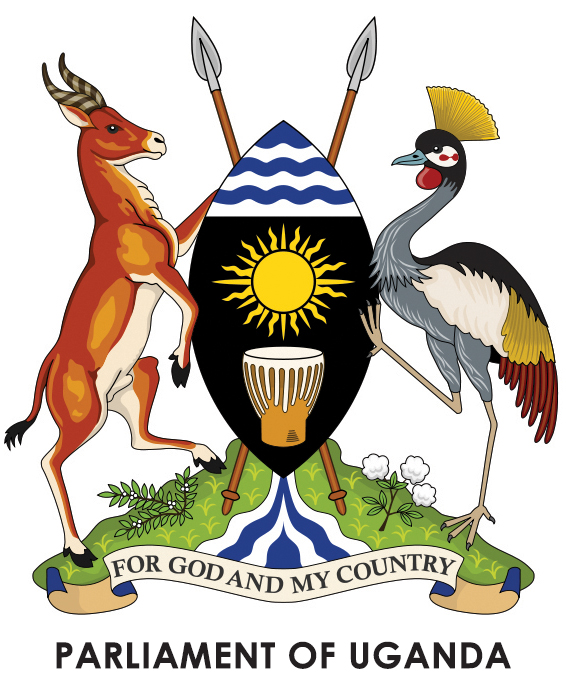
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**Wednesday, 10 August 2022**

*Parliament met at 2.01 p.m. in Parliament House, Kampala.*

PRAYERS

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

*The House was called to order.*

COMMUNICATION FROM THE CHAIR

**THE SPEAKER:** Honourable members, I welcome you to this afternoon’s sitting. You will recall that on 19 July 2022, the Parliamentary Pension (Amendment) Bill, 2022 was read for the first time and referred to the Committee on Legal and Parliamentary Affairs.

The committee is currently considering the Bill. As Members of Parliament, you are the beneficiaries of this scheme. I urge you to pick interest and go and give your views in the committee so that this will not be passed without your input as a beneficiary. I request that you go and present. I would like to thank you very much for coming for today’s sitting.

2.04

**MR SOLOMON SILWANY (NRM, Bukooli County Central, Bugiri):** Madam Speaker, I thank you for your communication. It is true I am a member of the Committee on Legal and Parliamentary Affairs. I have been very concerned about this Bill because it touches Members of Parliament and their pension. I have been following up and this afternoon, we even made a presentation to the committee as the Parliamentary Commission.

However, Madam Speaker, it has come to our notice that Government would like to take over this Bill. They are coming in to frustrate the Member from continuing with the Bill. Several things were discussed in the committee and I will not discuss them here, but it will be done by the chairperson of the committee.

The matter I am raising is, would it be okay for you to invite the Attorney-General to tell this Parliament, if they want to take over this Bill, how fast are they going to move because this is about us the Members of Parliament and several other things. How fast are they going to handle the Bill to enable Members do their work and settle because we handled all the other Succession Bills together with the NSSF Bill in a very fast manner. What is the timeline that they are giving us to conclude this issue? *(Ms Opendi rose\_)*

**THE SPEAKER:** On the same?

2.05

**MS SARAH OPENDI (NRM, Woman Representative, Tororo):** Thank you, Madam Speaker. It is surprising to hear the revelation from the Commissioner that Government is coming in to frustrate the Parliamentary Pensions Scheme (Amendment) Bill. First and foremost, this is Members’ money.

Secondly, Madam Speaker, I am aware that the fund managers invest this money; it does not sit there idle. So, I am wondering about Government's interest in this Bill. Why does it want to frustrate something that is ours and it is my money that is being deducted monthly to contribute to that pension scheme?

This is something that should be of interest and I request the Parliamentary Commission to put its foot down because that is really something that is leaving me wondering. Did Government borrow our money and now when we make amendments, the money may not be there? Where is the problem? Thank you, Madam Speaker.

**THE SPEAKER:** Hon. Mbwatekamwa -

**MR MBWATEKAMWA:** Thank you very much, Madam Speaker. We have been noticing the shrinking number of Cabinet and state ministers every time we come for plenary. It is very unfortunate that we have a well and fully facilitated team of ministers. I remember I was even opposed to increasing the number of Cabinet ministers knowing that with that increase, we shall receive the best service.

Madam Speaker, these people are well facilitated to the extent that they move with lead cars when we are struggling in the jam. The points we are bringing here are pertinent; whether we are bringing a matter of national importance or debating. We are struggling here with my friend, Hon. Moriku, trying to say that – I was actually dedicating her to stand in for the Prime Minister instead of me chipping in.

Is it procedurally right that we come here only to debate without the line ministries knowing how the proceedings of the House are moving? Are we proceeding well? Is this the Government we are serving?

**THE SPEAKER:** Hon. Moriku, are you standing in for the Leader of Government Business? Can you call the minister to come and respond on the issue of our pension? We want him now; let him come and respond on the issue of our pension.

2.10

**THE MINISTER OF STATE FOR EDUCATION AND SPORTS (PRIMARY EDUCATION) (Dr Joyce Moriku):** Thank you very much, Madam Speaker. My colleague has raised a very critical issue and we all agreed that the ministers are to be in the House. I would like to pledge that I will try my best to get them here.

However, Madam Speaker, as we are all aware, the Head of State of Somalia is in the country. As we speak, quite a number of ministers are engaged in that meeting, but they are about to wind up and shortly, many will be here. *[Hon. Macho, “Order.”]*

**THE SPEAKER:** Honourable minister, I would like the Minister of Finance, Planning and Economic Development here. Can you call him? We need an answer to your pension not mine. It is your pension.

That is the only thing that you will be left with when you leave this House, but if it is mismanaged, you will not have it. Honourable Minister of State for Agriculture, Animal Industry and Fisheries - Is that Hon. Hellen Adoa? You are welcome.

Yesterday, while you were away, somebody was asking for the Fisheries Bill. We do not know whether it has been assented to and of course, it becomes an act after assent. Have you followed it up?

2.11

**THE MINISTER OF STATE FOR AGRICULTURE, ANIMAL INDUSTRY AND FISHERIES (FISHERIES) (Ms Hellen Adoa):** Thank you, Madam Speaker. Just as you have put, we passed the Fisheries and Aquaculture Bill and we are all waiting to hear from his Excellency the President.

**THE SPEAKER:** Please, follow it up.

**MS ADOA:** I will. Thank you.

**MR TEBANDEKE:** Thank you, Madam Speaker. The clarification I seek from the Minister of Agriculture, Animal Industry and Fisheries is - we are leading this country by the Constitution. Article 91(3) is very clear about the Bills passed by this House. It gives the President 30 days to assent to a Bill or recommend it back for reconsideration.

When nothing has been done, the laws are clear. Madam Speaker, you are empowered by Article 91(7) to pass it as a Parliamentary Act.

When we are considering these Bills, we use taxpayers money and we work on behalf of Ugandans. They still pose questions about how far we have gone about these Bills. Right now, we are stuck and stranded; we do not have any answer to give to the fishermen, given a lot of hardworking conditions that characterise their working activities.

I seek clarification from the Minister of Agriculture, whether she is in the mood to recommend to this House to pass it as a Parliamentary Act so that we save the lake for Ugandans and the future generations.

**THE SPEAKER:** Hon. Tebandeke, the law talks about 30 days to assent, but the process of transmission to the President does not have the date. So, you do not know whether it was sent or not. And that can only be answered by the Attorney-General, not the minister. Leave the minister out.

Let us go to matters of national importance. Let us have Hon. Akol, Hon. Katabaazi and Hon. Kayogera.

2.15

**MR YONA KAYOGERA (NRM, Busiki North County, Namutumba):** Thank you, Madam Speaker. I rise on a matter of national importance regarding lack of a health centre IV in Busiki North County.

As you are aware, it is a Government policy to the effect that each constituency has a health centre IV in Uganda. The population in Busiki North constituency is growing every day and many cases of children suffering from malaria and malnutrition have been registered. This has led to lack of blood and eventually, causing death. For example, we have Magada Health Centre III, which is located between Namutumba-Tirinyi-Mbale Highway, and when people get accidents along that road, they are immediately taken to Magada Health Centre III, which is a nearby health centre.

However, the victims have not always been helped since this facility does not have doctors and the requisite medicine to respond to such emergencies. As a result, such cases have always been referred to Mbale Regional Referral Hospital, which is a bit far from the people in Busiki North.

My prayer is that the Ministry of Health considers elevating Magada Health Centre III to a health centre IV and Irimba Health Centre II in Maziba Subcounty to a health centre III- *(Interruption)*

**MR PAUL AKAMBA:** Thank you, Madam Speaker. The information I would like to give to my colleague is that sometime back, I raised a matter of national importance regarding the strange disease that was killing and is still killing children. You directed the Honourable Minister of Information, Communications Technology and National Guidance, Dr Chris Baryomunsi, to liaise with the Ministry of Health, to go to the district and come up with a report to this House.

I am surprised that up to now, the ministry has not done anything to come up with such a report. I do not know whether it is a deliberate effort by the ministry to condemn Namutumba District because it is one of the districts with less human resource. Just like my colleague is saying -

**THE SPEAKER:** I do not see a relationship between what he said and what you are saying. *(Laughter)* Hon. Akamba, Hon. Yona is giving his maiden speech, so, please, give him – we have taken what you have said and we will ask for that report. Hon. Yona, please, conclude.

**MR KAYOGERA:** Thank you, Madam Speaker. May be, in addition to that, I am making a request to elevate Mulama Health Centre II to a  health centre III.

I beg to submit. This is my maiden speech. I have nothing to add on. *(Laughter)*

**THE SPEAKER:** Hon. Yona, thank you for that submission. Members, join me in thanking Hon. Yonah for his submission – it is not easy. *(Applause)* can we hear from Government?

2.19

**THE MINISTER OF STATE FOR EDUCATION AND SPORTS (PRIMARY EDUCATION) (Dr Joyce Moriku):**  Madam Speaker, my colleague has raised a policy issue where each constituency is supposed to have a health centre IV and a subcounty, a health centre III.

Indeed, the advantages of having a health centre IV are many. These include blood-storage facility, a laboratory, a theatre, a doctor and it is wider than a health centre III.

Madam Speaker, Government started with upgrading health centres III, for which we want to thank you, for appropriating and approving the loan that is supporting the gradual upgrading of health centres II to IIIs. We thank you for that effort.

I would like to pledge that I will communicate this to the Minister of Health for subsequent planning such that all the health centres IV are upgraded, but it will require quite a huge amount of funds because it is all over the country.

About the disease in Namutumba District, we normally have a system. District surveillance persons in every district liaise with the district officials and this is linked to the Ministry of Health. I will coordinate and communicate that back to the minister, such that the system flows and the information gets back to the ministry and the MP is informed accordingly. I thank you.

**THE SPEAKER:** Thank you, honourable minister. Let us have Hon. Oguzu Lee and Hon. Adome Francis. Members, please, bring matters of national importance - if you do not appear in the House, do not blame me next time. Hon. Kiiza Acrobert?

2.21

**MR ACROBERT KIIZA (Independent, Bughendera County, Bundibugyo):** Thank you, Madam Speaker, for giving me this opportunity to raise my matter.

Whereas I condole with the people of Elgon Subregion for having lost their dear ones, I rise on a matter of national importance regarding flash floods in Bundibugyo District.

Last week, due to too much rainfall, five bridges on two rivers were washed away. This has really impacted on service delivery and the time of travel. The subcounties affected are Harugali, Nduguto and Buganyikere Town Council.

Madam Speaker, this catastrophe has not only affected business, but also the patients in the areas I have mentioned can no longer reach hospital on time, especially the expectant mothers.

My prayer is that the Ministry of Works and Transport, in collaboration with the Ministry for Disaster Preparedness, send a technical team to assess the impact of this disaster.

My second prayer is for the Ministry of Works and Transport and UNRA to urgently rehabilitate the damaged bridges. Sadly, even the bridges that were damaged in the 2019 floods have never been attended to.

My third prayer is that Government considers giving tree seedlings to the highland areas so that we fight this problem. I so pray.

**THE SPEAKER:** Thank you. The Minister of Works and Transport is there.

2.24

**THE MINISTER OF WORKS AND TRANSPORT (Gen. Edward Katumba):** Thank you, Madam Speaker. I appreciate the honourable member's concern about the flash floods in Bundibugyo.

As we are talking about Bundibugyo, it is a generally big challenge to the whole country. We have just made an assessment of what it would require to replace the infrastructure in the Mbale sector and we are close to Shs 100 billion.

However, I will send a team to Bundibugyo to assess the extent of damage and cost and put that together with what is required as of now so that we have a holistic approach to restoring the infrastructure, which is affected in many parts of this country because of these flash floods. I appreciate that – and the team will be there by the close of this weekend.

**THE SPEAKER:** Honourable minister, by any chance, did you reach Bukedea also? *(Laughter)* The roads in Bukedea are completely cut off.

**GEN. KATUMBA:** Actually, Bukedea is worse because there is no road to talk about.

**THE SPEAKER:** There is no road in Bukedea now.

**GEN. KATUMBA:** There is a lake. May be, we will be looking at how to enable people to move on that water body. We cannot even think of replacing the roads now, until the water body goes down.

**THE SPEAKER:** Can you give me your technical people and I go with them over the weekend?

**GEN. KATUMBA:** Most obliged, Madam Speaker.

**THE SPEAKER:** Thank you.

2.26

**MR ALOYSIUS MUKASA (NUP, Rubaga Division South, Kampala):** Thank you, Madam Speaker. I am going to be as brief as possible. I rise on a matter of national importance in regard to the welfare of the local council leaders, which has become a serious concern. Local leaders, including those who serve at village councils, are entitled to a small allowance of Shs 10,000 as a monthly stipend, which Government pledged to give them for the role they play in communities within their jurisdiction. Despite the role LCs 1 play in ensuring security and harmony within communities, they have spent more than three years without pay. No wonder some leaders have become land brokers; others have been implicated in fraudulent land deals and, sometimes, others are aiding criminality as some leaders have been found to be accomplices in crime.

I will specifically point out the leadership of Najjanankumbi Quarter Zone, Najjanankumbi 2 and Mutundwe 2 Village – all located in my constituency – and many others where this vice is rampant.

Madam Speaker, the lower local council leaders are full-time servants of the people, but they run offices using money from writing recommendation letters for residents, which is usually between Shs 2,000 and Shs 5,000. How do we expect these offices to be run without facilitating these leaders?

My prayer, Madam Speaker, is that, I would like the Minister of Local Government to present a statement in this House over this matter elaborating the plan by Government to pay LCs 1 a reasonable amount of money as facilitation for their work. Thank you.

**THE SPEAKER:** Thank you. The same question was raised by Hon. Sarah Najjuma on 4 August. The Prime Minister undertook to bring a comprehensive report to this House, together with the Ministry of Local Government. What you need to do is to follow up with the Ministry of Local Government and the Ministry of Finance, Planning and Economic Development.

2.29

**THE THIRD DEPUTY PRIME MINISTER AND MINISTER WITHOUT PORTFOLIO (Ms Rukia Nakadama):** Madam Speaker, much obliged. I will also remind him so that we can make that follow up to make a response on those concerns.

**THE SPEAKER:** Thank you.

**MS HANIFA NABUKEERA (NUP, Woman Representative, Mukono):** Thank you, Madam Speaker. I rise on a matter of national importance regarding demarcated space on Lake Victoria, Kome Island in Mukono District.

We have a hotel, by the name Bulago Hotel, but it has personnel who bar my fishermen from fishing, purporting to have the demarcated space for that hotel, which is very huge. It covers from Bulago Island to Mbirubuziba Island, bordering Wakiso District. In this case, my fishermen are starving and that is the only source of income in that area.

My prayer is for the Ministry of Fisheries to intervene and revise the breeding zone, the lacustrine protected area of Bulago Hotel and the breeding space that fishermen are supposed to fish from.

Secondly, I urge Government to enforce Bulago Hotel management, in conjunction with the fisheries department, to install sign posts. They tend to fill the whole space, almost half to the other side of the lake.

I also appeal to Government to present to Parliament a clear policy on usage and utilisation of Uganda waters, including fish farming in the lakes and leisure pools on the lakes regarding other Ugandans who traditionally benefit from those lakes. So I pray.

**THE SPEAKER:** Honourable minister, our fishermen are starving. *(Laughter)*

2.31

**THE MINISTR OF STATE FOR AGRICULTURE, ANIMAL INDUSTRY AND FISHERIES (FISHERIES) (Ms Hellen Adoa):** Madam Speaker, I thank the Member for raising this. It is a very serious concern, especially at a time when some part of Uganda is equally starving. That would be an opportunity for that side with fish to support the side which is starving.

I request to be given time to get more details from the Member. I will personally reach there and also involve my technical people to support me to get more information to bring back to the House. Thank you.

**MS RUTH NANKABIRWA**: Thank you, Madam Speaker. Speaking as the Minister of State for Fisheries emeritus, my friend has raised an issue that was raised during my time in office. Bulago covers a lacustrine protected area and the breeding area that she talked about, that the fishermen are not supposed to go into is in the statutory instrument and is supposed to be protected.

Poor fishermen do not know those protected areas because we have not provided money to replace the demarcations. However, the point of safeguarding breeding areas is very key. Breeding areas are supposed to be a no-go area; otherwise we shall not have more fish. So, we have to make sure that we help the Minister in charge of Fisheries working with the Ministry of Works to put the beacons on the lake.

That is the pending issue that will guide fishermen so that they respect the breeding area. Thank you.

**DR LULUME:** Thank you, Madam Speaker. Hon. Anifa asked about the policy of Government in respect to fish-caging on the lines of the lake. This is where people are supposed to do fishing and have been – by God’s providence - placed around the fishing shores, which have been taken over by rich people who can do face-caging.

We wonder how the poor people who by virtue of their living around the lake can make a living when they have been invaded by rich people who can do fish-caging. It is all over this lake; go to Kiyindi and see the whole line lined up with fish-cages and people continue to be arrested. They bring them to Kampala and hundreds of them are rotting away in Kitalya Prison. What is the policy of Government about this?

**MS RUTH NANKBIRWA:** I thank Hon. Lulume for the clarification he has raised. Hon. Lulume, you are aware of our aquaculture policy. Before anybody is given a licence to do aquaculture, scientific research is done; a requirement by the East African Lake Victoria Organisation.

Around Koome, there are 420 cages officially licensed and the area is demarcated in such a way that the cages are not placed where the waters meet. Otherwise, the fish in the cages will also be affected. Aquaculture is a policy that we agreed upon, which brings in money. We are doing it, Tanzania is doing it and Kenya is doing it.

Madam Speaker, we need money from Lake Victoria. Our people also have to be guided not to fish anyhow. *(Interjections)* I witnessed this. I know the cages around Koome and a research that was done before that and it was authorised. *(Members rose\_)* *-(Interjections)*

**THE SPEAKER:** Do not say you want the minister; the person speaking is also a minister and has previously been in that docket. So, you have got the information, but the Minister still pledges to go to the area and see what is happening. Do not be surprised that you will have the same information.

2.37

**MR DERRICK NYEKO (NUP, Makindye Division East, Kampala City):** Thank you, Madam Speaker. I am here today by the Grace of God. Yesterday, as I was leaving home to come to Parliament, I was called by one of the people who were campaigning in my area - because we have a by-election. On getting the information that one of our candidates, an LCIII Councillor, a one Sarah, who is contesting and the area councillor had been brutally beaten by the military attached to the NRM Secretary-General, Richard Todwong, as they were campaigning around that area; I called the police station around and I was informed by the OC that he was on the ground. I left my car and got on a *boda boda* since the police had reached. I respectfully spoke to the OC and requested him to call for a patrol so that the area councillor could be taken either to the hospital or to police to record a statement.

I moved away when I saw the UPDF soldier chasing people who had recorded evidence and shooting around. I called the line minister, Gen. Jim Muhwezi, informing him of an officer so that the military could probably come to that location.

As I was talking to the personal assistant of Gen. Muhwezi, the same military person came behind me and hit me with a gun. He slapped and manhandled me.

Under privileges, it is very sad and we must seek justice. This military guy must be brought to book. However, I am concerned that people who are not in the military are given military aides. We should have police officers who are trained to handle VIPs in our communities. One of the officers was actually disciplined, but this other one acted in a manner that was unprofessional and does not deserve to stay in our communities.

At the moment, the area councillor who was beaten is still under detention. She is in pain and has not yet got any treatment. Thank you.

**THE SPEAKER:** Hon. Nyeko, you mean Hon. Todwong was in that place?

**MR NYEKO:** Hon. Todwong was not at home, but on orders of the wife.

**THE SPEAKER:** No, let us not speculate. When those military aides were doing that, was Hon. Todwong in that area?

**MR NYEKO:** He was not in that area.

**THE SPEAKER:** How did you know that they were his escorts?

**MR NYEKO:** Because I reached the residence and the people campaigning did not know that it was Hon. Todwong’s home, but because the chairman was around, the Defence of the area was around, just next to the residence.

**THE SPEAKER:** If I were you, I would present my case and say there were military people who were attacking people without attaching them to a person because now, you are attaching them to Hon. Todwong who was not there and he is not even here to defend himself. You cannot mention a person who is not here.

**MR NYEKO:** Madam Speaker, I request for investigations. We all know well that the residences have cameras and there are people who managed to record this. However, just after we left, the neighbours were – the phones were removed and there were over seven phones that were captured by these military personnel.

We request that Government follows this up and does proper investigations so that we can receive justice.

**THE SPEAKER:** So, will you believe in what Government will tell you?

**MR NYEKO:** Madam Speaker, hopefully, if it comes with evidence, why not? There are cameras at the residences. Thank you.

**THE SPEAKER:** So, do you mean hon. Todwong is your neighbour?

**MR NYEKO:** Madam Speaker, it is my constituency and probably, the family members are my voters.

**THE SPEAKER:** Anyway, we will investigate and find out.

**MS AISHA KABANDA:** Thank you, Madam Speaker. On 20th of July, I raised a matter of national importance and you rightly guided to the effect that Muslim women are unveiled when they go to receive passports. You observed rightly that even the Catholic Sisters are also unfairly unveiled. The Prime Minister committed to bringing a statement to this House, but it is now three weeks now without the statement being brought.

May I request, Madam Speaker, that you direct the Prime Minister to give us a statement to that effect? Justice delayed is justice denied.

**THE SPEAKER:** Do we have a minister from internal affairs? Rt hon. Prime Minister, she raised an issue. Can we have a report to that effect?

2.44

**THE THIRD DEPUTY PRIME MINISTER AND MINISTER WITHOUT PORTFOLIO (Ms Rukia Nakadama):** Madam Speaker, she is saying the Prime Minister promised to bring the report in three weeks’ time, that time. I am going to follow up. I was not here and so, I will just do a follow up.

**THE SPEAKER:** Can we have it on Wednesday? It is something very simple.

**MS NAKADAMA:** Much obliged.

**MS NAMBESHE:** Madam Speaker, the issue that was raised by hon. Nyeko is captured under Rule 78 of the Rules of Procedure, under a matter of privilege arising – because what happened to him may happen to me or to other Members -

**THE SPEAKER:** Honourable member –*(Interjection)*– Hon. Leader of the Opposition.

**MR NAMBESHE:** Let me conclude in a split second –

**THE SPEAKER:** No, you are not concluding. I would like to refer you to Rule 71 on close of debate on a particular item. We closed debate on it; we are now on another item. Let us hear from hon. Nsanja. You are the ones who made these rules - you have been in this House longer than me.

**MR NAMBESHE:** Most obliged, Madam Speaker. However, this would be perpetuating a culture of impunity on the part of the security.

**THE SPEAKER:** There is a point of order.

**MS NANKABIRWA:** Thank you very much, Madam Speaker. Is hon. Nambeshe, a senior legislator and a frontbencher on the Opposition –*(Laughter)*- in order to continue, engaging you, the Speaker, when you were guiding? Is he in order to keep insisting to stand to bring back a matter upon which you have ruled and had even called for another item? Is he in order really to forget that we follow rules, which we ourselves made? Is he in order to keep engaging you when you are trying to guide us? *(Laughter)*

**THE SPEAKER:** Hon. Nambeshe, who is my very good friend – let me remind you, hon. Nambeshe that the person you are talking to is number three in the country. *(Applause)*

2.47

**MR PATRICK NSANJA (NUP, Ntenjeru County South, Kayunga):** Thank you very much, Madam Speaker. I wish to raise a matter of great national importance in regard to a health facility, which is graded as “grade three” and situated in some village called Kawomya in Kawomya Parish, Kangulumira Subcounty.

This facility was built by Government two years ago and officially handed over to the subcounty local leadership, under the chairmanship of Mr Victor Kikomeko and it is the only one in this sub county. Despite that, we are facing a lot of challenges and a lot of emergencies in the same area relating to the pregnant women and people living with HIV.

Madam Speaker, I would, therefore, wish to ask Parliament to help me task Government to instruct Ministry of Local Government and Ministry of Health to officially commission the facility so that it serves the purpose for which it was constructed.

The other prayer is for the Ministry of Health to provide human resource and probably, medical supplies like drugs such that our people are really served accordingly.

However, Madam Speaker, before I take leave of this matter, allow me to, in a related phenomena, talk about another health facility. I represent two town councils and two subcounties, where Government has constructed healthcare facilities too. Before the establishment of these health facilities, there is a precious lady called Jamila Nabayaza who has offered medical services for the last 42 years and has tremendously supported the community.

Before we implore Government to take on her facility and probably upgrade it to a health centre II, I would like to go on record to appreciate this lady for the tremendous contribution to the community she has made. Otherwise, to reiterate my prayer on the earlier matter I raised, Madam Speaker, I would like Government to consider fast-tracking the opening of the Kawomya Health Centre III.

Thank you very much, Madam Speaker. *(Applause)*

2.50

**THE MINISTER OF STATE FOR HEALTH (GENERAL DUTIES)(Ms Anifa Kawooya):** Thank you very much, Madam Speaker. I would to appreciate the honourable member from Ntenjeru, hon. Nsanja, on the concerns that he has raised on the health facilities in his constituency.

Madam Speaker, as a matter of concern, I understand - the Member’s concern is that the ministry should ensure that this facility, which is already constructed, should be utilised and that what is remaining is only to have it commissioned.

I would like to say, honourable colleague, that before commissioning it, we will have to work together with the district leaders to agree on the date. Thereafter, I will immediately come with officials from the ministry to commission it.

About making it functional, those are the issues that we have to go through. If we can have maybe a one-on-one with my technical people, we will work out a way on how to commission it. On this other centre, which is a community, I also want to appreciate the services of this lady who is committed and as you know regarding our people in the health sector, once they are committed to giving health services, they do it to all; 42 years is a tremendous time.

However, I heard you saying that if this facility can be taken on and made a health centre II - Our policy has moved to health centre IIIs, but we shall still look at it, study it and see how we can come in. Thank you.

**THE SPEAKER:** Honourable minister, while you were away, there was an issue raised by Hon. Akamba.

2.52

**MR PAUL AKAMBA (NRM, Busiki County, Namutumba):** Thank you, Madam Speaker. My issue of concern is the matter of national importance I raised regarding the strange disease in Namutumba District that was and still kills children - *(Interjection) -* It is strange.

**THE SPEAKER:** It is strange; he does not know which disease it is.

**MR AKAMBA:** Therefore, I requested that a team be constituted and Madam Speaker, you ruled that the Ministry of Health should dispatch a team to Namutumba and come up with a report. It is coming to three months and there is no report that has ever been presented to this House, yet, the disease continues to kill children.

My prayer is that the minister tells this august House the plan it is undertaking to ensure that such a disease is curbed. Thank you.

**THE SPEAKER:** There is also another issue from Kiboga.

2.53

**MR ABDUL MUTUMBA (NRM, Kiboga West County, Kiboga)**: Thank you, Madam Speaker. I intended to present my matter as a matter of national importance, but the fact that I am given this period of time to present or to add some information, let me do so. There are people languishing in St Peter’s Hospital in Kiboga Town Council who were shot on 7 August on the instructions of land grabbers who have deployed armed men, purported to have been hired from Willex Security Group Limited.

This matter has been reported on several occasions because it is a matter that has been developing over time. Some people have even died; the owner of that same estate has died. This matter is well known even at the police headquarters in Kibuli because it took the initiative of investigating this matter to its conclusion, but no report was ever released.

However, there is a group of notorious land grabbers who want to grab land from the family of the late Haji Kyakulagila. Wherever they try to do farming and carry on with normal duties on their land, the notorious land grabbers bring out two guns and shoot. At times, they shoot in the air, but this time, they shot three people on 7 August.

The matter was reported to police, but instead police is protecting and guarding the land grabbers. Now that this matter has been brought to this Parliament, it is our prayer, as representatives of the people, that first and foremost, the perpetrators of these actions be arrested immediately and charged because the three people that they shot are languishing in hospital and yet, there is enough evidence that the land is well registered and owned by the late Haji Kyakulagila Dirisa.

Also it is our prayer that Government comes up to help this family so that justice takes its course. Thank you, Madam Speaker.

**THE SPEAKER:** Thank you. Maybe, we will start with health, but even when we are starting with health, each district has a health management information system that captures all the strange diseases that come. It is these district health officers who are supposed to relay the disease surveillance to the ministry. I do not know if that has been done.

**MR AKAMBA:** Madam Speaker, when the disease escalated, we contacted the DHO who, in this case, is in charge of that committee, but it took two weeks without getting any response from the DHO. Our constituents were very concerned as children were dying. In a day, we would count over 50 deaths of children urinating blood and it is very serious. The DHO does not want to believe that this is a strange disease, but there is no solution that he is giving.

As a representative of the people, I decided to bring the matter directly on the Floor, Madam Speaker.

**MS HANIFA KAWOOYA:** Thank you very much, Madam Speaker. I would like to thank the honourable member from Namutumba and I would like to say that I do take concern over the issues he has raised on that strange disease. I would like to say that it is unfortunate if the DHO has been informed about this disease and he is not responding.

Madam Speaker, as you have rightly said, we have got not only the district health management teams, but also the district surveillance team system that works together at our ministry where we have a national surveillance system. We have a whole department with a commissioner and it has been very active. Even this morning, we were with the partners to see how to strengthen the system.

As a ministry, it is coming to us because I have been acting for the last two weeks. Now that it has come to the Floor with this House, I am going to contact our surveillance system to go and find out about this disease and we shall come back here and report immediately the team comes back.

On the issue of Kiboga, I would like to start by saying that once again, it is very unfortunate for our citizens that were shot. However, I am made to understand that they are at a private health centre IV facility. Regarding the issues concerning land and police, I am sure the police and lands are handling.

However, on our part as a ministry, we are going to call the DHO to find out more about these patients in this private health centre and if possible, transfer them to our health facility or advise them to be brought to Mulago. We shall take it up immediately I leave here or first thing in the morning. I will communicate to the same. Thank you.

**THE SPEAKER:** Thank you. The Minister of Lands, Housing and Urban Development and the Minister of Security should handle the other aspect. Prime Minister, you need to report to the ministry.

3.01

**MR GAFFA MBWATEKAMWA (NRM, Igara County West, Bushenyi):** Thank you, Madam Speaker. How I wish you could protect me from my former Government Chief Whip who used to torment me. *(Laughter)*

The matter of national importance I am bringing up is about our tea. Uganda is well known in the whole world for producing high quality tea. Particularly, we normally get the best tea from Igara - that is in Western Uganda, which is my constituency.

I have just found out that once the tea, which we produce in Uganda for export reaches Mombasa, it is rebranded as Kenyan tea. Our tea has not reached the international market even after adding value.

We are losing a lot of money. Uganda is not known anywhere and our Ministers of Trade, Industry and Cooperatives are here sleeping. They cannot even intervene, but they are interested in maybe rice –

**THE SPEAKER:** Have you seen any of them sleeping around there?

**MR MBWATEKAMWA:** Of recent, I made someone to wake up –

**THE SPEAKER:** No, the ministers do not come here to sleep.

**MR MBWATEKAMWA:** I am sorry, Madam Speaker. They only take a nap –

**THE SPEAKER:** No. Hon. Mbwatekamwa.

**MR MBWATEKAMWA:** I withdraw. They used to, but they no longer. *(Laughter)* My prayer is that we need immediate intervention. How I wish you could instruct any of the committees to dig out the matter and find out why our tea is being rebranded and sold as Kenyan tea.

Secondly, now that our ministers no longer sleep on duty, can they bring a comprehensive report about our tea? Thank you.

**THE SPEAKER:** Hon. Mbwatekamwa, do you have evidence to the effect that the tea is rebranded to look like it is Kenyan?

**MR MBWATEKAMWA:** Madam Speaker, I have evidence. I was in Mombasa two weeks back and I did this - they are not hiding. They are doing it in broad day.

**THE SPEAKER:** Bring the evidence and lay it on the Table.

**MR MACHO:** Information.

**MR MBWATEKAMWA:** Granted.

**MR MACHO:** Thank you, my colleague for giving way for information. Madam Speaker, what our colleague, Hon. Mbwatekamwa is saying is very true. Kenya and other countries in the East African region are not only branding tea from Uganda but also the Ugandan eggs that are bought and taken to our neighbours in Kenya are packed and exported to Asian countries as produced in Kenya because of the value that we have put into our chicken feeds.

Therefore, what Hon. Mbwatekamwa is saying is very true.

**THE SPEAKER:**  It is because Ugandans are not vigilant. If they are doing that and you are sleeping the way he says, why don't the others wake up and do the same?

**MR MACHO:** Madam Speaker, what you are saying is true. I would like Hon. Mbwatekamwa to advise us on what to use to gauge the sleeping ministers so that we work at a good pace.

**MR MBWATEKAMWA:** Thank you very much. Madam Speaker, I have my colleagues who would like to tender additional information. The commissioner and Hon. Akol also witnessed. Thank you.

**THE SPEAKER:** Honourable members, the allegation about rebranding will create unnecessary diplomatic row between Uganda and Kenya. In the spirit of the East African integration, we need to address this matter through the established regional coordination team or channels. Therefore, let us stop that kind of allegations because it will cause problems.

3.06

**THE THIRD DEPUTY PRIME MINISTER AND MINISTER WITHOUT PORTFOLIO (Ms Rukia Nakadama):** Madam Speaker, the Minister of Trade, Industry and Cooperatives is here. He will say something coming to add something, but let me say this; as leaders, we need to educate our farmers that when they are taking their product out of the country or within the country, they should put labels. That label identifies that, “this is Uganda, this is Nakasongola and this is Jinja.” Thank you.

3.07

**THE MINISTER OF STATE FOR TRADE, INDUSTRY AND COOPERATIVES (COOPERATIVES) (Mr Fredrick Gume):** Madam Speaker, first of all, I would like to put the record clean and right. Hon. Mbwatekamwa stated that we spend most of the time sleeping. That is not true. We spend most of the time on research, especially on value addition.

Secondly, it is not true that all Ugandan tea is rebranded in Kenya and exported as Kenyan tea. There is a live example of Buhweju Tea Factory. Tea from that factory is exported to Britain and Egypt. That is on record. I visited Mombasa and found the tea packed and ready for export. However, it is also true that some of the tea from Uganda is branded in Kenya. We are also thinking very hard to start processing and adding value from Uganda. There are investors who are coming to Rwenzori region and very soon, this will be history. Thank you.

LAYING OF PAPERS

I. PARLIAMENTARY PENSION SCHEME - VALUATION REPORT AS AT 30TH  JUNE 2022

3.09

**MR SOLOMON SILWANY (NRM, Bukooli County Central, Bugiri):** Madam Speaker, I beg to lay the Parliamentary Pension Scheme - Valuation Report as at 30th June 2020.

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

II) REPORTS OF THE UGANDAN PARLIAMENTARY FORUM ON MENTAL HEALTH ON THE INTERNATIONAL CONFERENCE HELD IN TORONTO, CANADA FROM 21ST  JUNE TO 3RD JULY 2022

3.10

**MR GEOFFREY MACHO (Independent, Busia Municipality, Busia):** Madam Speaker, under Rule 33 of the Rules of Procedure, I beg to lay a report of the Uganda Parliamentary Forum on Mental Health on International Conference of the legislation for mental health in Canada and Africa. Thank you.

Thank you, Madam Speaker. I beg to lay.

**THE SPEAKER**: Please, lay it on the Table. We are waiting for a response from the Minister of Finance on our pension.

Hon. Kaducu, you said you were calling the minister. You know, that is the only right we have, as Members of Parliament. Hon. Nankabirwa, am I lying? Are you not enjoying the pension? *(Laughter)*

Let us go to the next item as we wait for the minister. That issue must be resolved.

MOTION SEEKING LEAVE OF PARLIAMENT TO INTRODUCE A PRIVATE MEMBER'S BILL ENTITLED “THE CONSTITUTION (AMENDMENT) BILL”

**THE SPEAKER**: Honourable members, regarding this motion, I wish to guide as follows.

One, the right of a Member to move a Private Member's Bill is enshrined in Article 94(4)(b) of the Constitution of Republic of Uganda and rule 121 of the Rules of Procedure.

The motion by Hon. Sarah seeks to amend the Constitution to alter the minimum qualification required for election of a person as President and Member of Parliament as well as reserving 40 per cent for women in Parliament and local councils.

As I guided on 5 July, 2022 - when Hon. Jacob Karubanga, Member of Parliament of Kibanda South, sought leave of this House to introduce a Constitution (Amendment) Bill - I will base on the same precedence to guide on this motion as well. There is a need for a comprehensive review of the Constitution through a Constitutional Review Commission so that the amendments of the Constitution are consolidated, as opposed to piecemeal amendments by Private Members.

The motion by Hon. Sarah Opendi is referred to the Minister of Justice and Constitutional Affairs for integration into the terms of reference of the Constitutional Review Commission, once it is established. It is now good that we have the Minister of Justice and Constitutional Affairs.

In the meantime, the Minister of Justice and Constitutional Affairs will, at an appropriate time, inform this House on the timelines for the establishment of a Constitutional Review Commission. I have referred it to the Minister of Justice and Constitutional Affairs. So, you can hand it over to him.

*(Member rose\_)* No, you cannot move it. What we wanted was to put it on record that there is this motion, which has been brought by a Member. Let it be consolidated in the other motions because they are constitutional amendments.

I put the question to that motion.

*(Question put and agreed to.)*

MOTION FOR ADOPTION OF THE REPORT OF THE COMMITTEE ON TOURISM, TRADE AND INDUSTRY ON ALLEGED UNFAIR TRADE IN THE RICE SUB-SECTOR

**THE SPEAKER:** Honourable members, on 5 May 2022, the presiding officer notified the House of a petition he had received from the Rice Business Sector Association on the challenges affecting the importation of rice through Mutukula Border. He referred the petition to the Committee on Tourism, Trade and Industry. The committee is ready to report – and the chairperson is called Mwine Mpaka.

3.15

**THE CHAIRPERSON, COMMITTEE ON TOURISM, TRADE AND INDUSTRY (Mr Mwine Mpaka)**:  Thank you, Madam Speaker. This is a report of the Committee on Tourism, Trade and Industry concerning the alleged unfair trade practices in the rice sub-sector.

The report is on the intranet. In the interest of time, I will refer you to the pages containing some of the details.

Introduction

The Committee on Tourism, Trade and Industry has the honour to present a report on investigations carried out as a result of petition tendered to the office of the Speaker, who subsequently assigned the matter to the Committee on Tourism, Trade and Industry on 5 May 2022, in accordance with rule 36 of the Rules of Procedure of Parliament.

Honourable members, the background is on pages 4 and 5.

In 2014, the VAT (Amendment) Act was enacted and its enforcement was effected on 1 July 2014. The Act provided that the supply of cereals grown and milled in Uganda would attract VAT at the rate of 18 per cent. However, in July 2014, a company known as SWT Tanners, along with 13 other companies, sued the Commissioner General of URA under Civil Suit No. 880/2014 in the Commercial Court, seeking to prevent URA from collecting VAT on imported rice from Tanzania.

In July 2014, the Commercial Court ruled in favour of URA and in December 2014, the companies appealed the ruling. Subsequently, an injunction was issued restraining URA from collecting VAT from the 14 companies. To-date, the appeal by the 14 companies has never been concluded.

In the context of implementing the injunction by court, URA stopped levying VAT on rice imports on the 14 companies, but continued levying it on other rice importers. The impact of this was that some of the players in the rice production and trade were paying VAT, while others were not. This created an unlevelled playing field and caused distortions in the rice market, giving the 14 companies an undue advantage over all the other players in the rice value chain. In addition, the practice was a clear deviation from the principles governing taxation – fairness, equity or non-discrimination.

Honourable members, more details on the background are on pages 6 and 7. Allow me to take you to page 9.

Terms of reference

In executing its mandate, the committee was guided by the following terms of reference:

a) To intervene in the matter and carry out an exhaustive investigation into the arbitrary halting of clearance of VAT exempt rice imports with a view of finding a lasting solution for the affected importers, who were condemned unheard.

1. To explore and find remedial mitigation strategies devised to abate the continued loss being suffered by the VAT exempt rice importers whose consignments stand bound at Mutukula Border.
2. To investigate the existence and operations of RADFO.
3. To make appropriate recommendations in regard to the issues under investigations.

The methodology

The committee employed the following methods:

The committee held meetings and received a number of verbal testimonies from key witnesses, several of whom presented written briefs. Witnesses included leaders and officials from the following institutions:

a) The petitioners – Kampala Rice Traders

1. The Consortium of Rice Traders Association
2. Uganda Rice Millers Grain Council
3. The Ministry of Trade, Industry and Cooperatives
4. URA
5. Clearing Agents Association
6. Government entities at the border (agriculture and UNBS)
7. Border Internal Security
8. Uganda Police Force
9. Local Government Leadership at Mutukula Border
10. The mayor
11. The area MPs

The committee also employed desk research in carrying out this investigation and findings.

Honourable members, on page 11 are the findings and observations of the committee.

The committee has examined the petition, received memoranda, interviewed various stakeholders and scrutinised documentary evidence. The committee, therefore, submits the findings and makes the following observations:

VAT and withholding tax

The committee established that from 2015 onwards, Government of Uganda introduced new policies, which affected the rice sector as follows;

1. June 2014 - VAT was introduced on domestic rice with an exemption on imports. This affected local millers and subsequently, farmers. Production of rice stagnated as imports rose to 98,981 metric tonnes from the 11th year average of 56,421 metric tonnes.
2. December 2014 *-* There was a reversal of the VAT on domestic rice. This led to a rebound of the sector. Production increased in 2015 while imports of milled rice reduced. Self-sufficiency increased to about 80 per cent.
3. 2015-2016 *-* Special concession rate of $ 250 per tonne, was granted by the Ministry of Finance, Planning and Economic Development to one company to import brown rice. Brown rice imports soared to 114,000 metric tonnes in 2016 alone. Domestic prices crushed wiping out most milled rice importers. Most milled rice importers lost business. Domestic production plummeted as rice farmers opted for other better-paying crops, among others.
4. January 2017 *-* Special concessions were withdrawn by the Minister of Finance, Planning and Economic Development. Once again, the sector was put back to a recovery level.
5. May 2018 *-* H.E. the President, upon realising that there were rice deficits in the country had increased, allowed 11 rice millers to import a total of 114,000 metric tonnes of brown rice over a period of two years at a concessional rate of $ 150 per tonne.
6. With effect from 1 July 2014, Parliament amended the VAT Act, whereby milled rice imported to Uganda was subjected to 18 per cent VAT. According to URA, the injunction covered only the 14 companies and not the other rice importers. With this selective and discriminatory practice, unfair competition emerged. The rice sector was put to a big strain.

The URA informed the committee that the VAT foregone from the 14 countries since the onset of the court injunction until June 30 2022 is Shs 118,286,946,600. There is also one company M/S Aba Construction that is importing under a standalone court injunction with VAT foregone to a tune of Shs 19,694,877,233 as of June 2022.

Therefore, the total of the VAT foregone due to the injunctions is Shs 137,981,823,833.

On 21 April 2022, the Minister of State for Trade, Hon. Harriet Ntabaazi, wrote a letter to the Commissioner of Customs ordering him to cease clearance of VAT-exempt rice imports until further notice. She further informed the commissioner that the ministry will subsequently engage them and other stakeholders in regard to the matter in due course –

**THE SPEAKER:** Chair, did you say the letter was written?

**MR MPAKA:** Yes.

**THE SPEAKER:** Do you have that copy?

**MR MPAKA:** Yes, we have all the letters.

**THE SPEAKER:** Please, lay it on Table.

**MR MPAKA:** Can I lay them at the end? I have all of them.

**THE SPEAKER:** Okay.

**MR MPAKA:** She further informed the Commissioner that the ministry will subsequently engage them and other stakeholders in regard to the matter in due course. On 27 April 2022, Julius Nkwasire Mponooka (Deputy Commissioner, Customs) of URA, wrote an internal memo effecting the halt of clearance of VAT-exempt rice from Tanzania. However, the implementation of this directive was reversed a week later by the Commissioner, Customs (Abel Kagumire) as testified during his appearance before the committee.

Honourable members, there is a picture there; unfortunately, it is black and white. The honourable minister wrote a letter to the Deputy Commissioner, Customs, who implemented her directive to halt clearance of VAT-exempt rice.

The committee was informed by the rice importers that this directive by the minister caused them immense losses, namely; the cost of hiring trucks per day spent at the border, cancelation of all the contracts from various customers in Uganda, theft of rice from the trucks at the border and psychological trauma of running out of business.

Observations of the committee

The committee observes that the letter the minister wrote to halt clearance of VAT-exempt rice, is a clear matter of political interference and abuse of office, which resulted into losses suffered by the traders as a result of a seven-day standoff at the border.

The committee observes that Court, in 2014, issued an injunction arising from Civil Suit No.880/2014 restraining URA from collecting VAT on imported rice from the 14 companies, which caused Government financial loss in VAT collections worth Shs 137,981,823,833.

The committee observes that it is trite law that the duration of an injunction is determined by the nature of the injunction granted by court. An injunction can be interim (for a short period of time), temporary (until further determination of the suit for which it is issued) or permanent (which is issued in perpetuity).

In this case, involving the 14 companies, the injunction issued was temporary, meaning it subsists until final determination of the suit. In this case, the appeal was filed against the findings of court in Civil Suit No.880/2014. This meant that URA could not, until further determination of the appeal, levy VAT on the 14 companies.

The committee finds that there is inordinate, unreasonable and excessive delay in determining the appeal, a matter that has affected the competitiveness of the rice subsector and allowed fraudulent practices to take root. The committee notes that the delay in the final determination of the appeal arising from Civil Suit No.880/2014 of eight years is a long time and has affected URA’s tax collection strategies, distorted the rice prices in Uganda and created an avenue for unfair competition in the rice subsector.

The committee observes that the appeal was filed and the temporary order issued, SWT Tanners Ltd and 13 other companies have not taken steps to prosecute the appeal and likewise, URA has not been proactive to ensure that the steps are taken to vacate the appeal.

The committee observes that whereas there is no timeline prescribed under the laws of Uganda to determine appeals of the nature, arising from Civil Suit No. 880/2014, where there is a delay in prosecuting the appeal like in this case, a party to the appeal may apply to court to dismiss the appeal for want of prosecution. In this case, URA should have been proactive enough to ensure that the appeal is prosecuted in time and where it is not done, URA should apply to court to dismiss the appeal.

The committee observes that the delay in determining the appeal has had profound effects on the economy and has affected the trade order in the rice importation. The committee was informed that since the imposition of the injunction by court, the 14 companies have not paid VAT on their batches of imported rice while other companies that are not party to the court order are paying the VAT.

The injunction also created unfair competition in the rice import business since the VAT-paying companies cannot favourably compete with the non-VAT-paying companies. This has resulted into the domination of the rice trade by the 14 companies since VAT-paying companies cannot compete.

The committee also notes that there is an increase in the fraudulent activities arising from the discrimination in VAT payments between the companies that were subject to the court order and those that were not. The committee was informed that in order for companies that are not subject to the court order to remain competitive, they have resorted to importing rice through the 15 companies that are subject to the court order. This state of affairs has meant that the 15 companies, some of which are no longer in the rice import business, have continued to unjustly enrich themselves by charging fees to use their TIN in importing rice.

The committee observes that consequently, many other companies applied to the Ministry of Trade, Industry and Cooperatives and acquired import permits exempting VAT. The number of companies importing rice under this scheme rose tremendously to 75 companies as of today and the volumes of Tanzanian rice imported into Uganda increased beyond the demand.

Import permits

Madam Speaker, the Minister of Trade, Industry and Cooperatives, Hon. Francis Mwebesa, informed the committee that in order to ensure stability in the rice sector and mitigate the domestic impact on the rice sector, an administrative measure would be put in place under the External Trade Act, Cap. 88 to control quantities of rice that come into the country. This is how the issuance of the import permit for rice started to create a levelled playing held for rice traders.

Additionally, the Minister of State for Trade, Industry and Cooperatives, Hon. Harriet Ntabaazi, informed the committee that the circumstances that led to a rise in the issuance of permits arose from unfair application of tax laws and the delayed conclusion of the appeal case, which has made the temporary injunction stay til1 2014.

The ministry issued permits to whichever company applied for it as long as they met the conditions since the main aim of the ministry was to remove the discriminatory practices.

The criteria and conditions for issuing these permits are as follows:

1. A certificate of registration
2. Trading licence
3. Updated returns from Uganda Revenue Authority
4. Updated returns from Uganda Registration Service Bureau
5. Tax clearance certificates from Uganda Revenue Authority; and
6. Tax registration certificates from Uganda Revenue Authority.

However, interaction with various stakeholders revealed that there were various challenges faced by the rice traders in a bid to get the rice import permits. We have explored and discovered there was an official additional requirement as at 1 January 2022, which was pegged on the issuance of permits and it stated as follows: “Endorsement by the apex association as being desirable”.

This was a situation on ground as received from the testimonies of the witnesses, yet, this was excluded from the submission made before the committee by the Ministry of Trade, Industry and Cooperatives officials. For example, the petitioners submitted to the committee evidence of a recommendation letter addressed to the Minister of State, hon. Harriet Ntabaazi of NICFRA Financial Services Limited, a rice importation company, signed by Hassan Ssekabila, the Chairperson of RADFO.

In relation to the above, a one Nassolo Rice Traders Association Limited, and Willex Rice Traders Association, claimed that their import permits were withdrawn for failure to cooperate with RADFO, by not paying the required dues. This was corroborated by a letter dated, 21February 2022, to the Commissioner-General of URA by the Minister, hon. Harriet Ntabaazi, informing him that those two companies were not compliant with the apex body known as RADFO.

The committee was informed by a one Nassolo, a Director at Nassolo Rice Traders and an LCI Chairperson at Mutukula area, that getting a permit was very difficult and an expensive process, including bribery and abuse of office.

She informed the committee that while processing the permit, she interfaced with the hon. Minister Harriet Ntabaazi, who advised her to take Shs 20 million to a one Emmanuel Atwiine, a project manager for the National Response Strategy on the Elimination of Non-tariff Barriers at the Ministry of Trade, Industry and Cooperatives, and she did. However the Shs 20 million was seemingly not sufficient and she was compelled to add another Shs 10 million, which she did before she got the permit.

The committee observed that the introduction and issuance of permits opened scenarios of abuse of office and bribery at the expense of rice traders. For example, restricting issuance of import permits to companies, which did not subscribe to RADFO –the apex body – and resulted into permit vending. This came as a result of the fact that not all companies issued with import permits were importing rice. And so, those companies that did not possess permits were forced to import through the ones with licences, but they had to pay Shs 180,000 to RADFO, per tonne.

The committee observed that the issuance of import permits failed to achieve its purpose of managing and controlling excess rice importation as stated by the minister, both in her documents and testimonies. This also contravenes the Uganda Rice Millers, Council’s objective of protecting the domestic rice value chain. For example, the ministry has continued to issue several permits to the tune of 75, each being allocated a tune of 4,000 metric tonnes, totaling to 300,000 metric tonnes, yet the deficit in the country is just a mere 114,000 metric tonnes.

Rice Agribusiness Development Foundation

The committee was informed that RADFO is a registered association, which was officially launched on 30 September 2021 by the 1st Deputy Prime Minister and Minister for East African Affairs, the Rt hon. Rebecca Alitwala Kadaga. The RADFO was founded by traders who possessed rice-import permits.

Establishment and operation of RADFO as an apex body

The committee was informed by the Minister of Trade, Industry and Cooperatives, hon. Francis Mwebesa, that the ministry observed that most of the companies that obtained permits were instead using them to clear rice consignments for other companies that did not possess permits through the border, in essence, trading in permits as opposed to trading in rice.

The minister further informed the committee that to create order, they held two stakeholder meetings on 14 December 2021 and 22 December 2021, at the Office of the 1st Deputy Prime Minister. He further informed the committee that at the time, three associations existed and these are: Rice Business Sector Association (RBSA), Rice Development Association (RDA) and RADFO.

The minister further informed the committee that the choice of RADFO came as a result of the fact that RDA had opted out while RBSA had served its term.

Consequently, RADFO was officially assigned as the apex body by the Minister of State, Trade, Industry and Cooperatives, hon. Harriet Ntabaazi, through a letter dated, 23 December 2021.

In the letter, the minister stated as follows:

*“As you recall in the meeting chaired by myself at the Office of the Prime Minister, held on 14 and 22 December 2021 respectively, all rice importers operating at the Mutukula Border were tasked to organise themselves into an agreeable body for proper self-regulation. Government has noted with dismay that the importers failed to come to an agreement on the matter, threatening to cause additional injury to the economy.*

*In order to save the sector from further injury and to save millions of farmers and millers, Government has assigned you the responsibility of acting as the apex body of rice importers from within East African Community partner states, from 1 January – 30 June 2022.* *The assignment takes immediate effect.*

*The Ministry of Trade, Industry and Cooperatives, working with other respective Ministries, Departments and Agencies (MDAs), will keep providing you with policy and technical support for the better management of the sector.*

*By copy of this letter, other existing rice importers associations at the border are advised to work under you.”*

This was a letter the minister wrote delegating her official powers to a private body to regulate the rice sector.

RADFO operations and mode of work

RADFO commenced operations at Mutukula on 12 January 2022 and introduced a number of mechanisms, which they said, were intended to curb importation of rice from Tanzania. For instance, they imposed the charge of Shs 230,000 on every tonne of rice imported into Uganda. This charge was reduced to Shs 180,000, following complaints from traders.

The committee was informed by Lt Alex Ssebunya, the Border Intelligence Security Officer, that in order to enforce traders’ payment of the Shs 180,000 per tonne, RADFO, with effect from 12 January, manned the Ugandan exit-gate at Mutukula, and no rice importing truck was allowed to exit without clearing with it the Shs 180,000 per tonne. This disrupted the normal flow of trucks and necessitated security intervention. Initially, security intervened and pushed RADFO to operate at the entry gate. They were pushed from the exit to the entry gate and they did the same.

However, security still intervened and this pushed them to the no-man’s land. There is about 100 metres between the Tanzanian and our gates; that is what they call the no-man’s land. So, this is now where they were operating.

The committee was further informed that RADFO operated using coercive means and at times reached the extent of manhandling traders that attempted to disregard their orders. Honourable members, when we were at the border, the stakeholders told us that these were very energetic people and some were ex-soldiers and at one point, they manhandled even the police officers at the gate.

During the public hearings of the committee at Mutukula, a clearing agent by the name of Pius Emoit, revealed that URA could not clear trucks of their clients before they could prove payment and clearance by RADFO.

RAFDO informed the committee that only two companies: Zeus Agro Limited and SWT Tanners Limited, out of the 75, were not paying the Shs 180,000 charge per tonne.

The Secretary General of RADFO, Mr Moses Ssekandi, informed the committee that the fee of Shs 180,000 per tonne of rice, was introduced to increase the price of imported rice to protect local farmers.

Mr Ssekandi further informed the committee that from January 1 to 28February 2022, RADFO collected a total of Shs 1,698,480,000.

Mr Ssekandi further informed the committee that RADFO had never opened a bank account in any financial institution in Uganda and money was kept in a money-changers shop called Christine, for security purposes and was later distributed equally among its members regardless of who had imported that week or not. This RADFO formed an association, it had 75 companies registered under this association, but about 26 were importing rice. They would collect Shs 180,000 and share it amongst those that were not importing.

The committee notes that by the time of the committee's visit on 4 August, 2022, RADFO had ceased to operate at the Ugandan gate and the no man's land, but still within the vicinity. Upon request of the committee, URA submitted a special print out of the companies that imported rice from Tanzania between 1 January and 22 May 2022. It was established from the report that between January 1 and February 28, 2022 when RADFO was actively operating at the border, a total of 99,131,312 kilogrammes of rice was imported.

The committee observes that between January 1 and 28 February 2022, according to the URA submission of 99,131,312 Kgs, an equivalent of 99,131MT each paying Shs 180,000 amounts to Shs 17,843,636,160 as opposed to a figure submitted by the RADFO’s Secretary General of Shs 1,698,480,000. This discrepancy, which amounts to about Shs 16 billion, shows how RADFO extorted very huge sums of money from rice importers and indirectly denied Government huge sums of revenue.

The committee observes that the monies paid Shs 180,000 per tonne were neither receipted nor banked, but rather a fictitious document that was purported to be a clearance from the apex body was issued. What we mean is if you paid Shs 2 million they would just give you a small chit written on “cleared” and signed. They would not indicate how much you have paid.

The committee further observes that the letter written by the state Minister, Hon. Harriet Ntabaazi dated 22 December 2021 appointing RADFO an apex body did not have clear terms of reference on how RADFO was going to save the rice sector from further injury, but rather a promise of policy and technical support from the ministry, departments and agencies.

The committee further observes that whereas the Cabinet Minister for Trade, Hon. Francis Mwebesa justified the appointment of RADFO as the apex body on the basis that RBSA had served its term, it was established that RBSA was never appointed an apex body in the past by the Ministry of Trade.

The committee observes that whereas the Ministry of Trade states that the RDA opted out during the stakeholders meetings held on 14 and 22 December 2021, RDA was never officially invited for both meetings. We have invitations for both meetings and RDA was never invited.

The committee further observes that although RADFO received money on behalf of Government since they were exercising purported powers of the Ministry of Trade, they did not deposit the funds arising from payment of Shs 180,000 per tonne onto the Consolidated Fund. Instead, the funds collected were received and receipted by RADFO and shared as follows:

(a) Shs 100,000 was allocated to the directors of the different companies that were members of RADFO;

(b) Shs 40,000 was given to the clearing agents;

(c) Shs 30,000 for RADFO administrative costs;

(d) Shs 10,000 for brokers.

The committee observes that with the establishment of RADFO, different rice associations were advised to work under the association with RADFO as an apex body and many could not opt out in order to protect their businesses. The companies that refused to join RADFO had their permits withdrawn and reviewed.

The above observation is evidenced in a letter dated 2l February, 2022 signed by the Minister of State, Hon. Harriet Ntabaazi in which she stated as follows: “*These two companies have failed to comply with the apex body and thus causing disruptions that pose serious injury to the domestic market volumes allocated in the import permit of Willex Commodities Ltd and Nassolo Investments Ltd have been reduced from 4OOOMT to 50OMT respectively for the period ending 30 June 2022. In circumstances that these companies have already exhausted the 5OOMT limit, then they will wait for the next licensing period starting 1 July to December 2022*.”

The committee observes that the advice was tantamount to a mandatory association of the different associations in contravention of Article 29(1)(e) of the Constitution, which guarantees a person’s right to freedom of association including the freedom to form and join associations or unions, trade unions, political and other civic organisations.

This further contravened Article 40(2) of the Constitution, which guarantees the right of a person to practise his or her profession and to carry on any lawful occupation, trade or business.

The committee observes that the mandatory requirement for rice traders to join RADFO as the only means to continue trading defeats the purpose of Articles 29(1)(e) and 40(2) of the Constitution and has the effect of denying the associations of rice importers the right to enjoy their fundamental right guaranteed under those constitutional provisions.

The committee observes that the operation of RADFO contravened Article 40(2) since they prevented traders and trader associations that had not joined RADFO from importing, clearing and trading in rice. The committee was informed that trader associations and traders who had not joined RADFO were prevented from importing rice into Uganda even when they possessed valid import permits. Those who managed to import rice faced difficulties at the border point at Mutukula since their trucks would be impounded if they did not possess the receipt indicating that they had cleared with RADFO.

The committee, therefore, finds that the establishment and operation of RADFO not only contravened the Constitution, but also distorted the trade order in rice and hindered fair participation in the rice trade as well as the achievement of the Government objective of reducing the reliance on imported rice.

The committee observed that the designation of RADFO as the apex body was irregular since the minister delegated functions of the ministry to a private body. The committee is of the view that executive functions of the State are granted to the President under Article 99 of the Constitution, which is to the effect that, *"The executive authority of Uganda is vested in the President and shall be exercised in accordance with this Constitution and the laws of Uganda."*

In exercising this authority, the President is empowered, in Article 111, to appoint a Cabinet, which consists of the Vice-President and such number of ministers as may appear to the President to be reasonably necessary for the efficient running of the State. Ministers appointed by the President exercise such functions of Government as the President may, from time to time, assign them.

The committee notes that the mandate of the Ministry responsible for Trade, Industry and Cooperatives is to formulate, review and support policies, strategies, plans and programmes that promote and ensure expansion and diversification of trade, cooperatives, environmentally sustainable industrialisation, appropriate technology development and transfer to generate wealth for poverty eradication and benefit the country socially and economically.

In the performance of these functions, the ministry formulates and reviews, where necessary, appropriate policies.

The committee notes that by delegating the functions of the Ministry to RADFO, Hon. Harriet Ntabaazi acted irregularly in delegating those powers since the minister is also exercising delegated functions of the Executive, which cannot be delegated. There was no evidence adduced before the committee that the minister possessed authorisation from the Cabinet or the President on whom the executive functions of Government are bestowed to delegate the functions.

It is a recognised principle of law that a person to whom a decision-making power has been delegated to from a higher authority cannot, in turn, delegate them to another unless the original delegation explicitly authorises it. In Uganda, there are a number of cases that have discussed the legality of the irregular delegation of delegated powers and courts have found that in such a situation, the person who delegated those functions did so irregularly.

Indeed, in the case of Uganda Law Society vs Kampala Capital City Authority, High Court Miscellaneous Cause No. 243 of 2017, Court held that, *"A delegate must exercise its jurisdiction within the four corners of its delegation and if he has acted beyond that, his/ her actions cannot have any legal sanction and is challengeable by way of judicial review.*"

The committee, therefore, finds that the delegation of the functions of the Ministry of Trade to RADFO was irregular since the minister was exercising delegated powers of the Executive.

The committee observes that once a trader had paid and received a permit and met their tax obligation to URA, there are no other charges that would be required of that trader for importing rice into Uganda. The imposition of a charge by RADFO was, therefore, illegal since it was not imposed under the authority of any law. Indeed, section 29 (1) of the Public Finance Management Act, 2015 gives direction on the collection and deposit of revenue and bars its collection, receipts and retention of, except where the revenue is collected or received by a vote, state enterprise or public corporation as authorised by an Act of Parliament.

The committee, therefore, finds that RADFO being a private company could not collect or retain revenue without authorisation. The charge imposed by RADFO was, therefore, arbitrary, fraudulent, deceitful, criminal, illegal and unacceptable in a democratic society.

The committee further observes that the mode of collecting and sharing the charges imposed by RADFO was irregular since it was imposed on the traders who are not members of RADFO. In addition, the charge was collected in a manner unknown under the law since the funds were collected by persons who were not authorised under the law and deposited on personal accounts contrary to the specific provisions of the Public Finance Management Act, 2015 (PFMA).

The committee notes that Section 31(1) of the PFMA requires that all revenues or other monies received for the purpose of Government shall be paid into and shall form part of the Consolidated Fund. The monies collected by RADFO would ordinarily be monies of Government since it was exercising functions delegated to it by the Ministry of Trade. Therefore, the monies collected by RADFO would be deposited onto the Consolidated Fund as required in Section 30 and be utilised under the authority of the Appropriations Act as required in Article 156 of the Constitution and Section 32 of the PFMA.

The committee finds that imposition of a charge by RADFO not only distorted trade order and increased the price of rice in Uganda, but also occasioned loss of revenue to Government and traders. The charge also amounted to a non-tariff barrier to trade and is prohibited under the East African Community Customs Union.

The committee is, therefore, of the considered opinion that the clearing agents were also in connivance with RADFO to fleece their clients. Before the clearing agents were getting just Shs 40,000 to 50,000 per truck. But now, when RADFO came, they sat and they are now getting a tune of 40,000 per tonne. This means a total of about 520,000 as opposed to the 40,000 they were getting.

The committee is of the opinion that the clearing agents were also working with RADFO to fleece clients who are the traders.

The committee is of the considered opinion that much as RADFO shared the revenues collected on a weekly basis with different beneficiary companies, about half of these companies registered under RADFO were actually not into the rice importation business.

The interference of the rice trade by Hon. Harriet Ntabaazi, the Minister of State for Trade, Industry and Cooperatives

During the committee’s interaction with stakeholders during this investigation, the committee was informed that Hon. Harriet Ntabaazi, the Minister of State for Trade, Industry and Cooperatives has on numerous occasions exceeded her powers and issued orders that have distorted the trade order in the rice trade.

The committee was informed and it has, indeed, made findings that Hon. Harriet Ntabaazi has exceeded her authority in some of the matters involving the trade order in the rice subsector. For instance, the committee was informed that the directives contained in a letter dated 21 April 2022 to the Commissioner Customs of URA wherein, the minister directed URA to cease clearance of VAT exempt rice imports save for the rice imported by the 15 companies that were part of the court order. The committee was also informed that the ministry irregularly and without lawful authority instituted RADFO as an apex body in the rice subsector without involving the rice traders and association.

The committee finds that the actions of the minister are disruptive and do not encourage trade order in the rice trade. The committee further finds that the minister acted unfairly when she issued directives to URA to step rice imports without affording rice traders a fair hearing, considering that most of the traders had obtained permits and had imported rice using the very permits the Honourable Minister had directed to bar.

The directive by the minister not only resulted into massive losses to traders, but also disrupted trader order since the rice traders suspended their operations resulting into an increase in the price of rice in Uganda.

The committee finds that the directive by the minister to URA was ultra-vires to her functions since she has no mandate over tax matters. Furthermore, the failure by the minister to hear from the traders before imposing arbitrary orders exposes Government to unnecessary litigation. *(Applause)*

There is an example of a court case, but for the interest of time, allow me take you to page 29.

Administration irregularities in the rice business sector

Whereas RADFO did not own a bank account in a formal banking institution and the proceeds of a weekly collection was distributed on a weekly basis, out of the 70 companies allegedly registered and subscribed under RADFO, 36 companies did not import at all drying the period.

Madam Speaker, the 36 companies who got permits were not importing, but they were sharing the total collection.

Connivance and fraud by Government

It is noteworthy that in the process of goods clearance at Mutukula border point, there are four Government entities that clear goods entering the country. These include Uganda Revenue Authority, Uganda National Bureau of Standards, agriculture unit and clearing agents who are appointed - companies they work for and the immigration department.

The testimonies from the witnesses during a public hearing by the committee at Mutukula border - stakeholders who are the rice importers testified to the committee - a one Ms Bonita Kyomuhendo informed the committee that there were extra fees that were charged. Besides, the official agriculture officer named Kasozi would charge Shs 100,000 per truck and the UNBS officer named Thomas Luganda.

Recommendations

1. The Minister responsible for Trade should with immediate effect withdraw the illegal, irregular, unlawful, unprecedented, illicit letter designating RADFO as the apex body in regard to the rice trade.
2. The Minister of State for Trade, Hon. Harriet Ntabaazi’s actions tantamount to abuse of office, corruption, facilitating corrupt transactions with agents, bribery influence peddling, conflict of interest, which are all crimes provided for under the Anti-Corruption Act of 2009.

Therefore, the committee recommends the following:

1. The Inspectorate of Government carries out further investigations with the aim of prosecution of the State Minister, Hon. Harriet Ntabaazi.
2. The appointing authority should take appropriate action against the Minister of State for Trade, Hon. Harriet Ntabaazi.
3. The Minister should take political responsibility for her actions.
4. Parliament should, therefore, take appropriate actions against the minister in respect to her conduct above.
5. The committee recommends that civil action be instituted against RADFO, the apex body, with the aim of obtaining compensation amounting to Shs 17.8 billion, which was illegally, unlawfully, illegitimately, dishonestly, fraudulently and unpatriotically, collected from the traders and importers.
6. The committee recommends that the witnesses that appeared before it and gave evidence pertaining the crimes of corruption under Section 2(b) of the Anti-Corruption Act, 2009 should be given state protection and considered as state witnesses during the investigations and prosecution initiated by the Inspectorate of Government.
7. Upon consideration of Mrs Nasolo as a state witness in the Shs 30 million bribe, Mr Atwiine, a Project Manager for the National Response Strategy on the Elimination of Non-tariff barriers at the Ministry of Trade, Industry and cooperatives who allegedly received the bribe on behalf of the minister, the committee recommends that he should be immediately arrested with a view of prosecution for crimes under the Anti-Corruption Act.
8. Based on the testimonies of the witnesses where UNBS officer, Mr Luganda and the Agriculture Officer, Mr Kasozi allegedly are receiving Shs 100,000 per truck, each through a proxy of clearing agents notwithstanding the fact that the committee could not get substantive evidence to this effect. The Committee recommends:
9. The transfer of these officers with immediate effect from Mutukula border post.
10. Caution in accordance with the Uganda Public Service Standing Orders 2021.
11. Based on the testimonies of the witnesses where it was alleged that URA was denying rice importers to border-arrive –*(Interjections*) Honourbale members, “border-arrive” means that when you clear all your requirements -

**THE SPEAKER:** Order.

**MR MPAKA:** Based on the testimony from the witness where it was alleged that URA denied rice importers to border-arrive their goods even after they had completed all the URA legal requirements in order to first present proof of clearance from RADFO. This is a clear indication that URA was in connivance with RADFO to fleece the rice importers of the Shs 180,000 per tonne.

The committee, therefore, recommends that the URA manager at Mutukula Border, Mr Peter Gikwiyakare and URA supervisor, Mr Richard Rumena, be relieved of their official duties with immediate effect as further investigations are carried out, in accordance with the Public Service Standing Orders, 2021.

8. The URA should carry out a forensic audit on all companies that have been importing rice, collecting withholding tax and not remitting it, with a view of recovering it.

9. The Ministry of Trade, Industry and Cooperatives should stop issuing permits, which is a non-tariff barrier and against the Customs Union Regulations and the EAC Treaty.

10. The committee recommends that the Criminal Investigations Department of Police carries out investigations and retrieves the video footage of URA customs at the border and prosecutes any Government official, including security officers who participated, facilitated and aided RADFO’s illegal activities.

Lastly, Madam Speaker, the general recommendations are that;

1. The appointing authority cautions all members of the Executive against delegating their functions and authority as well as acting ultra vires of their mandate, a phenomenon, which has become a trend, in consideration of the investigations carried out by the committee.
2. Government should fast-track the rehabilitation of Masaka-Mutukula Road that is in a very sorry, dire, regretful and disappointing state and impedes trade and jeopardises Uganda’s beneficial interests in the Common Market Protocol of the EAC.
3. Government should prioritise support financially and technically to all domestic rice farmers so that they are in position to compete favourably within the EAC market.

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

**THE SPEAKER:** Thank you very much, chairperson, for the report. I just need clarification on recommendations.

“The ministry responsible for trade should, with immediate effect, withdraw the illegal, irregular, unlawful…” You are saying “the ministry”. Can you be specific on who?

**MR MPAKA:** Madam Speaker, we are of the considered opinion that all the ministers will take collective responsibility and they are present. So, we are –

**THE SPEAKER:** No, I would like it included here. Please, say Minister Anita, Minister Mpaka and Minister so and so.

**MR MPAKA:** Are we amending?

**THE SPEAKER:** Yes, please, amend.

**MR MPAKA:** The Minister for Trade who wrote the letter, Hon. Harriet Ntabaazi, should, with immediate effect, withdraw the illegal, irregular, unlawful, unprecedented and illicit letter, designating RADFO as the apex body in regard to the rice trade.

**THE SPEAKER:** Then, go to 2(c) – “the minister should take political and responsibility”… “Moral” should be included there.

**MR MPAKA:** In 2(c), “The minister should take political and moral responsibility for her actions.”

**THE SPEAKER:** On general recommendations – “The appointing authority should caution all members of the Executive against delegating their powers.” Who are those ones who should be cautioned?

**MR MPAKA:** Madam Speaker, this was in consideration of the investigations the Committee on Tourism, Trade and Industry – has carried out. So, we were generalising that the appointing authority should caution all the members of the Executive.

**THE SPEAKER:** We want it specific to this report.

**MR MPAKA:** The appointing authority should caution the Minister of State, Hon. Harriet Ntabaazi, against delegating her functions and authority as well as acting ultra vires of her mandate, a phenomenon, which has become a trend in consideration of the investigations carried out by this committee.

**THE SPEAKER:** Honourable members, you have heard the report. Can we open the debate? Is Hon. Harriet Ntabaazi here? Hon. Ntabaazi, do you have anything to say? Please.

4.05

**THE MINISTER OF STATE FOR TRADE, INDUSTRY AND COOPERATIVES (TRADE) (Ms Harriet Ntabaazi):** Thank you very much, Madam Speaker. I would like to thank you for this opportunity that I have always yearned for, to be listened to, which I was not accorded at committee level.

Madam Speaker –

**THE SPEAKER:** Is that true?

**MS NTABAAZI:** Yes.

**THE SPEAKER:** Can I hear from the chairperson?

**MR MPAKA:** Madam Speaker, on the 16th of June, Hon. Harriet Ntabaazi appeared before the committee and some of our submissions in this report are derived from her submission, written and signed – which I have here.

**THE SPEAKER:** Can you lay that on the Table? Let Hon. Mpaka first lay the submissions. Honourable members, we are also going to get the camera footages in that committee room.

**MR MPAKA:** Madam Speaker, this is the statement by Hon. Harriet Ntabaazi, Minister of State for Trade, Industry and Cooperatives, to the parliamentary sectoral Committee on Tourism, Trade and Industry.

It was signed on 18 May 2022. I beg to lay.

**THE SPEAKER:** Thank you. Can I have a look at that letter?

**MR MBWATEKAMWA:** Thank you very much, Madam Speaker. In that regard, where the minister has categorically said that she was never given the chance to be listened to and finding out that, actually, she even tendered –*(Interjections)*- No. Is it not procedurally right to put the minister on oath to tell us the truth and only the truth?

**THE SPEAKER:** Honourable minister, is this report yours?

**MS NTABAAZI:** Madam Speaker, this report is on another matter, different from what is on the table. The issues that they raised in the deliberations and discussions were the ones that I was guided on by the very chairperson who is reading the report here.

**THE SPEAKER:** But at the beginning you said that you were not called to the committee.

**MS NTABAAZI:** The matters are quite different, Madam Speaker.

**THE SPEAKER:** Give me my document.

**MS NTABAAZI:** The matters that are in the report are totally different from the ones that I was supposed to answer regarding that issue.

**THE SPEAKER:** Hon. Ntabaazi, you read what you have in regards to what he has raised -

**MS NTABAAZI:** Hon. Olanya, leave me. *(Laughter)* Madam Speaker, I stand to respond to the allegations that have been raised against me in this august House. Honourable members, the main objective of putting private sector entities like KACITA, Uganda Manufacturers Association and other associations as an apex body was to enhance proper self-regulation of the importers to create stability, predictability and trade order in the sector, especially at the border.

This was particularly more urgent for the January to June 2022 licensing period, because of the turmoil experienced during the preceding licensing period of June to December 2021 which had a lot of irregularities, complaints and direct fights at the border where I had to intervene as the minister.

During the preceding period, the apex body was the Rice Business Sector Limited - which is part of the petitioner right now - which caused a lot of fights at the border; fighting because of sectarian issues and others. And I came on top of those issues, to preside and bring sanity at the border.

A period during which constant fights were severely reported, I called a multi-sectoral meeting at the Office of the Prime Minister and was guided also by the First Deputy Prime Minister and the Minister for East African Community, who handles all the trade in the East African Community.

Therefore, the environment which was created by then was unconducive because the threat was even going beyond the borders of the country. It was even in Tanzania, the traders were trembling and as the minister, I had to control and put to order the private sector not to collide with our colleagues in the Republic of Tanzania.

Madam Speaker, from the engagements that we had, there was URA on board; the Minister of Finance was on board; the Ministry of Agriculture, Animal Industry and Fisheries was on board; the private sector players were on board - the millers and the producers of rice were on board plus the traders’ associations.

By that time, we had three associations; the Rice Business Sector was in the lead, but there was also the RDF and there was RADFO in place. The meeting directed these entities to agree among themselves, who would take leadership for the January to June licensing period. However, these organisations were also given two weeks after that meeting to agree, which they did not do. Instead, the fights that were on the border were now transferred to the headquarters and my office was there to mediate and bring order in the business.

Madam Speaker, these associations like any other - because we do not have a Uganda National Chambers of Commerce, which is actively involving everybody in business - we are trying our best to bring associations together so that traders have sanity and order in doing business, so that we build a strong chamber of commerce which is our dream.

I thought that this committee would help me to bring traders together so that we form strong chamber of commerce which can negotiate with other countries. Wherever we go, we find chambers of commerce, but the committee has not helped.

Dear colleagues, the decision of Government to assign RADFO as the apex body was not a selective or a one person’s decision; it was a collective decision by all the members, including the associations, which agreed that they are ready to work under the Rice Development Association.

What were the terms of reference of RADFO? The terms of reference of RADFO -

**THE SPEAKER:** Just a minute.

**MS NTABAAZI**: Yes?

**THE SPEAKER:** You said that RADFO or whichever - and you made a decision together with them. Who are they to Government? I thought if you were to make a decision, it must be an extract from the Cabinet. And who are they to Government?

**MS NTABAAZI**: Madam Speaker, do you mean RADFO?

**THE SPEAKER:** Yes.

**MS NTABAAZI**: No, these are associations, like I read to you the three associations that were operating at Mutukula Border. There are three organisations that were at the border by that time and there are still three by the way; others are still forming, but one of which was in leadership by then and caused some disruptions and fights.

Therefore, this RADFO had formed against the other one which was torturing them and making their life difficult. And this one had 72 members out of the 75 companies and only two companies belonged to the other company – [Hon. Mbwatekamwa: “Order!”]

**THE SPEAKER:** Hon. Mbwatekamwa, let her finish then you can bring your question.

**MS NTABAAZI:** Can I proceed, Madam Speaker?

**THE SPEAKER:** Yes.

**MS NTABAAZI:** Thank you, Madam Speaker. I wanted to present to the House the terms of reference of the RADFO at the time we knew about it. The terms of reference of RADFO were never to collect any money from anybody. And it was not written in the letter that I wrote, telling them to apex the trade of rice. There was nothing to do with a collection of any funds.

Now the terms of reference were specifically acting as a private sector apex body for which members and importers would come together and self-regulate to avoid the infighting and the chaos at the border, which had been experienced and had been severally reported to the ministry.

**THE SPEAKER:** Can you summarise?

**Ms ntabaazi:** This assignment was an interim one; it was not a conclusive one. Even the letter shows that it was an interim one as we brought other stakeholders on board for us to come up with a concrete decision.

Honourable members, there is nowhere – I will still insist on this - in my communication, where I indicated that, “RADFO, go and collect money, divide it like this and do ABCD.” That is not me, as the minister. It is not anywhere. Therefore, for somebody to stand here and say I asked RADFO to go and collect money; that is not me, Madam Speaker.

There are terms and references on how one gets a permit. Madam Speaker, if given permission, let me proceed and mention them. The terms and conditions of getting a permit from the ministry are very easy and follow a documented criteria. All applicants who meet the criteria below are supposed to get a permit:

1. A Certificate of Registration for their companies;
2. A trading license for their companies;
3. Updated returns from Uganda Registration Services Bureau;
4. The tax clearance certificate from the Uganda Revenue Authority; and
5. The tax registration certificate from Uganda Revenue Authority.

I put in that permit terms and conditions for one to fulfil for us to add value to the production and importation of rice in Uganda.

This permit is exclusively issued to the applicant and is not transferable, which some of the companies were doing. One would get a permit but transfer it to another person to operate on their behalf, which was totally against the Ministry of Trade’s guidelines.

Then, the permit is valid for only six months. The company must take steps to involve itself in domestic rice production and processing.

I have been moving around to check who was doing this because the rice sector cannot be left to only importers; because that kills the production and milling sector in this country.

As the President directed, I had to make sure that I follow up those people were crying that the mills were redundant with the rice not being there. We were trying to put a balance among the producers, millers and traders.

Lastly, the non-compliance with the conditions would permit the withdraw of these requirements. By the way, with this permit, one was supposed to have a bi-monthly return to show that they were utilising the permit. If anyone wasn’t utilising it, they would inform the ministry that they are not utilising the permit maybe because the capital to use wasn’t enough or because they are still setting themselves up or whatever other reasons.

Therefore, those that I removed, reduced and regulated were the ones that were not complying with the returns and the terms and conditions of the permit. Thank you, Madam Speaker.

**The Speaker:** Thank you, honourable minister. There is just something I would like to clear so that it gets out of the record. Do you still insist that you did not appear before the committee?

**Ms ntabaazi:** Madam Speaker, I indicated here that when I was invited, different issues were raised. However, for these particular ones that have been made against me, I did not go back to give them a report because I was not invited.

**The Speaker:** I would like you to look at page 16 – that is paragraph 6.2, which says, “Additionally, the State Minister of Trade, Hon. Ntabaazi, informed the committee that the circumstances that led to the rise of issuance of permits arose from unfair application of the tax laws.”

When you look at your document, which you gave to the committee, under 3.0, you will realise that you were talking about the petition by rice millers, which is related to what we are discussing today; it also featured in the committee.

Then 2.0, “Regulation of imports…” which is in the report. There is also 4.0 on addressing the issues raised by the Rice Millers Council in Uganda - these issues are related to what is in the report.

Therefore, you cannot say you did not appear there. Yes, honourable members, the debate is open.

4.26

**Mr francis adome (NRM, Moroto Municipality, Moroto):** Thank you, Madam Speaker. I think, from the submission of the minister, she did not bring out clearly where she derived the mandate from because that was the first question you asked her.

Secondly, in my observation, I think this matter is beyond the minister. Whatever happened, especially with the loss of money - when you look at the issue of the Shs 16 billion - because when you look at the company that was given that mandate, that is RADFO, you realise they only declared one billion out of the Shs 17 billion. It implies that the remaining Shs 16 billion went into someone's pocket.

Therefore, I believe there are those behind it and we need to dig deeper into this matter to find out the truth. Otherwise, this seems to be an organisation that was only created to work for the interests of others –*(Interjections)*- because when you look at the letter, you realise that it carried instructions given by the minister, but she has totally failed to explain. So, maybe, we shall need more answers from her. Thank you.

4.27

**Mr Anthony akol (FDC, Kilak North County, Amuru):** Madam Speaker, I come from a place where we grow a lot of rice. I would like to take this time, first of all, to thank Hon. Mwine Mpaka for a good report. *(Applause)* If all chairpersons were like him, we would do better for this country; he is doing good work.

Madam Speaker, this problem that was created at the border affected Ugandans. What I am seeing on the faces of the Members here is that we are trying to sympathise. However, there are lots of irregularities because even when the minister tried to explain something about her letter and the terms of reference she is talking about - you cannot leave the regulation of matter of trade, especially trading in rice, to private companies. That is wrong. That, “My terms did not contain issues of collecting money, but I was regulating…” how can you give private companies the mandate to regulate trade coming into the country? That is totally wrong. Let us start from there.

Then, I did not understand why you talked about people getting permits for the trade in rice. Will you also talk about others getting permits to sell milk? Should those who are making biscuits come to you to get permits to sell them? Why should you be giving permits to rice sellers after every six months? What about those selling maize flour? Is that how we are going to operate?

Within the East African Community, there is free movement of goods and services. Why are you talking about a team at the border creating all those complications for the people dealing in rice?

Madam Speaker, before we even talk about the 14 people, we were permitted to import rice. There were many waivers given to selected people. I was personally approached by those dealing in rice and they said that you pay some money and you are given a waiver so that you do not pay VAT while others are paying it.

We need to create a situation where Ugandans benefit equally. This is happening in the Ministry of Trade, Industry and Cooperatives, it is happening in the Ministry of Finance, Planning and Economic Development. This is what is happening now in Uganda.

I think the minister should take responsibility for what has been happening. I would have been very happy for the minister to say, “Maybe where I have gone wrong, we shall correct it.” There is free movement of goods and services in East Africa. Why do you create all these complications? Ugandans that are in rice production cannot produce rice because there are people who are importing rice without paying taxes. Therefore, they sell their rice cheaper than those who are producing rice in Uganda. In my area, people have now stopped the production of rice because of this.

Madam Speaker, I associate myself with the committee report and their recommendations. Thank you very much.

4.31

**MS AGNES ATIM (NRM, Woman Representative, Amolatar):** Thank you very much, Madam Speaker. I would like to thank the committee for a very good report. For some of my colleagues that may not know, I am called, “*Mama* Rice.” That is my nickname. I chair the Rice Association of Uganda. When I hear discussions about rice, I am saddened because I have been in the trenches with the farmers for the last 10 years.

Madam Speaker, rice production in this country is 220,000 metric tonnes, but our demand is 450,000. Our deficit is just about 100,000 metric tonnes. However, you realise in that report that permits were given to import 300,000 metric tonnes. As a farmer, that is where corruption starts from. You do not know how much rice you need in the country because you want to collect money and bribes from people. You then over exaggerate. Therefore, whoever was really concerned about that needs to take note that as farmers, we watch the rice trade worldwide every day.

Secondly, regarding the issue of tax exemption and imports in this country, our NDP III has come out very clearly about our efforts as a country for import substitution. You see an honourable minister standing here defending how much he has done to help the traders, through private people, to collect money. The same minister - I do not know in their meetings whether she actually knows that in this country, very limited investment is put in rice production. All the rice that we produce in this country is funded. It is milled and that includes everything by the farmer and the private local investors.

I implore the minister that instead of going to collect that money and having it misappropriated in billions, think about investing in the rice farmers. This clearly states the uncoordinated movements of our ministries, departments and agencies. By the time you see a minister going to do work that URA is supposed to do, you know there is a problem. Everybody is scrambling where there is money.

I think moving on from here, if an amendment can be done so that ministries, agencies and departments are coordinated and approach some of these issues in a coordinated manner. Otherwise, we look very shabby at the borders. If you cross the border, that is not how businesses are done.

There is also the issue of corruption in this country. Today I think is the fifth or sixth time that ministers are implicated in very illegal and fictitious issues. We make recommendations here and the manner in which they look at these things is like they are not serious.

Therefore, I would like to implore the chairperson. How come in the local government the moment the small people down there find a problem with you, you step aside? You are interdicted and you are not allowed to engage Government in any further business. How come our recommendations usually leave it at par? I think it is high time that as Parliament we stood and walked the talk to hold whoever is responsible accountable.

In this case, I implore that as you have recommended, there should be a specific intervention to improve rice production and productivity in this country so that we can substitute all these imports that we are running for. I thank you very much.

4.35

**MS DORCUS ACEN (NRM, Woman Representative, Alebtong):** Thank you, Madam Speaker. I would like to thank Hon. Mwine Mpaka and the committee for the very elaborate report. I think it was a great job done.

Looking at the recommendations that this team has put forward, I agree with most of them. However, when we listened to the minister, she claimed that the committee did not give her a chance to provide a comprehensive report based on the other issues, which the committee had raised.

I beg to put forward and pray that this is a very sensitive matter. If it is possible, we still need the comprehensive report. We do not know the details or the contents of the report that she claims was responding to other issues, different from what the committee requested from her. Therefore, I would like to agree with the recommendation that let this issue be investigated by the IGG. We need it comprehensively done.

Lastly, I pray that we consider recommendation number one from the team, which is asking the appointing authority to caution all members of the Executive. While we heard Hon. Apea talking about six or seven other ministers, this is not nice. It is not something we wish to have as top line issues for the country. I recommend and pray that we keep that the way the committee had put it so that tomorrow or next week, we are not waking up to similar issues from other ministries. I thank you.

4.38

**MR ABDUL MUTUMBA (NRM, Kiboga West County, Kiboga):** Thank you, Madam Speaker. I would like to thank the chairperson and members of this committee for the good report that has been presented. I listened to the report very well, but I also heard the responses of the honourable minister. She did contend that she contributed to the formation of RADFO as an apex association.

However, one thing that you would get interested in is the minister being a mother. When you give birth to a child and you do not follow up what goes around after giving birth to a child, I think it is very unfortunate. I would have expected the minister, after giving birth to RADFO as her child, to go ahead and look after that child. If these people were collecting money, Shs 180,000 on a tonne of rice, that was very wrong!

Secondly, I wonder what happens in our ministries. If we have technocrats that manage our ministries, why is it that every other time we get letters and instructions from ministers?

Don’t we have policies that technocrats are supposed to use in regulation of activities that go around?

Madam Speaker, His Excellency the President of Uganda has been heard on several occasions complaining about Government officials that fail investment in this country, and they do that through corruption. Much as we are focusing our eyes on the minister alone, we need to go an extra mile and investigate what is happening in this ministry, as far as the technocrats are concerned. Thank you, Madam Speaker.

4.40

**MR JOHN MAGOLO (NRM, Bungokho County North, Mbale):** Thank you very much, Madam Speaker. I would like to add my voice to that of the Chairperson of the Committee on Tourism, Trade and Industry for the detailed report.

I will straight away go to the question that you posed especially about the formation of RADFO company and it being authorised. One, it is a private company, so how did it get authority to collect money when we have a full Government agency that collects revenue for the country?

Secondly, if it was formed, was it followed up to see what it was doing because a number of ministries and Government officials have been mentioned in the report? The Uganda Revenue Authority is there, Ministry of Agriculture, Animal Industry and Fisheries is there and the Ministry of Finance, Planning and Economic Development is there.

I really want to support the recommendations of the report that details are dug from this so that we come to the real point where all these have come from, and where it is taking us as a country. I beg to submit, Madam Speaker.

**THE SPEAKER:** Thank you. Hon. Macho?

4.42

**MR GEOFFREY MACHO (Independent, Busia Municipality, Busia):** Hon. Ntabaazi, I would like to thank you for your defence. But I would like to thank Hon. Mwine Mpaka and his committee very much.

Madam Speaker, this is the second time and second report that has made Hon. Mwine Mpaka and his committee become great men and women in this temple of legislation. *(Applause)* Hon. Mwine Mpaka, if I had authority, you would sit where you have sat for all the five years. *(Laughter)*

Madam Speaker, you are guiding the House very well and your questions are on dot. That pushes me to make a submission on this very good report.

Being a Member of Parliament from Busia Municipality, where we get rice from Homa Bay and Siayato Uganda - and even some rice that comes via the south border of Kenya and Tanzania to Uganda.

Madam Speaker, I cited many recommendations from the committee. First of all, before I go to the recommendations, honourable minister, my good friend, I would like you to own or disown the report because you have flattery not committed yourself on the report that was asked about you by the Rt Hon. Speaker.

Truly speaking, our people in the East African region have suffered a lot in the rice business. It is today that I am discovering that a Civil Suit No. 880/2014 has stayed in the court for all that long because it is an anthill of people eating the white ants.

Madam Speaker, in the Tenth Parliament, this issue came on the Floor of Parliament, where rice business people were complaining against the few 14 companies. Little did I know that this case is kept in courts of law for people to make money!

Minister Ntabaazi, you must declare your interest about this RADFO company. Who are the directors? Are your grandchildren and sons the holders and directors of this company? You have kept quiet about this. As a friend, I would like you to be clean because clean leaders make a clean country, and that is why we are called the “Pearl of Africa”.

In the report by Hon. Mwine Mpaka, there are allegations that you asked for Shs 20 million – Yes, Shs 20 million, plus Shs 10 million - and you were quoted, but you have kept quiet about it my sister. Moreover, laughing at the Pearl of Africa.

Good enough the honourable minister is one of my good friends, which is why I am submitting this way. Madam Speaker, when a friend is clean, you become happy. My friend, I would like you to be clean; clean yourself on the Shs 20 million and Shs 10 million that you asked to give a permit.

In the report by Hon. Mwine Mpaka, it is submitted that there is a lot of conflict of interest in awarding permits for rice - Madam Speaker, I need your protection so that the minister can listen to me well.

In the committee report, it is alleged - and majority members signed - that in the award of permits in your ministry, your team or staff have conflict of interest by getting bribery from the business communities. Honourable minister, you have kept quiet on that matter.

Last, but not least, honourable minister, the letter that you wrote concerning the VAT and made businesses to standstill in the East African region for seven days - if I was the appointing authority, I would have punished you. Since you are my friend, I would advise you to just apologise because seven days of rice not moving within the East African region - although you have said it was a collective responsibility. I am happy the other ministers in the docket of trade are here. They should at the same time wash their names clean. If they are part of this, then they have brought barriers and they are fighting the spirit of President Museveni of promoting free movement of goods and people within the region.

Honourable minister, use this day today and this platform, in this temple of legislation, to clean yourself about the recommendations made by the Committee on Tourism, Trade and Industry, chaired by Hon. Mwine Mpaka.

If a recommendation is made to push you to the Anti-Corruption Court, it might affect your people who rejected you the other time until you saw the eye of the President. So, you must wash yourself clean.

Madam Speaker, I, therefore, submit and say that since the honourable minister is my very good friend - the committee recommended to send this matter to IGG; but we rather finish it in our august House. Because this is the temple of legislation, let the minister defend herself so that we see the party she is representing, which I belong to, the NRM, is on steady progress or it is there to destroy the small business communities who are doing rice business in this country.

With that submission, I, therefore, move that the minister should use this opportunity and chance to wash herself clean. If not, the minister will be a laughingstock in the Cabinet and in the Republic of Uganda.

Thank you very much, Hon. Mwine Mpaka, and your Committee on Tourism, Trade and Industry.

**THE SPEAKER:** Honourable members, you will continue talking and talking, but what we want is an action taken on this issue. The traders are suffering. I have also confirmed from all the documents that Hon. Ntabaazi appeared before the committee. We want an action report in one month.

I now put the question that the report of the Committee on Tourism, Trade and Industry on alleged unfair trade in the rice sub-sector, with amendments, be adopted.

*(Question put and agreed to.)*

*Report adopted.*

**THE SPEAKER:** Thank you very much.

**MR MPAKA:** Thank you, Madam Speaker. I wish to lay the report of the Committee on Tourism, Trade and Industry concerning the alleged unfair trade practices. I also wish to lay the minutes and supporting documents.

**THE SPEAKER:** Honourable Minister of Finance, Planning and Economic Development, there was an issue raised here regarding the Members’ pension. Hon. Solomon, can you repeat your question?

4.51

**MR SOLOMON SILWANY (NRM, Bukooli County Central, Bugiri):** Thank you, Madam Speaker. The issue that we raised, from your communication – I brought it to the attention of Parliament that the Ministry of Finance, Planning and Economic Development and the Attorney-General intend to take over the Bill that was being presented to this Parliament by Hon. Rwakajara, on the amendment of pension of Members of Parliament.

I asked that the minister be directed to come to this Parliament to answer and tell us – because this is something that is about Members of Parliament and it is very urgent. The Bill was raised by the Member because Government had delayed. What brings the Private Member’s Bill is because of the continuous delay by Government to bring some of these Bills.

When you look at the Pensions Act, we are still using the old law before even Parliament started. So, that is the question that I raised. Government should come and tell us: is it true that you have interest in taking over the Bill? Why is it that Government is intending to frustrate the Bill that is already in the Committee on Legal and Parliamentary Affairs?

**THE SPEAKER:** If you want to take over the Bill, when are you bringing the Bill back to the House?

4.53

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PLANNING) (Mr Amos Lugoloobi):** Thank you so much, Madam Speaker. This is an allegation that I am not aware of right now. I am not privy to that information. I request for time to come back with details and a proper response about the allegation.

**THE SPEAKER:** By the way, it is not an allegation. Hon. Solomon is a member of the Committee on Legal and Parliamentary Affairs, and that issue was raised today in the committee.

Honourable minister, that pension is for you and I – and for all these Members of Parliament. So, if we cannot protect what belongs to us, then, what shall we protect?

**MR SILWANY:** Thank you, Madam Speaker. I would like to give the honourable minister more information.

Honourable minister, today, at 12.30 p.m., the Parliamentary Commission appeared before the Committee on Legal and Parliamentary Affairs.

Prior to that, the Attorney-General had appeared before the Committee on Legal and Parliamentary Affairs, stating that they intend to take over the Bill as Government, saying that they had discussed it with you.

That is the information I wanted to give you, honourable minister.

**THE SPEAKER:** Yes, Hon. Santa.

**MS ALUM:** Thank you, Madam Speaker. I would like to give additional information to the minister. I sit on the Committee on Legal and Parliamentary Affairs and, today, we had interactions.

Madam Speaker, I did not want to bring a report which is supposed to be brought by the committee. However, since the minister is saying it is an allegation, I would like to inform him that when the Attorney-General appeared before the committee, I asked whether Government intends to take over the Bill from the committee.

His response was that, one, it would be good to discourage Private Members from coming up with Bills and, two, this very Bill has a charge on the Consolidated Fund and because of that, he was advising the committee to allow the Bill to be brought by the Executive.

That is the information I wanted to give you.

We asked a lot of questions, but since I am not the chairperson and we are not yet at the report stage, I cannot give all the information. Thank you.

**MR LUGOLOOBI:** Madam Speaker, I request the House to allow me consult the Attorney-General over this matter and come back to the House, with a clear response.

**THE SPEAKER:** When do you expect to come back – Tuesday?

**MR LUGOLOOBI:** May I suggest Wednesday?

**THE SPEAKER:** Honourable minister, what we are talking about is very precious to Members of Parliament. That is all the Members of Parliament have; their pension. So, if you cannot conclude issues of Members of Parliament, including yourself – because you are a minister up to midnight; somebody will wake up and say, “I have reshuffled you.” *(Laughter)*

All that said and done, we need our pension to be safeguarded. If Government is taking over, then, you should bring it very fast or else we shall process our Bill here without a report. *(Applause)*

**MR LUGOLOOBI:** Madam Speaker, let me take Tuesday as you had proposed.

**THE SPEAKER:** Thank you. The House is adjourned to tomorrow at 2.00 p.m.

*(House rose at 4.57 p.m. and adjourned until Thursday, 11 August 2022 at 2.00 p.m.)*