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**Thursday, 9 May 2019**

*Parliament met at 2.04 p.m. at Parliament House, Kampala.*

### PRAYERS

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

*The House was called to order.*

### COMMUNICATION FROM THE CHAIR

**THE DEPUTY SPEAKER:** Honourable members, I welcome you to this sitting. As I indicated yesterday, we have two Bills to finish with before the budget committee report is tabled on Wednesday next week. And so, we have today and Tuesday next week to finish the two Bills - the Cooperative Societies (Amendment) Bill, 2016 and the Roads Bill. I hope today we shall finish with the Cooperative Societies (Amendment) Bill, 2016 and start on the Roads Bill as well.

In January of this year, we received a notice of a motion from hon. Wilfred Niwagaba, Ndorwa East Constituency to introduce a Private Member's Bill titled, "The Constitutional (Amendment) Bill, 2019." When this notice was received, the Speaker in the Chair then opted to give Government a chance to bring this Bill itself. She gave 30 April 2019 and this was to enable Government come with this Bill to cover the subject that the Member, in seeking the authorisation of the House wanted to cover. And this is about making some changes in the Constitution in line with what he believes could make the Constitution better.

That date has passed. Today is 09 May 2019. I see neither the Minister of Justice and Constitutional Affairs nor the learned Attorney-General.

I am asking you to show cause, why we should not go on with the motion to grant the said Member leave to introduce the said Private Member's Bill, if the Government is not ready to table it?

2.09

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PLANNING) (Mr David Bahati):** Mr Speaker, I pray that you allow some time for us to consult with the Minister of Justice and Constitutional Affairs and the Attorney-General so that on Tuesday we can inform the House on the way forward. I know there has been some little work being done but as I said on Tuesday we can come back to the House with a way forward.

**THE DEPUTY SPEAKER:** And in the event that you are still not ready to say anything on Tuesday, what do we do?

**MR BAHATI:** I beg that we make that statement on Tuesday.

**THE DEPUTY SPEAKER:** Honourable member, can we hold it till Tuesday? Let us stand over it over this weekend. When we come back on Tuesday, you will have your day.

2.10

**MR WILFRED NIWAGABA (Independent, Ndurwa County East, Kabale):** Just a short one, Mr Speaker. It would appear my colleague is not fully conversant with what is in the motion. My prayer is to the House to allow my motion to be put on the Order Paper on Tuesday. If Government wishes to make a response, they can still make a response then. They have been with this motion since January because we made sure we served even the Attorney-General.

**THE DEPUTY SPEAKER:** No, I will not put it on the Order Paper. I will instead put the response of Government on this issue on the Order Paper for Tuesday. Depending on what happens, we will then take a decision after that communication from the Attorney-General or from whoever will be taking the portfolio of that ministry that day.

Honourable members, I will cause an alteration on the Order Paper to accommodate a petition from the honourable member for Rukiga. I hope you have a copy of the petition. Please alter the Order Paper to accommodate it. Thank you.

2.11

**MR JONATHAN ODUR (UPC, Erute County South, Lira):** Thank you, Mr Speaker, for allowing me this opportunity to raise this matter of extreme national concern.

The *Daily Monitor* of 11 April 2019 carried a story to the effect that the Ministry of Education and Sports staff, most of them teachers, who are paid by the Central Government, were due to miss their salaries for the months of May and June 2019. Indeed it has come to my notice that the said teachers have missed their salary and pension arrears for the month of May 2019.

I, therefore, seek clarification from the Ministry of Public Service on why some teachers have missed their salaries for the month of April and why, about 1334 teachers are going to miss their salaries for the months of May and June?

I pray that Government addresses the country on the measures they are going to take to ensure these teachers are paid according to our laws. Thank you.

**MR BAHATI:** Mr Speaker, I would like to thank the honourable member, for raising that issue. However, I would like to assure everybody that, yes, there could be some delays but there is no one who will go without being paid their salaries because it is an obligation that we have to meet.

The few challenges that we faced are being addressed by this very House. I know that the budget committee is in advanced stages finalizing with the report for the supplementary expenditure, which contains the shortfall on salaries. We hope that next week, when that is done by this House, the matter will be resolved quickly.

2.13

**MR FRED MUDUKOI (Independent, Butebo County, Butebo):** Thank you, Mr Speaker. I rise on a matter of national importance affecting my constituency of Butebo.

Last week, due to heavy rainfall and storms, one of my schools, Kadongole Primary School was affected. The iron sheets were blown off and some of the buildings collapsed. I am worried that in the next two weeks, when pupils resume their normal lessons, they will have no classrooms to use. I am also worried that over 2,000 children are going to miss classes because the classrooms were destroyed by the heavy storms.

We have tried to write to the concerned ministries but I doubt they will respond in time. I remember last year, I raised the issue of one of the bridges in the constituency, that is, a bridge bordering Butebo and Bukedea but it hasn't been worked on to date yet we have so far lost three people trying to cross from Butebo to Bukedea.

Last week, because of the heavy rains, the same thing happened. As I talk, one of the casualties is in Mbale Regional Referral Hospital. This fellow has serious wounds and his backbone is affected.

Mr Speaker, these are the two issues I would like to raise. One concerns Kidongole Primary School, which was affected because of the heavy rains and the bridge, which borders Butebo and Bukedea districts. This bridge is impassable up to now.

The concerned ministries have not taken this as something serious. Actually, there is no communication between Bukedea and Butebo because the road is impassable. It is really my concern that whenever we bring issues of urgent national importance, the concerned ministries should respond in time. Otherwise, we are always blamed for not doing our work yet we try as much to bring these matters to the attention of the concerned ministries but nothing is being done. Thank you, Mr Speaker.

**MR BAHATI:** Mr Speaker, on the issue of education, I will take the matter to the attention of the Minister of Education and Sports immediately. While on the issue of the bridge, the hon. Gen. Katumba Wamala can respond.

2.17

**THE MINISTER OF STATE FOR WORKS AND TRANSPORT (WORKS) (Gen. Edward Katumba Wamala):** Thank you, Mr Speaker. We are aware of the Omorot Bridge, which is between Butebo and Bukedea. We have already sent our people to investigate what needs to be done. Otherwise, it is not a small matter, which can be addressed within a short time; it needs redesigning because the whole bridge collapsed. However, our team has been dispatched to the ground.

I actually assured the woman member of parliament of the area that this is one of the bridges we are projecting for design and construction in the next financial year.

2.17

**MS MARGARET MBEIZA (NRM, Woman Representative, Kaliro):** Thank you, Mr Speaker. I rise on a matter of national importance. Kaliro District is like a landlocked country yet most of the water bodies have been swallowed by the hyacinth. My people survive on fishing from these water bodies because they do not have much land for farming, especially those from northwest of my constituency.

It has been at its peak – and when the ministry official visited, they just became spectators. They actually just sympathised with the locals; they did not do anything yet this is the second time this is happening.

Mr Speaker, my people have resorted to witchcraft. They think something has been done to their water and therefore, they cannot live a smooth life. Actually, those practicing the witchcraft are at high threats of death because they go there, strip themselves naked and dance around the water thinking the hyacinth will go away, which is not the case.

Mr Speaker, this is a serious matter. Since it has now come to my concern, I cannot just sit back. That is why I had to bring it to the House. This matter deserves the highest degree of attention. I thank you, Mr Speaker.

**MR BAHATI:** Mr Speaker, first, I think the honourable member needs to inform her people that witchcraft will not solve the water hyacinth problem. However, the Ministry of Water and Environment will this afternoon be informed. I know that hon. Gume is from that area. So, we shall work on it quickly to save our people from going naked.

**THE DEPUTY SPEAKER:** Which honourable is from that area?

**MR BAHATI:** Hon. Gume and he is confirming that they do not practice witchcraft. Thank you.

2.20

**MS CONNIE NAKAYENZE (NRM, Woman Representative, Mbale):** Thank you, Mr Speaker. I rise on a point of national importance, in regard to the current season.

Mr Speaker, as it rains, the roads are getting eroded. Unfortunately, in our region, we only have one low bed, which is currently in Amuria, serves 31 districts. When you want to transport equipment to work on the roads, it takes months because the low bed works in very many districts. Therefore, given the fact that the minister is here, maybe something should be done.

Further to note is the fact that, the district equipment that was given to us does not favour municipality because municipality only uses it when it is free since it belongs to the district.

I pray that municipalities are also considered to have equipment; it would be very good.

Lastly, the equipment that broke down in Mbale has taken two years without being repaired because it has to be repaired by the ministry. My prayer is that the ministry should try and look for low bed that can be distributed in sub region other than having one for 31 districts. We can have one for Teso region, Bugisu, Bukedea and Sebei. Otherwise, if it is only one serving those many sub regions region, it becomes very frustrating that we cannot transport equipment to work on our roads. Thank you.

2.22

**THE MINISTER OF STATE FOR WORKS AND TRANSPORT (WORKS) (Gen. Edward Katumba Wamala):** Mr Speaker, I appreciate the concerns of the honourable member. It is true that we do not have capacity to distribute or issue out low beds in every district because of the resource envelope. However, in extreme cases, honourable the members of parliament are encouraged to just call me or any of us in the ministry; we see what intervention to take on.

On the issue of the equipment, I am not sure which equipment the honourable member is referring to. Otherwise, the Japanese equipment, which were bought under the Japanese's arrangement are still under warrant, for the next three years. Do not touch it and the district should touch it. You only need to report when it breaks down. The company which has been contracted, and has outlets in all the regions, can respond immediately. Victoria Equipment is responsible for the maintenance of this equipment for the three years they are on warrant.

I would like to, therefore, encourage the honourable Member of Parliament to interact with us on these two issues and we see how we can intervene. Thank you.

2.24

**MR JOSEPH KOLUO (NRM, Toroma County, Katakwi):** Thank you, Mr Speaker. I rise on a matter of national concern. Katakwi District and particularly the sub counties of Toroma, Kapujan, Akurao, Magoro and Omasia are seriously affected by famine.

Since December last year, places like Akurao never received even a single drop of water. About seven to 10 animal die every day. Actually, there is no pasture and water. People are also dying. In a day, between two or four people die every day because of starvation. The cassava, which used to be a staple food crop for the people, is not there. People are surviving by eating dry leaves.

My prayer is that the Office of the Prime Minister assists us and immediately extends support in form of posho, beans and rice to these people.

Finally, the Ministry of Agriculture, Animal Industry and Fisheries should try to find a solution; pasture for animals is also lacking.

The other day, I stood on the Floor of Parliament and requested that the valley dams be opened in that area because there is totally nothing. Yes, whenever it rains, all the water from Karamoja flows towards Lake Kyoga but it is not harvested though. Thank you, Mr Speaker.

2.26

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (PLANNING) (Mr David Bahati):** Mr Speaker, we are working on the issue of hunger across many regions because this season has not been an easy one. People expected the rains but that did not happen. It is coming now at probably a different time and because of that, hunger is striking in many parts of the country.

Cabinet, on Monday, approved Shs 40 billion to the Office of the Prime Minister (OPM) to buy relief food in the short run. This afternoon, we have been processing that money, as part of the contingency fund, to allow OPM start purchasing that food. So, the honourable member's area will be assisted in the short run with relief.

However, in the long run, we will work out interventions to handle irrigation and climate change issues. What is causing this trouble is climate change; the wetlands that are being destroyed and trees being cut down. So, those are the interventions that we are now looking at - afforestation, irrigation and also addressing the issue of wetlands. Thank you.

**THE DEPUTY SPEAKER:** Thank you very much. Honourable members, in the distinguished visitors' gallery this afternoon, we have a delegation from the Republic of India, led by hon. Babubhai Bokhiria, the Minister for Agriculture and Aviation. They include: Dr. Aakash Babubhai, Mr Ashwin Patel, Mr Mukeshkumar Thakkar, and Mr Sarjubhai Karia. Please join me in welcoming them. You are welcome. *(Applause)*

2.28

**MR JACK WAMANGA-WAMAI (FDC, Mbale Municipality, Mbale):** Thank you very much, Mr Speaker, for the opportunity. All roads lead to Kampala, the capital city of Uganda. However, before one

enters Kampala from the eastern part of Uganda, they drive past the Electoral Commission offices but the situation there is not so good. There are so many children who rush through vehicles, begging for money.

This Parliament approved money for our missions abroad to attract tourists and investors. When these tourists come to this country, they go to Jinja to see the source of River Nile in addition to going for water rafting.

However, the sight of these children on the streets is so embarrassing. Why can't the Ministry of Gender, Labour and Social Development put up a centre in a place like Moroto to retain these children so as not to embarrass this country? We are embarrassed so much by these children.

Therefore, I move that Government comes up to do something to save us this kind of embarrassment with the visitors we invite to this country. The Government should act very fast. That is my request. Thank you, Mr Speaker.

**MR BAHATI:** Thank you, hon. Wamanga-Wamai, for raising that important issue. I would like to say that the Ministry of Gender, Labour and Social Development is addressing that situation. We have requested for extra resources to resettle the street children though still waiting on Parliament. It is part of the supplementary that requires prior parliamentary approval. Next week when Parliament approves the supplementary, the ministry should be able to move very fast to start resettling these street children.

#### MINISTERIAL STATEMENT ON AREAS OPEN FOR COMPETITIVE BIDDING FOR PETROLEUM EXPLORATION LICENSES IN RESPECT OF THE SECOND LICENSING ROUND IN UGANDA

2.30

**THE MINISTER OF STATE FOR ENERGY AND MINERAL DEVELOPMENT (ENERGY) (Mr Simon D'Ujanga):** Thank you, Mr Speaker. My statement is in form of a report to Parliament. However, before I proceed, the copy that has been uploaded is unsigned so I beg to lay a signed copy of the statement, on areas open for competitive bidding for petroleum exploration licenses in respect of the second licensing round in Uganda, on the Table.

I beg to lay.

**THE DEPUTY SPEAKER:** Let the records capture that.

**MR D'UJANGA:** Mr Speaker, the objective of this short report is to update Parliament on the implementation of the National Oil and Gas Policy for Uganda, specifically on the efforts, which my ministry is making to carry out the second licensing round in the country, in respect to petroleum exploration, development and production.

I would also like to update Parliament on the areas open to bidding for petroleum exploration licenses, as a requirement in the Petroleum (Exploration, Development and Production) Act, 2013.

Third, I would like to urge Parliament to appreciate the drivers for the second licensing round and their positive impact on the social-economic development of the country.

You will recall that the main objective of the National Oil and Gas Policy for Uganda is the establishment and efficient management of the country's oil and gas resource potential, and the effective licensing of areas potential for oil and gas production, through gradual or phased licensing.

The policy also recognises that gradual licensing would lead to the optimisation of licences with programmes and fiscal terms for the country, sustainable exploration and production of the country's petroleum resources, hence the creation of lasting value through these resources.

The Petroleum (Exploration, Development and Production) Act, 2013 operationalises the policy by providing for the licensing of acreage in Uganda through an open competitive process. The competition will enable the selection of technically, financially and industry-recognised healthy, safety and environmentally compliant companies.

In order to efficiently prepare for the licensing rounds, a Licensing Strategy and Plan was developed and duly approved. It is particularly aimed at ensuring efficient, effective preparation and the implementation of the licensing rounds in the country, taking into consideration the aspirations of Vision 2040 and NDP II.

The preparations for the licensing rounds are being undertaken by ministerial and agency institutions comprising Ministry of Energy and Mineral Development, Ministry of Justice and Constitutional Affairs, Ministry of Finance, Planning and Economic Development and the Petroleum Authority of Uganda.

The primary objective for the second licensing round is to establish additional petroleum resources and reserves to the current resource of six billion barrels of oil, which has been confirmed and a recoverable reserve of 1.4 billion barrels of oil in the country. The additional resources are to ensure sustainability of oil production and economic viability of the refinery and the crude export pipeline.

The licensing of areas at this time when the price of crude oil at the world market is above \$60 together with the prevailing conducive investment climate, and minimal geological and commercial risks is expected to attract a large spectrum of oil companies, including moderate to big ones, and a subsequent achievement of competitive work programmes and fiscal terms.

The experience gained from conducting the first licensing round by the ministry and established state-of-the-art data room are essential for leading to a successful licensing round.

In addition to having the prerequisite legal backing for conducting the licensing round, the necessary institutions, namely; the Petroleum Authority of Uganda and Uganda National Oil Company are now fully constituted and operational. The authority can now provide statutory advice to the minister while evaluating and granting of exploration licences while Uganda National Oil Company can take up the participating interest of the state in the new licensees in the promotion of national interest.

#### The Proposed Licensing Areas

The target areas of second licensing round are all in the Albertine Graben. Attached to this report is an annex showing the areas which include:

1. Avivi covering the districts of Obongi, Adjumani, Amuru and part of Arua and with area coverage of 1,026 square kilometres.
2. Omuka covering the districts of Nebbi, and now Pakwach, Nwoya and Buliisa and with area coverage of 750 square kilometres.
3. Kasuruban covering the districts of Buliisa, Hoima and Masindi and with coverage of 1,285 square kilometres.
4. Turaco covering the district of Ntoroko with area coverage of 637 square kilometres.
5. Ngaji covering the districts of Kanungu, Rukungiri and Rubirizi with area coverage of 1,230 square kilometres.

The demarcation of the areas is based on 5×5' block size, which is roughly 85.4 square kilometres and its multiples. The areas I have mentioned above are multiples of 85.4 square kilometres and this is as provided for in the Petroleum Exploration, Development and Production Act, 2013.

#### Financial Implications

Mr Speaker, in order to efficiently and effectively implement the licensing round, total funds to the tune of Shs 3.52 billion will be utilised during the Financial Years 2018/2019 and 2019/2020. These funds are provided for as a supplementary budget and under the sectoral budget for the Financial Year 2019/2020.

The licensing round is expected to generate and lead to enormous benefits including the upfront direct monetary revenue from the application fees, data package sales, signature bonuses, training fees and ground rent to the tune of more than \$5 million.

Other economic benefits will accrue upon oil and gas production in the demarcated blocks in case of commercial discoveries. Technical and financial benefit analysis indicates positive net present value and Government take in excess of 80 per cent for projects in all the blocks, with total future revenue due to Government estimated at about \$44 billion.

The local content benefits that shall include investment retained in the country from use of local goods and services and employment of Ugandans. For example, during the exploration stage in 2013, Tullow Oil Limited employed a total of 203 people, out of which 80 per cent were Ugandans. CNOOC employed about 115 people, out of which 70 per cent were Ugandans and Total employed over 500 people, out of which 80 per cent were Ugandans. It is, therefore, expected that the new exploration licences will present significant employment and provision of goods and services opportunities to Ugandans.

#### Environmental Implications

Mr Speaker, it should be noted that some parts of the areas earmarked for licensing are in ecologically sensitive areas, such as Ngaji being in a national park. However, it should be noted that before any activity is considered in any of these areas, an environmental social impact assessment will have to be undertaken to mitigate any likely impact. It should further be noted that the exploration activities undertaken in other sensitive ecological areas such as Murchison Falls National Park have demonstrated a positive co-existence with wildlife.

Mr Speaker, the action plan for this licensing round is shown in the table, which is attached here. It takes into consideration the objectives of the licensing round, existing legal framework and activities which need to be implemented to ensure successful licensing. The activities will range from July 2018 and end in December 2020.

The licensing strategy and plan for the second licensing round was developed with input from the Petroleum Authority of Uganda. It spells out the objectives, procedures and timelines for the implementation of the licensing round.

As indicated earlier, the ministry constituted a licensing committee comprising of staff from the Ministry of Energy and Mineral Development, Ministry of Justice and Constitutional Affairs, Ministry of Finance, Planning and Economic Development and Petroleum Authority of Uganda to implement the licensing strategy and plan specifically to, among others, prepare the pre-qualification and bidding documents, review and update the model production sharing agreement and the data sale regulations and undertake technical and financial cost benefit analysis of the proposed blocks for the licensing.



The licensing committee consulted with the Ministry of Energy of Ghana, Petroleum Commission of Ghana and the Ghana National Petroleum Corporation through a benchmarking visit on how they are implementing the ongoing first licensing round.

The country contracted PGS to spearhead the promotion efforts. The Republic of Ghana launched their first licensing round on 15 October 2018 and target to grant exploration licenses in September 2019.

The licensing round has three offshore blocks for competitive bidding while four offshore blocks are for direct negotiations.

In addition, consultation was made with the Ministry of Finance, Planning and Economic Development who indicated that the second licensing round has excellent economic and local content benefits to the country. In that regard, a certificate of Financial Implications for this licensing round was issued by the Ministry of Finance.

In conclusion, I would like to request the House to note that the second licensing round is being conducted in accordance with the law and upon conclusion; it will present enormous economic, social and local content opportunities to the country.

The areas for the licensing constitute: LR2 2019 Block 01 (Avivi), LR2 2019 Block 02(Omuka), LR3\_2019 Block 03 (Kasuruban), LR2\_2019 Block 04 (Turaco) and LR2 2019 Block 05 (Ngaji).

Attached to the report as I said earlier on is a map showing these areas. I beg to report.

**THE DEPUTY SPEAKER:** Thank you very much, honourable minister. Honourable members, this is brought under the authority of section 52 of the law that we passed here because what we know is what we have been told and that is what we have been following ever since the exploration, and testing started but the law requires that each time new areas are being put up for exploration this House should be briefed and this has taken place.

The framework for having this if there is any discussion at all to be done should better be coming from the committee because there is information right now but we do not have a way of verifying but the committee could be in position to check it and then see if there are aspects that can be debated or not.

Otherwise, this is specifically for noting. I would like to refer it to our committee of Natural Resources to see if there are areas that the House could be briefed about. This particular report is forwarded to the committee of Natural Resources to look at and advise us what it is all about. Thank you, honourable minister.

2.48

**MR HERBERT KABAFUNZAKI (NRM, Rukiga County, Kabale):** Thank you, Mr Speaker. The humble petition of the people of Rwamucucu Sub County, Rukiga County, Rukiga District moved under rule 30.

The subject matter of the petition regards the illegal takeover of public land, situate at Rushebeya in Rwamucucu Sub county, Rukiga County, Rukiga District which has been in use by the community since time immemorial.

The land in dispute has been serving both as a playground for public schools and a public market. The matter arose out of a land dispute between Mr Gacharo David and Mr Byandisa Yosam on one hand and Rwamucucu Sub county Local Government on another instituted in the Chief Magistrate's Court in Kabale.

The Chief Magistrate's Court entered judgement in favour of Rwamucucu Sub County Local Government; upon which Gacharo David and Mr Byandisa Yosam appealed to the High Court.

However, during the hearing of the appeal, Rwamucucu Sub County Local Government did not present witnesses and consequently the earlier judgement was reversed in favour of Mr Gacharo David and Mr Byandisa Yosam who were awarded costs amounting to Shs 12,306,000.

Subsequently Rwamucucu Sub County paid Shs 6.5 million in court toward the awarded costs and the payment schedule was agreed upon in which the judgement debtor was to pay all costs by 3 December, 2017.

To the dismay of the judgement debtor, on 29th June 2017 the high court issued a warrant of attachment and sell of immovable property against Rwamucucu Sub County Local Government way before the agreed settlement date.

Further, the said warrant of attachment and sale was issued in reference to land belonging to Kabale District Local Government instead of Rwamucucu Sub County and the judgement creditor went ahead to attach the land and subsequently transfer to other people.

In November, 2017 unknown people demarcated the land and dumped building material claiming to be lawful owners of the public land.

However, the district Local Government and Rwamucucu Sub County officials have never come up forth to oppose this irregular transfer of the district.

The petitioners have sought the intervention of political leaders of the area as well as the commission of inquiry into the land matters but this has been in vein.

Your humble petitioners contend that the current situation in Rukiga requires urgent intervention due to the unrest, violence which has caused insecurity in the area.

Now therefore, your humble petitioners pray that Parliament intervenes and carries out an investigation into the irregular takeover of the public land in dispute and your humble petitioners as in duty bound will ever pray.

Hereto your humble petitioners have appended their signatures, thank you, Mr Speaker, I beg to lay.

**THE DEPUTY SPEAKER:** Honourable member, please lay the copy of the petition and let the records capture that. I have looked at this petition, we have had discussions on how best and fast it can be handled but I have looked at our own rules, rule 30 (6) which gives me the discretion to examine whether it is urgent. I could refer it to a particular minister or committee.

In my opinion such a petition would be better handled by such a minister or committee. The course of justice in this particular case could be better served if this petition was expeditiously handled by the minister and a report rendered to the House.

If we send it to the committee and given to the structure of business at the moment, it will take a much longer time before any redress is obtained for the people affected by this particular activity.

I accordingly refer the petition to the minister responsible for lands to go and examine this thing quickly and report back to the House in two weeks. So that we see what the matter is and how we can help the people affected by this particular activity.

Clerk extract the minutes and notify the minister of Lands the reference of this petition. Thank you.

#### RESPONSE TO AN URGENT QUESTION UNDER RULE 46 OF THE RULES OF PROCEDURE

**THE DEPUTY SPEAKER:** I do not see the Minister of Lands - oh, I do not see the Member who raised this. Has she delegated somebody to receive this response so that he or she can ask a supplementary question? - (*Interjection*) - it is not for voluntary purposes. This matter does not attract volunteers but people who are acting by assignment. Has hon. Franca Akello requested somebody to give a supplementary question? Therefore, we cannot receive it because the Member would be entitled to a supplementary question.

#### BILLS COMMITTEE STAGE

#### THE COOPERATIVE SOCIETIES (AMENDMENT) BILL, 2016

**THE DEPUTY CHAIRPERSON:** Honourable members, before I put the question to clause 1, let me notify you that there are sets of amendments that are from the committee and a new set of amendments has been introduced by hon. Nandala-Mafabi which I suppose has also been circulated.

Therefore, we have two sets of amendments; one from the committee and the other from the honourable member for Budadiri West. Those are the amendments we have.

As I guided earlier, we will not be taking any amendments that come directly from the Floor which are not interrogated unless they are of a consequential nature.

I put the question that clause 1 -

**MR NANDALA-MAFABI:** Mr Chairman, I wanted to make a proposal that we stay over clause 1, because it is dealing with interpretation so that when we finish we could come back and do the interpretation.

**THE DEPUTY CHAIRPERSON:** Clause 1 is stood over.

Clause 2

**THE DEPUTY CHAIRPERSON:** Clause 2; hon. Mafabi.

**MR NANDALA-MAFABI:** Mr Chairman, under clause 2, the minister is trying to define the registrars. What has happened is that in the status we are in, district cooperative officers and their whole staff in the district have been left out.

Therefore, I wanted to propose that we insert after sub-clause (iv) that "Every district shall have a district cooperative officer and the staff who will report to the commissioner of cooperatives or a person designated by him or her."

The justification is because primary societies or cooperative societies are basically found in the districts and in villages. If you allow supervision to be at the centre, it will be very complicated. This would ensure close monitoring and supervision of societies.

**THE DEPUTY CHAIRPERSON:** Thank you, that is clear now. Honourable minister?

**THE MINISTER OF STATE FOR TRADE, INDUSTRY AND COOPERATIVES (COOPERATIVES)(Mr Frederick Gume):** Mr Chairman, it is accepted.

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

*(Question put and agreed to.)*

**MR KAHIMA:** Mr Chairman, I have a comment on a district cooperative officer. In the Public Service structure at the district level, we do not have a cooperative officer. We only have the district commercial officer who assumes the duties of the cooperative officer. Therefore, I think we should incorporate the district commercial officer not the district cooperative officer.

**MR NANDALA-MAFABI:** Mr Chairman, I think my colleague does not have the law. If you had it, even under section 4, all officers of the rank of assistant cooperative officer - so it is already in the law. We are trying to improve that there should be a district cooperative officer. The law already takes care of them. I will give you a copy.

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

*(Question put and agreed to.)*

*Clause 2, as amended, agreed to.*

*Clause 3, agreed to.*

Clause 4

**THE CHAIRPERSON, COMMITTEE ON TOURISM, TRADE AND INDUSTRY (Mr Robert KASULE):** Mr Chairman, for clause 4, the proposal is to replace paragraph (b) with the following: By substituting for sub-section (2) with the following:  
”

(2) The registrar may register other types of cooperative societies of a unique nature with a minimum of 15 members who qualify for membership under section 13.

3) The Uganda Cooperative Alliance shall be administered by provisions of this Act and other laws governing cooperative societies.”

The justification is that:

- (a) There is no need to amend the clause because currently the provision is very clear and specific as far as the affected society is concerned.
- (b) To make provisions for registration of unique cooperative societies.
- (c) To ensure Uganda Cooperative Alliance is regulated by the law on cooperative societies.

**THE DEPUTY CHAIRPERSON:** Honourable minister.

**MR GUME:** Mr Chairman, we did accept the amendments; so we concede to them.

**THE DEPUTY CHAIRPERSON:** Okay, the minister accepts the amendments. Yes, Budadiri West?

**MR NANDALA-MAFABI:** Mr Chairman, then that would be in conflict with section 4 that talks about the minimum of at least 30 members. What I want to say is that the chairperson is right but what we want to do is that instead of saying 15, it should be consistent with conditions of registration under section 4 which says it consists of at least 30 persons.

**THE DEPUTY CHAIRPERSON:** I thought the purpose of this was to create an exception to that. They are trying to create an exception to these unique cooperative societies which could maybe have fewer members. That is what they are trying to do here; create an exception to the requirement of 30 members not to remove it, keep the number at 30 but create a situation where also unique ones can be of 15 members.

**MR KAHIMA:** Mr Chairman, much as we are trying to put the unique cooperative societies, I am wondering what we call “unique societies”. Cooperative societies are clearly defined in the law; it requires a minimum of 30 members to form a cooperative society, and there are justifications for that. Therefore, what are the unique cooperative societies?

**THE DEPUTY CHAIRPERSON:** Chairperson what are the “unique societies” you are talking about?

**MR KASULE:** Mr Chairman, in this Bill as you go along, we have introduced new provisions that include transport cooperative societies, housing cooperative societies that may require lower numbers. They are not general that you mobilise but people who are willing and have the resources, for example, health cooperative societies. We are catering for those ones. At least numbers should to deter people from forming cooperatives.

**THE DEPUTY CHAIRPERSON:** So what is the magic of number 15?

**MR KASULE:** We are moving from 30 to midway - 15.

**MR NANDALA-MAFABI:** Mr Chairman, if they are exceptions then we should deal with them in that section because if we bring them here, I can also open up a primary society and call it “unique” and say 15. Therefore, the word “unique” must be clearly spelt out in the law.

Therefore, for now, I do not think we should go with this amendment of 15 until we reach the stage of “unique” and produce them as unique and give them the numbers.

**THE DEPUTY CHAIRPERSON:** Honourable chair, I think it would have been good if you stated who these unique people are before we regulate them.

**MR KASULE:** Mr Chairman, I think here, we are putting the bigger principle and then they shall go into regulations and then define those unique exceptions that will not require the numbers to start. Therefore, this is the principle but then once they go to the regulations, then, they can sieve out the uniqueness of the cooperative society.

We know the produce cooperative societies and it is easy to mobilise members on that. However on these specialised ones - you might even find that people want to form a taxi cooperative society in a particular area but the numbers are not many. Therefore, we should give them a chance to mobilise 15 people and as they grow, then, they apply to have matured.

**MR JONATHAN ODUR:** Thank you, Mr Chairman. I would like to support that principle based on experience. Recently, the Transport Licensing Board required bus operators to start forming cooperative societies. In the entire Lango and Acholi region, they were less than 10 persons or bus companies so they were limited under that context. I support that we bring the number lower to 10 to accommodate such unique sectors so that they can form themselves into a cooperative society and fit in the Government's vision.

**MS ALUM:** Thank you, chairperson. I also rise to support the provision of uniqueness of some cooperative societies. Recently, we, as rice growers, in a certain locality wanted to form a cooperative society. However, we are not many and we do not reach the required number of 30 members. If this provision is provided, it will go a long way to address new areas and where members do not reach the required number of 30 members. Therefore, I stand to support the amendment that we reduce the required number to 15 members.

**THE DEPUTY CHAIRPERSON:** Honourable members, you are creating an exception and giving the registrar the discretionary powers to determine. Why do you then restrict it by number if you defend the principle? If they are 14 members, what is the difference between 14 and 15? Why don't you leave it to the discretion of the registrar to deal with it, if you really want to create an exception in these instances?

**MR GUME:** Chairperson, that would be true but the registrar must also be given a minimum number where to operate from. In other circumstances, you may find him licensing five members to form a cooperative. If we said the minimum number is 15, I think that would be a leeway for him to use his jurisdiction between 15 and 30. Therefore, we are setting the minimum number at 15.

**THE DEPUTY CHAIRPERSON:** They have just told you that the entire number of bus operators in Northern Uganda does not exceed 10 so they cannot form a cooperative.

**MR GUME:** If the issue is in numbers, we would leave the jurisdiction to the registrar of the cooperatives to find out how peculiar and how many can be able to form a cooperative.

**THE DEPUTY CHAIRPERSON:** That was my point.

**MR GUME:** I concede.

**MR NANDALA-MAFABI:** Mr Chairman, I would like to seek clarification from my brother, hon. Jonathan Odur. The bus company will be limited and a limited company is registered under the Companies Act. Under the Cooperative Act, you cannot bring a limited company to be a member. That one must be clear. We do not want to confuse things.

The 30 members will be individuals for a primary society. When you go to an apex one, which is like a union, any two members can form a union. That is the law.

If you make a mistake and say that 15 members constitute unique circumstances, few cabbage growers in a region may decide to say that they are a unique case and so 15 or less members can form a cooperative.

Therefore, to make a good law, if there are those exceptions, then we should get a way; for example, you can say the transport sector is regulated by the transport body so we would look at specific period of time to put them but not here. If we make it here, it is going to be open for total –

**THE DEPUTY CHAIRPERSON:** You had the cooperative body for transporters; Uganda Cooperative Transport Union (UCTU).

**MR NANDALA-MAFABI:** Mr Chairman, I can explain. UCTU is an apex so it cannot take individual members. Its members include Banyankole Kweterana, Lango Cooperative Union, Teso Cooperative Union and so forth because by then, those were the ones to transport their produce.

**MR KAHIMA:** Mr Chairman, they are referring to the transport sector as a unique entity but the existing law defines those who can form transport cooperatives as the owners of the vehicles, the conductors, the turn boys and all members that are involved in that transport sector. Hence, we cannot fail to get the number of 30 members to form a cooperative society, even if we have a few owners. I suggest that we maintain the required number of 30 members for any cooperative society to be registered.

**MR JONATHAN ODUR:** Mr Chairman, thank you. I would like to clarify to both the honourable colleagues. At the moment, the law says that if you want to operate a passenger service vehicle, there is no requirement for you to strictly be a company. A person can trade in his or her name and that means that in a region, like the example I gave you, not all persons or buses that are going there are registered as companies. They are trading in their names. When you talk about bus owners, you can rarely get 10 in a region. I can assure you about that, let alone the conductors and the –

**GEN. KUTEESA:** Thank you, Mr Chairman. The question I am raising is what was the rationale in changing the law? In my simple understanding, I need to be advised, the cooperation of Uganda and the means of earning a living were different. We had something called Masaka Growers Cooperation, which used to cover almost five fifth of Uganda. It had the whole of Ssembabule and Mawogola; all that was one cooperative society. We cannot continue as it was then.

By then, the production, as we are calling it – in this extractive economy, which the British had introduced, we were producing raw materials ready for export and they were refined in Kenya.

Everything is different now because those refiners they had near the Indian Ocean are now coming here. The cooperatives we are creating are very different from what used to be there.

Can you please explain to us how much someone is going to create a cooperative of IT and Research on the production and the weather? How will we do it? I would like an explanation here; the rationale behind that. Thank you.

**MR GUME:** Mr Chairperson, I would like us to give a consideration that cooperatives are not only limited to producer cooperatives and transporters, but there are even professional cooperatives. Professionals can form a cooperative, like miners. How are you going to organise 30 miners before they form a cooperative? Pilots, geologists and the like can form cooperatives. So, let us be flexible and allow a minimum of 15 for easy mobilisation such that they can access this opportunity. This is what I thought.

**THE DEPUTY CHAIRPERSON:** Can you create an exception by putting a number?

**MR KAHIMA:** Mr Chairperson, there are various forms of businesses and these cooperatives are formed with the cardinal objective of promoting members who would not have the capacity of forming private companies, business associations or business names. In the interest of promoting members, if there are those professionals who cannot afford to reach a number of 30, they would form other forms of businesses to carry on their businesses. But in the interest of promoting the common interest of members in a cooperative society, I suggest that we proceed with 30 members who are provided for in the existing laws.

**MS AMONGI:** Mr Chairperson, in the context of your proposal, I would propose that we refine it to cater for leaving the 15 members to read that, “The registrar may register other types of cooperative societies of a unique nature with a number below 30 who qualify for membership under section 13.” Then the discretion

will be with the registrar to determine. That would then cater for the unique nature but also give the leverage to the registrar to determine the number. That might take consideration of what the honourable member for Erute is talking about and the professionals who would be below 15.

**MR NANDALA-MAFABI:** Mr Chairperson, I know you are a professional. You are a lawyer. You cannot practise without registering and getting a certificate to practise and this certificate is cleared by your law society. All these professional bodies: the lawyers, engineers, accountants, will ask if one has a permanent place. They will ask because there, as a professional, the liability lies on you as an individual. That is why when you have a partnership and you have issues in a partnership, you sort it out as a partnership.

However, these cooperative societies are supposed to help these small groups of persons who come together to pool their meagre resources together so that they can propel themselves to the next level or to be able to be competitive.

If you are now telling me that a man who buys a bus cannot afford to trade in his personal name, it becomes complicated. All bus owners in the entire country can come together for purposes of going to the ministries to negotiate better policies for themselves not only for small jobs.

If you put a provision which is an exception, then it must be clear what is the exception – completely stated in the schedule. In the current state, even transporters as my colleague said, even touts at the taxi park are part of transport. The miners and those who work in the mine are supposed to be part and parcel of the society if they want.

Mr Chairperson, for now, I would propose that this thing should be stayed and we wait for the chairperson to specify somewhere. At every clause we can put, “for these ones, you can be 15 or 1”. However in the current state, if you put at the beginning, we are in problems.

**MR KASULE:** I think I would go with hon. Amongi’s proposal that we do not limit the number to two or three or four and we leave the discretion to the registrar depending on the uniqueness of the cooperatives. The examples are many. Somebody has talked about people forming a cooperative in energy. In Arua, I think, there is a cooperative or some sort of a unique SACCO. People just want to come together and operate under a cooperative arrangement and do business.

Hon. Mafabi, we are trying to mobilise people to join your movement. That is the only thing. We are not saying, “You must be 30 in order to come together.” Therefore, let us leave the uniqueness to the registrar to decide and to register.

**THE DEPUTY CHAIRPERSON:** Can I now put the question to the amendment as proposed by hon. Betty Amongi? I put the question.

*(Question put and agreed to.)*

*Clause 4, as amended, agreed to.*

*Clause 5, agreed to.*

*Clause 6, agreed to.*

*Clause 7, agreed to.*

Clause 8



**MR KASULE:** Mr Chairperson, the proposal is to delete the proposed amendment by the minister.

Justification:

1. A cooperative society must have a say in any amendment to its bylaws.
2. To ensure that there is a check and balance on the registrar's powers.

**THE DEPUTY CHAIRPERSON:** The proposal is for deletion of Clause 8.

**MR NANDALA-MAFABI:** Mr Chairperson, the problem is that if you delete before I make my amendment, I will have a problem because clause 8 is talking about how to de-register societies. The amendment I would like to make is that, "The registrar shall have power to de-register a society where its membership falls below the prescribed number in section 4."

The justification is that if the number is 30, and it has fallen for those which are not unique, then the registrar should have the authority to de-register them.

I would like to seek your indulgence, Mr Chairperson, where do I insert that "The registrar shall have the authority to de-register societies whose number falls short under section 4"?

**THE DEPUTY CHAIRPERSON:** If we delete Clause 8, it means the provision of sub-sections (8) and (9) would remain in force. That is the implication. That is why the committee is saying that we should not tamper with sub-clauses (8) and (9) of section 9 of the Act.

**MR MAFABI:** I have no problem with that but I was saying that we should insert a sub-clause in section 8 –

**THE DEPUTY CHAIRPERSON:** Is it section 8 or clause 8? Otherwise, section 8 is in the Act and clause 8 is in the Bill.

**MR NANDALA-MAFABI:** Mr Chairperson, I seek your indulgence. I had an amendment on section 8.

**THE DEPUTY CHAIRPERSON:** What are in the Bill are clauses.

**MR NANDALA-MAFABI:** That is okay but I had an issue with section 8 because the law is open and I submitted my amendment.

**THE DEPUTY CHAIRPERSON:** Clause 8 is dealing with section 9 of the Act but you want to amend section 8 of the Act.

The amendment you are proposing is that a cooperative society shall be deregistered if its membership falls below the prescribed number in section 4. That is the proposal from hon. Nandala-Mafabi.

**MR NANDALA-MAFABI:** Mr Chairperson, section 4 spells out the numbers for registering a society. It means that is the minimum which should be in the society. The moment they fall short, then the registrar should be able to deregister.

**MR KASULE:** Mr Chairperson, what the minister had proposed to delete in the Principal Act reads "9 any society -

**THE DEPUTY CHAIRPERSON:** He is okay with what you are saying but he is proposing to amend section 8 of the Act.

**MR KASULE:** Section 8 of the Act is saying “Section 9 of the Principal Act is amended by repealing -

**THE DEPUTY CHAIRPERSON:** Section 8 in the Act is what he is proposing to amend.

**MS AMONGI:** Mr Chairperson, I would like to request you to help me. If someone does not read it in tandem with what we had passed for exception, would it help us to amend hon. Nandala-Mafabi’s proposal to start with the word “save for section this” so that we import that section. We would say “save for- a cooperative society shall be deregistered if its membership falls below the prescribed number”. I do not remember the section where we put the exception. This will make it very clear that this particular section only deals with the general provision of those with 30 members.

Therefore, I propose we start with the word “save for section ... a cooperative society shall be deregistered if its membership falls below the prescribed number in section 4”. I think it would be very clear that we are only dealing with section 4 and we have saved those particular provisions where they are exceptions and the power of the registrar has been preserved.

**MR NANDALA-MAFABI:** Mr Chairperson, if we do that, even where you have saved and said a minimum of 15 - the moment it falls under 15, it will be deregistered. So, where you have prescribed the number - section 4 talks about having 30 for primary, two for secondary, at least two for tertiary and at least two for apex. What this means is that you cannot be one and call yourself a union. That is what we are trying to justify.

The moment you fall to one, you should be deregistered.

**THE DEPUTY CHAIRPERSON:** Does our amendment of clause 8, which is amending section 9, take care of section 4 or are we saying it is consequential?

**MR NANDALA-MAFABI:** Mr Chairperson, section 9 talks about bylaws but section 8 talks about cancellation of registration.

**THE DEPUTY CHAIRPERSON:** Which one have we just adopted? It is clear. The amendment proposed by hon. Nandala-Mafabi is to deal with section 8.

**MR GUME:** Mr Chairperson, hon. Nandala-Mafabi’s amendment is okay because if the minimum is 30 and it falls below 30, then it can be deregistered, just like if it falls below 15.

**THE DEPUTY CHAIRPERSON:** Hon. Nandala-Mafabi is proposing an amendment and so, how do we house this amendment?

**MR NANDALA-MAFABI:** I want us to insert immediately after 8 (3) another sub clause 8 (4)

**THE DEPUTY CHAIRPERSON:** The vehicle carrying is the Bill. How do we put it in the Bill? Honourable members, the proper housing could be that we delete the text in clause 8 and substitute it with what hon. Nandala- Mafabi is proposing. Otherwise, the committee has said we delete 8 and the minister has agreed.

We would make clause 8 as the housing for what hon. Nandala- Mafabi is proposing. Would that be okay? We delete the wording in clause 8 and replace it with what hon. Nandala-Mafabi is proposing. This is therefore, a substitution; delete what is there and substitute it for what hon. Nandala-Mafabi is proposing.

Honourable members, I now propose that clause 8, be amended in the terms proposed by hon. Nandala-Mafabi that a cooperative society shall be deregistered, if its membership falls below the prescribed number in section 4. That is now the amendment. I propose the question to that amendment.

*(Question put and agreed to)*

*Clause 8, agreed to.*

*Clause 8, as amended, agreed to.*

Clause 9

**MR NANDALA-MAFABI:** I stood up on clause 9. Clause 9 is stating that a member of the society should be 12 years and this is not constitutional. They want to substitute for paragraph (a) the following: “Have attained the age of 12 years.”

Mr Chairperson, a 12 year person cannot contract; he/she is a minor. We will be going against the Constitution and we can easily be arrested. I am proposing that clause 9 be deleted.

**THE DEPUTY CHAIRPERSON:** The proposal is for deletion. I think the point is made. I put the question for deletion of clause 9.

*(Question put and agreed to.)*

*Clause 9, deleted.*

Clause 10

**MR NANDALA-MAFABI:** Mr Chairman, I would like to propose an amendment to clause 10 to remove, in (2)(d), what they call “supervisory committee”. I would like to propose that we put “audit committee” because audit committees are the ones which are known –

**THE DEPUTY CHAIRPERSON:** Honourable member, can we follow? In paragraph 1, it is (2)(a). It is the first one; clause 10 (1).

**MR NANDALA-MAFABI:** Mr Chairperson, I am on paragraph (2)(d), where in the third line, it says, “supervisory committee”. There is no supervisory committee in cooperatives. They are only trying to put something internally. We are saying, “audit committee”.

The justification is that this internal audit committee will deal with the internal audit, which we can take to the annual general meetings. That is why I said that at an appropriate time, I will define it. I suggest that we delete “supervisory committee” and put “audit committee”.

**THE DEPUTY CHAIRPERSON:** Do we have to use the word “audit”? I think the term “supervisory committee” is used loosely. It is used not with a special meaning but simply a committee that does supervision.

**MR NANDALA-MAFABI:** Mr Chairperson, instead of having it there, we can then say, “committee reports” because every institution has committees and reports. Alternatively, we can delete the words, “supervisory committee” and say, “reports”.

**MS BETTY AMONGI:** Mr Chairperson, what hon. Nandala-Mafabi is articulating deals with rights and obligations of members because sub clause (2)(a) says, “*A member of a cooperative society shall have a right*”; then it starts enumerating the rights of the member.

Where he wants to replace “supervisory” with “audit”, he is saying that the member has a right to access all legitimate information related to the society, including internal regulations, registers, minutes of general meetings, supervisory committee reports, investigations and accounts at the society head.

I do not think a member would be given the right to obtain the audit report. If he wants, we could delete the supervisory report and leave the rest of the rights to access the other information and only remove the right to access supervisory committee reports but not replace it with the audit report.

**THE DEPUTY CHAIRPERSON:** So, do we delete the word “supervisory”?

**MS BETTY AMONGI:** If he says it does not exist in a cooperative, we can remove that and leave the members to access the rest of the information.

**MR NANDALA-MAFABI:** Mr Chairman, I think the minister -

**THE DEPUTY CHAIRPERSON:** No, no, no! Where we are now, we want to remove “supervisory” and leave “committee reports”.

**MR KAHIMA:** Mr Chairman, this business of supervisory committees is well known and well-structured in the cooperative societies. Therefore, I wish that we maintain supervisory committee reports and in the interpretation, we define what the “supervisory committee” means.

**THE DEPUTY CHAIRPERSON:** But if it is in the cooperatives and is not defined, what is it doing there?

**MR BAHATI:** Mr Chairman, if we say that the member is given the rights to access all legitimate information relating to the society, of what importance is it to mention “including internal regulations, registers and minutes”? I thought all that is part of the legitimate information about the society. I do not know whether you get me, Mr Chairman.

We are saying the member should access all legitimate information relating to the society. I thought adding, “including”, would be sufficient because for as long as it is legitimate information, a member is now allowed to access this information. So, up to society, then we can delete everything else.

**THE DEPUTY CHAIRPERSON:** Is that a better drafting so that we do not attempt to enumerate things?

**MR NANDALA-MAFABI:** Mr Chairman, I know some of my colleagues are trying to run two societies. There is a cooperative society which is for produce and then there is also the SACCO.

Therefore, when you are talking of a supervisory committee, this is where we shall define a SACCO at an appropriate time because it follows Bank of Uganda rules. That is why there must be a supervisory committee. We shall deal with it.

However, at this stage when you are talking about a cooperative society, what they are trying to say is that you can access that information for a normal cooperative society. What we can do, as hon. Bahati has said, is to remove all this and leave it at “relating to the society” or if we are going to put that, then we remove the words “supervisory committee” but also add “reports” –

**THE DEPUTY CHAIRPERSON:** Honourable members, the proposal that is sound now is that the clause reads, “*To access all legitimate information relating to the society.*” Does that make sense? I put the question to that.

*(Question put and agreed to.)*

**MR NANDALA-MAFABI:** Mr Chairperson, further amendment. Under sub clause(3), I would like to add “A member shall...”. They are prescribed up there.

(d) One of the cardinal roles of a member –

**THE DEPUTY CHAIRPERSON:** Please state the amendment first so that we follow what you are saying.

**MR NANDALA-MAFABI:** (d) to patronise in the society.

The justification is to ensure that you are a complete member at any particular moment.

**THE DEPUTY CHAIRPERSON:** It is in clause 10(3)(d). This is to insert a new sub-clause (3)(d) reading, “Patronise in the society”. Hon. Mafabi, what does “Patronise in the society” mean?

**MR NANDALA-MAFABI:** Mr Chairman, I can give an example. Somebody will come and buy a share like a produce -

**THE DEPUTY CHAIRPERSON:** No, what does it mean if you use the words “patronise in the society”?

**MR NANDALA-MAFABI:** “Patronise in the society” means he must be able to – let me explain it this way so that you can understand. Supposing it is a society which deals in coffee, I can buy shares but the law says I must be able to bring my produce in that society every year.

Supposing I have bought shares and I decide to sell my produce elsewhere, I will come and say I am a member yet the law says you must patronise. So, what we are trying to say for emphasis is that a member shall – this one is dealing with paying membership but you must also patronise in the society.

**THE DEPUTY CHAIRPERSON:** So, it is not “patronise in the society” but “patronise the society.”

**MR NANDALA-MAFABI:** Patronise the society. Mr Chairman, you know I did Mathematics.

**THE DEPUTY CHAIRPERSON:** Okay. The proposal is that we insert a new paragraph (d) in sub clause (3) to say, “A member shall patronise the society”. Is that okay?

**MR AKORA:** Mr Chairman, I take the explanation given by hon. Nandala-Mafabi but I think “patronise” is the wrong word. It sounds casual or voluntary. If it is the duty of a member, then we should clearly state that the society exists to promote certain interests, for example, buy produce from its members. So, a registered member of the society should dispose of their produce through the society rather than say, “patronise the society”. I thought I would give it better clarity and obligation on the member to deal with the primary society.

**THE DEPUTY CHAIRPERSON:** The summary of all you have said is called patronisation.

**MR BAHATI:** Mr Chairman, I am finding some difficulty in that amendment because as we make these laws, we have to ensure that we are proposing something that can be enforced. If you look at sub clause (3), we are saying “observe and comply with the society’s bylaws and decisions”. So, we can measure properly whether you have complied with the decisions and bylaws. On paying up the shares, we can also check whether you have paid up the shares or made any other payments. To meet the debts of the society and be loyal to it, where do you start and end? How do you enforce this?

Mr Chairman, you need to be sure that the Chairperson of Bugisu Cooperative Union is not making this amendment for his own sake. *(Laughter)*

**THE DEPUTY CHAIRPERSON:** If you are a member of a cooperative society and you grow cotton but you choose to sell your cotton to another society other than yours, would that not be measurable? That is what he is saying. If you are a registered member of a cooperative society and that is the product in which you deal, you should not take it somewhere else. Bring it to your society. Isn’t that measurable? You can enforce it by saying if you sell your product elsewhere, there will be consequences.

**MR KAHIMA:** To expound on what hon. Nandala-Mafabi has said on patronisation of a cooperative society, it goes beyond even selling your produce through the cooperative societies. In the event that the cooperative society faces challenges, members are called upon and asked to provide solutions. Therefore, to patronise would mean that all members would feel for the society and would be bound by the collective decision that has been taken by the Annual General Meeting. Consequently, patronisation is an appropriate word to bring closure in the law.

**MS ALUM:** Thank you, honourable chairperson. I feel the proposal by hon. Nandala-Mafabi is covered in paragraphs (a) and (c). The honourable colleague who has left the Floor made mention of debts or problems in the society. This one is captured in paragraph (c); “meets the debts of the society in case of bankruptcy and also where there are bylaws”. I feel that the society will always have bylaws and they will solve the problem of patronisation.

**THE DEPUTY CHAIRPERSON:** I put the question to hon. Nandala-Mafabi’s proposal to add “patronise the society” in sub-clause (3).

*(Question put and agreed to.)*

*Clause 10, as amended, agreed to.*

*Clause 11, agreed to.*

Clause 12

**MR KASULE:** Modify the new clause 18 -

a. By inserting immediately after sub section (5) the following provisions:

6. A member of the board shall hold office for a term of three years and shall be eligible for re-election.

7. No member of the board shall be re-elected for more than two consecutive terms.

b. Renumber the rest of the provisions.

The justification is to protect the operations of the board from abuses that may arise as a result of patronage.

**THE DEPUTY CHAIRPERSON:** Is that clear honourable members? I put the question –

**MR NANDALA-MAFABI:** Thank you, Mr Chairman. If you read ahead under sub clause (9)(e), it says "...is not a Member of Parliament, district Councillor, sub county councillor or city authority councillor except where the membership is composed of only such members". To begin with, I have some amendment. First, I would like to seek the indulgence of the chairperson; does he have any more proposals so that I can give mine?

**THE DEPUTY CHAIRPERSON:** Can I first deal with what the chairperson has proposed unless they are conflicting?

**MR NANDALA-MAFABI:** Yes, they are conflicting. Three years are too few.

**THE DEPUTY CHAIRPERSON:** I need you to indicate what you are talking about, honourable member, so that we can follow.

**MR NANDALA-MAFABI:** On the three years the chairperson proposed, I would like to propose five years. On the members to be appointed subject to being fit, I would like to propose that they should be guaranteed by at least two members vying for leadership or those in management.

On saying they should be elected once, I would like to note that cooperatives are very interesting. They are member-based and voluntary. There could be those who want to work but if you say they should be elected once, they will disappear after one term and the institutions will collapse.

Therefore, we are saying that should be removed and instead say, "A member can serve five years and be re-elected". If the members do not like him, they will throw him away.

**MR GUME:** Mr Chairman, I would like to disagree with the aspect that elections should take place after five years; that is a long time in a cooperative. I propose a period of four years because of institutional memory. In three years, somebody may not achieve the objectives of the cooperative-

**THE DEPUTY CHAIRPERSON:** Honourable minister, the committee has proposed three years, hon. Nandala-Mafabi has proposed five years and now you are proposing four years. (*Laughter*)

**MR KASULE:** Mr Chairman, we had a discussion yesterday in the supply committee and we agreed to four years only for hon. Nandala-Mafabi to switch to five.

**THE DEPUTY CHAIRPERSON:** So should we agree on four?

**Mr KASULE:** Mr Chairman we had agreed with hon. Nandala-Mafabi that he will agree to four years.

**THE DEPUTY CHAIRPERSON:** So, why have you read three?

**MR KASULE:** Mr Chairman, this was already in the text and when we reached out to him, he agreed to four. I do not know why he is now being over ambitious.

**THE DEPUTY CHAIRPERSON:** Because you said three; instead of reading what you agreed upon, you are reading what was not agreed.

**MR KASULE:** I am sorry, Mr Chairman, it is four years.

**THE DEPUTY CHAIRPERSON:** I cannot tell where you are calling from if you are already using the microphone.

**MR AKORA:** Thank you, Mr Chairman. I would like to agree with hon. Nandala-Mafabi that we put it at five years.

**THE DEPUTY CHAIRPERSON:** No, they had already agreed on four years; let us deal with four years.

**MR AKORA:** Mr Chairman, I thought that it is a matter for this House to pronounce itself rather than the committee.

**THE DEPUTY CHAIRPERSON:** I am going to put the question to four years.

*(Question put and agreed to.)*

**THE DEPUTY CHAIRPERSON:** We have not yet done term of office.

**MR KAHIMA:** Mr Chairman, in Cooperative Societies, we have got two bodies that are constituted by elections. We have the supervisory committee commonly known as audit committee and the executive committee.

There is a scenario of people, after having served their term of office on the executive committee, to switch to the supervisory committee so they keep rotating in the management of the cooperative society -

**THE DEPUTY CHAIRPERSON:** Are they elected?

**MR KAHIMA:** Yes, they are elected.

**THE DEPUTY CHAIRPERSON:** Please, let us proceed.

**MR KAHIMA:** The principle is that we should -

**THE DEPUTY CHAIRPERSON:** I thought that you were talking about the debate on the term; that you can only do two terms. What was the discussion on it? Should there be any for cooperatives?

**MR KAHIMA:** I believe that since we have elections which are regular every after four years, we should leave it open.

**THE DEPUTY CHAIRPERSON:** This one of the term is removed. There are no more proposals on term limitations on the election of leadership of the committee. So, we will deal with the rest of the amendments. I now put the question that clause 11 as amended stands as part of the Bill -

**MR NANDALA-MAFABI:** Mr Chairman, we are forgetting something which can be very dangerous. I would like to propose that 9(e) is deleted.

**THE DEPUTY CHAIRPERSON:** What is 9(e), hon. Nandala-Mafabi?

**MR NANDALA-MAFABI:** "Other than the qualification that maybe set with the approval of the registry, a person shall be a member of the board if he or she (e) is not a member of-

**THE DEPUTY CHAIRPERSON:** What clause are we dealing with now?



**MR NANDALA-MAFABI:** Mr Chairman, this is clause 12 and it has 18(a) Leadership and management of a society.

**THE DEPUTY CHAIRPERSON:** Let us get it first, 18(B)?

**MR NANDALA-MAFABI:** Yes, 9

**THE DEPUTY CHAIRPERSON:** There is no 9. We are on clause 12(9) (e) is that what we are dealing with? Is it so difficult to mention it that way so that we follow?

**MR NANDALA-MAFABI:** Mr Chairman, I mentioned but maybe the language was not clear. I am proposing that 9(e) be deleted. The justification is that if you say that a Member of Parliament cannot be - then in this SACCO in Parliament, nobody would be in leadership because one of the leaders of the Parliamentary SACCO is a Member of Parliament.

The justification for deletion is that there is no prerequisite that I should not be a farmer unless there is a law to say, a Member of Parliament shall not be a farmer so that he does not participate in that society or should not be in a SACCO because he has some shares.

It is against Article 29 of the Constitution, which states that members shall associate freely, form associations. I request that we delete it - this was called Nandala-Mafabi law.

Mr Chairman (j) should be deleted because we have passed here that the board shall be for four years and eligible for election. If you leave it in its current state, it will be contradictory with what we have just passed.

Finally on sub clause (5) where a person appointed under sub section 4 to the management of a cooperative society shall be subject to fit and proper tests, I would like to add that this person should have at least two guarantees.

The justification is that under the old law, if you are going to be a secretary or manager of the society, you had to take your assets and declare them to the registrar of cooperatives so that in case you defaulted, the recourse would be on your assets. This will help us not to allow those people who are defrauding societies to run away.

**MR GUME:** Mr Chairman, on the issue of members of Parliament and chairpersons becoming members of the board, we concede to hon. Nandala-Mafabi's submission. On guarantees, there is a problem within the cooperatives. More often than not, managers of these cooperatives have run away with people's saving.

The cooperatives have gone to court but have failed to get solutions because as always, people are given bail and they disappear with funds. A provision that gets the managers to stake some of their assets to the union or the cooperative societies is a welcome idea.

**THE DEPUTY CHAIRPERSON:** Are we talking about guarantees or guarantors? Guarantors are human beings and guarantees are other things.

**MR NANDALA-MAFABI:** Mr Chairman, I propose both. You put guarantors and two guarantees. The justification is so that these people will know that if there is a mistake, they will first of all go to the guarantors because they are assets and if the assets cannot meet the liability, they will refer to the guarantees so that they get them to make good. Anybody who signs for someone to be in that institution should be ready to face it.

**THE DEPUTY CHAIRPERSON:** Okay, can we have it phrased properly? Hon. Nandala-Mafabi would like to enlarge clause 12(5) which is on page 8 of the Bill. That is why he is saying a person appointed under sub section 4 to the management of a cooperative society shall be subjected to a fit and proper test. Are we following? Where are we now? Can someone propose a proper drafting of that?

**MR ANGURA:** Mr Chairman, I don't have a proposal on the draft but I would like to say something. Hon. Nandala-Mafabi is saying that most of these managers sometimes have run away with either savings or misappropriated money for societies. Assuming there is a situation where maybe the business has collapsed but not as a result of the manager; what happens?

**THE DEPUTY CHAIRPERSON:** That would be a matter of fact.

**MR BAHATI:** Thank you, Mr Chairman. First, I would like to thank hon. Nandala-Mafabi on the term limits. I am sure he has now realised the importance of the irrelevancy of term limits - (*Laughter*) - therefore, I congratulate him.

On the issue of management, I think we might not include the word you have used for assets because you can have a good manager who does not have assets to put there but could contribute to the management of the cooperative. If you are to put assets - to what extent or what value *vis-a-vis* the assets of the cooperatives? Therefore, guaranteeing with persons for character and integrity can work but for assets, you could lock out very good people who do not have assets but they have good leadership and management skills.

**THE DEPUTY CHAIRPERSON:** Would you like to draft and include guarantors? Please help us - we are not debating now, we have passed that stage. However, you see even in the Parliamentary SACCO here, if you are not a sitting Member of Parliament and you want to borrow money, you must have some guarantors to sign up.

Is the draft ready? The principle is adopted that we include the requirement for a particular candidate for office of a manager to have some guarantors. Are we going to agree on a number or that comes in the details? Should we have two guarantors? Please draft including two guarantors. Can we adopt the principle and move with it now? (*Hon. Akora rose*\_)

**THE DEPUTY CHAIRPERSON:** Honourable member, I have insisted that we cannot access the microphone before we are allowed to do so. You confuse our records. I can hear you even when you do not use the microphone.

**MR AKORA:** Thank you, Mr Chairman. I think the principle would undermine the business aspect of cooperatives. We should appreciate that cooperatives are a form of business entity in which you have owners or shareholders or members and then you have managers. Now, the managers should be recruited from the market depending on their skills and qualifications and the best people should be recruited. So, if you ask for guarantors or guarantees for people who have expressed interest to work for a cooperative from members of a cooperative who might not actually know the best candidates that have come forward, I thought that would encumber the members of the cooperative and the cooperative itself.

I thought we should leave it with the supervising body and the board of the cooperative to determine who they employ depending on the requirements of the position without placing further burden on the members to guarantee or to avail themselves as guarantors for the people who are being employed.

**THE DEPUTY CHAIRPERSON:** Honourable members, the principle that has been proposed in the House is that the person going to be employed as manager should have two guarantors. Can I put the question to that principle?

*(Question put and agreed to.)*

Clause 12, as amended

**THE DEPUTY CHAIRPERSON:** I now put the question that clause 12, as amended stand part of this Bill.

*(Question put and agreed to.)*

*Clause 12, as amended, agreed to.*

Clause 13

**MR NANDALA-MAFABI:** Mr Chairman, clause 13 is trying to bring supervisory boards. You have a board already then you bring a supervisory board -

**THE DEPUTY CHAIRPERSON:** Clause 13, Sir. I put the question that clause 13 stands part of this Bill.

*(Question put and agreed to.)*

*Clause 13, agreed to.*

Clause 14

**MR KASULE:** Mr Chairman, in clause 14 (a) paragraph 1(c) replace the words “and in that case, the registrar shall be the auditor” with the words, “by a person registered and practicing as an accountant under the Accountants’ Act”.

The justification is that a registrar should not impose himself or herself as an auditor of a cooperative society. Only recognised auditors should be allowed to audit.

**THE DEPUTY CHAIRPERSON:** Is that okay?

**MR NANDALA-MAFABI:** Mr Chairman, on clause 14, I would like to seek the indulgency of the chairperson -

**THE DEPUTY CHAIRPERSON:** You do not have an amendment on clause 14, hon. Nandala-Mafabi. Honourable members, I now put the question on the amendment proposed by the committee.

*(Question put and agreed to.)*

*Clause 14, as amended agreed to.*

Clause 15

**MR NANDALA-MAFABI:** Mr Chairman, clause 15 is dealing with amendments to section 23 of the parent Act. I would like to propose that under section 23(1)- no person, then we delete the words, “not being

a registrar up to...” then it will read, “ no person shall be appointed or approved as an auditor of the accounts of a registered society unless that person or in case of a firm is a member of the Institute of Certified Public Accountants of Uganda as per the Accountants’ Act”.

The justification is that it follows under the Companies’ Act.

I also would like to move an amendment that we amend section 23 to read, “The registrar, in consultation with the Institute of Certified Public Accountants of Uganda, may appoint a person who previously served as an assistant registrar and above to audit primary societies.”

The justification is that these primary societies are basically small entities in the village and these people may not be able to employ the real professional accountants. However, this can be done in consultation with the institute.

In section 23 (5), I would like us to amend it from three months to –

**THE DEPUTY CHAIRPERSON:** There is no section 23 (5). Section 23 has only sub-sections (1) and (2).

**MR NANDALA-MAFABI:** Mr Chairman, that was a mistake I made. It is supposed to be section 22. At an appropriate time, I will probably bring it again.

**THE DEPUTY CHAIRPERSON:** Those are the amendments proposed in clause 15, which deals with section 23 of the Act. Is that amendment acceptable? Honourable minister, can you be on record?

**MR GUME:** Yes, we accept the amendment, Mr Chairman.

**THE DEPUTY CHAIRPERSON:** I put the question to the amendment as proposed.

*(Question put and agreed to.)*

*Clause 15, as amended, agreed to.*

*Clause 16, agreed to.*

*Clause 17, agreed to.*

*Clause 18, agreed to.*

*Clause 19, agreed to.*

*Clause 20, agreed to.*

Clause 21

**MR KASULE:** We propose to replace clause 21 with the following:

21. Amendment of section 27 of the principal Act;

a) Section 47 (2) of the principal Act is repealed.

b) Section 47 (3) is amended by deleting the reference to sub section (2).

The justification is that:

1. The rest of the provisions are still relevant
2. It is a consequential amendment.

**THE DEPUTY CHAIRPERSON:** Honourable members, that is clear. I put the question to that amendment.

*(Question put and agreed to.)*

*Clause 21, as amended, agreed to.*

Clause 22

**MR KASULE:** In clause 22:  
Amend paragraph (a) to read as follows –

- a) In sub section (1), replace the word, “turnover” with the words “net surplus” at the end of the sentence.

The justification is that the contribution for the Education Fund should be charged on the net surplus; and for better clarity since use of the word “turnover” is ambiguous.

**THE DEPUTY CHAIRPERSON:** Honourable members, I put the question to that amendment.

*(Question put and agreed to.)*

*Clause 22, as amended, agreed to.*

*Clause 23, agreed to.*

Clause 24

**MR KASULE:** Mr Chairman, in clause 24, we propose to replace the clause with the following amendments:

Section 52 of the principal Act is amended by inserting immediately after sub section (1) the following sub sections –

- (2) Where the registrar consults the board under sub section (1), the board shall, within 14 days, respond to the registrar in writing.
- (3) Upon receipt of the board’s response in sub section (2), or where the board does not respond to the registrar within the time stipulated in sub section (2), the registrar may proceed with the inquiry envisaged under sub section (1) as though the same were in consultation with the board.

The justification is that the registrar’s powers should not be fettered by the board.

**MR NANDALA-MAFABI:** Mr Chairman, section 51 of the principal Act will be my basis. Its head note is, “Production of cash and books of a registrar’s society.” It reads, “*Any officer, agent, servant or a member of a registrar who is required by the registrar, or any other person authorised in writing by the registrar, so to do shall...*” In short, the registrar has powers any time to enter any society and inspect. That is why I would like to make amendments on section 52 that –

**THE DEPUTY CHAIRPERSON:** On which one?

**MR NANDALA-MAFABI:** Section 52. I want to use section 51 to get into section 52. Mr Chairman, the registrar has powers under section 51, which have been abused in section 52. I am going to give examples to this effect; that is why they are removing the board. I would like us to delete section 51 (1).

The justification is that the registrar can enter any society any time but the registrar should not come and say on his own - he can put an inquiry, throw out people and at the end of this recovery, nothing is there. This is a cost to the Government.

In the same line, I would like the registrar to remove the caretaker because a caretaker is a Government appointee; of course it is in the same section. When the registrar has agreed with the general meeting, which has two thirds of the members, under section 52 (2), then that general meeting should be the one in position to appoint an officer to take care of the business of the society other than bringing a caretaker, who will be a Government official. If problems come up, the Government will be liable to pay.

The issues you see in Bugisu Cooperative Union are that way. A registrar came and took over Bugisu Cooperative Union, appointed a caretaker and took everything that was there and caused problems. That is why we are demanding from Government - in fact, they stole from the union.

Mr Chairman, to avoid the registrar from abusing his powers and causing Government a problem, we should delete section 52 (1) and allow section 52(2) to stay. The appointment of a caretaker manager should not be there and should be done by the AGM itself so that if there is a problem, the general meeting is the one to lose, not the people of Uganda.

**THE DEPUTY CHAIRPERSON:** Honourable minister, we are looking at clause 24, which deals with the amendment of section 52 of the principal Act.

**MR GUME:** Mr Chairman, hon. Nandala-Mafabi is using the experience of Bugisu Growers Cooperative Union but I think the registrar must have a presence in these cooperatives and the unions.

Therefore, you cannot say that there is a problem in a cooperative and the board decides and chooses a caretaker manager. There should be some checks and balances. It would follow as such; if there is a problem, the supervisor of the cooperative societies is the registrar. The registrar should now be empowered to have an opportunity, like it has been, to say, we suspend this board. Let us put a caretaker management. It does not mean that if a problem arose in Bugisu, it shall arise elsewhere. Before it does that, there are many steps that we take before we find that the society is incapable of proceeding.

And if you leave the mandate to the board members to choose who should care take these societies, we will be getting into problems. So, we stand that the registrar's powers be retained and he should be able to intervene and if possible, choose a caretaker manager. I would like to submit.

**THE DEPUTY CHAIRPERSON:** Are we debating this again?

**MR NANDALA-MAFABI:** Mr Chairperson, I would like to make a clarification to the minister. Under section 51 –(Interruption)

**MR KASULE:** Mr Chairman, as a committee, looking at section 52 of the principle Act, it reads, “The registrar, in consultation with the board may hold an inquiry or direct a person authorised by him or her by order in writing on his behalf” it follows from this one that we are including 2 just in case – where the registrar consults with the board, we are saying it should be in writing and it follows that – We are not

deleting anything. We are just adding in to reinforce the process. Hon. Nandala-Mafabi has gone onto the lower ones. Can we first pass the upper ones and then move on?

**THE DEPUTY CHAIRPERSON:** Honourable, let us process it properly. Do you have any problem with the amendment proposed by the committee?

**MR NANDALA-MAFABI:** Yes, I have a problem. I would like to tell the cooperatives minister that the current registrar will not live until the end of time. However, there might come another one like the one that was there before the current one – the current one hasn't caused problems, the one who caused problems went.

If you read section 51, it says, “an officer, agent, servant or member of a registered society who is required by the registrar or any person authorised in writing by the registrar so to do, shall at such a place and at such a time as the registrar may direct, produce all monies, securities, books, accounts and documents, the property of all relating to the affairs of the society, which are in the custody of the officer of the society, agent, servant or member and which are under his or her control”.

Section 51 gives the registrar powers to go to any society at any time. So when he gets those, he can act from what he has got but section 52 says, “ad hoc committee of inquiry” that is why we are saying that (1) should be deleted. In consultation, they both should be deleted. Why should we delete it? He has powers under section 51 to cause, after going through - but if you tell him that now you have powers to authorise an inquiry, he can do it any time he wants.

When we go ahead, the second one is the annual general meeting which requires two thirds membership. The third one is that the chief executive can be suspended; that we agreed upon.

The fourth is that when the chief executive is suspended, a caretaker shall be appointed by the registrar in consultation with the board. We are saying that the AGM should be the one in charge of the officer they want to appoint and not the registrar because the registrar is a public officer. That is why we want to delete “caretaker” and instead put, “an officer shall be appointed by the AGM”. So, where the phrase “caretaker manager” is, we replace it with “officer” and where the registrar is, we replace with the “AGM.”

The justification is to avoid costs to errant officers who can make mistakes.

**THE DEPUTY CHAIRPERSON:** Honourable members, let us not mix up things. In section 51, the duty bearer is the officer, not the registrar. Now the officer responds to things from the registrar. So, it is not imposing any obligation on the registrar. It is not even giving the registrar any powers. It is just saying that the officer who has been requested to do something must do it.

Section 52 does not follow from section 51. It is independent. It is on “ad hoc committee of inquiry”. That is a separate matter and that is why the duty is given to the registrar to do consultation and engage in those processes. They are separate sections.

You cannot delete sub clause 1 of 52. You would have killed it.

**MR NANDALA-MAFABI:** Mr Chairman, I have no objection. Then what is the purpose of the registrar coming and taking and inspecting the books?

**THE DEPUTY CHAIRPERSON:** This is an ad hoc committee of inquiry.

**MR NANDALA-MAFABI:** Mr Chairman, if that is the case, then we should make sure that (1) flows from section 51. Then under section 52, we can say, “subject to section 51 above, the registrar, after inspecting

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**THE DEPUTY CHAIRPERSON:** Hon. Nandala-Mafabi, Section 51 is production of cash and books of a registered society. It is a different subject. Section 52 is an ad hoc committee of inquiry. This is an inquiry. One is production of books on request, so the books must be ready for production at any time or whatever the registrar requires. It may not be for an inquiry. It may just be for information. But 52 is specifically an inquiry and how the process evolves when an inquiry is going to take place. The two are not the same.

Can we proceed, honourable members?

**MR AKORA:** I think we need to reconsider the provisions under section 52 (4) that the registrar shall appoint a caretaker manager. You would have skipped the board, which is the supervisory body or the governing body. You would have skipped the AGM that the board reports to. Therefore, I wonder what the justification or the motivation is for bringing the registrar to now appoint a caretaker to replace someone who was appointed by the board over the general meeting?

**THE DEPUTY CHAIRPERSON:** Because it is the registrar who is carrying out the inquiry. Let us read the whole thing together, not bit by bit.

Can I now put the question to the amendment as proposed by the committee? I put the question to those amendments.

*(Question put and agreed to.)*

*Clause 24 as amended, agreed to.*

*Clause 25, agreed to.*

**MR NANDALA-MAFABI:** Mr Chairperson, I would like to make a proposal that we insert new clauses after section 55(a). The new clauses I am talking about are about SACCOs. These are becoming a new entity and SACCOs are like banks. This should be under strict supervision by the office of the registrar as banks are done by the central bank.

I would like to propose that we put head notes, the first one is, “cooperative governance” and the other should be, “supervision of SACCOs”.

The justification is that yesterday during debate, Members raised issues on how people have collected money from the SACCOs and run away. I would like to import sections 52 to 81 of the Financial Institutions Act to be part of this. I would like to propose to remove the words “financial institutions” and replace them with the word “SACCOs” and where the words “central bank” appear, replace with the word “registrar”.

The justification is to create strict cooperative governance and supervision in the SACCOs.

Mr Speaker, I have already circulated those proposals of what I would like to insert. For example, in clause 52, I propose that every SACCO shall have a board of directors and not less than five directors. The board of directors shall be headed by a chairperson who shall be a non-executive director.

**THE DEPUTY CHAIRPERSON:** I think it is already in the text of that law. All they are asking is that it should be brought and the necessary modification made to suit the SACCOs.



**MR NANDALA –MAFABI:** Thank you, Mr Chairman.

**THE DEPUTY CHAIRPERSON:** Is that okay, honourable minister?

**MR GUME:** Mr Chairperson, that is agreeable.

**THE DEPUTY SPEAKER:** What is the specific instruction to the people going to extract this? The amendment proposed by the Member is to import from sections 52 to 81 of the Financial Institutions Act and just change references. Is that clear?

Honourable members, those will be the specific clauses in the Bill; clauses 52 to 81 as new clauses in the Bill with the necessary modification. Is that okay? The drafting people should take note of the instructions.

The question I am going to put is for adoption of the provisions of sections 52 to 81 of the Financial Institutions Act to be part of this Bill with the necessary modifications where the words “central bank” will be replaced with the word “registrar” and other necessary modifications. Can I put the question to this, honourable members?

*(Question put and agreed to.)*

*New clauses 52 to 81, agreed to.*

Clause 26

**MR NANDALA-MAFABI:** Mr Chairperson, I would like to insert a new clause to read with the head note “cooperative bank”.

- (1) There shall be a cooperative bank to serve the interests of the cooperative societies and its individual members as per section 45 of the Act.
- (2) This bank shall be regulated by the central bank.

The justification is that it should be regulated by the central bank.

**THE DEPUTY CHAIRPERSON:** Which section 45 are you talking about?

**MR NANDALA-MAFABI:** Section 45 of the Act we are amending talks about a cooperative bank.

**THE DEPUTY CHAIRPERSON:** Section 45 of the Act talks about investment of funds.

**MR NANDALA-MAFABI:** It is the current Act. It says, “A registered society may invest or deposit funds only in a registered cooperative bank.” Since it is already here, it means we should have a cooperative bank to be able to deal with this.

**MR GUME:** Mr Chairman, I agree that cooperatives, SACCOs and producer cooperatives could be affiliated or they could make contributions through Uganda Cooperative Alliance and be able to operate from the cooperative bank like the situation was before. I agree.

**THE DEPUTY CHAIRPERSON:** Is that clear enough? Can I put the question to it? I put the question to that amendment.

*(Question put and agreed to.)*

*New clause, agreed to.*

**MR KASULE:** Mr Chairman, there was a proposal to insert a new clause 24 to read as follows:  
“The Principal Act is amended by inserting immediately after section 49 the following:

49(b) Audit and Supervision Fund

1. There is an established audit and supervision fund into which every registered society shall, unless exempted by the registrar, pay annually a supervision fee and if the society’s accounts are audited by an officer of the department of cooperative development, an audit fee.
2. The registrar may require a registered society to make additional contributions to the fund under special circumstances;
3. The registrar shall administer the fund on behalf of the contributing registered societies and shall report annually to the board in respect of the income derived from the fees and expenditure sanctioned from the board and the balance remaining in the fund.
4. The registrar shall fix the fees payable by the registered society under sub-section (1);
5. The funds shall be audited annually by the Auditor-General
6. The monies in the audit and supervision fund existing immediately before the commencement of this Act shall be transferred to the audit and supervision fund established under this Act.”

The justification is that there is need to streamline the audit and supervision functions within the cooperative societies. I beg to move.

**THE DEPUTY SPEAKER:** Is that clear, Members? Can I put the question to that?

**MR NANDALA-MAFABI:** Mr Chairman, that is clear. However, there is an issue of annual fees for returns. What I would like to add is that every registered society shall file annual returns and these annual return fees shall be deposited on the fund you have mentioned.

**THE DEPUTY CHAIRPERSON:** Can you propose it properly, honourable member?

**MR NANDALA-MAFABI:** Mr Chairman, in addition to what the chairperson of the committee has stated, I would like to propose that every registered cooperative society shall file annual returns and the fees thereon, which shall be charged by the registrar, shall be deposited on the fund which has been opened -

**THE DEPUTY CHAIRPERSON:** Can you do it in a drafted form and not comments in the middle? What we want is the actual text of what you are saying. Hon. Nandala-Mafabi, please give it without commenting in the middle because they are recording the actual provision you want to insert.

**MR NANDALA-MAFABI:** Mr Chairman, I would like to insert that every registered society shall submit annual returns to the registrar and pay a fee thereon, which shall be deposited in the fund established.

**THE DEPUTY SPEAKER:** The proper words would have been “file the annual returns”.

**MR NANDALA-MAFABI:** File

**THE DEPUTY CHAIRPERSON:** Can I put the question to that amendment?

*(Question put and agreed to.)*

*New clause 24, agreed to.*

Clause 26

**MR KASULE:** Mr Chairman, the committee proposes to delete the proposed amendment by the minister. The justification is that the co-operators need to have proper representation on key matters affecting them. The Board should be maintained.

**MR GUME:** I concede.

**THE DEPUTY CHAIRPERSON:** Honourable members, I put the question for deletion of clause 26. Do you want to retain it?

**MR NANDALA-MAFABI:** Mr Chairman, I need to give a background. The Uganda Cooperative Alliance Limited has nobody supervising it. In the current state, the Uganda Cooperative Alliance is on its own and we need to put some supervision.

I would like to propose an amendment in this principle Act that the Uganda Cooperative Alliance shall report to the Registrar of cooperatives. The justification is that Uganda Cooperative Alliance should not be in isolation.

**THE DEPUTY CHAIRPERSON:** The proposal was to delete the whole of clause 26. Is that the only addition we have on clause 26? So, clause 26 is now amended in the terms proposed by hon. Nandala-Mafabi. I put the question to that amendment.

*(Question put and agreed to.)*

*Clause 26, as amended, agreed to.*

Clause 27

**MR NANDALA-MAFABI:** For clause 27, it is amending but also deleting the Chief Justice. I would like to make a proposal that the clause – as it is – application to court. We shall say, “The Principle Act is amended in sub-section 75(1) by substituting for the following.

The justification is to leave –

**THE DEPUTY CHAIRPERSON:** Substituting? What is it?

**MR NANDALA-MAFABI:** As it stands now, Mr Chairman, they are substituting the entire sub section 75. Sub section 75 has (1) and (2). In the parent law, sub section 75(2) says that the Chief Justice may make rules of court regulating the procedure.

What I am trying to say is that the Chief Justice should not be left out in this because he should prescribe the rules of cooperatives. They might follow the other procedure. So, I agree with the amendment of the other one but it should be sub section 75 (1) so that sub-section 75 (2) remains.

**THE DEPUTY CHAIRPERSON:** Is that okay, honourable minister?

**MR GUME:** I agree with hon. Nandala-Mafabi’s submission of retaining the Chief Justice.

**THE DEPUTY CHAIRPERSON:** Can I put the question to that?

**MR WALUSWAKA:** Mr Chairperson, if I heard hon. Nandala-Mafabi well, he said that the Chief Justice “may”. What if he does not, can’t we put “shall”?

**THE DEPUTY CHAIRPERSON:** You see, “may” means when the circumstances arise. When you say, “shall”, it becomes meaningless. *(Laughter)*

I put the question to the amendment of clause 27, as proposed by hon. Mafabi.

*(Question put and agreed to)*

*Clause 27, as amended, agreed to.*

Clause 28

**MR KASULE:** Mr Chairman, in clause 28, the committee proposes to delete the proposed amendment. The justification is that the co-operators need to have proper representation on key matters affecting them. The Board of the Uganda Cooperative Alliance (UCA) should be maintained.

**THE DEPUTY CHAIRPERSON:** That is the proposal from the committee that clause 28 be deleted. I put the question to that.

*(Question put and agreed to.)*

*Clause 28, deleted.*

Clause 29

**MR NANDALA-MAFABI:** Before clause 29, I would like to seek your indulgence. I would like to insert in part 12 - because we are now going to schedules – “training”.

Mr Chairman, initially, they used to train cooperative officers, committee members and farmers in Kigumba Cooperative College and Tororo Cooperative College. In the current state that it is in, we, the committee members and even farmers, have a problem. Since you want cooperatives to return, I would like to move this amendment that we introduce part 12 on training.

1. There shall be training of cooperative officers, staff and members of committees of the cooperative societies in Kigumba Cooperative College and Tororo Cooperative College;
2. These colleges shall be managed and run by the ministry responsible for cooperatives;
3. The Education Fund shall be applied to the development of these colleges - we have passed the Education Fund;
4. These colleges shall develop the cooperative knowledge, to be applied even to the last member of the cooperative society; and
5. Any other incidentals in relation to cooperative education.

I have already stated the justification.

**THE DEPUTY CHAIRPERSON:** (5) is a bit – “any other incidentals? *(Laughter)*– can we do it better?

**MR GUME:** Mr Chairman, the cooperative colleges are vital in training the co-operators. I would only add that other than Kigumba and Tororo, any other institutions can supplement the cooperatives.

**THE DEPUTY CHAIRPERSON:** Because there is the existing and there might be new ones. So, that is the amendment being proposed to you. Is the one that is mentioned “and any other institution” acceptable?

**MR WALUSWAKA:** I need to know from the minister; for example, if people from Doho Cooperative Union go to Tororo, who will pay the training fees?

**THE DEPUTY CHAIRPERSON:** It is not going to come in the Bill now. It will not come in this Bill.  
*(Laughter)*

**THE DEPUTY CHAIRPERSON:** Can we deal with the amendment first? I will put the question to the amendment that there shall be training of cooperative officers, staff and members of the cooperative committees of the cooperative societies in Kigumba Cooperative College, Tororo Cooperative College and any other cooperative training institutions.

I put the question now to the whole amendment, as proposed for insertion of a new part 11. There should be a section also. I put the question to the inclusion of a new part and a new clause to stand part of this Bill.

*(Question put and agreed to.)*

*New part 11 and new clause, agreed to.*

The third schedule

**THE DEPUTY CHAIRPERSON:** I now put the question that the Third Schedule stands as schedule to this Bill.

*(Question put and agreed to.)*

*The third schedule, agreed to.*

Clause 1

**MR KASULE:** Mr Chairperson, on clause 1, the committee proposes that –

- a) In the head note of clause 1, replace the words, “the cooperative societies” with the words, “section 1 of the principal Act”.
- b) Delete sub clause (b).

The justification is

- a) For proper reference to what is being amended in the particular clause.
- b) The proper board as defined in the Cooperative Societies Act Cap. 112 is the Uganda Cooperative Alliance Board and this should not be changed.

**THE DEPUTY CHAIRPERSON:** I put the question to that.

*(Question put and agreed to.)*

**THE DEPUTY CHAIRPERSON:** Do you have more amendments on clause 1? Aren't they there in your notes?

**MR NANDALA-MAFABI:** They are there, Mr Chairman, on the first page. I would like to first of all, under paragraph (1)(a), where it says, “secondary and tertiary cooperative societies” to include “cooperative bank”.

The justification is that the cooperative bank is part of the cooperative societies.

Then, to define “cooperative bank” to mean a bank formed to serve primarily the cooperative societies.

The second definition, which I would like to bring up, is to “cooperative officer” to mean the District Cooperative Officer as defined in the law. We already have it in the law but it has not been defined. They have only defined “registrar” and “assistant registrar”.

Mr Chairman, I also would like to bring the last one in the area of operation. Primary societies dealing in produce are in specific areas. What is happening now is that some societies are being formed to kill the already existing ones, which is very dangerous. Under the parent law, it is stated, “No society will be registered in an area where there is already an existing society”. As a result, I would like to propose –

**LT GEN. KUTEESA:** Mr Chairman, as I said earlier, the mode of production and the demography have changed. Something called Bugisu Cooperative Union was dealing in Arabica Coffee alone in the whole country and Masaka Growers was dealing in Robusta Coffee alone in the whole Uganda. We had Ankole-Masaka Ranching Scheme covering – I do not know how many districts. However, all these things have changed. Therefore, we cannot be stuck in the past. Let us find a way that is relevant to this situation. Thank you.

**MR GUME:** Mr Chairperson, the amendment as brought about by hon. Nandala-Mafabi initially looked palatable but after clear consideration, in a liberalised economy, I believe we should allow free entry and exit. Thank you.

**THE DEPUTY CHAIRPERSON:** That is on only one amendment; what about the rest?

**MR GUME:** I would like to agree with the amendment on the cooperative bank to primarily serve the cooperative societies.

**THE DEPUTY CHAIRPERSON:** What about the definition to include the district registrar?

**MR GUME:** I do agree with that.

**MR KAHIMA:** In the current form of how we are managing cooperative societies in the lower local governments, we have no district cooperative officers. I also suggest that in the event we are to pass this law, we insert, “a cooperative officer shall also include the district commercial officer” so that they – the commercial officer is in charge of cooperatives, industries, tourism and trade. Apparently, in the structure of local governments, the district cooperative officer was changed to the district commercial officer.

Therefore, if we leave them out in this interpretation, we may create a crisis on the ground.

**THE DEPUTY CHAIRPERSON:** No, the district commercial officer will remain as such. Except now, there will be another person in charge of cooperatives.

Can I put the question now? I think one of the proposals looked like zoning and it seems to have found no favour. So, it has been abandoned. We will deal with the definitions relating to inclusion of cooperative officers and cooperative bank. I put the question those amendments.

*(Question put and agreed to.)*

*Clause 1, as amended, agreed to.*

*The Title, agreed to.*

#### MOTION FOR THE HOUSE TO RESUME

4.59

**THE MINISTER OF STATE FOR TRADE, INDUSTRY AND COOPERATIVES (COOPERATIVES) (Mr Frederick Gume):** Mr Chairman, I beg to move that the House do resume and the Committee of the whole House reports thereto.

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

*(Question put and agreed to.)*

*(The House resumed, the Deputy Speaker presiding.)*

#### REPORT FROM THE COMMITTEE OF THE WHOLE HOUSE

5.00

**THE MINISTER OF STATE FOR TRADE, INDUSTRY AND COOPERATIVES (COOPERATIVES) (Mr Frederick Gume):** Mr Speaker, I beg to report that the Committee of the whole House has considered the Cooperative Societies (Amendment) Bill, 2016 and passed it with amendments. I beg to move.

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

5.01

**THE MINISTER OF STATE FOR TRADE, INDUSTRY AND COOPERATIVES (COOPERATIVES) (Mr Frederick Gume):** Mr Speaker, I beg to move that the report of the Committee of the whole House be adopted.

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

*(Question put and agreed to.)*

*(Report adopted.)*

#### BILLS THIRD READING

#### THE COOPERATIVE SOCIETIES (AMENDMENT) BILL, 2016

5.01

**THE MINISTER OF STATE FOR TRADE, INDUSTRY AND COOPERATIVES (COOPERATIVES) (Mr Frederick Gume):** Mr Speaker, I beg to move that the Bill entitled, “The Cooperatives (Amendment) Bill, -

**THE DEPUTY SPEAKER:** The Cooperative what?

**MR GUME:** I beg to move that the Bill entitled, “The Cooperative Societies (Amendment) Bill, 2016” be read the third time and do pass.

**THE DEPUTY SPEAKER:** Honourable members, I put the question to the motion.

*(Question put and agreed to.)*

A Bill for an Act entitled, “The Cooperative Societies (Amendment) Act, 2019”

**THE DEPUTY SPEAKER:** Congratulations, honourable minister, honourable chairperson, the committee and honourable members. We have done it again. Thank you, very much.

Honourable members, I have just received information; on a sad note, the former Member representing Mityana South Constituency in the Sixth Parliament that is 1996 – 2001, hon. Arthur Bagunywa has passed on and burial arrangements will be communicated later.

This was a Member of this House; let us rise for moment of silence.

*(Members observed a moment of silence.)*

BILLS  
SECOND READING

THE ROADS BILL, 2018

**THE DEPUTY SPEAKER:** Honourable members, this motion was moved, spoken to and question proposed for debate. The committee also reported and there was also a minority report. All these were tabled before the House and I proposed a question for debate and debate starts now.

5.04

**MR WILLIAM NZOGHU (FDC, Busongora County North, Kasese):** Mr Speaker, I am a member and one of authors of the minority report. We have a request that we are putting before you, Mr Speaker, as the movers of the minority report. We have proposals that we are still processing and that we intend to make ready by Tuesday. We request your indulgence -

**THE DEPUTY SPEAKER:** Proposal on what, amendments?

**MR NZOGHU:** Yes, amendments.

**THE DEPUTY SPEAKER:** That is Okay. We can debate the principles now. Amendments will be accommodated when you are ready and debate starts now. Each Member will take three minutes.

5.06

**MR NATHAN NANDALA-MAFABI (FDC, Budadiri County West, Sironko):** Thank you, very much. This report was read and it is true we are still processing it. The only issue I would like to ask the chairperson



is; why he failed to go and consult in the regions, which we were had put in the work plan because these roads are going to affect everybody in the country.

Secondly, under the Constitution of the Republic of Uganda, nobody should be deprived of property. This is going to be compulsory acquisition, where in most cases, the strongest is Government, which determines and if you do not submit, they just throw you. As you recall, this may be another way of bringing the Land Act amendment in the Constitution.

Is this another indirect way of bringing the land –(interjections)– yes, it is the Roads Bill but roads do not pass in the air. They pass on the land and it is going to be on how much land. I have been trying to look at the figures; I think the width can be justified.

However, I would like to know, how are we going to handle this? Will owners have a say or they will be told to go and wait for the money in the bank, irrespective of how much it is going to be.

The third one is about the appeal process. When a person is disgruntled, I have not heard where he goes; do we run to court immediately, which would be a very big process and in most cases, the project would stall and that is very dangerous.

Lastly, I want you to confirm to me that this will not affect the already existing roads because if it does, because you want to make eight lanes instead of the current two, that means many people's property is going to be destroyed and it is going to be a cost to Ugandans and it could even have a problem. There might not be enough money in the budget to meet that. Thank you, Mr Speaker.

5.08

**MR ROBERT KASULE (NRM, Nansana Municipality, Wakiso):** Thank you, Mr Speaker. I rise to support the Bill and to allay the fears of the Members. Recently, especially on Bombo Road, I have observed that the big trucks are no longer driving at their recommended speed.

The roads that we have been constructing were on seven metres. In the Eighth Parliament, we recommended to UNRA that the roads being constructed should be at nine metres but even at nine, given the speed of the current vehicles and trucks and then bending and the numbers have increased, we need a wider road.

I am meant to understand that this process takes the normal process that UNRA has been using a road reserve of certain metres, well cleared. They say that when they have gazetted the road, they will compensate everybody. In as far as the rules are concerned, they are supposed to compensate before they take the right of way.

Honourable members, we want the road to be constructed, be given enough space and in that space, we have other utilities like National Water and Sewerage Corporation, Umeme, telecom companies using the same space and now, the cameras.

For instance on Bombo Road, the cameras are on the road. They are put to monitor cars but they are not safe from being knocked by vehicles.

I would pray that Members process this Bill with those other added utilities in mind. We are securing a road way but not only for the road. Even now, we want to impose a walkway for pedestrians because when UNRA is constructing roads, they only construct for cars; pedestrians and cyclists are left out. “*Bodabodas*” are another hazard. We are not about to say “*bodabodas*” are off the road but you can imagine how many accidents you survive from Kampala to Gulu with them on the road.

I pray that Members debate this matter soberly and allow Government to take the right of way they are asking for. Thank you, Mr Speaker.

**MR WAIRA:** Mr Speaker, since this Bill touches people's property and land and even the minority report is not ready, I would beg that-

**THE DEPUTY SPEAKER:** The minority report was read on the Floor. What is not ready are the amendments that they want to make.

**MR WAIRA:** What they intend to include.

**THE DEPUTY SPEAKER:** No, the amendments not the principles.

**MR WAIRA:** Okay, the amendments are not ready. Mr Speaker, I would like to beg that you allow us time to critically look at this matter since it concerns property and land.

**THE DEPUTY SPEAKER:** Let the debate continue.

5.12

**MR TONY AYO O (NRM, Kwanja County, Apac):** Thank you, Mr Speaker. I am the vice chairperson of Parliamentary Forum on Road Safety. On many occasions, we have had debates here on the road carnage in the country. Among other things Parliament had proposed, we need to look deeply into our roads.

One of the issues that has featured prominently when we attended one of the United Nations meetings on road safety, was the size of our roads, which is very narrow and once a big truck is passing on one side, the other one cannot pass or "a boda boda" or a pedestrian, there is normally a risk of an accident.

Therefore, we can only deal with this problem because road accidents are becoming the second biggest killer in this country. Therefore, we would need to look at the issues of roads in terms of the designs, the size of the roads and all this will need land for these roads to be expanded.

I would think it is our duty now as Parliament. Land is a big question in this country but if handled well, the problem can be resolved – how people should be compensated are issues that we need to look into. However, we cannot run away from looking at issues of expanding the road reserves for provision of better roads and other utilities that require the roads to be there and to use them.

I would ask Members of Parliament that we move ahead. We are not going to stop moving because we think the questions of land and expanding the road reserves is there and yet, we have the responsibility to say let Government put in money. Even when donors are providing money for roads, they are supposed to take into account all the provisions that would make our roads safer and better to use - (*Interruption*)

**MR WALUSWAKA:** Thank you, honourable member, for giving way. I would like to inform this House that accidents have even taken some of our own members of Parliament. In eastern Uganda, where I come from, you find a stationary sugarcane truck without lights, if you are driving to the constituency, you could ram into it. That is why this Bill has taken put in place stringent measures for the owners of the trucks. But, also this Bill -

**THE DEPUTY SPEAKER:** Are you debating?

**MR WALUSWAKA:** No, I am giving the Member information.

**THE DEPUTY SPEAKER:** Please, give information.

**MR WALUSWAKA:** Therefore, I wanted to add that the committee really considered the issue of adequate and prior compensation of the owners of the land before Government constructs or takes over. That is the information I wanted to give.

5.15

**MR SILAS AOGON (Independent, Kumi Municipality, Kumi):** Thank you, Mr Speaker. I think this time around, the Minister has been so tricky in the way he has brought this Bill. This was supposed to be the land amendment something but you just dodge people - that is why you see the House empty; people do not know what is happening here. It is a very touchy issue; how I wish we could even say that we postpone this debate and allow people to be here in big numbers.

Mr Speaker, we are talking about amending the law, creating the road Bill; are we talking about the existing roads or new ones? If we are talking about the existing roads, now talk about Kampala roads and you are talking about 40 metres across, are you aware of how many houses you are going to put down?

Are you aware there are many politicians who sometimes have issues with Government and somebody can use that – because of your political disagreement, they come and raze down your house and they say the road has come. This is unacceptable. We must look at what we are going to do.

There are people with only one acre given by their parents and it is just next to the road. They had an advantage of selling some produce because they are on the roadside. Once you chase them away, you have disadvantaged those people for life and that is earning a curse from God.

This Bill is trying to dodge the real Bill, which is supposed to be here. It is a tricky one. Mr Speaker, I do not agree with the committee report. I instead support the minority report, which should be considered the majority report because they are raising very pertinent issues.

**THE DEPUTY SPEAKER:** No, in what respect do you support it because the bigger part of the minority report is in agreement with the main report? So, which one?

**MR AOGON:** Let me specify, for instance, the issue of consultation. You have not come to Kumi. Did you come to consult with my people? No, you never came. What do I go and tell my people? This is a very bad one.

Unless the chairperson of the committee and the minister are saying that we should not return in the Eleventh Parliament – that is what they are trying to dig for us. I do not support this. Let us take it to the people. Let me tell you, for the age limit amendment, we could have done it here without consulting but the one of land, you are touching land. Even airplanes land on land. We must take it to the people first; bring it to Kumi so that I see that you have consulted. There we shall be in agreement. Thank you, Mr Speaker.

5.19

**LT GEN. PECOS KUTEESA (UPDF Representative):** Mr Speaker, thank you Mr Speaker.

Honourable members, I would like to ask; what is the demography now and the methods of doing things? What I understand is that the planning of any nation depends on the geographical size, the terrain of that nation and the demography and how it is done. When you have 300 vehicles, where you used to have two vehicles and use the same road you are using, I do not know where we are going.

Recently, we have been doing the Entebbe Expressway. The cost of making that road is three times what you can do in any other country because of the compensation. While we agree that land belongs to the people, the people should own the land knowing that they belong to this country.

Therefore, there should be a compromise. If a road is to be made, you cannot build in the middle of the road and then make a diversion in the middle of the road because land belongs to you. There should be control – maybe we are not informed.

You are talking of sensitisation; how do you sensitise? Anyone going to Malaba knows very well why that road is low when you are coming to Kampala and high when you going in the opposite direction. This is because it brings in a lot and takes nothing to sell out. It is a trunk road.

How you make a trunk road, is not the way you make a street. I am not an engineer but I have been reading about making roads and I have somehow been informed.

There are three types of roads; a trunk road, a street road and a lane. We do not have any demarcation on our roads. You are making a road going to Malaba but use the same design as the one going to a less busy place.

However, when you are making a trunk road, expect wide roads for vehicles carrying many things. Now, if two wide vehicles are moving; one is coming from Gulu and another one from Kampala, where do they meet when they are in Bwaise? Where do they pass? *(Member timed out.)*

5.22

**MR JAMES ACIDRI (NRM, Maracha East County, Maracha):** Thank you, Mr Speaker. I will pick up from where Gen. Kuteesa left. First of all, the General will agree with me that when Gen. Idi Amin said, “land belongs to Government”, it was the right thing.

Because of populism, you decided to change it. The Government you brought was part and is still part of the problem. How do we address it now? This is where we are going and that is why we are struggling with Bills here. We are going back to where Gen. Amin left. You wanted to skip a step but it was not possible; so, let us go back.

When we talk about amendment of the Road Act, we all know that there is a physical planning Bill that is the offing. One of the biggest problems the country has is that we are doing haphazard things. From my institutional memory, I would like to say that it could have probably started around 1986, when we had a new administration that did not have a proper handover of power.

We have a Physical Planning Bill that will impact very much on the general planning in this country. We will want to widen roads. I would like to know from the committee, through the honourable minister, how much consultation they have done in respect to that physical planning Bill because you need to expand roads on all this land you are talking about. They must fit within a broader physical planning process in this country. We cannot build factories in residential areas and construct roads anyhow, when we do not have a proper physical plan for this whole country.

When I used to be a member of the Committee on Finance, Planning and Economic Development, the National Planning Authority admitted that they have limitations in ensuring that plans are implemented partly because their mandate is only limited to social economic planning. They do not have the mandate on physical planning, which lies with another ministry. Therefore, how do we coordinate all this to ensure that our roads are proper?

The second thing, Mr Speaker –*(Member timed out.)*

5.25

**MS SANTA ALUM (UPC, Woman Representative, Oyam):** Thank you, Mr Speaker. I would like to thank the committee for the report. However, I would like to note that the problem in this country is mismatch in planning, implementation and even consultation or awareness.

The issue that we are dealing with, concerning the roads and the proposals from the Bill is a very serious issue that should not be taken lightly in this country.

When we realised, from the minority report, that enough consultations were not made, it saddened me. Look at the proposal of 40 metres on either side. We are talking about 80 metres wide. When you look at the roads in this country, there was completely no sensitisation. The Government did not plan and sensitise people on the road reserves, resulting into a situation whereby people have built close to the roads.

Now, that throughout the country people have built very close to the roads, what are you going to do with this proposal, in which you have not even consulted the people?

I would have expected the committee to go on the ground and consult all the stakeholders, for example, the traditional and cultural leaders. These are people who help this country very much, without any pay, to address the issue of land conflict. To my surprise, some of these stakeholders were not consulted. I do not know how we are going to move as far as this very sensitive issue is concerned.

My only prayer is that Article 26 of the Constitution be followed. If Government wants land to construct roads, there must be prompt, prior and adequate compensation to the land owners.

I would like to make mention of the classification of these roads. Village paths or the community roads are very important because these are the roads which will always develop *—(Member timed out.)*

5.28

**MS LOWILA OKETAYOT (NRM, Woman Representative, Pader):** Thank you, Mr Speaker, for the opportunity. I rise to support the motion and I see it is very important for us to process it and pass it into law.

The issue of the conditions of our roads and the management of the public roads is a big one in this country, which requires adequate regulation. I believe many of us here and many out there would agree with this. Like my brother, hon. Ayoo said, we have raised complaints on this Floor of Parliament several times. We really need a law. If we are to look at the existing laws, like the Road Act of 1949 and 1969, these roads cannot now match the level of development and the dynamics of the ever changing societies we live in.

The issue of the extension of the road reserves is key. I feel like this cannot also be objected, if we are to improve on the condition of the road. However, the acquisition of the land for this extension must be done in compliance with the constitutional provisions under Article 26. If this is done, we will be able to improve on the conditions of our roads, widen them and make provisions for walkways and motorcycles.

Therefore, I really support this Bill and it is my appeal that we all support it and pass it into law. I would like to thank you, Mr Speaker.

5.30

**MS AGNES KUNIHIRA (NRM, Workers Representative):** Thank you, Mr Speaker. I would like to support the expansion of our roads to cater for the safety of the road users. My concern is how the law will be applied; 40 metres is a big piece of land. Take an example of Jinja High Way; for 40 metres, you will have to break all those structures. How are these people going to be compensated? All these issues should be clear. That is why I support the suggestion that we need to do a lot more consultation before we pass this Bill *—(Interruption)*

**LT GEN. KUTEESA:** Thank you. Two years back, Kenya Road Authority was constructing a road. The Chief of Defence Forces (CDF) had a house in the road reserve. They wrote to him saying, “Remove that house or we remove it and you pay the costs of removing it”. The CDF of then, two years back, removed that house. I do not know what is different between us and Kenyans. Thank you.

**MS KUNIHIRA:** Thank you, for the information. Mr Speaker, I would also like to suggest that before we pass this Bill, the Ministry of Lands, Housing and Urban Development should also bring out their Bill so that we move in tandem with the two Bills and be able to make a final decision because they may also come with different suggestions. I beg to submit.

5.32

**MR JOSHUA ANYWARACH (Independent, Padyere County, Nebbi):** Thank you, Mr Speaker. The two reports are both good; the majority and minority reports. (*Interjections*) No, I got the minority, I was here.

The minority report brings out clearly where the injustices that will be suffered by land owners will be. The majority tries to sandwich it. It is good to do physical planning and expand the road but the question is article 26. They speak the same language.

Mr Speaker, my concerns are as follows; Have we refused Government to do physical planning of the road, redesigning, re-sizing and so on? We have not. The only problem is the moment you provide for the 40 metres both sides from the shoulder, not from the centre of the road, in a nutshell you are saying, “you the owner of the land, this much we have taken – 80 meters – is for free.” That is where the problem comes in.

Is this workable on all roads? No. If you go to London, the old London there, the roads are very narrow but the new side, the roads are wide. So, what roads are we considering? If we are considering, for example, highways from the border to the Capital City, Goli Custom Road to the capital City, Oraba in West Nile – that is from Koboko – to the Capital City; or you are considering from the other side of Gulu at the border up to here and you are creating new roads like you did for Kampala-Entebbe Express highway, then let us divide the roads. Let us say, for highways, this will be the amount. But it does not cost Government anything to give back to the people.

Mr Speaker, right now, if you go to Finland or Norway, they are giving under the social protection, free money to the elderly, \$ 560 per month. The belief of Government is that that money will be ploughed back in the economy.

Now, if you compensate a land owner in Uganda, you are actually increasing the purchasing power of the owner and he is going to pay fees for the children, he is going to accumulate wealth. That money will be reinvested here.

We want to correct the mis-information by honourable general that the cost of doing roads in Uganda is three times more than it is in the nearby countries. The thing is not because of compensation; it is because of government officials having the desire to actually inflate figures. Just here in Nalubale, when we were doing that 1200 megawatts –(*Member timed out.*)

5.36

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

Currently, our roads are not well managed. That is why the Bill is seeking remedies to deal with defects in the existing law.

It is good that this Bill is looking at management of storm waters. In rural areas, when a contractor is contracted to make a road, they do not even put off shoots. So, the water piles on the road and the road gets worn out within a short time.

Even in urban areas, people littering channels with garbage. I think this Bill will go a long way to bring such people who do not manage the roads well to book.

There is also the issue of axle load controls. That is also a good initiative in this Bill. Most of our roads were constructed using loans but some people overload their trucks and wear out these new roads before the loan period is even over. Therefore, I think when this axle load control is put in place, it will go a long way in saving our roads.

It is my prayer that the people responsible should enforce this law so that our roads are not worn out. Stationary vehicles also cause accidents on the roads. When such people are brought to book, we shall reduce the number of accident.

Mr Speaker, on compensation, some of the clauses are contradicting. For example clause 21(c) is saying there is no compensation. When you look clause 21(5), it talks of compensation of the land owner for any damages caused to the land under this Act. And then again clause 23 says a person shall not claim a right to compensation in respect of any loss or damage. This, to me, gives the impression that even the framers of the Bill were not sure whether there would be compensation or not.

I would propose that those clauses, indicate no compensation for the people should be deleted because, imagine a situation where a new road is knocking down your house, where will such a person go? I think the issue of compensation should – *(Member timed out.)*

5.38

**MR STEPHEN MUKITALE (Independent, Buliisa County, Buliisa):** Thank you very much, Mr Speaker. When you deferred this debate, I almost moved on preliminary objection on procedure so that we do not discuss this Bill until the mergers for all land acquisitions take place.

In the last 18 months in Buliisa, I have seven land acquisitions by UNRA, by Pipeline, by Oil wells; different people and yet this could be a mandate under one ministry. Therefore, Cabinet should fast track the merger and restructuring so that we do away with this confusion.

In 2009, when we considered the land amendment, it was the time when we had a re-visiting of the Country Planning Act into the Physical Planning Act, 2010. It is a time when we had a city planning.

It was very clear that the 1995 Constitution was not cognizant that the country had a Country Planning Act, which made the whole country a planning area.

Whose intention was it, to bring this constitutional challenge? The whole country is supposed to be a planning area but it is the executive, which brought this Article 26 and then you cannot move. The earlier law was much better. We are now stuck.

When hon. Nasasira came here with a Transport Sector Development Plan, 2010, these issues of integrated corridors were raised. I am even surprised somebody is raising this today as if it was something new.

We talked of ducts on the same roads so that the cables for Information and Communication Technology – that time it was a new phenomenon – the sewerage, issues to do with water; it was discussed 2010 in this Parliament.

Now, 10 years after, we are speaking as if we are reinventing the wheel. This is very unfortunate. Government is losing a lot of money in this unilateral planning of every sector. Today, you will hear of a pipe line, tomorrow you hear of standard gauge, the other day - as if it is not one country.

The Government agents should come to order, collaborate, integrate your planning and stop raising the excuse of cost of land acquisition instead of dealing with the planning, which you have failed to do.

The Bill is very good in the areas of tolling; we are in the era of Public Private Partnerships (PPPs) and -  
(*Member timed out.*)

**THE DEPUTY SPEAKER:** Honourable members, Hon. Judith Alyek is in hospital. She had a serious accident on 7 May 2019 and she is now in International Hospital Kampala. Please find time to go and visit her. This all arises from our road situations and that is the debate we have now. One Member is in hospital arising from the conditions of our roads.

5.43

**MS BETTY BAMUKWATSA (FDC, Woman Representative, Rukungiri):** Thank you, Mr Speaker. If we are to be fair to all Ugandans, it would work well if we follow it. However, in Uganda, we put laws for some and leave others behind.

I have been following the events on roads. We moved from three meters to eight meters, nine meters, 15 metres and now, we are going to 40. I hope the next Parliament will go to 100 metres. When are we going to settle Ugandans, to keep their confidence on their land without wasting money and borrowing too much for compensations?

We would like to request the committee to come up with a plan of how they will compensate the people who will lose their land when they are marking those roads. I thank you very much, Mr Speaker.

5.44

**MR EMMANUEL KALULE (NRM, Gomba County East, Gomba):** Thank you, Mr Speaker. I want to consider the question of public interest. I also want to talk about this issue of road expansion from 20 metres to 40 metres. Someone is suggesting that perhaps we might even go to 100 metres. Mr Speaker, things keep on changing. If you are in a country that is developing, you cannot avoid these changes. We have to change as conditions change.

My feeling is that in the interest of the public good, we have no alternative but to pass this Bill. This country cannot remain static. We have got to develop and improve our roads. You can see the mess that is in this country, especially with the “*boda bodas*.” Sometimes, you cannot even drive your car because there are too many “*boda bodas*” around.

This Bill is a necessity and we have got to pass it. We have to look at the interest of the public good. It is in the interest of this country in terms of development that we pass this Bill immediately. In fact, we should have done it long ago. Otherwise, every day you delay, people are building in the space that we want to use for development. The sooner we pass this Bill, the better. I thank you.

5.46

**MR GODFREY ONZIMA (NRM, Aringa County North, Yumbe):** Thank you, Mr Speaker. The idea that we should expand our roads cannot be opposed by anyone. That is an idea everyone should support.



Nobody can also oppose the issue that we should catch up with development. However, some of the challenges that we look at are issues related to what is already on the ground. Currently, the road side including the reserve is supposed to be 15/15 to make 30.

In our current planning and construction, have we exhausted this because we are already faced with serious challenges. If we have not, then I do not agree with the argument that this current idea is to address this rampant problem.

Though it would be important to expand the road, I think 40/40 to make 80 is unrealistic. If you look at the road going to Mbarara, all the trading centres will go, if you look at the road going to Gulu, all the trading centres along the road will go. How do we compensate all these people? Where does the country get all the required money?

I know it is important that we must plan for development and widen the road space but when you look at the current expansions, they are not in line with what we are talking about. When they are trying to develop a road that is narrow and there is space of expansion, most times the expansions do not take what we are talking about.

Mr Speaker, in principle, I support the idea that our roads should be widened but we should be considerate in terms of the reserve we are talking about. It would be fair to say that since we have 15 metres, we should add another five metres to make it 20 metres, such that we have 20 on both sides and make it 40 metres. However, to have an additional 50 metres on top of the 30 metres, which exists - we should try to come with a better explanation although, in principle we agree that there must be expansion.

Mr Speaker, we are also looking at the cost of compensation. Many times compensations come as an advantage for some people. I beg to submit.

5.49

**MR LAWRENCE BIYIKA(NRM, Ora County, Zombo):** Thank you, Mr Speaker. I would like to add my voice in relation to this Bill. It is true that expanding our road is very important but the question is: to what extent are we expanding our road? Development will continue to emerge.

I think ecosystem-based planning will be very important for the road. When we are constructing our roads, we should be able to look at all utilities of those roads and develop not only the road but the utility corridor. That will help us a lot. Otherwise, some accidents are happening as a result of digging the road. You tarmac today, tomorrow, you are digging it again. So, we need to plan for all utilities.

Where do we get the money to compensate people? That is why you see banks like African Development Bank no longer giving money to compensate because a road requiring Shs 100 billion will be inflated to Shs 500 billion in compensation. We need to put that question in our mind.

Regarding tarmacking our roads in Uganda – because murrum roads sometimes we have those accidents - We must have a target relating to tarmacking our road. For example, we would say that this year, we can tarmac 5,000 kilometers. How many kilometers do we have from here to Kisoro or Arua? We can calculate all this and see how to address our road.

Relating to the issue on why we should leave the road reserve in the centre and keep reducing it, the practice is that the moment you stop the road on some metres, people will start building.

Another issue is resilient infrastructure. All over the world, people are talking about resilient infrastructure. If you are constructing road, bridge or house, you must know that there effects that are coming as a result of climate change and environmental degradation. Therefore, you must make your infrastructure resilient.

Finally, road and railway transport systems in the world are costing a lot of biodiversity loss, the concern the Member of Parliament from Aringa raised. Therefore, we need to plan within our means. If you look at the bullet trains that the Chinese are building from Beijing to Singapore, it is taking 100 metres on each side of the road and passes through mineral-rich area and a bio diversity-rich area.

We need to plan within our means, make the road resilient and efficient to be able to address this. All the same, I support that we should address the expansion of our roads and the road use. Thank you very much.

5.52

**MR CHARLES ILUKOR (NRM, Kumi County, Kumi):** Thank you, Mr Speaker. Whereas I support the motion for the Bill for our roads to be expanded to allow development, I would like to note one issue. Even when we still have the 15 metres, they are not being policed. How about when we have the 40 metres?

Once the communities realise that there is free and available land within the 15 or 40 metres, they do not mind. They will get in and start erecting their houses. When people start erecting houses along the 15 or 40-metre zone, the responsible ministry is watching. They do not come to stop them.

For example, if you travel between Mbale and Soroti towards a place called Mukura, there is a school which has been built and the wall is about five metres from the main road. Who polices the 15 metres? You are here making us pass laws but we do not implement them.

We would like to see the ministry making sure that the 15 or 40 metre-zone that we are going to grant are policed and not allowing our people to build along the road, then tomorrow you come and knock down people's houses. Thank you very much, Mr Speaker.

5.53

**MS ZAITUN DRIWARU (Independent, Woman Representative, Yumbe):** Thank you, Mr Speaker, for giving me the opportunity. I would like to thank the committee for the work they have done.

I would like to agree with my colleagues that expansion of our roads is good. However, when you look at the way people have constructed the old roads, it is absurd. Along some roads, you will never get houses in the same line; they are constructed in a haphazard manner. All these things have been happening when we are watching.

The issue of law enforcement in Uganda has still remained a big challenge and that has cost our people a lot. If we say we are going to put the 40 metres on either side of the old roads, it will directly touch on the lives and pockets of Ugandans. The land that Ugandans are going to lose is the land they use to feed their families.

I suggest that if possible, let the 40 metres not be put on the old road but rather the new roads if we are to construct. Let us be fair to our fellow Ugandans and love our people. We are working for the good of Ugandans. Let us emphasise the issue of law enforcement. Failure to do that means we are going to remain failures in this country in implementing certain things.

I request that the Ministry of Lands, Housing and Urban Development comes in to manage this Bill and its amendment. If we leave out this ministry, they know what it means to deal with issues of land, which is viable in our lives. So, I request that we bring all stakeholders on board so that when we want to amend,

we do so and put it in the right position once and for all. Nobody remains offended and the Government and people of Uganda remain happy. I beg to submit, Mr Speaker.

5.56

**MS CECILIA OGWAL (FDC, Woman Representative, Dokolo):** Mr Speaker, I rise to reject the majority report. *(Laughter)* I have been very restrained because the Bill is premised on very good objectives but then the same Bill has offended many fundamental laws. I have found it difficult to reconcile this Bill with Article 26 and Article 237 of the Constitution. I think we need to address it with a balanced mind. Something has got to be done.

Secondly, if we can provide 16 metres for the Entebbe Expressway, which is one of the best roads in the country at the moment, and we are now proposing not even 20 metres but 40 metres, there must be an extraordinary justification for that extraordinary demand. Forty metres is as big as a football field. I do not know what convincing reason they would give us for that.

Finally, the Bill says that when the minister gazettes a place that is going to be a road reserve, all activities must cease. In other words, if I have built my house and I am enjoying it with my family, then I hear that my home is part of the road reserve, I must stop my family activities, including my existence on that land. Is that really reasonable?

Therefore, when we are debating in support, nobody will oppose modernisation of our infrastructure in conformity with the dynamics of development. We all support it but let us do it with a reasonable and balanced mind, knowing that we are developing this country for ourselves and our children in the future.

Mr Speaker, this law is premised on good intentions but the arguments –*(Member timed out.)*

**THE DEPUTY SPEAKER:** Thank you. I will have the mover of the minority report, the chairperson and minister. Then we will see how to proceed.

5.59

**MR JONATHAN ODUR (UPC, Erute County South, Lira):** Thank you very much, Mr Speaker. I will clarify briefly and invite my colleague, hon. Okoth Othieno, to use one minute to also clarify.

I would like to draw to the attention of this House –

**THE DEPUTY SPEAKER:** How will you do that without me? *(Laughter)*

**MR JONATHAN ODUR:** Through the Rt Hon. Speaker. I would like to clarify first –

**THE DEPUTY SPEAKER:** You know, with these people, you have to protect your territory. *(Laughter)* You have to keep reminding them.

**MR JONATHAN ODUR:** Thank you, Mr Speaker, for that guidance. I would like to first clarify to Members that the justification of accidents has been mentioned. However, there is a report by the Uganda Police Force. Eighty per cent of accidents happen because of human error; 15 per cent happen because of the conditions of the vehicles. The rest constitute only five per cent. It cannot be that the road is narrow that these accidents are happening.

Secondly, I would like to draw the attention to the declaration. When we go to this Bill, it has the effect that once the minister has declared, the Government does not take over the land but also, the land owner is

not allowed to take over the land. So, that land will remain for 10 to 15 years until Government pays. That is the fundamental disagreement we have had with the majority report.

You are saying that pay before taking over but the taking over can take 20 years. Where will these persons be? That is what I want to draw the attention of this House not to fall in that trap that has been set by the committee, which might fail us.

Thirdly, we have said for a new road project, we have no problem. Government can acquire up to 200 metres to put a 50 lane road. However, to do that on the current roads is a retrospective application in law and it is unconstitutional. This House will not be right to accept the recommendation of the committee to declare road reserves on all the existing roads.

Let me now invite, through you, Mr Speaker, my co-author of the minority report, the much respectable hon. Okoth Othieno, to address this House on this matter.

6.02

**MR RICHARD OTHIENO OKOTH (NRM, West Budama County North, Tororo):** Thank you, Mr Speaker and my colleague for giving me the opportunity. Much has been said already. Why I associated myself with the minority report is for the simple reason hon. Jonathan Odur has given. We are not in favour of retrospective legislation.

The quality of this House is seen through the legislations we put out. We do not want a situation where the public start judging us as if we do not understand our responsibility not to make laws that have got retrospective applications.

I would like to draw the attention of this House to one aspect. On 06 March 2017, when the Minister of State for Works and Transport was justifying this Bill, he appeared at the Uganda Media Centre accompanied by other Government officials, notably, hon. Baryomunsi. I do not know whether he was acting as the Government spokesperson.

The minister made it very clear to the country that this law was only going to affect future projects and it does not apply on the existing road networks. What the minister said then should allay the fear the Members have.

Our concern was that the committee on its own to depart from the spirit, which the minister assured the country with and went on to say this law must apply even to the existing road networks. That is why the committee came up with a schedule, which was originally not in the Bill. If this schedule is passed by the House, it would mean we are now passing a law that would have a retrospective effect and it would weigh negatively on this House.

For us, that is mainly the departure point and we are saying *—(Member timed out.)*

**MR KAFEERO:** Thank you, Mr Speaker. I would like to allay the fears of my honourable colleagues. If you read the proposed amendments by the committee, we are proposing the insertion of a new sub-clause under Clause 14 to take care of prompt payment of a fair and adequate compensation prior to Government declaring somebody's land a road reserve. That is going to take care of all your fears.

We just imported the content of Article 26 of the Constitution for avoidance of doubt. Therefore, no Member should come here and say Government is going to steal land because the Constitution is supreme. *(Applause)* We are not going to steal land. We were cognisant of those fears. We knew somebody would abuse this and we said for avoidance of doubt, let Article 26 come into this Act so that people can be comfortable.

The committee is also suggesting an amendment to the effect that the date of publication of this Act as notified in the gazette will be the commencement date. We are not talking about any retrospective application of the Act; we are talking about date of commencement. Therefore, nobody should tell us that this law is going to apply going backwards. That is not what we are saying.

A Member mentioned here that the 40 metres begin from the shoulders of the road. I would like to put the record clear that the 40 metres begin from the centre line of the road and it goes either side. The shoulder of the road is the edge and if you begin from there, it will be wider than 80 metres.

This House should know that it is very important to secure road reserves early enough because it will save Ugandans a fortune.

The reason we are proposing insertion of a new schedule is because we are trying to twist – the minister had proposed in the Bill 40 metres for all roads including the smallest road in our villages.

As a committee, we said let us classify roads. We said the community access roads should be 10 metres. When we upgrade it to urban road, it becomes 15 metres. When it goes to the district, it becomes 20 metres and then, when it becomes a national road, it becomes 40 metres.

We chose to classify the roads so that the national roads are the ones that qualify to be 40 metres. You go to the Entebbe Express Way; whereas people are claiming it is smaller, where there is an interchange, it is almost 100 metres.

Therefore, Mr Speaker, I would like to allay the fears of the Members that nobody is going to grab land because the committee has put enough safeguards.

**THE DEPUTY SPEAKER:** Honourable minister, you need to also help Members on the issue of compulsory acquisition. Compulsory acquisition is allowed in our Constitution. However, what amounts to the compulsory acquisition? Is it a declaration or a process of prior, fair and adequate compensation before you take over the land? If now, you declare by law that, “it is hereby extended by this”, would it still be consistent with the Constitution, if the law says, “we have taken over 40 metres” and the provision of the Constitution has not been followed. Don’t you think somebody could challenge that?

6.09

**THE MINISTER OF STATE FOR WORKS AND TRANSPORT (WORKS) (Gen. Katumba Wamala):** Thank you, Mr Speaker. I think on matters of land, I will request the help of my sister, the Minister of Lands, Housing and Urban Development who is an expert on land issues.

May I proceed before she comes in?

**THE DEPUTY SPEAKER:** Proceed.

**GEN. KATUMBA:** Mr Speaker, again, I would like to thank the committee for doing a great job. I can say that most of the proposals they made are mainly agreeable with the ministry.

It is true that we are looking forward – You said here on the Floor that we are not planning but this is part of planning. Very soon, we are going to have satellite cities. We are saying that Kampala is over-congested and the city should move away but if the city is going to move away, it must move in a planned way.

We do not need to move the city away and end up with another congested city. These are part of the future plans that in future, when new satellite towns are coming up, this is how you must plan your road network.

Secondly, I remember one time when we were in the Committee on Physical Infrastructure, one of my officials survived being taken to prison when he introduced himself as the one who is in charge of designing. Hon. Okoth Othieno said that he must go to prison because he is the one responsible for the deaths on the roads because of the narrow roads he designs.

We had to save the officer because we said the roads were designed long before the officer came to the ministry. The truth is that our roads can no longer meet the demand; that is a reality and it is good that the chairperson has made it very clear except in cases where it will be extremely necessary.

We are not saying that we are going to widen all the roads. Where will Government get that kind of money but we are saying that in the new roads, which are coming up - for example, the Jinja Express Highway, why shouldn't we have the right size of the road? I wanted to share with you - (*Interruption*)

**MR NZOGHU:** Thank you, Mr Speaker. When you read clause 20, I would like to seek your indulgence, that I read it verbatim so that the minister listens; "Notice of road construction - where it appears to a road authority that there is need in the public interest to construct a new road or to widen, deviate or re-align the existing road or access road under this Act, the road authority shall publish a notice in a newspaper."

I would like the minister to put it to this House clearly – the committee took this clause 20 wholesale and that it applies to the new and existing roads.

**GEN. KATUMBA:** Thank you, very much, honourable. You are saying exactly what I was saying before. I said except in situations where it will be extremely necessary according to Government plan.

When that is done, the most important thing is to make sure that whoever is going to be affected by that is compensated; that is the critical issue and that nobody will be denied or disadvantaged by taking away his property and not being adequately compensated. I think we are on the same page.

**MR FUNGAROO:** I am giving some information in support of the position given by Gen. Katumba with due respect to my colleagues who gave the minority report.

Even the issue of compensation when given, that you give prior adequate compensation, quite often it is abused. When some people know that Government is going to build a road here, they run ahead and start building structures along the path where the road is going to pass so that they get compensated, which makes the cost of building roads very expensive; this needs to be taken care of.

There is also a problem in the rural areas. If you say adequate compensation, who will compensate, for example, at the level of community access road?

In Obongi I am suffering. A community needs a road and someone deliberately built in the road reserve and you say compensate adequately. At the level of the sub county, they will not raise the money to build that kind of road. The adequate, prompt and prior compensation must also be defined according to levels. Thank you.

**MR OKOTH OTHIENO:** Thank you, Mr Speaker and minister for allowing me to raise this clarification. As the minister has rightly stated that they are looking at future projects and you have given the example of Jinja Express Highway.

If you are talking about a new project, why then do you need a law to determine the land that you can acquire when you could decide to acquire even 100 metres. You do not need to be limited to 40 metres for a new project.

If you knew very well that this law was intended for future projects and we are all convinced that we want all our future projects to be of very wide roads - maybe four lanes on one side - why then do you need a law - because you have acquired the land for Jinja Express Highway without any law, you did not need this law for the Entebbe Express Highway. What then is the necessity for you to have a law, which prescribes 40 metres to enable you acquire a new modern road?

**GEN. KATUMBA:** Thank you, very much, honourable Member. This Bill not about acquiring land; it is about management of our roads. Here on the same Floor, you have asked why do we allow people to build in the road reserves?

We are now saying let us define the road reserve so that nobody now builds in it; you do it now when there is a law, which has even got penalties so that you do not do it, now people can do it because there is no punitive action on those who are doing it. We are talking about being able to manage our roads. Thank you.

**MR JONATHAN ODUR:** Honourable minister, when I hear you saying that the reason people are building on the road reserves is because we do not have a law, I get worried because the 1949 Act clearly defines the road reserve to be that distance from the centre either side, which comes to about 15 metres.

Even Uganda National Roads Authority in the last three years if you have been watching the television adverts has been guiding people where they can build from the white marks.

They were saying on television that from the white marks they have put mark stones leave another three metres and construct. Now, I would like you to clarify, if you are telling us that there is no law, what basis is UNRA using to put those mark stones along the national roads.

Secondly, you acquired land for the standard gauge railway line. Tell us the challenges you met in acquiring the 80, 100 or more, I understand that you even acquired more than 60 metres and yet, the rails just needs about 10 metres. Meaning that at the moment you do not have any challenge with acquiring land for whatever project thank you.

**GEN. KATUMBA:** Thank you, very much. You may say that we do not have the problem in acquiring land but now we are defining. If you look in the proposals by the committee there is a Schedule Three, which they have injected in which gives the classification of the roads. Not all roads are going to be 40 metres; it will be according to the classes, which we have suggested.

You can upgrade but we are saying that at least, with the basic minimum. For example, if you look within the region; in Kenya the road reserve is 40, Tanzania - 60. However, when you look at the traffic volumes in Tanzania and Uganda, they are not comparable. You have more traffic on the roads here.

My appeal to the Members is that we should look at this as a Bill not intended to have compulsory acquisition of land. That is not the intention. The intention is to have enough – and I am going to submit.

Mr Speaker, I would like to lay on Table a table, which will help the Members to understand why we are going in for the 40, defining exactly what the road demarcation are, in terms of lanes, width, barriers and all that. I beg to lay.

**THE DEPUTY SPEAKER:** Let the records capture that.

**GEN. KATUMBA:** Mr Speaker, I would also like to Lay on Table a diagrammatic presentation of the same document that can be accessed.

**THE DEPUTY SPEAKER:** Let the records capture that.

**GEN. KATUMBA:** Mr Speaker, I would like to make a final appeal to the Members that as you consider this Bill, take note of the work done by the committee because they did a good job and let us debate the Bill with national interest. We are the same people going to use these roads tomorrow. Therefore, we need to debate this Bill with our national interest and that should be our guiding factor as we debate.

**THE DEPUTY SPEAKER:** Thank you. Honourable Minister for Lands, Housing and Urban Development do you have something?

6.25

**THE MINISTER OF LANDS, HOUSING AND URBAN DEVELOPMENT (Ms Betty Amogi):** Thank you, Mr Speaker. I would like to start by indicating that the committee had scrutinised issues around land and I do agree with their report especially when you look at their proposal to delete the proposed clause 23.

I think it is where the minority report had anchored some of the issues raised on the Floor. When hon. Cecilia Ogwal talked about power to stop certain activities, where it was envisaged that once a declaration is made, then you must stop activities on the land. The committee has proposed deletion of that provision.

What I want to make as proposals, are certain provisions on 24(19) and 21 which the Speaker alluded to, on power to enter the land, power to make declaration of roads and power to take material from land for road construction. That when we come to such a provision, we can subject it to the current Land Acquisition Act because for all public acquisitions, the law that guides Government is Land Acquisition Act, 1965. It clearly stipulates that before you enter land, you make a declaration, examine and mark the land, survey, value and the pay the owner. It is a very elaborate law and where it was contradicting article 26, both the Constitutional and Supreme Court have harmonised it in their ruling. In addition, we have incorporated the ruling of both courts in harmonising the process of acquiring land.

Therefore, this particular Bill can then be subjected to Land Acquisition Act in some of the provisions that we might feel would give the minister the power to make declaration without subjecting it.

Therefore, we can subject it to both the Constitution and to the Land Acquisition Act then all the concerns would be addressed. Thank you.

**THE DEPUTY SPEAKER:** Thank you very much. Honourable members, can we now take this Bill and see how to dismantle it at Committee Stage? I put the question that the Bill entitled, “The Roads Bill, 2018” be read the second time.

*(Question put and agreed to.)*

BILLS  
COMMITTEE STAGE

THE ROADS (AMMENDMENT) BILL, 2018



**THE DEPUTY SPEAKER:** Honourable members, we will not be able to proceed to Committee Stage at this time. However, this is what I want to suggest. There are issues raised by the Minister of Lands, Housing and Urban Development and by you Members. This is the time we need to factor in all that we need to suggest to improve on the Bill and make it better. That is why we are here.

Therefore, propose your amendments as we did with the Cooperative Societies (Amendment) Bill. You saw how we were able to move because all the amendments had been shared in advance.

Therefore, if you have any proposals for changes that you want to introduce in this Bill, please, make them early enough and share with all the Members before we come back to look at the Bill so that when we go to Committee Stage, we know which clauses are supposed to be subjected to amendments. Amendments that will be introduced straight at the Floor, will not be accepted; even rule 129 of the Rules of Procedure prohibit that. House adjourned to Tuesday at 2 o'clock.

*(House rose at 6.27 p.m. and adjourned until Tuesday, 14 May 2019 at 2.00 p.m.)*