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WEDNESDAY, 7 DECEMBER 2022



PARLIAMENT OF UGANDA

IN THE PARLIAMENT OF UGANDA

Official Report of the Proceedings of Parliament

SECOND SESSION - 15TH SITTING - SECOND MEETING

Wednesday, 7 December 2022

Parliament met at 2.18 p.m. in Parliament House, Kampala.

PRAYERS

(The Deputy Speaker, Mr Thomas Tayebwa, in the Chair.)

The House was called to order.

COMMUNICATION FROM THE CHAIR

THE DEPUTY SPEAKER: Colleagues, I welcome you to today's sitting. We are continuing with yesterday's tradition, where I do not have any communication. We will go straight to matters on the Order Paper.

However, as you might have read sad news on social media and in all mainstream media today, we have lost Justice Rubby Opio Aweri, the Justice of the Supreme Court of Uganda.

Justice Opio Aweri joined the Judiciary as a Magistrate in 1983 and rose through the ranks to the Supreme Court. On behalf of Parliament and on my own behalf, I sincerely express our heartfelt condolences to the family of the late Justice Rubby Opio Aweri, the Judiciary and specifically to the Chief Justice of Uganda, His Excellency the President of Uganda and all Ugandans.

I, therefore, request you to stand up and observe a minute of silence.

(Members rose and observed a moment of silence.)

THE DEPUTY SPEAKER: Honourable colleagues, as you may remember, yesterday, I referred the report on the Petroleum Fund to the Committee on Budget. The minister intervened and guided me that the practice has been that, that report is always handled by the Committee on Finance, Planning and Economic Development.

I became flexible and allowed that but when I went back and read through the rules, I found that under rule 173, which I had quoted, that report is among reports, which under section 18 of the Public Finance Management Act, must be handled by the Committee on Budget. So, this is in the new rules. Therefore, I want to make that correction; the report is hereby referred to the Committee on Budget. Next item -

MINISTERIAL STATEMENT ON COMMEMORATION OF INTERNATIONAL ANTI-CORRUPTION DAY, 9 DECEMBER 2022

THE DEPUTY SPEAKER: Colleagues, we received the statement yesterday but as you remember, the Leader of the Opposition had a response to that statement. I know that the LOP can use about five minutes so that I allow debate of 20 minutes and we proceed with the business of today. - Shadow minister, you have five minutes.

2.23

MS JOYCE BAGALA (NUP, Woman Representative, Mityana): Thank you, Mr Speaker. This statement is made in response

to the statement made by the Minister of Ethics and Integrity, on commemoration of International Anti-Corruption Day.

The statement gave a legal basis for the day always celebrated on the 9th of December every year. I cannot, in the current circumstances regarding corruption in the country, state that I will be joining my colleague, the minister, in celebrating a lost cause.

The minister's statement laid bare the tragedy of our country. I would like to inform the House that, indeed, the whole country lost the anti-corruption war before even the minister came to office. A lot of statistics on the money purportedly tracked down, saved and sometimes recovered is not backed by faces that allegedly stole that money.

Mr Speaker, as I will demonstrate: there are no punitive or preventive measures that have been reported, either in the minister's statement or in any official publication of Government, to assure citizens that the Government is committed to ending the outright theft of public funds.

The minister reported on key achievements:

i) In the Inspectorate of Government

The minister, in her statement to the House, reported investigation of 26 high profile cases. Our country needs to know who these high profile public officers investigated are. What was the outcome of the reported investigations to warrant the recovery of Shs 18.2 billion?

The minister is conveniently quiet on any punitive measures instituted against such public officers. More so, there are no reported deterrent measures instituted to ensure that all public officials may find it unattractive to suffer the consequences of being caught in such corrupt practices. One of the ways of fighting corruption is naming and shaming but the minister only talks of recovery, without saying which individuals or MDAs the money was recovered from.

Most importantly, Mr Speaker, the minister reporting 26 cases investigated does not mean they were successfully prosecuted. The House deserves evidence of prosecution. Without this, the minister's statement remains hearsay.

ii) The Office of the Auditor-General

Evidence of non-committal to anti-corruption is overwhelming in the number and type of audits conducted by the Auditor-General in the last three years. The Auditor-General, having conducted just 23 value-for-money audits in three financial years, is in itself a national tragedy. It is only value-for-money audits where delivery of physical outputs is matched with the financial resources allocated that you can see there is a fight against corruption. The corrupt continue to account on paper while they fail to deliver services to our people.

iii) The Office of the Director of Public Prosecutions

Mr Speaker, even amongst the short people, some are taller. The Office of the Director of Public Prosecution has tried to act on its mandate in the fight against corruption. Unfortunately, many corruption cases are literally killed administratively and in collusion in various public offices. The office can only successfully initiate prosecution when other agencies like the police have conducted investigations.

iv) The Criminal Investigations Directorate of the police

The minister's statement revealed a huge challenge in the fight against corruption. The CID in the whole country only managed to register 318 cases of corruption. Even then, only 56 files were submitted to the DPP, and of these, only 23 were sanctioned for prosecution. Despite the sanctioning, there is still no evidence of successful prosecution.

v) The State House Anti-Corruption Unit

The minister reported that the unit recovered Shs 41.6 billion of which, Shs 8.6 billion was from inflated COVID-19 relief food prices, Shs

4.5 billion from local governments and Shs 3.6 billion from inflated compensation of Bukasa Inland Port Project-Affected Persons. The question is: who are these people responsible for this loot? Were they prosecuted? What was the outcome of the prosecution? General reporting is as good as a cover-up. This House would be served better if a list of public officers prosecuted or interdicted is provided.

COVID-19 is a recent problem; were these officials first time offenders or they are the chronic thieves of public funds? They could actually still be in offices stealing more money.

Prayers

Mr Speaker, while my colleague, the Minister of Ethics and Integrity, indicated a budget of Shs 452.2 million for the purpose of commemorating the International Anti-Corruption Day, and whereas such monies exclude funds spent by individual ministries and agencies to fuel and transport their officials to the function, we request for a rethink so that this money can be rechanneled to victims of corruption. The victims of corruption are mothers who die during childbirth due to inefficiencies in the health sector due to corruption –(Member timed out.)

THE DEPUTY SPEAKER: Conclude, honourable colleague.

MS BAGALA: The victims of corruption include mothers who die in childbirth, communities without clean water, public schools that do not have toilets and many others. The list is really long. I think the activities for the Anti-Corruption Day would make sense by thinking of those who have been affected by corruption.

Most specifically, I would like to pray that the minister comes back to the House and tables the following:

1. Lists of individuals who have been investigated as reported by the minister and the respective amounts of monies recovered from them.

2. Details of monies recovered and how these funds have been treated.
3. Steps being taken to ensure increased number of value-for-money audits.

Mr Speaker, I consider that it is important for Government to take the following actions:

- i) Blacklist all institutions and persons that are known to have been bribed or engaged in corruption and ban them from bidding for contracts or holding public offices in future. Let there be specific criteria for blacklisting institutions and persons to avoid Court fines.
- ii) Most importantly, Mr Speaker, the President must walk the talk. More serious gestures must be seen in the person of the President fighting corruption other than mere talk like the infamous 2019 Anti-Corruption Walk in Kampala.
- iii) The policy of zero tolerance to corruption must be implemented. Mr Speaker, it is quite disheartening when you reflect on the statement of the President during the official launch of the Lifestyle Audit Campaign where the President, instead of supporting the IGG, only warned her against auditing the lifestyle of thieves, saying instead of stealing the money and keeping it here in the country, they would take it abroad. This statement is an encouragement of corruption.

Finally, Mr Speaker, as Shadow Minister for Information and Anti-Corruption, I will be seeking space to present the position of the Opposition on the state of corruption in the country. I beg to submit. (Applause)

THE DEPUTY SPEAKER: Thank you, honourable colleague. I now open the debate for 20 minutes. I will just pick a few people. I will start with Hon. Hillary Lokwang, then Hon. Kamateneti, Hon. Max Ochai.

2.31

MR HILLARY LOKWANG (NRM, Iki County, Kaabong): Thank you very much, Mr Speaker. First, I thank the minister for the report commemorating the Anti-Corruption Day.

Mr Speaker, corruption remains a nightmare in Uganda and a leading cause of poverty in our country. If you want to get a job in Uganda, you must be well-connected with some people in some offices because even before the interviews, someone has already been approved for the job.

Mr Speaker, our roads and buildings are collapsing because of shoddy work and corruption. In our country, money is allocated to regions, but from the regions, money is sent back to the centre and people remain in poverty.

Mr Speaker, the other thing on corruption is the issue of accounting officers. I am proposing that the contractual law be amended for top Government officials and base it on their performance. For example, if you have performed well for five years, they may renew your contract. The permanent secretaries, the directors, the Chief Administrative Officers (CAOs), the District Health Officers (DHOs) should be given contractual agreements to serve and after which they should be evaluated.

Freezing the assets of the corrupt should also be part of the law because we are leaving these people at large. Someone earns Shs 2 million, but at the end of the day, he has skyscrapers all over Kampala and other cities. Where does he or she get that money? Thank you very much, Mr Speaker. *(Applause)*

THE DEPUTY SPEAKER: Clerk, please, time maximum two minutes each.

2.33

MS JOSYLINE KAMATENETI (NRM, Woman Representative, Ntungamo): Thank you very much, Mr Speaker. Why doesn't he start timing after I have spoken? *(Laughter)* This time, I am not happy with the statement made by the minister because it was a bit flat.

Yesterday, he talked about Ntungamo having 31 ghost health centres.

For the last 10 years, this has been the statement. It was talked about before I became a Member of Parliament; that was in 2014 and I think even some time back in 2008; 34 goes to health centres, which means they get PHC, RBF, drugs, they have salaries. They never come out to tell us who was responsible for all this. Word has been going around that they came to Ntungamo and investigated. They called us to a meeting with Statehouse, but they did not tell us the names of those health centres.

You cannot rise up in just one day and create a health centre, which means it is the responsibility of the Ministry of Health, the Ministry of Finance, Planning and Economic Development; the Ministry of Public Service and the National Medical Stores (NMS) because they supply them with drugs. So, it is not a matter of coming to investigate and making political statements. You incite violence against the current leaders and promise heaven and earth, without giving us solutions.

I think the responsible offices – the other day, they brought back drugs worth Shs 5 billion. In our health centres, people do not even have Panadol. The last time we moved around, they said they did not supply them with Panadol, yet you are bringing back drugs worth Shs 5 billion.

I think we do not need to come here and make statements, ask for money to go and celebrate. Let us use that money you are going to spend on functions to arrest these culprits. We cannot keep celebrating and putting up tents when things are going wrong in the country. I beg to submit. *(Applause)*

THE DEPUTY SPEAKER: Thank you. Hon. Max Ochai.

3.35

MR MAXIMUS OCHAI (NRM, West Budama County North, Tororo): Thank you very much, Mr Speaker, for the opportunity given to me to comment on the statement

made by the minister yesterday, as well as the statement made by the shadow minister.

Having listened to the minister yesterday, I observed that there was a gap. In my mind, we were just on a wild goose chase. I had expected the minister to pinpoint for us the root cause of corruption in Uganda but she did not. To quote the late Rt Hon. Speaker, Jacob Oulanyah's book titled, *256 Quotes*, in chapter two in the opening statement he said, "Without attitude change, the fight against corruption is just a show."

To me, that confirms that corruption is rooted deeply in our attitudes - the bad attitudes. What characterises bad attitude? To me, it is dishonesty. If one of us is dishonest, that person is a potential candidate for corruption.

The other is aggressiveness. If one of us is aggressive in character, that person is a potential candidate for corruption. Therefore, to address the root cause of corruption, we must tackle it squarely and squarely on. Coming here to ask for resources to chase a wild goose will lead us nowhere. We shall not be adding value.

So, what must we do? The late Speaker also wrote, in quote 24, "For every Ugandan committed to the fight against corruption, your frontline begins from where you are." I believe he is actually telling us that to fight corruption, we must begin with each one of us. So, where we are, that is where the corrupt are. *(Member timed out.)*

THE DEPUTY SPEAKER: Thank you, Hon. Max. Colleagues, you might see some of your colleagues with orange scarves and bowties. There should be no cause for worry. One, they are not red. *(Laughter)* - Someone has just said, "I thought they were red."

The Uganda Parliamentary Women Association (UWOPA) has been celebrating 16 days of activism against gender-based violence. *(Applause)* I congratulate UWOPA on that. *(Applause)* Hon. Sarah and team, you have done a great job. Please, let us not only stop

at the 16 days; let us go on fighting against gender-based violence.

2.38

MR DAN ATWIJUKIRE (NRM, Kazo County, Kazo): Thank you, Mr Speaker. I was thinking, in regard to the corruption report by the minister and the shadow minister's response; what if we look at a different approach on how we fight corruption? I have worked in some Government departments before and it is very disturbing when sweeping statements are made about corruption in the Government and everyone in Government looks like they are corrupt. We have some people in the Government who are not corrupt.

My proposal is: can we take on an approach that looks at corruption, sector by sector, and come up with cases investigated, the officers who have been investigated and what has been done to those officers?

It is very unfortunate to carry the burden of collective responsibility to the extent that wherever you go, even as a Member of Parliament - and because you are an NRM member and it is the NRM Government in power - people keep pointing at you as being corrupt. What have I stolen, for example? We are being pointed at because we are carrying the burden of collective responsibility. If stealing was a generally accepted rule, that when those with us in the party are stealing, that they come and share with us, we would - we cannot keep carrying the burden for some people.

Mr Speaker, that was on a lighter note.

THE DEPUTY SPEAKER: Honourable, please, conclude.

MR ATWIJUKIRE: My conclusion, Mr Speaker, is that whoever comes here with a report on corruption should be specific so as not to demoralise our hard-working people, who are not stealing.

If one was to profile, they would realise that the people who steal in Energy are the same people who steal in Health; it is a small group - *(Member timed out.)*

THE DEPUTY SPEAKER: Thank you, Hon. Kimosho. I think that is how we do it in Parliament. We look at sector by sector.

2.41

MR ANDREW OJOK OULANYAH (NRM, Omoro County, Omoro): Thank you, Mr Speaker. I am inclined to agree with the majority of the submission on the minority report because, with corruption, there is no side.

THE DEPUTY SPEAKER: Honourable, we do not have a minority report. We are speaking to the response from the shadow minister.

MR OJOK OULANYAH: Sorry, Mr Speaker, I meant the response from the shadow minister. I was saying that on issues of corruption, there is no side. We are all on one side against corruption. I would not want to pit the NRM against any other side.

Allow me just present some statistics that, as much as the Government has done so much, especially around the digitalisation aspects, because through ICT, you have to at least have an audit trail - despite all those interventions, we still have had an increase in corruption. When you look at the statistics from Transparency International, you notice that in 2019, we were the 137th least corrupt; in 2020, we were the 142nd least corrupt and in 2021, it is just going up; we are at 144.

As my colleague submitted, unless we address the root cause, we are on a wild goose chase. If you look at the statistics from our neighbours, you might think we are doing very well at 144, but Rwanda is ranked the 52nd least corrupt, Tanzania is the 87th, Kenya is 128th and Uganda is 144th least corrupt.

Of recent, many submissions have been made on corruption. We need to ask ourselves: is this because corruption is increasing or it is because of creating more awareness about corruption? Unless we address the symptoms, we are just creating more awareness about corruption while doing nothing about it. I beg to submit.

THE DEPUTY SPEAKER: Thank you.

2.43

MR IBANDA RWEMULIKYA (Independent, Ntoroko County, Ntoroko): Thank you, Mr Speaker. I thank the honourable minister and the shadow minister.

The people who should be fighting corruption should be those who are non-corrupt, bold, and determined to fight corruption in this country. I want to thank her so much, because recently in Ntoroko, we had a very big problem with our CAO. The CAO had become a parasite but I thank you because you cleaned Ntoroko. The people of Ntoroko appreciate you very much. We are beginning to settle.

Mr Speaker, we have a problem, which comes with investigations. When investigations begin - there are people who shield corrupt people in this country. You hear of calls from "above." "He is from my region and/or a person of my religion", but corruption has no religion. Corruption has no tribe. It is about our country; it is about Uganda.

Secondly, why don't we begin attaching properties of these corrupt people? People have mansions and arcades. They go to jail but their people continue benefiting from these properties. Government should go for the properties of those corrupt people.

Mr Speaker, there is something called life style audit. I totally agree with the life style audit approach. I do not want to go into the statement of His Excellency the President, but the fact is that we need to start gauging what someone earns *vis-à-vis* what they own. You find someone has mushroomed a lot of property - we should go for such people to understand how they have achieved such wealth. We need to know how some of them got to driving cars worth Shs 600 million. Where are they getting this money? I think a life style audit should be something to go for.

Lastly, on the issue of prosecution, I agree with the shadow minister, people do not have successful prosecution in this - *(Member timed out.)*

THE DEPUTY SPEAKER: Thank you.

Let us have Hon. Nyangweso and then, Hon. Amero.

2.46

MS GORRETH NAMUGGA (NUP, Mawogoola County South, Ssembabule): Thank you, Mr Speaker. We must have a genuine conversation about corruption. When the minister presented yesterday, she was beating about the bush. Looking at service delivery in general, you will notice that it is being affected by corruption. Look at the institutions of governance and the way our public servants are paid. Government has failed to motivate its own public servants who are supposed to deliver services to the people.

You talk about people stealing drugs from hospitals, you talk about local governments but you have a CAO who gets Shs 1.5 million. What do you expect? Mr Speaker, we have to look at a lean Government. Government is overburdened. We are looking at merging entities. When is this happening and genuinely? The Government does not have deliberate efforts of curbing corruption.

We must have a genuine conversation about corruption and the Government must come up with a genuine statement of its intention to stop corruption. Otherwise, what the minister presented yesterday was just a conversation to inform us that the Government is aware but it does not have a deliberate effort to fight corruption. Institutions of Government must be looked at and we must put emphasis on service delivery, and better pay for all public servants and not scientists alone. All public servants must be paid very well such that the Government has the moral authority to discipline them. You cannot discipline people whom you have failed to motivate.

Mr Speaker, remuneration of all public servants is very important. Thank you.

THE DEPUTY SPEAKER: Thank you. Honourable member, next time you are submitting, do not focus on Hon. Kabanda. *(Laughter)* He was feeling uncomfortable. *(Laughter)*

2.48

MR DENIS NYANGWESO (Independent, Samia-Bugwe Central County, Busia): Thank you, Mr Speaker. I thank the minister for the statement and the shadow minister for the response.

On page 1 of the minister's statement presented here yesterday, she gave us statistics about the audit reports carried out by the Office of the Auditor-General. She indicated that at least 6,763 financial reports had been carried out by the Office of the Auditor-General against only 23 value-for-money audits.

The accountants are trained auditors and they have mastered the art of accounting. That is why you see many financial audits coming out with unqualified opinions; yet, the incidences of corruption are increasing. It is very important that we support the Office of the Auditor-General to carry out value-for-money audits that will show us exactly how money has been utilised.

Therefore, I urge Parliament to support the Office of the Auditor-General to expand and improve on the numbers of value-for-money audits, which will give us a real picture of how this money has been spent. Thank you very much.

2.50

MR GEOFFREY MACHO (Independent, Busia Municipality, Busia): Mr Speaker, I thank the minister for her submission yesterday. I was here in the 10th Parliament but the minister in that docket never came to the House to give such a report. My sister, I really want to thank you.

In her report, the minister submitted a lot concerning entities that are fighting corruption in this country. My interest was majorly in the office of the IGG and the Statehouse Anti-Corruption Unit. She told us how the Statehouse Anti-Corruption Unit recovered a lot of money. This made me question its mandate.

Mr Speaker, under the law, money recovered by the IGG is banked in the Bank of Uganda on the Consolidated Fund. So, where is the money that is recovered by the Statehouse Anti-Corruption Unit banked? Secondly, are we not duplicating duties in this country? Why don't we trust other entities?

The fight against corruption in this country is non-partisan. To show that it is non-partisan, the National Resistance Movement got Shs 60 billion from the Electoral Commission to run its services and the National Unity Platform (NUP) received Shs 2 billion, but these parties are quiet. That is why you see that it is only Shs 2 billion that was not accounted for by the NUP and the NRM supporters. *(Laughter)* Therefore, as leaders who are managing political parties – *(Member timed out.)*

THE DEPUTY SPEAKER: Honourable members, when we allow two minutes, it is two minutes. Let it be standard. For the record, there is no party given Shs 60 billion. I think we give Shs 30 billion. Hon. Basalirwa can clarify that because he has been a Chairperson of the Inter-Party Organisation for Dialogue (IPOD).

MR BASALIRWA: Mr Speaker, Parliament appropriated Shs 23 billion. Seventeen billion shillings went to the NRM - because the law says "numerical strength" – Shs 3.1 billion went to NUP; and Shs 1.6 billion went to FDC. The mighty JEEMA got only Shs 53 million. *(Laughter)* That is the information I wanted to give.

THE DEPUTY SPEAKER: Thank you. I wanted us to get facts from the President of IPOD. Hon. Macho had discounted NUP's money from Shs 3 billion to Shs 2 billion. *(Laughter)* What the honourable member has emphasised is accountability to the public. *(Applause)*

2.53

MR IBRAHIM SSEMUJJU (FDC, Kira Municipality, Wakiso): Mr Speaker, I thank you for the opportunity. This statement by the minister is not about corruption; it is a statement on the commemoration of a day. I want to ask,

Mr Speaker, that the minister should bring a statement on corruption and we debate it because this is an invitation to Parliament.

Actually, on page 5, the minister says, "*The day will be celebrated in Ibanda. The President is not available - Hon. Norbert Mao will be the chief guest.*" *(Laughter)* This is what this statement is about.

Be that as it may, I thank the minister. I am happy the President is not available because he can sometimes be a very stubborn guest. If you want to know, ask the IGG. They went to launch the lifestyle audit. He said, "Please, do not disturb corrupt people; they will take the money outside Uganda. It is okay if they invest here." The only problem I have is the way Hon. Norbert Mao was procured to become a minister. That is the only problem I have but I like him. He can be a good guest. *(Laughter)*

Mr Speaker, by this statement of the President, I actually think he is now the patron of corruption in Uganda. Therefore, I sympathise with those who are in his Government because if someone says, "Please, do not touch the corrupt; they will take away the money" – If you wonder, ask Hon. Miria Matembe who was the minister for ethics.

I went to cover a movement meeting in Kyankwanzi in – *(Member timed out.)*

THE DEPUTY SPEAKER: Thank you. Clerk, what is wrong with the system because you keep cutting me off? Hon. Susan Amero? Colleagues, I said two minutes.

2.56

MS SUSAN AMERO (Independent, Woman Representative, Amuria): Mr Speaker, I thank the minister for the statement. I also want to thank the shadow minister for coming out very clearly on what should be done. I pray the minister takes this very seriously because she has been very clear and precise in naming what should be done.

Honourable minister, I expected you to have seen what the President of Tanzania has done

and I thought you would follow it or borrow a leaf from her. Honestly, we have spent a lot of money on celebrating nonproductive things; Shs 400 billion to celebrate Shs 41 million that has been recovered? Are we sincere with ourselves?

Mr Speaker, we have a saying in my language that fish starts rotting from the head. I want to say that it is very unfortunate that we have gone ahead to domesticate many of the laws, made by foreigners, which do not benefit us, as human beings here in Uganda.

When the NRM came to power, we used to have weekends where some people would be disciplined. As a result, the rate of these dealings and bad things occurring was very low. I do not know why we rushed to think that we can go in for pure democracy when we are not yet ready.

Some of these people deserve the firing squad. You find somebody has stolen from here and then, they are transferred somewhere to infect another place. Something needs to be done. The President must go back to the ideology he came with from the bush if he has to change this country. Other than that, we shall not stop –(Member timed out.)

THE DEPUTY SPEAKER: Thank you. Chairperson, Parliamentary Forum on Ethics and Integrity, Hon. Nsaba Buturo?

2.58

DR JAMES NSABA BUTURO (NRM, Bufumbira County East, Kisoro): Mr Speaker, the truth of the matter is that if we do not rein in corruption, the country will be unstable, insecure and more under-development will result.

In the papers yesterday and today, we are told that Shs 240 billion has been recovered from thieves. However, we know that each year, we lose Shs 11 trillion. Therefore, what the minister reported was four per cent of what is stolen. It is very clear that we need to do more. If we want Uganda to be a stable country, a country that is secure for all of us and is prosperous, Mr Speaker –(Interruption)

(Text expunged.)

DR NSABA BUTURO: Mr Speaker, thank you for your wise ruling. Hon. Ssemujju is notorious for being colourful; I will take it at that.

However, Mr Speaker, it is evident that we need to do more: four per cent is not something we should be proud of. What can we do, as Government?

The first one is to give more funding to institutions that are mandated to fight corruption.

Secondly, Mr Speaker – and it is something, which the nation has not understood yet – we are talking about a moral question. When somebody chooses to be a thief, it is because he is not honest, does not care anyway and, so, he steals. That is what we should be addressing.

Mr Speaker, the idea that someone chooses to promote his or her interest at the expense of the country's – the moral question – is the one that the Government should be very keen on. That way, we shall be able to rein in this situation.

Lastly, the other day, we talked about the IGG proposing that we have a lifestyle audit. Who on earth can say “no” to that? It is one way that we are going to deal with these people who, clearly, are intent on undermining our country.

Therefore, I propose that we find a day that Parliament dedicatedly looks at this question that has the potential to mess our country like never before.

THE DEPUTY SPEAKER: Thank you. Honourable colleagues, I told you I had given this item only 20 minutes. Time is up. I am not allowing any more submissions on this matter. However, Hon. Ssemujju raised a very important point: this is not a detailed statement because that is not what the minister was required to do.

So, honourable minister, once we get out of recess, pick a date in February, bring a comprehensive statement on the status of

corruption and the status of fighting corruption in this country – with very clear indicators. Give us actions taken - the real details. We shall be able to dedicate over one hour to discuss this important topic.

However, for now, honourable minister, if you want to recap in a minute or two, you have the Floor. Procedure, honourable colleague?

MR SAMUEL OPIO: Thank you, Mr Speaker. The procedural matter I am raising is under rule 59 - motion without notice.

The minister has indicated that the recovered funds are Shs 223 billion. This money can construct 10,000 boreholes, 200 health centres III and maintain the District Urban Community Access (DUCA) roads that we have in this country.

We have not received a response on how this money should be used. Therefore, I would like to move a motion without notice, urging the Government to use the recovered funds for construction of health facilities, drilling of boreholes and maintenance of DUCA roads.

THE DEPUTY SPEAKER: Honourable colleague, when money goes to the Consolidated Fund, it loses colour. When money goes to the Consolidated Fund –(*Mr Opio rose*)- you do not access the microphone without my permission. Please.

This is a matter, which colleagues can look at during appropriation but the problem will be tracing this money; what does it look like? You know, it loses colour. To me, what is important is this money being registered in the books of the country. Honourable minister?

MS ROSE AKELLO: Thank you, Mr Speaker. I take this opportunity to thank all the honourable colleagues for their submissions. I would also like to thank you, Mr Speaker, because you have guided that we bring a comprehensive statement on anti-corruption and debate it.

I am going to do that and we shall bring it here with details of the people convicted, how much money has been recovered and also brief the House on the lifestyle audit. The legal framework is already being worked upon, which will be taken to Cabinet and then, brought to the House.

Otherwise, I thank you once again and invite all Members of Parliament to Ibanda.

THE DEPUTY SPEAKER: Thank you, honourable minister. Honourable LOP, motion?

3.07

THE LEADER OF THE OPPOSITION (Mr Mathias Mpuuga): Thank you, Mr Speaker. I am moving, under rule 59(1)(k), a motion without notice.

“NOW THAT the House has listened to the statement by the Minister of State for Ethics and Integrity regarding commemoration of the Anti-corruption Day;

AND HAVING listened to the response from the shadow minister;

AND HAVING debated the same statement;

THE House is moved to urge the Government to channel the funds so allocated for commemoration - the equivalent of more than Shs 450 million - to support the victims of corruption in Ibanda District and do away with the celebration or the commemorations.

THAT the same money, by staying in Ibanda, the community will not be disadvantaged or undermined but instead, schools and health centres are selected to benefit from this money instead of raising banners, balloons and tents.”

I so move, Mr Speaker.

THE DEPUTY SPEAKER: Thank you. Before I ask whether the motion is seconded or not - if you could allow, colleagues, I want to ask the minister: What is entailed in that budget? What would the Shs 400 million do? - For the benefit of Members. You might not have full details.

MS ROSE AKELLO: Thank you, Mr Speaker. That budget of Shs 452 million is not for only that day but it is a budget that started some months ago; they have been going to institutions creating awareness and doing very many activities. It is not that the Shs 452 million is for that day. Thank you.

THE DEPUTY SPEAKER: Colleagues, you do not need to be rowdy. This is something very simple and I think it is good for information purposes. The problem is, it seems the LOP is denying Hon. Mao an opportunity to be the Chief Guest of the first internationally celebrated day. *(Laughter)*

The Rt Hon. Prime Minister wanted to clarify a little about it.

3.10

THE THIRD DEPUTY PRIME MINISTER AND MINISTER WITHOUT PORTFOLIO (Ms Rukia Nakadama): Mr Speaker, I thank the minister and all the colleagues for their contributions on the anti-corruption paper or the day that we are going to celebrate. Preparations for this day started sometime back and they are already in high gear to celebrate this day. Money has already been spent on some activities because the activities are not only for that day.

I request honourable colleagues, that maybe, if we want such a programme to take place, we can come in a bit early so that we do not channel that money to that day and use it on other activities. I thank you.

THE DEPUTY SPEAKER: Thank you - honourable colleague, you cannot start talking of clarification and along the way, you change it to order and then, you think I will give you a chance. I am watching. That is not how we work.

Honourable LOP, that is what I wanted to get. The minister is saying today is the 7th. The function is for the 9th. They have already paid service providers. Do you think it will be helpful that the relevant committee, after the event, can audit the expenditure?

Colleagues, it is like saying that you are going to wed on Saturday but by now, you have not yet booked tents, not paid for food and the public address system. Should the service providers refund?

MR MPUUGA: Mr Speaker, I was actually expecting Hon. Norbert Mao to rise in support of the motion so that instead of giving a flowery speech, he moves with cement, sand and all manner of paraphernalia required for these facilities. However, having said that in jest, the minister indicated that at her disposal is Shs 1.9 billion for the anti-corruption campaign. The budget for commemoration is a Shs 452 million. DANIDA is giving an extra Shs 150 million for other activities.

This is the invitation I am openly making for the minister - because the buck stops with you. In commemoration, the people of Ibanda will not understand your motivation. However, in diverting this money to support and tell them; "We are coming to you as victims of corruption on this Anti-corruption Week, here is the money for your centres," that will be a bigger commemoration.

Probably, the minister is late on some activities but maybe, that is the sacrifice. In fact, by disrupting commemoration, the minister will have sought a higher pedestal against corruption.

THE DEPUTY SPEAKER: Thank you. Is the motion seconded? I want to see who is seconding. Hon. Gilbert Olanya, Hon. Nambeshe, Hon. Ssenyonyi, Hon. Balimwezo and Hon. Basalirwa.

I want to put the question – please, take your seats. - Colleagues, please. I will hear your voices – that the motion moved by the Leader of the Opposition be adopted.

(Question put and negatived.)

THE DEPUTY SPEAKER: Next item. – Colleagues, excuse me - for clarity, the motion has failed. Next item.

PERSONAL EXPLANATION

3.16

THE MINISTER OF STATE FOR HEALTH (GENERAL DUTIES) (Ms Anifa Bangirana): Thank you, Mr Speaker –

THE DEPUTY SPEAKER: Honourable colleagues, if you are used to voting “Aye” do you think everything will always be “Aye”? Some of you will forget one day. *(Laughter)*

MS BANGIRANA: Mr Speaker, I rise under Rule 55(1) of the Rules of Procedure of Parliament on a personal explanation. This is in response to the allegation made by Hon. Mary Begumisa (Woman Member of Parliament, Ssembabule District) during the Parliamentary sitting of 1 December 2022. I thank you for this opportunity.

Under Rule 73 of the Rules of Procedure, some of the allegations the honourable member raised are sub judice, as they are matters before the courts of law. A case in point are the five people the honourable member alleged that were her supporters and I had arrested them and that they have not been produced in courts of law. I do not have the powers to arrest any person.

These people were arrested by the police upon complaints reporting a case for which I am among the complainants. The matter is before Court under reference SDO 2/31/10/22.

On the allegations of land, Mr Speaker, it is also untrue as the said land is registered and titled under Anifa Foundation, a Non-Governmental Organisation (NGO) - a large agricultural producer in agroforestry, fish and subsistence farming. There is no way I can grab land, which has documentary proof that it belongs to an organisation.

Under Rule 84 of the Rules of Procedure, I find the allegations unbecoming, and imputing improper motives on me personally. They are full of personal allusions and very speculative without substantial and supporting evidence. The fact that they are not supported by any

evidence and were not substantiated, they fall below the Parliamentary standard under matters of national importance.

In accordance with Rule 229 of the Rules of Procedure, the allegations are defamatory, undignified, very offensive and criminal in nature that need –

MS BEGUMISA: Order.

THE DEPUTY SPEAKER: Honourable colleague, read rule 55; please, listen to a colleague. You made allegations and the Member is entitled to explain, under Rule 55 of the Rules of Procedure.

MS BANGIRANA: Thank you, Mr Speaker. I was saying that in accordance with Rule 229 of the Rules of Procedure, the allegations are defamatory, undignified, very offensive and criminal in nature that they need to be subjected to an investigation.

It is not true that I have ever threatened Hon. Mary Begumisa or her family members or supporters. At no single time have I come closer or met the honourable member in Ssembabule District, save for when all the honourable members from the district were invited to a district roads committee, and when the technical staff from the Ministry of Health, led by the Permanent Secretary, carried out support supervision on health facility units in the district. My colleagues are here to bear me witness. I have never ever met Hon. Begumisa at any function, any place, or anywhere other than those two times.

Mr Speaker, the honourable member, having failed to lay supportive evidence to justify that her life and that of her family were in danger, and to compel them to camp at the parliamentary parking yard and not having reported to the Parliamentary Police Unit or any other unit, is demonstration that the honourable member is seeking cheap popularity and attention.

It is not true that the family of the honourable member is camped at this parliamentary parking yard due to insecurity. I know for a

fact that Mr Wilber Begumisa, the husband to the honourable member, whose home in Lwebitakuli Trading Centre, is about three miles from my home and whenever the honourable member is in Parliament, Mr Begumisa is always seen parked in the parliamentary parking yard, waiting for the honourable member; which is okay. *(Laughter)*

The honourable member's allegation that Lwebitakuli District, composed of three subcounties and other local units, had been authorised by the Ministry of Local Government by "orders from above" and as a presidential directive, is very outrageous because the creation of a district is a process and a preserve of Parliament under Article 179 of the Constitution of Uganda.

Furthermore, Article 179(4) states: "*Any measures for the alteration of boundaries or creation of districts or administrative units shall be based on a number of considerations, among which are the wishes of the people concerned.*"

It is not a preserve of an individual. No matter how one is perceived to be untouchable, it is a preserve of this Parliament.

The allegation that there is political chaos in Ssembabule District is unfounded and absolutely untrue. For the record, Hon. Begumisa in 2001 unsuccessfully attempted to join this august House. She stood as a candidate for Reform Agenda and miserably lost to me.

THE DEPUTY SPEAKER: Hon. Bangirana, words like "miserably" and also because Reform Agenda was not a registered political party, do not fit in well.

MS BANGIRANA: I withdraw the words, Mr Speaker.

THE DEPUTY SPEAKER: Focus on the rule because it says we should not raise any controversy.

MS BANGIRANA: Mr Speaker, much obliged. It was only in 2019 when the

honourable member, in the company of her husband, sought my support and blessings to stand for the district woman seat on the NRM ticket –*(Interjections)*– Mr Speaker, I need protection.

THE DEPUTY SPEAKER: Honourable, read your statement and conclude. I do not have much time.

MS BANGIRANA: Mr Speaker, I want to repeat that I interacted with Hon. Mary Begumisa at my home when she wanted to stand for the position of woman representative in the district. It is my belief that the gesture I extended, maybe, was perceived as power of authority, which is not true. I challenge the honourable member, the pastor and my Woman Member of Parliament, if she never interacted with me over the subject matter.

I hold the respect of the Minister of Local Government as an outstanding person of high integrity with a reputable long record of working experience, tested and conversant with both the Constitution and the Local Government Act and its provisions.

For a long time I am aware that the people of Lwemiyaga Constituency, which is represented by Hon. Theodore Ssekikubo, have been requesting to have a district and I am uncomfortable commenting on matters that are not in my constituency. However, I am also aware that some subcounties in my constituency, Mawogola West County, have made resolutions for the creation of lower administrative units, guided by Article 179(4) and forwarded them to the district council for approval. They are to be presented to the Minister of Local Government, as the legal process requires, and to this august House for consideration.

On the allegation - if Hon. Mary Begumisa does not want the creation of new subcounties and lower units in Mawogola West County, she can engage the respective councils and follow the due process instead of making such allegations against me. Mr Speaker, if I may ask, how does alteration of boundaries or creation of districts

or administration units in Ssembabule District threaten the honourable member and her family or cause political chaos in the district?

I am aware that some of you, my colleagues, are waiting for an opportunity when Article 179(4) will come - maybe in 2025 - to have creation of new units in your areas and I will be supportive.

For the record, Mr Speaker, I want to say that immediately after our elections - honourable colleagues, this is not something that is just coming up today. These allegations were made in 2021. Similar ones were made before the Minister of Security and the Government Chief Whip – by then yourself, Mr Speaker. All of us - MPs from the district - were invited. I made my case and you, with the honourable Minister of Security, well guided that Hon. Mary Begumisa should find ways of harmoniously working with the rest of the Members from the district.

Furthermore, in 2021, the honourable member alleged that her upcountry home was under attack. Police carried out investigations and established that the attacker is a person who was suffering from mental disturbance; he was a mad person, and her neighbor, moreover. And there is evidence at the police.

On 2 November 2021, the honourable member wrote to the Rt Hon. Speaker asking her to define for her the role of the Woman Member of Parliament *vis-à-vis* the role of a constituency MP. Mr Speaker, roles of Members of Parliament are well-defined in the Constitution. It was, therefore, not necessary for the honourable member to request the Speaker to do research and to interpret the law.

The allegations made in that letter were established to be null and void because, again, I defended myself before the Rt Hon. Speaker and I am sure the allegation that I am the one who should have caused insecurity because of being in the constituency -

Mr Speaker, my short background, as I finalise: I participated in the 1995 Constitution making process. I have been in this august House for

over 20 years, consecutively. (*Applause*) I have represented this august House at the Pan-African Parliament for five years. I have represented the Pan-African Parliament both at the African Union and the UN for a, on issues of gender and human rights. I was a district local council Speaker in the 1990s. I am a seasoned politician.

Honourable colleagues, this long record of my legislative profile is a testimony that I am well conversant with both the legislative law and local government procedures. At no single time of my tenure have I ever made a personal statement.

In conclusion, the current allegations of the honourable member are not new. They are not backed by evidence and they are speculative. As I said, they are only calculated to attract sympathy and to cause tension between us, the two Members.

Honourable members, the issue is not one that should have been brought under the issues of national importance because in Ssembabule District, there are many issues of concern that the Member should have raised in this august House.

Mr Speaker, my prayers are:

1. Matters that are before courts of law should be left to run their own course for justice to prevail;
2. Other matters raised should be thoroughly investigated and for all so that this matter is put to rest;
3. Finally, it is my humble prayer that I and the honourable colleague strive for coherence and harmony in our respective constituencies.

Once again, Mr Speaker, I thank you for this opportunity. (*Applause*)

THE DEPUTY SPEAKER: Thank you, Hon. Anifa. Colleagues, you can see that these are issues of constituencies. I request, really, that issues of pertaining to constituencies

between individuals do not find their way here. Otherwise, we shall continue interacting, as leaders. *(Applause)*

I had handled this matter; I did not want to handle it again and I had excluded myself as a conflicted party but the Speaker has said, “No, go, I have allowed this on the Order Paper.” Otherwise, I had handled it with Gen. Jim Muhwezi.

Anyway, honourable members, as I have been advising you, usually, when you start fighting in your constituencies, you are the ones who lose it. We have a very good and live example in Ibanda District. We had fights among MPs from Ibanda and all of them lost. When you start fighting that way, you all end up losing; you do not deliver for your areas.

Therefore, I urge you to work together. I urge you to cooperate. Where you cannot do it, use leaders in your areas but also whips and caucus leaders, on all sides. You can also consult Hon. Kayemba-Ssolo, in case you have problems; that is what he had demanded. Thank you.

Colleagues, this is a statement that cannot be debated and so, we have to move on but I beg that such matters should not come to the Floor. Next item?

LAYING OF PAPERS

REPORT OF THE AUDITOR-GENERAL ON THE FINANCIAL STATEMENTS ON INTERGRATED WATER MANAGEMENT AND DEVELOPMENT PROJECT (WMDP) IMPLEMENTED BY NATIONAL WATER AND SEWERAGE COOPERATION FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

THE DEPUTY SPEAKER: Yes, honourable commissioner.

3.35

MR SOLOMON SILWANY (NRM, Bukooli County Central, Bugiri): Mr Speaker, I beg to lay the Report of the Auditor-General on the Integrated Water Management and Development Project implemented by the

National Water and Sewerage Corporation for the year ended 30 June 2022. I beg to lay.

THE DEPUTY SPEAKER: Thank you. The report is referred to COSASE for handling as per our rules.

REPORT OF THE AUDITOR-GENERAL ON THE FINANCIAL STATEMENTS ON THE DEPOSIT PROTECTION FUND FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

3.36

MR SOLOMON SILWANY (NRM, Bukooli County Central, Bugiri): Mr Speaker, I beg to lay the Report of the Auditor-General on the Deposit Protection Fund for the year that ended 30 June 2022. I beg to lay.

THE DEPUTY SPEAKER: Thank you, Commissioner. The report is referred to COSASE for processing as per the Rules of Procedure.

REPORT OF THE AUDITOR-GENERAL ON THE FINANCIAL STATEMENTS ON BANK OF UGANDA FOR THE YEAR ENDED 30 JUNE 2022

3.37

MR SOLOMON SILWANY (NRM, Bukooli County Central, Bugiri): Mr Speaker, I beg to lay the Report of the Auditor-General on Bank of Uganda for the year ended 30 June 2022. I beg to lay.

THE DEPUTY SPEAKER: Thank you. The report is referred to COSASE for processing as per the Rules of Procedure.

REPORT OF THE AUDITOR-GENERAL ON THE FINANCIAL STATEMENTS ON MINISTRY OF SCIENCE, TECHNOLOGY AND INNOVATION FOR THE YEAR ENDED 30 JUNE 2021

3.38

MR SOLOMON SILWANY (NRM, Bukooli County Central, Bugiri): Mr Speaker, I beg to lay the Auditor-General’s Report on the Ministry of Science, Technology and

Innovation for the year ended 30 June 2021. I beg to lay.

THE DEPUTY SPEAKER: Thank you. The Report is referred to the Committee on Public Accounts (Central Government) for processing, as per the Rules of Procedure.

REPORT OF THE AUDITOR-GENERAL
ON THE FINANCIAL STATEMENTS
ON THE PRIVATISATION AND
UTILITY SECTOR REFORM PROJECT
(DIVESTITURE AND REDUNDANCY
ACCOUNTS) FOR THE YEAR ENDED 30
JUNE 2021

3.39

MR SOLOMON SILWANY (NRM, Bukooli County Central, Bugiri): Mr Speaker, I beg to lay the Auditor-General's Report on privatisation and Utility Sector Reform Project (Divestiture and Redundancy Accounts) for the year ended 30 June 2021. I beg to lay.

THE DEPUTY SPEAKER: The report is referred to COSASE for processing as per the Rules of Procedure.

REPORT OF THE AUDITOR-GENERAL'S
REPORT FOR PRIVATISATION AND
UTILITY SECTOR REFORM PROJECT
(OPERATIONS ACCOUNT) FOR THE
YEAR ENDED 30 JUNE 2021

3.40

MR SOLOMON SILWANY (NRM, Bukooli County Central, Bugiri): Mr Speaker, I beg to lay the Auditor-General's Report for Privatisation and Utility Sector Reform Project (Operations Account) for the year ended 30 June 2021. I beg to lay.

THE DEPUTY SPEAKER: Report referred to COSASE for processing as per the Rules of Procedure. Thank you, Commissioner.

PRESENTATION OF REPORTS OF
PARLIAMENTARY DELEGATIONS
ABROAD PURSUANT TO RULE 33 OF
THE RULES OF PROCEDURE

THE DEPUTY SPEAKER: Clerk, these reports will have to wait. I need to ensure that today, we handle items seven and eight.

MOTION FOR ADOPTION OF THE
REPORT OF THE COMMITTEE ON
RULES, PRIVILEGES AND DISCIPLINE
ON THE INQUIRY INTO ALLEGATIONS
OF MISCONDUCT AND MISBEHAVIOUR
MADE AGAINST HON. PERSIS
NAMUGANZA PRINCESS, MP BUKONO
COUNTY, AND MINISTER OF STATE
FOR LANDS, HOUSING AND URBAN
DEVELOPMENT

THE DEPUTY SPEAKER: Thank you. Colleagues, you received this report. I will open debate for one hour and thereafter, I will allow Hon. Namuganza to make responses and then, we vote on the final recommendation of the report. I open the debate now for colleagues who are ready to submit.

MR KATUSABE: Thank you, Mr Speaker. A fortnight ago, I raised a matter in regard to a nurse, now deceased, who was accompanying a patient to Buhinga Referral Hospital. On the way to the hospital in Kibiito Town Council, in a Government ambulance that caught fire and ended up killing the nurse -

THE DEPUTY SPEAKER: Honourable member, can you raise your procedural matter? We do not need history. Point of procedure is in rules.

MR KATUSABE: The late Peter Baluku -

THE DEPUTY SPEAKER: Please, respect the presiding officer. Under what rule are you raising a point of procedure? What procedural point do you have?

MR KATUSABE: My procedural issue, Mr Speaker, is that you directed that the Government makes it known what it is that they were going to do for the family.

The Prime Minister made a commitment that day that the family would be compensated. Wouldn't it be procedurally right for the Prime Minister to make a communication on the position of the Government, especially this festive season when that family will not have a family head and the fact that I communicated on this Floor that the sons and daughters of the deceased are out of school because of the inability to pay for their tuition fees? Thank you.

THE DEPUTY SPEAKER: Honourable member, this matter would have been raised tomorrow during the Prime Minister's Time because the Prime Minister is going to be here. I have also allowed you, Members, to also raise oral questions. I do not find it a procedural matter. Please, raise it tomorrow. I will give you space tomorrow.

MS NAMUGANZA: Thank you, Mr Speaker, for the opportunity. You have said you deferred discussion on the report, which was tabled before this House and now, you have informed Members that you have opened the debate. However, Mr Speaker, I want to inform you that the report -

THE DEPUTY SPEAKER: Honourable member, under what point did you stand up?

MS NAMUGANZA: Information.

THE DEPUTY SPEAKER: No. Honourable member. To raise a point of information, there must have been someone holding the Floor. However, you can request from me if you want to first give some highlights or responses before we debate. Is that the aim?

MS NAMUGANZA: Yes.

THE DEPUTY SPEAKER: If that is the aim, then, I grant it.

MS NAMUGANZA: Thank you. I would like to inform the House that I perused the report, which was tabled before this House, but I found that it contravenes or offends several Constitutional provisions. Therefore, I have

made a petition to the Constitutional Court No. 41 of 2022, challenging the actions, findings and conclusions of the committee report, which was tabled before this House.

The Attorney-General has already been served. We have been looking for Hon. Rev. Fr Onen to serve him since he is part of the petition. After this House, he will be served. Therefore, under Rule 73 of the Rules of Procedure, this matter is sub judice. I want to refer Members to rule 73(5). It reads "*A Member shall not refer to any particular matter, which is sub judice*". That is the information I wanted to give the House.

THE DEPUTY SPEAKER: Thank you.

MS NAMUGANZA: Before I sit, I want to refer Members to rule 85, that is, on general behaviour.

(Text expunged.)

THE DEPUTY SPEAKER: Thank you. Honourable colleagues, please. You have now started talking to yourselves; we are still in the House.

One, Hon. Persis Namuganza raised a procedural matter that the proceedings we are in now are sub judice. Luckily enough, Hon. Namuganza – my sister and friend – I have been in the office since morning. I have not received any single Government official coming to me to talk about this issue today. We talked about it yesterday, but not today.

Two, I announced yesterday and my office has been open – Members came to book and consult on matters of national importance but nothing has been brought to my attention, that you went to Court.

Also, you have made it very clear that you have not served Parliament; you served the Attorney-General. Parliament is different from the Attorney-General. *(Applause)*

Rule 80 of the Rules of Procedure prohibits me, as a presiding officer and this House, to act in anticipation. So, for us to sit here and

anticipate that there is a court order or someone has gone to Court, would be against the Rules of Procedure.

Luckily enough, you have said it is not a court order – you said you have served. If you have served the Attorney-General, you have not served Parliament. The moment you serve Parliament, it will be brought to our attention and we shall know what to do next.

Thirdly, honourable colleague, it is unfair for you to refer to a code of conduct and you behave contrary to it. *(Applause)* It is unfair. Honourable member, that was unfair and you had really moved well, but I do not know what happened along the way. *(Laughter)*

So, I direct the Clerk to expunge the last submission off the record of Parliament. Let us proceed with the debate.

MS NAMUGANZA: Procedure, Mr Speaker.

THE DEPUTY SPEAKER: I will again allow Hon. Namuganza on procedure. After, I will allow Hon. Asuman Basalirwa.

MS NAMUGANZA: Mr Speaker, with that, the Attorney-General, who, under our laws is allowed to be served - Before I proceed, I beg to lay on the Table a copy of the petition.

Mr Speaker, the rule is very clear and I want to read it again. It is Rule 73 of the Rules of Procedure;

“73 Sub judice Rule

1. *Subject to subrule (5) of this rule, a Member shall not refer to any particular matter which is sub judice.”*

Once matters are in Court, they are sub judice. Mr Speaker, I want to clearly put it that “referring” means even not to mention – *(Interjections)*

THE DEPUTY SPEAKER: Honourable colleagues, first listen to me. We have an aggrieved colleague and I am giving her chance. Let us give her chance.

MS NAMUGANZA: Mr Speaker, that is why Parliament has been violating our own rules. I am reading the rules that govern us. Is this Parliament above the law?

THE DEPUTY SPEAKER: Thank you. Honourable colleagues, a Member has risen on a point of procedure – don’t you want me to rule on her point of procedure? Hon. Namuganza;

One, the same rule 73 you are reading, subrule (5) says:

“The Speaker shall make a ruling as to whether a matter is sub judice or not before debate or investigations can continue.”

I have made a ruling. *(Applause)*

Two, Rule 87 of the Rules of Procedure says my ruling is final. If you are dissatisfied with it, you will challenge it with a motion.

Three, this Parliament is not above the law and that is why you took us to Court and lost. *(Laughter)* You took this Parliament to Court to stop the investigations of the committee and Court ruled in favour of Parliament. Parliament complied with the Court ruling and went ahead.

Honourable colleagues, I would propose that we look at the merits and demerits of the debate. Hon. Katuntu, the chairperson of the rules committee, did you want to give guidance?

3.53

THE CHAIRPERSON, COMMITTEE ON RULES, PRIVILEGES AND DISCIPLINE

(Mr Abdu Katuntu): Thank you very much, Mr Speaker. Sometimes, it is very dangerous to read the rules halfway. It is true, as Hon. Namuganza submits, that rule 73(1) says: *“Subject to subrule (5) of this rule, a Member shall not refer to any particular matter which is subjudice.”*

I wish she had gone ahead to read the next subrule - let me read it for you.

“73(2) A matter shall be considered subjudice if it refers to active criminal or civil proceedings and in the opinion of the Speaker –” I emphasise ‘in the opinion of the Speaker’

“– the discussion of such matter is likely to prejudice its fair determination.”

Rule 73(1) alone does not define “sub judice”. If you want the definition of “sub judice”, go to subrule (2). Subrule (2) says it has to be “in the opinion of the Speaker”. If the Speaker is not aware of the content, how can he, therefore, determine that the matter you are raising is sub judice or not and will likely affect the fair determination of your petition?

So, it is until it has come to the attention of the Speaker and, in his own determination, it is likely to prejudice the fair determination of the matter in Court. So, Hon. Namuganza, if you want to quote subrule (1), read subrule (2). That is the only rule that governs the ruling of the Speaker on whether the matter is sub judice or not. Thank you, Mr Speaker.

THE DEPUTY SPEAKER: Thank you. Honourable colleagues, why don't we go to the debate? It is now settled. We are going to be repeating ourselves. I hereby open up the debate. Members of Parliament who are ready to debate, please, stand up. I am starting with Hon. Gilbert Olanya, Hon. Kimosho, Hajji Iddi, Hon. Silwany and Hon. Macho.

3.56

MR GILBERT OLANYA (FDC, Kilak South County, Amuru): Thank you, Mr Speaker. I would like to appreciate the committee for the wonderful report –

THE DEPUTY SPEAKER: Two minutes each.

MR OLANYA: Mr Speaker, look at the statement of the committee in its engagement with Hon. Namuganza – the words she was using to refer to these Members of Parliament. I think the House and the honourable members you are presiding over should be shown respect. The kind of statements that the honourable minister was making all along on radios, televisions and through *WhatsApp* are totally uncalled for. We need respect in this House, Mr Speaker.

Secondly, the honourable minister has stated clearly that she is organising to serve Hon. Charles Onen, who read the statement, in his personal capacity. I would like to put it clearly that Hon. Charles Onen, who read this statement, did it as the committee chairperson, not as an individual.

Therefore, Mr Speaker, we need to respect one another. Taking Hon. Onen to Court is a waste of time and resources. *(Laughter)*

THE DEPUTY SPEAKER: Colleagues, order. It seems Hon. Fr Charles Onen is not happy for being denied an opportunity to be taken to Court. However, honourable member, do not mind. They will take you to Court.

MR OLANYA: Mr Speaker, I think Hon. Onen did not hear the statement well.

THE DEPUTY SPEAKER: No, do not repeat that.

MR OLANYA: Thank you, Mr Speaker. Let us have respect for this Parliament.

Therefore, I really feel this time - good enough, since this Parliament started, we have never censured any minister. I pray that this will be the first minister to be taken back to the appointing authority. Let us ask the appointing authority to give us a minister who respects Parliament and the Speakers. I call upon honourable colleagues; let us move and act. I call upon the appointing authority to give us another minister.

THE DEPUTY SPEAKER: But honourable colleagues, as you debate, let me clarify for you: you are not debating a censure motion; the censure process is provided for both in the Constitution and in our rules.

You are debating the findings and recommendations of the committee report. In addition, even if you are to go through any process, the Hon. Namuganza must be given a fair hearing; that is what the law says.

Therefore, you need to know that there is nothing conclusive you are doing here. You are only debating the findings and recommendations, which might lead you to another process. I hope that is very clear.

4.00

MR DAN ATWIJUKIRE (NRM, Kazo County, Kazo): Thank you, Mr Speaker. I have gone through the report. My big concern is not about Hon. Namuganza but rather about the dignity of this Parliament. If we are Members of Parliament worth the name, we must be seen to protect the institution of Parliament.

Mr Speaker, separation of powers requires that an institution is left to act independently and check others.

If we are the ones insinuating everything wrong with Parliament, how best are we helping this country? The courts of law have maintained dignity because they are very solid in their operations. Actually, I think, if you are convicted of contempt of Court, you may not even appeal - the lawyers may need to guide us.

Therefore, my issue is - and I have heard some other ministers talking negatively about Parliament and the presiding officers. We need to know that the front bench is a temporary junction. And if God has granted you the opportunity, do not use it to demean the point of origin, which is Parliament.

We have Hon. Nsaba Buturo here, he was a minister; we are sitting with Hon. Opendi, and she was also a minister. Therefore, if we allow this - *(Interjections)* - I need protection, Mr Speaker.

Mr Speaker, if we allow anyone to put - *(Member timed out.)*

THE DEPUTY SPEAKER: I had allowed Hon. Iddi.

4.02

MR IDDI ISABIRYE (NRM, Bunya County South, Mayuge): Thank you, Mr Speaker - *(Interjections)* - I need your protection, Mr Speaker.

THE DEPUTY SPEAKER: Yes, you are protected, honourable colleague. Let us listen to one another. I will start here and thereafter, I will go that side.

MR ISABIRYE: Mr Speaker, the report was presented on the same matter before the honourable colleagues, the Members of Parliament. Hon. Persis Namuganza is a minister, a Member of Parliament and a human being who can be wrong.

However, what is important in this is to apologise to this honourable House because an apology, if made on this Floor of Parliament before us Members of Parliament, can be formal.

I saw my sister, Hon. Persis Namuganza, serve the Attorney-General on matters in which she is being investigated. I think everyone of us has made mistakes. However, the appeal that I want to make to Hon. Persis Namuganza, is to make a formal apology on the Floor of Parliament before the House can decide her fate. I thank you, Mr Speaker.

THE DEPUTY SPEAKER: Thank you. I had allowed Hon. Silwany. Colleagues, I am going to allow as many of you as possible.

4.04

MR SOLOMON SILWANY (NRM, Bukooli County Central, Bugiri): Thank you, Mr Speaker. Honourable members, I implore you; humility is godly and it is a virtue. The most important thing that we have, as human beings and as Members, is humility.

There are leaders in this country who have shown a lot of humility, for example, the Rt Hon. Prime Minister, Ms Nabbanja, a leader at that level -

THE DEPUTY SPEAKER: And Hon. Ssenyonyi.

MR SILWANY: Sometimes, you find her moving on boda boda, doing a lot of work with a lot of humility. Mr Speaker, no one is above the law and no one is above others. You do not lose anything by acting with dignity, to respect your fellow Members and to respect the sanctity of Parliament.

We have to stand strong as a Parliament and I implore Members; when it comes to the dignity and the name of this Parliament, we must defend it to the bone marrow, honourable members.

I will stand with the Parliament. I thank Hon. Katuntu and Hon. Onen for the elaborate report and the very good recommendations they made. I want us to debate this and know that we are debating to instill discipline and to understand that the decisions we are going to take will impact on what will come to this Parliament in future.

I, therefore, support the committee report and thank the committee members for coming up with such an elaborate report.

I beg to submit.

THE DEPUTY SPEAKER: Thank you.

4.06

MR GEOFFREY MACHO (Independent, Busia Municipality, Busia): Mr Speaker, I thank Fr Onen and our counsel, Hon. Katuntu, for a wonderful report. The committee did very good work.

The issue concerning my beloved sister, Hon. Namuganza, is an issue - when you read the recommendations of the report - that concerns character, behaviour and upbringing. *(Laughter)* I am building my foundation on that matter.

THE DEPUTY SPEAKER: No, Hon. Macho. On issues of upbringing, you are bringing in the parents of an honourable colleague.

MR MACHO: Mr Speaker, I withdraw that. In the committee's observations, it is stated that Hon. Namuganza exhibited disrespectful behaviour. On several occasions, she did not appear in person as required. On Wednesday, the 14th of September when she appeared before the committee in person, she was there one and a half hours later and did not apologise for her late coming. This means that the issue of apologising, which my brother has talked about, is not in her vocabulary at all.

Further, the report from the committee states that Hon. Namuganza walked out of the meeting in protest stating that the proceedings of the committee were not legal. I pray that as we proceed, Hon. Namuganza should not walk out. Mr Speaker, direct the Sergeant-at-Arms to be on standby so that Hon. Namuganza sits here and we submit on this matter and finish it once and for all, so that she goes into the books of history of this regime - the NRM - as a minister who has been a role model in bad character, misbehaviour and walking out on others. *(Laughter)*

Mr Speaker, I give a lot of respect to Hon. Katuntu and the committee because they concluded very well. Listen, colleagues, to the conclusion: "The committee..." *-(Member timed out.)*

4.09

MS SUSAN AMERO (Independent, Woman Representative, Amuria): Thank you, Mr Speaker. I thank the committee for the good report they have presented. As a woman, it is very embarrassing for me to stand here and listen to a report that regards a woman who has taken this Parliament for granted and decided to think that she has a monopoly of madness. *(Laughter)*

THE DEPUTY SPEAKER: Honourable colleague, please. Hon. Amero, what you are insinuating is that a colleague is mad and she is competing with other mad people. That is totally wrong. It is unacceptable language. Please, withdraw that.

Honourable colleagues, we can debate and express our emotions with parliamentary decorum.

MS AMERO: Mr Speaker, very aware that all of us here are not okay - to be very honest, all of us have a certain degree of madness. When you reach somewhere, there is a way things happen. The level differs.

Therefore, for one person to continue disturbing this honourable House and thinking that she can attack everybody else –

THE DEPUTY SPEAKER: Honourable member, I guided you. If you are mad, it is okay but you do not declare all of us mad. *(Laughter)* You have said, “madness” and a colleague says she is not. I request you to withdraw that. You and I can be mad but we do not impute it on a colleague.

MS AMERO: Mr Speaker, it is not my saying, it is psychology which says so –

THE DEPUTY SPEAKER: Honourable member, you are pushing me into a corner. Just withdraw that.

MS AMERO: Okay, I withdraw.

THE DEPUTY SPEAKER: Thank you. Continue with your submission.

MS AMERO: With duress, of course. I am very surprised that in the 10th Parliament, the same Member was on the neck of another leader of this House. This time again, the same Member is standing up to think that because she is on the Frontbench, she cannot be touched. Really? We are going to be tempted to touch her this time. I pray that a motion of censure be put before this House very quickly. Thank you.

4.13

MR BASHIR LUBEGA (NRM, Mubende Municipality, Mubende): Thank you, Mr Speaker. I also want to add my voice to thanking the committee for the work well done. In countries where fighting corruption is very serious like in Australia, the moment you

are dented, you do not wait to be convicted. The moment you are doubted or suspected of corruption issues, you just step aside.

Take the example of Rwanda recently where a Member of Parliament was found drunk and he decided to willingly resign from the job. Hon. Namuganza has shown a lot of remorselessness. Even in the courts of law, a judge would say, “Because the person is remorseful, I sentence him or her to caution.” However, if the person is remorseless, it can be a different decision.

What we can see here is that the honourable minister is too pompous and contemptuous. We are looking at a lot of political chest-thumping. We should walk the talk. We are preaching against corruption and indiscipline of this case but we do not seem to be walking the talk. What are the factors that underlie this discrepancy between principle and practice? *(Member timed out.)*

THE DEPUTY SPEAKER: Honourable colleagues, I want to first make clarification. This investigation was not about the role of Hon. Persis Namuganza in the Naguru land issue. It is about the conduct after the report had been passed by this House - the reaction and statements she made. I do not want the two to be mixed to say that the committee found her to have involved herself in the Naguru land and so, they are putting her to disciplinary action. They are not at all related.

On issues of Naguru land, the action taken report was presented and we have handled it. This is about the conduct after. I wanted that to go on the record. Hon. Amos, you are next. I am allowing only two minutes. Rt Hon. Prime Minister, I will allow you towards the end.

4.15

MRAMOS KANKUNDA (NRM, Rwampara County, Rwampara): Thank you, Mr Speaker. I want to thank the committee that handled the report. Having perused it and been reminded of what I saw on television and on the social media, and again, a point I thought initially was a mistake, I saw the honourable minister conduct herself on the Floor of Parliament - a matter that confirmed her conduct.

Even when a colleague, Hon. Iddi proposed that maybe an apology would suffice, I turned to look at her and noticed she was shaking her head in denial, yet, I thought that was the leaf extended to her to reconsider her position.

Mr Speaker, we should conduct ourselves with the decorum that this Parliament deserves. The words, the diction, the nonverbal cues that were expressed by the honourable minister, in my opinion, do not reflect the position she is in.

It is, therefore, unfortunate that even some of us that did not know this honourable minister in detail, are now questioning and reconsidering the positions that Members are echoing here.

It is important that we do not encourage such conduct of a Member – *(Member timed out.)*

4.18

MS DORCAS ACEN (NRM, Woman Representative, Alebtong): Thank you, Mr Speaker. I thank the Committee on Rules, Privileges and Discipline for a job well done. Indeed, the recommendations of this report are an eye-opener. When you look at most of the recommendations they have proposed, I want to support again, the idea of Parliament orienting Members on our code of conduct so that Members get to know what is expected of them.

If that is not done, I think we are taking it for granted. It would be very unbecoming to see the honourable minister or even a Member of Parliament - for the community that is watching us, this is a matter that concerns the image of Parliament and the public can lose confidence in the integrity of Parliament.

Mr Speaker, I would like to urge that as we speak in this House, we should be mindful that Ugandans out there are looking at us like role models. I really want to urge the honourable minister that we do not even have reason to believe or refute any statement that the committee came up with against her because of what she has displayed in the House - bringing the Speaker of Parliament and Hon. Magogo into these matters will cause a lot of integrity issues in this Parliament. I beg to submit.

4.20

MS CHRISTINE APOLOT (NRM, Woman Representative, Kumi): Thank you very much, Mr Speaker. I rise on Rule 91 of the Rules of procedure on defamatory statements investigated by the Committee on Rules, Privileges and Discipline.

When you look at other provisions of rule 91(1), (2) and (3), you notice that they are very clear on the steps that are normally taken on matters related to this.

I thank the committee and Members, but Mr Speaker, the repeated absentia of the honourable minister from the committee several times is already an indication of an existing gap.

I, therefore, second the proposal from one honourable colleague that should the minister fail to apologise, then we apply rule 91(3), which says: *“Where a Member refuses to render an apology in accordance with subrule 2, the Speaker, upon the circumstances of the matter being reported to him or her by the Chairperson of the Committee on Rules, Privileges and Discipline, shall suspend that Member for the duration of the session.”*

So, it is very important that this matter comes to an end with the behaviour and commitment by the honourable minister. However, honourable members, when we go to our constituencies - some of you could have heard statements from our voters, where they normally talk about the quality of the Members of the 11th Parliament. Therefore, can we turn to the Rules of Procedure?

Mr Speaker, I second the proposal of the committee that maybe, you give us another chance - *(Member timed out.)*

4.22

MR DAVID KABANDA (NRM, Kasambya County, Mubende): Thank you very much, Mr Speaker, for this opportunity. I take this opportunity to thank the committee for the good report and the strong recommendations therein.

The honourable minister against whom the committee recommended censure because most of us have not talked about it, according to the statement made by Hon. Susan Amero, is known for disrespecting this House. This is not the first time. She did it and I heard about it in the Tenth Parliament; that she walked away free; nothing was done to her.

The other day, she was on television belittling the House, where she earns a salary from. She was belittling the leaders of this Parliament and said they are like class monitors.

Yesterday, she was on a Cabinet *WhatsApp* group belittling us *–(Interjections)–* yes, I have copies of her *WhatsApp* messages, where she said that most of us are lousy and that the leadership of Parliament is *–(Interjections)–* yes, I have copies of those *WhatsApp* messages.

Nobody is going to intimidate me, Rt Hon. Prime Minister. When I was here, one of the ministers told me *–(Interruption)*

MR OBOTH: Thank you, Mr Speaker. The procedural matter I have is: Hon. David Kabanda has referred to messages from a *WhatsApp* group for Cabinet ministers and you all know the ministers in this republic and I happen to be in that *WhatsApp* group.

Parliament of this nature - this is a National Assembly - should gain respect and repute by doing evidence-based debating. Yes, he said that he has the *WhatsApp* message but I can say that the Cabinet *WhatsApp* group where I am a member did not have anything like that.

THE DEPUTY SPEAKER: Colleagues, can we listen to a member of the Cabinet?

MR OBOTH: Mr Speaker, the debate of this House should be guided. I stand to be challenged by Hon. David Kabanda that he is not proceeding well when he is referring to the

THE DEPUTY SPEAKER: Hon. Oboth, just take a seat. Do not mind, I have allowed Hon. Ssegona because you, colleagues, are

raising very many issues and you are tickling yourselves.

MR SSEGGONA: Mr Speaker, it pains me to put my brother, Hon. Oboth, to order.

It is commonsense that you give evidence about what you know, not what you do not know; what you saw, not what you did not see. My brother, the Honourable Minister of State for Defense and Veteran Affairs rose on a point of procedure.

One, a point of procedure relates to the manner in which the House is proceeding. Two, the honourable minister says, “I am on the platform; I did not see.” He can only talk about what he saw. You cannot say “Are we proceeding well by entertaining what I did not see?” *(Laughter)* Is the honourable minister in order to abuse that point of procedure?

THE DEPUTY SPEAKER: Hon. Kabanda, a minute. I met Hon. Kabanda; he came to my office and he was feeling really disturbed because he told me someone forwarded to him a message from the Cabinet platform. If ministers think whatever they say there is very private *–(Laughter)–* they need to first know their own and clean up their house. It is like a Member outside here saying “You posted this on a Parliamentary *WhatsApp* group” and I say, “You are not in Parliament; you are not a Member of Parliament, how did you know?”

Hon. Oboth raises the issue of emphasising evidence. If he emphasised and said, “Hon. Kabanda, show us evidence here that it is posted.” Members, you can forward a message but Hon. Oboth can say, “Show me the Cabinet platform where it is posted or a screenshot.” So, Hon. Kabanda, if you can clarify more, we would be glad.

MR DAVID KABANDA: Thank you very much, Mr Speaker. The Minister of State for Local Government has just confirmed to me here: “We have seen the message but it is Hon. Ntabazi who sent it to you”. She has just confirmed it here. *(Laughter)*

THE DEPUTY SPEAKER: Procedure, Hon. Basalirwa? Hon. Busingye, please, wait a bit. I am going to give you chance. Hon. Basalirwa, please.

MR BASALIRWA: Mr Speaker, I thank you. The issue at hand is very simple: there is a statement by Hon. Kabanda about a post on a Cabinet platform. Wouldn't it be procedurally correct that Hon. Kabanda shares with this august House the message for purposes of –?

The concern of Hon. Oboth is raising an assumption that perhaps, Hon. Kabanda is submitting without evidence and even says that this is an evidence-based House. Mr Speaker, I seek your indulgence: can that matter be settled by sharing that message with us?

THE DEPUTY SPEAKER: Honourable colleagues, Hon. Basalirwa is bringing you on a very clear line. You are bringing contention over a message you do not know. What if the message said, "I love you, Kabanda." So, I think it is important that we get from Hon. Kabanda the exact message.

Two, I learned from Hon. Margaret Muhanga, a senior journalist, that in successful journalism, you do not reveal your sources. Now Hon. Kabanda has revealed his sources but let us allow him. Then, members of the Cabinet will know whether, indeed, it was posted or not.

MR DAVID KABANDA: Mr Speaker, I would like to request that you allow me share this message with our - (*Interjections*) – not on our *WhatsApp* group -

THE DEPUTY SPEAKER. Please, read it for the record.

MR DAVID KABANDA: Hon. Ntabazi posted something on the Cabinet platform group. The message reads as follows: It is from Hon. Namuganza – this is from you, you also know it –

THE DEPUTY SPEAKER: Hon. Kabanda, please.

MR DAVID KABANDA: She said "*He is a lousy fellow who does not deserve any attention. We have been with him in the NRM Youth League and he has always been controversial. A Member of Parliament. Maybe the only thing he can do is to deliver birthday gifts.*"

THE DEPUTY SPEAKER: Was she writing about you?

MR DAVID KABANDA: Yes. "*The 11th Parliament is known for being used by the Rt Hon. Speaker of Parliament through bribes and giving trips.*"

Further information that I wanted to give you, Mr Speaker, is that the same minister was heard this morning – (*Member timed out.*)

THE DEPUTY SPEAKER: Please, conclude.

MR DAVID KABANDA: The same minister, Hon. Namuganza, was heard this morning telling a colleague "Do not worry, I am going to handle that Parliament; I have already given money to each of them and they are going to be by my side." She was heard this morning and she was here distributing money. Hon. Walyomu is one of those who was distributing money on her behalf. (*Laughter*) I beg to submit.

THE DEPUTY SPEAKER: Hon. Walyomu, order?

MR WALYOMU: Thank you, Mr Speaker. I value this institution and I really value everybody who is called "Honourable Member of Parliament" because this is not my first time in this House. This is my second term. So, this is not a playground. This is not a national theatre where an honorable member stands and starts deceiving the whole nation, when the whole world is watching us.

Is the honourable member in order to lie to this honourable House that I was given money? Was it delivered by the honourable member?

Mr Speaker, I have taken long - it is coming to a year without even talking to Hon. Namuganza. I do not fight other people's wars.

Mr Speaker, if you want to know a Member who does not corrupt this House, I am one of them. I will not be corrupted; I made up my mind. If I decide that I am on this side, I go by that, but not by the virtue of money.

THE DEPUTY SPEAKER: Thank you, honourable member. Hon. Kabanda, the honourable colleague says you should table evidence and if you do not have evidence, it is always good to withdraw such a statement against a colleague.

MR DAVID KABANDA: Mr Speaker, it is evident – unless you have not been following what was happening this side. It was evident that Hon. Walyomu - you saw what was happening. He has been here attacking Hon. Macho, Hon. Solomon –

THE DEPUTY SPEAKER: Honourable member, the part I am talking about -

MR DAVID KABANDA: I am giving information –

THE DEPUTY SPEAKER: Listen, honourable colleague. The part that I am talking about is about Hon. Walyomu distributing money, not agreeing with a certain position. That is okay; I have watched. The one of distributing money imputes bad conduct on the honourable colleague.

MR DAVID KABANDA: Hon. Walyomu was given money to distribute. He has given a few Members and he is still keeping some. Let him distribute the money to the Members and it does its work. *(Laughter)*

THE DEPUTY SPEAKER: Hon. Kabanda, I am going to give you time to go and bring evidence. If you do not, we should have this expunged from the record.

Honourable colleagues, you have diverted the debate. Can we go back on track?

4.38

MR MEDARD LUBEGA SSEGGONA (NUP, Busiro County East, Wakiso): Mr Speaker, on my part, I rise, with pain, to

support the committee both in its findings and recommendations, except one. The part where I differ from the committee is on the wording of the –

THE DEPUTY SPEAKER: Honourable colleagues, let us listen to one another.

MR LUBEGA SSEGGONA: Mr Speaker, the part where I beg to differ from my colleagues in the committee is on the recommendation for censure. Censure is provided for in our laws. However, at this preliminary point, the only logical recommendation we can talk about is a censure process because “censure process” connotes due process.

Whereas I disagree fundamentally with what I have observed as the conduct of the honourable minister, I shall defend to death her right to a fair process. *(Applause)* This Parliament must act as the epitome of fairness. What that would connote, therefore, is that we talk about a process of censure, not censure, because we know how our rules and processes move.

Before I take leave, I still want to appeal to my sister, the minister: humility does not cost anything but it buys a lot. Just bury yourself in humility and know that we are your colleagues. We love you. In fact, part of this disciplinary process is intended to demonstrate our love for you. We are meant to make each other better people.

Finally, Mr Speaker, I do not agree with colleagues who insinuate that we should go back and do some form of orientation, especially when making reference to a senior member of this House – a minister – who is deemed to understand the rules of how we operate. In fact, to me, it is an insult to tell the minister to go back for orientation.

Surely, if a second-term Member of Parliament has not learned the conduct, you would be insinuating that she takes long to learn, which I think is not good or healthy. I pray that as we support this, we move an amendment to move from the use of the single word “censure” to say “a censure process”. I beg to submit. Thank you.

THE DEPUTY SPEAKER: Thank you.

4.42

DR ABED BWANIKA (NUP, Kimaanya-Kabonera Division, Masaka City): Mr Speaker, apart from being a Member of Parliament for Kimaanya-Kabonera, Masaka City, I am also a pastor. One of my preoccupations is to lead people to mercy.

Hon. Persis Namuganza, mercy begins by you accepting and recognising that you have done wrong. That is the humility that everyone is talking about. I call upon you, Hon. Namuganza, to take the route of mercy and apologise to this august House and the leadership thus: "I did wrong. I apologise. Please, forgive me."

Requiring and asking for apology is not for the small; it is something that takes boldness. We call upon you to take the route of mercy and apologise. I thank you, Mr Speaker. *(Applause)*

THE DEPUTY SPEAKER: Thank you. Honourable colleagues, you can see the route you are taking is more of a sober route. We are not attacking each other. We are taking the route of being humble.

4.43

MR ASUMAN BASALIRWA (JEEMA, Bugiri Municipality, Bugiri): Mr Speaker, I thank you. This Parliament assigned the Committee on Rules, Privileges and Discipline to investigate this matter. The committee had the opportunity to interact with witnesses. Not all of us had that opportunity but the committee did. We want to agree that the committee has made revelations that, perhaps, we did not know.

As a House, I suggest that we keenly follow the recommendations of the committee – because the committee was working on our behalf – and agree to support the recommendations in totality. They were doing work on our behalf.

Finally, Mr Speaker – and I just want to add to the submission of my senior learned brother, *Akalya Magwa, Nkuyege tetya ssabo*, Hon. Sseggoni – that the idea of this House

recommending a censure, yet, it is this very same House that is going to carry out the censure process, would undermine the concept of a fair trial. The colleague who will be appearing before us will be appearing before a House that has already adopted a recommendation for censure.

So, I would like to agree with him that we modify that particular recommendation to talk about a censure process, which would give the colleague an opportunity to defend herself. Otherwise, in its broad sense, we are going to fall into a trap of being judges in our own cause. I beg to submit, Mr Speaker.

THE DEPUTY SPEAKER: Thank you. Hon. Namuganza, do you want to make any statement with regard to what Members have suggested?

4.46

THE MINISTER OF STATE FOR LANDS, HOUSING AND URBAN DEVELOPMENT (HOUSING) (Ms Persis Namuganza): Mr Speaker, I am shocked – *(Laughter)* - to see that Members of Parliament can come here and make allegations without tabling evidence against a colleague on how I have given money, how I have said I have given money and how they have picked it from Cabinet platforms even when they are not members of that Cabinet platform. It lowers the dignity of this House. - *(Interjections)* -Yes.

Mr Speaker, my right to be heard is inalienable; I have a right to be heard. I am one individual against all of you. *(Laughter)* I have a right to be heard. Like I informed this House, I went to Court; I am still in Court. *(Laughter)*

THE DEPUTY SPEAKER: I have allowed the Prime Minister to speak; so, let her speak.

4.40

THE PRIME MINISTER AND LEADER OF GOVERNMENT BUSINESS (Ms Robinah Nabbanja): Mr Speaker, I thank you for giving me this opportunity. On behalf of Government and on my own behalf, I appeal to Members that when you are in such a situation,

you may sometimes fail to express your inner self. I want you to feel for her. *(Laughter)*
I am doing this in good faith.

Today – *(Interjections)* - Honourable members, we are all members of the same family and I want to beg you, on her behalf, to forgive her. *(Laughter)*

THE DEPUTY SPEAKER: Rt Hon. Prime Minister, can you invite the Member who is answering her own issues to come and extend the apology?

MS NABBANJA: Mr Speaker, recently –

THE DEPUTY SPEAKER: Colleagues, please, this is our senior leader; let us listen to her.

MS NABBANJA: Colleagues, I have never been to even an LC court in my life. I have never been in any court of law in my life. I have always tried to solve issues that come across my way. Like that, we have been able to deliver to our people. So, I wanted to request my sister – *(Interruption)*

THE DEPUTY SPEAKER: Hon. “Panadol”, please, wait.

MR MUGEMA: Thank you, Rt Hon. Prime Minister, for giving way. Mr Speaker, the information I want to give my “mother”, the Prime Minister, is that personally, I am a Musoga. I come from Busoga and I am serving my third term. Humility does not cost you anything. If the father of the “tweeting General” can apologise to the people of Kenya over what the ‘tweeting General’ has done, what about you? *(Laughter)*

Why don’t you apologise and we move on?

THE DEPUTY SPEAKER: Rt Hon. Prime Minister, please, resume.

MS NABBANJA: Honourable members, like many Members have said - let me give you an example: Do you remember recently when I went to Court in order to help an old woman

who was in prison? Today, I have been in the chambers of the Chief Justice. We have mended fences and life continues. *(Applause)* You know, in Luganda – I cannot speak Luganda here -

Let me, on behalf of Government, request my sister - It costs nothing. We do not need to drag this House into this. Can you, please, stand up and apologise? *(Applause)*

THE DEPUTY SPEAKER: Hon. Namuganza? The Prime Minister has made a request to the Member of our Frontbench. *[HON. MEMBER: “But that is coercion.”]* Please, do not access the microphone without my permission. Do you want to go through the same? *(Laughter)*

The Prime Minister has requested her minister to come and offer an apology. I do not know whether she wants to say something. Hon. Namuganza, I have allowed you. It is me allowing people to speak. Hon. Namuganza, do you want to say anything?

MS NAMUGANZA: Mr Speaker and honourable members, if I hurt you in any way, I regret. *(Laughter)*

THE DEPUTY SPEAKER: Point of procedure, Hon. Medard Sseggonja?

MR LUBEGA SSEGGONA: Mr Speaker, I rose up on a point of procedure. First, if there is anything that must be preserved –

THE DEPUTY SPEAKER: Colleagues. Hon. Walyomu, please, take your seat. Colleagues, please, take your seats.

MR LUBEGA SSEGGONA: Mr Speaker, if anything must be preserved and protected by this Parliament, it is conscience. The honourable minister has demonstrated that by her conscience, she does not want to apologise.

Secondly, discipline is a personal matter. It has nothing to do with the Government; it has nothing to do with leadership. I have been here observing and watching. The Rt Hon. Prime

Minister attempted to persuade her minister and she refused. What we are witnessing is a cagey statement and cosmetic apology, which she does not even believe in.

She says, "If I hurt..." Mark the word "if". She does not even believe she hurt us. She does not even believe she offended the rules of this House. She does not believe that she has brought us under and into disrepute.

Is it procedurally right for the Prime Minister to call her and then she makes a cosmetic apology?

THE DEPUTY SPEAKER: Colleagues, further procedure and then I will guide at once.

MR BASALIRWA: Mr Speaker, I thank you. When a report indicts you and you are drawn into apology, the apology is not done in a haphazard manner or in a casual manner. The apology is in itself a process.

You have to come over, appear in the dock, admit that you wronged us or the institution of Parliament or whoever it is and then, offer an unconditional and unqualified apology. It is not a statement done casually.

Therefore, Mr Speaker, my submission is that an apology is not a one-line statement - no. The due process in our rules must be followed if a Member is willing and ready to apologise upon being indicted by a committee report.

In the absence of that, Mr Speaker, I want to move a motion, under rule 59, that the committee report be adopted *mutatis mutandis*, I submit –(Interjections)– “as amended” is *mutatis mutandis*; that is what I said.

THE DEPUTY SPEAKER: Colleagues, you see, we have different types of apologies. - listen to me, I am the Speaker, you cannot say “no”. I am the one who rules, now you are saying “no.” (Laughter)

Now, apologies to do with statements made here - you come here and make an apology. Then, we have apologies that are recommended from reports of the House.

Therefore, meaning, for the apology of Hon. Namuganza to be formally accepted here and we discharge that item, firstly, the House has to adopt that, indeed, we accept an apology.

Secondly, we have to follow the formal process of an apology whereby a Member goes out, comes, stands in the dock and then, admits and says, “I am apologetic.” This would include withdrawal of the cases in Court because you cannot apologise when we are still in Court; you have us in Court and then, you apologise? Therefore, that would be a formal process.

Colleagues, we have a motion on the Floor. Therefore, I have to put the question on the motion. However, there is an amendment, which was proposed first. Hon. Ssemujju, do you have a procedural matter?

MR SSEMUJJU: Thank you, Mr Speaker, for allowing me to raise this procedure issue. If you allow me, just to give a one-sentence background.

Yesterday, we were here asking the ministers to table reports of actions taken. This Parliament spent the whole afternoon pleading with ministers as if they are angels.

Today, we have another case of a minister. The Prime Minister is pleading - in fact, I did not know that Hon. Namuganza is this powerful; now, I know. -(Laughter)

The Prime Minister is pleading, the Deputy is pleading and the whole Parliament is pleading.

Mr Speaker, this Parliament is supposed to make decisions following the rules, and not to plead with the people.

The procedural issue I am raising, Mr Speaker, is whether this Parliament has become a council of elders whose job is to plead and cajole instead of making decisions. That is the procedural issue I am raising, Sir. (Laughter)

THE DEPUTY SPEAKER: Thank you. Hon. Ssemujju, we have elders in this Parliament and they are always welcome.

There is a motion, please. However, before that motion, there was a proposed amendment. I propose that we first handle the amendment because the amendment from Hon. Sseggon was saying that Parliament commences the process of censure, not that Parliament censures. So, meaning, Parliament has not concluded and has not made a final decision on the fate of the honourable colleague. I want to put the question on that.

(Question put and agreed to.)

THE DEPUTY SPEAKER: We have a second motion, which says we adopt the report of the committee, as amended.

(Question put and agreed to.)

THE DEPUTY SPEAKER: So, we will start on the process. Honourable Leader of the Opposition -

5.02

THE LEADER OF THE OPPOSITION (Mr Matthias Mpuuga): Thank you, Mr Speaker. Now that the report of the committee has settled particular ghosts, I am very sure the Member so investigated is not an ordinary Member; she is smart at her work because, Mr Speaker, this particular report is a culmination of another report that speaks to impropriety and improper dealing by the honourable member.

In addition, I am very sure she would have loved this to really go on as the other bigger matter here fizzles. And for me, that is why I was quiet to see if this House is alive, to even a bigger matter, in which the honourable minister is involved.

Mr Speaker, because a decision was made on that other matter, I would like to seek your indulgence and ask, if it were not proper, for the Prime Minister, as part of action taken to report to the House. *(Members rose_)*

THE DEPUTY SPEAKER: Colleagues, we do not run this as a place for whistling - no, please, you must catch my eye, you have not caught my eye. Proceed.

MR MPUUGA: Mr Speaker, we beseech your kindness; you need to appreciate that Members sometimes get agitated over matters before us, and it calls for a level of calmness during complex situations.

The prayer I was making to you, Mr Speaker, is that while this was going on, we have a matter to which this House made a decision relating to the Hon. Kimosho committee and the decisions of that committee report are not contested.

Would it be proper, Mr Speaker, if you instructed the Prime Minister, as a way of action taken to report to this House in the immediacy - to what action was taken on that report and its attendant recommendations.

THE DEPUTY SPEAKER: Thank you. Honourable, the report was tabled and we received a response from the Leader of the Opposition, which was tabled on your behalf, by Hon. Medard Sseggon, as instructed.

The action taken report - there is a part, which was pending, whereby they have reported to the appointing authority; it is not the Prime Minister. Therefore, that was done and I propose that we do not reopen that.

Let us go to another item. LOP, if there is any dissatisfaction, you should raise it with us and as presiding officers, we will give you space on the Floor and task the Prime Minister to raise it. The action taken report was brought to the House - colleagues, we have closed this matter. Next item.

**MOTION FOR ADOPTION OF THE
REPORT OF THE COMMITTEE ON
TOURISM, TRADE AND INDUSTRY ON
THE PETITION OF KAMPALA CAPITAL
CITY TRADERS ASSOCIATION ON
UNFAIR TAXATION AND THE HIGH
COST OF CREDIT**

THE DEPUTY SPEAKER: Honourable colleagues, let us receive the committee report.

5.06

THE CHAIRPERSON, COMMITTEE ON TOURISM, TRADE AND INDUSTRY (Mr Mwiine Mpaka):

Thank you, Mr Speaker. I beg to lay the report of the Committee on Tourism, Trade and Industry concerning the petition raised by Kampala Capital City Traders Association (KACITA) about the unfair taxation and high cost of credit.

I also beg to lay the minutes of the meetings held by the committee.

Introduction

The Committee on Tourism, Trade and Industry hereby presents its report on the petition raised by KACITA regarding the unfair taxation and high costs of credit amongst other issues that the business community in Uganda is facing in the post COVID-19 era. Pursuant to its mandate, the committee undertook an investigation into the issues raised and agreed to report as follows:

Honourable members, in the interest of time, I will go to page 5 - the rationale of the committee's investigation.

On the 27 of September 2022, KACITA petitioned Parliament of Uganda to make interventions in the challenges faced by the business community in Uganda, particularly on the unfair taxation and high cost of credit, amongst other issues.

The Speaker, at the 34th Sitting of the First Meeting of the Second Session of the 11th Parliament, directed that the Committee on Tourism, Trade and Industry considers the matter and reports back to Parliament.

Terms of reference

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

1. To intervene in the matter and carry out an exhaustive investigation into the issues raised in the petition by KACITA concerning unfair taxation and the high cost of credit; and

2. To explore and give recommendations to the issues raised in the petition and report back to Parliament.

Mr Speaker, the methodology is on page 6 - the various stakeholders we met and the desk research we carried out are there too. I will go straight to the findings of the committee on page 7.

Findings, observations and recommendations

The committee examined the petition submitted, conducted stakeholder consultations, received memoranda and scrutinised documentary evidence available during the investigation. The committee, therefore, wishes to present on the following:

The high cost of capital and cumbersome loan appraisal processes

The committee was informed by the petitioners that the procedures for accessing funds from the Uganda Development Bank (UDB) are hectic and challenging to most local business people, yet, borrowing from commercial banks is very costly.

It should be noted that the Government of Uganda, in addition to the existing capital, allocated Shs 455.18 billion as a COVID-19 stimulus package in the Financial Year 2019/2020, to UDB, in an effort to provide for the much needed business cover, to keep the businesses afloat during and after the COVID-19 pandemic and thereby stimulate the economy under the programme, with a minimum loan threshold of Shs 100 million at an interest rate of 12 per cent per annum for a repayment period of up to 15 years, plus a three year grace period.

Additionally, potential borrowers must be registered legal entities groups. However, the committee was further informed that to-date, most small-medium enterprises that were the main target of the programme have failed to access the money.

The committee established that UDB is mandated to provide finance in form of short, medium and long-term secured loans, equity financing and project preparation, business advisory services to micro, small and medium enterprises and large-scale development projects in the key priority sectors of agriculture, agro-industry and manufacturing.

KACITA is mainly comprised of medium-small enterprises and the committee observed the following:

a) UDB lending interest rates

The committee also established that UDB disperses its loans at an interest of between 10 to 12 per cent per annum and the applicant has to pay an application fee of 0.75 to one per cent, which is still high for a recovering business. This makes UDB more of a commercial bank than a development bank.

b) UDB cumbersome credit appraisal processes

It was established that UDB's credit approval processes and high minimum lending thresholds of Shs 100 million are biased towards large corporate borrowers who have better business plans, better credit ratings and higher profitability - what we are saying is that they cannot give money to someone who is borrowing less than Shs 100 million, yet most of these small-medium enterprises do not require money above Shs 100 million.

c) UDB legal registration requirements make credit inaccessible to most medium and small enterprises

According to the Ministry of Trade, Industry and Cooperatives, a greater percentage of the medium-small enterprises are unregistered and operate informally, yet, these businesses are the backbone of economic growth in Uganda.

However, to access financial services from UDB, the medium-small enterprises must have undergone a legal process of forming a corporate entity with the Uganda Registration Services Bureau or to have registered as a cooperative or farmer group. This alienates

most medium-small enterprises from accessing the finances from UDB.

d) Lastly, UDB reliance on land titles as collateral excludes the medium-small enterprises, who are mostly financially constrained.

The committee observes that while financial institutions generally do not sanction credit to most medium-small enterprises due to lack of significant collateral, the situation is not any different with UDB.

It was established that collateral is discounted to the forced sale value, which disadvantages most medium small enterprises from accessing the loans above the threshold of Shs 50 million from UDB.

It was also noted during our interaction with the Minister of State for Finance, Planning and Economic Development, Hon. Anite, that the Shs 455 billion that was put in UDB was fixed in DFCU and most of the beneficiaries have never accessed this money to-date.

The second issue is about the poor mode of implementation of the electronic fiscal receipting and invoicing system.

Honourable members, in the interest of time, let me summarise in a preamble what this is. The Uganda Revenue Authority (URA) has brought a system to efficiently collect tax. You are meant to buy a machine and install it at your business. For whatever transaction, every receipt you print reflects at URA. This is what we call the Electronic Fiscal Receipting and Invoicing System (EFRIS). It is one of the challenges KACITA presented in its petition.

The EFRIS was introduced by URA in May 2020 to improve business efficiencies and reduce the cost of compliance through improved record keeping among taxpayers and mitigate tax administration shortfalls while promoting compliance efficiency. The system was supposed to be installed in traders' premises under the instruction of a consultant so that all transactions can be reflected on the URA systems.

URA informed the committee that they undertook several engagements with individual businesses and associations in preparation for the implementation. According to URA, big supermarkets were invited to participate in the voluntary pilot phase to adequately prepare them for the implementation because they had already had existing business transaction systems that could easily be integrated into EFRIS.

Furthermore, URA informed the committee that virtual sensitisation was undertaken amidst the COVID-19 pandemic. VAT registered customers were also encouraged to use self-learning videos that were available to be downloaded and viewed from the comfort of their homes or offices. So, this system is supposed to work in all businesses in the country but URA has decided to start with the VAT-registered businesses, which are supermarkets and hardware. Even the small kiosks are meant to install these systems in their shops.

URA further informed the committee that there was a general outcry from the business community to have an extension of the EFRIS implementation. This request was acknowledged and granted to all VAT-registered taxpayers for three months from 1 July 2022 to 30 September 2022. A further extension request was also made by Uganda Manufacturers Association (UMA) for an additional three months, which was also granted to all taxpayers.

URA informed the committee that during the extension period, they continued with the sensitisation and training of taxpayers on EFRIS. On 1 January 2021, URA rolled out EFRIS implementation and gave taxpayers another period of 10 months from 1 January 2021 to 30 September 2021 before enforcement.

According to URA, training and hand-holding sessions were held with the taxpayers at their premises to support the implementation when the lockdown was eased. On 20 September 2021, URA issued a public notice requesting taxpayers to comply. However, this compliance

did not start immediately according to URA and to-date, they are working with KACITA to ensure compliance through having weekly radio talk shows discussing initiatives, including EFRIS.

Furthermore, URA informed the committee that they have created dedicated units for both EFRIS and domestic taxes. In the interest of time, honourable members, allow me to go to page 11 straight to the issues that KACITA raised.

KACITA informed the committee that the EFRIS system came at a time when business was at a standstill and therefore, traders did not have enough time to comprehend what EFRIS was all about. KACITA further informed the committee that two weeks before the petition was presented to the Rt Hon. Speaker of Parliament, URA invaded shops in Nakasero and Nasser Road to check for EFRIS compliance by traders.

KACITA further stated that installing an operationalisation of the system has a cost burden of not less than Shs 20 million on traders because one has to buy a machine, buy software URA wants to integrate into their systems and hire a professional to install the software. In case you are illiterate, you have to hire a person to run this system in your shop every day. So, the total cost is not less than Shs 20 million.

The committee was further informed by KACITA that the penalty for any trader not able to operationalise EFRIS was in hundreds of millions and if one is not able to pay this, they were compelled to pay a bribe for fear of persecution by URA officials.

KACITA agrees that EFRIS is a very useful tool that traders need to embrace. However, they note that this is a very scientific tool that traders need to be sensitised about before enforcement and a complete rollout is undertaken. This would enable traders to appreciate, embrace and utilise it in their day-to-day business transactions.

What this means is that if you have a hotel, you have to install this system, which costs not less than Shs 20 million in the bar and at the reception. If you have a supermarket and you have five tills, you have to install it on all the tills and this has financial implications.

Furthermore, KACITA informed the committee that whereas URA responded that they had embarked on a mass sensitisation campaign to educate taxpayers on the features of this new system, the training was accessible to a selected few members of the public and henceforth, EFRIS remained a mystery to many traders.

The committee also carried out research and observed that this system requires taxpayers to identify the products or services they deal in from the URA's pre-set database. The software that you are given already has a pre-set database of all these commodities, which poses some challenges. It should be noted that businesses in Uganda today are very innovative and package their services or products to customers in unique ways that may not have been provided for in the URA database. It is, therefore, hard to assume that URA's database of products and services categories is exhaustive.

The committee also observed that some businesses in Uganda are owned and run by uneducated businessmen and women. This would, therefore, increase the cost of business since it requires hiring an extra educated person just to run the system. The committee observed that this system will help URA efficiently collect taxes when fully implemented.

The committee also took note of the fact that this system, at times, has network issues. So, when the network is down, it is hard for one to print or sell goods.

We also took note that there are already suppliers, for example, supermarkets that have installed this system. There are also some small shops. For example, when you look at Kikuubo, they have already installed this system, but other shops in Nateete and the rest have not installed the system, yet, they are receiving goods from the same suppliers. Therefore, they

are incurring unfair terms and thus, they have to increase the cost of their commodities.

The last issue that was handled by the committee in regard to the petition is the misclassification of animal feed concentrates as premixes. Mr Speaker, I would like to give a preamble about this issue. Uganda Revenue Authority has classified concentrates – before, they were not paying taxes because they were exempted from VAT and import duty. However, URA has classified them in a category known as “others”. What this means is that the cost of a tray that has been going for about Shs 13,000 in a shop will now go for about Shs 18,000 if this classification continues. The cost of a kilogramme of pork that has been going for about Shs 14,000 will go for about Shs 20,000. The cost of a kilogramme of beef will also have the same impact; a 28 per cent increment.

The petitioners informed the committee that URA is undertaking an exercise of reclassification of concentrates used in animal and poultry feeds to attract import duty of 10 per cent and VAT of 18 per cent. According to the petitioners, this is an illegal and irregular imposition of the tax, which has grave implications for trade across Ugandan borders and within the East African Community.

The petitioners aver that URA is demanding that they sign promissory notes to the effect that they shall pay the authority VAT of 18 per cent and import duty of 10 per cent on concentrates used in animal and poultry feeds that were imported since 2017. It means that all those people who have been importing concentrates and selling now have to pay the tax, yet, they have already sold these commodities to farmers.

According to the petitioners, clearance from customs is conditional to the undertaking of the promissory note to this effect. URA informed the committee that during their routine desk audit, it was established that importers of concentrates have been misclassifying concentrates as premixes under subheading 2309.90.10, which attracts an import duty of 0 per cent as opposed to 2309.90.90 for “others”, which attracts 10 per cent import duty.

Uganda Revenue Authority further informed the committee that they established that the importers have also been making declarations of imported concentrates under Customs Procedure Code 478, which is for animal feeds and premixes and exempt from VAT under the second schedule of the Value Added Tax Act, specifically item 1.

According to URA, the traders have been avoiding paying the 18 per cent VAT on the imported concentrates and import duty of 10 per cent by misclassifying them as premixes. This, according to URA, has led to the loss of revenue to the Government and the Authority now seeks to recover the said taxes from the traders since 2017.

According to URA, a concentrate is not a premix and, therefore, does not constitute supplies that are exempt under the second schedule of the VAT Act. URA avers that whereas a premix is composed of minerals and a base, a concentrate is composed of premix and protein feed. What we are saying is that a concentrate is like an advanced premix. They add what we may not get readily available in Uganda - *Mukene* and soya - into the bag known as a concentrate and import it into the country. So, all you need to do is add maize bran and broken maize into that mix, whereas the premix is the vitamins.

Available protein feed resources in Uganda so far are either animal (fish meal, meat or bone meal) or plant origin (soya bean meal, sunflower meal, cotton seed cake and groundnut cake). There are also under-utilised or neglected protein sources such as pigeon peas, cowpeas and chickpeas. A complete formulae granulate feed is, therefore, composed of premix protein feed and energy feed.

THE DEPUTY SPEAKER: Honourable chairperson, I read through your report and I am sure Members read it. That technical part was not so much the issue of KACITA – and I am glad you captured it. You need to highlight for us the part on how it disadvantages. It is mainly that part – whereby other countries are not charging this tax and it is giving advantage to the big people, leaving out the small players.

If you could touch that and then, go to the recommendations.

MR MPAKA: Thank you, Mr Speaker. Since the Attorney-General is here, allow me to read his opinion. The Attorney-General submitted a legal opinion on the issue of taxes to the committee. Whereas the committee appreciates his legal guidance, it was observed that the Attorney-General raised and resolved the issue of whether animal feeds, concentrates and others that fall in that category are exempt supply under the VAT Act.

In resolving the issue, the Attorney-General concluded that a concentrate is an ingredient or a component of an animal feed and, as such, it cannot be defined to be an animal feed since it is even unsafe if fed free choice or alone to an animal and is not an exempt supply or import under the VAT Act.

Firstly, the committee is aware that animal feeds are exempt supplies under the VAT Act and, as such, not under contention.

Secondly, it is the committee's considered opinion that the matter under contention is whether concentrates are not premixes envisaged under exemption of section 19 of the VAT (Amendment) Act, 2017. In other words, the committee required legal opinion on whether the reclassification of concentrates as imports attracting import duty and VAT, as proposed by URA's legal team, are justified in view of the VAT Act.

Whereas the committee agrees with the Attorney-General in his conclusion that concentrates are ingredients or components of an animal feed, the committee is of the view that concentrates are, indeed, premixes or preparations used in animal feeds and are, therefore, exempt under the VAT Act and the East African Customs Management Act, as discussed further hereunder.

The committee observes that the VAT Act of Uganda provides for tax rates of 18 per cent, zero per cent or exempt. Section 19(1) of the VAT Cap. 349 provides that the supply

of goods and services is an exempt supply if it is specified in the second schedule of the VAT Act. The second schedule of the VAT Act was amended by the Value Added Tax (Amendment) Act, 2017.

Honourable members, in the interest of time, if this is – because we are now comparing Uganda, Kenya and Tanzania. If at all we accept the classification of these concentrates under others, therefore, paying 18 per cent VAT and 10 per cent VAT, it would increase the cost of production of our eggs, beef and pork and, therefore, we would be the highest because Kenya and Tanzania are not charging any tax on concentrates. It means we would not be able to compete on the East African market.

The committee observes, as far as exemption of animal feeds and premixes from VAT is concerned, that it is not in contention that these are exempt supplies.

The committee further observes that the area of contention emanates from the sudden and rather unprecedented decision of URA to classify concentrates under a different code from that of premixes.

The committee, therefore, reviewed some of the VAT Acts of other countries within the East African Community and established that under the VAT Act of Kenya, exempt supplies are provided for under the first schedule. Item 43, under the first schedule, provides for materials, waste, residues and byproducts. In short, it is only Uganda that would be charging a tax on these concentrates.

The committee observed that the plight of the petitioners arises from both the allegation that URA and the traders are misclassifying concentrates and also from the decision of URA not to consider all items classified under 2309.90.10 and 2309.90.90 as preparations of a kind used in animal feeds.

The committee further observes – honourable members, I am sorry you may not follow. I am trying to break it down fast. The committee further observes that the decision by URA is rather outstanding and divergent from the

East African Community since both Kenya and Tanzania exempt all preparations used in animal feed under the said codes.

The committee also observes that Kenya and Tanzania expressly exempt all preparations of a kind used in animal feeds from both VAT and import duty. The countries achieve this through providing for the codes 2309.90.10 and 2309.90.90 as exempt under their VAT.

Honourable members, I am now on page 19. The committee, with considered disappointment, observes that the proposal by URA to classify concentrates under subheading 2309.90.90 as “other” under the East African Customs Union Harmonised Community Description and Coding System will result in Uganda being the only country in the East African Community, which classifies concentrates as such and, therefore, against the harmonised commodity description and coding system as well as the structure of the East African Community external tariffs.

The committee, with dismay, further observes that should Uganda be the only country in East Africa to classify concentrates under the subheading 2309.90.90 and, consequently, imposing VAT of 18 per cent and 10 per cent import duty on preparations for the use in the manufacture of animal and poultry feeds, this would have a seemingly retrospective effect by increasing the cost of production of animal and poultry products, therefore, disadvantaging Uganda’s animal and poultry products on the East African market.

For example, a tray of eggs in Uganda currently costs Shs 12,000 while in Kenya, it is Shs 15,000 and in Tanzania, it is Shs 17,000. Our eggs, which have been the cheapest in the region, would be projected to cost approximately Shs 20,000 upon reclassification of concentrates as taxable premixes for use in the manufacture of animal and poultry feeds, yet, these are exempt by all other countries in the East African Community.

The committee further observes that the decision to reclassify concentrates under subheading 2309.90.90 was not critically

analysed by URA and contravenes the VAT (Amendment) Act, 2017. This is because the Act generally exempts both the supply of animal feeds and premixes and does not specify or categorise premixes as URA seeks to do. This means that a trader who imports and pays VAT on a concentrate cannot transfer VAT to the final consumer.

The committee is distressed to observe further that, indeed, the contention by the petitioners and importers that the reclassification of concentrates attracts VAT and import duty of 10 per cent will only serve the interest of the big players because when you are a big importer, especially of animal feed and you are not going to sell it, you are exempt from tax, whereas the small-scale farmers who cannot import these goods will have to buy from people who have already paid this tax – people who are importing for sale – and they are going to compete in the same market.

Eventually, the small players will be pushed out because they cannot sell their eggs, for example, at the same cost as a big player who has not paid tax.

In essence, whereas big commercial farmers and importers such as Ugachick and Biyinzika will be exempted from paying taxes because they are importing products for use, the small players in the industry are the importers who import to sell to retailers and the majority small-scale farmers in Uganda will have to incur taxes. As an end result, the final products of these small players, farmers, traders and manufacturers will be significantly more expensive as compared to the big players, therefore, making them unable to compete on the rather unlevelled playing field.

The committee is of the considered view that this turn of events only seeks to augment the effects of the COVID-19 pandemic on the economy by rendering businesses very expensive for the common Ugandan who is trying to survive in the post-COVID era.

The committee, during the interactions with URA, observed that URA's primary goal was

to look for more avenues of increasing the tax base. The committee noticed, with dismay, that URA does not have any record of a tax impact assessment on the economy carried out before the imposition of any tax whatsoever, well aware that tax is a function of profit.

The committee observes that whereas URA is looking to impose more taxes on the already constrained taxpayer, in this case by reclassification of the concentrates to attract import duty of 10 per cent, the authority should instead be looking at establishing more policies that limit discretion in the selection of firms receiving tax incentives.

We have listed the number of incentives there.

Page 22 - while appearing before the committee, URA alluded to the Animal Feeds Bill, 2020 and submitted that it, together with the ministry responsible for agriculture, intend to harmonise their positions and rely on the definition of “premixes” under the Animal Feeds Bill, once passed by Parliament, to resolve the matter.

In our interface with URA, they said this will be solved in future when the Animal Feeds Bill is presented. The committee observes that this is irregular, legally untenable, inapplicable and anticipatory. Everything is there, Members.

Page 23 - Available raw materials

There was a debate that we should support the already existing firms producing - because these raw materials are readily available, therefore, we do not need to import them. The committee was informed by URA that the protein composition of concentrates are readily available on the Ugandan market and their importation of the same should be discouraged through the imposition of tax, hence justification for reclassification of concentrates.

On the other hand, however, the importers/petitioners contend that the region and Uganda do not have capacity to manufacture or supply these products. Therefore, they are justified to import them.

Honourable members, allow me to go straight to the next page.

According to statistics obtained from the Uganda Bureau of Statistics, the average soy bean production has increased from just 25,730 metric tonnes in 2016, to over 160,000 metric tonnes in 2020. The Poultry Association of Uganda has attributed this growth not to human consumption but the growth of animal and bird population, which has, in turn, increased the demand for animal feeds that utilises soy beans as a key component in its production.

The committee was, however, informed that most of our soy bean is exported out of the country, leaving small amounts for local buyers. The scarcity of soy bean in the country has pushed soy prices up and high in the recent years, which has forced producers to resort to importation of concentrates.

The committee observes that locally manufactured concentrates that URA says they are protecting, and animal feeds, are more expensive - even more than the imported ones from Netherlands and Belgium. For example, a kilogramme of layer feeds mixed with imported concentrates costs Shs 2,250 compared to Shs 2,800 for locally packed feeds. It is evident from Table 2 above that the importation of chicks has reduced tremendously, from 85 metric tonnes in 2016, to just 125 kilogrammes in 2020.

Honourable members, in the interest of time, on the quality of animal feeds - there was also an issue that the quality feeds produced in Uganda are of poor quality. In our interaction with the petitioners, they said that, for example, when collecting *mukene* at the lake, it is mixed with sand. The committee had to look into this matter and find its relevance.

Upon receiving allegations of poor quality feeds, the committee picked samples from Biyinzika, which is one of the largest manufacturers and Ugachick, who are currently considered top manufacturers of animal feeds in the country. These samples were subjected to tests at the Directorate of Government Analytical

Laboratory. Nutritional requirements and heavy metals were analysed in accordance with the requirements for compounded poultry feeds.

The results were received by the committee and we discovered that it is true all the ingredients are in the locally manufactured concentrates. However, it was very hard for us to establish what percentages - because with animals, there is a certain percentage of each that must be in these packed concentrates.

The committee, therefore, found that the quality of the sample of the feeds taken from the two manufacturers meets the nutritional requirements. However, this is not conclusive, since the committee only considered two manufacturers out of 31.

Import of concentrate-

THE DEPUTY SPEAKER: Honourable, can we go straight to the recommendations on page 30?

MR MPAKA: Committee recommendations

1. The committee recommends that URA prioritises the undertaking of taxation impact assessment studies before the imposition of taxes or reclassification of supplies to ensure that the principles of taxation, which provide for guidelines of a good taxation system, are followed to maximise the tax base without necessarily crippling the economy or overburdening the taxpayer.
2. The committee also recommends that Government establishes policies that limit discretion in the selection of companies receiving tax incentives and that it applies specific rules/criteria for any company to become eligible for tax incentives in the Ugandan economy.
3. The committee recommends that URA extends the implementation of the EFRIS system by not less than one year, during which period URA should invest more

- in education, publicity, sensitisation and offering technical support to all traders to effectively implement and utilise the system.
4. The committee recommends that URA undertakes a classification of businesses according to their turnover, and categorises them for the purpose of creating a threshold for the implementation of the EFRIS system. This is because some businesses have meagre turnovers that can easily be crippled by the cost of implementing the system - because we established that one needs about Shs 20 million to set up this system.
 5. The committee recommends that the development institutions such as UDB, UDC and the Microfinance Support Centre must put in place flexible arrangements for credit access that includes smaller businesses and informal sector that would otherwise not benefit under the existing criteria. The use of movable property as security, as regulated by the security interest in Movable Properties Act, 2019, for example, should be operationalised to foster access to credit by medium small enterprises.
 6. The committee recommends that URA, with immediate effect, puts a stop to the irregular classification of concentrates and unconditionally releases all animal and poultry feed concentrates that have allegedly been misclassified by importers as premixes. The act of URA is untenable under the current legal regime and may result into litigation to the liability of Government.
 7. The committee recommends that URA immediately puts stoppage on the requirement that traders/importers execute promissory notes for VAT and import duty payable on imported concentrates since 2017. The committee is cognisant of the legal mandate of URA to collect taxes. The committee, however, refers to the case of Francis Byamugisha v. Parliamentary Commission, URA and Attorney-General, in which the applicant sued Government entities for failure to collect taxes due to the emoluments of Members of Parliament.
- Justice Madrama found that the said defendants were bound to follow the advice of the Attorney-General. Therefore, the Parliamentary Commission and the Uganda Revenue Authority did not breach their statutory duties to collect taxes upon being properly advised by the Attorney –General. In other words, taxes from 1997 to the time of the decisions were not collectable under the judgement of the Court, it was so held. In view of the case, therefore, the committee recommends that URA and the Attorney-General apply the same principle in this matter and ensure that the traders are saved from an unfair and irregular taxation regime.
8. The committee recommends that Government should fast-track the Animal Feeds Bill to regulate the local manufacturers of animal feeds in Uganda to establish standards for quality production.
 9. The committee recommends that the Ministry of Agriculture and all concerned stakeholders carry out thorough consultations during pre-legislative scrutiny of the Animal Feeds Bill, to ensure that there is reconciliation and that an implementable law, which addresses the pertinent issues affecting the sector, is enacted by Parliament.
 10. Lastly, the committee recommends that the VAT Act be amended to eliminate any doubt that concentrates are premixes exempted under the second schedule of the Value Added Tax Act and, therefore, reconciling the taxation regime of Uganda with other countries in the East African Community. This shall be achieved through adopting the wording of the VAT Act of Kenya, which exempts materials, waste, residues and byproducts whether or not in the form of pellets, and preparations of a kind used in animal feeds of tariff numbers 23099010 and 230990.90, among others.

I beg to move.

THE DEPUTY SPEAKER: Thank you, honourable chairperson and honourable colleagues of the committee. Thank you for a job well done. I read through this report and some of the issues are real issues, which we must tackle. If you have a tax, which only Uganda is imposing in the whole region, then how do you expect us to compete? It means products from other countries are going to come into our country and outcompete us from here. Sometimes, you ask yourself: “How come these people are producing from far but they are selling cheaper, even better quality sometimes?” I hope that is sorted.

Also, when I was reading especially on the role of the UDB, colleagues, it would be wrong for a development bank to start handling issues of small-scale businesses. We have the Microfinance Support Centre.

We should now ensure that we separate money because the issue is about money. If we avail funding to the Microfinance Support Centre, then it will be able to support small and medium-scale businesses. However, if a development bank is going to handle issues of poultry farmers of 100 birds, then, it is no longer a development bank.

Let me open the debate, but before I do that, honourable minister, do you want to make any comment that can guide the debate?

5.46

THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES)

(Mr Henry Musasizi): Thank you, Mr Speaker.

I want to make a general comment in thanking the committee that I largely agree with the recommendations they have made. However, on the EFRIS, I wish to inform this House that under the Tax Procedures Code, this is where the introduction of EFRIS was provided for.

If I may recollect, we gave a period of about five years to enable it to begin. What URA is implementing now is an issue of a law, which

was passed by this House. However, without going into much legalities, the EFRIS has enabled us to collect taxes from a category of taxpayers who were fond of evading taxes. I wish to invite colleagues to support us in the implementation of this reform. It is good for our revenue collection.

Secondly, on UDB, the Shs 450 billion, which we extended to them to mitigate the effects that COVID-19 had caused to businesses, it is not true that this money was fixed in DFCU Bank. The money was banked in DFCU and a senior banker here is giving me a technical term - that it is for purposes of liquidity holding.

As UDB appraises projects, this money cannot be hanging. It must be somewhere making some small return. Once this project is through the appraisal process, UDB transfers the money to the beneficiary –(Interruption)

MSAMERO: Thank you, honourable minister. The clarification I would like to seek is that if the money is banked with DFCU, it makes some profit because when it is in circulation - when it is given out to make some profit, where does that money go? That is the clarification I seek.

MR MUSASIZI: Thank you very much, Hon. Amero. The Uganda Development Bank is a company, which exists, first of all, to help in development financing but it also makes profit. It is a profit-making company and finances itself from the profits it makes. So, that is where the money goes.

THE DEPUTY SPEAKER: Honourable minister, that is very clear. I see colleagues shaking their heads on this matter. We were processing loans for UDB. I remember there was a time we said, “You are borrowing at this much. Why are you lending at this much?” The Uganda Development Bank told us that they have to be a profit-making company so that they grow and then their cash book is very okay. They attract cheap capital. That is how multilateral lenders like the Arab Bank for Economic Development in Africa (BADEA) are able to come in because you are a profit-making company.

If you are a mere sort of NGO or non-profit making, then you cannot even get money from these companies. Now, I understood the issue in a way that you have given UDB Shs 200 billion; you have given them this money but they have not yet got clients. So, should the money just lie idle on the accounts, when banks are making profit from it?

The Uganda Development Bank, being a development bank, now keeps money in retail and commercial banks. I have a loan with them, but I pay through a commercial bank because their license is not for operating branches.

This is advice to you - if you know you are saving money for a certain project: you have Shs 1 billion and you want to keep saving to make it Shs 2 billion or Shs 3 billion and it is in the bank as savings; do you know the bank is making profit from your savings and you are making a loss?

For every day that you save, you should fix that saving so it starts earning interest for you. There is short-term fixed deposits and long-term deposits. For a short-term deposit, even if you make some "return money", you would have made a good business decision. Otherwise, inflation is coming, your money is losing value - the banks are using it and you are not getting anything. *(Applause)*

MR MUSASIZI: Thank you, Mr Speaker, for helping me in expounding on the issue I was clarifying. The issue of animal feeds was resolved solely in favour of the animal feeds importers. It is not there anymore. The issues the chairperson raised were there then but the matter has now been settled and the importers are back to the original position before this problem arose.

Mr Speaker, on the issue of EFRIS, again, the committee chairperson says that taxpayers are required to install it in various - *(Interjections)* - on what? *(Laughter)*

THE DEPUTY SPEAKER: She can only tell you once she accesses the microphone. *(Laughter)* The Mukiga in him has resurfaced.

MR MUSASIZI: Since Hon. Aisha Kabanda is my friend, I give way.

THE DEPUTY SPEAKER: You know, today, we are fighting gender-based violence. The way you responded, honourable minister - *(Laughter)*

MS AISHA KABANDA: Thank you, honourable minister. I seek clarification on a statement you just made, when you said that the issue of VAT on concentrates was resolved solely for the benefit of importers. What does it mean? It is not clear to us.

MR MUSASIZI: I want to refer you to the report. There are issues the honourable chairperson pointed out. We acknowledge these issues were a misclassification and other things. However, I am trying to save the time of Parliament. I am looking at - Mr Speaker, the point on the installation of EFRIS machines, if you have a hotel and you are required -

THE DEPUTY SPEAKER: Okay, let us make it very clear. Honourable minister, the Members are saying they have heard your answer on the issue of concentrates. So, can you, again, maybe, repeat it for the Members because I heard you but can you repeat for the Members to understand clearly, that the issues, which were raised in the petition on misclassification, charging VAT, issues that were favouring the bigger players - you reversed that, indeed, and that now the importers have gone back to their original position before the petition. The original position is that these premixes were not classified as food. Isn't it, honourable chair - as animal feeds?

MR MPAKA: Thank you, Mr Speaker. Actually, the dilemma we had in the committee is - just because I was rushing - that the Ministry of Finance distanced itself from URA on this matter.

Therefore, we do not know whether what he is saying is actually binding. The honourable minister Kasaija informed the committee that URA did it without consulting; URA now seems to be handling the matter on its own.

Therefore, I do not know if the minister is, at this particular time, giving a response on behalf of URA.

THE DEPUTY SPEAKER: Honourable chairperson, one, the Minister of Finance is the supervisor of URA and so, URA cannot come here to the Floor.

To make it easy, tomorrow, honourable minister, I will give you space - even if it is 10 minutes - for you to update the House on the actions taken on that specific issue. If there is any letter that you wrote - so that it is very clear that, indeed, we have evidence that you sorted this matter. That is what colleagues need to know. Let the honourable minister finish, colleagues, then I open it to you.

MR MUSASIZI: Mr Speaker, I will provide evidence in this regard but also settle the colleagues' concerns.

As far as URA and the Ministry of Finance are concerned, URA is our agency. We supervise it and it implements our tax laws on our behalf. Therefore, whatever URA decides, we have a hand in it, and you cannot say one disowns another because we are one.

Mr Speaker, on installation of EFRIS, if you are running a hotel, we require you to install one machine. If you are running a supermarket, we require you to install an EFRIS machine and once; you do not install it at every point. Therefore, maybe, we need to confirm what the petitioners were saying. However, as far as we are concerned, Mr Speaker, we require one EFRIS machine at a point of sale, not various points within one business.

MS ALUM: Thank you, Mr Speaker. Honourable minister, in his presentation, the chairperson made mention of EFRIS being very expensive to the tune of Shs 20 million.

I would like you to inform the House whether what the chairperson submitted is true because Shs 20 million is not small money; it is too expensive for small and medium businesses.

MS NALUYIMA: Similarly, honourable minister, we wish to know that because as you realise, the report is all about the need for ensuring that the initial cost is aided to the traders. Have you also provided technical support where this system is required because our traders are entirely failing?

MS NABUKENYA: Thank you, honourable minister, for giving way. There is also a challenge because one cannot issue an invoice to customers making a part payment or depositing for something that is not in stock; maybe that will be supplied if you make full payment. So, how are you going to upgrade the system because as of now, it is affecting business? One cannot make an invoice on EFRIS, if maybe that specific item is not in stock, and you are only required to receive it when you have made full payment. I, therefore, need clarification on that.

THE DEPUTY SPEAKER: No, no, honourable minister, it is going far. I will allow Members to debate. I do not want it to be just an interaction. Therefore, I wanted the minister to wind up, then, I allow Members.

MR MUSASIZI: Mr Speaker, Hon. Santa is asking about the cost of the machine being at Shs 20 million. From our side, the electronic device for VAT taxpayers is Shs 1.1 million; that is the charge. And on whether Government can meet the cost, I can say, no, it is not possible, because Government does not have the money. That is why we require taxpayers to meet this cost. *(Interruption)*

MR MPAKA: Thank you, my senior colleague, honourable minister Musasizi, for giving me chance to give you information. What URA has done is to have the resources to buy these machines.

Therefore, they have sent businessmen to industrial area - there are certain people who have imported these machines. They only regulate the price of the machine, which is about Shs 1.1 million - which is true - but the machine comes with other costs. It comes with costs of software, an expert to install the

system and merge it with the URA system, and those costs are not regulated. So, they have left the traders in the hands of the people importing these machines.

THE DEPUTY SPEAKER: Hon. Kateshumbwa, did you want to say something about that?

6.03

MR DICKSON KATESHUMBWA (NRM, Sheema Municipality, Sheema): Thank you, Mr Speaker. I want to first appreciate the committee and the chairperson for the good report.

Honourable colleagues, what happened here, I think, is an issue of technical interpretation as well as the issue of law. The Harmonised System Nomenclature, which is a method used for classifying traded products globally, is an international system that we all use. At the same time, we have the VAT law that provides a regime according to our specific strategic needs.

On the side of interpretation, when applying the H Harmonised System Nomenclature, there are what we call general interpretative rules and under specific rule 4, which is rarely applied to most new technologies, it says that goods shall be classified under the heading; appropriate goods to which they are most akin.

Now on the issue of concentrates, we are talking about animal feeds as a principle, which Government wanted to exempt. At the time of enacting the VAT law, the technology of concentrate was not in the picture. What the law was listing under exempt supplies were things like premixes without specifically mentioning the concentrate. This reveals the way we formulate our policies, Minister of Finance. We are reactive and not proactive.

The strategic intention of this exemption was to deal with ensuring that animal feeds are cheaper and that we reduce the cost of production. That is the principle. Animal feed is animal feed; you are not going to use it for any other purpose. Therefore, the finance ministry

must take responsibility. If the strategic intervention of the Government is to lessen the cost of production, you cannot turn around mid-way through the year and take a different direction, which may affect the business and the productivity of the country, eroding the competitiveness.

I want to call upon the minister, that we must be able to look at these laws that we enact, particularly the local ones. If we have intentions, they must be reflected in the laws and we must be able to do it continuously so that we do not have a clash between the international nomenclature and the local laws, where you are listing things, yet, technology keeps changing.

On the issue of UDB, as a businessman, I am disappointed that we have something called Uganda Development Bank; it should be Uganda Commercial Bank. It is easier and cheaper to get a loan from a commercial bank than from UDB. The Key Performance Indicators (KPIs) of UDB must be clearly defined by the finance ministry and enforced.

You cannot have a facility when the uptake is miserable, and we just keep quiet. We keep saying we have put money in UDB but the absorption rate is less than 60 per cent. Honourable minister, you cannot be proud of that. You cannot be proud of declaring the profits of UDB every year instead of declaring the successful projects you have financed. That should be the KPI. *(Applause)*

I want to call upon the Ministry of Finance to engage with the Board of UDB and discuss what their intention was. Was it to make money or was it to finance development in this country? If that is the case, what is the absorption rate of the money we have appropriated to UDB to give to the private sector?

Honourable minister, you know very well that because of increased domestic borrowing on the market, you are crowding the private sector. People who want to invest and run to UDB are subjected to the same challenges they are meeting in commercial banks.

I think the recommendation of the committee is very weak regarding UDB. We must come out, as Parliament, to task the minister to set KPIs that speak to the development intentions of why the UDB was set up.

Colleagues were pushing me to talk about EFRIS. The intention is good because it is trying to widen the net of making sure that people who are underreporting and receipting are captured. What we should be encouraging the minister to do is to have dialogue with URA. Examine this report, look at the implementation so far, review it and see whether there can be an approach that categorises businesses according to their sizes so we do not kill the spirit of the private sector. We can get tax but then lose out on the widened economic activity.

What I recall was that the cost of installation of EFRIS was supposed to be an allowable deduction. If the business has incurred and spent Shs 2 million on EFRIS, when presenting financials, that should be an allowable deduction. I do not know if the law has changed but that was supposed to be the spirit so that it gives relief to businesses and does not incur the unnecessary cost of compliance.

Honourable minister, rather than responding to Members' issues – "allowable deduction" means that if you have declared your profits and need to calculate tax, there are certain deductions that you remove before applying tax. Basically, the expenses.

Finally, honourable minister, I am encouraging you to take note of what Members are raising. Sit down with your agencies, study the report, look at the issues raised and come back to Parliament when you have internalised it with the agencies. I beg to submit.

THE DEPUTY SPEAKER: Thank you. Honourable colleagues, I want us to be very cautious, especially on UDB. The UDB was a loss-making entity; it was an entity abused by politicians. If you could go back, you will find out that people were picking money, go to the finance minister and write off the debts. Whether the business is struggling or not,

anyone who would - it was a privilege, by the way, at that time to get money from UDB.

I know very many people who got money from UDB and the minister wrote it off as a bad loan. That means whatever we are doing with UDB - the issue of a business playing its critical role, being a bankable project is one, which should not be debatable. If it happens that way, people who have been raising for us money for UDB are not going to give it to us.

I remember most of the money we put in UDB was borrowed on concessional terms. So, you are not going to be able to raise capital because this is not money we are getting from taxes. It is money we are borrowing and giving a guarantee on behalf of UDB. That is how we have been able to recapitalise it. Therefore, anything we do in terms of UDB should be strict so that it only lends to viable businesses and it can remain standing. If not, in two or three years, you will see UDB collapsing.

Maybe, the other issue would be the interests. Indeed, the interest they are charging is still high. To me, 12 per cent, I believe is high. The President talked of eight per cent. I do not know why we have not been able - We borrow at three per cent, so, why are we lending at 12 per cent? We should be able to lend at a lower rate.

Finally, on widening the tax base, most of us do business in this town but we have a problem. When most Ugandans are pricing, they do it wrong because they consider smuggling and tax evasion in the calculations of setting a price. The moment URA comes and grabs you and says, "Where is our money?" the business right away becomes loss-making.

Therefore, can we see any effort aimed at compliance? We need to support it. Compliance is different from harassment. There is a better way they can implement but we should support efforts because it is we here who have been saying we must widen the tax base. It is we, here, who have been saying our tax-to-GDP ratio of 13 per cent is still low, when the one for the region is 17 per cent. If we do not widen

the tax base, it is going to be a very difficult issue to deal with.

6.14

MR PAUL OMARA (Independent, Otuke County, Otuke): Thank you, Mr Speaker. I want to thank the chairperson for such an elaborate report. I have three points to make. I will start with the EFRIS. I think this is one of the most innovative systems URA has undertaken to broaden our tax base and to allow the loopholes in tax collections to be closed.

I am a manufacturer. We have implemented this programme and we are doing well.

Mr Speaker, as you are aware, our tax to GDP ratio is still at 13 per cent and we need to progress this to 16 per cent so that we collect more revenue and not incur more debt. So, this effort should be supported. The only thing I can say is that URA should take more time to educate the business people so that these things are implemented judiciously.

Secondly, Mr Speaker, on concentrates, I would like to differ with the minister and the recommendations of the committee and this is why. A total of 90 per cent of the contents of these concentrates can be found in Uganda. We have, for example, 107 oil milling companies in Uganda and they have soy bean cakes, maize brans and sunflower, but have nowhere to sell them.

The President prides that we have about 4,900 factories. Honourable members, if anything is to teach us, it is COVID-19. We must begin to build domestic resources and products instead of relying on imported commodities. That is why we are creating jobs for those citizens from whose countries we are importing those items. We are allowing our manufacturers to produce these items, yet no one is able to buy them.

The chairperson said that some of our fish and other items are of poor quality but we have UNBS. We should strengthen our own systems instead of throwing away our products, saying they are of poor quality.

So, Mr Speaker, the next thing that will be happening is that our manufacturing base will collapse on account that we are not willing to consume our own commodities.

THE DEPUTY SPEAKER: Hon. Omara, just a quick clarification. You are a manufacturer and you produce these items. How come people are going to import instead of buying from you locally? What is the problem?

MR MPAKA: Mr Speaker, thank you. I thank my colleague for giving way. There are issues with quality but most important of all, there is the issue of capacity.

The livestock sector alone requires approximately 600,000 metric tonnes of feed per year, of which 72 per cent is for poultry, 19.4 per cent is for pigs, 8.5 per cent is for dairy, while the others constitute 0.1 per cent. However, the installed capacity of all the recognised feed producers that include Ugachick, Biyinzika and Impala – that are making these concentrates – is 100,000 metric tonnes only. Out of this 100,000 metric tonnes, they are only producing 60,000 metric tonnes only per year.

So, the issue is also about the capacity of the existing manufacturers.

THE DEPUTY SPEAKER: Hon. Omara, I think you also charge a high price.

MR OMARA: Yes, I am coordinating a lot with the manufacturers. One of the key people in Kampala, the owner of Cafe Javas – Mandela – has installed 100,000 metric tonnes of grain silos to have those products in the country so that he can process these animal feeds here in Uganda and, if possible, also supply to Kenya. So, I think –(Interruption)

MR OGUZU: Honourable member, thank you for giving way. The Government implements a programme called Warehouse Receipt System, which is premised on the Warehouse Receipt System Act, 2006. That law provides for the setup of warehouses in different parts of the country where those raw materials, which are

needed for feeds, are kept. Currently, if you go to AgroWays in Jinja, Masindi Seed and Grain Growers Association in Masindi and Kigumba, there are raw materials, which can be used for making feeds but they are not being consumed.

So, the information I am giving is that we should be spending money on building the capacity of more producers instead of supporting importation through Parliament. Thank you. *(Laughter)*

MR ISAMAT: Thank you very much, Hon. Omara. The additional information I would like to give is based on research. I personally sampled some of the poultry feeds on the market from Ugachick, Hilltop and Ngondwe. I carried out some analysis of the nutrients they have.

However, the results showed that most of our feeds on the market have less nutrients. It is one thing that brings about quality issues.

(Text Expunged.)

MR ISAMAT: Thank you, Mr Speaker.

THE DEPUTY SPEAKER: No, we are on a debate; so, let the honourable member conclude.

MR OMARA: Thank you, Mr Speaker. I would like to urge the House that we need to consider very strongly -

THE DEPUTY SPEAKER: Please, colleagues, let us listen to each other. Let me just give you a warning. You cannot come to the national legislature of a country and make statements, which are not peer-reviewed; which are not subjected to clear research, which weaken the competitiveness of the country. It is very bad for our country.

(Text expunged.)

MR OMARA: Mr Speaker, thank you for your ruling. I would like to suggest to the House, through the Ministry of Finance, that they should liaise with the private sector - the

manufacturing sector - to see how we can quickly increase the country's capacity because we have that capacity. They can use domestic resources to supply the feed companies because we have a lot of raw materials. It is just a matter of working with the regulatory authority - UNBS and the private sector - and use our own resources. The Uganda Revenue Authority would be right to actually impose the tax.

Lastly, Mr Speaker, on UDB, it is true that it was mismanaged in the past. They are now on the road to recovery and they are profitable. I think they made a stride in the right direction.

Two things need to be considered; we have a board in place - and I would like to request the Minister of Finance to position our request at the board, especially if you look at the debt to equity ratio, when they are lending to big companies. It is 40:60, which is not appropriate. We should go to 20:80 to allow the private sector get that money. If the money was available, we would not go there. But if you say, "Bring 40, we bring 60", it does not meet the capacity of the private sector.

The second one is the tick boxes. As a businessperson, I had to go over 23 tick boxes and that is too long. So, we need to consider the entrance level without taking into account what the Speaker has talked about - in terms of maintaining the business fragility of those companies. Mr Speaker, I beg to submit.

6.28

MR KARIM MASABA (Independent, Industrial Division, Mbale City): Thank you, Mr Speaker. I thank the chairperson for a very elaborate report. Thank you my friend, Hon. Musasizi, for your answers - the ones you have given before we can raise our issues.

I have two issues: One concerns UDB. One of the biggest challenges most of our people are facing is UDB being only in Kampala or having only, I think, one branch around town. This is something you need to consider and see how you can decentralise it; how you can take UDB closer to our people. There are very many

people in Mbale who have tried to access UDB but they have to travel all the way to Kampala and keep going back, which is a cost. So, I believe this is something you need to work on.

You need to work on what Hon. Omara talked about - the things that are required. I have about two people; I move with them and they had literally everything. They asked for statements, audited books of accounts, they asked for security. They had almost everything but up to now – it has been a year - and they have never got that money. I think you need to go back and see. That is one of the issues I have noticed about UDB.

The second one concerns the EFRIS system. I think you were not very accurate when you talked of the EFRIS system only needing one machine because I operate a business and at every point, if you have a supermarket and you have about five to 10 tellers, every teller needs to have their own machine. It is not that you need one machine to work on the entire business. This is something I believe you can go back and review how it can be centralised.

Mr Speaker, lastly, still on the EFRIS system, most of our people are computer-illiterate. I believe the recommendation of the report to give our people about one year to learn how to operate this is good. Remember it works on data – real time - and it needs electricity and all that, so there are very many challenges our people are facing. I believe it is right if we give our people ample time to get to learn.

During this time, URA can roll out these outreaches to teach many of our people because right now, we have about two million taxpayers but the same taxpayers are the ones being squeezed every day. URA can look at widening more and moving out more – if we could double the taxpayers to maybe four million, then it would be much better for us, as a country, other than squeezing the very few who have been taxed. Thank you very much, Mr Speaker.

6.31

MR ABDULHU BYAKATONDA (Independent, Workers Representative):

Thank you, Mr Speaker. I thank the chairperson for the report. I pray that these recommendations are implemented in the same spirit they consider the process of the report.

As workers' representatives, we face quite a number of challenges. During the lockdown, over 4,200 jobs were lost and reinstating these people has been a challenge and most of them are women.

According to the Economic Policy Research Centre, over this spell of COVID-19, we have lost about 5,000 jobs. These are people who cannot fend for themselves. Therefore, I implore the Minister of Finance, Planning and Economic Development, to do a thorough analysis of these recommendations and ensure that we strengthen them. I think, certain economies are growing because of vibrant financial service standards. Can we benchmark and get the best in other economies so that we can implement them here?

The other thing is, COVID-19 brought lessons. Why don't we step up our resilience so that we are not reactive, like Hon. Musasizi has put it?

Then, of course, why don't we promote public-private partnerships and ensure that we engage stakeholders here? Let us have the visual space and ensure that we have expert discussion and engage stakeholders. For example, KACITA – these things are at the back of their minds, and the challenge we have is that we are not promoting our local industries. We only look at incentives to these other people who will even repatriate their profits and at the end of the day, we remain "impotent" in terms of economics.

Mr Speaker, I beg to propose that vibrant policies require to be put in place and ensure that the economy steps up. Otherwise, if we do not do that, the loss of jobs, foreign exchange earnings -(Member timed out.)

THE DEPUTY SPEAKER: The economy becomes impotent? (Laughter)

6.33

MR JAMES OLOBO (NRM, Kioga North County, Amolatar): Thank you, Mr Speaker. The new system set by URA mostly in the supermarkets and the shops; when you go to the supermarkets now, the speed at which that machine works does not match the speed at which people buy the goods in the supermarket. So, what the traders – the owners of supermarkets are using is they are entering fewer items. That means Government is losing taxes. I do not think the system itself is working well.

Mr Speaker, Ugandans are smart. I have heard in the report here - there is only one point where they are buying the machines. You will be surprised that some people have designed a business and imposed it on taxpayers. After the system fails, he has already sold his machine and got his profit. So, the minister should look at these things. Instead, Government is losing taxes in that system because the traders are not entering everything they are selling. I am telling you practically because we buy things from hardware shops and supermarkets. This is what is happening. I beg to submit.

THE DEPUTY SPEAKER: Thank you.

6.34

MS FAITH NAKUT LORU (NRM, Woman Representative, Napak): Thank you, Mr Speaker. I appreciate the committee for an excellent report. There are two things in my view that have not been captured well. While the report highlights a narrow scope of products in the EFRIS, the committee was shy to put a recommendation. I wonder why. They are saying that given the innovation of Ugandans, many products are excluded. Maybe, if it is possible to recommend modification of the programme, we would do it.

Secondly, I agree with the committee on the need for clarity in the nomenclature of the VAT Act, the issues we put in the VAT Act. I agree entirely. However, I prefer that the recommendation on the amendment be delayed to match the period when we will do the tax Bills of the next financial year because the

estimates of revenue for this year have already been made with the existing laws in place. Any amendment could affect our projection and the performance of our country. I beg to submit.

THE DEPUTY SPEAKER: Thank you.

6.36

MS AGNES ATIM (NRM, Woman Representative, Amolatar): Thank you, Mr Speaker. I would like to thank the Chairperson of the Committee for the report. I commend the aspects of animal feeds, much as, as a country, we need to invest in our animal feeds production. The chairperson has shown us that we have a gap of 500 metric tonnes of animal feeds in this country.

I was just reading a World Bank report, which put us at about \$45 million imports in animal feeds and we are about 20th or 30th in the whole world where we import animal feeds. This implies that as a country, we need to invest where we have the opportunity. As my colleague has rightly put it, we have all the raw materials in place. We are collecting these taxes. I would wish to recommend or to ask the committee to include in that recommendation, a proactive recommendation that affirmative action be put to support the existing animal feed production companies so that we do not come back here to talk about imports and yet, we have import substitution policies.

We have always talked about improving the household incomes of our people. If we are continually looking for where to put tax, and we are not mindful of the competitiveness of our people, we are not mindful of the cost of production as a result of this, then I think we would really be shooting ourselves in the foot. I would really implore – *(Member timed out.)*

THE DEPUTY SPEAKER: Thank you.

6.38

MR PATRICK MWESIGWA (Independent, Hoima East Division, Hoima City): Thank you, Mr Speaker. I would also like to join the rest of my colleagues to thank the chairperson of the committee and the entire committee for a

job well done. I just want to thank the minister for the elaborate explanations he gave us here on the Floor.

I would like to echo what colleagues have mentioned on the EFRIS technology by observing that this technology has not properly cascaded down to the lower areas. I am representing Hoima City in this House and I can assure you, most of our business fraternity is challenged in terms of customising this EFRIS technology.

My suggestion is, can URA, through the Minister for Finance here present be more proactive in terms of familiarising our business communities at the periphery with this EFRIS technology, given the good intentions of using it to expand the tax base, and given the need for collective responsibility by all of us to ensure that we support the process.

THE DEPUTY SPEAKER: Thank you.

6.39

MS SHARIFAH TABAN (NRM, Woman Representative, Koboko): Thank you, Mr Speaker. I am going to speak on the UDB first, because earlier, you addressed this House that UDB needs to keep the money in the bank in order to maximise profits as they find clients.

Recently, by chance or luck, I was with a lady who had a small scale business in 2020 and COVID-19 really brought her down – she then applied but failed to access this money. Recently, when the committee was conducting this investigation, this lady was actually called, after assessing her business. They assessed that she was supposed to get about Shs 4.5 million but because of the pressure of being discovered, they called her quickly and gave her a sum of Shs 1.5 million. I do not know how long UDB will hold this money in the bank instead of giving it to the people that need it.

In the long run, the lady's business collapsed. She is now working as a maid somewhere. This is how I was able to access this information.

Secondly, Mr Speaker, I agree with the point where Members are saying that the country needs to build capacity and produce feeds. However, I disagree at this point, that we, in Uganda, should avoid importation of animal concentrates because at this point, we are talking about the Parish Development Model, which we are engaging our community in to practising and in order to secure *-(Member timed out.)*

THE DEPUTY SPEAKER: Thank you.

6.41

DR MICHAEL BAYIGGA LULUME (DP, Buikwe County South, Buikwe): Thank you, Mr Speaker. The issue of technology has been given good treatment by several Members of Parliament who have spoken about it. I am quite concerned about taxation of businesses and I wonder if at all most of our small businesses do not need tax holidays in Uganda, if they have to survive. The efficiency in tax collection, at the expense of the profitability of these businesses is also alarming.

Let me just add a word to differentiate a little bit on the animal feeds gap that we have observed from the committee, for which we are very thankful. Instead of capitalising or supporting the businesses that produce animal feeds, why don't we revive the UDC, which would start the businesses, capitalise big from Government and then, hand them over to the private sector, if we have to be competitive in respect of the rest of the world?

If I have to make modification from the proposal moved by Dr Apea, it would not be from the private sector directly but to the corporation, which is available, which is lying dormant. We can start that business, capitalise it and then, if Government does not know how to run business, it can hand it over to the private sector in the future to make us more competitive for our farmers. Thank you, Mr Speaker.

THE DEPUTY SPEAKER: Thank you.

6.43

MR RONALD BALIMWEZO (NUP, Nakawa Division East, Kampala City):

Thank you, Mr Speaker. I would like to appreciate the committee for a very well thought report. There has been a lot of unfairness in the taxation system by the Government of Uganda. This was an issue raised by KACITA. We need years to improve our tax base by bringing on board the electronic receipting system. We also need to reduce on the taxes.

Mr Speaker, as I speak, many multi-billion companies are closing business. For instance, Game is closing business and a number of people are losing jobs. *(Interruption)*

MR OGUZU: The information I want to give you is that in this country, they are what we call “tax expenditures”. Government gives tax incentives to big companies that come and pretend to come in to create jobs. Once they have exploited the tax incentives, they then disappear. So, it is not necessarily true that the taxes are high but they have ripped us off and they are now disappearing.

MR BALIMWEZO: Thank you for the information. Mr Speaker, if we need to increase –

THE DEPUTY SPEAKER: For the record, it is ShopRite, which closed, not Game.

MR BALIMWEZO: No, Game is closing business.

THE DEPUTY SPEAKER: No, we are talking about who has closed.

MR BALIMWEZO: Yes, Uchumi closed, Mr Speaker.

THE DEPUTY SPEAKER: Honourable member, I am not disputing it. I am just saying that we need a clear record of Parliament; who has closed? We do not deal in anticipation here, according to rule 80. We talk about what has been done.

MR BALIMWEZO: Thank you, Mr Speaker. Game is closing business and many of our people are crying. They have no jobs. Government is losing income tax and there is no way Government can benefit in case a business closes. Uchumi closed; ShopRite closed.

I pray that if possible, let the Government procure these machines and install them for the people. Otherwise, we need to do a lot in making sure that we increase the tax base. Thank you.

6.46

MR ALLAN MAYANJA (NUP, Nakaseke Central County, Nakaseke): Thank you, Mr Speaker. My concern is about UDB. Seriously speaking, UDB needs to extend its services to district level so that my people of Nakaseke, Kiwoko and Kikamulo can access them. My people are missing out on these services.

About the issue of the machines for the EFRIS, they are too expensive. Twenty million shillings is too expensive for micro, small and medium enterprises. The report talks about Shs 100 million as a penalty when someone does not install this machine. So, something has to be done. Honourable minister, we need a comprehensive report on this machine. Thank you.

THE DEPUTY SPEAKER: Thank you. Honourable colleagues, I now put the question that the Report of the Committee on Tourism, Trade and Industry on the petition by Kampala City Traders Association on Unfair Taxation and the High Cost of Credit be adopted.

(Question put and agreed to.)

Report adopted.

THE DEPUTY SPEAKER: Honourable minister, you can guide me on the action taken report period because some of it would require us to amend the tax laws, where necessary. You can guide me so that I look at the time that can work for you.

6.48

THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES)

(Mr Henry Musasizi): Mr Speaker, the action taken report can come in stages. For those which can be acted on immediately, we can do it and those which require amendments of our tax laws can be dealt with in April-May.

THE DEPUTY SPEAKER: Honourable minister, I give you one month to present an action taken report and then, you will show us areas that require amendment of tax laws. Yes, LOP?

6.48

THE LEADER OF THE OPPOSITION (Mr Mathias Mpuuga): Thank you, Mr Speaker. The minister was obliged - and by instruction of this House - to table a list of tax waiver benefits as part of probity by this House. The matter is coming out because the benefits are a bit selective.

Would it be proper if you instructed him, as part of immediate action taken, to have that report as part of this because it has been pending for more than three months since he was ordered?

THE DEPUTY SPEAKER: Honourable minister, do you want to say something; I can see you are gesturing.

MR MUSASIZI: Mr Speaker, the LOP is right. We have a pending report on tax expenditure and also our proposals going forward. Last week, we presented, in the Committee on Finance, Planning and Economic Development and we expect it to conclude the report, so that we come here and debate it extensively.

THE DEPUTY SPEAKER: So, chairperson of the committee, please, expedite this. The House is adjourned to tomorrow at 2 o'clock.

(The House rose at 6.49 p.m. and adjourned until Thursday, 8 December 2022 at 2.00 p.m.)