to request that you give me few minutes and I bring the letter and officially lay it on Table to help the minister when he brings the other documents.

**THE DEPUTY SPEAKER:** That is fine. You can bring the documents and we see how to proceed. It is all, but the challenge of this transition. Many people were caught unawares by the timeframes and the new list of requirements. We are just finding our way but we will be able to accommodate that within the transitional arrangement.

However, we need to do everything that is possible to facilitate the budget process so that we do not hit a stalemate before the date declared by the law as a day when we should pass the budget. We should just do everything acceptable to enable us deliver this. That will be the best way to go. Please, bring those documents. I will be able to receive them and pass them to the minister and then we will see how to move from there. Thank you.

BILLS

SECOND READING

THE EXCISE DUTY (AMENDMENT) BILL, 2015

**THE DEPUTY SPEAKER:** Honourable members, we have debated this Bill and a report was presented by the chairperson of the Committee on Finance, Planning and Economic Development and the minority report was also presented.

I propose the question for debate and debate starts now. Each Member will use three minutes. We are debating the principles of the Bill, bearing in mind that at 3 O’clock, we have Prime Minister’s Question Time.

2.29

**MR MICHAEL MAWANDA (NRM, Igara County East, Bushenyi):** Thank you very much, Mr Speaker. I would like to thank the committee for the Bill they presented yesterday. I fully support the Bill and I implore Members to support it too and assist Government to raise funds to run activities.

I also welcome the idea of reducing tariffs on the incoming calls in the East African region. This will go a long way in doing a competitive business in our community. As you realise, the call rates in East Africa have been high unlike other countries. Therefore, if there is a reduction on the incoming calls in the East African Community, it will go a long way in supporting our business people.

Mr Speaker, I would also request Members that we support the taxes that have been introduced on fuel so that we can be able to raise enough money to finance our budget. Mr Speaker, I thank you very much.

2.30

**MS HARRIET NTABAZI (NRM, Woman Representative, Bundibugyo):** Thank you very much, Mr Speaker. I rise to support the Bill, more especially on levying taxes on alcohol, spirits and wines.

You know very well that most of the deaths in accidents are caused by drank drivers. It is not a must that everybody should drink. You drink when you like. It is not healthy that when you take booze, then you will get proteins and other food nutrients. It is just a drink that you take at leisure.

Therefore, to reduce the number of people who are drinking, we should really put a high tax and reduce the number of causes of deaths on roads and school dropouts. It is because sometimes when fathers and mothers are drinking, they forget all about school fees. It will reduce the causes of domestic violence; most of the women in this country have undergone torture and domestic violence in the hands of men because of alcohol. This is one of the highest causes of domestic violence. Sometimes, a woman is at home and ignorant of what is happening but she gets worried that when he comes back home, it is trouble.

Therefore, when we put a cost on those spirits and alcohol, it is going to be good for women and it will reduce the number of people who afford buying spirits and alcohol.

The other point is on telecom companies. I sit on the Committee on Information and Communication Technology and the issue of East Africa Community came in. We looked at it and we also agreed as the committee to reduce the rates charged on those calls. Of course, when you go out of the country, it is cheaper to call someone when you are in Uganda than calling someone in Uganda from outside the country. Sometimes, when you are outside the country, you would rather have somebody from here call you because it is cheaper. The rest of the countries charge higher costs than Uganda. Therefore, if we also did the same and we balance, we would really make a lot of money. (*Member timed out*.)

2.33

**MS JOVAH KAMATEEKA (NRM, Woman Representative, Mitooma):** Thank you, Mr Speaker. I also rise to support the motion. I want to thank the committee for their report.

I commend the increase on excise duty on spirits. Not only has alcohol negatively impacted on the production and family lives in this country, because of the way it causes domestic violence as my colleague has said, but it has also negatively affected our children. The youths are very much involved in the consumption of alcohol and other narcotic substances.

I would like to suggest to the honourable minister that this nation should ban the alcohol that is contained in the sackets because they go cheaply - shs 100 or shs 200. These youths are able to access these drinks and many of them have dropped out of school. Some are involved in all sorts of crimes. You find the “*boda bodas”*- I am sorry, yesterday, I mentioned the “*boda bodas”* and again today- (*Laughter*)- You find the cyclists holding sackets in their mouth even as they ride.

Therefore, it is high time this nation banned the consumption of alcohol in sackets so that we save our children and families. Personally, if that is done, I will support the measures. Maybe, actually the cost on these spirits should be increased so that we get more income on them.

Much as you would want to encourage production, you should also discourage high consumption. Let people drink reasonably and maybe, when also time comes, we should be able to regulate drinking hours so that these youths do not drink during the day. Drinking hours should be regulated between 7 p.m. to 10 p.m. I thank you, Mr Speaker.

2.36

**MRS EVELYN KAABULE (NRM, Woman Representative, Luuka)**: Thank you very much, Mr Speaker. I rise to support the increase excise duty on cigarette and I appreciate the amount of Shs 10,000 and Shs 6,000 on soft cap and hinge lid respectively.

As much as I appreciate that, I remember last year, when we were discussing this duty, we had agreed to put this at even 50 per cent because according to the Framework Convention on Tobacco Control, it gives us a leeway of putting it even at 70 per cent.

Therefore, if we are looking for money, we should be able to increase this even further. However, most importantly, we should look at public health. If we are to be mindful to public health, we should try as much as possible to stop especially the youths from getting initiated into smoking. We should stop those who are already smoking into escalating the rate of smoking.

Therefore, I support this duty but at a later stage, when we come to the committee stage, I will come back and suggest a further increase on this. That is why we also came up with a Bill that has taken more than one year at committee level and it is still not coming to the House. This would also help us to curb the rate of smoking especially among the youths.

Lastly, I comment on the soft drinks and bottled water. We are talking of reducing the excise duty on soft drinks from 13 to 7 per cent with the reason that they will donate medical equipment worth $2,000,000.

My suggestion is that we leave the tax as it is, but reinforce whatever we get from this tax on medicine to buy whatever we need medical equipment and the rest. It is because we cannot really tie this to donations. I suggest that we leave the tax as it is, but ring-fence whatever revenue we get from the taxes for medical equipment. I thank you.

2.39

**MR IDDI ISABIRYE (NRM, Bunya County South, Mayuge)**: Thank you, Mr Speaker. I would like to thank the committee for the report. I stand here to support the committee report especially on the increase of excise duty on petrol and diesel.

We have always seen fuel prices reducing almost by 50 per cent globally but our pump prices do not reduce. That means Government loses taxes, and yet if the fuel dealers were to respond in regard to the reductions of the prices, there will be a fair deal. In a situation where the fuel dealers do not respond respectively, I support the increase of excise duty on petrol and diesel.

Mr Speaker, there is no doubt that we need these taxes in order to deliver because we have very many demands like social services, good roads, hospitals and schools to deliver to our people. Where shall we get the money to fulfil all these?

I stand here to support the committee report because an increase from shs 950 to shs 1000 per litre of petrol and an increase from shs 630 to shs 880 per litre of diesel are not too much because even if we do not increase, definitely, we cannot regulate the fuel prices by the dealers. I thank you, Mr Speaker.

2.41

**MR WILLIAM NZOGHU (FDC, Busongora County North, Kasese):** Thank you, Mr Speaker. First of all, I want to thank the President of this country for having put it clear that “*buveera”* must not be seen in circulation. I relate this to the way the packaging of some of the spirits is done, especially the sackets, which in one way or the other may compromise the directive, which the President has given.

It is true that spirits are taxed and we earn money from them. However, as we do that, it is better that also, we look at the way the packaging of these spirits should be. Subsequently, when you analyse what Ronald Reagan, the former President of USA said, “the problem is not no taxes, the problem is how Government spends.” For as long as we look at that, I see that the statement the former US President made has a correlation with whether we should decide to increase taxes on fuel or not.

This is my position. Ronald Reagan went ahead and said that when goods are moving, tax them. When goods keep moving, increase the taxes but when goods stopped moving, subsidise them.

I am looking at fuel in the perspectives of production and employment as well as social welfare. I know that the proposed increase on taxes in this sector is not a good proposal. We would rather see how to reduce the taxes on fuel because of the critical nature in which petrol, diesel and paraffin are used in our daily lives in this country.

For instance, in my constituency, people still use paraffin in major villages. Even the “*boda bodas”* have borrowed loans to buy these motorcycles. When you increase taxes on petrol, it means you are increasing the burden of these “*boda boda”* riders who have borrowed money to buy motorcycles and this means the amount they borrowed is increasing by either double fold or marginally that - (*Member timed out.*)

2.46

**MS ROSEMARY NAUWAT (NRM, Woman Representative, Amudat):** Thank you, Mr Speaker. I would like to thank the committee for their report.

On several occasions, His Excellency the President has been informing Ugandans that some of our projects are being funded with our own resources. Therefore, there is need to increase our tax base so that we are able to fund more projects.

I would like to support the reduction of levy on incoming calls especially within the East African Community. For those of us who come from the boarders, we have friends and relatives in the neighbouring countries and we have been receiving a lot of calls but this has been very expensive.

Therefore, if this reduction is made, I think we shall be able to interact with our brothers and sisters in the neighbourhood.

I would also like to support levying taxes on alcohol; Alcohol, which is retarding the development of this country. This is because a large population is engaged in the consumption of alcohol. A man or a woman can afford to buy a bottle of beer but cannot afford to buy a half kilogram of sugar or even a packet of salt for the family. We need to tax these beers so that the rate of consumption is reduced.

We have been hearing cases of defilement and rape. When they defend themselves, they claim that it was as a result of being under the influence of alcohol.

Therefore, I support the committee’s recommendation that we levy taxes on alcohol so that the number of consumers is reduced and the number of crimes resulting from alcohol consumption is also reduced. I thank you.

2.48

**MR YAHAYA GUDOI (NRM, Bungokho County North, Mbale):** Thank you, Mr Speaker. I also join colleagues in thanking the members of the committee for the good work done. I support the motion. I support the increase of money on beers or soft drinks. What I wanted to say is that even if we increase it to 1000 per cent, people will still buy beers.

I am trying to say that the increase you have indicated in the Bill should have been over 100 per cent. People will still buy beers. That one I know for sure. The reason is that people who drink are very complicated. The crime rates of cases are being engineered by those who drink and are not 24 hours sober.

When you go to the Muslim community, the drunkards have even attracted our own. These days you also find a Muslim drinking. As a *Hajji*, I think when we increase a lot of money on beers, I will benefit from it. This is because my children, sisters, and other relatives will not run for people who woo them with beers.

When we talk of smokers, in my view, cigarettes do not mean much but they are life hazards. We have always seen writings on shops which sell cigarettes. They have put pictures indicating that cigarettes are dangerous to your health. When you look at the respiratory system, people who are disturbing Mulago Hospital here are good smokers. They are taken to these wards, which are acute. I urge members on this committee not to have mercy on the increment on cigarettes and soft drinks.

Lastly, when you raise the excise duty on diesel and petrol, the tendency*- (Interruption)*

**DR BARYOMUNSI:** Thank you, Mr Speaker. I would also like to thank the honourable member for giving way. The honourable member for Bungokho North has been making a very strong point that increasing taxes on spirits and cigarettes will not necessarily reduce the number of consumers. I want to give information that is very correct; a smoker will still buy a cigarette even when you triple the cost of that cigarette. The other beneficial effect is that the young people whom we want to protect will be inhibited from buying the alcohol or the cigarettes.

Therefore, if you increase the taxes on these products, the consumers especially those who are addicted will still be able to afford. If you put the cost of a cigarette at Shs 1000, a smoker will still buy that cigarette but it will help us by stopping the children from initiating the habit of smoking or consuming alcohol.

Therefore, the point I just wanted to make is that you are making a very good contribution and as a Minister of Health, I wanted to support you. *(Laughter)*

**MR GUDOI:** Thank you very much. I think you have heard –*(Laughter)*– so, I am on the right direction. *(Member timed* *out.)*

2.53

**MR JOHN MULIMBA (NRM, Samia Bugwe County North, Busia):** Thank you, Mr Speaker. I would like to thank the committee for the report. I would like to make a comment and also seek for clarification on 2.6. This is about Excise Duty on soft drinks.

I find the proposal by the committee escapist in as far as the petitions were concerned in respect to excise duty on soft drinks. We need to make it clear that taxes are levied for different purposes and reasons but we may also look at them in a bigger spectrum than the narrow one of simply raising revenue from a particular tax source.

I would like to call upon the Minister of Trade and the Minister of Finance to address their minds especially in respect to excise duty on carbonated soft drinks. The protocol requires that all member states harmonise their taxes by tariff and rate.

In the whole of East Africa, I think it is only Uganda, which is still charging 13 per cent on carbonated soft drinks. You are all aware that the investors or manufacturers are the same; Century Bottling Company and Crown Bottling Company.

We are suffering. I would like to get the clarification from the minister. How is the performance of this particular source, courtesy of this proposal of 13 per cent, from when they began implementing it? What would be the danger and the benefit if we reduced it and rhyme with the other partner states in East Africa?

What I know is that up to Iganga, Masaka and all those areas which are bordering Kenya, for example, we are no longer consuming Ugandan sodas. We are consuming Kenyan sodas because they are cheaper. Excise duty levied is a consumptive tax. I would like to get analysis by tax performance from this proposal.

If we leave it at 13 per cent, what is the effect *vis-à-vis* reducing it? If we put it at 13 per cent, it even makes the manufacturing of this soda plus paying taxes and importing them in Uganda cheaper than producing them in Uganda. This is because the investors are the same. You are aware of the economies of scale that have been suffered under the industry of soft drinks especially carbonated soft drinks. The proposal, as the recommendation made by the committee that we leave it to the ministry to –*(Member timed out.)*

2.56

**MS ANNE AURU (NRM, Woman Representative, Moyo):** Thank you, Mr Speaker. I would like to thank the committee for the report. I would like to also say that I support this motion on three grounds.

My fellow colleagues have already said that alcohol is a disaster in families and community. Men have been mostly blamed for it but I would like to share this event that happened in my district. A month ago, a woman was so drunk that she did not even know that she was in labour. The child came out, she slept on it and the baby died. (*Interjections)* That is all because of the sachet drinks.

The community was again blaming me as the Woman Member of Parliament. They were asking me what Parliament was doing about the sacket drinks.

I think this Bill has come timely. I support the increase of tax on alcohol. I also hope that it will help to curtail alcohol consumption among the poor people who can afford to buy it. I would like to say that I also support increase of tax on cigarettes and I wish it could be increased to more than this. It should go to 60 or even 75 per cent. This is because of the health hazards associated with it. My hope is that it will also control tobacco growing. In the areas where some of us come from, people have remained in perpetual poverty because of tobacco production. Therefore, I support the tax on alcohol, cigarettes and the increase on excise duty on petrol and diesel. (*Members rose\_)*

**THE DEPUTY SPEAKER**: Honourable members, it is coming to 3.00 O’clock which is the Prime Minister’s Question Time. I do not want to stop this debate at a time that is not properly sorted. Can we reduce the contribution to two minutes, please? This is because the matter has been exhaustively covered now.

3.01

**MS MARGARET KIBOIJANA (NRM, Woman Representative, Ibanda):** Thank you, Mr Speaker. I rise to support the motion. Government needs Shs 16 trillion to run this country and we must get money if we are to move towards service delivery to our people.

I equally support the raising of excise duty on cigarettes. Cigarette smoking is harmful. That is why there are inscriptions on the packets specifying that whatever you are about to consume is very harmful to your health. It has been proved scientifically that cigarette smoking causes cancers of the mouth, tongue, throat and lung cancers, which result into death.

What hurts people the most are those of us who become passive smokers; in a situation where you happen to be around a smoker, you are equally affected. I, therefore, support excise duty on cigarettes and on alcohol. For those of us or you who drink beers, they can only be afforded by the middle and high class.

The price of a beer in Uganda is still very low. When you go to Rwanda, a beer is at the equivalent of $ 2 whereas in Uganda, it is at $1 or $0.5. In Kenya, you will get it at $ 3. I was in Chad where it is at $ 5. *(Member timed out.)*

3.02

**MS EMMA BOONA (NRM, Woman Representative, Mbarara):** Thank you, Mr Speaker. I would like to add a piece of information concerning the excise duty on water and soft drinks. There is a fear among manufacturers that the more we put excise duty on water, the more the producers are tempted to adulterate it. This means that the minister studies the proposal further for reduction of the excise duty is very welcome. This is because there are suspicions and fears among the population that much of the sealed and packed water we drink is adulterated. Therefore, I support the view that we study this proposal further.

I was just giving piece information because I am a member of the committee. I am not debating, Mr Speaker. (*Laughter)* I am accusing myself.

**THE DEPUTY SPEAKER:** Honourable member, please, kindly, resume your seat.

3.03

**MS GRACE BYARUGABA (NRM, Woman Representative, Isingiro):** Thank you, Mr Speaker. I would like to express my appreciation to the committee for the good report.

As my colleagues have expressed earlier, I am in support of an increase in excise duty to all the commodities that have been mentioned. This is mainly because I believe that this will be one way of increasing revenue for this country. As a result, this country will be able to reduce the demand for loans. The rate at which we have been taking loans is so high that the future generation is likely to be affected. If we allow the increase of excise duty on all these commodities, chances are that we shall borrow less for the betterment of our future generation.

I support the increase in tax on alcohol because in my constituency, we have buried many people as a result of taking alcohol from these sachets they are talking about. There is a special name for it in my constituency. I will not mention it here but they call it “*mujakure”*. I do not how I can best interpret it. I believe this is one way of stopping such stupid deaths, which cost a lot especially for my case where I have to go and bury people who have just killed themselves as a result of consuming this cheap alcohol. I pray this recommendation by the committee be adopted by the House.

3.05

**MR FOX ODOI- OYWELOWO (Independent, West Budama County North, Tororo):** Thank you, Mr Speaker. I also rise to support the many recommendations of the committee. I will specifically address my mind to two issues; the Shs 50 increase in the taxes on petrol and diesel.

We all know that our biggest investment is in the infrastructure sector. We spend a lot more money on infrastructure than any other sector of the economy. It would only make sense if we also got a lot more taxes from the use of that infrastructure.

Secondly, the people who buy petrol and diesel are not poor people. They are people who own motor vehicles. The poorest of them all are people who own motorcycles. They are also not terribly poor. Shs 50 is a very small increment. It is a negligible increment, so, it will not have any impact on the prices of petrol and diesel.

Mr Speaker, I also support an increase in taxes on alcohol and cigarettes. You can survive your entire life and lead a healthy life without smoking or alcohol consumption. You actually do not need it. It is the reckless consumption that should be taxed very heavily.

Lastly, all over the world, alcohol and cigarettes attract very high rates of taxation. We are no exception. We should probably go for the highest figure. I thank you.

3.07

**CAPT. MICHAEL MUKULA (NRM, Soroti Municipality, Soroti):** Thank you, Mr Speaker. Uganda’s tax ratio on GDP on taxes stands to be the lowest in the entire region and possibly in the whole commonwealth countries. It stands at about 14-15 per cent. When you look at the state of the nation and the demands that we have, you see that 50 per cent of the population of Uganda is below the age 15 and this age is consumptive, dependant and does not contribute to the economy. Yet, on the other hand, the demand for Universal Primary Education and for health and all these attendant issues to ensure that the country remains buoyant remains high.

Therefore, I would like to say the Uganda is the eighth largest consumer of alcohol in the world. It is the highest consumer of alcohol in the whole of East and Central Africa and the second in Africa. Therefore, if we increase the taxes on alcohol, it means that we are going to have more revenue for the country.

I would also like to say that when you look at the taxes we are imposing on cigarettes, in the next 10 to 15 years, non- infectious diseases; oncology, diabetes, high blood pressure, among others, will be at par with communicable diseases. It, therefore, means that treatment that we are going to impose on those who have acquired cancer of the lung and others will be demanding support from Government. I would, therefore, say that it is a right for us as – (*Member timed out.)*

3.10

**MS MARIAM NALUBEGA (Independent, Woman Representative, Butambala)**: Thank you, Mr Speaker. I rise to support the motion. Not long ago, this House enacted a Bill and in that Bill, my Constituency was affected. We banned *“mairungi”* and we had all the supporting scientific and other economic evidence that this *mairungi* was important in our community but this House took a decision and said no to *“mairungi.”*

We are talking about increasing taxes on alcohol. My view would be that we could even ban alcoholism in this country. Last month, in my neighbour’s constituency, hon. Nyombi Tembo, two young people died while competing for a bottle of “*waragi”* as to who would finish it first. Unfortunately, both of them died.

This is a very dangerous material that our people are consuming. So, taxing it high at all levels – actually, every type of alcohol should be taxed highly. This will deter the consumers and at the same time, bring in revenue.

As far as cigarettes are concerned, I know that there is a Bill that is going to be brought to this House; it was tabled for the First Reading. It will control tobacco. I feel that it is at this time that we impose a lot of tax on cigarettes as it will help us when we bring in the Bill to make sure that we reduce the consumption of tobacco. These are not basic needs; they are luxury products that people are consuming out of laxity and excitement. They are not basic needs. Therefore, I would like to support the Bill.

However on fuel, I have reservations because the fuel prices are already high. I also heard one of my colleagues raising the issue of increasing taxes on in-coming calls. (*Member timed out.)*

**THE DEPUTY SPEAKER:** Thank you, honourable members. On this note, I think on this matter, this Motion for Second Reading of the Bill has received sufficient debate. This would be a proper time for us to take it to the next level; then, process the internal matters in the Bill and finalise.

However, it is time for the Prime Minister’s Question Time but let me put this question to the Motion for the Second Reading of the Bill. I put the question that the Bill entitled, “The Excise Duty (Amendment) Bill, 2015” be read the second time.

*(Question put and agreed to.)*

BILLS

COMMITTEE STAGE

THE EXCISE DUTY (AMENDMENT) BILL, 2015

**THE DEPUTY SPEAKER:** Honourable members, we will stop at this stage and allow the Prime Minister’s Question Time to take place. When we finish with that, we then come to the committee. Call item on the Prime Minister’s Question Time.

PRIME MINISTER’S QUESTION TIME

3.14

**MS MARGARET BABA DIRI (NRM, Woman Representative, Koboko):** Thank you, Mr Speaker. Some of the agro-chemicals used in agriculture as fertilisers and pesticides are very hazardous to human health and are partly the causes of cancer.

Some of them are the Weed Master, Diason and other pesticides. In other countries, they have been stopped. They are no longer used yet in Uganda, we are still using them. May I ask the Prime Minister why we are still using these hazardous agro-chemicals?

3.15

**THE PRIME MINISTER AND LEADER OF GOVERNMENT BUSINESS (Dr Ruhakana Rugunda):** Mr Speaker, hon. Baba Diri is right. There are some of these chemicals, pesticides and the like which are dangerous to human life in many different ways and it is true that we are aware that some of these have penetrated our market. Some of them have done so illegally and sometimes, others have entered legally.

The National Drug Authority and other Government agencies are taking the necessary steps to ensure that those drugs, chemicals and pesticides that may be in our country but dangerous to human life are, indeed, stopped from circulation. Nevertheless, the concern of the honourable member is extremely legitimate and the Government is pursuing to bring an end to this, as quickly as possible.

3.16

**MS RHONA NINSIIMA (NRM, Woman Representative, Kabale):** Thank you, Mr Speaker. I would like to know whether Government has plans of re-introducing lightening arrestors to hilly areas because – for instance, most of the ones in Kabale were affected by the Rwandese war and since then, they have never been replaced. This is in a way of saving people that are affected by lightening especially in hilly areas.

**DR RUGUNDA:** Mr Speaker, hon. Ninsiima’s point is also very legitimate and colleagues are aware that in this House and many other Government fora and our respective districts and in our respective districts, lightening has caused so much damage to institutions and individuals. As a result, we have lost so many people.

Government has embarked on a policy now to ensure that public institutions; buildings that are being put up will have lightening arresters in place and any other measures to protect our population from lighting, are indeed being put in place by Government.

Suggestions from honourable members like hon. Ninsiima will be very welcome by Government in its crusade to protect the people of Uganda from destruction by lightening.

3.18

**MR BENJAMIN CADET (Independent, Bunyaruguru County, Rubirizi)**: Thank you very much, Mr Speaker. We have got Lake George and the Kazinga channel where there are a thousands of crocodiles and they have been eating my people of Katungu Sub-county.

When they made noise, the government has planned to re-locate them from Kazinga channel to the 32 crater lakes of Bunyaruguru. My question now is, in the 32 crater lakes, which are the ones in which you plan to put crocodiles and why?

**DR RUGUNDA:** Thank you, Mr Speaker. The primary concern of my colleague and all of us and indeed, the government is to protect the lives of the people of Uganda. The details of where some of these dangerous crocodiles are going to be put, I need to get that information from the responsible minister. Nevertheless, the position of Government is to ensure that this menace is brought under control.

3.19

**REV. PETER BAKALUBA MUKASA (NRM, Mukono South County, Mukono):** Thank you, Mr Speaker. My concern is Kyetume Katosi Nyenga road. We still have the problem of compensation. We heard that at one time, Shs 5,000,000, 000 was passed to compensate the people but nothing much is taking place and it is halting the progress of the construction.

Lastly, - [

**The DEPUTY SPEAKER**: One question.

**REV. PETER BAKALUBA MUKASA:** It is still on this road. The Chinese contractors have not fully handed over the 10 per cent area of coverage that they had worked on and these Israelites would like to continue doing the work. How are you going to intervene to have this problem addressed?

**DR RUGUNDA:** Mr Speaker, I have authoritatively been informed by the responsible minister that Katosi road is now entirely in the hands of the new company that is responsible for ensuring the road is done. There is, therefore, no question of partial hand over.

On the question of compensation, yes, there has been a number of delays in compensation because of issues of valuation and flow of resources but Government through the Ministry of Works and Finance, is sorting out those delays.

3.12

**MS BEATRICE ANYWAR** **(FDC, Woman Representative, Kitgum):** Thank you very much, Mr Speaker. Rt. hon. Prime Minister, can Government can explain why we have 32,000 vacant jobs in Government institutions while Ugandans are unemployed and how soon are we going to fill those vacant positions? Thank you.

**DR RUGUNDA:** Mr Speaker, hon. Anywar’s question is legitimate. It is true that there are some vacancies and these have come about partly because of some people leaving offices and going for greener pastures and the length of time it takes to replace those officers. Sometimes, there have been constraints of resources.

Nevertheless, Government is now in earnest movement to fill these vacant positions and different ministries are working with Public Service Commission and also other commissions attached to ministries to ensure that these gaps are filled as quickly as possible, in order to expedite the work of Government.

3.22

**MR FRED BADDA (NRM, Bujumba County, Kalangala):** Thank you, Mr Speaker. I would like to ask the Prime Minister about the issue that was recently raised by Government through the Ministry of Fisheries. They stopped the legal institution called the Beach Management Unit on lake bodies to operate.

Self-deployed bodies are operating illegally on lakes in Uganda. These include the military group who have deployed themselves on different islands. The retired and veterans plus individuals are really conflicting with district administration. There is recent conflict took place in Kalangala.

Can Government explain how these gaps will be filled in order to address this situation? I thank you.

**DR RUGUNDA:** Mr Speaker, Government through the responsible ministry is streamlining the Fisheries sector and establishing the Fisheries Protection Unit and we expect it to be up and about very soon.

3.24

**MS FLAVIA KABAHENDA (NRM, Woman Representative, Kyegegwa):** Thank you, Mr Speaker. I would like to express appreciation on my own behalf and on behalf of the parents of children who are supposed to attend nursery school and pre-primary, that were excited when Government committed to introducing pre-primary schools at all the public primary schools in this country, beginning next year.

However, my question is, we are now going to establish these early childhood development centres at primary schools but I do not see the classrooms, no teachers, no care takers, there is no budget, the ECD policy is still in the ministry and there is no curriculum nor infrastructure like play grounds, sanitation for these young children. I am worried about how we are going to begin that programme.

The excitement may die when the children reach school and nobody is there to attend to them. Thank you.

**DR RUGUNDA:** Mr Speaker, that statement came out prematurely from the responsible ministry and I have already asked the Minister of Education to come and clarify the situation but it was a premature and unauthorised statement. (*Laughter)*

3.26

**MR WILLIAM NZOGHU (FDC, Busongora County North, Kasese):** Thank you, Mr Speaker. I would like to ask Government to explain to the people of Uganda why Axel Road Control has failed to control damage on our tarmac roads despite the existence of weigh bridges, both installed and movable?

**DR RUGUNDA:** Mr Speaker, this is yet another very important point. We are investing heavily in our roads and we must protect them. The government has put in place mechanisms to protect the roads but we are aware that there are some leakages and some of the officials have not been as faithful as they ought to be.

The ministry responsible for roads - the Ministry of Works and the Uganda Revenue Authority are tightening measures to ensure that our roads are protected and in fact, even a new legal framework will be coming to ensure that our roads are protected.

3.27

**MS MARGARET ALEPER (NRM,** **Woman Representative, Kotido):** Thank you, Mr Speaker. Kotido and Kabongo districts are faced with a challenge of tsetse flies infestation which has had a great toll on animals. This has greatly hampered the ox-plough cultivation, which our people rely on. Rt hon. Prime Minister, what plans does Government have to respond to this crisis? Thank you.

**DR RUGUNDA:** Mr Speaker, the scourgeof tsetse flies is being faced squarely by Government and many areas of the country that were afflicted by tsetse flies have been put under control and every effort will be made to ensure working with our regional neighbours and international organisations that our people in the affected areas of Karamoja are protected from tsetse flies including of course, the cows, as well.

3.28

**MS** **DOROTHY NSHAIJA (NRM,** **Woman Representative, Kamwenge):** Thank you, Mr Speaker. I have a question to my Prime Minister. In Kamwenge District, we were given power lines from Kanana to Bigodi then to Kitagwenda County. Since it was launched in 2012, Government sent the valuer to carry out their valuation for the compensation of areas that were affected by the electricity lines. The report was submitted to the Government Chief Valuer. However, to date no answer has been given to these people and it is time for politics; people are on our necks. Can I have answers to those people whose property were destroyed during the installation of those lines? I thank you.

**DR RUGUNDA:** Mr Speaker, it is true we have noticed congestion and getting slow results from the Chief Government Valuer’s office because of a lot of work. That office is being strengthened and we expect that we will be getting answers much more swiftly.

Nevertheless, for this particular case, I advise that you make direct contact with the minister responsible for lands so that you get a quick answer for the “*wanainchi”* so that they do not have to wait for a long time.

3.30

**MS JOY ATIM (Independent, Women Representative, Lira):** Thank you very much, Mr Speaker. We used to have NAADS, which is still operational but it is now being controlled or supported by the Operational Wealth Creation and these are being done by the retired army generals. (*Interjections)*

I would like to know from the Prime Minister, of these retired army officers, how many are women and how many are men because in Lira I see all of them are men. When the person was introducing them in Lango sub-region all of them were men. I want to know how many are women and how many are men? (*Laughter)*

**DR RUGUNDA:** Mr Speaker, UPDF is a very gender sensitive force. It is true that there is dominance of males as opposed to females; nevertheless, even aspects of Operation Wealth Creation we have mixed numbers. I cannot give you the exact numbers now but this is something that could be done.

Nevertheless, the key point is to ensure that in Operation Wealth Creation the army officers who are deployed should be sensitive to gender issues.

3.33

**MS ROSEMARY NYAKIKONGORO (Independent, Women Representative, Sheema)**: Thank you, Mr Speaker. Rt hon. Prime Minister most of the roads in the district have been taken by UNRA. However, those that have been taken by UNRA are too bad and the districts cannot even monitor those roads and they do not even know the contractors. It seems they have abandoned the work and yet, people expect Government to have worked on those roads. Questions keep on bouncing to us and we do not have the answers. What is Government putting in place to ensure that those roads are worked on in time?

**DR RUGUNDA:** Mr Speaker, hon. Nyakikogonro is absolutely right that the excitement that was created when many of our district roads were taken over by UNRA has not been met by the actual work on the ground. However, we have discovered that the cause of this is because UNRA did not have adequate capacity, especially in terms of equipment and that is why Government has decided to purchase substantial road making equipment from Japan to come and reinforce the equipment that is already in place so that UNRA can deliver on the promises we have given and ensure that the roads they have taken over are properly maintained.

3.33

**MS FEMIAR WADADA (FDC,** **Woman Representative, Sironko):** Thank you, Mr Speaker. Rt hon. Prime Minister in one of the many manifestos of the President, there was Shs 20 million to be given to every household. I would like to thank the President for that good heart that he puts his people at heart. Prime Minister, may I, please, know, is this the right time that the President would be fulfilling his pledge because I always see him with sacks of money on his shoulders giving it out. I thank you.

**DR RUGUNDA:** Mr Speaker, I have been closely associated with pledges and manifestos of the Movement and President Yoweri Museveni. I am not aware of the pledge to give Shs 20 million to households.

What I am aware of is supporting and working with families and households to generate income themselves and Government in that respect is doing whatever it can to supply planting materials, other agricultural and livestock inputs to ensure that the people build capacity to generate shs 20 million for their families and even more money than that.

3.35

**MR MICHAEL MAWANDA (NRM,** **Igara County East, Bushenyi):** Thank you very much, Mr Speaker. Rt hon. Prime Minister I raised the issue of bank charges sometime back and you were also concerned as a person and you promised that you will inform the relevant officials to come and explain to us. Up to now the Prime Minister has not got a reply in respect to this.

**DR RUGUNDA:** Mr Speaker, I remember hon. Mawanda raising this very point about bank charges. We still await statement from the responsible Minister of Finance; it is a legitimate point and I will ask the Minister of Finance to make statements within the next two weeks on this matter.

3.36

**MS MARGARET MAKHOHA (NRM, Woman Representative, Namayingo):** Thank you, Mr Speaker. Namayingo is water stressed. In 2009, Government came up with a proposal to provide us water using the gravity flow scheme on Siavona hill. Up to now, nothing has happened. When shall this programme or project be implemented so that my people can have good water for drinking and other use?

**DR RUGUNDA:** Mr Speaker, Government has a nationwide plan on supply of water and Namayingo is definitely included. One will need to do a specific check on Government plan for Namayingo, which my sister and I can check from the ministry responsible.

3.37

**MR PETER OKEYOH (NRM, Bukooli Island County, Namayingo):** Thank you, Mr Speaker. The question I am raising to the Prime Minister is: This House did approve a loan from the World Bank for the construction of modern landing sites. One is Gorofa in Namayingo, Kagwara in Serere and Bukungu in Kamuli. Up to now, nothing has happened. These structures have turned into white elephants.

What programme does the Government have to make sure that this modern landing sites that would help to improve on the quality of our fish are completed and made use of? Thank you.

**DR RUGUNDA:** Mr Speaker, as part of Government making progress reports on projects that we have committed to perform, again, I will ask the minister responsible to make a statement on this subject so that colleagues know how far we have gone with improving our landing sites. This should also be able to be done within the two weeks.

3.38

**MS HUDA OLERU (NRM, Woman Representative, Yumbe):** Thank you, Mr Speaker. Prime Minister, the government is supposed to have massive immunisation campaign specifically for measles and the new polio vaccine. Can the Prime Minister inform the country that the government has, as part of the co-funding - because I am aware that as Government, you are supposed to give 50 percent and World Health Organisation also contributes 50 percent. I would like to know if the government has that money? Is it in the budget so that we do not delay the programme? Thank you.

**DR RUGUNDA:** Mr Speaker, Government of Uganda has consistently supported immunisation of the people especially the children. Government will definitely make money available. It will pay its part for the immunisation for our children.

3.40

**MS EVELYN KAABULE (NRM, Woman Representative, Luuka):** Thank you very much, Mr Speaker. Rt hon. Prime Minister, we have been asking much about LCI bicycles and allowances. I do not know whether this is only in Luuka but they last received their allowances in 2013-2014 and even then, they received only Shs 71,000. Can I know why; and the bicycles are not catered for, why?

**DR RUGUNDA:** Mr Speaker, the issue of bicycles we have discussed it a few times in this August House. Some of the districts did receive bicycles while others did not. Government is making arrangements to mobiles the necessary resources to buy the bicycles.

The question of LC1 funding that my sister is talking about, it has just been a question of the budget; resources not permitting; when resources permit, they will be able to get their dues.

3.41

**MR MOSES KASIBANTE (Independent, Rubaga County North, Kampala):** Thank you very much, Mr Speaker. Rt hon. Prime Minister, the Sudanese newspaper called *The Tribute* late last month quoted South Sudan’s rebel leaders claiming that UPDF in South Sudan was recruiting foreigners including Rwandese and Somalis to fight against it. My question to the Prime Minister, is UPDF still involved in South Sudan’s conflict? Thank you.

**DR RUGUNDA:** Mr Speaker, UPDF is consistent with its tradition to continuously play its Pan African role in South Sudan and it will do so for some quite some time. (*Laughter)*

**MR JOSHUA ANYWARACH (Independent, Padyere County, Nebbi):** Thank you very much, Mr Speaker. Our contingent under the AMISOM in Somalia each is paid $800. The arrangement is that $100 is paid locally here to help the family back home, the wives and the children and $ 700 is paid from Somalia.

However, from last year November, to date, the $100 has been remitted here but the other $ 700 is not remitted. Mr Speaker, our force are locally suffering yet back home here, most of their children are out of school. My question to the Prime Minster is, why must you allow our forces to suffer, yet, we are in charge of command in Somalia? Thank you.

**DR RUGUNDA:** Mr Speaker, our compatriots who are in Somalia on duty are getting their normal usual salaries put on their account.

Secondly, some additional allowances are also being put on the accounts. There may be delays sometimes because the exercise in Somalia is supported by the international community. Therefore, there may be logistical delays in getting some of these payments made. However, the fact of the matter is that their due payments will definitely be made and their salaries in Uganda are regularly going to their respective accounts. So, their families should be able to be supported by the regular income from their salaries that come to their accounts.

3.44

**MR BBOSA KIYINGI (Independent, Mawokota County South, Mpigi):** Thank you, Mr Speaker. Prime Minister Uganda signed the Convention on Cluster Munitions six years ago. However, it has not yet been rectified to date. What plans does Government have to rectify this convention for Uganda to become a full state party? Thank you.

**DR RUGUNDA:** Mr Speaker, sometimes it takes time to go through the processes of Government. However, in principle, Government has already approved that Uganda should ban mass ammunitions and if administrative delays have taken place, Government will try and ensure that they are removed as quickly as possible so that all the necessary instruments can be signed and deposited where they are required to be deposited.

3.45

**MS MARIAM NALUBEGA (Independent, Women Representative, Butambala):** Thank you, Mr Speaker. I would like to know from the Prime Minister, in the report of the Human Rights Commission, it was indicated that there were refugees from Rwanda who had not been granted refugee status pending the cessation of the UNHCR, that was supposed to be done in June 2013. I would like to know if these people have been granted a refugee status.

At the same time, I would like the Prime Minister to inform this House and the country at large how many refugees we have in this country and their nationality. Thank you.

**DR RUGUNDA:** Mr Speaker, when countries are peacefully, normally, Uganda does not accept refugees from those peacefully countries. Nevertheless, Uganda has been a home for many years of refugees from the neighboring countries. At the moment, as I speak, we have approximately half a million refugees in Uganda, most of who come from South Sudan. Uganda is working with the international community, especially the UNHCR, to ensure that these Africans who have come to Uganda for refuge are given reasonable sanctuary and reasonable conditions.

Let me salute the people of Uganda, especially those from the regions where the refugees are hosted, for the hospitality and support that has been given to these refugees.

3.48

**MR STEPHEN EKUMA (NRM, Bukedea County, Bukedea)**: Thank you, Mr Speaker. Rt Hon. Prime Minister, yesterday’s *Daily Monitor* said that we have 32,000 vacant positions in Government that need to be filled. Indeed, as a member of the Local Government Accounts Committee -

**THE DEPUTY SPEAKER:** Wasn’t that question asked? That question was asked already.

**MR EKUMA:** No, this one is different.

**THE DEPUTY SPEAKER:** Let us use the time properly.

**MR EKUMA:** Whenever the Committee on Local Government Accounts moves to these districts, we realise staffing levels are at 50 to 60 per cent. This has really derailed performance in districts. What does Government intend to do to address this situation? Thank you.

**DR RUGUNDA**: Mr Speaker, it is true that inadequate staffing has compromised the delivery of services. Government, through the Ministry of Public Service and the Ministry of Local Government, is doing whatever it can to fill these gaps so that there are adequate staff to be able to deliver the services to the *wanainchi.*

3.49

**MR ALEX RUHUNDA (NRM, Fort Portal Municipality, Kabarole):** Thank you, Mr Speaker. The people of Rwenzori are complaining about the high costs they incur to process passports. Government had promised to open a regional office in Fort Portal; how fast can this happen?

**DR RUGUNDA:** Mr Speaker, it is true Government has decided to decentralise the issuance of passports so that the *wanainchi* do not have to travel long distances to access them. I am aware that the Ministry of Internal Affairs is making arrangements to ensure that these regional offices are soon opened. You can get specific details from the Ministry of Internal Affairs.

3.50

**MS ROSE MUTONYI (NRM, Bubulo County West, Manafwa):** Thank you, Mr Speaker. I would like to inform the Prime Minister that for the last one year I have been in Parliament, I have been confronted by a problem of the elderly who were promised money. Every weekend I go home, they come to my house to ask questions and in return, I am the one to meet their transport expenses. Is this money coming or not?

**DR RUGUNDA:** Mr Speaker, the issue of the elderly raised by hon. Mutonyi is a legitimate point. The SAGE programme has been very successful in a number of districts where it has been piloted. Because of this, Government, in principle, has agreed to roll it over to more districts and in this budget there is some money for supporting this programme. We are gradually going to roll it over, depending on the availability of resources.

3.52

**MS MARGARET KIBOIJANA (NRM, Woman Representative, Ibanda):** Thank you, Mr Speaker. Rt Hon. Prime Minister, about three years back when the then Minister of Health, hon. Christine Ondoa, visited Ibanda Constituency North, the people requested her to upgrade Ishongoro Health Centre IV to hospital status. Indeed, the district council had already passed a minute to that effect because Ishongoro Health Centre IV had met the prerequisites required to be upgraded to a hospital. Can I know how far this programme has gone?

**DR RUGUNDA:** Mr Speaker, the government policy on hospitals and health facilities is very clear - having a district hospital, every county or constituency having health centres IV and health centres III at sub counties. We are aware that while that is the policy, there are gaps and they are being filled depending on the availability of resources.

As resources become available, we will upgrade health centres to hospitals and create district hospitals. Therefore, you will get a district hospital in Ibanda; it is just a question of time. For specific details as to when Ibanda will fall in this category, you can get the details from the Minister of Health.

3.53

**MS JOVAH KAMATEEKA (NRM, Woman Representative, Mitooma):** Thank you, Mr Speaker. Rt Hon. Prime Minister, the nation would like to have clarification on the relationship between NAADS and Operation Wealth Creation. Has Operation Wealth Creation replaced NAADS or is it a stopgap measure while NAADS undergoes review? If that is the case, how far has the review of NAADS gone? Is the review over and Operation Wealth Creation is an implementation arm of NAADS? Thank you.

**DR RUGUNDA:** Mr Speaker, hon. Kamateeka has raised an important point. Basically, one can say that NAADS did some good work but also had some significant shortcomings. Government has analysed the performance of NAADS, seen the requirements of the country and adopted a new programme of Operation Wealth Creation, which builds on the experience accumulated through the practice of NAADS. This is a wider, more embracing and more responsive programme to ensure that the people of Uganda have increased household incomes and as quickly as possible, get out of the poverty bracket.

3.55

**MR KENNETH LUBOGO (Independent, Bulamogi County, Kaliro):** Thank you very much, Mr Speaker. Rt Hon. Prime Minister, Uganda has always been a key player in the region as far as restoration of peace is concerned. As you may be aware, Burundi is in flames and people are dying and there are attempts to overthrow the Government. What is Uganda doing to ensure that this country does not degenerate into serious genocide? What is Uganda doing to restore peace in Burundi?

**DR RUGUNDA:** Mr Speaker, this country has had a difficult history, as my colleague says. Out of that difficult history, we have lost many of our compatriots where we had turbulence and wars. A ten-point programme by the National Resistance Movement was worked out to bring the country back together and to build peace and stability as a foundation for developing the country, uniting the people and ensuring that people live in peace and harmony. So far, this programme has worked well.

Therefore, the best way to prevent regression, going backwards, or any bad things like genocide that you are talking about, is for us as a country to consolidate the peace and the democracy that we have so that we can all develop as a country. In case there is any attempt by anybody to push the country backwards, all of us say, “no, we are on the path for development and we are consolidating our peace and democracy”. All of us are guarantors of this peace, stability and development that we have.

3.57

**MR DENIS OBUA (NRM, Ajuri County, Alebtong):** Thank you, Mr Speaker. Hon. Prime Minister, are you aware that criminal prosecution in Uganda that requires expert opinion is being affected because the government analytical laboratory at times does not have reagents?

What plans have been put in place by Government to ensure that this laboratory, which is meant to back up our criminal prosecution in terms of providing expert opinion, does not run out of reagents?

**DR RUGUNDA:** The point raised by *Ndugu* Obua is very important. We have a laboratory and therefore it must work in order to be useful to the country. I am very happy to say that in the budget that we are now discussing, these resources for reagents and have been provided.

3.59

**MS LILLY ADONG (NRM, Woman Representative, Nwoya):** Thank you, Mr Speaker. Hon. Prime Minister, for the last three years, many health personnel have been informing us about the high rate of Hepatitis B in the country. Already, people living with Hepatitis B are almost reaching three million in the country. What is Government doing to make sure that people who have not been vaccinated are vaccinated? From 2002 to date, children have been vaccinated but from 2002 backwards, people have not been vaccinated and yet the vaccines are available. What is Government doing to save our people from dying?

**DR RUGUNDA:** Mr Speaker, as my sister says, for the last 13 or so years all our children are being vaccinated against Hepatitis B. It is also true that public awareness has become a major issue. The public is being sensitised and we have discussed this matter many times in this august House.

The Ministry of Health headquarters is the main centre where the civil society organisations for promotion of the struggle against Hepatitis B are based. There is a combined effort by Government, the civil society and the public to sensitise people and fight against Hepatitis B and immunise children as well as the health workers. In fact Government, depending on resources available, would like to immunise more and more people. However, the vaccines of Hepatitis B are still prohibitive in terms of price. We hope that prices will come down and we will be able to cover all those who need the vaccine. However, let us sharpen awareness, sensitise the population so that this scourge can be contained.

4.01

**MR AMOS OKOT (NRM, Agago County, Agago):** Thank you so much, Mr Speaker. Rt Hon. Prime Minister, in the year 2012/2013 an NGO called Enterprise Uganda was contracted to train the youth and change their mind-set. Most of the youth were then encouraged to open bank accounts so that they could benefit from the Youth Venture Capital Fund. They have been waiting for some time now and yet they spent a lot of money to open the bank accounts. What is the status of the Youth Venture Capital Fund as per now? Does Enterprise Uganda still have a contract to train the youth?

**DR RUGUNDA:** Mr Speaker, I think it is correct to encourage our people to use banks. My brother should not over scare people by saying that it is very expensive to open up bank accounts. I do not remember people having to pay a significant fee for opening bank accounts.

It is also true that some programmes may not have worked out as expected. Nevertheless, there are many youth programmes especially spearheaded by the ministry responsible for youth that are quite successful. Therefore, let us encourage the youth who have opened bank accounts to use them for the purposes for which they opened those bank accounts. If the projects are not available as anticipated, let them use the bank accounts for promoting and banking money from other projects which they may start, for example, the Youth Livelihood Programme.

4.03

**MS ELIZABETH KARUNGI (NRM, Woman Representative, Kanungu):** Thank you very much, Mr Speaker. Hon. Prime Minister, we are very grateful for the good job the Electoral Commission is doing. However, the people of Kanungu are not happy because we found out that the supervisors in Kanungu are being paid Shs 162,000 while in Kabale and other districts it is Shs 340,000 plus. Is Kanungu marginalised because it is very far from the centre and is mountainous? Why is there discrimination in paying them? Thank you.

**DR RUGUNDA:** Mr Speaker, on hon. Karungi’s point about possible discrimination by the Electoral Commission between Kabale and Kanungu, I would find no reason whatsoever why there should be any type of discrimination. If anything has gone wrong, it must be a small discrepancy which should be quickly corrected by the Electoral Commission. My sister, hon. Karungi, and I will take up this matter together with the Electoral Commission.

4.05

**MR GILBERT OLANYA (Independent, Kilak County, Amuru):** Thank you, Mr Speaker. Hon. Prime Minister, following our meeting last week with you, Gen. Aronda and Gen. Moses Ali, we came up with many resolutions as far as how land issues in Apaa are supposed to be handled.

As I speak, a team of surveyors arrived in Gulu yesterday and are proceeding with planting mark stones on the land yet we agreed on the proper procedures to be followed. Why aren’t the Ministry of Lands, the Minister of Internal Affairs and Gen. Moses Ali respecting what we agreed to during the meeting? Thank you.

**DR RUGUNDA:** Mr Speaker, I would like to agree with hon. Olanya that we had a marathon meeting over the Apaa issue with the colleagues that he has mentioned and the Members of Parliament from the Acholi and West Nile regions. I must say, it was a heated but productive meeting, which ended with a harmonious position.

The essential elements were that the people in the Acholi and West Nile regions, especially Amuru and Adjumani, are brothers and sisters and there should be no cause for disharmony. Therefore, effort should be made to reopen the borders so that administratively, and in terms of elections and services, people know where to belong and where to go.

We indeed appeal to all political and civic leaders to cooperate in this venture. This exercise will go on and my brother, hon. Olanya, and other political leaders, I am sure will continue to closely liaise with the Ministry of Internal Affairs, the Ministry of Lands and other government agencies to ensure that this exercise goes on well. I do invite my brother, hon. Olanya, after this session of Parliament, to come and we exchange further views on how best to ensure that there is harmony in carrying out this exercise.

**THE DEPUTY SPEAKER:** Honourable members, you can see many Members of Parliament are still rising but the time is now up. However, I have seen the members from Erute North, West Budama South, Buyaga, Bukoto, Kween, Kapchorwa, Samia Bugwe South; those are the ones who will be waiting for the next phase. I will start with them on Wednesday when we resume. I now ask the Leader of the Opposition to raise some issues and then we close this matter.

4.08

**THE OPPOSITION CHIEF WHIP (Mrs Cecilia Ogwal):** Thank you, Mr Speaker. I must admit that this Parliament and Government has a very smart Prime Minister –(*Applause*)– who is capable of answering all the questions. However, allow me, as a sister, to fill in the gaps –(*Laughter*)

**THE DEPUTY SPEAKER:** Are you answering some questions?

**MRS CECILIA OGWAL:**  No, I want to fill in the gaps. However, before I do that, Mr Speaker, last week I should have asked the Rt Hon. Prime Minister a question that was burning in my heart but I was not able to do that. If you allow me, I would like to put that question to him quickly and then I can make comments on his reply.

I read in the media that His Excellency the President did the work of the Minister of Education, Science, Technology and Sports as he identified a sportsman who had been lost in the countryside and he reclaimed him and congratulated him. However, I would like to let you know that there are so many of such people in Uganda and it is extremely important that we do not leave that presidential initiative to one person.

I would like to give you an example. In Uganda in 1954, a Ugandan footballer, fortunately from Lango, called Owiny Manasseh, led a team to the United Kingdom and they played a match and he won the football match barefooted. Please, clap for him. (*Laughter*) I think that is a historic event and I do not think Ugandans can ever forget an African in 1954 leading a team and winning barefooted. You cannot forget that. The man is still alive but is now incapacitated. It is very important that we spot him out –

**THE DEPUTY SPEAKER:** Could it have been in winter?

**MRS CECILIA OGWAL:** Mr Speaker, if it was in winter, it could have been in a pitch which was heated but I am praying that it was in summer.

In Acholi, there is also a very famous man called Obol Mariano; he is still alive and we could look him up and also rehabilitate him and congratulate him. I do not think they expect much from the Government at the moment but just remember them and make sure that the President or Ugandans recognise the part they played then. It will give a lot of encouragement to the young generation.

Mr Speaker, allow me now to make a few comments on the reply given by the Rt Hon. Prime minister. First of all, I would like to say that the filling of vacancies that were raised, fortunate enough by your side, is very important. There are many ministries and governmental departments which are not performing well because of the gaps in the vacancies in those institutions. It is very important that you give this very serious attention.

Secondly, I feel that it is wrong for the Government to continue to give the impression that unless you involve the military, nothing works. We have now involved the military in NAADS, you are involving the military in Kalangala in the fisheries and you have involved the military in the police and in the electoral processes by compiling the voters’ register. I believe that we should develop a sober method of doing work and only deploy the military when necessary. I am just pleading with you as a Ugandan.

The statement you made about the Minister of Education making a statement about pre-primary education is a very serious one. For you to say that the statement made by the Minister of Education was premature and unauthorised; what does that mean to us? Have you now put in place disciplinary action for such action? If not, why? It was a public statement, so I think Ugandans should not be taken for a ride. We need to know; if the minister made a reckless and irresponsible statement, what action have you taken to discipline such a minister so that other ministers do not do the same?

Mr Speaker, I feel that the issue of SACCOs, the issue of the fund for the elderly, cannot just whisked away and you say it will come. Of course, it has already declared policy and this Parliament is putting money aside to pay the elderly. It is unfortunate that there are so many people who are not receiving such funds; my own mother passed away and she had not picked up her money before she left. I do not know now how you are going to deal with those cases but that is a serious matter.

When we leaders, including you, go to the people, they ask, “Where is our money?” Some of us have to part with that money because if an old woman or man comes to you demanding for his or her Shs 10,000, you have to pull it out from your pocket and give them and yet Government is supposed to pay those people. Therefore, I think this is a very irresponsible act on the part of the Government and something should be done.

The SACCOs money is being abused. You hear that some Shs 300 million is being distributed and targeting only those who are agents of some persons who are in the Government. It is not right. There are even some NRM members who are being side-lined. I think this is wrong. If it is a government programme, let it be and it must be implemented without regard to political affiliation. That is very important.

Mr Speaker, allow me now to make a comment on the involvement of Uganda in Sudan. The Prime Minister has answered very well. Personally, I would do anything to ensure that sanity returns to South Sudan because if we do not do that, it is bound to affect us particularly in Northern Uganda. I am aware about that.

However, I would have expected the Prime Minister to say that you are going to investigate and find out if it is true that foreigners have been recruited. This is because you do not know the mission of those foreigners. They can go and commit crime in the name of Ugandans when actually it is not Ugandans who are doing it. Therefore, you have to investigate that aspect which has come up today, that Ugandans are recruiting some foreigners to be deployed in South Sudan. It is a matter that you cannot ignore, Rt Hon. Prime Minister.

The issue of the refugees from South Sudan is also a very serious matter. When we went to Adjumani, we found that - I wish the Second Deputy Prime Minister was here - out of a population of 400,000 in Adjumani, Sudanese refugees alone constitute one quarter, that is, 100,000. It is a phenomenon we cannot ignore. Therefore, I think everything must be done to make sure that we bring sanity to Uganda and also protect the interests of our people in the process.

Mr Speaker, allow me now to say that we do not know whether the Prime Minister is also treating it as a rumour or it is true that 33 new constituencies have been created. If so, I happen to be a member of the Budget Committee but I have not seen any budget presented to take care of that. I hope you are aware that the new law which we have chosen to adopt does not provide for supplementary budgets. Therefore, I am just opening your eyes just in case you do not know. It could be a rumour because you have not come out to tell us or confirm.

I have also watched on television Pastor Kayanja’s ministry saying that on 29 May 2015, there will be a celebration of youth from all over the country. The President has asked them to come with their work plans for the youth project and they are going to be given money as a start-up fund. May we know whether the Government is aware? If the Government is not aware, where is the President getting that money for start-up capital? We are very happy because this is a church and we are sure that if you can assist Christians, you would have assisted all our children. However, we have to know; is it government money, is it a personal programme? What is it?

If it is a government programme, how come a member from your side has stood up to say the youth from his area up to now have not benefited from that youth fund and yet we are being told that come 29th May at Namboole, the President is coming himself to give you money to start your businesses. Rt Hon. Prime Minister, please keep your eyes open and know what is going on.

Rt Hon. Prime Minister, you made a statement in this House that you are taking up the issue of Kampala Capital City Authority and there will be negotiations behind closed doors. I am personally interested and I am sure the Opposition are very interested in finding out how far you have taken those negotiations. This is because the Speaker seated in the Chair now has said that as far as he is concerned as a person, he does not want anything to do with Kampala Capital City Authority brought to the House when he is Speaker. Therefore, that is a very important matter. As Prime Minister now, you have to carry the cross but we will want you to reach Calvary and deliver this country. (*Applause*)

Finally, it is very important that the electoral reforms are given space. I thought that the Speaker was going to use his discretion to adjourn Parliament because we had written to him. The Leader of the Opposition wrote to him officially saying that we were going to go on a retreat specifically on this issue because the Prime Minister said it is very urgent. Since the NRM was given space when they went for a retreat and the House was adjourned, I thought that the House would be adjourned. I ran panting from the retreat to make sure that I do not disappoint the House but I thought the Speaker would use his discretion to also treat us with a human heart and a bit of justice. However, it has already happened and as a Christian, I have forgiven everybody and that is why I am even here.

I would like to say that we cannot downplay these things. Today I hear that actually, a coup has taken place in Burundi and this is serious. Steps should have been taken to make sure that we stop the coup because when it takes place, it is the commoner who dies - our children, our women. Therefore, we should make sure - Let nobody say ours will not happen. It will happen. God bless you. (*Applause*)

**THE DEPUTY SPEAKER:** Honourable members, the Leader of the Opposition makes an important point - substantially, she is the Chief Opposition Whip – about a letter that was written to the Speaker. Administratively, when the Speaker is in the country and is sitting, she takes the decisions and I get informed. I have not received any communication. By reference to the matter that was written to “he”, I am sure you are referring to me because I am the only male in the speakership. (*Laughter*) If Madam Speaker had notified me, I would have done that but that decision was not communicated to me.

Now, you made mention of the new law outlawing supplementaries. The record should be corrected because that does not fall within the provision of the Constitution. I would like the Chief Opposition Whip to go and look at Article 156(2) which says,

*“If in respect of any financial year it is found -*

*(a) that the amount appropriated for any purpose under the Appropriation Act is insufficient or that a need has arisen for expenditure for a purpose for which no amount has been appropriated by that Act; or*

*(b) that any monies have been expended for any purpose in excess of the amount appropriated for that purpose or for a purpose for which no amount has been appropriated by that Act,*

*a supplementary estimate showing the sums required or spent shall be laid down before Parliament and in the case of excess expenditure, within four months after the money is spent.”*

Therefore, this provision is still very alive in the Constitution. Because you said there is no supplementary now under the new law, I am just saying there is under the Constitution, so that the records are okay as I was presiding.

Rt Hon. Prime Minister, wind up and then we go to the Bill.

4.25

**THE PRIME MINISTER AND LEADER OF GOVERNMENT BUSINESS (Dr Ruhakana Rugunda):** Thank you very much, Mr Speaker. The respected Leader of the Opposition raised many issues. I will really not go into them.

Suffice it to say that on the question of KCCA, yes there has been some discussion. The discussions have not been concluded partly because of legal issues but also, there has tended to be lack of feasible goodwill. Nevertheless, the Leader of the Opposition and I are still in contact on the matter. I agree that we should always endeavour to get solutions to our problems through negotiations and I believe it will be possible to do so if there is goodwill from both parties. I can assure you that Government has total goodwill in that respect.

On the question of constituencies, I think the Attorney-General, at an appropriate time, will be able to give a position on that matter.

On issues of militarisation of government departments, it is important to realise that the issue is not militarisation; the issue is enabling things to move. Really, we clearly saw that when we got our colleagues from the UPDF involved, the exercise of getting the national identification cards availed to us, which had been discussed for 20 years or more, was done and within months we had identification cards.

I salute the military for the very positive role they played. Where we can get expertise and put it to use for the benefit of the country and the people, in my view, we should do so. It may be from any institution in the land. Let us tap the skills that we have in order to ensure that we move forward as quickly as possible to develop Uganda.

On the question South Sudan and the investigations, the role Uganda is playing in South Sudan is public and very well known. I agree with my sister, Cecilia Ogwal, that when South Sudan is at peace, Uganda is a big beneficiary from that peace. We are in South Sudan both for South Sudan and also for own interests. Therefore, let us work closely with our brothers and sisters in South Sudan to stabilise their country so that their country can be at peace and Uganda can equally be at peace, so that normal bilateral trade, business and other forms of relations can go on without any hindrance. We hope with the support of Uganda, the people of South Sudan will be able to sort out their matters.

On the comment about Burundi, yes, I read media reports about events that may be taking place in that country. However, let us not speculate. Let us get authentic information and then Government can make a statement on the matter.

The last comment I would like to make, and Mr Speaker, you have already made comments on it, is about Manasseh who led our team to the United Kingdom in 1954 and Uganda won barefooted. *(Laughter)* I must commend those compatriots for the great work done. As the Minister of Internal Affairs said, really, these must be given medals and I agree with him.

It is true that President Museveni had good moments with the famous boxer Seruwagi. It is true that as all of us were growing up, we heard of this legendary Seruwagi and how he won Uganda gold medals, how he knocked out Idi Amin and many other things. Mr Speaker, I agree with my sister, Cecilia Ogwal, that we must recognise our heroes in sports and many other things.

Actually, if I may say so, it is true that medals are gradually being awarded to very meritorious Ugandans cutting across many fields. This may be in academia, the military, sports or gender struggles. Gradually, the people of Uganda that have made enormous contributions to promote the name of Uganda and to support Uganda will be recognised. Manasseh and his group and Seruwagi and his group will not be left behind. I thank you.

**THE DEPUTY SPEAKER:** Thank you very much, Prime minster. Today we have exceeded our scheduled time but I think the issues are important. This arises because the matters that relate to questions for oral answer are kind of being completely frustrated by the ministers. That is why this is a good avenue to help fill in that gap, which has been a source of frustration to the Members. I thank you very much for your candid responses and also for the communication you have made.

**MR OKUPA:** Thank you, Mr Speaker. The procedural matter I am raising is in regard to the issues which the Prime Minister passes on to the ministers to bring here. Since his appointment, when he has referred matters to the ministers, they have not come to this House.

There is even one time when I contacted him and he said he had written to the Minister of Energy; this was on the matter regarding the fuel prices - why the prices per gallon have come down by more than 50 per cent but still the prices of fuel are going up. The Prime Minister informed me that he had written to the minister and he expected the minister to come and make a statement here.

That was just one issue but there are so many and the ministers are not responding. Maybe it would be procedurally right if on Wednesdays he comes with the ministers and for the questions which he cannot respond to immediately, the line minsters should be able to respond there and then or make a commitment on when they will be able to respond.

This is because the Prime Minster cannot have all the answers; the minsters are here to help him. If he cannot immediately answer a question, it should be passed to the minister such that procedurally, we are able to move in an orderly way and all of us would be comfortable and issues answered properly and we would be satisfied with the responses. Thank you.

**THE DEPUTY SPEAKER:** What was the procedural point? (*Laughter*) I think it is important and I think it is even inhuman to raise factual matters during the Prime Ministers Question Time because he cannot know them.

This particular provision in the rules is supposed to help us deal with bigger and broader policy issues which the Prime Minister, even when he just wakes up, would be able to answer them. For specific questions about a road in a particular place, we do not expect him to know and it is going to create another form of backlog of issues that arise from the Prime Minsters Question Time.

This is particularly the reason why the Speaker made reference again to the Committee on Rules, Privileges and Discipline. We want them to see if there was a way we could improve on this so that we use it in a more productive way. We are just trying to make it work and it is doing a good job with what used to be handled by the questions for oral answer, which never used to come back. We now have direct responses which are fairly helpful.

However, when the rules committee comes back, I am sure improvements and better suggestions would have been made and also studies would have been done, which would make this particular procedure more helpful. So far, I think it has been helpful because Members have raised many issues, if you look at the questions that have been raised to day.

In the meantime, for the matters that have been referred to the ministers, the Clerk should be able to extract them. So, from the record of Parliament, we would know that these particular questions were not responded to and we extract them and send the notices to the ministers responsible so that notice is not only from the Prime Minister. Those commitments were made in Parliament. So, the Clerk should extract those ones and send them to the ministers, copy to the Speaker, so that we know that these will remain outstanding; and they will remain outstanding, Rt Hon. Prime Minister, until you deal with them. Thank you very much.

Can we go back to the parts that were skipped on the Order Paper? I am told the other reports are now ready.

LAYING OF PAPERS

THE PUBLIC SERVICE COMMISSION ANNUAL REPORT (1 JULY 2013 – 30JUNE 2014)

4.37

**MR ROBERT KASULE SSEBUNYA (NRM, Kyadondo County North, Wakiso):** Mr Speaker, I beg to lay on the Table the Public Service Commission Annual Report for the year ended 1 July 2013 to 30June 2014. I beg to lay.

**THE DEPUTY SPEAKER:** Let the records capture that. It is now committed to the appropriate committee, the Committee on Public Service, to handle expeditiously and brief the House on the way forward with this particular report. Thank you very much.

There was a document from hon. Ekanya but I have issues with that document also. You can lay the letter on the Table to guide us on the -

4.37

**MR GEOFREY EKANYA (FDC, Tororo County, Tororo):** Thank you very much, Mr Speaker. I beg to lay on the Table a letter I wrote to the Office of the Speaker about documents not submitted by the Ministry of Finance, Planning and Economic Development in regard to the budget process in relation to the Public Finance and Management Act, 2015. I beg to lay but I beg to make amendments as regards to an item -

**THE DEPUTY SPEAKER:** If you have already amended it, then you cannot lay it.

**MR EKANYA:** Okay, I beg to lay.

**THE DEPUTY SPEAKER:** Let the records capture that. However, honourable members, I have asked him to lay them so that we can look at them later, if copies can be made. You will see that there are some of the documents that are required by the law but that are practically impossible to do at this time. The Appropriation Bill, for example, cannot be laid now because we have to supply first before the Bill is printed. That is part of the problem that we can see. However, as we implement the law, I am sure some of these things will come out better and we will see how to improve on them. Thank you.

BILLS

COMMITTEE STAGE

THE EXCISE DUTY (AMENDMENT) BILL, 2015

Clause 1

**THE DEPUTY CHAIRMAN:** I put the question that clause 1 stand part of the Bill.

*(Question put and agreed to.)*

*Clause 1, agreed to.*

Clause 2

**THE DEPUTY CHAIRMAN:** Honourable chairperson, did you have anything to say on clause 2?

**MR SSEBUNYA:** Yes, we propose to insert a new paragraph (c) immediately after paragraph (b) to read as follows: “(c) by substituting item 2(c) the following- Beer produced from barley grown and malted in Uganda 30 per cent.”

The justification is: to encourage research and development in the use of sorghum and locally grown materials for beer production.

**THE DEPUTY CHAIRMAN:** Is that okay members? I put the question to that amendment.

*(Question put and agreed to.)*

**MR SSEBUNYA:** Under clause 2 (d), substitute Shs 1,000 with the figure Shs 2,500. There is no direct revenue loss arising from this revision because the importers who are registered for excise duty are entitled to a rebate when filing returns on their output manufactured from imported undenatured spirits since the duty on local spirits is 80 per cent.

**THE DEPUTY CHAIRMAN:** I put the question to that amendment.

*(Question put and agreed to.)*

*Clause 2, as amended, agreed to.*

*The Title, agreed to.*

MOTION FOR THE HOUSE TO RESUME

4.41

**THE MINISTER OF STATE FOR FINANCE (PLANNING) (Mr David Bahati):** MrChairman, I beg to move that the House do resume and the Committee of the whole House reports thereto.

**THE DEPUTY CHAIRMAN:** Honourable members, the motion is for the resumption of the House to enable the Committee of the whole House report. I put the question to that motion.

*(Question put and agreed to.)*

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

REPORT FROM THE COMMITTEE OF THE WHOLE HOUSE

4.42

**THE MINISTER OF STATE FOR FINANCE (PLANNING) (Mr David Bahati):** MrSpeaker, I beg to report that the Committee of the whole House has considered the Bill entitled, “The Excise Duty (Amendment) Bill, 2015” and passed it with some amendments.

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

4.43

**THE MINISTER OF STATE FOR FINANCE (PLANNING) (Mr David Bahati):** MrSpeaker, I beg to move that the report from the Committee of the whole House be adopted.

**THE DEPUTY SPEAKER**: Honourable members, the motion is for the adoption of the report of the Committee of the whole House. I put the question to that motion.

*(Question put and agreed to.)*

*Report Adopted.*

BILLS

THIRD READING

THE EXCISE DUTY (AMENDMENT) BILL, 2015

4.44

**THE MINISTER OF STATE FOR FINANCE (PLANNING) (Mr David Bahati):** MrSpeaker, I beg to move that the Bill entitled, “The Excise Duty (Amendment) Bill, 2015” be read for the third time and do pass.

**THE DEPUTY SPEAKER:** Honourable members, the motion is that the Bill entitled, “The Excise Duty (Amendment) Bill, 2015” be read for the third time and do pass. I put the question to that motion.

*(Question put and agreed to.)*

A BILL FOR AN ACT ENTITLED “THE EXCISE DUTY (AMENDMENT) ACT, 2015”

**THE DEPUTY SPEAKER:** Congratulations, honourable minister and members. This is the spirit which will enable us to finish this big job that we have, that is, the budget.

BILLS

SECOND READING

THE INCOME TAX (AMENDMENT) BILL, 2015

**THE DEPUTY SPEAKER:** I am advised that the committee report is not yet signed; so, we cannot proceed with that.

MOTION THAT PARLIAMENT DO RESOLVE ITSELF INTO A COMMITTEE OF SUPPLY FOR CONSIDERATION AND APPROVAL OF THE FOLOWING:

* 1. THE REVISED REVENUE AND EXPENDITURE ESTIMATES FOR THE FISCAL YEAR 2014/2015
  2. THE BUDGETARY PROPOSALS FOR THE ESTIMATES OF REVENUE AND EXPENDITURE FOR THE FISCAL YEAR 2015/16

PRESENTATION, CONSIDERATION AND ADOPTION OF THE REPORT OF THE COMMITTEE ON PUBLIC SERVICE AND LOCAL GOVERNMENT ON THE MINISTERIAL POLICY STATEMENT AND BUDGET ESTIMATES FOR FINANCIAL YEAR 2015/2016

**THE DEPUTY SPEAKER:** Honourable members, that is the motion that was moved at the commencement of these processes and the ministerial statements were presented and referred to the committees. The committees are now ready to report and particularly the Committee on Public Service and Local Government. We can receive the report now.

**MR EKANYA**: Mr Speaker, we have a procedural challenge. I think this matter may require us to have a meeting because we are presenting committee reports when Government has not even given us the Background to the Budget, which has detailed information. I know we cannot have the Budget Speech but the Background to the Budget is very important and the revised budget for last year is very important because we have changed the cycle.

The committee is going to present the report and then we will go to the Appropriation Bill and then the minister reads the Budget and yet the Background to the Budget, which holds detailed information, will not be given. Therefore, I seek for your guidance on how we are going to meet and you may need to guide the House.

I have a big challenge as Shadow Minister of Finance as I am going to give the alternative to the government budget. I have been writing documents but alternatives have to be based on the Budget Speech and the Background to the Budget. Even what my shadow ministers wrote -

**THE DEPUTY SPEAKER:** Please, let him finish what he is saying

**MR EKANYA:** What my shadow ministers wrote was based on ministerial policy statements but the information was so scanty; it was not inclusive. In the eyes of the public, the Opposition is not providing serious alternatives and yet we cannot provide alternatives in a vacuum when Government is not giving us information.

Today, the Minister of Finance just gave a reply to the Budget Framework Paper. In the Budget Framework Paper, we raised a very serious matter that the Minister of Finance had not given information on money supply, projection of inflation, exchange rates, which determine the committee reports and then the Appropriation Bill. These are fundamental documents that are required for us to use when we are doing appropriation. Mr Speaker, I am seeking for your guidance.

**MR TUMWEBAZE:** Thank you, Mr Speaker. The information I would like to give on this matter, as hon. Ekanya’s former chairperson, is that tax Bills define and tell you the tax policy that Government will adopt in the coming year. Therefore, the Background to the Budget - how Government will raise its resources to finance the budget - is partly informed by the tax Bills that we are considering.

By and large, we now know how we shall raise the resources and appropriation, therefore, cannot be a problem. Much as knowing the other details of macroeconomic status is very important, in as far as appropriation is important, the tax Bills tell us what revenue we shall get, what we shall lose and how to mitigate it. Therefore, as far as appropriation is concerned, the question is answered as far as I know.

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PLANNING) (Mr David Bahati):** Thank you, Mr Speaker. The Background to the Budget is not a document that is provided for in the Constitution neither is it provided for in the Public Finance Management Act. It is a document that the Ministry of Finance used to give to provide information.

The documents that we have provided so far, as hon. Frank Tumwebaze has said, provide the tax revenue measures that will finance the budget next financial year. Different ministries have submitted ministerial statements stating what they will be able to do and their objectives. In fact, Mr Speaker, the Opposition has also provided alternative ministerial policy statements to this House. I think the Minister of Finance has sufficient sources of information to prepare his response to the on-going process.

**THE DEPUTY SPEAKER:** Thank you. Honourable members, this was raised as a procedural matter and needs my guidance.

Well, I do not think that there is any matter that would remain outstanding especially relating to the Budget Framework Paper because that matter was handled, completed and disposed of. However, let us appreciate one thing - the Budget Framework Paper was supposed to have been received on 31st December last year; it was brought on 1st April this year. It was already late. That is why we adopted pragmatic mechanisms to enable us deliver this budget. If we were to follow a law that was not yet in force, we would have had issues. Therefore, we are trying to make adjustments and take practical decisions that will enable us facilitate the conclusion of this budget process.

If there are documents that are outstanding and that are required, those documents should be supplied and they will help us with the debate now. However, even if the documents are brought today or next week, they are not going to help the committees anymore because the committees have basically finished their work. Those documents will come and Members will look at them and see if we can use them to guide us in the decisions we are going to take. That is the only practical way we can handle this situation.

Honourable members, I have been calling ever since, and I continue to call out, that this transition is posing a serious problem. Unless we act in a pragmatic way, we would not be able to deliver this budget in time and that would be a problem to the people of this country. Therefore, let us embrace that spirit and run with it and deliver this budget - discussing all these things, integrating all of them as we go along, and gaps are going to be identified, when they are filled, we move from there.

As we have been told, they may not have even drafted the Background to the Budget this year because it used to be an information tool from the ministry. This is a ministry that was only able to deliver what it should have delivered by 31st December on 1st April; to expect it to generate another document called the Background to Budget will be asking a bit too much at this time. Let us use what we have, hon. Ekanya. Minister of Finance, please provide whatever is possible or what can be provided to guide us and enrich the information for Members so that we can take these decisions.

The Shadow Minister of Finance has a point because in the past, he would respond to the budget as presented but now there is no budget that is presented. What was presented on 1st April I think was the whole budget itself. I do not know whether the Shadow Minister of Finance looked at that big document, which has the figures and all those other things.

What we are supposed to deliver by 31st of this month is the budget, complete and finished. Today is already 13th and the 31st is coming very quickly. Therefore, let us see what we can practically do and let us not put demands that slow down the process. However, we will try to be as pragmatic as possible.

**MR EKANYA:** Mr Speaker, the law we are talking about is the Public Finance Management Act, which was assented to in March this year. However, we had the Budget Act which we never repealed. The Budget Act was never repealed and this Parliament appropriated money to the Ministry of Finance and government departments to carry out the budget process starting from October.

We appropriated money but some people deliberately did not do their work and diverted the resources. They sat in their office and claimed that we needed a law. The Budget Act was there in full. In fact, Mr Speaker, the Minister of Finance wanted us to repeal the Budget Act but this House said no. Therefore, there is no reason whatsoever for Government to have delayed from October to 1st April.

What information are we going to give the investors who want to invest in this country if we do not issue the Background to the Budget, which contains - Mr Speaker, I beg for your indulgence.

**THE DEPUTY SPEAKER:** Hon. Ekanya, please, what you are saying is what should have been done. It has not been done and today is 13th May. It has not been done. Please, hon. Ekanya.

**MR BAHATI:** Mr Speaker, we continue to appeal to all Members of Parliament to embrace this spirit. The issue raised by the alternative Minister of Finance was an issue that was debated before the 1st of April. We took a decision and actually on this Floor, on behalf of the Ministry of Finance, I apologised for the delays that had happened.

I want to repeat that apology that for all the delays that happened before 6th March when the Act was gazetted. We do apologise, but we have moved on and we have said let us embrace the spirit that whatever time is remaining, we must do whatever we can to pass this budget before 30th May and we should be committed to that.

I commit myself, Mr Speaker; on Tuesday, all the remaining documents according to the new Public Finance Management Act will be supplied to this House. Should hon. Ekanya need any extra information that will help him to prepare a good critic to the current budget, I am available 24 hours. Thank you.

**THE DEPUTY SPEAKER:** Are you going to bring the Background to the Budget? That is the question.

**MR BAHATI:** We will submit the Background to the Budget though it is not required by law but for purposes of this spirit, we will submit it on Tuesday.

**THE DEPUTY SPEAKER:** Good. Let us move like that.

**THE OPPOSITION CHIEF WHIP (Mrs Cecilia Ogwal):** Mr Speaker, I think as Ugandans we are under obligation to assist the Government move forward. On my part, I would want to assist the Government to move forward. If only the Minister of Finance could listen because he is the person who is letting us down.

I wish that both sides of the House would acknowledge the fact that things have gone wrong. I have tried to plead with the Minister of Finance that he must apologise to Parliament because ultimately, it is the image of Parliament which is being dented. It appears as if we do not read the law.

However, I am saying if we could come up with an improvisation which does not make it appear as if we are breaching the law but we would use it for a transitional period. Although we had already opted to follow the law which is the new Act, they have now proved that we cannot follow the law. Is there any way that we can come with a provision that would not dent the image of Parliament? That is what we are pleading for.

We want the Minister of Finance to come and tell us that this we can do, answer the questions raised by the budget committee, those raised in the minority report and the issues which have been raised by the Shadow Minister of Finance. We will then sit down and see how we can move forward. However, on my part, I would not like anybody to go away from this House thinking that we are not wishing this Government well because if the Government does not move forward, we all do not move forward.

I would want to help but the minister must admit his fault and admit that money was made available for you to submit everything on time but somebody misused that money. It is always the bureaucrats who are taking the ministers for a ride and we have said that it is because they know the truth and you do not know. They know that you are too busy to know some of those details. Therefore, we are just trying to help you; we are not trying to fight you or to criticise you. As we have pleaded with you, bring here a roadmap so that we can all help you to move forward. I thank you, Mr Speaker.

**THE DEPUTY SPEAKER:** Let us just say this: Up to this point we are within the law; we are not violating the law anymore. However, if we do not finish by the end of the month, we will start re-violation again.

As for now, because we are receiving the reports from the committees, so far we are not doing too badly. However, we are now doing too badly because the little time we have, we do not seem to be using it very well. So, honourable minister, whatever has been requested for and is within your possession, please make them available to facilitate this process. That is the only way. There is no other way I can see. So, can we receive the report from the committee and as I guided, the presentations will not exceed 10 minutes.

PRESENTATION, CONSIDERATION AND ADOPTION OF THE REPORT OF THE SESSIONAL COMMITTEE ON PUBLIC SERVICE AND LOCAL GOVERNMENT ON THE MINISTERIAL POLICY STATEMENT AND BUDGET ESTIMATES FOR FINANCIAL YEAR 2015/2016

5.02

**THE CHAIRPERSON, COMMITTEE ON PUBLIC SERVICE AND LOCAL GOVERNMENT (Ms Grace Kwiyucwiny):** Thank you very much, Mr Speaker. I have with me the minutes of the meetings of the Committee on Public Service and Local Government on the ministerial policy statement. I also have a copy of the report on the ministerial policy statement for the ministries of public service and local government. I beg to lay.

**THE DEPUTY SPEAKER:** Let the records capture that. Proceed, Madam Chairperson.

**MS KWIYUCWINY:** Mr Speaker, the Committee of Public Service and Local Government examined the policy matters of vote 005, Ministry of Public Service; vote 011, Ministry of Local Government; vote 146, Public Service Commission; vote 147, Local Government Finance Commission; and votes 501 to 778, the local governments.

I will go straight to the Ministry of Public Service, page 4. I would like to observe that the Ministry of Public Service’s overall budget performance was 55 per cent by the end of March. This was below the programmed third quarter performance of 75 per cent. The underperformance was due to non-release of pension and gratuity as a result of the decision to decentralize pension and gratuity to Ministries, Departments and Agencies (MDAs), which occurred in the middle of the financial year under review.

Having said that, I will go straight to the observations and recommendations:

1. Rolling out of the IPPS and IFMS

The speed at which the ministry is rolling out the Integrated Personnel and Payroll System (IPPS) and the Integrated Financial Management System (IFMS) to various payroll processing sites is painfully slow.

The IFMS was introduced in 2003 but to date, it is operational in 115 sites of which 75 are MDAs and 40 are local governments. The IPPS project was introduced in 2008/9 financial year, but to date the system operates only four modules - the payroll management, pension management, establishment control and records management - out of the nine modules procured. This represents only 11 per cent of the procured functionality of the IPPS.

We therefore recommend that the rolling out of the IPPS should be fast tracked to enable civil servants and pensioners access their money in time. When fully operational, the IPPS will provide timely and accurate information for human resource management decisions and improved automated processes for payroll processing and management especially for pension.

2. Pension and Pension Reforms

The committee observed that pension and gratuity payments have been decentralized with effect from 2015/16 financial year. The implication of this is that the retired pensioners initially paid under the Ministry of Public Service shall be paid from their respective votes of retirement.

However, many local governments still have personnel officers instead of human resource managers, while in some local governments there are acting personnel officers instead of substantive officers. This means that the local governments may have inadequate human capacity to manage the pension and gratuity funds.

We recommend that the Ministry of Public Service and the Ministry of Local Government should provide technical support for the decentralized payment of pensions and gratuity. Staff at the local governments should be trained to handle pension and gratuity matters professionally.

3. Benefits of Former Leaders

The committee established that the Ministry of Public Service had not provided for the house purchase fund, furniture and a chauffeur driven vehicle to Prof. Bukenya, Prof. Apolo Nsibambi and Dr Kazibwe as is specified in the Emoluments and Benefits of the President, Vice President and Prime Minister Act, 2010. This was due to lack of resources.

The committee further learnt that the ministry has obtained the list of all other former leaders who have not been paid their ex-gratia amounting to Shs 2.4 billion. These include the late Idi Amin Dada, Shs 1,000,000,000; the late Godfrey Lukongwa, Shs 1,000,000,000; the late Abraham Waligo, Shs 200,000,000; and the late Eric Otema Alimadi, Shs 200,000,000. The committee was informed that their ex-gratia had been computed but the funds have not been provided in the ministry's budget ceiling for the financial year 2015/2016.

We recommend that the Government should ensure that all former leaders receive their entitlements. The ministry should avail Shs 2.4 billion required to enable the Ministry of Public Service pay ex-gratia to the former leaders.

4. Civil Service College

The committee observes that there is no Act or legal framework on the operation, management and regulation of the Civil Service College that was commissioned in November 2014. At the moment, the staff in the Ministry of Public Service and some identified public servants are managing the Civil Service College.

The committee recommends that a Bill on the operations and management of the Civil Service College of Uganda should be initiated and presented to Parliament for consideration. The main object of the Bill should be to ensure independent, effective and accountable management of the college.

5. National Records Centre and Archives

The first phase of the construction and refurbishment of the National Records Centre and Archives was funded by a World Bank loan.

The committee was informed that completion and operationalisation of the second phase of the centre has encountered various challenges ranging from interest on delayed payments to penalties for late payment on VAT, lack of funds for additional costs for construction and supervision, procurement of furniture, archive equipment and mobile shelving, among others.

The committee notes that the National Records Centre and Archives must be completed to enable effective verification of duplicate records on the payroll, correct errors in dates of births, investigate bank account numbers used by more than one person and so on.

The recommendation we made is that the Ministry of Finance should identify funds to complete phase II of the National Records Centre and Archives.

6. Salaries and Wages of Public Servants

The committee observed that Cabinet approved a pay policy for public service institutions and government agencies in 2006. The policy was intended to enhance and harmonise pay across the public service. Due to resource constraints, Government has not been able to achieve salary targets set under the pay policy. This has led to low morale and demotivation of public officers, thereby impacting negatively on their performance. The slow implementation of the pay targets has been exacerbated by the absence of the national salary board.

The committee recommends that the body to address issues of salaries for public officers should be fast-tracked as has been provided in the proposed Constitutional Amendment Bill.

7. Staffing Levels

The committee observed that the Ministry of Public Service has an on-going process of restructuring of local government staffing positions at the district level. Currently, the national staffing levels stand at 56 per cent and 57 per cent for district and municipal councils respectively, and 49 per cent at strategic level.

However, no resources have been provided for filling of critical vacant positions in the local governments. These include positions for CAO, Deputy CAO, Principal Personnel Officer, etc. The list is there.

There is a table which shows districts with staffing of key positions below 10 per cent. All of these are at eight per cent: Zombo, Agago, Alebtong, Amudat, Kiryandongo and Kole districts.

The committee recommends that the Ministry of Finance, the Ministry of Public Service and the Ministry of Local Government should ensure that staffing levels reach 65 per cent. Priority should be given to critical positions that are directly related to influencing local service delivery and especially in the districts mentioned above.

8. Government Vehicles

The committee noted that there is continued abuse of government vehicles by public officers. Government vehicles continue to be used after the stipulated time of 5.00 p.m. and also during weekends. Furthermore, it is observed that several government vehicles have been abandoned in the sector parking.

The committee recommends that the Ministry of Public Service should enforce the regulations regarding government vehicles. All accounting officers should be tasked to enforce the provisions of the Government Standing Orders and other existing legal provisions on use, care and management of government vehicles. Government vehicles no longer in use should be boarded off in time.

9. Internal Audit Department

The committee notes that while all heads of departments in local governments such as Chief Financial Officer, District Education Officer and District Community Development Officer are ranked and paid at a U1E+ scale, the head of the internal audit can only reach a U2 pay grade. Therefore, the internal auditor – by pay grade and classification – is a junior officer in the civil service yet they hold the responsibility of checking the performance and accountability of other heads of department at a higher scale.

The committee recommends that the head of internal audit department in a district local government should be elevated to the level of Chief Internal Auditor. This officer should also head this department as an independent department.

Vote 146 – The Public Service Commission

The Public Service Commission performed at 75 per cent – I am now on page 15. Most of the budget categories performed slightly above quarter three target, except development budget which underperformed at 56.13 per cent due to delays in the procurement process.

Observations and Recommendations

1. Computerisation of the Public Service Commission Recruitment

The committee notes that each year, the number of candidates applying for jobs in the public service keeps increasing without a corresponding increase in job opportunities. In the financial year 2014/2015 close to 20,000 applicants sat the aptitude test for 300 positions. The graduate recruitment exercise, for example, attracted 8,919 applicants against 140 vacancies. The interviews are normally conducted in two phases because of the large numbers; one at UMA Show Grounds and another at Namboole Stadium.

In order to ensure efficiency and effectiveness in the management of the recruitment processes, the Public Service Commission has embarked on the process of computerisation of the recruitment process. The main objective for a computerised recruitment system is to enhance resource sharing, timely and accurate decision making, and reduce costs of operations and subsequently render improved services to the public.

The committee observed with great concern that the Commission has encountered inadequate funding, rendering this exercise as an underfunded priority. The proposed budget for this exercise is Shs 891,740,000.

The committee recommends that the Ministry of Finance should consider this as matter of priority and provide the Shs 891,740,000 budgeted to enable computerisation of the recruitment system.

The Public Service Commission should also create regional centres for recruitment. This will ease on the number of applicants reporting to one centre for interviews. It is also cost-effective and convenient for applicants.

2. District Service Commissions

Under Article 166(1) of the Constitution, the Public Service Commission is mandated to guide and co-ordinate District Service Commissions throughout the country and to determine appeals arising out of their decisions.

The committee was informed by the Public Service Commission that due to the big number of districts, the Public Service Commission was not able to conduct the above mandate as regularly as would be necessary. Since FY 2012/2013, performance audits have been carried out in only 58 out of the 111 District Service Commissions.

For the Public Service Commission to be able to carry out its mandate effectively and efficiently, it requires Shs 800,000,000, broken down in the table below.

Recommendations

i) The committee recommends that the Ministry of Finance should provide Shs 800,000,000 required by the Public Service Commission to enable it carry out its function smoothly.

ii) The Public Service Commission should provide mechanisms to address irregularities and quality of service delivery in the District Service Commissions. The public servants should be recruited and promoted on merit through a clear and transparent system.

3. Capital Development

The Public Service Commission operates from Farmer's House, sharing space with three other commissions and one ministry. Due to the limited space, the Commission is unable to handle the huge number of applicants without inconveniencing the other users. Therefore, the Commission is forced to use other rented facilities, which is costly.

The committee was informed that the Public Service Commission had written to the Ministry of Lands, Housing and Urban Development and the Uganda Land Commission requesting for allocation of land to enable them construct befitting offices. The Public Service Commission had a proposal of Shs 2,000,000,000 to be used to acquire land. This, however, is among the unfunded priority activities.

We recommend that the Ministry of Finance should provide the Shs 2,000,000,000 to the Public Service Commission to be used for start-up activities like consultancy, structural designs approvals and infrastructure development. I have to add that this is the third time we are bringing this proposal.

Vote 011 - Ministry of Local Government

The third quarter vote performance was at 57 per cent by the end of March. The budget outturn was Shs 127,000,000,000 against the approved budget of Shs 220,000,000,000. There was an underperformance in the wage and external finance at 64 per cent and 53 per cent respectively. This was due to a delay in release of external finance and lack of authority from the Ministry of Public Service to recruit. I will go straight to the observations on page 27:

1) Inadequate Staffing of Local Governments

The committee noted that local governments remain constrained by shortages of staff, largely attributed to inadequate funding for staff recruitment and inability to attract and retain highly qualified personnel. Currently, the national staffing levels are those. Apart from the overall shortages of personnel, about 80 per cent of the filled posts are mainly by administrative and support staff.

The committee further noted that the staffing challenges have continued to stifle the performance of local governments in terms of essential service delivery to the population.

The Ministry of Public Service should expedite the restructuring of the local governments so that they can have effective structures for enhanced service delivery. The new structure should enable recruitment of manpower to key positions because this is the personnel that will be able to ensure proper implementation of public programmes, thus improving service delivery.

2) Bicycles for LCI and LCII Chairpersons

The committee noted that only 52 districts were funded to buy bicycles for LCI and LCII chairpersons in FY 2012/2013. The second phase of the procurement of bicycles for the remaining 59 districts, costing Shs 8,580,000,000, remained as an unfunded priority for FY 2014/2015 and in FY2015/2016. The committee observed that there is no reason to justify that this cost should be an unfunded priority.

The committee recommends that the Ministry of Finance should provide the Shs 8,576,500,000 required to procure the remaining bicycles.

Creation of Administrative Units

The committee observed that Cabinet approved additional criteria for creation of new administrative units as per the moratorium on creation of new districts. The moratorium was put in place due to the inadequate funds to create new districts. Below are the new criteria according to the administrative units.

The one for districts include fiscal capacity, human resource capacity, human settlement and land-use patterns and should at least be above 3,200 square kilometres. The one for sub-counties include four parishes and above and the area should be 64 square kilometres. The one for parishes include 10 villages and above and the area should be 30 square kilometres. The one for villages is 100 households and above.

The committee recommends that the recommended criteria should be adopted and disseminated to all local governments for future reference. The criteria for creation of county boundaries and constituencies should also be established.

4) Remuneration of District Speakers, Deputy Speakers, Councillors and Vice-Chairpersons LCIII

In the financial year 2015/2016, district councillors’ allowances have been increased from Shs 100,000 per month to Shs 250,000 per month, while district and municipal speakers’ allowances will increase from Shs 200,000 per month to Shs 400,000 per month. The committee noted that the district vice-chairpersons and sub-county councillors have been left out.

The committee observed that a budget of Shs 12.97 billion has been proposed to pay sub-county council allowances, but this has remained as an unfunded priority. The committee further observed that there are some administrative units that were created but not gazetted.

The committee recommends that allowances for district vice-chairpersons, sub-county and urban councils should also be increased and the Shs 12.97 billion should be provided by the Ministry of Finance to pay the sub-county council allowances.

5) Inadequate Revenue Mobilisation by Local Governments

The committee noted that the ability of local governments to raise adequate revenue from local sources is vital if the gains from the decentralisation reform are to be sustained. Unfortunately, local revenue mobilisation remains one of the most critical challenges to all local governments in Uganda.

The percentage of locally raised revenue as a share of total funding of local governments has continued to fall each year. In some local governments it is less than three per cent of their total budgets.

With inadequate capacity to mobilise local revenues, local councils are unable to meet to consider pertinent local issues, hence rendering them ineffective.

The committee noted that local governments are agents of Uganda Revenue Authority in collection of taxes and the Local Government Act provides that Uganda Revenue Authority shall pay agency fees to local governments. However, Uganda Revenue Authority has not honoured this provision.

We recommend that a partnership between local governments and the Uganda Revenue Authority be developed so as to enhance revenue mobilisation for local governments.

We further recommend that Government should come up with mechanisms to enhance local revenue collections.

6) Procurement of Double Cabin Pick-Ups for the District Chairpersons

The committee noted that the Government provided funds to purchase 111 double cabin pick-ups for district chairpersons to facilitate them to monitor and supervise government programmes within their local governments.

The committee further notes that there are inadequate transport facilities for CAOs, municipal mayors and town clerks as well. The capacity of these key officers to effectively monitor government programmes has been undermined by lack of transport facilities.

The committee recommends that the other local government leaders, specifically Chief Administrative Officers, Municipal Mayors, Town Clerks and District Speakers, in dire need of vehicles should be provided with vehicles to assist them in discharging their duties.

7) Administrative Structures

The committee noted that a number of newly created local governments do not have permanent administrative buildings. As a result, most of them have resorted to either renting premises or occupying health and other department facilities, hence affecting provision of other services.

It is further observed that the local governments that were once housed in the Buganda premises have been evicted after the return of Buganda Kingdom’s property, rendering the government institutions homeless.

It is also observed that the start-up cost for a new local government is normally insufficient - Shs 100,000,000 for district, Shs 40,000,000 for town council and nothing at all for a sub-county unit.

We recommend that Government should provide support to all local governments without permanent administrative buildings to acquire them. We also recommend that Government should facilitate the local governments that were victims of the return of Buganda Kingdom’s property to acquire permanent administrative buildings.

We also recommend that Government should double the start-up cost for districts to Shs 200,000,000, town councils to Shs 80,000,000 and Shs 80,000,000 for a new sub-county.

8) VAT for MATIP and CAIIP Projects

The committee observed that following the introduction of VAT on all road contracts, the ministry has had an unfunded gap in respect to VAT on MATIP and CAIIP projects worth Shs 27,000,000,000.

The committee recommends that Government should provide the Shs 27,000,000,000 to cater for VAT for CAIIP and MATIP projects.

9) Strategic Infrastructure Development and Maintenance

The committee observed that most local governments are unable to maintain the roads constructed for them due to the current weak road equipment under their use.

The committee recommends that Government should expedite the acquisition of better and stronger road equipment as stated by Government.

Vote 147 - Local Government Finance Commission

The Local Government Finance Commission’s budget performance for 2014/2015 was at 75 per cent which was satisfactory. The wage component and non-wage component performed at 76 and 73 per cent respectively, while the development budget component over performed at 101 per cent.

I am turning to the observations and recommendations on page 36:

1) Revocation of some Local Governments’ Revenue Sources

The committee notes that a statutory instrument 2014, No.47, was issued revoking the collection of annual bicycle licences, cess on produce and fish licences by local governments. This policy action has resulted into revenue loss in local governments.

It is further observed that there is a stiff resistance by tax payers to payment of local service tax especially the self-employed, professionals, artisans and business operators. Most of the local service tax collections are from employees - teachers, health workers and district staff. Local governments are therefore deprived from implementing local government priorities which would otherwise be covered using the above local revenue.

We recommend that the Local Government Finance Commission should compile the financial implication emanating from the revocation of the above local revenue sources to show the magnitude of revenue lost.

We also recommend that Government should compensate the local governments for the losses of revenue from the above revenue sources to enable them implement their mandate.

Votes 501-778 - All Local Governments

The table shows the local government grant transfers at the end of the third quarter. The overall performance of the local government grant releases was 70.5 per cent. This was slightly above programmes.

Observations and Recommendations

1) Continued Stagnation of Key Service Delivery Grants

In the budget estimates for the financial year 2015/2016, UPE, Primary Health Care non-wage and secondary capitation grants have increased by 27 per cent, 23 per cent and 17 per cent respectively. The committee observed that the budget for district hospitals and PHC-NGO non-wage have remained the same for more than 10 years. The percentage of change for 2015/2016 is shown in the table. You can see that row 3 and 4 have 0 per cent.

The committee noted that the implication of the continued stagnation of the Primary Health Care non-wage and district hospitals grants is likely to deteriorate the coverage and quality of service delivery and infrastructure development.

The committee recommends that Government should prioritise and focus on increasing the UPE, PHC non-wage, district hospitals and PHC-NGO grants which are key basic service delivery grants.

2) Perpetual Decline of National Budget Allocated to Local Governments

The committee observed with a lot of concern that the local governments’ budget out of the national budget has continued to decline from about 34 per cent in FY 2007/2008, 20 per cent in FY 2010/2011 to 15 per cent in FY 2015/2016. The table below shows that trend.

Sector ministries’ allocations to books, periodicals and newspapers, welfare and entertainment, travel inland and workshops and consultancies are even given more priority than local governments. We have an annex B that shows this. This decline has led to retrogression in the fiscal decentralisation and service delivery.

We recommend that Government should increase the allocations to local governments to at least 38 per cent of the national budget to enable local governments to efficiently and effectively deliver services to the people.

3) Reduction of Development Funds

The committee observed that the proportion of the development budget has remained low. Besides, the development budget will reduce in the FY 2015/2016 by over Shs 41,000,000,000 as a result of completion of donor funded projects as shown below. If you look at that trend, you will see that figure.

The committee recommends that Government should source for funds for supporting development programmes in the local governments.

Lastly, I would like to read the budget proposal for the Financial Year 2015/2016 in Uganda shillings as follows:

1. Vote 005, Ministry of Public Service: The proposed budget is Shs 21,886,000,000.
2. Vote 145, Public Service Commission: The total budget is Shs 4,937,000,000.
3. Vote 011, Ministry of Local Government: The total budget is Shs 115,457,000,000. In the report, there is an extra zero at the end; so just cross one zero to make that figure.
4. Vote 147, Local Government Finance Commission: The proposed budget is Shs 4,984,000,000.
5. Votes 501-778, all local governments: The total budget is Shs 2,321,790,000,000.

In total, this sector is asking for Shs 2,469,054,000,000. Mr Speaker and honourable members, I beg to report.

**THE DEPUTY SPEAKER:** Thank you very much, Madam Chairperson and the committee, for this work and for starting the process of the House discussing this matter.

Honourable members, this particular report is within the bigger motion for the House to resolve itself into a Committee of Supply. This one will not be processed by a separate motion but by an adoption by the House of the report of the committee and recommendations made therein.

I now propose that we debate this report in the terms proposed by the committee and we see how we can resolve this. So, debate starts now. What is that matter? Is it a procedure?

**MR NZOGHU:** Thank you, Mr Speaker. Yes, it is a procedural matter. I have been looking at the documents, which were uploaded onto myiPad; I have not seen the report. I do not know whether it is really fair for us who do not have the report on our iPads to actively debate - (*Interjections*) - mine doesn’t have it. My iPad was even taken to ICT –

**THE DEPUTY SPEAKER:** Honourable members, let us not engage in that. If the members have not read, let us defer the debate to tomorrow.

PRESENTATION, CONSIDERATION AND ADOPTION OF THE REPORT OF THE SESSIONAL COMMITTEE ON EAST AFRICAN COMMUNITY AFFAIRS ON THE MINISTERIAL POLICY STATEMENT AND BUDGET ESTIMATES FOR FINANCIAL YEAR 2015/2016

**THE DEPUTY SPEAKER:** Where is the Chairperson of the Committee on East African Community Affairs? We put them on the Order Paper because they said they were ready and they are supposed to be here. Is there a member of the committee here who can present the report?

**MS SSINABULYA:** Thank you very much, Mr Speaker. I am referring to the report that has just been read by the Chairperson of the Committee on Local Government and Public Service. The report is on the iPads and I propose that we debate it.

**THE DEPUTY SPEAKER:** Honourable members, is it the desire of the House that we go back to the Report of the Committee on Local Government and Public Service and we have some debate? Would that be okay members so that we use the next 20 minutes to debate it? Can we start? What I am saying is that let us go back to item 8(a) on the Report of the Committee on Public Service and Local Government on the matter that has just been presented. Let us do some debate and we see how we proceed on this matter. I will start with hon. Alice Alaso; each Member will use three minutes.

4.40

**MS ALICE ALASO (FDC, Woman Representative, Serere):** Thank you very much, Mr Speaker. I would like to thank the committee for presenting this report.

Mr Speaker, I would like to emphasise the premise of decentralisation upon which local governments were founded. The Constitution wanted us to devolve so many things to give power and finances - I want to take note of the concern of the committee that the local governments in this country continue to be grossly underfunded. Most importantly, they also have a very serious starting challenge; some of them up to 10 per cent of what are required. If you do not give them funds to deliver services, it is akin to giving somebody a wage for the day and not giving them a hoe. They will go and just sit in the gardens.

I doubt that we are realising the objectives of decentralisation. I probably would think that the committee did not make a very strong recommendation on how to give serious attentions to issues of staffing and funding in local governments. It is not enough to have district or sub-county entity, which have no money and staff. What is the essence and what services do they deliver? They cannot monitor; the CAO sits in the office just to wait for their salary and that is all. We need to seriously refocus on decentralisation. Is it a vehicle that we want to use to deliver services to this country? If it is still the case, then we need to give money.

So, I would like urge Government to pay attention to giving more funding. In any case, if we chose decentralisation, why is the bulk of the money remaining at the centre? To date, you find ministries, instead of passing some of the projects to local governments; they are still clinging onto local community roads; ministries clinging onto primary schools in this country, services that should have gone to help revamp the roles of local governments.

Mr Speaker, I support the committee and I pray that Government pays serious attention on issues of increasing funding and staffing levels for local governments. Thank you.

**THE DEPUTY SPEAKER:** Thank you, too.

4.43

**MS JOY ATIM (Independent, Woman Representative, Lira)**: Thank you so much, Mr Speaker. I want to thank the committee for the report they have just given us. Mr Speaker, you will realise that the district speakers and their deputies together with the councillors, both at the district and the sub-county levels are really suffering. These are the people down on the ground. All the problems come to them much as we also face it as Members of Parliament. But because Government is not doing the bulk of its work, it is the politicians who suffer. When it comes to fundraisings, burial and paying fees, it is the politicians who are looked at.

In fact, two days ago, I was in my district. Mr Speaker, the district councillors have gone for five months without any pay and they are lamenting. What they are paid on a monthly basis as district councillors is Shs 100,000 of which 30 per cent goes into taxes and they get only Shs 70,000. Unfortunately, the money is not being effectively paid.

I support the proposal by the committee that the pay for the district councillors be enhanced and paid promptly. The districts do not have any clear local revenue source to complement this so that the councillors are supported. Therefore, let the government help them. When we come to the issue of the vacant positions in the districts, you would realise that the national and district staffing level is very low. Hon. Cecilia Ogwal has just told us how the newspapers are writing that there are several vacant positions, but a number of people in this country are unemployed. Why do we have those vacant positions when many people out there are unemployed?

If you go to the local governments, most of the workers are in acting positions for ten years; for example, the Engineering Department of Lira District Local Government - there is an acting district engineer. The CDO has been in an acting position for more than ten years yet the ministry is saying there are no resources. Please, ten years down the road - can the Ministry of Finance, Planning and Economic Development help this country? It is because if we do not employ these people in their right positions simply because the ministry is saying there are no resources, we will not be offering good services to our people.

Those who do not qualify will always be in acting positions and also services will not be okay for our people –(*Member timed out\_*)

4.46

**MR MUDIMI WAMAKUYU (NRM, Bulambuli County, Bulambuli):** Thank you, Mr Speaker. I also would like to thank the committee for presenting the report.

The issue of rolling out of Integrated Financial Management System as the committee is proposing – of course, this will have a challenge now, but when I interacted with some leaders at the district, they suggested having it at regional centres like Mbale, Gulu, Arua, Fort Portal and others. It would be better than a person leaving Bulambuli to come to Kampala or going to Ministry of Finance to enter that into the system. They do not want to go there and find no network because that would be a waste. That is why they suggested it be put at those regional centres to ease their work. But it can also be rolled out to all the districts.

On the issue of bicycles, and as you know soon we are going in to elections, is a big challenge. This is because while some districts got them others have not. Some people are even blaming Members of Parliament. I would like to point out the fact that when contracts are being drawn there is what we call performance bond. A performance bond, if issued by a financial institution, guarantees that in case the supplier fails, they will pay that equivalent. That is better than saying it is an unfunded priority. Why can’t we pursue that? Was that clause not taken into account when they were drawing contracts for supply of bicycles?

One time the Minister of Local Government told Parliament that there is hope to recover some monies from those people. How far have they gone?

Another issue I would like to comment on is that of the understaffing levels. Some districts doing so badly. Recently, during the pay roll clean-up exercise, Government had saved over close to Shs 300 billion. Why can’t the Minister of Finance use that to fill those gaps? You do not need extra money. The money is within the threshold of the budget. Please look into that. Otherwise, other districts are doing badly.

The issue of VAP on Community Agricultural Infrastructure Improvement Project (CAIIP) is a big challenge not only to the Ministry of Local Government, but it cuts across *–(Member timed out\_)*

5.49

**DR TWA-TWA MUTWALANTE (NRM, Iki-Iki County, Budaka):** Thank you, Mr Speaker. I would like to thank the committee for the good report they have presented to the House. I would like to address two issues. One is the issue of Primary Health Care non-wage. This grant has remained stagnant for over 10 years yet we know what this money is supposed to do. It is the money which we use to deliver the health services at the grassroots at the health unit - health centre IIs, IIIs, and IVs, and of course within the communities for health education, among other activities.

We also know that over the last 10 to 15 years the number of health units has increased. But bear in mind that the population has also increased. Leaving this money stagnant, definitely you are making the districts incapable of delivering health services to the people. We already see this because there is a lot of outcry down there about the service delivery in the health sector.

I would like to support the committee recommendation that Government tries its level best to revise and increase the Primary Health Care non-wage grant to the districts. This will do a great deal to improve health service delivery at that level.

The second thing I would like to address in this debate is about the procurement of bicycles. I do not quite understand how this activity was undertaken. I do not understand why some districts got the bicycles while others didn’t. Government is now saying that the procurement of bicycles for the remaining 59 districts is an unfunded priority. How can this turn out to be an unfunded priority when more than half of the country got the bicycles? You are now denying this other sector or part of the country the opportunity to get the bicycles. I would like to urge the Government to find the Shs 8.5 billion to procure the bicycles for the remaining parts of the country.

Finally, I would like to commend the committee on the issue of finding a home or homes for the ministries. This is something which will save this country billions of money, which we are spending on rent for premises for ministries *- (Member timed out\_)*

5.53

**MR HENRY MUSASIZI (NRM, Rubanda County East, Kabale):** Thank you, Mr Speaker. I would like to address the issue of paying councillors at the district level. Whereas I welcome the idea, we have to be realistic. You are paying a councillor at the district level and you are not paying a councillor at sub county where actual implementation takes place. In that structure, you are paying some little amount of money to the LC 1 Chairman. Here is the LC 1 Chairman, the councillor at sub county level is left out but yet you are paying someone at the district.

Mr Speaker, councillors at the sub-county level in Uganda are about 27,000. Even if you paid Shs 100,000 per month to each one of them, it would be an estimate of around 2.7 billion. I would like to appeal to Government and the Minister of Local Government to look for some provision to pay councillors at LC III if we are to be fair to this idea of paying councillors.

Let me also talk about administrative units. I have a sub-county in my constituency, which was created five years ago. But to date there is no initiative to put up a structure to help staff at this sub-county to operate. They operate from a Health Centre III structure.

Again I want to appeal to Government also to think about mechanisms of finding money to support the structures, which they create. It should not only be about people, but also the environment in which they operate; that be looked into.

Lastly, on the CAIIP project, I would like to point out that this project is under performing, which is so frustrating to us the politicians. You promise a road, it takes three years to start the work yet this project is financed by loans. These are borrowed funds but no implementation is done yet at same time we are paying interest rate on this money.

On the non-wage provision for district hospitals, I was informed last weekend that my Health Centre IV gets a provision of Shs 650,000 per month to run its affairs. This is money to pay for utilities which include water, fuel, cleaning and all sorts of things *–(Member timed out\_)*

5.56

**MR DENIS OBUA (NRM, Ajuri County, Alebtong):** Mr Speaker, I rise to support the report of the committee, but also to say I am humbled and deeply touched by the fact that the district I represent in this Parliament falls among the six districts with the lowest staffing levels -

**THE DEPUTY SPEAKER**: I thought you represent a county. *(Laughter)*

**MR OBUA:** Mr Speaker, I represent Ajuri County, which is part of Alebtong District. The district I represent is one of those with the lowest staffing levels especially at senior position.

I am also aware that Alebtong District currently receives approximately Shs 15 billion from the Central Government. This money is three times the total revenue collection of Uganda in 1986. Our staffing level at senior level is only at eight per cent.

In my view, much as we are still moving on with the idea of creating more administrative units, we need to be more critical on the human resource in the districts we have created and those we are going to create. This is because at eight per cent with an acting CAO, acting deputy, acting DEO, acting auditor, and acting CFO - almost everyone at senior level is in acting capacity!

I remember I raised this fundamental question in one of the Prime Minister’s Question Time sometime back that what will Government do? We may even resort to having an acting RDC. I have ever raised this as a critical point. Most of the people who are in those acting positions are not self-driven and motivated to work as they would if they were in substantive positions.

I think the six districts talked about in this report would need affirmative action. These districts are worth doing - you may be sick, but somebody is much sicker than you. So, the six districts are sicker than all the other remaining districts of Uganda because they are at only eight per cent. Therefore, I want to move that we need an affirmative action on the six districts of: Zombo represented by the Chairperson of the committee; you can imagine, Agago, Alebtong, Amudat, Kiryadongo, and Kole. Honestly speaking, these six districts need affirmative action in terms of raising the staffing level - *(Member timed out\_)*

5.59

**MR JACOB OPOLOT (NRM, Pallisa County, Pallisa):** Thank you, Mr Speaker. I join the rest of the Members in commending the chairperson of the committee and the members for presenting this good report. I would also like to add my voice to the voices of the other Members who have raised the issue of staffing levels in local governments.

Whenever we agitate for the creation of these units, we use the argument of bringing services closer to the people. However, it is surprising that as we create them in the name of bringing services, the people for whom to provide the services are not there. Can we rethink and ask ourselves; are we saying the right thing? Or we are just putting in place white elephants that are causing a waste to our resources. This is because the few people who are there are not putting these resources to proper use. Can Government do, as much as is required, to ensure that these units are staffed for the people to get the services they deserve?

My second issue is about the bicycles. I also agree with Members who have wondered why the budget for the remaining bicycles is put under unfunded priorities yet some districts have already got! It is surprising because in this House, and on so many times, we have been assured that the bicycles are being procured. What happened to the bicycles, which were being procured for us to now talk about a budget which is under the unfunded priorities?

Finally, still on the creation of administrative units, I have seen the committee recommendations to be adopted and disseminated, but we are already hearing that counties are being created yet the committee is busy recommending that the criteria for creation of counties and constituencies also be established. I wonder on what basis the Minister of Local Government will make these boundaries because in some places where constituencies or counties are being created, there is a need to first split some sub-counties, if you are to cause harmony –*(Member timed out\_)*

6.03

**MR ALEX RUHUNDA (NRM, Fort Portal Municipality, Kabarole):** Thank you, Mr Speaker. I also commend the committee for the good report.

I am really concerned about the planning aspect in this country especially when it comes to the economics. We have looked at the National Development Plan (NDP). We are of course waiting for NDP II, which focuses on the macro improvement of our economy. There are vehicles, which are meant to bring the transformation that we desire in the districts. When you look at the current districts - I do not know why studies have not been made to first of all evaluate these newly created districts. How much have they given us in terms of mileage? This is in order for us to come up with justified reasons of creating new ones.

When you look at the money going to be consumed by these districts - sometimes even some of this money gets lost in people’s accounts. If this money is used, for instance, if we look at the transformation of agriculture, value addition and having factories in these communities - if you look at the amount of money to be spent on a district, how many factories can this money build?

What we need to do is to work on the infrastructure. We need to make the movement of goods and services much easier such that people can access health centres, markets and also be able to move to schools. This will improve the movement of such goods and services. But you are not going to tie people in this perpetual poverty by just creating districts from which a few elites will benefit. They will have an LC V, an RDC, and various councillors trying to look for money. At the end of the day, are we really going to transform this country with this kind of strategy? Do we need these districts? We need a scientific response. That is why I wanted a recommendation - *(Interruption)*

**MR EKANYA:** Thank you very much. Mr Speaker, hon. Alex is my good friend, but is it in order for a Member who comes from a region where new districts have been created to stand here and ask why we need districts? The people of Tororo County even ate a rat demanding for a district *- (Laughter)* – but to date, they have not got one.

**THE DEPUTY SPEAKER:** I am not sure about the legality of eating rats. I think it is a constitutional provision. By exercising that provision of the Constitution, nobody is making a mistake really. Let us respect the Constitution when we debate.

**MR RUHUNDA:** Thank you, Mr Speaker. I know that there are amendments that are being proposed and I would also contribute by making some amendments in that regard. I really do not believe in these new districts. They are not viable entities and it is the few elites who just want to keep surviving on the tax payer’s money. That is the biggest expense we are incurring yet value addition that would multiply wealth and bring us to a middle economy - I think we really need economists to debate this matter at the national level so that we give this country what it deserves.

Finally, my suggestion to the committee is that they put sanctions on the creation of new districts until a thorough study is provided?

**MS ALASO:** Thank you very much, Mr Speaker. When hon. Alex Ruhunda asked for this scientific response, it drew my attention to the fact that there needs to be somebody who would give the scientific response. I started looking around wondering which of the ministers in this country, was going to give us that scientific response.

Is it procedurally okay to look for a scientific response, even to be voting money for a ministry under a minister who is not interested in the process of appropriation? Is it procedurally okay, Mr Speaker, that they cannot be here even when we are giving them money? *(Interjections)* Yes, and they are two in that ministry! We need them to explain how they use the money. At least when you want money, don’t you try to make the best show? Surely do you think it is procedurally okay for us to continue looking for scientific explanations among ourselves, when the responsible ministers are not there?

**THE DEPUTY SPEAKER:** Can somebody from Government respond to this before I rule on it?

**MS RUTH NANKABIRWA:** Thank you very much, Mr Speaker. I would like to thank hon. Alice Alaso for raising this procedural point. I think all of us would feel more comfortable if a matter is being raised and a relevant minister is around. But I would like to say that the hon. Adolf Mwesige this morning was in Cabinet and requested that he be excused, so that he goes to Arua; the President will be there tomorrow. That is, both the minister and the state minister are engaged.

However, every ministry has an assistant attached to this House. Every ministry and I wrote all of them to give me the names. The Ministry of Local Government is one of the ministries, which submitted a name of a lady who I have forgotten the name.

**THE DEPUTY SPEAKER:** So, can’t the assistant help us deal with the scientific questions?

**MS RUTH NANKABIRWA:** What I would like to say is that those assistants help capture key issues for ministers when they are not here. I would like to make an undertaking, I have been making notes, that as soon as the ministers concerned are back in Kampala, I will raise this matter with them so that they give thorough explanation including responses even on the other matters that have been raised, for example, the matter of the bicycles and funding to local governments as raised by the hon. Alice Alaso. I have been religiously taking notes and I will direct the Minister of Local Government to respond, at an appropriate time.

**MR EKANYA:** Mr Speaker, the procedural matter is that in this House, besides the minister not being here, there is provision for technical people to be present. I am so happy that the minister has turned herself into a technical person by writing notes. We have a technical bench. But why is it that even the technical officials from this ministry are not here? Does it mean that all of them have gone with the President or they just feel Parliament is useless? I am seeking you guidance, Mr Speaker, why the technical bench is completely empty yet the minister does not work alone. The technical people present are from Parliament. I am seeking your guidance.

**MR NZOGHU:** Thank you, Mr Speaker. When you look at the Public Finance Management Act, 2015, Section 13(f), the minister is also supposed to present, among other things, to the committee and the House, the grants to the local governments and any subventions for the financial year.

When the chairperson of the committee was reading the report, I raised the issue that I did not have that report on my iPad. And while I listened very attentively I did not hear it. That means that even the manner in which this piece of information was given to the committee by the minister is actually not comprehensive. Therefore, I do not know, given the circumstances we are in, whether it is really fair for us, as Parliament, to proceed yet this aspect is missing but with most districts having grants that we should be assessing as Parliament to see whether those that were planned for 2015/16 are adequate or not.

So, as you have heard, Mr Speaker, and the information before you is that the Ministry of Local Government has a very small budget. If sub-section (f) was reflected there, I think we would have had a better approach. We would decide whether, as hon. Alex Ruhunda was saying, we are really comfortable with having new districts or having the ones that we have and we finance them.

**THE DEPUTY SPEAKER:** Honourable members, there are two things. The first is that what we are debating now is a report on the ministerial policy statement. These normally have figures in them. Those figures are the ones that the committee summarises at the end on what we should do. If there are other provisions relating to bringing out subventions to local Government, I am sure those ones are now specific matters of figures that are already distilled and put in another set of documents that will be supplied.

However, right now we are looking at the ministerial policy statement - the content, which is a process. That is exactly what the committee had done and exactly what it has reported on. That is what we are debating, let us debate that. The moment the matters were brought to Parliament, they became its property to handle the way it can. Minister no minister; it is now the property of Parliament. We cannot abandon our duty because there is no minister. The minister has already given the document to Parliament, submitted a ministerial policy statement within the framework of the law. How do we now say that, because the minister is not there, we cannot proceed? The document is there; we need to take a decision on it. So, let us proceed.

6.17

**MS LYDIA CHEKWELL (NRM, Woman Representative, Kween):** Thank you very much, Mr Speaker, for the opportunity. I would like to thank the committee for this detailed report. I would like to start from where colleagues have been talking about decentralisation.

When you look at the objectives of decentralisation, you realise they are actually so good and would benefit people greatly. The issue of staffing is very important, although some other districts have not been mentioned. We know that most of these districts are actually under staffed. We all know that when we staff these districts, we are also offering jobs to our people. We have the problem of unemployment and if we recruit people to serve in these districts, we shall as well be offering jobs to our people.

Secondly, I would like to support the issue that hon. Musasizi brought up that we should recommend that these sub-county councillors be given some allowance. We realise that upcountry, local revenue is very low. A district like Kween, when my sub-county councillors sit, the allowance they get is usually Shs 5,000. You wonder because these people are expected to serve the people and to supervise all the money that is sent to those sub-counties. We should, as Parliament, put up this recommendation and follow it up so that in the next financial year, there is some money set aside for the councillors at the sub-county level.

The third issue that I would like to bring to the attention of this House regards the recommendation on the start-up capital, which is usually given to the districts as they are created. I would like to support the committee on that recommendation though this amount is really low; it should be increased.

I also would like to add that whereas we are talking about the amount being small, there is also the issue that not all the districts that are created receive this money. An example is Kween. I brought this matter up in the budget of 2012, we have been following it up but it has not received that start-up capital of Shs 100 million.

Therefore, much as we talk about increasing, we should even add a recommendation to say that as we create the new districts, this start-up capital should actually be remitted. It should be given together as we award the area a district status.

Lastly, I would like to comment about district service commissions as one of the entities supposed to be supervised by the Public Service Commission. I wondered when I looked at the report where the committee talked about 58 district commissions being monitored in three years’ time. Really, this is a very small part of work that has been done yet when you look at the term of office for these district service commissions, it is usually three hours. You wonder how a commission can be brought in and it serves for the three years without any supervision. When you look at what the committee is actually recommending and how they are broken down –*(Member timed out\_)*

**THE DEPUTY SPEAKER:** Honourable members, those that would like to contribute are still many. Can we reduce on the time to two minutes or one minute? Okay, let us do two minutes.Let us try to make it as quick as possible. I can see Koboko still standing but I will definitely come back to you. Do not worry.

6.20 **MR MICHAEL MAWANDA (NRM, Igara County East, Bushenyi):** Thank you, Mr Speaker. I would like to thank the committee for its effort in producing this report.

I have the following observations to make. One is that, as much as we have embraced decentralisation, as some of our colleagues have stated, the epitome of decentralisation is extending to services to our people.

As one colleague has said, there are some administrative structures established in our districts, which have never been given any service. I have two areas in my constituency, which were elevated to a sub-county status but they do not have any structure. They do not have a health centre and offices. Actually the burden is on us.

I would like to request Government to look into these administrative structures so that they cease being a burden to us. When they have any activity, they come to you as a politician and request for assistance. So, the government should look around to ensure these sub-counties are financed.

Secondly, I would like to thank CAIIP for the good work it has done mostly in my constituency. However, I am worried that if they hand over these roads to the responsible local government and communities, they will not have the capacity to manage them. I would like to suggest that Government maintains these roads so that they can live and survive the test of time.

The committee has also talked about the discrepancies in salaries. It is true that there are recommendations to set up a salary board but I would suggest they fast-track the setting up of a salaries board to ensure they harmonise remuneration and payment of public servants.

This is important because it is known that people working in state enterprises and corporations are paid highly –*(Member timed out\_)*

6.22

**MS ROSEMARY NAUWAT (NRM, Woman Representative, Amudat):** Thank you, Mr Speaker. I would like to thank the committee for the report. At page 12 of the report, there is a table showing districts with their staffing levels below 10 per cent and Amudat is one of them.

In Amudat District, we do not have some officers, for example, we do not have a commercial officer yet we are trying to encourage our people not to look only at cattle keeping but also do other activities. But you find officers doubling roles. For example, the CDO is assigned the NUSAF Desk, which makes him get overwhelmed with work. I would like to call upon the minister to look into this issue of categorisation of districts, according to models. It is the one making disadvantages in some districts because according to the models, some are supposed to have certain officers and yet others are not. As such, districts are disadvantaged.

On the issue of lack of transport in local governments, I want to mention this is a serious matter. You know that districts have very few vehicles and where there is an ambulance, sometimes when the staff is summoned to the centre, they are forced to remove the ambulance from the health facility to transport such staff to the centre. We need to facilitate the districts with vehicles.

As far as facilitation of the LCs is concerned, we should look at all levels because the parish or the sub-county councillors are doing quite a good job. There is need to know that voluntarism can at times demotivate people. You cannot just keep doing work voluntarily all the times. When there is some facilitation –*(Member timed out\_)*

6.24

**MS SYLIVIA SSINABULYA (NRM, Woman Representative, Mityana):** Thank you, Mr Speaker. I would like to begin by commending Government for the pension reforms, mainly the decentralisation of the pension payment. I know that our pensioners have been suffering a lot trying to access their pension from the Ministry Public Service.

I would therefore like to support the proposal by the committee that the Local Government capacity should be built to facilitate the smooth payment of the pensions at that level.

Secondly, I would like to comment on the benefits of the former leaders. I note that the Minister of finance has not been able to provide for the benefits of Dr Kazibwe, Prof Bukenya and Prof Apollo Nsibambi. I pray that Government gets money to provide for these benefits so that these leaders can enjoy them when they are still alive because I see a number of past leaders dying; they get their benefits as ex-gratia. I pray that those who are still alive get their benefits and enjoy it.

Mr Speaker, I would like to emphasise the issue of sub county councilors getting allowances. If resources cannot allow, we would rather not increase the allowances for district councilors since the district councilors are already benefiting. So, if they are already benefiting, however small it is but provide for the sub county councilors because they are also doing a noble job across the countryside - *(Member timed out\_)*

6.26

**MR YAHAYA GUDOI (NRM, Bungokho County North, Mbale):** Thank you, Mr Speaker. I join colleagues to submit on the report of the Local Government and Public Service. I thank the chairperson for including everything that I wanted included in this report. He has not left out any stone unturned.

I would like to talk about the Uganda Community Agricultural Infrastructure Improvement Programmethough it has already been tackled. It is good project. My constituency was one of the first beneficiaries of CAIIP. However, when you go there now, you cannot even know whether a road was made or not. So, Government should ensure that it works hard to maintain the roads because when you make roads people clap hands and when you leave them, it looks as if you never made a road anywhere.

Secondly, I would like to talk about the decentralization of pensioners’ salaries. I would like to know the role of Public Service, Local Government, Ministry of Finance and Bank of Uganda. When you said we have decentralized pension money, I thought everything would run smoothly at local government.

Government should always focus on doing efficient work because our pensioners are suffering. Recently, they have been paid the salary of April and I think the salary of May could even come in June yet it is coming to the end of the financial year. I think there is something fishy at the Ministry of Finance and that of Local Government.

This is the point where we needed the Minister of Public Service to make a statement. When these monies are not given to pensioners - I have been interacting with the Minister of Public Service. Most times, they are not in the know. I do not know what they decentralized. What does the district do - *(Member timed out\_)*

6.28

**MS ROHAN NINSIIMA (Independent, Woman Representative, Kabale):** Thank you, Mr Speaker. When the Ministry of Finance wrote a circular to Public Service that effective 1 Jan 2015 pensioners’ payments be decentralized, it had not agreed with Ministry of Public Service on how to go about it. I do not know whether the committee has been able to deal into that to see whether it is the reason why payments are being delayed. I also think that by the time finance was sending this directive, they should have first ensured that there are staff trained since the spirit is good because we all want this backlog to be reduced.

So, if you are telling us that staff have not yet been trained to handle these payments professionally yet public service is no longer handling, it means the spirit with which this directive was made was not about helping people. This is the month of May and if these staff have not yet been trained, human resource managers have not yet been recruited, when do we hope to have this recruitment? This would help the pensioners to find hope in this new change.

Lastly, Mr Speaker, allow me to briefly speak about value for money paid to pensioners. Many people have collapsed at the Public Service Ministry especially the elderly whenever they come and find that the value of their money that they were expecting then is as lesser as Shs 200.

The minister has told me she has tried to push for a proposal for Government to begin looking at the value of money that those people were entitled to but in vain. She is even constrained to suggest to the President –(*Member timed out\_)*

6.30

**MR BANJAMIN CADET (Independent, Bunyaruguru County, Rubirizi):** Thank you very much, Mr Speaker, and I thank the committee for some work done. However, when you look at public service, it is supposed to be an efficient institution. One of the ways to make it efficient was the procurement of the ICPS system to ensure you do not have issues to do with recruitment, pension and so forth. Now, I get surprised when we get a report with the committee failing to give us a deadline on when this system should be rolled out to all districts and sites activated.

Secondly, we are talking about some money for councilors or salaries. I think this one should be tagged to the quality we have or qualification. We have had UPE and USE for a long time. However, you get surprised - for instance, last week when I was in my constituency moving with my sub county chairperson and people asked questions. But he did not know what was taking place in the sub county. Why didn’t he know? He said everything is controlled by the chief. He cannot read and write including even the councilors yet you want to give them money.

I think money should be tagged to the levels of education for those councilors. It is high time we looked at the quality. Otherwise, we are going to send money there to just be wasted or taken by the few learned technocrats at the districts.

Lastly, I think if people are demanding for districts or sub counties, they should first set up a small structure to house it. We are here yet people cannot even afford a simple structure for a sub county or district yet they are putting us on pressure to create more and more of those entities. To me that is wastage of resources and it should stop. Thank you.

6.32

**MS GRACE ASAMO (PWD Representative, Eastern):** Thank you, Mr Speaker. I would also like to thank the committee for the report. I just want to raise an issue - in this financial year, the Minister of Local Government wrote to all the local governments to support the sign language interpreters and guides for councilors with disabilities. I am not very sure that I have had it in the increase of the salaries. His letter had talked of 50 percent of those people. Unfortunately, Local Government did not have that money. So, I hope in this budget this issue is catered for.

Mr Speaker, on the issue of decentralization, I happen to represent 32 districts. However, I would like to say that there are districts where the local government officials stay in another district and drive in the morning to go to work. This makes me wonder about the meaning of this decentralization. I have many of them. For example, in Sironko and Bududa districts people come and sleep in Mbale and all that kind of thing; in Buyende staff come and sleep in Kamuli. This practice has created a big gap in supporting the technical people to remain in their districts.

Mr Speaker, whereas we talk about the local tax, I think this policy should not be equally applied to all districts. For example, in Buyende District, there is no hotel. Maybe if there is just a makeshift of a hotel. When you go there, you must have eaten from one of the hotels in Kamuli. How do we expect Buyende staff to be at the same standards with a district like Iganga? I think there is a need for Government to look at these local governments and give them an affirmative action approach.

I would like to support the proposal that districts are financed. This is because there are districts you drive to and even bypass them. By the time you enquire people will tell you how you already bypassed the district headquarters. And when you return you only find some very old local building.

6.34

**MS ROSE MUTONYI (NRM, Bubulo County West, Manafwa):** Thank you, Mr Speaker. A few of my points have been raised, but I would like to make some comments about sub-county councilors. First, I would like to thank the committee for the work they have done. I would like to differ a bit from Mityana that the sub-county councilors should get more than what the districts councilors get. I would like to recommend that since they have decided that the district councilors should have their emoluments increased, maybe they could just reduce a little from that and give that percentage to the councilors at the sub-counties, but not saying they should not get the increment. There is a suggestion that they are going to increase their salaries.

Furthermore, I would like to talk about transport for the chairpersons of the districts. It is embarrassing to find a whole district chairperson in a ramshackle pick-up and when it breaks, he asks the *wananchi* to push it! I think the committee’s recommendation that the district chairpersons be given new pick-ups is a good one.

District service commissions are supposed to be supervised by the Public Service Commission but because of the little resource envelope of the Public Service Commission, the district service commissions are not supervised. They do not even know their role. They only do business - what they do is to collect money from applicants –(*Member timed out\_)*

6.37

**MS MARGRET BABA DIRI (NRM, Woman Representative, Koboko**)**:** Thank you very much, Mr Speaker. I would like to thank the committee for the very good report and I have few comments to make.

First, let me say something about the pensioners. Public Service has been mistreating the pensioners and I am happy that this service has now been decentralized. We hope the process will now be efficient and people will get their money on time. However, I would like to find out from the minister - there are people whose money has been misplaced; they get your pension and then they say it is in somebody’s account. How can it go to somebody’s account when they have their own accounts? How can we trace such money? I think there is something wrong with the public service and the workers there. Sometimes the people miss their pension salaries for two to three months; they get it much later. At times they do not get the arrears paid to them. Where does that money go? I would like to see decentralized offices not carrying the disease from the Central Government to mistreat the pensioners down there because these are people who need their money to use it before they die.

I would also like to talk about the district committees. These committees should be facilitated so that they can follow up what is happening in the districts; such that they can ensure money is properly used. Sometimes they do not meet because the money is not there.

Lastly, regarding the local governments - these people are given a lot of responsibility yet with little money. If you take water –(*Member timed out\_)*

6.39

**MR FOX ODOI -OYWELOWO (Independent, West Budama North, Tororo):** I thank you, Mr Speaker**.** First, I would like to commend the wonderful work done by the committee**.** I have three or four short points to raise.

One is that the committee reports that the Public Service Commission requires a total of Shs 891,740,000 to complete the computerisation of the Public Service Commission yet this is listed as an unfunded priority. It is very important that we computerise that Government organ charged with recruiting public servants. The reason we get ghost workers is because we do not have controls at the stage of recruitment. So, anybody can feed in any garbage and it stands that they are paid and called ghosts. It is not much to ask Government to look for Shs 891,740,000 to complete the computerisation of the Public Service Commission.

Secondly, Mr Speaker - and my sister from Mityana made this point too - the benefits accruing to former leaders. I have made this point before on the Floor of this House that there are instructions that we could take from the Holy Quran. The Holy Quran says that there is need for someone to pay their workers their wages before their sweat dries.

We have past or former leaders who rendered service to this country. They are in retirement and they are entitled to some form of payments. The committee reports that this is not budgeted for. You have not budgeted for shove driven car –(*Member timed out\_)*

6.41

**MS ANNET NYAKECHO (NRM**, **Woman Representative, Otuke):** Thank you, Mr Speaker. First of all, I would like to start by looking at the challenges faced by these newly created districts and also I would like to commend Government for taking services closer to the people. I know Government had a good motive when it decided that smaller districts should be created such that people can get closer to services.

However, you find that these districts have enormous challenges. Most of the workers in these districts are in acting capacities. I would like to give an example of Otuke District, which I represent. Most of the district staff are in acting capacity and they take long to receive their salaries.

Mr Speaker, I think we need to re-plan and re-strategise. Though I know there are districts like for my brother, hon. Geoffrey Ekanya -Tororo District - where people are up in arms and want their district status, I really thank the committee for coming up with the criteria for creating districts. Such districts like Tororo have capacity to generate income. Therefore, such areas should be accorded and granted what they wish because they have the criteria to fulfill them.

Also I would like to put a hole in the committee’s report - I did not see the committee’s comments about issues of corruption in the districts. Most districts are being eaten up by corruption. Money is channeled to local governments but the CAO’s sit on it yet the committee has not looked into that aspect. I wonder why they did not look into the issues of corruption in districts and yet - *(Interruption)* - it is really affecting our people. They are not receiving the services as they should. If all this money reached them in a proper way, we would be seeing a different picture.

On bicycles for the LCs, my colleagues, we are all going into elections. This is the time we should advocate that Government takes the remaining bicycles for the LCs who did not receive theirs. We are going to face a very stiff challenge if we do not lobby Government to supply bicycles to those districts.

Mr Chairman, I would like to talk about the issue of the chairpersons LC - *(Member timed out\_)*

6.44

**MR MILTON MUWUMA (NRM, Kigulu County South, Iganga)**: Thank you so much, Mr Speaker. I have to thank the committee for the good report presented. But I would have wished to see a serious position of the committee regarding the LCI elections.

On the road map that was published by the Electoral Commission, they did not reflect the LCI elections. Villages are dead; there is no leadership in our villages. People are demoralised and they do not know whether they are officially or legally in office.

Last time the Minister of Local Government had committed himself that he would bring amendments here, regarding the LCI elections because they kept the issue of costs. However, to date they have not come up. My people the other day were proposing that if we have failed to mobilise the resources, let us go back to the lining system, as long as they can have leaders to give guidance in their villages. I implore Government to come up with these amendments such that we are able to elect leaders in our villages.

About the LCI bicycles, last year when we were considering the budget, the minister brought a list of districts that had not yet got bicycles and Iganga was one of them. A year down the road we have no answers.

Can we, if at all it calls for a loan, approve it here if there are no resources to sort out this issue once and for all? Such that we are not seen to be either weak lobbyists or that we have failed to deliver services to our people.

Mr Speaker, for the issue of district councillors’ entitlements or benefits, I salute Government about it. But we need to match it with the Pay-As-You-Earn. In my district, a councillor earns Shs 100,000 as a sitting allowance. However, they end up remitting Shs 25,000 as PAYE yet it is below the threshold based on the Income Tax Act.

I feel there is a very big mismatch in this law. As we strive to improve - *(Member timed out\_)*

**THE DEPUTY SPEAKER:** Can I now have the Leader of the Opposition for five minutes?

6.47

**THE OPPOSITION CHIEF WHIP (Mrs Cecilia Ogwal)**: Thank you, Mr Speaker. I would like to join my colleagues to thank the committee for the good report presented.

The Ministry of Local Government is the only sector that touches the needs of the people directly and, therefore, should receive very serious attentions both from Parliament and the Executive.

However, I am very surprised that the budget performance is as low as 55 per cent as at March yet it was expected to reach 75 per cent. I hope that both the Ministry of Local Government and the Executive generally have now done something in streamlining the management of pension and gratuity.

I also would like to note one of the points that were given to us during this process. The committee said that some of the monies given to the former leaders was deducted and given to some lawyers. I do not think claiming for this money by the former leaders, whether they are dead or alive, would require legal costs. I would like to know whether the committee has been able to trace this matter. It was important to follow it up because it affects particularly my sub region, where the money which was supposed to go to *Mzee* Joel Wacha and Cosmas Adyebo was deducted. I would like to know whether the money has been recovered or whether you have traced why it was deducted.

I have already stated this earlier, but I think I need to re-emphasise that the issue of staffing is very serious. Let us look at page 10 for the sake of emphasising this point. It gives a very ugly picture if staffing levels are low because they affect service delivery.

In Zombo District the staffing level is as low as eight per cent, Agago eight per cent yet these are new districts that need to be supported. Mr Speaker, we are not serious. With eight per cent what can the districts do? We need either affirmative action or Government needs to come up with a programme of how we can pull up the performance of these districts. It is definitely a very serious phenomenon.

While we are painting a very painful picture about the funding of the local government; we should also be mindful of the information we have. The motor vehicles are being abused yet in the same report the committee is asking us to sanction the buying of more vehicles. I do not know whether we should come up with a decision that yes, we can agree to buy more vehicles but can you tell us how you are going to manage them. If you already are mismanaging the few that you have, what assurance do you have that if we give you more vehicles, you will look after them properly?

When we talk about the bicycles, to whom are we giving them? Who is going to own them because elections for LCI and LC II have not taken place yet? Are these bicycles now going to be given to any person? Will the current chairmen claim the bicycles or when they cease being chairmen, they will hand them over to next chairmen? We are not clear on this, as a matter of policy. Let us not ignore it yet the committee continues to demand for this money; this matter needs to be taken up.

On remuneration, Mr Speaker, this is a practical matter. All of us come from districts and you know very well that the supervisors of NAADS right now are receiving monetary funding of Shs 2,600,000 per month. However, for the entire district is it Shs 300,000? If we want local governments to monitor government activities and you are giving the entire district Shs 300,000, are we really serious about getting any output from them! I am surprised that the committee did not raise it up yet it is a very serious matter.

I support the proposal that came from the Floor that we need to facilitate LC IIIs and even LC IIs. If we are giving money to LCs, what makes LCII irrelevant? Above all, the administrative unit starts from LCII. They have elected chairpersons and so on; they have well constituted administrative units. How come we cannot facilitate the councillors who make decisions, policies, by-laws and other important decisions? The committee should help this Parliament to facilitate that local unit.

Local council IIIs and LCIIs need to be catered for if we are now catering for LCIs; it is just a matter of principle. They are not a begging body; they are entitled to it because they are working for us.

Mr Speaker, I know the population is growing and when you look at page 39 of the report, you find that the funding to this sector is decreasing every year. This shows that the administration is not serious in its priority.

Finally, the committee I hope by next year will come up with a report that indicates that multiparty dispensation is practised at the district level too. I do not see anything called district leader of opposition at the district level. I have not seen anything called district chief of the opposition at the district level and so on. *(Laughter)*

**THE DEPUTY SPEAKER:** Thank you very much. That could only have come from “*Atat,”* the Opposition Chief Whip, who is now sitting in for the Leader of the Opposition.

Madam Chairperson, I would like you to stand and just repeat the prayer that your report be adopted.

6.54

**THE CHAIRPERSON, COMMITTEE OF LOCAL GOVERNMENT AND PUBLIC SERVICE (Ms Grace Kwiyucwiny):** Mr Speaker, I would like to thank you, and the whole House for contributing -

**THE DEPUTY SPEAKER:** Madam Chairperson, the minister would like to say something.

6.54

**THE FIRST DEPUTY PRIME MINISTER AND MINISTER OF PUBLIC SERVICE (Mr Henry Kajura):** Thank you, Mr Speaker. There have been a few remarks made about Public Service and I would like to react to some. For example, there was something said about salaries no longer being paid by Public Service, it was taken over by the Treasury and so is the payment to former leaders.

For the former leaders, we would write to the Ministry of Finance for funding and there would be no funds. I am sure if you had accessed all the documents you would have seen that.

For the funding to local governments, well that is entirely the problem of Ministry of Finance. Since the day graduated tax was abolished - it was the source of funding, which the districts themselves utilised and controlled. So, depending on what is at Treasury that creates problems. At times they get their submissions late and some money gets lost in one way or other.

Democracy of course has also got its problems. In the days when I served under the British –*(Laughter)*– there was no division of wanting a vote or wanting to ameliorate the ordinary people. A job had to be done and that was that. Now, everybody is trying to please everybody –*(Laughter)* – and even if you are an LCI, you do not want to upset LCII and upwards. This is why we now have a population of dependence; everything must be given to them. You provide school fees; they demand that Government should also provide lunch. This dependency syndrome has really crept in our society where people do not want to work; they do not want to pay taxes but they want Government to provide practically everything. This must be reflected in the totality of funding, which comes to the government. In other wards what is coming to the government these days is less and lesser; fewer and fewer but more and more demands to the government.

So, when you look at our LCs they have a problem. The entire structure has problems of diminishing revenues and with expansion of institutions so does the expenditure. In other words, we need to look at the entire set up and find a way of remedying some of these things.

On questions of salaries, I am sure you all appreciate and agree that we are not paying adequate salaries. There is a Greek adage to the effect that if you do not pay people enough they will pay themselves. Therefore, this is what is happening. Salaries have remained stagnant but inflation has worked into them. A year ago if you had Shs 5,000 note, you were very powerful and felt good, what about today? So, there are many issues that have come up.

On decentralisation, I want to say this has very disturbing problems. You have more people involved in the machinery of Government. I have a daughter who is a teacher. She says - and of course decentralising also salaries and pension - that when they go for their money from the accounting officer in the districts - I think you do not want to know or hear what happens.

There may have been problems with centralisation, but now this has expanded and at each level, you either pay well or they pay themselves. That is why people working for local governments today are worse off than before. Decentralising these payments at the districts involves more potatoes involved and they all look at these funds which go as wages to the workers. So, the structures have expanded yet revenues have not yet caught up with that expansion. The contrary is what is happening.

There was an issue to do with the payment to the retired – may I call them rulers or former presidents and so forth, it is a question of the Treasury, which does not readily release those funds. Normally the reply we get is that there are no funds yet their budget keeps increasing. The number of people who are entitled to receive this type of payment is increasing by the day and their benefits are immense - a car, a house, good salary and so on. Well somebody from the Treasury will answer that one in totality once they are called upon.

Therefore, this is my quick reaction to what has been found and I think if our good lady had asked for evidence, she would have heard that it is not their fault but there are facts. It is upon you the people who vote funds to enable this funding to be possible but also to punish those who steal it.

Now, the process of punishing has become complicated because if somebody has stolen big, he is able to wet the system. Thank you. (*Applause*)

**THE DEPUTY SPEAKER:** On that note, would I now ask the chairperson to just move that the House adopts her report?

7.00

**THE CHAIRPERSON, COMMITTEE OF LOCAL GOVERNMENT AND PUBLIC SERVICE (Ms Grace Kwiyucwiny):** Thank you, very much, Mr Speaker. I just want to thank the House for supporting my report because everything the honourable members said supported what we discussed and also recommended. But maybe I should answer two issues. One was about LC I and LC II elections, which one of the members said I should have commented upon. I would like to say that the Minister of Local Government brought to this Floor of the House, the Local Government (Amendment) Bill, 2014, which we have worked on and we have completed the report. We are ready to present it; precisely it talks about LC I and LC II election.

I also would like to say that the sector ministries gave out all the information we needed that helped us to come up with this report. We got complete documents from the Ministry of Public Service, Ministry of Local Government and that is how we analyzed the information into the form it has appeared in this report.

However, just to highlight the areas where we recommended financial consideration, one was in respect of the Ministry of Public Service where we recommended Shs 2.4 billion as ex- gratia for former leaders.

In the Public Service Commission we recommended Shs 891, 740,000 for the computerization of recruitment. We also recommended Shs 2 billion for the construction of an office for the Public Service Commission and Shs 800 million for district service commission monitoring exercise.

In the Ministry of Local Government we recommended Shs 8.5 billion for bicycles, Shs 27 billion for VAT on MATIFF and CAIIP, Shs 12.97 billion for sub-county councillors’ allowance and start-up costs for districts at Shs 200 million, town councils at Shs 80 million, sub-county at Shs 80 million and a general increase to local governments at Shs 38 million.

We have prayed these should be considered and allocated on top of the budget framework ceiling that has been given to these sectors. My prayer, Mr Speaker, is that Vote 005 –

**THE DEPUTY SPEAKER:** No, the report of the committee be adopted - these recommendations you read them already earlier?

**MS KWIYUCWINY:** Yes, Mr Speaker**.** I therefore would like to move that the report of this committee be adopted with the amendments there discussed.

**THE DEPUTY SPEAKER:** Honourable members, I think it is the proper time for me to put the question for adoption of the Report of the Committee on Public Service and Local Government on the Ministerial Policy Statement and budget estimates for the financial year 2015/2016. I put the question for your approval.

*(Question put and agreed to.)*

*Report adopted.*

**THE DEPUTY SPEAKER:** Congratulations, Madam Chairperson and the committee members and honourable members, for pushing it this far. I congratulate and thank you very much. This should be the spirit and I am happy. House adjourned to tomorrow at 2.00 p.m.

*(The House rose at 7.04 p.m. and adjourned until Thursday, 14 May 2015 at 2.00 p.m.)*