

**BILLS SUPPLEMENT**

*to The Uganda Gazette No. 22, Volume CXVII, dated 27th March, 2024*

Printed by UPPC, Entebbe, by Order of the Government.

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**Bill No. 24**      *Cotton Development (Amendment) Bill*      **2024**

**THE COTTON DEVELOPMENT (AMENDMENT) BILL, 2024****MEMORANDUM****1. Policy and principles of the Bill**

The policy behind the Bill is to give effect to the Government Policy for Rationalisation of Government Agencies and Public Expenditure (RAPEX) which was adopted by the Cabinet on 22<sup>nd</sup> February 2021.

**2. Defects in existing law**

The Constitution establishes a definite number of Government agencies, including constitutional commissions, authorities, boards, local councils and other statutory bodies. These were established to perform certain specified constitutional functions. Over the years, however, there has been a proliferation of agencies established by Acts of Parliament, Executive Orders and administrative arrangements. Whereas most of the agencies are necessary due to the critical nature of the functions they perform, Government has established that a certain limited number of agencies were established without due consideration to the aspects of institutional harmony, functional duplications, overlaps and affordability. Government has also established that some agencies have served the purpose for which they were established. The mandate of a few other agencies has been overtaken by events. Such agencies need to be rationalised.

More importantly, the proliferation of agencies has created mandate overlaps and jurisdictional ambiguities among the agencies.

Additionally, the high cost of administering the agencies has drained the national treasury at the expense of effective service delivery. This has overstretched the capacity of Government to sustain them. Government has also established that the generous salary structures of the agencies has created salary disparities between employees of the agencies and public officers in the traditional civil service leading to demotivation of human resources in the mainstream public service.

### **3. Remedies proposed in the Bill.**

The intention of the Bill, is to amend the Cotton Development Act, Cap. 30, to—

- (a) enable the mainstreaming and rationalisation of the functions of the Cotton Development Organisation into the Ministry responsible for cotton processing and marketing (Ministry of Agriculture, Animal Industry and Fisheries) thereby, *inter alia*, relieving the Government of the financial drain on its resources and the burden of wasteful administration and expenditure on the maintenance of the Organisation whose functions may be performed by the Ministry with less cost and financial drain;
- (b) facilitate efficient and effective service delivery by clearly delineating the mandates and functions of the Ministry responsible for cotton development and administration of Cap. 30, thereby avoiding duplication of mandates and functions;
- (c) promote coordinated administrative arrangements, policies and procedures for—
  - (i) ensuring the efficient and successful management, financial accounting and budgetary discipline of government agencies and departments;
  - (ii) enabling the Government to play its proper role more effectively; and

(iii) enforcing accountability.

**4. Provisions of the Bill**

The Bill has 29 clauses. Clause 2 of the Bill provides for the objective of the Act. Clause 3 provides for the purpose of amending the Cotton Development Act, Cap. 30 which is to mainstream the functions of the Cotton Development Organisation into the Ministry responsible for cotton processing and marketing (Ministry of Agriculture, Animal Industry and Fisheries). Clause 4 provides for the dissolution of the Cotton Development Organisation and transfers the functions of the Cotton Development Organisation to the Ministry responsible for cotton processing and marketing. The remaining clauses of the Bill are consequential amendments that seek to implement the transfer of the functions of the Cotton Development Organisation to the Ministry responsible for cotton processing and marketing.

**FRANK TUMWEBAZE**  
*Minister of Agriculture, Animal Industry and Fisheries*

**THE COTTON DEVELOPMENT (AMENDMENT) BILL, 2024**

**ARRANGEMENT OF CLAUSES**

*Clause*

1. Interpretation
2. Objectives
3. Purpose of amendment of Cap. 30
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23. Amendment of section 20 of principal Act

24. Amendment of section 21 of principal Act
25. Repeal of Part VI of principal Act
26. Repeal of Part VII of principal Act
27. Repeal of Part VIII of principal Act
28. Repeal of Schedule to principal Act
29. Savings

A Bill for an Act

ENTITLED

**THE COTTON DEVELOPMENT (AMENDMENT)  
ACT, 2024**

**An Act to amend the Cotton Development Act, Cap. 30, to dissolve the Cotton Development Organisation and transfer the functions of the Cotton Development Organisation to the Ministry responsible for cotton processing and marketing in order to give effect to the Government Policy on Rationalisation of Government Agencies and Public Expenditure, and for related purposes.**

**BE IT ENACTED** by Parliament as follows:

**1. Interpretation**

In this Act, unless the context otherwise requires—

“agency” means a body established by an Act of Parliament and includes an authority;

“commission” means a body established by the Constitution;

“currency point” has the value assigned to it in the Schedule to this Act;

“Government” means the Government of Uganda;

“Ministry” means the ministry responsible for agriculture.

## **2. Objectives**

(1) The main objective of this Act is to give effect to the Government Policy for Rationalisation of Government Agencies and Public Expenditure adopted by the Cabinet on 22<sup>nd</sup> February, 2021 and contained in Cabinet Minute No. 43(CT 2021).

(2) Without prejudice to the general effect of subsection (1), the following objectives shall be deemed to fall under the objective specified in that subsection—

- (a) the merging, mainstreaming and rationalisation of agencies, commissions, authorities and public expenditure thereby, *inter alia*, relieving the Government of the financial drain on its resources and the burden of wasteful administration and expenditure;
- (b) the facilitation of efficient and effective service delivery by clearly delineating the mandates and functions of government agencies and departments and thereby avoiding duplication of mandates and functions;
- (c) the promotion of coordinated administrative arrangements, policies and procedures for—
  - (i) ensuring the efficient and successful management, financial accounting and budgetary discipline of government agencies and departments;
  - (ii) enabling the Government to play its proper role more effectively; and
  - (iii) enforcing accountability; and

- (d) the restructuring and re-organisation of agencies and departments of Government by eliminating bloated structures and functional ambiguities in Government agencies and departments.

**3. Purpose of amendment of Cap. 30**

The purpose of amendment of the Cotton Development Act, Cap. 30 is to—

- (a) mainstream the functions of the Cotton Development Organisation into the Ministry responsible for cotton processing and marketing; and
- (b) abolish the Cotton Development Organisation and transfer the functions of the Cotton Development Organisation to the Ministry responsible for cotton processing and marketing.

**4. Dissolution of Cotton Development Organisation**

On the commencement of this Act, the Cotton Development Organisation shall be dissolved.

**5. Amendment of long title of Cap. 30**

For the long title of Cap. 30, in this Act referred to as the “principal Act”, there is substituted the following—

“An Act to monitor the production, processing and marketing of cotton so as to enhance the quality of lint cotton exported and locally sold, to promote the distribution of high-quality cotton seed and generally to facilitate the development of the cotton industry.”.

**6. Amendment of section 1 of principal Act.**

Section 1 of the principal Act is amended—

- (a) by repealing paragraphs (a) and (c);



(b) by inserting immediately after “Minister” the following—

“(ma) “Ministry” means the Ministry responsible for cotton processing and marketing;”

**7. Amendment of title of Part II of principal Act**

For the title to Part II of the principal Act, there is substituted the following—

**“PART II—ADMINISTRATION OF ACT”.**

**8. Replacement of section 2 of principal Act**

For section 2 of the principal Act, there is substituted the following—

**“2. Administration of Act**

This Act shall be administered by the Ministry.”.

**9. Replacement of section 3 of principal Act**

For section 3 of the principal Act, there is substituted the following—

**“3. Power to impose cess on lint cotton**

The Ministry may, for and in connection with its objectives and functions under this Act impose a cess on sales of lint cotton and may charge for services provided by it.”.

**10. Replacement of section 4 of principal Act**

For section 4 of the principal Act, there is substituted the following—

**“4. Objectives of Act**

The objectives of the Act shall be to promote and monitor production and marketing of cotton and represent all aspects of the cotton industry.”.

**11. Replacement of section 5 of principal Act**

For section 5 of the principal Act, there is substituted the following—

**“5. Duties of Ministry**

The duties of the Ministry shall be—

- (a) to monitor, through registration on terms and conditions prescribed by the Ministry, all persons, organisations and bodies—
  - (i) dealing in cotton seed;
  - (ii) dealing in seed cotton;
  - (iii) dealing in lint cotton;
  - (iv) exporting lint cotton;
  - (v) operating a ginnery;
- (b) to set standards for Uganda seed cotton and lint against international standards;
- (c) to provide an objective assessment and lint classification service for the industry by issue of certificates on a fee-for-work basis;
- (d) to monitor and provide advice on lint and seed cotton quality standards;
- (e) to procure, process and distribute planting seed within segregated areas and, where appropriate, supervise the production and distribution of later generation seeds outside segregated areas through selected ginneries;
- (f) to announce, if it deems appropriate, indicative farmgate, ginnery buying and export prices and to monitor prices actually paid at these levels together with prices of cotton seed for planting and milling;
- (g) to announce the commencement and closure of the cotton marketing season;
- (h) to collect, maintain and disseminate statistical information in respect of all aspects of the cotton industry;

- (i) to facilitate cotton production, cotton research and extension;
- (j) to advise the Government on policies towards the subsector;
- (k) to promote training for technicians, cotton processors, quality controllers and other related disciplines;
- (l) to promote the formation of associations among different groups in the industry;
- (m) to monitor and advise the cotton industry on the procurement and distribution of cotton inputs;
- (n) to inspect ginneries to ensure compliance with registration requirements; and
- (o) to do anything connected with, or necessary in the performance of, the above functions.”

**12. Repeal of Part III of principal Act**

Part III (sections 6 and 7) of the principal Act is repealed.

**13. Amendment of section 9 of principal Act**

Section 9 of the principal Act is amended by repealing the words “in consultation with the Organisation” appearing between the words “set” and “may”.

**14. Amendment of section 10 of principal Act**

Section 10 of the principal Act is amended—

- (a) by substituting for subsection (1), the following—

“(1) The Minister shall, annually, cause certified cotton seed to be distributed to cotton growers for purposes of planting”;

- (b) in subsection (2) by substituting for word “organisation” the word “Ministry”;
- (c) by substituting for subsection (3) the following—

“(3) A person shall not plant cotton seed, other than seed which the Minister has caused to be distributed.”;
- (d) by substituting for subsection (4) the following—

“(4) The Minister may require any ginner or any other person to set aside for distribution to growers, any cotton seed in his or her possession and may require any ginner to produce any cotton seed required for distribution in advance of any other cotton seed that he or she is producing through ginning raw cotton.”;
- (e) by substituting for subsection (5) the following—

“(5) The Minister may require any ginner to distribute any cotton seed, whether set aside at his or her ginnery, or at any other ginnery, for distribution to growers in the neighbourhood of his or her ginnery or to dispatch any cotton seed set aside for distribution at his or her ginnery to any other place in Uganda.”
- (f) in subsection (6) by substituting for the word “organisation”, the word “Ministry”.

**15. Amendment of section 11 of principal Act**

Section 11 of the principal Act is amended by substituting for subsection (1) the following—

“(1) The Minister may, by general notice published in the Gazette, prohibit the export or import of cotton seed, either

generally or from any specified area, for a specified period or until a further general notice is issued in that behalf.”

**16. Amendment of section 12 of principal Act**

Section 12 of the principal Act is amended by substituting for subsection (1) the following—

“(1) The Minister may, by notice in writing, direct the owner or any person having charge of any cotton seed or plant harbouring or likely to harbour any cotton pest or cotton disease to destroy the cotton seed or cotton plant either within a specified time or immediately and in any specified manner.”

**17. Amendment of section 13 of principal Act**

Section 13 of the principal Act is amended by substituting for subsection (1) the following—

“(1) The Minister may, by statutory instrument, fix a date prior to which all cotton plants in a specified area shall be uprooted and destroyed in that year and may, in the same instrument, fix a later date before which no cotton may be planted in that area.”

**18. Amendment of section 15 of principal Act**

For section 15 of the principal Act, there is substituted the following—

**“15. Exemption**

The Minister may exempt any person from compliance with the provisions of any instrument published under section 13 if he or she is satisfied that the exemption is desirable for the purpose of scientific or experimental work.”

**19. Amendment of section 16 of principal Act**

Section 16 of the principal Act is amended—

- (a) in subsection (1) by substituting for “organisation”, the word “Minister”;

- (b) in subsection (2) by substituting for “organisation”, the word “Minister”;
- (c) in subsection (6) by repealing the words “, on recommendation of the board,”; and
- (d) in subsection (7) by substituting for “organisation” wherever the word appears the word “Minister”.

**20. Amendment of section 17 of principal Act**

Section 17 of the principal Act is amended by substituting for “Organisation” wherever the word appears, the word “Minister”.

**21. Amendment of section 18 of principal Act**

Section 18 of the principal Act is amended by substituting for “Organisation” wherever the word appears, the word “Minister”.

**22. Amendment of section 19 of principal Act**

Section 19 of the principal Act is amended by substituting for subsection (1) the following—

**“19. Cotton marketing season**

The Minister shall announce the commencement and closure of the cotton marketing season.”.

**23. Amendment of section 20 of principal Act**

Section 20 of the principal Act is amended—

- (a) in subsection (2) by substituting for “organisation” the word “Minister”; and
- (b) by substituting for subsection (3) the following—

“(3) Every registered ginner shall forward to the Minister, within twenty-one days after completing ginning, details of all cotton ginned; and the details shall specify—”

**24. Amendment of section 21 of principal Act**

Section 21 of the principal Act is amended—

“(2) Every person under obligation to keep books under subsection (1) shall forward the records to the Minister once every month.”

**25. Repeal of Part VI of principal Act**

Part VI (sections 22, 23, 24 and 25) of the principal Act is repealed.

**26. Repeal of Part VII of principal Act**

Part VI (sections 26, 27, 28 and 29) of the principal Act is repealed.

**27. Repeal of Part VIII of principal Act**

Part VIII (sections 30 and 31) of the principal Act is repealed.

**28. Repeal of Schedule to principal Act**

The Schedule to the principal Act is repealed.

**29. Savings**

(1) All pending applications for any kind of registration under the Act shall be continued under the Minister.

(2) The board members and staff of the Cotton Development Organisation shall be paid their terminal benefits in accordance with the terms and conditions of their service.

(3) Compensation is not payable to any member of the board of the Cotton Development Organisation for loss of office resulting from the dissolution of the Coffee Development Organisation.

(4) The staff of the Cotton Development Organisation may be redeployed to serve in the public service subject to availability of positions.

(5) On the commencement of this Act, all the property, assets, rights, obligations, and liabilities of the Cotton Development Organisation shall vest in the Government of Uganda under the Ministry.

(6) Any proceedings commenced by or against the Cotton Development Organisation may be continued by or against the Attorney General.

(7) A licence, permit, certificate or authorisation issued by the Cotton Development Organisation under the Act which is in force immediately before the commencement of this Act shall have effect from the commencement of this Act as if granted by the Minister.

(8) The terms and conditions including the rights and obligations under a licence, permit, certificate or authorisation in force immediately before the commencement of this Act, shall not be less favourable than those that applied immediately before the commencement of this Act.