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WEDNESDAY, 31 JANUARY 2024



PARLIAMENT OF UGANDA

IN THE PARLIAMENT OF UGANDA

Official Report of the Proceedings of Parliament

THIRD SESSION - 4TH SITTING - THIRD MEETING

Wednesday, 31 January 2024

Parliament met at 2.19 p.m. in Parliament House, Kampala.

PRAYERS

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

The House was called to order.

COMMUNICATION FROM THE CHAIR

THE DEPUTY SPEAKER: Thank you, honourable colleagues. I welcome you to today's sitting. Let us go straight to matters of national importance, starting with Hon. Agnes Apea Atim.

2.21

MS AGNES ATIM (NRM, Woman Representative, Amolatar): Thank you, Mr Speaker. I rise on the issue of supply of illegal fishing gear to the fishermen of this country.

Whereas we appreciate the efforts of Uganda People's Defense Forces (UPDF) and the Fisheries Protection Unit (FPU), which are the fish protection units to protect lives, fish and the security on the water bodies of this country, their efforts are greatly being frustrated, compromised and blackmailed by traders who supply illegal fishing gear and thrive off this trade. Some of them are even given incentives as investors.

Over the years, my colleagues and I, from the fishing community have raised, in this House,

a lot of issues of torture, killing, extortion, and gross abuse of the human rights of the fishermen in this country. The problem is that we usually, we focus on the enforcers of the law who are the men in uniform as these other traders continue to thrive.

Last week, we buried four people who just jumped into the water and died for fear of ransom, arrest, torture and gruesome death that they have seen their colleagues go through, and the records are very clear here, the four are: Omia Isaac of Nalubwoyo Subcounty, Ogwang Jasper of Kitwe, Epia Isaac of Kitwe and Okello John of Akwon Subcounty.

Previously, I laid on the Table, evidence regarding very gruesome murder of Omara from Opale by men in uniform. I also brought to this House information on a defilement case of a 13-year-old girl from Abeja Subcounty. She was defiled by a man in uniform in a broad day light yet the girl is disabled. To date, we have neither received any action nor report from the concerned bodies.

I have engaged the UPDF - and I applaud the effort that the Hon. Gen. David Muhoozi has put over the past by engaging this fishing community, but nothing substantial has come out.

Mr Speaker, we have also submitted -

THE DEPUTY SPEAKER: Your prayer, honorable.

MS AGNES ATIM: Thank you. Mr Speaker, I bring this so that we focus on the supply side not on the demand side.

My prayers are as follows: one, investigate, arrest, parade, and prosecute these illegal net traders as you do to the fishermen of this country.

Two, I propose that we disband the Fisheries Protection Unit and follow the Fisheries and Aquaculture Act, 2023 that we passed in this House.

Three, support the fishermen with legal nets, boats, engines, as you have done with the goats to the Karamoja people, the cows for milk in Western Uganda, the coffee seedlings in central and the seeds to the rest of the country. The fishermen of this country have never been paid attention to, but what they receive is death, day in and day out. I submit.

THE DEPUTY SPEAKER: Thank you. Hon. Okeyoh, I know you are from a fishing community.

2.25

MR PETER OKEYOH (NRM, Bukooli Island County, Namayingo): Thank you very much, Mr Speaker. I concur with what my colleague has stated that these fishermen do not manufacture the said illegal fishing nets. Those nets are imported into this country by other people who pay taxes, but the fishermen who are the end users end up suffering.

It is our prayer, as the fishing community throughout the country that Government looks at the plight of fishermen. Their human rights are abused; we need something done.

THE DEPUTY SPEAKER: Minister for Trade, Industry and Cooperatives, these nets should be passing the standards. So, who is allowing the importation of these nets yet after, you start quarrelling and fighting with people on the waters to the extent of some drowning yet they pay taxes? Let the minister talk about the issue of nets.

2.26

THE MINISTER OF STATE FOR TRADE, INDUSTRY AND COOPERATIVES (Mr David Bahati): Thank you, Mr Speaker. I also thank colleagues for raising these important issues. It is true we should ensure that every product that is imported into the country being of quality standard, and that is our aim. So, if anybody is using substandard nets, those should be dealt with.

Mr Speaker, we are going to look into this matter of substandard nets, first of all, to stop them at the points of entry and secondly, if there are some already on the market, working with enforcement officers from the UPDF, which is doing a good job, to make sure they are withdraw.

I would like to ask for one weeks' time to report back the progress on this matter to this House.

THE DEPUTY SPEAKER: Honourable minister, do you think it would be helpful, if for example, yourself, Uganda National Bureau of Standards (UNBS), Uganda Revenue Authority (URA) and maybe someone in charge of agriculture/monitoring, to meet Members of Parliament from the fishing community to look into these issues so that you can discuss - and they ask hard questions to those people? Don't you think that would be more helpful than bringing a statement here?

MR BAHATI: That is one step we can consider and I can convene that meeting Tuesday next week.

THE DEPUTY SPEAKER: Thank you. He is the minister for trade and UNBS -

MR BAHATI: Nets are a trade issue because they are imported. Standards are a trade issue, but we work as a whole Government because we have Ministry of Agriculture, Animal Industry and Fisheries and URA involved. I can convene a meeting on Thursday with Members of Parliament from the fishing community to work out a roadmap on how we can resolve this issue. Thank you.

THE DEPUTY SPEAKER: Okay, let us hear from the Hon. Kayondo, Hon. Dr Bwanika, the Member for Jonam and Hon. Okupa. Let us do it quickly. One and half minutes.

2.26

MR FRED KAYONDO (DP, Mukono County South, Mukono): Thank you very much, Mr Speaker. This House passed a law - at every end of the month, the people selling illegal nets make returns to URA. These returns indicate that these illegal nets are being sold. That means the Government is collecting taxes illegally. So, they cannot hide their heads under the soil that they do not know. They know! If they wanted to follow this matter up, they would have because these people submit their returns.

Mr Speaker, I wish in that meeting, even UPDF is invited; the Minister of Defense and Veteran Affairs and the security minister should be invited because these people are arrogantly operating on the lakes. When I talk to them, the best the UPDF officers that operate on the waters do is to say: "Hon. Kayondo, read your Constitution very well. The Commander-in-Chief is the President of Uganda."

THE DEPUTY SPEAKER: Hon. Kayondo, let us separate issues. We are having an issue of illegal nets, which we should be controlling because they are not manufactured here. We are asking: how are they entering the country and why are they continuing?

The moment you mix that - you are bringing issues of how UPDF is behaving and mixing it with the net issue, the meeting might not do much. This is why I was suggesting - and I beg for your indulgence - we take that approach. First, handle the issue of illegal nets, how they are coming into the country, why and we first stop at that.

MR KAYONDO: Thank you very much, Mr Speaker.

THE DEPUTY SPEAKER: Let me have the honourable member from Jonam, then the Hon. Dr Bwanika.

2.30

MR EMMANUEL ONGIERTHO (FDC, Jonam County, Pakwach): Thank you very much, Speaker.

I am from Pakwach District which is on the Nile and the issue of fishnets is making it difficult for other people to embrace what is being done yet ordinarily our people had already embraced the recommended net sizes. When they see these illegal nets come in, it is very difficult to convince the ones using the right nets. That is why it is important that it is dealt with this time so that us, as leaders, can explain to our people.

I know we are dealing with fishnets, Mr Speaker, but allow me say this: we are on the Nile, whose operation procedures are different from those on the lakes. The standards for the boats operating on the rivers - it is like the sizes for boats operating on the lakes are supposed to be the same for boats operating on the rivers, which to us, is not correct. Even in the Act that we have, the size of the boats that operate on the lakes is different from that for the boats that operate on the rivers.

Unfortunately, our colleagues who carry out operations do not respect that. Therefore, we request that as we deal with the issue of the nets, let us also deal with the issue of the boat sizes, particularly for those that are supposed to be operating on the lakes. Thank you, Mr Speaker.

THE DEPUTY SPEAKER: Thank you. Let us hear from the Hon. Dr Bwanika and then we conclude with Hon. Okupa.

2.32

DR ABED BWANIKA (NUP, Kimaanya-Kabonera Division, Masaka City): Thank you, Mr Speaker. We cannot detach enforcement on the lakes from the issues of the size of the nets. The Uganda National Bureau of Standards sets the standards, but there must be a unit that enforces them. However, ever since we passed the law there are no regulations to enforce it. That is one of the reason the UPDF cannot exit the waters.

I pray that you charge the Minister of

Agriculture, Animal Industry and Fisheries to come up with the regulations so that the new law can be operationalised. Right now, it is not. It is a very good law, but with no regulations and so, it cannot be operational.

THE DEPUTY SPEAKER: I just want to know whether indeed – because not every law comes with regulations. So, I would like to know whether this one specifically needs the support of regulations. I need to cross-check and be sure, but if it does, then the minister should bring the regulations. I am going to ensure that the Government side is informed.

DR BWANIKA: Mr Speaker, we have just been with the Minister of Justice and Constitutional Affairs in the Conference Room talking about the same thing and we have agreed that they need to bring these regulations as fast as possible. Therefore, we need regulations.

THE DEPUTY SPEAKER: Then now, why are you bringing it here when you already concluded on it with the minister? Hon. Okupa – okay, you were just informing the House? Okay, that is very good. *(Laughter)* We are going to follow it up.

2.34

MR ELIJAH OKUPA (Independent, Kasilo County, Serere): Thank you, Mr Speaker. I come from a lake area. My constituency is in the peninsular. The last –*(Interjections)*– Lake Kyoga.

THE DEPUTY SPEAKER: But I was in Serere and I did not see any –*(Laughter)*

MR OKUPA: Serere is not Kasilo.

THE DEPUTY SPEAKER: I was in Kasilo. You know I visited you, but I did not see any lake.

MR OKUPA: Ask Hon. Jim Muhwezi. He knows the place very well. *(Laughter)* That is why, Mr Speaker, you have heard me fight for the ferry from Bukungu to Kagwara, from Buyende to Kagwara, and from Kaberamaido to Kasilo. That is how it is.

The people of Kasilo have suffered the wrath of the enforcers on the lake. From the middle of last year, six people have been killed. One left 12 orphans – you know how those by the lake shores produce - I do not want to hear that.

Mr Speaker, I think there is a need for – even if one has broken the law, the way they handle these people. They must be treated with dignity. When they arrest them, they bring them all the way to Central Police Station (CPS) at Buganda Road here for detention. That is where their families must follow them up and I think it is for a reason. It even takes time - two to three days - to reach CPS because they expect the families to be calling them for a bribe such that they can be released before they reach here. Why would you arrest someone from Kasilo, but you detain them at CPS, Kampala?

Therefore, Mr Speaker, I request that on top of the prayers that my colleague, the Hon. Dr Apea has put, the Committee on Agriculture, Animal Industry and Fisheries visits areas where these killings have taken place to hear from the communities there about the wrath they have gone through and brings a report to Parliament. From that, we shall be able to make some recommendations that are necessary for us to help these people. Otherwise, they have suffered so much. We need Government to help us. These are our voters.

When it comes to the issue of the nets, there are those nets that are imported ready-made, but there are also the threads that are imported from which people make nets locally. They have learnt the art of making these nets. Not only should the nets be banned, but also those threads; the material that people use to make local nets. Mr Speaker, it is a big problem that needs to be sorted out.

We do not want to politicise this matter, but the security officers on the lakes should be humane enough as they arrest these people. Mr Speaker, if you do not mind, my neighbour from Buyende is asking to give information. With your permission –*(Interruption)*

MS NAKATO: Thank you, Hon. Okupa. In addition to what my colleague – *(Interjections)* – I come from Buyende and I am Nakato Mary Annet. I talk basing on the information I gathered from Bukungu Landing and Iyingo Landing sites.

Mr Speaker, on Sunday, I visited Bukungu Landing Site and I think we need to get a permanent affirmative action for the people living on the lakes. There is the issue of licensing, which is similar to the zoning of the sugarcane. The people are rebellious on this because according to this licensing, when someone is from Bukungu Landing Site, they are gazetted to only fish around there.

Then, there is the issue of drowning, which is very serious. As for Bukungu, like he said, we have a BKK ferry being constructed to connect Kagwara to Bukungu. I think when this ferry is completed on time, it will relieve the pressure on the lake because some people might get some employment.

Secondly, I suggest that the Committee on Agriculture, Animal Industry and Fisheries should encourage the people there to do fish-ponding perhaps for their survival because 70 per cent of the people in Buyende are always committed to fishing. Thank you.

THE DEPUTY SPEAKER: Thank you. No, Hon. Okupa, your time is up.

2.39

MR MUHAMAD NSEGUMIRE (NRM, Mityana County North, Mityana): Thank you, Mr Speaker. We are talking about the illegal fishing, but at every entry point to this country, there are UNBS staff, what are they doing? This is because each and every item that enters this country is checked by them. So, where do those illegal nets and the threads that Hon. Okupa was talking about, pass? UNBS should pull up their socks and do their work. Otherwise, they are not doing their work. Thank you.

THE DEPUTY SPEAKER: Honourable colleagues, let us agree. Hon. Bahati, who I

know is standing in for the Government Chief Whip today, I think one month for us to have the regulations laid here is enough. Let us give it a time-line so that we do not leave it open-ended. And then the law is implemented.

On the prayer by Hon. Okupa, I would suggest, honourable colleagues, that let us first have this meeting and then the minister – we have assigned Hon. Bahati, will report back here and that report will guide us to a very clear way forward other than just sending the committee to the field.

MR OKUPA: That is okay because this is about controlling the importation of the nets and the materials. However, on the aspect of the mistreatment meted out to our people on the lakes, it is the Ministry of Agriculture, Animal Industry and Fisheries and the Ministry of Defence and Veteran Affairs, to help us. It is painful because if you hear the stories of how these people are killed. They are not killed by bullets, but they are suffocated – what the Americans call “waterboarding.” When someone is got on the lake they are dipped into the water until they die.

We have done post-mortem on these people’s bodies - some were killed in Kagwara, Madoc, Bugondo and Kadungulu subcounties; that is how they were killed. That is why we want the agriculture committee to visit these areas and hear the testimonies of these people; it is very painful and possibly there should be some compensation to these families. I have told you one person left behind a family of twelve children.

THE DEPUTY SPEAKER: Yes, but the best way is not just rushing to send the committee on the ground, but to first ask the minister to bring a report. Once the minister makes a report and it is not satisfactory, then the committee goes based on the information members have given.

Minister of Defence, we have heard this issue all the time; I do not know how we can conclude it to stop these complaints.

2.40

THE MINISTER OF DEFENCE AND VETERAN AFFAIRS (Mr Vincent Ssempijja):

Mr Speaker, when Hon. Okupa was talking, I felt completely devastated. Why? Because I cannot imagine and I do not think that a UPDF soldier, who was trained to protect the citizens of Uganda –(Interjection)- wait, can do such a thing. If they do, let me get this information from Hon. Okupa, we are going to investigate it and I will come back here – (Interjection)- even tomorrow. All incidents can be investigated and the only institution in Uganda that investigates and punishes its members is the UPDF. We do not condone these types of behaviour in the UPDF.

THE DEPUTY SPEAKER: Thank you, honourable minister. Honourable colleagues, you have heard the minister. He is saying “do not send me on a wild goose chase. Give me that information you are talking about and I go and act on it.” The moment he says that, then he has also been put us to task because we are making very serious statements.

Therefore, I request, honourable colleagues – no, I will not call each one on the Floor to give information. Please just write it down and drop it to the Clerk. We are going to ensure the minister gets it. Honourable minister, on Tuesday – I do not want to give you just one day, come and respond to these issues.

MR SSEMPIJJA: Much obliged.

THE DEPUTY SPEAKER: Thank you, honourable minister. Hon. Okupa, please let us move on.

Honourable colleagues, in the public gallery this afternoon, we have delegation of project staff of the Guruguru Child and Youth Development Centre (UG1040) from Kilak South County, Amuru District, represented by Hon. Olanya Gilbert and Hon. Akello Lucy. They have come to observe the proceedings of the House. Please join me in welcoming them. Thank you, for coming. Of course, such a heavy name would only come from Gilbert. I had allowed a point of procedure from the

honourable member. Hon. Ekanya, just wait a bit.

MS AGNES KUNIHIRA: Thank you, Mr Speaker. I rise on a procedural issue over the matter of the Employment (Amendment) Act, 2023, which Parliament passed in May. I have heard in the corridors that the Bill was returned. The rules provide for how a Bill returned by the President is presented to the Members. It is either through reading the issues that the President has raised or through gazetting those details.

I have tried to look around. I went to the legal department and the committee, but they both have no information. You may recall that you engaged us, the private members and the Ministry of Gender to merge that Bill and I think I am a key stakeholder.

Therefore, I would like to know how we are progressing. I am appealing to you to get us the details so that we can know how far we have moved. Thank you.

THE DEPUTY SPEAKER: Thank you. I will also visit the corridors because it seems there is some information in the corridors so that we can build on that, and then I get back to you.

2.46

MR MOSES KAMUNTU (Independent, Rubanda County West, Rubanda): Thank you, Mr Speaker. I rise on a matter of national importance regarding impassable roads in Rubanda District, especially in my constituency, Rubanda West.

We have a UNRA road that covers the entire Bufundi Subcounty, surrounded by Lake Bumyonyi. The road has been abandoned by UNRA for the last five years. To access Kashasha Subcounty, I must pass Katona. This covers 100 km instead of 10 km that I would cover from Rubanda Town Council.

All the tourism roads – we have 15 guerrilla groups in Rubanda West, but all roads are cut off. You know, these groups fetch a lot of money on a daily basis. I wonder why Government can abandon such a lucrative business.

My prayer is: The Minister of Works and Transport - I write to him every day and he is good at replying. However, what he tells me is that there is no money. I have visited UNRA offices, they said there is no money. What should I tell my people? *(Laughter)*

THE DEPUTY SPEAKER: Thank you. Of the people you mentioned, you have not mentioned your colleague from Rubanda East. Government - honourable 'minister for money', your neighbour -

2.47

THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi): Thank you, Mr Speaker and Hon. Kamuntu (my neighbour) - he speaks for me because I can no longer express some concerns here.

However, Mr Speaker, what is happening in Rubanda is the same situation happening across the country and it is occasioned by nothing else, but the constraints in cash flows.

However, Mr Speaker, that notwithstanding, we have as much as practicable, tried to manage emergencies. Katuna-Muko Road - it is true, has not been maintained for some time. I had not yet been notified that now it has gone to the extent of being cut off. I am going to check if that is true; the money for handling that emergency can be found immediately.

THE DEPUTY SPEAKER: Thank you, honourable minister.

MR MUSASIZI: Mr Speaker, lastly, I also wish to inform my brother, Hon. Moses Kamuntu and our people in Rubanda and Katuna, where Hon. Bahati comes from, that that is one of the roads we have provided funding for tarmacking *-(Interjection)-* there is clarification from my friend, the shadow finance minister.

MR SSEMUJJU: Thank you, Mr Speaker. I also thank Hon. Musasizi, for giving way. The clarification I am seeking - if the Hon. Bahati

can allow you to listen, is: you have said that if there is an emergency that money can be released immediately. Should we now all list the emergencies in our constituencies because you have said if it is an emergency, that money can be found immediately?

THE DEPUTY SPEAKER: Honourable minister - this is my time - it was just a minute to respond. This should be the last one.

MR SSEWUNGU: Mr Speaker, if the Frontbench accepts our clarifications, the House moves on very well, with your guidance.

THE DEPUTY SPEAKER: Hon. Ssewungu, isn't that indirectly taking over?

MR SSEWUNGU: No, I said that with your guidance, Mr Speaker.

THE DEPUTY SPEAKER: You are the last on this.

MR SSEWUNGU: Mr Speaker, the issue of saying that they have managed emergencies is unprecedented. I wish the minister said that they have at least tried.

In Kalungu, we have a road from Gomba through Kyamulibwa where Katonga washed away a bridge. The people there are now using boats to cross that river. The best evidence can come from the minister next to you, on your right. He can tell you more because that area is in his constituency. He also crosses that river with his vehicles and the lead car, using a boat. *(Laughter)*

Therefore, if you talk about trying to manage emergencies - these Members of Parliament have always raised matters of national importance and they are not yielding results. I pray, honourable minister, that maybe you say that you are trying though in actual sense, you are not trying. Thank you, Mr Speaker.

MR MUSASIZI: Mr Speaker, we are trying. For example, we have provided Shs 570 billion to handle the emergency at the Katonga Bridge. The work is going on.

Anyhow, my last point was that the Katuna-Moko Road is one of the roads which we have provided funding for tarmacking. I thank this House for passing that loan. Thank you.

THE DEPUTY SPEAKER: Thank you, honourable minister. Honourable colleagues, in the public gallery this afternoon, we have students of Kitumba Child Development Centre, Bukooli County Central, Bugiri District. They are represented by Hon. Solomon Silwany, Commissioner of Parliament, and Hon. Agnes Taaka. They have come to observe proceedings of this House. Please join me in welcoming them. *(Applause)* Thank you.

2.53

MR EDDIE KWIZERA (NRM, Bukimbiri County, Kisoro): Mr Speaker, I am not talking about tourism roads, but raising an issue of national importance about the tea sector. Sometime back, Cabinet directed that the tea sector be looked into, and the Minister of Finance, Planning and Economic Development came here, undertook and promised that people would be paid. So, even those who had the seedlings were allowed to supply with the view that they would be paid in the following year, which is this financial year.

Secondly, they promised that there would be a tea policy to regulate the tea sector, because there is no tea policy. Due to those inconsistencies, now the tea sector is faced with a challenge because people are not paid, they have lost properties. Those who have factories, the cost of power and maintaining the factories is so high that they are now shutting down the factories. Even those people who had planted tea, are threatening to cut it down.

My prayers are: Can't we have a tea policy in place?

Secondly, can the minister expedite payment of these unpaid bills because they are affecting the economy? Thank you.

MR MUSASIZI: Mr Speaker, it is true we allowed some tea suppliers to supply on account that we pay them when the Government realises resources. The commitment is still

there. However, we are experiencing a situation where cash flow is a challenge. This is what I can say for now. In the future, when cash flow is realised, we shall settle the obligation.

THE DEPUTY SPEAKER: Honourable colleagues, we are going into budgeting. Let us look at how best we can prioritise this issue. Handling it here now, we will not do much with the way we are proceeding. Hon. Kibalya, I had allowed you.

MR KIBALYA: Thank you, Mr Speaker. My procedural matter relates to the answers from the Minister of Finance in relation to the neighbour's issue. This morning we had a discussion and we were coming to your office because the situation has gone beyond. You heard the minister say that they will always intervene in emergencies. However, that can only be to those who are his neighbours and those who can access him.

There are several issues. All these Members of Parliament, you see here, are suffering with the poor state of roads in their areas. What is very disappointing is that when the Minister of Finance released money, he released zero for road maintenance, but he could afford to release Shs 180 billion for renewal of national IDs. We wondered which priority they considered.

We wanted to come to your office, Mr Speaker, to request you to directly intervene in this issue. Kindly invite the concerned stakeholders, maybe the minister could listen to you, so that we find a way I because there is no way you can provide zero for road maintenance yet you have money for other areas. Therefore, we request your office, as you have always, to intervene in some of these areas that are very sensitive. We discussed it this morning and we were coming to your office. We are requesting you to pick interest, intervene and see how best you can save your MPs. Thank you.

THE DEPUTY SPEAKER: First wait a bit. This is an issue we handled yesterday, when we were discussing the Budget Framework Paper. The same issue came and the Minister of Finance went on record and promised that they

would release more money for those entities, including roads, in February. Minister, would you like to reconfirm that I got you right? *(Laughter)* This was just yesterday.

MR MUSASIZI: Mr Speaker, you are absolutely correct and I have nothing to add. *(Applause)*

2.58

MS SARAH Opendi (NRM, Woman Representative, Tororo): Thank you, Mr Speaker. On the Floor of this House, we have discussed the issue of the Uganda Road Fund. The Uganda Road Fund was not – that Act was created for a purpose, borrowing a leaf from how other countries have been able to have very good and well-maintained roads. The Ministry of Finance was hiding behind the constitutional provision. I am glad you were in the seat when the Attorney-General clearly guided that funds created by Parliament, are protected and cannot go to the Consolidated Fund for as long as there is an Act that covers them.

There is nothing that we can do in this country without roads. To reach the health centres, you need roads. To reach schools, you need roads. To promote agriculture, PDM, everything, you need roads.

The Minister of Finance, after requesting for time to go and discuss the matter with the Cabinet, came here and actually indicated that they were going to handle the matter. To date, we are still talking about the same challenges. If you had had the fuel levy in place, the Shs 100 per litre going to the Uganda Road Fund, inclusive of the other fines, we would not be talking about this lack of funds. Imagine zero release to districts, yet we have – you know – there are other roads. We sent Shs 1 billion to the districts and it is not adequate. We have the subcounty roads that are now in the worst state because there is totally no funding to maintain them.

Mr Speaker, I urge you, unless we operationalise the Uganda Road Fund - 2026 is near, what are we going to tell our people? In my district,

people are protesting. The Nagongera Road has been an issue since 2000, when His Excellency, the President pledged to tarmac that road. There are roads, which are supposed to be pre-financed – where the President okayed Uganda National Roads Authority (UNRA) to allow contractors who have money to pre-finance and that the Government would pay them later. Namutumba-Nabumali-Butaleja Road is one of those. We need to know what happened to those roads. Thank you, Mr Speaker.

THE DEPUTY SPEAKER: Honourable colleagues, whenever we talk about the road fund, I look at Hon. Nathan Byanyima who was a champion and has done a fantastic job. There are times I look at the ministers in the faces and I see the dilemma they are in; you find that a minister is stuck.

One day I said: “If all these funds which were passed are operationalised, what will remain in the Consolidated Fund? That is what came to my mind. But sometimes we come here, squeeze a minister and say “operationalise”, but if we are to be honest – okay? – even though we identified the sources. Then, I say: “..., but these were proposals from the Government!” So, when you are proposing these funds – and we made a proposal that if you have failed to operationalise these funds, why don’t you come and we amend the law so that we do not continue breaking it.

If the Attorney-General gives an opinion that “the law says A, B, C and D” and we do not follow the Attorney-General’s guidance and opinion, what are we doing?

Therefore, what we are going to do on this matter, honourable colleagues, is that let me assign the Committee on Budget – should we add the Committee on Finance, Planning and Economic Development? No, I cannot add the infrastructure committee because there are many funds; it is not one fund. They will engage the Ministry of Finance, Planning and Economic Development on the impact of implementing these funds the way they are provided for under the law, so that we move in a very honest way.

Is the chairperson or any member of the Committee on Budget here? Hon. Alex Byarugaba, do you want to help?

3.03

MR ALEX BYARUGABA (NRM, Isingiro County South, Isingiro): Thank you, Mr Speaker. I do support your proposal, but I would like to make a very simple addition.

About four years ago, we created new subcounties and town councils. We have continued to operate without any due regard to funding these institutions. It is as if they are not there because nobody wants to talk about them. These are Ugandans. They pay taxes like any other. Just because they fall in newly created subcounties, nobody talks about them. I would like to urge the committee that you are assigning that responsibility to ensure that, that one is also input, as far as your considerations are going to be made.

We also cry and bleed from the inside over how the Ministry of Finance, Planning and Economic Development prioritises things. We know what you are talking about. We know we have limited resources. We also know the circumstances under which we are operating. However, we also know that in the finance ministry, we have very sharp brains, which should really know Uganda much better than very many Ugandans, with regard to prioritisation of where the little resources should go.

Like Hon. Kibalya put it, we know very well that our National Identity Cards are going to expire sometime in October, next financial year. However, here we are prioritising it over roads. From my constituency one cannot access the constituency of the honourable member. You cannot cross from Kikagati to Kabuyanda: four major crossing areas! These are heavily populated areas. You have been there; you know the areas. For goodness' sake, for how long are we going to cry?

I urge that that committee considers the subcounties and town councils that are newly created, which have suffered for the last four

years as well as districts that are three times bigger than the normal districts, for more funding. Thank you.

THE DEPUTY SPEAKER: Honourable colleagues, I would like us to limit ourselves to assessing the funds. If, for example, during the budgeting process, we said that let us have the law implemented as it is, what would be the impact? Let us assess and get a solution together with the minister. Okay?

3.06

MR GEOFFREY EKANYA (FDC, Tororo North County, Tororo): Thank you, Mr Speaker. In 2015, when the Government introduced the Public Finance Management Act, we discussed, in detail, how to manage all the funds. We have the environmental fund, the road fund and many other funds. The principle upon which we agreed, as Parliament and the Government, was to have all the funds go to the Consolidated Fund, for the purpose of collections – to avoid the Government operating in silos by having many institutions collecting these funds. It was agreed because the Government is now operating a single accounting system. So, to avoid duplication, wastage of resource of collection and administration – because all these institutions would have managing directors - police and so forth, it was agreed that we consolidate collections, but once the money hits Bank of Uganda – the Treasury – it must be automatically moved to the fund account.

Our challenge, Mr Speaker, is that the finance ministry is operating directly in violation and ignoring the position that was agreed on.

THE DEPUTY SPEAKER: Thank you. Now, honourable colleagues, these funds are under the Committee on Finance, Planning and Economic Development. It should be the relevant committee to handle this issue. I give the Committee on Finance, Planning and Economic Development two weeks to report back on this matter. *(Applause)*

Hon. Ssemujju, what is the point of procedure?

MR SSEMURU: Mr Speaker, you have assigned the Committee on Finance, Planning and Economic Development to study and give Parliament information relating to the various funds. If you allow me, I am looking at the finance minister as a cook hired at a function. If you do not give him enough food, you do not blame him for guests complaining.

Hon. Musasizi was assigned by President Museveni, who for the last eight years has failed to grow the economy. He begins juggling one fund to pay this and that.

The procedural issue I am raising is whether that committee can be assigned, in addition, to study the impact of one man's rule for the last 38 years and what it has done to the economy. *(Laughter)*

THE DEPUTY SPEAKER: That can come up during the debate. *(Laughter)* It is not the competent committee. *Laughter)*

3.09

MR PATRICK ISINGOMA-MWESIGWA (Independent, Hoima East Division, Hoima City): Thank you, Mr Speaker. I rise under rule 220 to request the Ministry of Public Service to give us a report on whether they intend to lift the ban on recruitment. I represent a city, Hoima, and work is at a standstill. In all cities and district local governments, work is at standstill. The Ministry of Public Service is to blame because they have instituted a ban, which is never ending.

I see the minister here. There were two – I do not see the senior minister, but the state minister is here. Can we get a report on when the Ministry of Public Service will lift the ban so that work so that work can resume in our areas?

THE DEPUTY SPEAKER: I am trying to understand how rule 220 is being applied because it is on action taken reports.

MR ISINGOMA-MWESIGWA: Mr Speaker, we discussed this matter three month ago and we were told by the Minister of Public Service that

they were carrying out an audit, presumably by the Auditor-General. However, I heard recently that the Auditor-General finished the audit and therefore, recruitment can now resume. That is why I brought this matter up, so that we can now get a report on the action being taken by the Ministry of Public Service.

THE DEPUTY SPEAKER: Thank you. Honourable colleague, when you quote a rule, you make it difficult for me, if you do not follow that rule. Rule 220 is on resolutions of this House, not on what was being discussed with the Auditor-General. However, you are raising a very important matter. Honourable minister, do you want to say something?

Otherwise, honourable colleagues, do not smuggle matters this way –*(Laughter)*- It will be difficult for us to complete our Order Paper if we keep smuggling this way.

3.11

THE MINISTER OF STATE FOR PUBLIC SERVICE (Ms Mary Mugasa): Thank you very much, Mr Speaker. I thank the Member for raising this very important issue because it is being raised by many people. I remember we agreed that after the production of the report, we will discuss it, then come up with resolutions.

Even if the audit report on validation of staff was tabled in Parliament, I doubt if Parliament has already discussed it. Indeed, this report has not yet been discussed by the top management of the ministry. We are about to discuss it, then we will let you know when the recruitment halt will be lifted. At the moment, it has not yet.

THE DEPUTY SPEAKER: Any timelines, honourable minister? You can consult and report back.

MS MUGASA: I am going to. Let me consult.

MR KIBALYA: Thank you, Mr Speaker. Last week on Thursday, you emphasised the point of ministers respecting their appointments and you said the Front Bench must be respected. Yesterday, you re-echoed the same.

Is it in order for the shadow minister of finance to continue sitting in the same position he was sitting in before he was appointed –(Laughter)- and abusing the appointing authority that may be the position they gave him was not right. Is he in your order to continue sitting there?

THE DEPUTY SPEAKER: Maybe, he is not yet sworn in. (Laughter) He is waiting to be sworn in and then – I hope he will come down soon. Chief Opposition Whip, that is your work, not mine, to ensure that your people are seated in the right places. Would you like to say anything about it or you have an item you want to smuggle through that channel? (Laughter)

3.14

THE CHIEF OPPOSITION WHIP (Mr John Baptist Nambeshe): The Member was respectful of your guidance that there is free sitting, so he shifted to the other end.

THE DEPUTY SPEAKER: No, no.

MR NAMBESHE: But I call upon him to come to his rightful position over here.

THE DEPUTY SPEAKER: I emphasised this, honourable colleagues, because I have met very many colleagues who do not know members of the shadow cabinet. So, we said the Front Bench should be reserved for these very important people who are members of the shadow cabinet. (Applause) Thank you. Yes, Hon. Otimgiw.

3.15

MR ISAAC OTIMGIW (NRM, Padyere County, Nebbi): Thank you, Mr Speaker. In September 2022, the Cotton Development Organisation (CDO) set an indicative price for the cotton season of 2023 at about Shs 2,300 as the buying purchasing price for a kilogram of cotton. Unfortunately, in most of our cotton-growing districts like Nebbi and Kasese, and other areas in Eastern and Western Uganda, farmers are crying due to the low purchase price at the selling point.

In Nebbi District, for example, farmers are being offered prices as low as Shs 1,300 per

kilogram and not being given any other choice. We have also noticed that there are actually few buyers of the cotton this time around in our districts. We do not know what is happening.

THE DEPUTY SPEAKER: Honourable colleagues, you know the general principle when I am chairing the House. On matters of national importance, let us not raise points of information. Continue, but we shall allow Dr Bhoka, just as an exception.

MR OTIMGIW: Mr Speaker, the farmers are putting this blame on us, the leaders and Government that we are not listening to their cry. They say we lied to them and made them plant cotton, but we are offering them very low prices. This is the cry I would like the ministry to talk about.

My prayer is that the minister comes out openly and tells the House why they have allowed our farmers to be exploited by some of these people offering them very low prices, which are different from the price that CDO actually set.

Secondly, if there is a problem in the international cotton market, can the Ministry of Agriculture, Animal Industry and Fisheries update the House as to why the problem is like that so that we can take the same information to our farmers who are blaming us for not standing with them in terms of the price being offered? Thank you. I will take the information.

THE DEPUTY SPEAKER: Dr Bhoka, do you want to add something?

DR BHOKA: Thank you, Mr Speaker. I thank Hon. Isaac Otimgiw, for raising that issue. Madi Subregion in West Nile was one of the cotton-growing regions right from the 50s, 60s, up to the 70s. The issue he is raising has affected the districts in Madi Subregion as well where cotton has been grown while expecting a higher price, but lower prices were offered; as low as Shs 1,500 and Shs 1,700. But beyond that, the cotton is being bought on credit and some of the farmers have not yet been paid, at a time when children are going back to school.

The cotton sector is a sector that His Excellency holds dear. Promoting cotton growing should be something that honourable Members of Parliament should hold dear because we keep saying that we should not be importing second-hand clothing into the country. We should produce our own cotton to make our own textile and export our own textile.

We pray that the Government takes steps to see to it that this sector is not killed. Thank you so much for giving me the opportunity.

THE DEPUTY SPEAKER: Honourable minister for trade, do you want to comment on this? Hon. Dr Bwanika, you do not have cotton in your area. You have contract farmers?

3.18

DR ABED BWANIKA (NUP, Kimaanya-Kabonera Division, Masaka City): Yes. I sought leave on the Floor of Parliament to table a Contract Farming Bill. That is what will cure what the honourable members are talking about. I would like to seek space for the first reading of that Bill; it is ready.

THE DEPUTY SPEAKER: Please, come to my office.

3.19

THE MINISTER OF STATE FOR TRADE, INDUSTRY AND COOPERATIVES (INDUSTRY) (Mr David Bahati): Mr Speaker, we are having a challenge, not only with cotton, but also with sugar and maize. Let me talk about those that are being affected by the global pricing; sugar, tea and cotton.

When prices of these items come down, the people that are buying also reduce the prices. That is the challenge we are facing now, and we are operating in the context of a free market economy.

For sugar, I had a meeting with the mayor of Masindi this morning, and we are going down to have a meeting with the manufacturers there with the farmers to see how to resolve it. I know that there is minimum intervention by the Government on the side of cotton. There is

a way we support this sector because we know the importance of these sectors.

Mr Speaker, the best that we can do now is to again have some engagements or dialogue with those who are buying and those who are selling, and see whether there can be some agreed position, but it is a very difficult situation. Unless Government can commit, which I know is not going to be possible to have subsidies, it will be a little bit difficult to set a price for a certain commodity.

THE DEPUTY SPEAKER: Thank you. Honourable minister and honourable colleagues, you see, when you meet these people, the moment they get frustrated, some people come and uproot - yet the Government has put in a lot to support them, but out of frustration. Then in a year or two, the prices gone up and the same people start regretting. Sometimes it is about how we manage information; how we engage these farmers to give them hope.

Also, it is high time we started looking at stabilisation funds, the way you always stabilise foreign currency. You have a special way to stabilise the foreign currency. Through the Warehouse Receipt System, you can see a way of buying this and then once the prices go up - but this is something you should be looking at as a Government, in terms of strategy, to help these farmers. But that is long-term not immediate; you cannot just create it now, but it is something we should start looking at especially on those crops that are affected by global prices. When the prices are doing bad, we should come in and do something. I remember for maize; the time its price dropped to around 200 and we came in and stabilised it, and after it shot up. And I recall Government ended up making even profits, from the wheat it had bought.

Honourable colleagues, you can see the time we have - it is not good on my side. Honourable minister, please go engage these farmers. Otherwise, they will uproot the crops. Yes, Hon. Komakech.

3.22

MR CHRISTOPHER KOMAKECH (Independent, Aruu County, Pader): Mr Speaker, allow me to thank UPDF in Pader attached to the Fifth Division. Pader is one of the districts that has enjoyed the benefits of having a UPDF division. That division has schools and health centres that are benefiting our children.

THE DEPUTY SPEAKER: Are you provoking Hon. Ssemujju to ask for a battalion also in his area. *(Laughter)*

MR CHRISTOPHER KOMAKECH: I am only saying that we should give credit where it is due, Mr Speaker.

Mr Speaker, history tends to repeat itself. In 1988, in Northern Uganda, especially Acholi Subregion, saw the birth of the Lord's Resistance Army (LRA) insurgency that claimed thousands of lives in Acholi Subregion. Currently, in my district, we have juvenile delinquencies popping up every day and these children are as a result of the insurgency that occurred in Northern Uganda.

You will not believe this, but due to lack of work and lack of rehabilitation, these children, our own children, our own blood, have resorted to breaking into shops, breaking into houses, and stealing salaries of civil servants. I will give an example of Puranga Sub-County in Ogonyo trading centre. Just last week, a fight brewed up and five people got seriously injured and they were admitted in Gulu Regional Referral Hospital.

Mr Speaker, we are requesting the Minister of Internal Affairs to come to Pader District and solve the issue of lack of police stations in Pader District. Puranga Sub-county, Pokor Sub-county, Lunyiri Sub-county, all these are sub-counties without any police stations yet these juvenile delinquents are taking advantage of that.

Secondly, Mr Speaker, I would also want to implore the Minister of Gender. We have heard of *Juakali* projects coming up. Such

projects do not come to Pader District. There are very many projects coming up such as the Presidential Initiative for Skilling Youth. We are benefiting, but the numbers are less. Can the minister come to Pader District and handle that issue? Thank you so much, Mr Speaker.

THE DEPUTY SPEAKER: Thank you. Let me call the Minister for Northern Uganda, Hon. Kwiyucwiny. She can coordinate with her colleagues.

3.25

THE MINISTER OF STATE, OFFICE OF THE PRIME MINISTER (NORTHERN UGANDA) (Ms Grace Kwiyucwiny): Mr Speaker, I thank you for this opportunity. I have heard what the Honourable Member of Pader has said and I would like to confirm that there are such youth coming up among the communities and the cities. I will liaise with the Ministry of Gender, Labour and Social Development, so that we can discuss the issues on site.

THE DEPUTY SPEAKER: Thank you. Hon. Okupa *–(Interjection)–* no, you threatened her and she took off; she is no longer on the Floor.

3.26

MR ELIJAH OKUPA (Independent, Kasilo County, Serere): Thank you, Mr Speaker. Before I raise this matter I would like to plead with the Minister of State for Trade, because I chair the Board of Teso Co-operative Union, and our main product is cotton. You need to ask the minister responsible to come and make a serious statement on this matter because the information you are giving here; I am a bit uncomfortable with it. I know the Community Development Officers (CDOs) and by the time they announce the indicative price, will have consulted and done research with the international market before they announce the price.

By the time they announce the price, they have done consultation, they will have known the market prices. So, the matter raised by our colleagues from West Nile about these masqueraders who are now coming to buy at

a lower price, is something that the minister must come and explain to this House.

I remember last year, the CDO made two announcements on the indicative prices. The first and the second. The second was reversing the first because they had realised the price they announced was lower than what was pertaining in the world market. Mr Speaker, the minister responsible for cooperatives should come and make a statement on this matter in this House. Thank you.

Mr Speaker, the matter I am raising here, arises from the time when we were hosting the Conference of Speakers and Presiding Officers of the Commonwealth (CSPOC). While at the airport, it came to my knowledge that the Uganda Police Air Wing, which currently operates four aircrafts, comprising of three helicopters and one fixed-wing aircraft – the fixed-wing aircraft 5XPEF/P.180 Piaggio Avanti II Evo nine-seater, was acquired in June 2019 at a cost of \$ 7,480,000.

Police have only used this aircraft for training, but it is surprising and disturbing to learn that today the police want to sell the aircraft when they have only used it for training, for a few hours, less than 100 hours. How much are they selling this aircraft now? They want to sell it for \$4 million, after barely five months.

THE DEPUTY SPEAKER: Why?

MR OKUPA: This is an aircraft, which has been operational-

THE DEPUTY SPEAKER: Why are they selling, from the information you got?

MR OKUPA: The information I am getting is that they want to acquire another one. At whatever cost, we do not know. That is the second part of it.

The other part is, they are saying they want to barter it because they can no longer manage it. This information was brought to me by the police officers at the airport. This aircraft is still parked there.

When we were looking at the Budget Framework Paper, for us who are on the Committee on Physical Infrastructure, Uganda Airlines is looking for money to buy an aircraft. Why can't this aircraft be given to Uganda Airlines if Ugandans have failed to maintain it, to operate domestic flights or for hire?

Why would we want to sell this aircraft just barely four years at less than half the price? I request that you ask the Committee of Defence and Internal Affairs to take up this matter and invite the police here because it is a waste of resources. Unless somebody wants to make a deal out of this; why would we want to just dispose of it at half the price barely four years down the road?

Mr Speaker, I pray that the committee takes up this matter and brings a report to this House. If they are failing to handle it, let it go to Uganda Airlines for domestic flights.

THE DEPUTY SPEAKER: Thank you. Hon. Okupa raises two issues. The first one was with cotton and he wanted the Minister for Cooperatives to bring a statement. I think that is the right one.

The statement should not only be for cotton, let it also cover tea- I think we have a problem with tea and sugar- Let us deal with cotton since it is structured in a cooperative form. Tea is not in a cooperative form. Next week, the minister should bring us a statement for the ones, which are in cooperative form.

The one of the helicopters, I do not know- Gen. Muhwezi, do you want to comment?

3.31

THE MINISTER, OFFICE OF THE PRESIDENT (SECURITY) (Maj. Gen. (Rtd) Jim Muhwezi): Thank you, Mr Speaker. I thank Hon. Okupa for raising this matter. We are going to investigate it and report back to the House.

THE DEPUTY SPEAKER: Yeah, because my thinking is really to send a committee to do an investigation on a matter, which is outright;

the minister should come and report here and inform the House whether, indeed, it is true or not. This should be on Tuesday next week. If we find it needs further scrutiny, then we can send it to the committee at that time.

I kept stopping Hon. Ekanya; let me finish first with Hon. Ekanya.

3.32

MR GOEFREY EKANYA (FDC, Tororo North County, Tororo): Thank you, Mr Speaker. I take this opportunity, on behalf of Forum for Democratic Change (FDC), to thank the Rt Hon. Speaker of Parliament, you Rt Hon. Deputy Speaker, and all Members of Parliament, Ministers and the Government for the overwhelming support you accorded during the send-off of Hon. Cecilia Atim Ogwal.

The bi-partisan management of the send-off, right from the time the body was received from the airport, during the vigil, when the body moved into Teso, Mbale and to the final resting place, has demonstrated a high level of unity. We in the FDC, the party President, the Secretary-General and all members of the FDC are very grateful to Parliament and the Government.

We have learned many things during the send-off of Hon. Atim Cecilia Ogwal. There are certain activities that the party would have loved, for example, taking the body to the party headquarters to view, but there is a gap in the administration of Parliament.

I pray that we need to look at the Administration of Parliament Act with a view of amending it so that, if a member of NUP or NRM passes away, if the party wishes to take the body to the party headquarters for the members pay their last respect, that provision is there.

Secondly, as a party, we pray that there will be consensus during the by-election in Dokolo; that the same spirit of unity and support that was extended will be extended to the candidate that will be identified by FDC and the family so that we have unity during this process.

Finally, I thank you and my colleagues. I represent the Parliament of Uganda in an organisation that includes 11 African countries, where I represent the Office of the Speaker. In that organisation, (International Conference on the Great Lakes), we meet with Speakers. I extend appreciation to you and this Parliament, for the level of hospitality you accorded the Members of Parliament who came from Kenya, including the Deputy Speaker of Kenya.

The Deputy Speaker of Kenya, the Members of the Parliament of Kenya and the entire delegation appreciate the time you accorded them to the level that you secured a helicopter that moved them from Alito Village to be able to catch their flight on time. As FDC, we are very grateful and the Members of the Parliament of Kenya are very grateful. Thank you.

THE DEPUTY SPEAKER: Thank you. We still convey our condolences. The issues of how parties will deploy are issues you can negotiate under IPOD- you have platforms and all that, but we wish *Mama* to rest well. Hon. Silas, do you have a procedural matter?

MR AOGON: Mr Speaker, while the honourable Minister of State, Office of the Prime Minister (Northern Uganda) was on the Floor, I was about to ask her something. However, when I looked at your face, I saw guidance coming to me that I should find another way of doing it, not to ask the minister.

Mr Speaker, the honourable colleague who spoke about the children who are becoming sort of criminals because of what is happening down there - Hon. Komaketch raised a very pertinent issue. These issues come as a result of the past injustices meted on the population in Uganda, more so in the greater north.

If you come to Teso, Acholi, Lango, West Nile and several parts of the country, we have children born of war and girls who went out of this country because of war and returned as women with children and they are facing rejection in society. Several institutions lost property; school trucks and several issues occurred in the country.

Mr Speaker, His Excellency the President one time in Kololo, said among the Bills that are coming to this House, is the Transitional Justice Bill to solve these kinds of problems. That is the law that we need to sort the mess we are talking about.

I would love to find out from the Government, specifically the Ministry of Justice and Constitutional Affairs, Ministry of Internal Affairs, and Ministry of Defence, because that is where all these things have been confined; when is this particular Bill coming to Parliament? We are now going for elections, when is it coming? I see you bringing Bills here and want to pass them in one week. What happened to the Transitional Justice Bill?

THE DEPUTY SPEAKER: Thank you. Honourable Attorney-General -

3.38

THE DEPUTY ATTORNEY-GENERAL (Mr Jackson Kafuuzi): I appreciate my colleague's concern. We are still doing the necessary consultations; when we are ready, we will come.

THE DEPUTY SPEAKER: Are you in the process?

MR KAFUZI: I can tell you that we are in the process and doing the right consultations.

THE DEPUTY SPEAKER: Hon. Milton Muwuma, the Vice Chairperson of the Forum on Children Affairs - Him and Margaret and other Members including Hon. Obigah Rose have been doing a great job on issues to do with our children.

3.39

MR MILTON MUWUMA (NRM, Kigulu County South, Iganga): Thank you, Mr Speaker. I vividly recall when the Government was presenting its legislative agenda, the Ministry of Internal Affairs highlighted this as one of the priority Bills they were planning to bring to the Floor of Parliament.

When I hear my big brother, the Deputy Attorney-General, say that they are still

consulting, yet in 2015, they were trying to abolish the Amnesty Law, which is an alternative to this, I think we are missing a point. I appeal to the Government to fast-track this, instead of saying "we are consulting." We need a timeline as far as this Bill is concerned. I thank you.

THE DEPUTY SPEAKER: Thank you. Honourable colleagues, it is not good legislative practice for a House to say, "we give you this deadline to bring the law." That is not good legislative practice, apart from those, which are Statutory. What we can do is to urge the Government side that, indeed, you said this was a critical law; please, expedite it, we are ready. Attorney-General, would you like to add anything?

3.40

THE DEPUTY ATTORNEY-GENERAL (Mr Jackson Kafuuzi): Mr Speaker, I appreciate your guidance and that is the right way to do it. If I may add for purposes of clarity, the Bill you are talking about is intended to cure a certain mischief and you cannot cure that mischief without doing the requisite research and the necessary consultation, so that you bring a Bill that will meet the needs for which you have brought it. My request to Parliament, is that you give us a little more time to conclude our consultations. We shall report to the House.

THE DEPUTY SPEAKER: Thank you. This is one of the issues we are going to follow upon, honourable colleagues. Next item.

LAYING OF PAPERS

I. THE ELECTRICITY (ROYALTIES) REGULATIONS, 2022

THE DEPUTY SPEAKER: Honourable Minister of Energy and Mineral Development.

3.42

THE MINISTER OF STATE FOR ENERGY AND MINERAL DEVELOPMENT (MINERALS) (Mr Peter Lokeris): Hon. Ssemujju, do not make your fun all the time. You make very good statements. *(Laughter)*

THE DEPUTY SPEAKER: Honourable minister, my *Hansard* is having statements, which I do not understand where they are coming from. (*Laughter*)

MR LOKERIS: I oblige, Sir. Mr Speaker, in line with Section 119(1) of the Electricity Act, Cap 145, as amended, the Electricity Regulatory Authority (ERA) has so far developed three regulations, which have been published. I take this opportunity to lay the following three regulations –

THE DEPUTY SPEAKER: Honourable minister, you lay the one they call. We have an Order Paper and we must first call. Start with the one as called by the Clerk.

MR LOKERIS: Much obliged. I beg to lay the regulation entitled, “The Electricity, (Royalties) Regulations, 2022”.

THE DEPUTY SPEAKER: Thank you, honourable minister. Honourable colleagues, as per Section 119(1) of the Electricity Act, these are just for information purposes; they do not need to be processed by Parliament. Let them be deposited in the Parliamentary Library and put on alfresco in our system, for easy access by Members.

II. THE ELECTRICITY (SUPPLY
OF ELECTRICITY IN BULK
TO SPECIFIED CONSUMERS)
REGULATIONS, 2022

3.44

THE MINISTER OF STATE FOR ENERGY AND MINERAL DEVELOPMENT (MINERALS) (Mr Peter Lokeris): Mr Speaker, following the same Act, I have already specified, this is number B. This regulation is called –

THE DEPUTY SPEAKER: It is Roman numeral (ii) on our Order Paper - just read.

MR LOKERIS: Mr Speaker, I beg to lay “The Electricity (Supply of Electricity in Bulk to Specified Consumers) Regulations, 2022”.

THE DEPUTY SPEAKER: Thank you, honourable minister. The same is for information purposes. It will be put in our Library.

III. THE ELECTRICITY (INDEPENDENT
POWER TRANSMISSION)
REGULATIONS, 2023

THE DEPUTY SPEAKER: Honourable minister.

3.45

THE MINISTER OF STATE FOR ENERGY AND MINERAL DEVELOPMENT (MINERALS) (Mr Peter Lokeris): Mr Speaker, I beg to lay “The Electricity (Independent Power Transmission) Regulation, 2023”.

THE DEPUTY SPEAKER: Thank you. Well done, honourable minister. The same is for information purposes. (*Applause*) Next item.

IV. REGULATION OF INTERCEPTION OF
COMMUNICATIONS REGULATIONS,
2023

THE DEPUTY SPEAKER: Honourable minister, you briefed me, but I think you can go on record so that we can give you time.

3.46

THE MINISTER, OFFICE OF THE PRESIDENT (SECURITY) (Maj. Gen. (Rtd) Jim Muhwezi): Thank you, Mr Speaker. As I consulted with you, I would like to withdraw this until we have made further consultation and return here.

THE DEPUTY SPEAKER: Thank you. It is to do with issues of gazette. I told the minister to go and re-gazette so that once they are ready, they bring it here, and we follow the clear procedure. Thank you. Next item.

MOTION FOR THE ADOPTION OF
THE REPORT OF THE COMMITTEE
ON GENDER, LABOUR AND SOCIAL
DEVELOPMENT ON A PETITION BY
ELIVANSON NABATANZI AGAINST
PRIME LINKAGES LTD

THE DEPUTY SPEAKER: Committee Chairperson on Gender, Labour and Social Development. 15 minutes is enough for the report.

3.47

THE DEPUTY CHAIRPERSON, COMMITTEE ON GENDER, LABOUR AND SOCIAL DEVELOPMENT (Ms Sarah Najjuma): Thank you, Mr Speaker. I beg to lay the minutes of the Committee on Gender, Labour and Social Development on the petition of Elivanson Nabatanzi against Prime Linkage Limited.

THE DEPUTY SPEAKER: Procedure?

MS ACHAN: Thank you, Mr Speaker. Is it procedurally right for a report to be laid on the Floor of Parliament when in the Ministry of Gender, Labour and Social Development we have more than three ministers and none of them is here?

THE DEPUTY SPEAKER: It would not be the right thing to do, but someone can decide to frustrate Parliament by not coming and you do not do work. You are judged on your own volition. There is Government side. So, I would say, let us receive the report. If we find that the issues require the minister to come here and explain, then the minister can come.

However, I agree with you, Hon. Judith Achan, that it is not good to find that we have your item on the Order Paper and as a ministry, you have around four – but Hon. Gidudu has been here.

For now, I think he talked to the shadow minister to be standing in for him. *(Laughter)* Let us continue. The shadow minister will link up with the honourable colleague.

MS NAJJUMA: Thank you, Mr Speaker. *(Interruption)*

MR KIBALYA: Thank you, Mr Speaker. Through your office, I think you need to take a decision on some of these issues. One of the ministers was here. She was around, in the lobby; she knew her item was on the Order Paper. In a few minutes, as we look around, we cannot see her. Maybe, your office was notified.

Therefore, through your office, Mr Speaker, as the person who sieves these people and they enjoy these privileges, we need you to take real action on this – because she has been around.

THE DEPUTY SPEAKER: They did not consult me before they moved out. I now assign you; since you have seen her, please, bring her to me so that the House can proceed. *(Laughter)* Hon. Kibalya, I give you five minutes to bring the minister.

Chairperson, please, proceed.

MS NAJJUMA: Thank you, Mr Speaker. I beg to lay the report of the Committee on Gender, Labour and Social Development on the petition by Elivanson Nabatanzi against Prime Linkages Limited.

Mr Speaker, I take this opportunity to present the report of the Committee on Gender, Labour and Social Development on the petition by Elivanson Nabatanzi against Prime Linkages Limited. I am sure the report has been uploaded on our iPads.

Introduction

Mr Speaker, this is a report of the Committee on Gender, Labour and Social Development on the petition by Elivanson Nabatanzi against Prime Linkages Limited, regarding her daughter, Annet Nakagulire, who is the victim, who was taken to Saudi Arabia through labour externalisation.

The petition was referred to the committee on 26 May 2022 by the Rt Hon. Speaker, under Rule 36 of the Rules of Procedure of Parliament.

Thereafter, similar matters regarding labour externalisation were brought to the attention of the committee.

The committee has, in accordance with Rule 199(1) of the Rules of Procedure, considered the petition and hereby reports.

Background

Mr Speaker, on 26 May 2022, the Rt Hon. Speaker referred a petition by Elivanson Nabatanzi to the Committee on Gender, Labour and Social Development. The petitioner's daughter was taken to Saudi Arabia to work as part of the process of labour externalisation by Prime Linkages Limited, a company licensed by the Ministry of Gender, Labour and Social Development, to engage in labour externalisation.

While in Saudi Arabia, it was alleged that she fought her employer and, on the way to police, also assaulted a police officer and caused damage to a police car. She was incarcerated as a result. Upon the intervention of the ambassador, she was released, subsequent to which she was housed at the shelter operated by the embassy in the Kingdom of Saudi Arabia. The petitioner prayed that her daughter be brought back from Saudi Arabia.

Currently, Ugandan migrant workers in Saudi Arabia are estimated at 195,000, according to the 2022 report by African Institute for Strategy and Policy. Further still, the report indicates that labour externalisation contributes Shs 4.5 trillion as revenue to the GDP.

Uganda earns an annual average of \$600 million from migrant labour to the Middle East, of which the largest chunk comes from Saudi Arabia. This was confirmed by the Minister of Finance, Planning and Economic Development's Budget Speech for Financial Year 2022/2023 on personal remittances from around the world, which have been a significant part of the economy. They represented about four per cent of GDP from 2016 to 2019, significantly higher than the sub-Saharan African average of 2.7 percent. This was due

to the global COVID-19 pandemic economic impact, which affected the country's personal remittances inflow that fell to 2.8 per cent of GDP in 2022.

2.1 Labour migration

Migration is an integral part of global labour and international development, and has been part of the human experience for centuries. The International Labour Organisation estimates that international migrant workers number 169 million, with 99 million of them being men and 70 million being women, although international migrant workers constitute nearly five per cent of the global workforce.

The centrality of international migrant workers to the global economy continues to grow, as part of globalisation and the increasing interconnectedness of the world. It is worth noting that whereas labour migration is mostly viewed in the context of south-to-north, there is significant labour migration taking place in the opposite direction. According to the African Commission, there were an estimated 14.4 million migrant workers in Africa.

2.2 An increasing population

Part of the reasons for the high rates of labour migration out of Uganda is due to an increased population that is also predominantly young. According to the Uganda Bureau of Statistics, Uganda's population is approximately 42.9 million, 55 per cent of which is aged below 18. The population growth rate is 3.1 per cent – refer to the Household Survey Report 2020/2021.

The World Bank notes the following about Uganda's population –

THE DEPUTY SPEAKER: Honourable member, can you go to the issues that you found?

MS NAJJUMA: Okay. Let me summarise. The full report is uploaded on the intranet, I am sure.

THE DEPUTY SPEAKER: The whole report will be captured on the *Hansard* by the Clerk.

MS NAJJUMA: There are issues I would like to present to this House, Mr Speaker. This is a summary, but I am going to pick out the most important issues that we can discuss. It is good you have the report.

2.4 Labour migration and human rights

Despite the huge benefits noted above, there are numerous problems associated with labour migration. These range from human trafficking to fraud, human rights violation and the less talked about destruction of family cohesion.

The International Organisation for Migration notes that while remittances are largely used to improve the lives of dependent families in their home country, this often comes at a risk to the welfare of migrant workers, many of whom experience exploitative working and living conditions that may amount to human trafficking and forced labour.

A report of the Ministry of Internal Affairs notes that irregular and unguided labour migration was the most contributing factor for trafficking of Ugandans to foreign countries, and majority of the victims were recruited in the trafficking trap through deceptive means, some of whom were aided with the use of fraudulent travel documents.

Methodology

The committee held a meeting with the individuals listed on page 10 and 11 of the main report; you can read the report. We also received memoranda from the Ministry of Foreign Affairs and the Ministry of Health. We also received a report from the Uganda Human Rights Commission.

Members of the committee visited Saudi Arabia. We also visited the Republic of Kenya. For our terms of references, you can refer to the main report.

Findings, observations and recommendations

Terms of reference 1: Establish the circumstances under which the petitioner travelled to Saudi Arabia and her present circumstances

The committee established that the victim was externalised and left Uganda under Prime Linkages Limited, a private limited liability company. The company is licensed to undertake labour externalisation by the Ministry of Gender, Labour and Social Development under licence number E2012911, issued on 18 December 2022. She was externalised under Altamel Alkhas Recruitment Office, a recruitment agency in Saudi Arabia.

On the 29th of March, the respondent wrote to Gulf Skills Deployment Centre, one of the training centres approved by the Ministry of Gender, Labour and Social Development, to conduct pre-departure training, requesting the victim and 24 other ladies to be trained, in fulfillment of the requirements enshrined in Regulation 29 of the Employment Regulations, 2021.

Towards end of 17 May 2021, Gulf Skills Training Centre communicated to the PS, Minister of Gender, Labour and Social Development, indicating that the victim and eight other ladies had completed their pre-departure training from 30 March to 6 April 2021, and were passed out on the 6th of April. A copy of the letter is hereto attached as Annex A.

On the 25th of May, the PS notified the respondent that the latter's request had been evaluated and found to meet the requirements of the regulations and guidelines, and that the 100 employment opportunities at Altamel Alkhas Recruitment Office had been posted and advertised on the ministry's website.

On 7 September 2021, the Permanent Secretary, Ministry of Gender, Labour and Social Development wrote to the respondent company indicating that seven ladies including the victim had been vetted and cleared subject to

the respondent's possession of a valid Interpol certificate, which is a requirement under Regulation 23(1)(a) of the 2021 Regulations. She signed her standard employment contract on 29 July 2021, where she was entitled to a monthly payment of 900 Saudi Riyadhs. The victim signed her consent on 13 October 2021 before departing for Saudi Arabia. A copy of the contract is hereto attached marked "Annex B".

The petitioner informed the committee that the victim paid Shs 50,000 as registration fees. The visa and air ticket were paid for by her employer, as provided for under clause 10 of the bilateral agreement with the Kingdom of Saudi Arabia.

According to the gender ministry and the respondent, the victim allegedly assaulted her employer with a knife, breaking her employer's car, and physically assaulting a police officer. She was subsequently arrested and taken to prison in Najran, Saudi Arabia. This was reported to the Ugandan Embassy in Riyadh on 21 April 2022.

According to Uganda's ambassador to Saudi Arabia, the embassy contacted police and other Government agencies to secure her release and appealed to the employer and police officer to pardon her, which was achieved. The victim was released and sent to Riyadh, a distance of 1,200 kilometres by bus where she arrived on 26 June 2022 and was picked by the embassy from the bus station, weak and haggard. She had been arrested and remanded for six months at the police station and then transferred to the embassy shelter where she was held together with 15 other ladies with different issues pending repatriation to Uganda.

According to the ambassador, the victim received medical attention while at the shelter pending the processing of her exit visa. On 7 August 2022, the victim was repatriated after her exit visa was provided. The committee has since interacted with her relatives according to whom she was experiencing a deterioration in mental health and has been receiving treatment from the National Psychiatric Hospital in Butabika.

Observations

The committee made the following observations:

- a. Ms Nakagulire Annet was externalised by Prime Linkages Limited, which had a valid licence issued by the Minister of Gender, Labour and Social Development.
- b. The victim underwent pre-departure training, but this was for seven days as opposed to a minimum of 14 days as provided under the Employment (Recruitment of Migrant Ugandan Workers) Regulations, 2021, which were enforced when the victim was externalised. This constituted a breach of the regulations, but was not red-flagged by the gender ministry.
- c. The respondent company charged the victim Shs 50,000 as registration fees, whereas Regulation 26(1) of the Employment (Recruitment of Ugandan Workers) Regulations, 2021 caps the fees that a recruitment agency may charge as administrative costs at Shs 20,000.
- d. The victim was repatriated from the Kingdom of Saudi Arabia by the respondent as provided under the bilateral agreement.
- e. The health of the victim deteriorated following her return from Saudi Arabia. However, there is no mechanism for the provision of health and psychosocial support to her or any other returning migrant workers.
- f. The committee notes that the victim provided erroneous information, which was not signed by her.
- g. On the victim's consent form, it was indicated that she had completed primary four, but the family noted that she had dropped out of school at primary three and that at the time she was externalised, she was a tailor in Kiyembe.

- h. Prime Linkages had an outstanding case of a one worker called Ms Babirye Salimah, who had been recruited and died in the Kingdom of Saudi Arabia.
- i. The family indicated that they had received threats and intimidations from the respondent company because they had approached Parliament about the matter.
- j. The Ministry of Gender, Labour and Social Development lacks the capacity to monitor due to understaffing and inadequate resources.
- k. Prime Linkages was negligent and did not provide the necessary assistance to Ms Nakagulire and the family until the petition was presented to the Parliament.

Recommendations

1. The committee recommends that the Ministry of Gender, Labour and Social Development should:
 - a. always ensures the strict implementation of the existing laws regarding labour externalisation, including the period of pre-departure orientation and fees charged by recruitment agencies;
 - b. put in place a reception centre to check for any medical issues on the returnees and to offer medical treatment, psychosocial support, advice on appropriate investment plans and skills and knowledge transfers for migrant workers on return;
2. Clause 10 of the standard employment contract requires the employer to bear all expenses on medical treatment. Thus, Prime Linkages should cater for Ms Nakagulire's welfare and medical expenses.

TOR 2: Examine the process of labour export in Uganda and the labour externalisation industry

The process of labour export can be categorised into two broad categories; where the destination

of migrant workers is a country with which Uganda has an existing bilateral labour agreement, for example, with the Kingdom of Saudi Arabia and where a bilateral labour agreement is non-existent - Who has switched off?

THE DEPUTY SPEAKER: Honourable member, kindly try to conclude this.

MS NAJJUMA: Let me try to conclude. *(Laughter)* Mr Speaker, I need your guidance -

THE DEPUTY SPEAKER: We are welcoming Hon. Kibalya who has brought our minister. *(Applause)* Well done, Hon. Kibalya. *(Laughter)* You were complaining, yet you knew where she was.

Honourable, most of these issues are those, which we have tackled on several occasions and widely. That is the reason I would like us to focus on the issues of the lady you have reported on. Otherwise, most of the others are policy related. Just summarise your recommendations then we shall have the whole report on the *Hansard*. Yes, Hon. Ethel-

MS NALUYIMA: Mr Speaker, the WiFi is off, yet most of us relied on the softcopy to follow the report. I request, if they can put it directly on the forum for Parliament and then cast it throughout; it can be better for us. Thank you.

MS NAJJUMA: Mr Speaker, let me go to the recommendations as you guided-

THE DEPUTY SPEAKER: Honourable members, we gave you iPads and I am seeing colleagues opening and accessing.

MS NAJJUMA: Mr Speaker, let me go to the recommendations as you guided me.

Recommendations of the committee

1. The Minister of the East African Community (EAC) Affairs should harmonise labour laws and regulations that concern migrant workers and negotiate as one voice for the EAC in order to have a strong bargaining position.

2. The ministerial committee under labour, which is a framework of the EAC should realign labour issues for migrant workers.
3. The Government should deploy labour attaches and legal officers at Uganda Mission in Abu Dhabi, Riyadh and Doha.
4. Strengthen internal and external monitoring of Ugandan migrant workers.

THE DEPUTY SPEAKER: There is a point of procedure from Hon. Onzima.

MR ONZIMA: Thank you, Mr Speaker. I have been listening to the report. Most times, when petitions are presented, the petitions come with specific prayers and these specific prayers are what are supposed to be addressed and presented that on the prayer number one, this is the plea of the petitioner and this is what the committee came up with.

When one looks at this report, he or she tries to look at the problems this person wants Parliament to address. I think those could be the issues we should - but when you look at the recommendations and the rest, they seem to be general issues, which have always been presented here.

I am wondering: what is specific to this lady that Parliament is supposed to address? I do not know whether we are really proceeding correctly.

THE DEPUTY SPEAKER: That is what I was trying to guide the chairperson because the prayer was specific on page 4 where the petitioner prayed that her daughter be brought back from Saudi Arabia. We need to - now I have seen it is really wide and it is going way beyond.

I know these are salient issues that touch on what the committee has been handling. Madam Chairperson, let us conclude and focus on what the prayer of the petitioner was.

MS NAJJUMA: Thank you, Mr Speaker. The committee received a petition and we made our

findings, but our report entails everything about labour externalisation. The girl was brought back and she is here. Thank you so much. I beg that the House adopts the report. Thank you so much, Mr Speaker.

THE DEPUTY SPEAKER: Honourable colleagues, when you read the issues in the report, they are very general, but salient issues. I think the committee could see a way of packaging them so that we handle them, not under this petition, but through the sectoral committee reports. Honourable minister?

4.10

THE MINISTER OF DEFENCE AND VETERAN AFFAIRS (Mr Vincent Ssempijja): Mr Speaker, the honourable chairperson has good recommendations and conclusions. If she is allowed, I think she would read the recommendations and the conclusion.

THE DEPUTY SPEAKER: Honourable minister, Parliament works through Rules of Procedure. The moment the rules are telling you how to process petitions, you respond to prayers in the petition. Then other conciliatory issues, which you find, cannot be this big because these are too many; more than 90 per cent of the report is not on issues, which the petitioner prayed for, meaning you got another assignment, and you added it on.
Hon. Ssemujju?

4.11

MR IBRAHIM SSEMUJJU (FDC, Kira Municipality, Wakiso): Mr Speaker, thank you very much. I do not know, which number is this report about this subject matter. Every Parliament has discussed this issue.

I have a feeling we tend to be emotional and fail to address the issue that we are supposed to address. People who go to work as maids do not go to work in companies. There are no standards in homes, including ours. You are treated according to the temperament or the conduct of a particular home where you have gone.

I think Parliament is devoting too much time, discussing emotionally about this issue. Until we have stopped the vulnerabilities, forcing girls to go and work as maids, there cannot be standards, including the recruitment agents. You are just blaming them for no reason. Each home treats people differently. There are those who are going to abuse them and beat them. I would like to make the same argument I made when we were complaining that South Sudan was chasing boda bodas.

The last time we had the Parliamentary games in South Sudan, we interacted with the Ugandan Embassy. The Embassy told us that there are more than one million Ugandans in South Sudan – a country that has just emerged out of war. Until we have dealt with the real issues that are forcing people to go and work as maids, what they go through are not issues that you can solve as a Parliament. Maybe the preliminary issues, Mr Speaker, that we can deal with - and I am now speaking in general terms -

THE DEPUTY SPEAKER: Can we have the attention of the minister?

MR SSEMUJJU: The preliminary issue that we can deal with is the quick evacuation - and I would like to propose, Mr Speaker, because you remember when Hon. Janat Mukwaya brought a report here about the same subject matter. She told us that year when the Government put a ban, and MPs were emotional here and the Government put a ban. When there was a ban, 40,000 girls arrived in Oman.

The proposal I would like to make, Mr Speaker, let us be present in these areas where they are. We have no embassy, not even a consulate in Oman. Saudi Arabia is such a vast country. Girls who are abused in Jeddah, it will take them 12 hours on a bus to go to Riyadh. Now that the amount of money we are receiving from these girls is as the figures given in this report by the Committee on Gender, Labour and Social Development - this money, if you look at our economy, is more than the money we get from all the crops exported, including coffee. Instead of quarrelling with recruitment

agencies, let us put a Fund for quick evacuation and let us put some small offices in all these big cities where they go and work and then deal with the problems as they emerge. But I can tell you, you can be as emotional as the ninth Parliament; what it did was to say: ban, no going.

When there was a ban, 40,000 arrived in Oman. In Ethiopia, there was even a demonstration - the Government put a ban and the girls went on the street: “we want to go; we want to go” because there are no jobs. So, we should stop dealing with this matter in an emotional way.

Let us try to help whoever gets into trouble because the report says you have nearly 200,000 girls in Saudi Arabia. If one or 20 of them were abused, you deal with the abuses. Otherwise, just imagine a day when Saudi Arabia says 200 girls go back to Uganda, Oman does the same thing - Dubai you are going to be in a crisis.

THE DEPUTY SPEAKER: Thank you. Honourable chairperson, you want to conclude with something?

MS NAJJUMA: Thank you, Mr Speaker and Hon. Ssemujju. We have good recommendations here. I request that I read them out. They are few.

THE DEPUTY SPEAKER: Please do, but –

MS NAJJUMA: Thank you so much; just in a few minutes.

THE DEPUTY SPEAKER: Listen, let me guide you. You are allowed to be guided. Parliament works through rules. In petitions, you limit yourself to the prayers of the petitioner. You do not go on a wild goose chase to look for issues that affect the whole sector and you say it is our chance to report and you bring the issues.

If you feel as chairperson that these are very pertinent and quick recommendations, please, read them so that we move quickly. Let us allow her to present these recommendations because she has put in a lot of effort. A colleague feels bad, for putting in a lot of effort and you –

MS NAJJUMA: Thank you, Mr Speaker. Our recommendations as a committee;

1. The Ministry of Trade, Industry and Cooperatives and the Ministry of Gender, Labour, and Social Development should set up a cottage industry to skill and absorb the young people that would be migrated;
2. Government should set up the curriculum and institutionalise domestic work and its training under the Directorate of Industrial Training (DIT) with short courses and domestic workers appropriate to their jobs;
3. The five provinces of Saudi Arabia should have five coordinators, each following up with the workers in a given province. The delegation noted that it was more cost-effective for Uganda to have an attaché than to recruit local workers who cannot be supervised;
4. The Welfare Department of the Ministry of Gender, Labour and Social Development should ensure that the children of the workers remain in safe custody before the worker is allowed to migrate. A social impact assessment on children dependents and the family/ spouses of the workers should be carried out;
5. Saudi Arabia should allow Ugandans to be qualified to offer translators in Saudi Arabia;
6. The Ugandan mission in Saudi Arabia should have a passport collection centre;
7. National Identification and Registration Authority (NIRA) should facilitate immigration services at the Ugandan mission in Riyadh like it does in other countries;
8. The system of sanctions, rewards, and punishments in the labour externalisation sector should be strengthened for the employer and employee and recruitment companies who could be in breach of their contractual obligations;
9. The Minister of Internal Affairs should clearly define trafficking in person, export of labour and externalisation of labour in all the frameworks;
10. A joint training curriculum for migrant workers from East Africa should be considered;
11. Culture, religion and Arabic language should be part of the pre-boarding training for migrant workers;
12. Government should harness the skills and knowledge acquired by migrant workers upon their return;
13. Workers whose job description changes from the original offer of being a domestic worker in Saudi Arabia should have their remunerations increased.

In conclusion, the committee strongly states as follows:

It is imperative to ensure that there is safe and orderly migration that corresponds to the Sustainable Development Goals (SDGs). SDG 8.7 calls upon all countries to eradicate forceful labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour worldwide.

Goals 8.8 and 10.7 are also crucial regarding the protection of labour rights and promotion of safe and secure working environments of all workers, including migrant workers, as well as the facilitation of orderly, safe and responsible migration and mobility of people.

Chapter 4 of the Constitution, the Livingston Call for Action and the African Union Declaration require that the Government provides for social protection. It is also important to continue the efforts of creating jobs and opportunities for especially young people who are skilled.

Mr Speaker, I beg to move that a report of the committee is adopted. Thank you.

THE DEPUTY SPEAKER: Thank you, committee chairperson, for the good job. Honourable minister, the simplest question is, why should these matters be coming to Parliament? I know you have a desk, but why is the public petitioning Parliament, instead of coming to your ministry to sort out these matters quickly? The prayer was simple, “Return my daughter.” Should it be Parliament to spend resources, sending committees and all that?

4.20

THE MINISTER OF STATE FOR GENDER, LABOUR AND SOCIAL DEVELOPMENT (YOUTH AND CHILDREN AFFAIRS) (Ms Sarah Mateke): Thank you, Mr Speaker. I think we receive these petitions almost daily. All those that come to our ministry, we make sure that we address them, not necessarily in the docket of Labour, but in any office they go to. Maybe, this one was somebody’s voter and thought that the other one could go to Parliament faster and it could be addressed.

Of course, in the petition, I expected to get the prayers, which we were ready to work on as a ministry. We thank God that the girl came. For the recommendations that they have made, we are willing to work on them.

We are not seated. As we speak, we have been fighting very hard with the Ministry of Finance, Planning and Economic Development. Finally, it has given us money to put labour attachés in these areas to help the girls that side. I think this is an achievement. *(Applause)*

They have also given us money and we have created an app, which will be given to each girl going outside. In case you have a problem, even if you cannot talk, we shall know that you are located in this area and there is trouble. Then the labour attachés can move very fast to this home to save the lives of our girls. Thank you.

THE DEPUTY SPEAKER: Thank you. Honourable colleagues, the prayer was one; “Return my daughter.” The daughter came back. I now put the question that the report of

the Committee on Gender, Labour and Social Development on a petition by Elivanson Nabatanzi against Prime Linkages Limited, be adopted.

(Question put and agreed to.)

Report adopted.

THE DEPUTY SPEAKER: Honourable colleagues, even if you are to have a debate, it should be within the line of a prayer. Someone said, “Return my daughter,” and she came.

Hon. Ssemujju has just told you that since the 9th Parliament, we have been debating all these issues. So, what is very important is the progress being made. When the sectors are processing ministerial policy statements to do with the sectors, they should pick up on these recommendations and we ensure they are done. Next item.

MOTION FOR THE ADOPTION OF THE REPORT OF THE COMMITTEE ON FINANCE, PLANNING AND ECONOMIC DEVELOPMENT ON UNSPENT BALANCES AND THE POSITION OF THE UGANDA CONSOLIDATED FUND AS AT THE END OF 30 JUNE 2023

THE DEPUTY SPEAKER: Committee chairperson, before you present the report, there is an issue with the Leader of the Opposition.

4.24

THE LEADER OF THE OPPOSITION (Mr Joel Ssenyonyi): Thank you, Mr Speaker. I would like to appreciate the submission made by the minister. It has been an update to the House, but it is important we have a proper follow-up; also for accountability, because it is not the first time that this issue comes through and then promises are made.

This very week, there has been a trending hashtag on social media, “Labour Export Exhibition UG.” For those who are Twitter-friendly, find time and go there. You will see harrowing stories of girls that have gone through grotesque ordeals. Some eventually

made it back to the country, going through treatment now and so on. It will just give you a picture of what is happening.

Part of the reason is, number one, we have not had bilateral agreements with most of these countries. We recently renewed the one we did have with Saudi Arabia. An MOU with the UAE was signed, but it has not been legalised yet. We do not have for others. That is a problem, honourable minister, that needs to be fixed.

Number two, again, there has been a challenge of labour attachés not existing in these countries. You have promised that that is being worked on. Mr Speaker, I think that we need to compel the minister to be accountable to this House. If you are saying that you are in the process of deploying labour attachés, to which countries and what is the time frame within which this is being done?

The promise can be made here and then next year, we return to the same issue because of the cries of these girls. So, I think the minister needs to give us a proper update on these labour attachés. To which countries and when are they reporting for duty? That way, girls in these countries will get to know that if I get a problem, I know where to run.

The minister has also talked about an app. That is okay. We are advancing technologically. There is a challenge, though. When these girls report to these countries, their phones and travel documents are confiscated. They have no passport, ID or phone. They are literally slaves. Now that you are talking about an app, how are they meant to access it? We need to be a lot more practical about these issues. An app is good for those that eventually can access it, but let us not limit ourselves to that because they do not have access to phones.

Can we expedite the question of the labour attachés? There is money available. These companies that are licensed, about 305 of them, are paying. Of course, there are a myriad of those that are not licensed. Our hope is that the minister can track them down and take action. Thank you.

THE DEPUTY SPEAKER: Honourable colleagues, I do not want to reopen this matter. It is a matter we concluded on. Procedure?

MS AISHA KABANDA: Thank you, Mr Speaker. As a matter of procedure, I pray that you give guidance on the effect of the recommendations that were given there. Well, we are saying the prayer was to bring the girl back, but there are recommendations. For example, the report has said that the company was negligent and they treat the girl.

What is the effect of such recommendations that are there by us adopting the report? We have not discussed whether they are indeed negligent or not. Was it their responsibility to treat the girl or not? Now we have adopted wholesome.

THE DEPUTY SPEAKER: Thank you. Recommendations, which are way beyond - these are recommendations to the minister to implement. In the process, the minister will say, "This was not viable, this one was right; this I can do and this I can't." We cannot say this report is half. It is a learning curve.

What I would encourage is - and this also comes to issues, which the Leader of the Opposition has raised. The sectoral committee should look at these in terms of their oversight activity and also when they are budgeting. A very good example is, when they are processing the ministerial policy statements, this issue of deployment of those officers is one of those that should come out strongly to see whether it is funded. Money might be collected from those people for licences, but it is not used for this purpose.

Therefore, these are issues you capture under the ministerial policy statements. The problem was the prayer, which was made. It was so limited and the way it was captured. The moment we start going outside the prayer, what if the petitioner says, "Did I ask you about those issues?" Let us remain within the limits of this - *(Members rose)* - we are going to reopen this issue. Let us go on. Chairperson, Committee on Finance, Planning and Economic Development

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4.29

THE CHAIRPERSON, COMMITTEE ON FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Mr Amos Kankunda):

Thank you, Mr Speaker. The report is ready and I hereby lay the regional report, minutes of the meeting of the committee and the tenants' communications with interactions the committee had.

Allow me to read the report of the Committee on Finance, Planning and Economic Development. On unspent balances and the position of the Uganda Consolidated Fund as at the end of the year 30 June 2023.

During the plenary sitting of Thursday, 20 July 2023, the Rt Hon. Speaker in her communication raised concern pertaining to unspent balances by the end of the Financial Year 2022/2023.

Subsequently, the Committee on Finance, Planning and Economic Development was directed to undertake an inquiry into the unspent balances and position of the Consolidated Fund as at 30 June 2023. The committee undertook the assignment as required and hereby reports.

Terms of Reference

The committee established the following terms of reference for the assignment;

- a) To study the budget execution process;
- b) To establish the treatment of unspent cash balances, warrants issued to spending agencies and how warrants relate to actual spending;
- c) To Study the position of the Consolidated Fund as at 30th June 2023, and;
- d) To Study the treatment of certificates of completed works and invoices when they are not honoured by the treasury at the end of the financial year in question.

The methodology is as below.

Mr Speaker, allow me to summarise in the interest of time. The committee further reviewed the following literature;

- i. The Constitution of the Republic of Uganda.
- ii. The Public Finance Management Act, 2015.
- iii. The National Development Plan III.
- iv. The Government of Uganda Asset Accounting Policy and Guidelines, 2023.

Key Stakeholders and their responsibilities in the treatment of unspent balances on the consolidated annual accounts of the Government.

The key stakeholders in the treatment of unspent balances at the time of expiry of the Appropriation Act, include the following;

Ministries, Departments and Agencies

Section 17(1) and (2) of the Public Finance Management Act (PFMA), 2015, is to the effect that every appropriation by Parliament shall expire and cease to have any effect at the closure of the financial year for which it is made.

Further, that the vote which does not expend money that was appropriated to it, shall at the closure of the financial year refund the money to the Consolidated Fund.

Section 17(3) further states that a vote that repays money under subsection (2) shall revise its annual work plan, procurement plan and recruitment plan to take into account the unexpended money and the minister responsible for the vote shall submit, as part of the budget for the preceding year, and revise the work plan, procurement plan, and recruitment plan to the minister.

The Accountant-General according to Section 46 of the PFMA, 2015 provides for the responsibilities of the Accountant-General, among which is the compilation and management of the accounts of votes and the custody and safety of public money as well as the resources of the Government.

Section 52(1)and(b) of the PFMA further enjoins the Accountant-General to prepare and

submit to the Minister of Finance and to the Auditor-General within three months after the end of each financial year (30th September) to consolidated annual accounts of Government and consolidated annual accounts of the local governments.

The Auditor-General according to Article 163 of the Constitution establishes the Auditor-General and enjoins him or her to audit and report on the public accounts of Uganda and of all public offices.

The Auditor-General, therefore, audits and reports on the consolidated annual accounts in accordance with Article 163 of the Constitution of Uganda Sections 52(1)(a) and(b) of the PFMA, 2015.

Observations and recommendations of the committee

As earlier said, Mr Speaker, we degenerated the four terms of reference and I hereby report on the first one. Which is;

To study the budget execution process, and the treatment of warrants issued to spending agencies and how warrants relate to actual spending.

The national budget, an annual plan of the Government, on planned revenues and expenditures is derived from the 5-year National Development Plan (NDP III). The NDP III articulates clearly the planned strategic interventions of all sectors of the economy.

The committee observed that the budget cycle commences in September of each year and ends with the submission of the Government's consolidated accounts by the Accountant-General to the Minister of Finance and the Auditor-General by 30th September of the subsequent year. The figure below reflects the budget cycle.

- a) Budget approval and appropriation is another activity.

Following the budget formulation by the Executive through a rigorous consultative

process involving key stakeholders such as the Cabinet, ministries, departments, agencies and Local Governments, Parliament undertakes its approval and appropriation. The final legal outcome of the approval process is the enactment of the Appropriation Act by Parliament in May of each year.

- b) Loading of approved budgets on the Integrated Financial Management System (IFMS).

Following the enactment of the Appropriation Act, the Ministry of Finance, Planning and Economic Development loads onto the IFMS with the appropriated resources for each Ministry, Department, Agency and Local Government with strict adherence to the Act.

- c) Issuance of grant of credit by Auditor-General on IFMS

In compliance with Section 31 of the PFMA, on the annual basis, after appropriation, the Auditor-General issues a Grant of Credit on the Consolidated Fund. This Grant of Credit is equivalent to and does not exceed the appropriated amount in the budget for that financial year.

- d) Issuance of the minister's warrant on IFMS

Pursuant to Section 32 of the PFMA, following the Grant of Credit by the Auditor-General, the minister responsible for finance, issues a warrant to authorise withdrawal of funds from the Uganda Consolidated Fund (UCF). The minister's credit is equivalent to, and not exceeding the Grant of Credit issued by the Auditor-General.

- e) Permission to withdraw funds from the Consolidated Fund

Government's account, which is the Consolidated Fund is managed by the Bank of Uganda. In accordance with Section 32(1) of the PFMA, any withdrawals from the Consolidated Fund are by issuance of a warrant to the Accountant-General by the

Minister of Finance, Planning and Economic Development.

Section 32(2) of the PFMA is to further effect that the minister shall only issue a warrant upon issuance of a grant of credit by the Auditor-General.

f) The Treasury Single Account (TSA) and the permission to commit Government

Government in 2013 in a phased manner, migrated from the issue of Vote-specific Treasury accounts, where every Vote had its own bank account to a Treasury Single Account, one government-controlled account. This is very important, Mr Speaker. By 2017, the migration was completed and, since then, all the payments across the Government, except for missions abroad, are paid from a single account controlled by the Treasury.

The issue of the TSA (Treasury Single Account) ensures no money is released to any Vote anymore. What is given to the Votes are quarterly spending limits. Under the TSA, the Government cash balances are aggregated into a set of linked accounts.

The primary objective of the TSA is to ensure the management of the Government aggregated cash balances to minimise transaction costs during the budget execution, ensure efficient control and monitoring of funds released to various government agencies, and better coordination between fiscal and monetary policy implementation initiatives of the Government. Payments are made from the TSA daily, based on invoices raised by entities and cash availability. Depending on the cash available, rationing of cash may be undertaken.

Further, in accordance with Section 15 and Section 16 of the Public Finance Management Act, an accounting officer can only commit the budget of a Vote based on the approved annual cash flow plan. An accounting officer is also required to issue an expenditure commitment report indicating the actual and forecast commitment and cash position of the Vote at the end of every quarter to the Secretary to the Treasury.

Expenditure limits issued by the Secretary to the Treasury

The Ministry of Finance, Planning and Economic Development runs a cash-based fiscal operation. Accordingly, Mr Speaker, based on the resources available or projected to be available in a particular spending period, usually a quarter, the Secretary to the Treasury issues expenditure limits (cash limits) for each quarter to the accounting officers of the spending agencies. The expenditure or cash limit may vary from the resource appropriated by the Parliament, based on the projected revenue. Therefore, the transfer of funds from the Consolidated Fund to the Treasury Single Account is based on the actual available cash on the Uganda Consolidated Fund.

Recommendations

1. The committee recommends that the Ministry of Finance, Planning and Economic Development should improve its Integrated Financial Management Information Systems (IFMIS) internal systems to ensure efficiency in the running of the TSA.
2. Payments from the TSA should be prioritised based on the first-in, first-out (FIFO) basis.

Term of reference No.2: To establish the treatment of unspent cash balances, warrants issued to spending agencies and how warrants relate to actual spending

Year-end processes

In line with Section 17(1) of the PFMA, every appropriation shall expire and cease to have any effect at the closure of the financial year for which it was made. On the expiration of the appropriation, accounting officers cease to process any other commitment since the funding budget has expired.

Accounting officers are advised by the Treasury to cancel any outstanding or unsettled commitments on the Integrated Financial Management System. Commitments, including

invoices and local purchase orders, may remain unsettled at year-end largely on account of two issues;

1. Incomplete processes on the IFMIS. A payment on the system is initiated with the necessary supporting paper or document by an authorised officer. The payment goes through different levels of approval, up to validation, by the accounting officer before it is sent to the Treasury for payment. Every successful payment must complete the approved process.
2. Insufficient cash to settle them. This arises if, at the point of completion of the approved process, the item on which to deduct the funds for payment is found to have insufficient balance to clear the commitment.

Mr Speaker, the Treasury ensures that all payments in transit by year-end are cleared by the Bank of Uganda. Payments in transit comprise only validated invoices cleared by accounting officers for payment. This may not include invoices still undergoing various levels of approvals within the spending agencies. The Treasury communicates to the Votes about any unsuccessful payments for redeeming the cause of failure.

Finally, the Treasury reconciles all Treasury Single Accounts to verify the final bank balance, which are swept to the Uganda Consolidated Fund.

These are the treatments of the different categories.

All other unspent funds on the TSA

If, after reconciliation, there are any balances on the TSA, these funds are returned to the Consolidated Fund.

Unspent forex on the Forex Treasury Single Account

If, after reconciliation, there are any balances on the Forex Treasury Single Account, these funds are returned to the Consolidated Fund.

Unspent funds on the donor funded-projects accounts

These are maintained on the respective project accounts for appropriation and utilisation in the subsequent financial year.

Local government revenue collections – unutilised

Local governments must reconcile and certify with the Treasury balances unspent. A cash limit of certified amounts is issued to the local government in the subsequent year for allocation by their councils.

Unspent cash balances

The committee established that there are no unspent cash balances for all ministries, departments, agencies and local governments, except for missions abroad. Rather, there are unspent or unutilised warrants, the authority to spend funds if when available.

Mr Speaker, I request that I emphasise this issue of unspent balances. The committee established that there are no unspent cash balances for all ministries, departments, agencies and local governments, except for missions abroad. Rather, there are unspent or unutilised warrants, the authority to spend funds if when available.

Unspent cash balances used to exist before the implementation of the TSA, as I earlier explained. At that time, cash releases were made to accounts controlled by accounting officers. Payments were made directly by the accounting officers, off their respective treasury general accounts held at the Bank of Uganda.

There was no role by the Treasury in determining the invoices to be paid on a particular day. Some spending agencies would hold large cash balances on their respective accounts as they await procurement processes to be completed before clearing payments.

Upon expiry of the appropriation, all unspent balances used to be returned back to the Consolidated Fund. That is in the past. Under

the current TSA regime, accounting officers are only given warrants. A warrant is an authority given by the Treasury to an accounting officer to commit and spend up to the amount of the warrant in a particular fiscal quarter.

Subject to cash availability in that quarter or cumulatively during the financial year, the warranting process culminates in two actual payments of invoices through the TSA.

The committee established that apart from the missions abroad, no cash is paid outside the TSA, as earlier explained.

Local governments and unspent warrants

The committee established that a significant number of warrants for local government votes were not honoured at the end of the Financial Year 2021/2022. The affected local governments were largely on account of late supplementary warrants in quarter four for wages, as well as two funded projects, that is, Uganda Support to Municipal Infrastructure Development (USMID) and Uganda Intergovernmental Fiscal Transfers (UgIFT).

The committee further established that long before the Government employee headcount exercise, a ban on recruitment had been instituted and during the same time, very many vacant positions existed in local governments. Despite the ban, Government continues to provide for recruitment in the budget.

The committee, therefore, observed that some local governments received unsolicited supplementary allocations for wages for local governments at the same time when there is a ban on recruitment and warrants issued by the Ministry of Finance, Planning and Economic Development were not paid out.

On 1 July 2022, warrants to various local government votes equivalent to Shs 734.8 billion had not been spent. Of these unspent warrants, 49 per cent were for wages, which is Shs 358.9 billion and 31 per cent was for the UgIFT, which was Shs 225,233,583,293, 20 per cent was for USMID, which is equivalent to Shs 150.6 billion.

The committee therefore established that the affected projects required re-voting funds whose appropriation had expired. It took the Ministry of Finance, Planning and Economic Development up to December 2022, six months to submit the supplementary request to Parliament. Parliamentary approval of the supplementary request for re-voting these local government project funds was done 10 months later, which was 27 April 2023.

On 5 May 2023, the Minister of Finance, Planning and Economic Development communicated to local governments about Supplementary Schedule No.1 for Financial Year 2022/23 as approved by Parliament. He subsequently communicated the additional quarter-four expenditure limit for wage and development for Financial Year 2022/2023 on 22 May 2023 requiring local governments to urgently submit accounting warrants on the Integrated Financial Management System (IFMIS) and to ensure that salaries were fully paid and development activities executed in time.

Funds were eventually disbursed in June; nearly a year after these funds had been swept back.

The committee observed that procurements under UgIFT and USMID involved lotting of contracts whereby one contractor takes more than one site for construction works. This practice often makes it difficult for the timely completion of work in the contract time due to capacity challenges.

Below is the table that reflects the amounts that I was talking about: the wages, USMID, and UgIFT. I hope this was uploaded.

Mr Speaker, allow me to go to the recommendations having noted all these issues.

- i) The committee recommends that the Government first tracks the ongoing validation exercise to enable the lifting of the ban on recruitment which is very critical.

- ii) The committee also recommends that the Ministry of Public Service makes clear guidelines on replacement, promotion and confirmation of staff. These guidelines should be used to project the wage bill in time, especially when the ban on recruitment is still in force.
- iii) In order to cure the unspent warrants by donor-financed projects like USMID and UgIFT, Parliament should give the minister authority to release money in July to donor project funds whose appropriation expires on 30th June. The minister should report details of this category of warrants to Parliament in a period not exceeding one month from the time of such issuance. This will enable fully financed projects to continue operating in July after the expiration of appropriation with limited inconveniences.
- v. Capacity of system users in votes. Despite continuous training, users are reported to still have capacity gaps which affect timely transaction processing;
- vi. The culture of last-minute rush to execute activities towards the closure of a financial year. This overloads the payment system and slows down the processing speed hence, failure by some entities to complete their transactions.

The committee therefore recommends that:

- (i) Accounting officers should stick to the guidelines issued by the PS/ST to the effect that once the budget is approved, the procurement process should commence;
- (ii) Future projects similar to UgIFT and USMID should be decentralised;
- (iii) the Public Procurement and Disposal of Public Assets Authority (PPDA) should develop guidelines in accordance with sections 55 and 97 of the PPDA Act, 2003 to provide for lotting, including thresholds for each contractor.

Factors that contribute to unspent warrants at the end of the financial year

The committee established that end-year closure operations that lead to unspent warrants are affected by the following among others:

- (i) Delay in initiating and concluding procurements by accounting officers.
- i. Cluster procurement (lotting) and like I said earlier of projects like UgIFT, USMID and other projects which delay project implementation and thus absorption of cash limits is also affected;
- ii. Late approval of expenditure leading to late release of funds as the case was with Supplementary Schedule No.1 for the Financial Year 2022/2023. Poor planning by votes e.g., budgeting on wrong item codes causing failure to spend until the required budget adjustments are passed by Parliament through supplementary;
- iii. Delays in warranting funds by some votes, which affect all other payment processes;
- iv. Change of accounting officers towards the end of the financial year causing disruptions in the budget execution resulting in affected votes failing to

TOR 3: The position of the Consolidated Fund on and after 30 June 2023

The committee observed as of 30 June 2023, that Uganda Consolidated Fund had a closing positive balance of Shs 500.766 billion. This is the unreconciled bank balance, which was affected by transactions in transit, many of which were later paid in July.

According to an extraction from the IFMIS supplied by the finance ministry and confirmed by the Auditor-General, the committee further observed that the unpaid invoices in the system as at 30 June 2023, totalled to Shs 430.42 billion were cleared/paid during July, leaving a balance of Shs 70.33 billion. This position will be cleared after the Auditor-General's report.

Honourable colleagues, you remember this report was prepared even earlier, around June. This is why you see this kind of. The committee used the Consolidated Fund's Statement in the

Auditor-General's report for the period ended 30th June to make the following observations:

The 1 July 2021 - this is an extraction, honourable colleagues that we picked to illustrate our explanation - had an opening balance of Shs 327.4 million and only a closing balance of Shs 27.7 billion. When you look at this, I would like to refer you – if it is on the screen – when you look at 29.4 below which we are talking about, it becomes an opening balance in the next financial year. The statement and the table are in the report.

Term of Reference No. 4(TOR4): To study the treatment of the certificates of completed works and invoices when they are not honoured by the Treasury at the beginning of the new financial year

The committee observed that according to the Accounting Policy, outstanding commitments where goods had been delivered or services provided should be included in the Statement of Financial Position as payables and disclosed in the Statement of Outstanding Commitments, including operating and capital commitments arising from non-cancellable contractual or statutory obligations, which is detrimental to the private sector development.

The committee further observed that according to the last audit of the Government assets and liabilities for the Financial Year 2021/2022, the audited outstanding commitment increased to Shs 7.5 trillion from Shs 4.6 trillion in the Financial Year 2020/2021.

Delayed Project Works in Local Government

The committee established that Government projects like Uganda Support to Municipal Infrastructure Development Program (USMID) had suffered delayed release of their funds in the Financial Year 2022/2023 largely due to late submission of their supplementary schedule to Parliament for re-voting in a supplementary.

In the case of USMID, the donor, the World Bank, disbursed project funds directly to the Government of Uganda. Releases to the

beneficiary local governments were not done through the Treasury Single Account (TSA). This money is not an estimate like Uganda Revenue Authority (URA) collections. All the disbursed funds by the donor must be used to pay project invoices in the various districts.

Upon the expiration of the appropriation on 30 June, the Government of Uganda had an obligation to make a fresh appropriation to ensure that project works are not affected by unnecessary legislative and administrative delays.

Therefore, the committee recommends that the approval of the supplementary budgets for projects such as these should be done by the end of April each year. Any supplementary requirements not approved by April should be included in the Budget for the following financial year.

In conclusion, with the introduction of the Treasury Single Account at the Ministry, Department and Agencies (MDA) level in which no money leaves the Treasury to spending agencies except for Missions abroad, has phased out unspent balances at the MDA level. Operating a TSA based on a cash budget means that only invoices and commitments backed by the availability of cash, can be cashed out.

Unspent warrants have succeeded unspent balances as was the case before the TSA. Since warrants are not equal to cash, but merely spending limits, this House should support the execution of tax policy measures that can enhance revenue collection in order for warrants to be cashed out because there will be availability of cash.

This House, therefore, should also commit to re-voting local government project funds as early as 90 days after the expiration of the appropriation. I beg to submit, Mr Speaker. *(Applause)*

THE DEPUTY SPEAKER: Thank you, Honourable chairperson and your team for the good job. This is an issue which has also been

puzzling me for long. There was a time when I had the opportunity to have all the ministers - Hon. Musasizi and we had to grapple with Hon. Kasaija and that is when I came to understand that Government accounts are always in the negative. That is what I was told – ever in negative, so when I got that answer it sounded more technical.

However, chairperson, for purposes of understanding and the minister helping us – you see when you are making recommendations, like recommendation iii on page 9, where you say to cure the unspent warrants by Donor Financed Projects like USMID and UgIFT, the Parliament should give the minister authority to release in July. However, we allow under three per cent.

I remember this is what we are asking, why these priority areas are not the ones you consider under three per cent. Then you come to seek retrospective approval, so as a committee, do you want us to extend beyond the three per cent when we already have the three per cent that they would use? You remember the other money of UgIFT was again brought under Schedule 2 of the Supplementary for us to appropriate here at the last hour. We asked why you had not appropriated it under three per cent.

When we give a recommendation like this, then what we are saying is that such an urgent matter does not qualify to be worked on under three per cent, where they come and seek retrospective approval.

Then the final issue I would like to raise is information on the Treasury Single Account. I was talking to one person in the banking sector and he told me that they hold Government cash, but what I am getting from the committee is that they just have warrants.

However, I have information that they hold Government cash and the example they gave me might not be for this House, but gave me one of Parish Development Model. They say you release money in the form of cash to banks for the Parish Development Model when the

beneficiaries are not ready. What do banks do? They lend it back to the Central Bank. A person told me that they lend it to the Central Bank at 9.2 per cent interest.

The day you put it – they know the trends of the Government utilising the funds that you have sent. They calculate and say, “Well you have sent Shs 500 billion and we know these guys cannot consume more than Shs 100 billion in one month”, and the Central Bank is trying to manage inflation and all that is borrowing. Therefore, they immediately lend that same money of the Government to the Central Bank, which now pays interest to banks on its money.

That made me share with the Speaker of one of the countries when I got this information and I asked how they handled it and he said that they were very clear. Money from the Central Bank cannot spend more than 24 hours in a commercial bank. If it reaches a commercial bank, it should go to the account of the intended beneficiary, but it should not remain on the account of the Central Government because that is cash yet we are struggling with cash and someone is holding the money. He said that the moment it goes beyond 24 hours, then it expires and goes back to the Central Bank, meaning you will go through all processes of payment and once you have completed, the invoice goes onto the system; the final payment for finance, and then the Central Bank will release the money.

That is how a Treasury Single Account operates in some countries and because of that, you do not find situations where the government is running around when someone is utilising its money and lending it back to them. I do not know whether you have put it well; I am not an expert in that area, However, I have presented it the way I got it.

I have presented it from a business perspective whereby, my money cannot lie idle in the bank. No, when you pay me money today, I do not leave it on the account; it is making me money. The day it lies idle in the bank, the bank is sending it somewhere to make money for it. So, it can also make money for me. Let me start with the shadow minister.

Just let me allow Hon. Omara, then I go to the shadow minister - is he a member of the committee? Let him provide me with information. I have allowed information from him because he is a senior banker and one of the most experienced bankers. I would like to see whether what I got resonates with the senior banker.

5.09

MR PAUL OMARA (Independent, Otuke County, Otuke): Thank you, Mr Speaker. When the money leaves the Central Bank under the Parish Development Model, it goes to the SACCO accounts of the beneficiaries.

The SACCO is more of the accounts of the groups. So, you might find 100 beneficiaries in a SACCO. Still, that money becomes part of the deposits of that bank. If we do not utilise it, they will start using it; overnight lending - they will start lending it out and of course, if the central government comes to the money market for Treasury Bills, the money will be available, and they will lend it to the government itself.

Therefore, I think what we need to do is that the money should go to the individual beneficiaries so that they can get that money and start using it, but when it is in the SACCO- I remember the matter was brought to the attention of the President and he said he wants people to be ready. If the money is going to sit on the SACCO accounts, let it be there. However, unknown to him, these banks are using it to make money from us.

The other thing I would like to comment on is warrants, Mr Speaker *-(Interjection)-* no, I just wanted to provide additional explanation. Two things happen when the financial year is ending.

One, there are payments in transit which by the end of June will not have been received. That payment is settled within July.

Some warrants would not have been acted upon for which those projects are very essential. Now the Ministry of Finance will not honour those warrants. They will only pay the

invoices in transit, which means actions and commitments will have been taken, people are doing the work, and those invoices are taken care of; they are payments in transit.

Some of the warrants for very important projects are not considered. That is why the committee recommends that we need to recommit immediately in July through a Supplementary Appropriation Bill so that those projects can continue. Until, we amend the Public Finance Management Act, 2015- because automatically these people need to consider-

Mr Speaker, you are correct, but when they are coming up with the Supplementary Appropriation Bill, they come with their things. Some of these items are not considered.

THE DEPUTY SPEAKER: So, you want Parliament to pay for their indiscipline?

MR OMARA: Parliament needs to scrutinise and see what is in the Supplementary Appropriation Bill. If it does not contain some of these important warranties coming from the local government then we do not approve the Appropriation Bill.

HE DEPUTY SPEAKER: Hon. Omara. I am just asking you. Out of a budget of Shs 52 trillion, we allow the Government to pay, to spend around Shs 1.5 trillion under 3 per cent and report to Parliament within four months.

Now how much was the money for UgIFT? It was around Shs 200 billion. They refused to consider it under that and then you, the committee are recommending that we authorise the Government; we already authorised it under the law. Maybe if I did not-

MR OMARA: Mr Speaker, the challenge we have is that the warrant is issued out- because it comes through the system, until the Ministry of Finance allows you, even if you are seated on the other side of local government, you will not be able to make payments. They are the ones who determine which warrant must be paid.

THE DEPUTY SPEAKER: I think your recommendation should have urged finance to make them a priority under 3 per cent.

MR OMARA: The House can make that decision, Mr Speaker.

THE DEPUTY SPEAKER: Anyway, I need the shadow minister.

5.14

MR IBRAHIM SSEMUJJU (FDC, Kira Municipality, Wakiso): Thank you, Mr Speaker. The motion is to adopt the report of the Committee on unspent balances and the position of the Consolidated Fund. I am happy this matter has come. I would have been happier if it came before this Parliament adopted the Budget Framework Paper. It speaks to many of the issues we were addressing in the minority report.

Mr Speaker, in the Financial Year 2021/2022, this Parliament approved a budget of Shs 48 trillion and I invite Members to be attentive. We approved a budget of Shs 48 trillion and warrants worth Shs 46 trillion were issued.

The budget was Shs 48 trillion, and the warrants issued to spend were only Shs 46 trillion. However, the most important to note is that actually, the money that was spent at the closure of the financial year was Shs 39 trillion. You approved a budget of Shs 48 trillion, and they issued warrants of Shs 46 trillion, but the money spent was Shs 39 trillion.

You need to take care of three things; the budget you pass, the warrants that are issued giving authority to spend and the available money.

What this Government does is to excite everybody including Parliament that there is money when actually there is no money. The budget of Shs 48 trillion, when they brought supplementary it ended up being Shs 52.5 trillion. When you add the supplementary budgets.

Therefore, someone hearing thinks Uganda has Shs 52 trillion for a budget and then the

warrants issued Shs 46 trillion, less than the Shs 52 trillion. However, the money that was available because, at the end of the financial year, only Shs 40 billion was unspent balance.

Therefore, even if all the authorities issued to spend had been honoured, there was no money. Let me give you a micro, you hear- I am going to use ourselves here, that Finance - they even issue press statements; Finance has released Shs 4.9 trillion for the quarter. What they are releasing is air. So as a result, the Auditor-General gives authority and then the minister a warrant to spend. When the actual spending begins, there is no money to spend. One sends the invoices and everything to finance to spend, and there is no money. They claim the system has collapsed; now there is no electricity, including other things. That is why I have told you that at the end of the financial year of a budget approved of Shs 48 trillion, only Shs 39 trillion was the actual money that was spent.

That is the point that Prof. Mushemeza was addressing here yesterday – a realistic budget. Please stop exciting Parliament. Stop exciting the public claiming that you have money that you do not have. Honourable colleagues, I would like to caution you, please, stop approving air. You can imagine the difference between Shs 52 trillion and the actual money spent of Shs 39 trillion. How much money in trillions is that? However, you approved to go and spend. Hon. Musasizi and his technical people, my friends here, know that this money is actually not there. They will come here and load everything. You are excited that they have included your road at the end of the financial year.

That is the debate you have had this evening. Emergency here, there is no money. Then, Hon. Musasizi says, “Honourable, do not worry, for emergencies there is money.” The money is not there. They come and deceive Parliament and the public. The statement that I am reading is the report of the Auditor-General; page 6, page 7 and page 30.

The Auditor-General is looking at the budget approved, warrants issued and then the money

that is spent. Therefore, Mr Speaker, before we quarrel that these warrants were in transit, there was no money. Even if all of them had been honoured, there would be no money. That is why the domestic arrears now have moved to Shs 5.7 trillion, according to the Auditor-General. This is because the warrant has been issued, saying you can spend, and actually you issue invoices, services are delivered, and finance – and Hon. Musasizi knows that there is no money there to pay. At the end of the day, the domestic arrears are growing.

Therefore, I think, maybe for the first time, it is good that this information has come. When we are looking at the budget, let us approve only a realistic budget and stop approving broad figures just to excite people that Uganda has money when we do not have it. Otherwise – *(Interruption)*

MR OMARA: The information I would like to provide to Hon. Ssemujju is that while we do appropriation here, because under the law we have allowed the 3 per cent, normally what happens is that the Supplementary Appropriation Act takes precedence over the Appropriation Act. In this case, what you quoted is correct; there is a difference of Shs 5 trillion.

THE DEPUTY SPEAKER: What are you basing on? The record of Parliament has to be very clear, honourable.

MR OMARA: Let me come again, Mr Speaker. Because of the supplementary, which later on come immediately after the budget is approved, that supplementary takes the first call on the budget *-(Interjections)-* you will come and argue here. That is why –

THE DEPUTY SPEAKER: Honourable, you are in Parliament and the record of Parliament is showing that this law takes precedence over the other. If it is an operational issue for Ministry of Finance, it not something that goes on record here that this one take precedence over the other. Otherwise, it is wrong for our record here.

MR OMARA: Mr Speaker, can you allow me to make my point?

THE DEPUTY SPEAKER: No, honourable, the law is the law. I am talking about the law. You see, an Appropriation Act is a law. Are you getting me? We are talking about matters of the law. So, put it better.

MR SSEMUJJU: For that matter, Mr Speaker, I now decline his information. *(Laughter)*

THE DEPUTY SPEAKER: That is wrong.

MR SSEMUJJU: Let me conclude. I would like to ask, through you, Mr Speaker, if you can allow, our committees, especially the one on finance to do a study of the last three financial years. Tell us how much money was approved, the warrants that were issued – which simply means authority to spend, and the actual money available that was spent and balanced.

If you have balance of Shs 40 billion, but the difference between the budget and the warrant issued and the actual money is in trillions, it actually means that you were just exciting us for no reason. This is such that when they return with the budget and later the Appropriation Bill, this Parliament is able to say, please do not do to us what you did last year. Let us just budget for what we have, because these projections are easy.

If for the last three financial years, you have not had money to spend, but you approve money and the difference is Shs 10 trillion, you just have to remove Shs 10 trillion from your budget instead of 52, then you have 40. When you spend Shs 39 trillion out of Shs 40 trillion, it is realistic. However, how can you raise a budget through supplementary and it goes to 52 *-(Interjection)-* let me conclude and then you will explain because you are more knowledgeable in the area than I am and these are your figures.

You have a budget eventually of Shs 52 trillion and you have spent Shs 39 trillion. That is my prayer to Government, not to excite us, but to tell us exactly what we have and we budget accordingly. Thank you very much.

THE DEPUTY SPEAKER: Hon. Ssemujju raises very critical issues which I believe, if the minister can respond to now, it would guide the debate better. You are seated together and you all want to stand up at once. I can only pick one. *(Laughter)*

MR MUSASIZI: Thank you, Mr Speaker. I appreciate Hon. Ssemujju for his concerns. However, the budget we do is realistic budgeting, based on assumptions, which we have studied over time.

Treasury management works completely different from budgeting and planning. What we are discussing here is now the relationship between the two. There is nothing irregular at the point of budgeting with coming out with our Shs 52 trillion or Shs 48 trillion or whatever resource envelope we come up with.

When we come to the execution, we execute according to the cash flows, that is where we become exact. Even then we are telling you, let us do a release and a release is a cash limit. Once we release for you, ask us for the authority, what we call warrant. This warrant is just seeking an authority to spend. When we give you this authority, you will spend and send us an invoice.

Now, depending on our cash performance for the day we pay, that is what the chairperson was telling you, when we do not have the money, this invoice remains hanging until the money is received.

What I would like to clarify is that there is really nothing wrong for us to budget and we do not realise the actual. In actual normal planning, we have never – sometimes if we realise 100 per cent, we become suspicious. It must be something near or more, but you can never be exact.

Mr Speaker, at this stage, I would like to invite the House to be blind about supplementary appropriations. It is not there until when it has happened. We cannot debate in anticipation. We cannot debate in anticipation. We cannot make decisions in anticipation. We are looking

at the Appropriation Act, which has expired, and another one has started. At that point, Mr Speaker, you cannot tell us that “because we anticipate there will be a supplementary, manage it like this”. No. That is completely irregular. However -

THE DEPUTY SPEAKER: Honourable minister, you are making a ruling. *(Laughter)*

MR MUSASIZI: No. *(Laughter)*

THE DEPUTY SPEAKER: Honourable minister, we are looking at the previous financial year, and it included a supplementary. Now, if we say we cannot talk about supplementary – *(Laughter)*

MS ATIM: Thank you, honourable minister, for the clarification. I needed to hear from you that the reason you are giving us means that whenever we warrant our MDAs to pay and we do not get the money, that could be one of the reasons for the bloating arrears that we see. This is because we allow them to engage, and supply the services and, in the end, we do not have enough cash limit to pay. That was the issue that Hon. Omara was raising. What do we do with these unpaid warrants, which you have already allowed to be supplied, but the cash is not enough for payment?

That is the point that Hon. Omara was trying to make – and I wanted to give him information. Can the minister clarify to this House that these warrants can be carried forward in the next budget or spent within the three limits? What we have seen in this House is that for the three per cent limit, which the law gives you, usually, you leave these warrants whose services have been supplied and you bring completely new things that this House has rejected. Thank you.

THE DEPUTY SPEAKER: Honourable minister, isn't it a general principle that arrears have a first call on the budget?

MR MUSASIZI: Thank you, Mr Speaker. Arrears are in different forms. There are those, which relate to what Hon. Apea is talking about and there are those which arise as a result of

other circumstances. We manage them, case by case.

However, let me say this. What can prevent arrears arising from poor planning? The commitment control system requires accounting officers to commit to the Government when there is a work plan. It should be changed, now, to say an accounting officer should not commit the Government when there is no money. That one can cure some of the arrears. *(Applause)*

Mr Speaker –

THE DEPUTY SPEAKER: Who will implement that? I thought it was you, not us. *(Laughter)*

MR MUSASIZI: I undertake to look into that, Mr Speaker. *(Laughter)*

Point number two is the three per cent, which you are referring to. The law provides that for an item to qualify for supplementary, it must be unavoidable and it must have been unforeseen at the point of budgeting.

Mr Speaker, Uganda Support to Municipal Infrastructure Development (USMID) and Uganda Intergovernmental Fiscal Transfers Programme (UgIFT) projects are foreseeable items in the budget. However, because we must deal with them, and the law is not very clear on how such items, which have money – because they are budget-neutral; the money is there, but we cannot spend it without the authority of Parliament. It is money, which we have not spent, but in order to spend it, we must come to Parliament to seek authority. This is not something, in our opinion, which fits in the three per cent. That is why we find another mechanism, just regularising.

Mr Speaker, I thought at this point, this is – *(Interjection)*- but the emphasis on zero. Mr Speaker, you have heard the chairperson say in his report that there is a Consolidated Fund and a Treasury Single Account. Money enters through the Consolidated Fund and is transferred to the Treasury Single Account for operations. This account, like we have closed

the day, is reconciled daily. That is so that we can know what we are paying for the following day.

At the end of the year - I know it disturbs - we no longer have cases of funds returning to the Consolidated Fund because the Votes do not receive money. Every money you pay, Mr Speaker, if you did not know, I see all the expenditures the Government makes. Even if we pay Karim through the Parliamentary Commission, I will see the Electronic Fund Transfer if I want. The Parliamentary Commission does not close the day with money on its account; it is never there. We only receive invoices and pay on your behalf. I thank you.

THE DEPUTY SPEAKER: Thank you. Honourable minister, I want the record of Parliament to be clear, and I love how you are open to engaging us. Sometimes we push you into a corner, but you remain sober because you have the brain to engage us. The only thing is that you never concede. *(Laughter)*

There is a clarification I want to go on record. Chairperson, the committee cannot mislead this House when I am here. For the money that the minister has talked about, which is unforeseen, you know very well that we have items we reject in the budget that were foreseen, and they are returned under the three per cent. That is number one.

Two, when you come, what you seek here is through a supplementary. Whether it is prior approval or retrospective approval, it is a supplementary. Honourable chairperson, the authorisation you are asking Parliament to give is supplementary. You are saying we should allow them to spend this money under supplementary. We have not stopped them. There is no new authorisation that we can give under the law beyond the supplementary, which is provided for under the Public Finance Management Act.

I have made it very clear. I have said that it is either prior, which is beyond three per cent, or retrospective, which is within three per cent. However, the principle is that it

is a supplementary. Therefore, which other form of authorisation do you talk of beyond a supplementary that is not provided for in the law?

MR KANKUNDA: Mr Speaker, I would like to reflect the wisdom of the committee when we discussed this matter – and we restricted it to donor funded projects, UGIFT and USMID.

Why? The funds for these projects are not related to the Uganda Revenue Authority projected funds. They are funds that are available. We think that since these funds are available and contracts have been made, monies should be released and then the minister comes and reports so that they are not disrupted during the end of the financial year.

THE DEPUTY SPEAKER: That is the three per cent supplementary. It already provides for it. Tell me – honourable chairperson, what I wanted to get is: under what arrangement? I just want to understand: under what law?

We appropriate either through direct budgeting or supplementary. Which other form of appropriation is there?

MR KANKUNDA: Mr Speaker, the committee is open to engagement. I am only telling the House that the observation we made is not meant to disrupt the process of the projects for whose funds are available and the supplementary is based on unforeseeable and unavoidable circumstances. These projects, in our opinion, were foreseen and running.

THE DEPUTY SPEAKER: Let me make it very easy for you, chair. The supplementaries we have been approving here have both foreseeable and unforeseeable - that is projects you saw, we did not appropriate money for and you gave them money.

MR MUSASIZI: Mr Speaker, this is an interesting engagement.

THE DEPUTY SPEAKER: Honourable minister, what I am saying is that you already have permission; we gave you permission. That is what I am saying.

MR MUSASIZI: Mr Speaker, I agree with you. Some of the monies of the items we pass here for supplementary are foreseeable, but they become unavoidable in the – we could have foreseen something, but we do not have the money at that point. A case in point is the Non- Aligned Movement (NAM).

When we approved NAM, we knew we wanted, it but we did not have the money so we reached a point where NAM had to take place and we had to construct that hall you saw and other things. Therefore, it became unavoidable in the process of budget execution. It was foreseen, therefore that test does not qualify, but it became unavoidable and it qualified under the three per cent.

THE DEPUTY SPEAKER: To make it very easy, honourable minister, you will give us proposals on how you want Parliament to give you authority to spend such money and I will see whether you will go outside the supplementary. The proposals should come from the Government because they are for spending and should be in line with Article 93 of the Constitution.

MR MUSASIZI: Karim, are you an accountant of some sort? (*Interjections*) - If you are, I give you.

THE DEPUTY SPEAKER: They know each other and they are friends. They are both accountants. I am sure he was just pulling his leg; so, let us not try to –

MR MASABA: Thank you very much, Mr Speaker. To comfort the honourable minister, I am an economist with a Bachelor of Science in Quantitative Economics from Makerere University and a Master's of Arts in Economic Policy from York University in Toronto; so, I believe I am fit enough to assure the minister.

Back to the point, the clarifications I seek from the minister are two. One, he talked about limiting the accounting officers to spend the money that we have. I am certain that the accounting officers only spend on the monies that they have been told to spend and the warrants that they issue. So, I seek clarification

from the minister. Look at the release they had of the Shs 4.9 trillion; they told the accounting officers to go ahead and spend this yet there is no accounting officer who will spend Shs 20 billion when he or she has been given authority to spend Shs 10. How do we do this? Probably you will guide on that.

Secondly, let me –(Interruption)

MR MUSASIZI: Mr Speaker, in the Shs 4.9 trillion, we have informed accounting officers that this is the limit you have to spend in this quarter, but we have not told them how to spend it. After we have issued this, we expect them to warrant and ask for authority to spend. We shall give them authority to spend based on cash available under the Single Treasury Account.

THE DEPUTY SPEAKER: Let me pick honourable - [Hon. Masaba: “Mr Speaker, I have the second one.”] No, no, no. That is not how we operate. It was a clarification and now he is off the Floor so he is no longer on.

I pick Hon. Obigah, Hon. Roland Ndyomugenyi Hon. Muwanga-Kivumbi who had asked me earlier, Hon. Santa, Hon. Lillian, Haji, Hon. Opendi and Hon. Ogwal.

Honourable colleagues, I am going to give you a chance because this is a sensitive matter. I just want to make a ruling on one issue so that we do not waste time on it.

On the recommendation by the committee of Parliament allowing finance, that is against Article 93 of the Constitution. That is a charge on the Consolidated Fund. It cannot come from us. That is only for the Government.

Article 93(a)(ii) states, “*The imposition of a charge on the Consolidated Fund or other public fund of Uganda or the alteration of any such charge otherwise than by reduction*”. This is only restricted to Government. It cannot be from us. Chairperson, we shall have to amend that at the right time when a Member proposes. So, let us close.

5.44

MS ROSE OBIGAH (NRM, Woman representative, Terego): Thank you so much, Mr Speaker, for your wise guidance.

The committee addressed itself clearly on UgIFT and USMID, but they have forgotten about the Development Response to Displacement Impact Project (DRDIP). It is a very huge donor fund in mostly refugee-hosting districts and Terego is seeing a lot of light because of it. So, each time you are talking about donor funding, kindly remind yourselves about DRDIP, because Terego suffered a lot of setbacks on the DRDIP funding. Most of our projects almost collapsed, but I would like to thank Government because we were given a six-month window.

I also want to thank you for the recommendations you have made, but I would like to say remember areas like the elderly; and the Social Assistance for the Elderly (SAGE). If you have funding, that may be lying around and you do not know where to put it, kindly know that we have elderly people who have not been taken care of and have not been paid. Unless we think about them - most of us are now clocking that age and we have parents who have reached that age. It is a set time bomb. Thank you, Mr Speaker.

THE DEPUTY SPEAKER: Thank you, Hon. Rose. Hon. Roland?

5.46

MR ROLAND NDYOMUGYENYI (Independent, Rukiga County, Rukiga): Thank you very much, Mr Speaker. I also thank the Chairperson of the Committee on Finance, Planning and Economic Development.

I would like to address two issues. Number one, you talked about the other projects, that is UgIFT and USMID and on the non-wage balance, which was Shs 358.9 billion that was not spent at the end of that financial year. You did not tell us whether you investigated further to understand. You said it was because of staff who were not yet recruited and therefore, there

was a balance of Shs 358.9 billion, but you did not tell us if you went further to interrogate this figure.

In the audit report for the Financial Year 2021/2022, the Auditor-General said there was Shs 1 trillion, which was in commercial banks from the Uganda Revenue Authority (URA). Most of the time, URA collects money through commercial banks and by the end of the year, sometimes, that money is not yet transferred to the Consolidated Fund.

The chairperson needs to tell us if they went further to understand the relationship between commercial bank balances through URA and then the Consolidated Account because there is that money that is unspent towards the end of the financial year and transferred to the Consolidated Account.

Lastly, Mr Speaker, the issue of the cash available *vis-à-vis* the warrants need to be investigated further. The Honourable Minister tried to elucidate, but you see, a warrant is approval for you to spend. Therefore, if you allow me to spend, that means I will incur arrears, which when I am going to pay, finance ministry will say there is no money. But you told me to spend; you gave me a warrant to spend. As Parliament, we need to get that clearly so that we cure the issue of accumulated arrears. Thank you so much, Mr Speaker, for the opportunity.

THE DEPUTY SPEAKER: Thank you. Honourable colleague, I had picked you in your order. Hon. Paparu -

5.48

MS LILLIAN PAPARU (NRM, Woman Representative, Arua): Thank you, Mr Speaker. I would like to thank the committee for the elaborate report. There was a comment that they made about the changing of accounting officers. I am on the Committee of Public Accounts (Local Government) and there are times when we go to verify the Auditor-General's report in the districts or entities. You find that within one financial year, there are three accounting officers that are changed.

One covers three months, another one is there for four months, and another one within two months. The responsible ministries should look into that because accounting is becoming a problem.

Mr Speaker, the last monies that are warranted towards the end of the financial year - some accounting officers have become so smart that they connive with the contractors and advance monies. They just write a cover letter that the bank should not make these contractors use this money. These are the monies we have realised are misused when the financial year begins. They are not used for the relevant purposes for which they are meant. The ministry should look into that and see those accounting officers or entities that make local arrangements to advance these monies on USMID and UgIFT.

Mr Speaker, on clustered contracts, there are contractors that are given so many projects when they do not have enough resources. You find that in the whole of West Nile, and they add Acholi Subregion to it, a contractor or two are doing these activities. These monies are swept back. In the next financial year, these monies come towards the end of the financial year again. This is what we debated about.

About warranting of monies, I know we can budget over, but I cannot believe that you can warrant what you do not have. We cannot accept that as Parliament. So, let us look into that. Thank you.

THE DEPUTY SPEAKER: Thank you. Hon. Opendi?

5.51

MS SARAH OPENDI (NRM, Woman Representative, Tororo): Thank you very much, Mr Speaker. I would like to thank the committee for the report and I appreciate that this matter of the unspent funds is being discussed in this Parliament. It has been a big issue in our districts where you find that even where we have vacancies, we have money for recruitment, but unfortunately, sometimes for political reasons, people are not recruited.

We have districts where positions were being kept for sons and daughters of some people when they were still in school. They could not recruit and the money is returned. Yes, the money is returned. We have had such cases. The Karamoja region - You remember this was even a big issue in one of the districts in Karamoja.

Mr Speaker, some of these unspent monies are also a result of - I do not know whether it is professional negligence on the part of the technical officers. When you look at most of the Auditor-General's reports, when we are considering the entity reports, you find that some of the funds are returned because of inaction by the technical officers.

Look at issues of procurement. A district knows exactly what it needs and we have always urged them; why don't you start the procurement process early? Do not commit, but when the funds are finally released, process it. But you find that they wait until maybe April to start a process. These processes are lengthy. That, of course, is a disservice to the people in these districts.

Mr Speaker, when you look at the table on page five, we have been talking about the Treasury Single Accounts and funds swept to the Consolidated Fund. Under USMID, in this table, all unspent funds on the Treasury Single Accounts - After reconciliation, the balances on the Treasury Single Accounts are returned or swept into the Consolidated Fund.

When you look at unspent funds on donor-funded projects - and this is where the USMID and UgIFT come in - it is clearly stated here that these are "maintained in respective project accounts for appropriation and utilisation in the subsequent financial year." The funds remain on the account. They are not swept back like the other ones for the Consolidated Fund.

Mr Speaker, I would like to agree with the committee recommendation on page 9, which states that in order to ensure that the unspent warrants by donor-financed projects like USMID and UgIFT - Parliament should give the

minister authority to release the funds in July, for donor project funds whose appropriation expires on 30th June. The minister can then report to this House after one month.

Yes, through the supplementary and that should fall under Schedule 1. That, to me, sorts out the problem because if the money is not swept back into the Consolidated Fund, why are we having all these problems? We have looked at some of the projects - Chairperson, I sit on the Committee on Physical Infrastructure -

THE DEPUTY SPEAKER: Hon. Sarah, have we denied him authority? That is the question I just wanted to know.

MS OPENDI: No, I think we should whip the ministers to do their work.

THE DEPUTY SPEAKER: We have not denied them any authority.

MS OPENDI: Yes. By the time this comes here, there was an issue. Mr Speaker, the ministers are not doing us - I do not know if I should allow the minister to give information, or we allow the minister - because the USMID falls under them. Let me conclude, and then the Speaker will allow you. I have requested.

THE DEPUTY SPEAKER: I will allow you to submit substantively.

MS OPENDI: Mr Speaker, there were some proposals on these unspent balances; that if there are projects that were planned within a district or for example, staff that have not been recruited and the district wanted to recruit them, but advertised and failed to get them in time - like we have the challenge of doctors and engineers. Some districts advertise and fail to attract, but in the process, towards the end of the financial year, maybe they are able to attract or get somebody.

I think there was a proposal, and I would like to agree, that for such districts, this money should be sent back in the next financial year, as could have been detailed by the districts, other than denying them and they have to start all over

again; pleading and requesting, going through the Public Service Commission. Some of them cannot employ because they do not have the District Service Commissions. Mr Speaker, I thank the committee for the report.

THE DEPUTY SPEAKER: Maybe, on this point, if you had proposed an amendment to say, “We urge the Minister of Finance, Planning and Economic Development to give these projects priority when they are considering supplementary Schedule 1” - like you put it.

MS OPENDI: Okay. Thank you, Mr Speaker. Considering that these funds for the donor projects are not swept back to the Consolidated Fund, I would like to amend the report by recommending -

THE DEPUTY SPEAKER: Propose.

MS OPENDI: We propose to amend the report to include, specifically, that the Minister of Finance does prioritise donor-funded -

THE DEPUTY SPEAKER: Take time to look through it so that you draft it very well. I had picked some Members, but I see they are members of the committee. The rules do not allow members of the committee to debate, but you can only speak through - No, clarification comes through when a minister is on the Floor, or when your Chair allows you as he is on the Floor. Otherwise, you know our hands are tied.

5.58

MR SIRAJI EZAMA (NRM, Aringa County, Yumbe): Thank you, Mr Speaker. I thank the committee for the elaborate report they have submitted on the Floor of Parliament.

I want to comment on the issue of procurement. There have been delayed procurement processes that have delayed project implementation. For example, road projects under the World Bank which cover Koboko, Yumbe, and Moyo. Since we came to this Parliament, the process of the award of the contract has been on procurement up to now.

The bulk of this money is supposed to be given by the World Bank because of the large number

of refugees who are hosted there. You can see it is now two and a half years, but the procurement has not been done. What is likely to come? Don't we think that for such projects, the World Bank can withdraw the money because of the long procurement process? We really want to urge that our procurement process is expedited so that the projects are done within the required time. Thank you.

6.00

THE MINISTER OF STATE FOR LANDS, HOUSING AND URBAN DEVELOPMENT (HOUSING) (Ms Persis Namuganza): Are you the one who implements the censure?

THE DEPUTY SPEAKER: Procedure -

MR SSEMUJJU: Mr Speaker, this Parliament censured this particular minister. I have known Parliament and I have followed Parliament. In fact, in the past, every minister censured would go away and maybe be considered in the next - But you cannot censure a minister and then you give the same - *(Interjection)* - I am quoting Parliament, I do not have to quote the law.

THE DEPUTY SPEAKER: Hon. Ssemujju, please, we need to -

MR SSEMUJJU: So, the procedural issue I am raising is whether you are allowing her to speak as a minister. In that case, you will be or we will be going against the resolution of this Parliament, or you are allowing her to speak in her personal capacity as an MP.

THE DEPUTY SPEAKER: Honourable colleagues, of course it is on the record of Parliament. Parliament passed a resolution making a recommendation to the President; Parliament does not implement it. The law we have does not give a timeline in which the President must implement the resolution of Parliament.

He might want to implement it tomorrow and deny his minister a chance or he might have taken other measures because it does not specify. Please, let us focus on what you wanted to say, honourable minister.

MS NAMUGANZA: Thank you, Mr Speaker, for your guidance. I have been wondering why the Hon. Ssemujju was removed as the Opposition Chief Whip, but now I have seen. *(Laughter)*

Thank you for your guidance to my colleague, the Minister of State for Finance because the information I wanted - Hon. Sarah said you would allow me to speak. We have debated this issue of unspent funds which are always swept back into the Consolidated Fund and they remain there; you do not even hear about them and another financial year starts.

His Excellency the President guided that immediately we finish the Budget, let these funds be taken back. As you guided, there is no law stopping the Minister of Finance from spending. I liked it when you asked him, who has stopped you?

On the issue of the Uganda Support to Municipal Infrastructure Development (USMID), I work in the Ministry of Lands and USMID money has been there. The local governments did procurements and money was released by the World Bank. The World Bank has been here several times asking, why have we, as a Government, refused - and we engaged the finance ministry.

The last time they came to Cabinet, they said no, this money is available and immediately after the budget, the ministry is going to have the money spent.

Municipalities were given this chance to have municipal roads and what - When you repeatedly asked who had denied him authority, this colleague of mine did not answer. *(Laughter)*

The problem is with us. As you said, the law is clear on what should come to Parliament and what should not. Funds carried forward, why do you come - and they were within the budget. I do not know now what he is coming here to say because the law is clear.

That is the information I wanted to give and I like when you guided that Hon. Opendi

should move a motion instructing because there is nothing like arguing. They know their job clearly and they have put us in a very complicated situation.

Municipalities are frustrated, the World Bank is frustrated and they are withdrawing these funds because they are tired. They have been here for several meetings. So really, my colleague, I am sorry, but the law is clear and it is you who is not doing your job. I beg to submit.

THE DEPUTY SPEAKER: Honourable Minister for Finance, have you heard the sentiments? There is no need to respond or do you feel you need to? *(Laughter)*

MR MUSASIZI: Mr Speaker, not to respond *per se*, but to bring confidence to this House that whatever we do, as far as managing public finances is concerned, is done in accordance with the law.

There is nothing we can do, Mr Speaker. I was here when the Public Finance Management Act was enacted. I was also here before the Public Finance Management Act. I think I have made my point. That is what my colleague is saying; that under which law - The law that guides us in managing public finances is called the Public Finance Management Act and everything we are doing is in compliance with that law. I submit.

THE DEPUTY SPEAKER: I think what I got from your colleague honourable minister is, she did not say you are breaking the law. She said there is no law stopping you from making these projects a priority. That is what she said.

Honourable minister, I think what you have picked are the sentiments; that your honourable colleague is frustrated. Meeting the World Bank every day - people are putting you under pressure. We are borrowing money expensively and these people have given you concessional money and they are saying, implement these projects.

Honourable minister, I know the challenges you have, but I urge you to look at these projects and give them priority. UGIFT, USMID, DRDIP

are donor-funded projects. Because money is available, we gave you leverage under the law, so, let us implement them.

6.08

MR FERIGO KAMBALE (NRM, Kasese Municipality, Kasese): Thank you, Mr Speaker and I thank the committee for the report they have presented to us. My observation is that the chairperson of the committee was trying to be polite because he mentioned the reasons why we had huge unspent balances as per 30 June 2023. He did not want to sound harsh.

One of the reasons he gave was that during the Financial Year 2021/2022, we had donor funds that were unspent balances, but in the execution of the Financial Year 2022/2023, these funds are supposed to have been re-voted.

What finance did was to bring that re-voting after 10 months. Therefore, by 30 June, that balance had not been spent. In other words, he was saying, finance ministry should have brought this money for re-voting immediately after closure of the other financial year. He was just being polite, but he was trying to tell us, you people, be aware that the Ministry of Finance is not doing its work.

On this matter, Mr Speaker, we request the Minister of Finance – he is saying that he is doing it according to the Public Finance Management Act, 2025 which requires that he should do re-voting, which he delayed to do. He did it after 10 months and therefore, that money could not get out of those accounts.

Secondly, again the committee chairperson was polite by saying that the reason why we have an unspent balance is because there is delay in the procurement process. He again sounded polite. He is telling us that the accounting officers are not doing their work of ensuring the procurement process is executed on time. He is telling us that the finance ministry is not doing its work. They are the people who appoint these accounting officers. How come there is a deliberate delay in the procurement process and they are doing nothing?

Thank you, Chairperson of the Committee on Finance, Planning and Economic Development. You are polite, but you are telling us that our finance minister is betraying us. We have huge unspent balances because of his delays in re-voting, and not taking action on accounting officers who are not doing procurement on time.

As Parliament of Uganda, I commend that. Although the chairperson was not serious, we should put it on record that the finance ministry is causing us problems and that is why we have unspent balances. Improve your way of doing things otherwise, we shall come with a motion for censure here, the next day. We cannot stay in this circus. I beg to submit. *(Laughter)*

6.11

MS SANTA ALUM (UPC, Woman Representative, Oyam): Thank you, Mr Speaker. The minister said that the problem or the issue that we have is about budgeting and planning. He also alluded to the fact that there is poor planning. I was very happy when you accepted that and you are going to correct that. He went on to say that the budgeting is based on assumption. I would like to request and advise that do not over assume. Let the assumption be minimal. *(Laughter)*

Secondly, the Minister of State for Public Service is here. When you look at the report of the committee, we keep on having a ban on recruitment. At the same time, the Government provided some money to the extent that 49 per cent is out of the wage of the warrant. Madam Minister, when will this ban end, so that we stop seeing this kind of clumsiness on our budget?

Finally, Mr Speaker, when you look at the report, right from page 5 on local government throughout to page 10, you see that – First, on page 9, the factors contributing to unspent warrants, No.3, include late approval of expenditure leading to late release of funds. This is a very serious issue. I remember one time I was with my district local government and we requested – but for the finance ministry to approve this request was a tug of war.

When you look at all these factors, one up to seven, and leading to the recommendation of the committee that future projects like UGIFT and USMID should be decentralised, honourable minister, what is your comment about this? Should we go to decentralisation? I beg to submit.

6.15

MS AISHA KABANDA (NUP, Woman Representative, Butambala): Thank you, Mr Speaker. I join honourable colleagues to thank the committee for this report. Hon. Musasizi has done a lot to mislead the House, especially when he discounted Hon. Ssemujju's argument that we should always depend on the expenditures that we have had and money spent in the previous years to project what should be in the budget. He added that we do realistic budgeting, as though when we make assumptions and we do not use trends.

For whoever has done basic economics, you need trends to inform your assumption and if the trend has been pointing to a particular expenditure - for example, every time we have not hit Shs 50 billion as the amount of revenue collection and others. Therefore, you cannot say we shall have Shs 56 billion the following day. I think Hon. Musasizi was not right to discount Hon. Ssemujju's argument because his argument is putting us back on course.

Regarding the issue of unspent money, I do not know why this House does not demand. I pray that honourable colleagues will accept this amendment and demand that the Minister of Finance brings a statement to this House two weeks into the new year on unspent balances. We know there are unspent balances. We appropriate funds and we keep on saying, we do not know how much money this is.

How can a House that appropriates not know the balances that we have from the previous years? Mr Speaker, allow me, if I can, to bring the amendment now and propose that among the recommendations, we add that the Minister of Finance shall bring a statement on unspent balances two weeks into the new financial year. Let me move formally –

THE DEPUTY SPEAKER: Honourable minister, isn't it a requirement under the law?

MR MUSASIZI: What I would like to ask and where I need your guidance is, whether the recommendation, by resolution of Parliament, can amend the existing law. Under the law, we are supposed to finalise accounts by the 30th of September.

THE DEPUTY SPEAKER: That is the guidance I wanted Hon. Aisha Kabanda to get; it is already provided for under the law.

MS AISHA KABANDA: Mr Speaker, my communication is to the extent of informing Members on how much money was actually unspent and returned to the Consolidated Fund by the close of the financial year. In the budgeting process right now, the amount is not known because expenditures are still going on.

However, by the close of the financial year, the finance ministry will know exactly how much money has been unspent and returned. We only seek to get information because even members on the Budget Committee keep on asking where this money is and how much it is. The submission, to that extent, is for Parliament to get information.

MR MUSASIZI: Thank you, Hon. Aisha Kabanda, for giving way. We are saying the financial year closes on the 30th of June. At that point, we know how much money we have closed with, but there is cash in transit – there are transactions in transit – which materialise after 30 June. When these occur, we do a reconciliation.

On the 30th of September, we issue accounts which show the closing balance and the opening balance for the new financial year. I would like to understand from you, Hon. Aisha Kabanda, where the problem is.

MR MOSES ALEPER: Thank you very much, Mr Speaker. I would like to add to what the honourable minister said. Actually, the Government practices what is called “cash accounting”, as opposed to some other practices

of accounting that are there. In such cases, you only report on the cash you have actually spent. That is how we report in government.

For that matter, just at the cut-off date of 30 June of a particular financial year, you cannot determine, just the way the minister said, because there is some cash in transit. That is why there is a period of about three months that we give the finance ministry to carry out reconciliation. However, if it was accrual accounting, we would make a cut-off exactly on the 30th of June for reporting purposes, including receivables and payables. That is the reason why we do that.

I would like to allay your fears that, that is the reason why we do this. I also would like to allay the fears of this House and of the citizens of this country that what is very critical in budget implementation is going beyond what you have provided for.

Actually, one area that I was very critical on when we were investigating this was to see whether there is any MDA that has gone beyond the warranted amounts. Fortunately, there was none. All of them were within the amounts that had been warranted and that was good enough.

For that matter, I would be very fair to say that, as the minister said, the implementation of the budget is very realistic, and is according to the laws and provisions of the accounting practices. Thank you. *(Applause)*

MS AISHA KABANDA: Mr Speaker, the information given to me by both colleagues is well taken and understood. The biggest question to this House then is, why do we take unspent balances as such a big thing that is not understood, if accounts are brought to us?

There is a belief that, probably, this money is in the hands of the Ministry of Finance, Planning and Economic Development to spend anyhow. However, the explanation of the minister is that the House is in the know of the amount of money that has remained. Probably, how it is expended is another matter that the House needs to be informed on.

I have two final issues, Mr Speaker –

THE DEPUTY SPEAKER: Final two? No.

MS AISHA KABANDA: Briefly. It is about the ban. While we live in an environment of continuous retirement; people retire continuously and death goes on continuously, I would like to know whether we have not denied our people services, while we put a ban.

We actually know that death is a reality and retirement has been going on normally. I have failed to understand why my Chief Administrative Officer (CAO) goes to the bank to authorise payment and he says: “I cannot authorise”. This has happened many times on the Parish Development Model funds. The money is there, the CAO has tried severally, but the finance ministry has blocked it. This is something that is very unclear. The ministry should explain why their accounting officers, even one warrant – *(Member timed out.)*

THE DEPUTY SPEAKER: Thank you. Honourable minister, I hope you allow replacements. Did you also stop replacements on recruitment?

6.23

THE MINISTER OF STATE FOR PUBLIC SERVICE (Ms Mary Mugasa): Thank you very much. Replacement is allowed and it is ongoing. It is only new recruitments that are not allowed, at the moment. In the meantime, as I told you earlier, we are going to sort out everything when we form an inter-ministerial committee to discuss the audit report that was done on human resources. After that, everything will be done well. Thank you.

THE DEPUTY SPEAKER: Thank you. Replacements are budget-neutral. Hon. Gilbert Olanya? Hon. Mutembuli, I will allow you.

6.24

MR GILBERT OLANYA (FDC, Kilak South County, Amuru): Thank you, Mr Speaker. Parliament has been talking about the issue of unspent balances for several years. I recall that in the previous Parliament, the committee would report the amount of money being swept

back to the Consolidated Fund and it would end there. That is why I appreciate this Parliament for being very keen and focused. Mr Speaker, I thank you for that.

The committee tried to bring out the factors leading to unspent balances, but one of the members on the Committee on Public Accounts (Local Government) raised a major concern of unnecessary changes of accounting officers. The accounting officer would be deployed to a particular entity, but in less than three months, he would be transferred to another entity. In the end, the district needs to do many changes – changing signatories and many things – bogging down the district activities.

Mr Speaker, I would like to pray, through the minister, that at least an accounting officer takes a minimum of two years in a particular district. Let that accounting officer be given time to put up the activities he feels are best for the district. Changing an accounting officer within six months or a year is not good at all.

Looking at the resources that are being swept back to the Consolidated Fund – when we are carrying out auditing, you find that on average, about 40 per cent of our districts return an average of Shs 2 billion meant for pension and gratuity every financial year.

The committee chairperson was saying there is no cash, but we have warrants –

THE DEPUTY SPEAKER: Hon. Gilbert Olanya, Hon. Max Ochai is one of our experts in these areas. He can give us useful information.

MR OLANYA: It is okay.

MR OCHAI: Thank you, Mr Speaker. May I take this opportunity to provide some information to my colleague, Hon. Gilbert Olanya that under the Treasury Single Account regime, immature as it is so far in Uganda, there is no cash available that is swept back to the Consolidated Fund. That is what I want to make clear to you so that we do not confuse people out there. Thank you.

THE DEPUTY SPEAKER: That is what I started with. I was told stories in negatives, but now -

MR OLANYA: Thank you. Mr Speaker, that explanation - I really feel for some of us who are not experts in accounting; we need to be clarified more because many of the accounting officers explain to the committee that one of the reasons money is swept back is that sometimes the ministry releases funds when there are only two weeks remaining to the close of the financial year.

In the end, they are given a very short period of time to do so many activities. Now, when they fail to do them, the money is swept back. What is being swept back? I feel we need to be educated. Yes, information -

THE DEPUTY SPEAKER: Thank you.

MR MUWANGA KIVUMBI: He allowed me to give information. Mr Speaker, I concur with the position of the committee and the advice being given by my professional friends. I think what we have not internalised, even as Members of Parliament, are the processes of financing in this country.

When you operate a single account, no agency has got money in cash form; all the money is on one account. That is the reason I found the submission of the minister a little misleading to this Parliament in regard to a warrant and how warrants are leading to arrears.

When the Government issues Parliament - let me use this institution of Parliament. When the Government says that in this quarter you have Shs 20 billion as Parliament, it does not disburse money to the account of Parliament; the money is on their account. Parliament starts a process of procurement for services with the view that they have a go ahead on a warrant from the Ministry of Finance, Planning and Economic Development. Now, payments where the Parliament has committed money are queuing up at the finance ministry.

The finance ministry, on any single day, chooses what to pay depending on priority and urgency; it is not first in, first out. It depends on the urgency, necessity and the mood of the paymaster on that very day. *(Laughter)* That is what they call releases.

At the end of the month, where they have said Parliament was given a warrant of Shs 20 billion, the finance ministry has actually given it Shs 15 billion in actual release and commitment to services provided, but Parliament went ahead to commit for Shs 20 billion - *(Member timed out.)*

THE DEPUTY SPEAKER: Hon. Gilbert Olanya, your time is up.

MR MUWANGA KIVUMBI: One minute. On the basis that the finance ministry is going to pay - therefore the minister must own up.

The reason we are accumulating - unless we try to match warrant and releases - and the finance ministry says, "When I give you a warrant, I will do everything possible to match it with releases." When they do not do so, you are going to have all this debate of unspent balances which is theoretical - of arrears.

THE DEPUTY SPEAKER: Thank you. Hon. Sarah Opendi, there is an amendment which we want to capture.

6.31

MS SARAH OPENDI (NRM, Woman Representative, Tororo): Thank you, Mr Speaker. On the issue of the Uganda Intergovernmental Fiscal Transfers (UgIFT) and Uganda Support to Municipal Infrastructure Development (USMID) projects being decentralised, honourable members, unless we want problems, we will only be decentralising corruption. I want to tell you that I was in the health sector under the Primary Health Care (PHC), and we left funds for the districts. Instead of putting up health theatres according to the medical standards, they just put-up buildings because there were cuts for everybody, right from the district chairperson to the Chief Administrative Officer (CAO).

The procurement and the contractor had to fit in all of these and do shoddy work.

We actually had to redo almost all of these theatres because they were not even operational. Therefore, I propose that under that, we should amend that recommendation. Instead of decentralising, let us say that under donor funded projects, a contractor should not get more than two lots. *(Interjections)* No, should not get more than one lot because the lots have about five districts. You find a single contractor with two, three or four lots and some of them are either in the east or in the west. We should recommend that for donor funded projects, a single contractor should not get more than one lot.

We had also talked of an amendment on page 9 and I want to read it. It reads: "*That Parliament recommends that the Minister of Finance, Planning and Economic Development should prioritise unspent warrants of donor financed projects within the 3 per cent supplementary schedule.*" I think that covers it.

Mr Speaker, I want to request - We are about to go back to the 3 per cent. You mentioned that there is abuse; what we reject here is what is put on the 3 per cent. Therefore, we had an amendment - We signed a motion to amend the Public Finance Management Act so, I do not know whether that should not come before they stampede us here with the supplementary again.

Hon. Muwanga Kivumbi submitted this amendment. How I wish it could be prioritised and processed before we are stampeded. That is the amendment. Thank you.

THE DEPUTY SPEAKER: Thank you. Hon. Ekanya -

MR EKANYA: Mr Speaker, I have heard the justification of Hon. Sarah. However, I do not know whether we are trying to amend the Public Procurement and Disposal of Public Assets (PPDA) Act regarding procurement and whether our recommendation is in line with the laws or we are just doing it for record. I am seeking clarification.

THE DEPUTY SPEAKER: You see, when we make a recommendation, it is advisory. The implementing agency has to go and see if it is in line with the law. If it is not, they can - It is not an amendment of the law. Sometimes it is the urge; we are expressing our feelings and you never know. It can even come with a proposal to amend the law because of the problems that we have gotten.

Honourable colleagues, Hon. Sarah has made a proposal to amend recommendation (iii) on page 9. Mr Chairperson, do you have a problem with the proposal?

MR KANKUNDA: Mr Speaker, I have no objection to the proposal and I hereby concede to the amendment.

THE DEPUTY SPEAKER: Thank you. Honourable colleagues, I put the question to the amendments. I am going to capture them because they are in the report; they are just recommendations.

(Question put and agreed to.)

THE DEPUTY SPEAKER: The problem, Hon. Namuganza, is that the way you had proposed that we make it stronger would be in confrontation with Article 93 of the Constitution. We have to remain within our limits where the law - We want to recommend something implementable. What is not implementable is not useful for us to have here. Hon. Florence Akiiki -

6.37

MS FLORENCE ASIIMWE (NRM, Woman Representative, Masindi): Mr Speaker, thank you so much for this opportunity and I thank the Chairperson, Committee on Finance, Planning and Economic Development, for the good report and the recommendations therein.

I have two issues; the first is on accounting officers. Their mobility from one district to another is sometimes caused by a lack of coordination or relationship between the LC V Chairpersons, Speakers, and the Chief Administrative Officers (CAOs). Those three have become a big problem in our districts.

Therefore, once the chairperson is not working well with the CAO, he or she tries to ensure that the CAO is removed from the district, and the same with the Speaker. In some of the districts, even the District Service Commissions have failed to operate because of these three human resource persons. For example, in Masindi, most of the money is now being returned to the Consolidated Fund because the District Service Commission has failed to operate.

Number two is the ban on recruitment. It is not only a ban on recruitment, it is also a ban on promotion. As you know, we are now having graduation at Makerere University. The lecturers cannot move from one level to another because there is no Wage Bill. Even if you publish many articles, you will not be promoted. As a result, Makerere is losing several academics to not only universities within Uganda, but also outside. Unless we change that, we are likely to lose this human resource that we have trained for such a long time because of the ban on not only recruitment, but promotion as well. I beg to submit.

THE DEPUTY SPEAKER: Thank you. Hon. Okello then Hon. Mutembuli.

6.40

MR GEOFFREY OKELLO (DP, Nwoya East County, Nwoya): Thank you, Mr Speaker. Let me also start by appreciating the chairperson of the committee for the report.

Mr Speaker, the report highlighted several constraints that make local governments and some MDAs unable to absorb. The low absorption capacity also comes from the fact that many critical positions in MDAs and local governments are not filled. In my district, for example, we have only five substantively appointed head teachers in primary schools - over 40 schools and only five are substantively appointed.

The result is that there are innovations that the Government comes up with, but there is nobody to implement them. For example, the registration of students and pupils for UNEB examinations is channeled to Internet cafes for

support because the substantive officers are unable to do so. The Education Department in my district has no District Education Officer (DEO). The Sports Officer has been now sitting there for the last year.

This brings me to the recommendations on page 9, about the validation exercise. Mr Speaker, this validation by the Government has been going on time after time. In my district, after every validation, there is an outcry for those teachers, and other workers who have been left out and we do not know why and how.

As we proceed with the validation exercise this time, I request that the Government takes a little more care to make sure that those who are present are not excluded, because that is a gap; the conduit for creating ghost workers.

Mr Speaker, as I end, I would also urge that this validation exercise be broadened to include establishing vacancies in districts and MDAs so that they are concurrently dealt with. If not, even if monies are released, there will be no effect because absorption will be impossible. I thank you.

THE DEPUTY SPEAKER: Thank you. Hon. Mutembuli -

6.42

MR YUSUF MUTEMBULI (NRM, Bunyole East County, Butaleja): Thank you, Mr Speaker. I have been attentively listening to my colleagues, especially those who are professionals in accounts and economics, and I must say that I have learned everything and I will not forget anything.

To be honest, the issue of unspent balances and so on has been a very serious issue to the extent that even those who are in that area have been struggling to understand this and the other. I am very sure that by the time we get out of here, the majority of us will have knowledge on this particular aspect.

Mr Speaker, my colleague, Hon. Aisha, was trying to invite the honourable minister to come up with a statement. I want us to have

a look at Section 17(5) of the Public Finance Management Act (PFMA) which mandates the minister to make a report to this House, telling us the resources that were not utilised and the reasons for non-utilisation of such resources.

May I invite the minister to invoke that particular provision and give us a report? In that report, he is going to give us all the details; what the balance is and why this amount was not utilised. It is then that we shall be in a position to direct the minister on the way forward. That provision must be invoked by the minister and he makes a report to this House.

Mr Speaker, in this current financial year, in my district, we are going to suffer because there was an allegation that we could not spend what had been allocated to us. It took me a lot of effort to ensure that we maintain what was allocated to us. But there is that allegation and when I asked the Chief Administrative Officer (CAO) and the people at the district, they said, "Hon. Mutembuli, imagine, we are supposed to construct a school, and the money is released one month to the end of the financial year. What else can we do apart from just getting money and we take it back?"

It comes back to us, as leaders. They will feel we are not doing our work; we are not supervising, we are not doing what we are supposed to do, yet it is the ministry that is, in one way or the other, frustrating us.

May I invite the minister to try, as much as possible, to issue these warrants within the time that you feel the procurement process can take place? Mr Speaker, before I – (*Member timed out.*)

THE DEPUTY SPEAKER: Thank you, honourable. The Leader of the Opposition -

MR NAMBESHE: Thank you, Mr Speaker, and the Leader of the Opposition, for yielding the Floor. I will be brief. I am seeking clarification, but before that, I thank the committee and leadership for a good report that has not generated any controversy or dissenting opinion. It is a good one however, my attention

will be focused on the recommendation that you made; a clarion call to the ministry to do everything possible to improve the Integrated Financial Management System so that it ensures that there is efficient running of the Treasury Single Account.

I must salute the ministry for migrating from the vote treasury account to this TSA, but unlike other countries that have similar systems, this particular one of Uganda grapples with lots of challenges.

I am seeking clarification from the minister, especially when it comes to the lack of a super server. For this particular system, bad weather interferes with its functionality and it fails. Even the server itself has serious issues because a server is supposed to do the processing of data and dissemination. Why can't you procure, as a ministry, a super server like other countries, which can even operate where there is bad weather and that can even reach the mountainous terrain of Bududa?

THE DEPUTY SPEAKER: Thank you. Honourable minister -

6.48

THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (General Duties) (Mr Henry Musasizi): Thank you, Mr Speaker. I would like to appreciate Hon. Nambeshe, who spoke on behalf of the Leader of the Opposition, for appreciating the Ministry of Finance for what we are doing. *(Laughter)*

Mr Speaker, I acknowledge his concern. The IFMIS system has gone through a number of progress stages. Up to now, we are not where we want to be. We are still on continuous improvement to make it as efficient as possible, but the good news is that all our Votes now, including districts, have been connected to the IFMIS. This is a great achievement for us.

There was an issue, which Hon. Ssemujju raised that our budget spending is Shs 39 trillion. This Shs 39 trillion is in respect of the discretionary

budget, which this Parliament appropriates across MDAs for the year you referred to.

On top of this, we have statutory, most especially debt and the others, which we do not appropriate. When we add them, we come to the total resource envelope for that year we referred to as Shs 52.5 trillion.

Hon. Roland from Rukiga raised an issue that commercial banks collect money on behalf of URA and do not remit to the Consolidated Fund. Money collected for tax purposes by commercial banks is swept within two days. If you collect it today, Wednesday, by Friday, this money should have reached the Consolidated Fund. Therefore, I think it is a reconciliation issue.

Since he is referring to an authority called the Auditor-General, I do not want to call it an allegation. I would like to say it is a reconciliation issue, which we can deal with, with the Auditor-General. However, under normal circumstances - and in this case there are no abnormal circumstances - money is swept within two days upon receipt. Thank you.

Mr Speaker, I think it is fair that I thank the chairperson of the committee and its members for coming up with this report. I would like to also thank the House. This was an interesting debate. I will go back to the *Hansard* - that is the level of interest I have - to see issue by issue, which you have raised with a view of using your concerns to improve the systems of managing your public finances. *(Applause)*

THE DEPUTY SPEAKER: Thank you, honourable minister and the committee chairperson. This is the first report of its kind that we have received. I hope this is going to be annual and you will also be improving as we go on.

Honourable colleagues, now I put the question that the report of the Committee on Finance, Planning and Economic Development on unspent balances and the position of the

Uganda Consolidated Fund as at the end of 30 June 2023, be adopted with the proposed amendments.

(Question put and agreed to.)

Report adopted.

THE DEPUTY SPEAKER: The House is adjourned until tomorrow at 2.00 p.m.

(The House rose at 6.52 p.m. and adjourned until Thursday, 1 February 2024 at 2.00 p.m.)