



PARLIAMENT OF UGANDA

# PARLIAMENTARY DEBATES

(HANSARD)

---

OFFICIAL REPORT

SECOND SESSION - THIRD MEETING

TUESDAY, 18 APRIL 2023





**IN THE PARLIAMENT OF UGANDA**

**Official Report of the Proceedings of Parliament**

**SECOND SESSION - 27TH SITTING - THIRD MEETING**

**Tuesday, 18 April 2023**

*Parliament met at 2.06 p.m. in Parliament House, Kampala.*

**PRAYERS**

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

*The House was called to order.*

**COMMUNICATION FROM THE CHAIR**

**THE DEPUTY SPEAKER:** Thank you, honourable colleagues. I welcome you to today's sitting. As you might all be aware, on 13 April 2023, we lost one of our gallant sons, Mr Keith Muhakanizi, the Permanent Secretary, Office of the Prime Minister and also the former PS/ST. He was one of the most renowned economists who played a key role in enabling Uganda to build a resilient economy.

Most of us interacted with him in this Parliament. I think we have fond memories, if we were given a chance to speak about him, especially on how he handled business. Where it was "A", he would tell you it is "A". He would resist pressure. He would listen to MPs. He would welcome any debate, mostly on issues to do with budgeting and how we set our priorities as a country. So, it is, really, a sad moment.

I happened to have gone to see him in Turkey last year, when he was sick. We spent some very good time together and shared many fond memories. I can say I was among the

people he was mentoring because, really, he knew everything to do with the processes of governance in this country.

When I was made the Government Chief Whip, we shared a lot. Later on, he was transferred to the Office of the Prime Minister, where he became my Permanent Secretary and continued mentoring me and, I am sure, many other people.

I talked to him, I think, one month ago after I had learned that he was in hospital in Turkey. We spoke on phone for a long time because I had a business trip to Milan. I asked him if I could check on him. However, his situation was not good at that time. His immunity was extremely low; they could not allow him to meet visitors. So, we spoke – only to, later, receive the sad news that he had passed on.

On your behalf, I called the wife, Mrs Janet Muhakanizi, and passed on our condolences, as a House. I feel that we shall get an opportunity to, maybe, say more about him.

I have read in the media that the President has granted him an official burial, but we shall be waiting for the Prime Minister to communicate to us officially so that we see what programme they have – if it includes moving a motion here on the Floor to pay tribute, like we usually do in official burials.

Honourable colleagues, in the same vein, on 16 April 2023, we also lost His Lordship Masalu Musene, a retired judge of the High

Court. Justice Musene had a distinguished career in the Judiciary. His burial will be on 22 April 2023, in Kuushu Town Council, Bududa District.

For the late Keith Muhakanizi, we hope the body will arrive in the country on Thursday and maybe the burial – tentatively – will be on Saturday. Once we get clear information, I shall inform you.

So, with such misfortunes, honourable colleagues, I request that we stand and observe a minute of silence.

*(Members observed a moment of silence.)*

**THE DEPUTY SPEAKER:** Honourable colleagues, also, as you are aware, we are now in the budgeting process. I thank the committees – you are doing a tremendous job. I have been scanning through some of the committee rooms; I can see you are working.

For any support you will need from us, as the leadership of Parliament, we are ready to give it to you. However, as you are aware, according to our rules, we should process the ministerial policy statements by the 20<sup>th</sup> of this month, which is Thursday. We have around 18 ministerial policy statements.

So, I will be taking you through this process. I want to give more time to service-based sectors because they are the ones which ensure that they deliver services to our people.

I would want us to have an extensive debate. This is the only opportunity you have for an extensive debate and contribution on sectors, which do not fall under your committee.

So, committee chairpersons, ensure that, indeed, you keep within the time. Government Chief Whip, all sectoral committees are under you. So, your duty is to ensure that your chairpersons do a great job – with support from us.

Honourable colleagues, because of that, tomorrow we should start Plenary at 10.00 a.m.

and all other business is suspended. We shall not handle any other business, apart from the ministerial policy statements, starting today.

The other businesses include matters of national importance – I will pick them on Thursday. For today and tomorrow, I want us to focus on ministerial policy statements so that we can have time to debate them – because the budget comes once a year. I need around three days of your time to ensure that we do this.

So, let us ensure that for all these other businesses that are scheduled, we shall push them ahead. However, I will allow only one urgent matter for which we received many concerns – for the Minister of Foreign Affairs to update us on the situation in Khartoum, where we have very many of our people who are stuck. I hope he can give us an update.

Secondly, there is an issue, which I would want to be handled next week – I need the minister to be informed. Social media, especially *Twitter*, is awash with exhibitions of potholes in Kampala.

We have potholes of each and every design and each and every size; the beautiful ones, the ugly ones, the deep ones, the shallow ones, the wide ones, and the narrow ones. They are all in Kampala. There are also those which are filled with water and those which are dry. *(Laughter)*

I remember that a few years back, when I still had the energy of being an activist, we organised the “Kampala Potholes Expo”. It was a successful expo because we managed to showcase most of the potholes and the Government took action.

Really, when you are going to URA, for example, to sort out your tax issues and you fall into a pothole and break a shock absorber, you ask yourself: “Why?”

I wonder how ambulances are navigating some of these roads, especially when transporting, for example, pregnant mothers; it is really too much.

Today, Hon. Ngompek Linos also came to me complaining that some men are no longer functioning properly; their backs are broken because of these potholes. *(Laughter)*

*Mama Cecilia Ogwal* told me the women are producing premature babies - she used the words “producing prematurely” which is of course, a miscarriage.

Therefore, Minister for Kampala and Metropolitan Affairs, please, on Tuesday next week, bring to the House a statement on how much money KCCA has received for road construction and maintenance for the last three years because potholes do not develop in a minute.

And on the quality of works; we have some roads, which are closed for two years to be constructed but they develop potholes in three months. We shall need to know which roads were constructed and maintained using these funds, including the status of each of those roads as of now. While last time we received a report on the loans that we had given, the situation is dire yet these are still simple rains.

When you move along that channel of Bwaise, which they just constructed, you will notice that it is again silted. I do not know what is happening.

Honourable minister, we need a statement next week on Tuesday so that we are able to understand whether the problem is from our side, in that we do not appropriate enough money or not; let plenary come in to tackle this issue.

Honourable colleagues, that is my Communication from the Chair. Let me first give the Leader of the Opposition chance to say something before I allow the point of procedure.

2.18

**MR FRANCIS MWIJUKYE (FDC, Buhweju County, Buhweju):** Thank you, Mr Speaker. On your Communication from the Chair, I agree with your wise ruling.

However, I was surprised to see a notice that criminalises the taking of the pictures of these potholes. Rather than us working on them we say, “When you take these potholes, they scare away tourists and investors.” But does it make sense for investors to come and fall into these potholes?

**THE DEPUTY SPEAKER:** From whom was the notice?

**MR MWIJUKYE:** From the Minister for Kampala Affairs, of course. Actually, some people were arrested to that effect. I think we are not doing our work right. Otherwise, I agree with your ruling that we need to discuss and deal with it rather than criminalising it because that does not help this country. Thank you.

**MS CECILIA OGWAL:** Thank you, Mr Speaker, for giving me an opportunity to seek your guidance on the matter relating to the Bill that Parliament passed recently.

It is almost a month since this House discussed, at length, the Anti-Homosexuality Bill, which was passed with an overwhelming majority support. There was no clause in that Bill that was not interrogated. I do not remember any clause upon which there was any contention. I also do not remember any clause which was passed as a result of the House negotiating with either the Attorney-General or anyone else.

And I was very impressed that our very own, Hon. Fox Odoi, this time, repented for having done what he did last time. He has not caused any issue at all since we passed the Bill. We have not heard from anywhere that he has raised any contradictions and so, we are very grateful to him.

Mr Speaker, I am raising a matter of procedure because since we passed this Bill, everywhere I go, people are asking, “Has it now been assented to?” I am seeking your guidance: You are our top leader and so, you should be able to tell His Excellency, the President that the whole country is anxious to see him append a signature onto that Bill.

I am requesting, through you, that the day the President will append his signature onto that Bill, some representatives from the House should be present to own it and make sure the country and the people we represent in this House know that the entire Parliament has endorsed that particular piece of legislation. I am raising this as a matter of serious concern and procedure. Thank you.

**MR SILWANY:** Mr Speaker, when you read Article 91 of the Constitution of the Republic of Uganda, you notice that it stipulates the legislative powers of the Parliament of the Republic of Uganda and what happens when we pass laws.

I have information, which I will relay to Parliament when given the opportunity, but which is to the effect that the Deputy Attorney-General of the Republic of Uganda is strongly writing to the President dissociating himself from the Anti-Homosexuality Bill, which we passed in Parliament. He is also strongly advising the President not to sign the Bill, and at the right time, I will bring this information. If you give me leave, it is a matter of going to get the information and lay it here.

Now that the senior Attorney-General is in the House, wouldn't it be procedurally – *(Interjections)*– I am on a point of procedure.

**THE DEPUTY SPEAKER:** Honourable member, it is still I to make the ruling. Even when you are on a point of procedure, you have to be orderly - but I have not allowed you because I was still guiding Hon. Silwany. Yes, point of order?

**MR OTIMGIW:** Thank you, Mr Speaker. The point of order I want to raise is that the honourable member is stating allegations against an honourable colleague who is actually not in the House to defend himself. He does not have the document he is alleging to lay on the Table, at the moment. These are baseless allegations –*(Interjections)*– the honourable colleague is here? Okay, but the document is not here to be laid; why bring up the issue right now? Lay the document.

**THE DEPUTY SPEAKER:** Honourable colleagues, let me first guide. We have two critical points, which we use to interrupt debate. Under rule 78(7), the point of procedure takes precedence over the point of order and so, it is difficult for me to proceed when someone says, “You are not orderly.” You can only deliver your point properly when you are in order.

Therefore, Hon. Silwany, you do not need to seek leave to go look for information and then come to table it. When you have the information, you bring and table it; it is always better to be prepared. However, because I am not privy - the Attorney-General is here.

I think he can comment better. Hon. Mwijukye, wait – specifically, on this point of the Deputy Attorney-General.

2.26

**THE ATTORNEY-GENERAL (Mr Kiryowa Kiwanuka):** Thank you very much, Mr Speaker. The Office of the Attorney-General did render advice to the President on the legislative process. I request Parliament to allow this process to continue. It would be absurd to say that this is - if you put it out here, what if the person they are advising does not take the advice?

The Office of the Attorney-General did render advice, as is required in the Constitution, on the legislative process. We request that you allow that process to be completed because it is advice between the Attorney-General and the President. Nonetheless, yes, indeed, the office, under the signature of the Deputy Attorney-General, did render advice. Thank you.

**THE DEPUTY SPEAKER:** Now, honourable colleagues, it will be very difficult for me and for the House to sit and say, “Attorney-General, do not give advice to the President”, especially when we do not have the details. Maybe, after we receive the details - and discover that the things we agreed upon here or the things on which you did not render any objection – Attorney-General, no, I just wanted your attention. No, there is Hon. Mwijukye on the same. I want to first sort out this issue

of the Deputy Attorney-General because Hon. Silwany raised it. Therefore, we cannot stop the Office of the Attorney-General from performing its duty of advising the President.

Secondly, for now, we can hear it in rumours because we do not have the exact information, which would be against Rule 80 of our Rules of Procedure on anticipation.

Thirdly, the only absurd bit would be if we discover that the Office of the Attorney-General gave contradictory advice contrary to what we passed here; if they did not raise an objection or conceded.

Now, that is where we can have a problem. However, honourable colleagues, if we open up to that, then, we are anticipating because I do not know what they gave as advice. Please, I advise that we stop at that.

2.29

**MR FRANCIS MWIJUKYE (FDC, Buhweju County, Buhweju):** Thank you, Mr Speaker. Whereas it is true that this House unanimously passed that Bill and it was supported by both sides, the government gave a certificate of financial implication and so there was no objection.

I have with me a letter addressed to all Members of the NRM Parliamentary Caucus for a meeting on Thursday. It says, “The purpose of the meeting is to discuss, among others, the Anti-Homosexuality Bill, 2023.”

Now, my concern is that the consultation process on this Bill ended; that you consult, we come here, process and pass the Bill. For the caucus -

**THE DEPUTY SPEAKER:** Honourable colleagues, please let us listen to one another. Order in the House!

**MR MWIJUKYE:** Please listen to the Leader of the Opposition in silence. *(Laughter)*

**THE DEPUTY SPEAKER:** The Leader of the Opposition is requesting to be heard in silence. *(Laughter)*

**MR MWIJUKYE:** Mr Speaker, my concern is that whereas we agreed and passed this Bill unanimously, I see attempts to discuss what we already passed. Therefore, as a Member of Parliament, but also as a leader on the Opposition side, I am concerned that our Members are being called to discuss what we concluded. I would like to know why they are doing so because I see it is signed by Hon. Denis Obua, who was here when we passed the Bill. I want to know why he is inviting Members to discuss what we already passed. *(Applause)*

**THE DEPUTY SPEAKER:** Now, honourable colleagues -

**MR MWIJUKYE:** Mr Speaker, I beg to lay this letter on the Table entitled, “*Meeting of the NRM Parliamentary Caucus - Thursday 20 April 2023 at 2.00 p.m. at State House, Entebbe.*” It is signed by Denis Hamson Obua, the Government Chief Whip.

**THE DEPUTY SPEAKER:** Honourable colleagues, the unfortunate bit is that the presiding officer has no powers in whatever goes on in caucuses because those are internal matters of parties.

We did our part; I think we absolved ourselves. I do not know whether the President is inviting the caucus so that he signs the Bill before the caucus members because they overwhelmingly supported it. If that is the purpose, I will also request him to invite Hon. Cecilia Ogwal to witness that because she had requested for it.

Honourable colleagues, we did our part and passed the Bill. Where I really have a very strong conviction - Hon. Sarah Opendi led a group of African Member States of the First African Inter-Parliamentary Conference on Family Values and Sovereignty to meet the President, where he thanked Parliament for

doing their part. Therefore, if we have any ally on this Bill, I am sure it is the President. I know he is a very strong leader especially on such matters.

Let us not go into details of caucuses but it has gone on record that we have done our part. If there is any other issue, we are ready to do our part in a tougher way. We are even ready to have a much stronger Bill than the one we have. You might find that the President probably found our Bill weak. Therefore, we are ready to make it even tougher. We are ready to bring it here and colleagues will make it tougher. I would not want to discuss the internal matters of the party.

**MS OPENDI:** Thank you very much, Mr Speaker, for those comments. We shall actually make the law even stronger.

The procedural issue that I am raising is that Hon. Solomon Silwany has informed us about a letter written by the Deputy Attorney-General to the President. The Attorney-General has confirmed that they have written that letter. The Deputy Attorney-General also gave support to the entire process in this House, as we processed clause by clause.

Would it not be procedurally right that Hon. Solomon Silwany lays that document on the Table so that we look at it and see what is contained therein? I find it strange because there may be issues that may require further action against the Deputy Attorney-General, if at all he goes against what he stated on the Floor. Therefore, would it not be procedurally right for Hon. Solomon Silwany to print and lay that document on the Table?

**THE DEPUTY SPEAKER:** Thank you. Honourable colleagues, you see, this is a communication between the President and his officers. It is advice which he can take or reject, if it was given to him. I think we would be going far because you see, I do not want us to cajole the President. I do not want Parliament to cajole the President into making a certain decision when ours was clearly put on record and we gave him the Bill.

If there is any dissatisfaction with the Bill, the President will return it. The moment he returns it, it will be up to us to deal with it; we can agree or disagree with him. If we send it back to him and he rejects it, he will again bring it back to us and at that moment, if we pass it, it will become a law without his signature. This is what the Constitution says. We already have a very good example of the Sugar Bill.

Colleagues, we have done our part. I am going to cross-check with the Clerk when the President received the Bill. Was it 30 days after we passed it? I will also ask the Prime Minister where our Bill is. Otherwise, as per Article 91 of the Constitution, it should be within 30 days. The moment the 30 days elapse, it becomes a law, if he does not return it. Honourable colleagues, let us not be bogged down by this.

Hon. Solomon, would you like to lay the letter on the Table?

**MR SILWANY:** Mr Speaker, the letter he talked about has been confirmed by the Attorney-General. The person who gave me the letter is a whistleblower and whistleblowers are protected by the law. I cannot come and just lay the letter. Otherwise, the Attorney-General has not denied it; he has confirmed the letter.

**THE DEPUTY SPEAKER:** Thank you. Next time, do not ask for leave to lay a document you cannot lay. From the onset, you knew you could not lay it. – Hon. Tebandeke, under what rule do you rise?

**MR TEBANDEKE:** Under article 91.

**THE DEPUTY SPEAKER:** Under what rule? Point of procedure is covered under Rules of Procedure, not articles of the Constitution.

**MR TEBANDEKE:** Mr Speaker, the Constitution takes precedence.

**THE DEPUTY SPEAKER:** Next item. Minister of Foreign Affairs?



MINISTERIAL STATEMENT ON THE  
SITUATION IN THE REPUBLIC OF  
SUDAN

2.28

**THE MINISTER OF STATE FOR FOREIGN AFFAIRS (REGIONAL AFFAIRS) (Mr John Mulimba):** Mr Speaker, permit me to give a brief on the crisis situation in the Republic of Sudan.

After several months of impasse that followed the October 2021 coup d'état, the Republic of Sudan witnessed the first milestone towards the restoration of civilian rule when a political framework agreement was signed between civilian political groups and the forces on 5 December 2020. This was a result of several weeks of negotiations, which started on the basis of a draft constitution, a document prepared by the Sudan Bar Association and signed by a relatively broad coalition of civilian political forces and subsequently reviewed by the military.

The framework agreement was signed by 25 political parties, 12 professional organisations and trade unions as well as the two components of the military, that is, the Sudanese Armed Forces, led by Gen. Abdel Fattah Al-Burhan, President of the Transitional Sovereign Council and the Rapid Support Forces (RSF) under Gen. Mohamed Hamdan Dagalo, the Vice President of the Transitional Sovereign Council. Some of the actors may have signed the agreement after the 5<sup>th</sup> of December.

In light of this, negotiations under the trilateral mechanisms commenced in Sudan with the aim of finding a lasting solution to the political and security situation – restoration of civilian rule.

The above efforts were welcomed and supported by the Uganda Government, the African Union, the Inter-Governmental Authority on Development (IGAD) and other partners.

However, during the course of these negotiations, disagreements between the

President and the Leader of the Sudanese Armed Forces (SAF) and the Vice President and Commander of the RSF emerged over the aspect of security and military reforms. Whereas the President was in agreement with the integration of the army within the 24 months proposed transitional period, the Vice President and leader of the RSF disagreed with the proposal and provided a counter proposal of 10 years' integration plan which did not go well, leading to the collapse of negotiations.

As a result, tensions continued to escalate leading to the deployment of SAF and counter-deployment of RSF in the city which culminated into the fighting that broke out last Saturday, 15 April 2023.

Efforts being made by the Uganda Government

His Excellency, the President of the Republic of Uganda, under the auspices of IGAD, appealed to the warring sides to cease fighting and return to the negotiating table. In addition, His Excellency the President has been in consultation with the chairperson of the African Union and his regional counterparts under the IGAD Framework and the proposals have been sent to a fact-finding mission to Khartoum, led by the President of South Sudan to further mediate between the two warring factions.

Regarding Ugandans in Sudan, the Minister of Foreign Affairs has been in touch with the Uganda Mission in Khartoum which was instructed to establish the location and the safety of Ugandans caught up in the ongoing fighting in Sudan. The embassy has so far established that there are approximately 300 Ugandans in the Sudan. These include; 120 Ugandans working in Khartoum, 116 students in different institutions, 14 patients and workers in hospitals, 19 Ugandans who are in transit to Mecca, and six on a short visit to Khartoum. The embassy continues to look out for more Ugandans and encourages them to contact the mission.

The ministry has approached the International Organisation for Migration (IOM) and requested support and assistance to evacuate

Ugandans who may wish to return home. In addition, the ministry has requested the UN for assistance in possible evacuation.

The Government is working with other regional and international partners to monitor the situation and urges actors to stop fighting and return to constructive dialogue and re-commit to the principles of the transitional process as the only way to lead to national conservation and peace. I beg to submit.

**THE DEPUTY SPEAKER:** Thank you, honourable minister. – Under what rule do you rise, Hon. Sarah? *(Laughter)*

Honourable member, do not stand up, hold the microphone and then begin looking for the rule. *(Laughter)*

Rule 78(4) of our Rules of Procedure states when you stand up on a point of procedure, state the rule.

Honourable colleagues, you have received an update from the minister. The situation is still very fragile; so, I request we do not discuss it now. The minister voluntarily called me that he wanted to update us, which is very commendable. I hope we shall continue to get updates, especially on the status of Ugandans who might be trapped in that area. Next item.

#### MINISTERIAL STATEMENT ON THE STATUS OF PAYMENT OF SALARIES OF SCIENTISTS UNDER UGANDA PRISONS SERVICE

**THE DEPUTY SPEAKER:** Hon. Sarah has conceded but it seems she has a burning issue.

**MS OPENDI:** Thank you, Mr Speaker. I would like to tender my apology because I did not come with my iPad.

The issue I am raising is that last week, the Maputo report was laid before this House. Following that, I mentioned that the Minister of Foreign Affairs had initialled the post-Cotonou ACP-EU Agreement. Mr Speaker, you directed the Minister of Foreign Affairs to

come to this House today to table the document he initialled.

The matter I am raising is whether the minister should not lay that document as you directed. Otherwise, the minister is here and you know, they are usually rare in the House. I am raising this so that the document is laid on the Table, as directed.

**THE DEPUTY SPEAKER:** Thank you. Honourable minister, the Post-Cotonou Agreement, under the Organisation of African, Caribbean, and Pacific States (OACPS) that you initialled is now a public document. Even in other parliaments, colleagues are telling us that their ministers tabled it.

You were not here, but I had told the Government side to ensure that it is tabled today. I know you might have it in your office. Do you think you can table it in one hour?

**MR MULIMBA:** Mr Speaker, permit me to consult and get back to you before I make the commitment. My senior colleague could be having the report.

**THE DEPUTY SPEAKER:** Honourable minister, table the agreement tomorrow at 10.00 a.m. Next item?

#### MINISTERIAL STATEMENT ON THE STATUS OF PAYMENT OF SALARIES OF SCIENTISTS UNDER UGANDA PRISONS SERVICE

**THE DEPUTY SPEAKER:** Honourable minister?

2.47

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

**(Mr Henry Musasizi):** Mr Speaker, the Government approved salary enhancements for scientists and science teachers across the service with effect from 1 July 2022. The categories approved for salary enhancement are;

- i) Health professionals;
- ii) Scientists in the mainstream public service;
- iii) Science teachers (post-primary schools);
- iv) Science lecturers, tutors, instructors in Business, Technical Vocational Education and Training (BTJET) institutions; and
- v) Laboratory technicians/assistants in secondary schools.

In addition, there was approval of salary enhancement for senior military officers under the Ministry of Defence and Veteran Affairs.

Mr Speaker, following the above Cabinet decision, the Ministry of Public Service issued new salary levels under Circular Standing Instruction (CSI) No. 1 of 2022. This prescribed, in detail, the new monthly and annual salary of every public servant with effect from July 2022. I will lay it as “Annex 1”.

The salary structure for police and prisons staff in U5, U6, U7 and U8 was also singled out under schedule 5 of this circular, which I have attached as “Annex 2”.

Therefore, there is no ambiguity in the implementation of the salary structure of public servants in Financial Year 2022/2023.

The Ministry of Public Service advised the Ministry of Finance, Planning and Economic Development on the budget implications of the new salary structure for all science and non-science staff across the Government – including police and prisons staff – which we have fully budgeted for and funds were released in the last three quarters of this financial year, as requested.

Mr Speaker, the Ministry of Finance, Planning and Economic Development has been able to fully budget for salaries of all public servants whose salaries were enhanced, through supplementary budget this financial year –

which is before this august House for scrutiny and approval.

I wish to end by stating that the concerns of non-payment of the enhanced salaries to some sections of scientists in any Government department, specifically the Uganda Prisons Service, may be due to the respective terms of employment specified in their appointments to the positions they hold, which my colleagues, the Minister of Public Service and the Minister of Internal Affairs, can elaborate on.

Mr Speaker, I beg to submit and lay on the Table the statement together with Annex 1 and Annex 2, which provide the details.

**THE DEPUTY SPEAKER:** Thank you. Is the honourable colleague who raised the matter around? If he is not around... Hon. Ssewungu?

2.50

**MR JOSEPH SSEWUNGU (NUP, Kalungu West County, Kalungu):** Thank you, Mr Speaker. I thank the minister for the presentation.

Mr Speaker, I do not know – and the Prime Minister is not following – what they do at Cabinet level. Plus, I know Hon. Muruli Mukasa is an arts teacher.

This business of segregating civil servants is unfair.

Secondly, why don't they recruit more civil servants other than looking at science teachers and scientists only?

As we speak, let us look at the results of Senior Four and Primary Seven and analyse the performance. They are all affected as a result of the segregation of those who teach arts from those who teach science. We cannot continue, as Parliament, to accept this. We fought and rejected it, but Cabinet is still confirming the same – *(Interruption)*

**MSAMERO:** Thank you, honourable member, for giving way.

Mr Speaker, when I was on the Committee on Local Government and Public Service, we had a benchmarking trip to Kenya. We found out that in Kenya, they have peace in their pensions and salary and everything because they award it according to the qualifications.

We told the minister here, as they worked on salary increments, to give salary according to the qualifications. If you are a certificate holder, you should earn according to what a certificate holder gets across the board. If you are a master s holder, it should be across the board. Why would we segregate? Thank you.

**MR SSEWUNGU:** Mr Speaker, I am the best example of this. I was a Grade III teacher. I went for a diploma at the National Teachers College Kakoba, expecting my salary to go high. By that time, that was the system. I left teaching with a bachelor’s degree in education, while earning the salary of a Grade III teacher. That is not fair. Let us put in place a salary review commission to advise this country.

This business of looking at only scientists is not fair. If you think Rwanda or Kenya is stealing teachers from Uganda, segregating and increasing pay for scientists alone will not solve the problem. There is no teacher who teaches science in Runyankole, Luganda or any other language; they all teach in English because they began teaching by learning the basic language that is used in the country, which is English.

Mr Speaker, there is no child who gets an F9 in English and gets a first grade; he gets third grade.

As I conclude, honourable minister, please, go back with your document and put in place a salary review commission and look at all civil servants fairly, other than segregating. The Attorney-General is there; is he a scientist?

Thank you, Mr Speaker.

**THE DEPUTY SPEAKER:** Thank you. Hon. Santa Alum?

2.53

**MS SANTA ALUM (UPC, Woman Representative, Oyam):** Thank you, Mr Speaker, for giving me this opportunity.

Mr Speaker, allow me to thank the minister. As he gave us the statement, I was wondering; they discuss this business of salary enhancement a lot at Cabinet level, but now, before Parliament, he is saying, “Maybe the Minister of Public Service can elaborate.”

There are a lot of issues as far as the scientists are concerned. I wonder whether it would not be okay for the Minister of Public Service – since both of them are represented here – to give us the highlights so that we know where and how this country is going as far as the scientists are concerned.

Many times, we have been told that science is the way to go, but we see a completely different thing altogether. So, what signals are we sending to the country?

**THE DEPUTY SPEAKER:** Thank you. Hon. Muzaale?

2.55

**MR MARTIN MUZAALÉ (NRM, Buzaaya County, Kamuli):** Thank you, Mr Speaker. The issue of salary discrimination is a very serious one and the entire country is waiting for a serious Government position in regard to this.

Most of the civil servants are artists. If you go to any district, you find that few are scientists, but the majority are artists. Now, when they do not get the same pay, they get demoralised.

It is important that the issue of the remuneration board is given attention so that the harmonisation of salaries is done as fast as possible.

Otherwise, we are not going to achieve what is expected from our civil servants.

2.56

**MS MARGARET LAMWAKA (Independent, Chua East County, Kitgum):**

Thank you, Mr Speaker. I would like to relay my grievances on the issue of salary enhancement to science teachers, or whatever science personnel - whether in the police, prisons or somewhere.

I am a teacher by profession and I started as a Grade III Teacher, as Hon. Ssewungu said. However, I kept on progressing. Right now, I am a master's degree holder. When I attained a diploma, my salary was enhanced although later on when I became a graduate, my salary was not increased.

How I wish the Ministry of Local Government, the Ministry of Public Service and the Ministry of Finance realign themselves and make sure that people are paid according to their qualifications.

Apparently, there are always lots of demonstrations simply because of salary disparities and segregations. We are looking at a scientist with a certificate earning more than an arts degree holder. Thank you.

2.57

**MR DAN ATWIJUKIRE (NRM, Kazo County, Kazo):** Thank you, Mr Speaker. On the issue of salaries, I think we need serious harmonisation. Apart from science teachers, on 9 March 2023, Public Service wrote to three institutions, that is, Mulago National Referral Hospital, the Uganda Cancer Institute and the Uganda Heart Institute approving their structures.

In those structures, the Executive Director of Mulago is paid Shs 15 million. The Executive Director of Uganda Heart Institute is paid Shs 39 million. The Executive Director of Uganda Cancer Institute is paid Shs 25 million.

On the other hand, the driver for the Executive Director of Mulago is paid Shs 200,000. A driver at the Uganda Heart Institute is paid Shs 1.7 million, and the same applies to a driver at the Uganda Cancer Institute.

The secretary to the Executive Director of Mulago earns Shs 700,000. However, the secretaries to the Executive Directors of the Uganda Heart Institute and Uganda Cancer Institute each earn Shs 2.7 million.

The two institutions, the Uganda Cancer Institute and the Uganda Heart Institute were born by Mulago. And I am not saying that they are getting a lot of money but we have been talking about rationalisation, with a major aim of streamlining salaries and promoting equity across. How would you expect the Executive Director of Mulago to earn Shs 15 million, and this one earns Shs 39 million and no demonstrations by doctors at Mulago? And you expect efficiency and moral high?

And it is the same Public Service that is entrusted with rationalisation. Are they being rational in doing some of these things? Thank you.

**THE DEPUTY SPEAKER:** Thank you. Honourable Minister of Public Service, the issue of the Uganda Police pilots; they enhanced salaries for other government pilots but the salaries for the police pilots were not enhanced; you might lose these people. I met some of them and they explained their situation. You feel; now, should I cross over to other agencies?

Then we have an issue where you had asked them to seek the opinion of the Attorney-General. That is the issue of lawyers working in the police. The President had directed that they be paid as state prosecutors, and then they started earning that money. However, along the way, after like 10 years, this money stopped coming and they even said that those lawyers were earning money illegally. After 10 years?

Therefore, all these contradictions - and I remember I raised this matter here but your ministry did not even have the courtesy to come back to the Deputy Speaker or to the Speaker and say, "We handled this matter."

So, sometimes I keep quiet because I know that when you have issues, you will look for me,

and when you look for me, you will find me available to attend to you. Next time you also attend to the issues we raise here; they are very critical. They need to be attended to.

3.01

**MR PETER OKEYOH (NRM, Bukooli Island County, Namayingo):** Thank you, Mr Speaker. The question regarding salaries for scientists is a key issue. As we speak, in most schools where head teachers are scientists, they are opting to go back to the classroom because the salary difference is too high.

In other districts like Namayingo, teachers are now paid in turns. The district officials argue that the money they have can only pay scientists. As such, arts teachers have not received their salaries since December and they are not teaching yet these are rural districts where people need these services.

So, as my colleagues have said, when it comes to the results at the end of the year, the performance is low. The question of paying scientists, especially in police, prisons and the Ministry of Defence is touchy, especially for us who sit on the sectoral committee that oversees Defence and Internal Affairs.

We are always bombarded by colleagues in these sectors asking: “Why are we paid differently?” So, it is a question to which the minister should comprehensively give an answer but not to just tell us that it is embedded in the supplementary. Supposing the supplementary is not approved?

3.03

**MR TONNYAYOO (NRM, Kwania County, Kwania):** Thank you, Mr Speaker. I think the general question that should be handled is that salaries paid to civil servants in the country are the lowest. And, therefore, there is need for us to find more money and provide for the salaries and allowances for everybody.

Secondly, it is difficult to have money to pay teachers but under a situation where in one month they pay only science teachers and in the next month, they are paying – Please provide enough money to pay both science and

arts teachers in these schools, at the same time. That should be the bottom line.

The question of paying only scientists in this country - this Parliament must accept the fact that those who are doing sciences should be paid even much higher money than what they get because if we do not do this, then we are not training scientists that are supposed to help this country in production, and that is why they end up running away to other countries.

I would like to give an example: Of the three people who built the satellite that we launched recently, one of them has been taken by Japan and the other two who are here are also planning to leave the country because of low pay.

Therefore, if you train people at that level but you leave them to go and contribute to other places, then what is the point? I met someone who has been trained in making batteries for watches, cars and solar systems. I met this guy last week on Friday, but I can tell you that he is also planning to leave. So, while we should pay everybody, let us have a starting point, and I think starting with sciences is the right thing to do.

We may want to pay everybody but if we do not have enough money, we should start with the scientists because the scientists are very important for the development of this country. And as Parliament, we must support this arrangement because it is a critical area that will enable us to transform.

Thank you, Mr Speaker.

**THE DEPUTY SPEAKER:** Thank you. I will end with Hon. Ndeezi, but I will allow one Workers’ Member of Parliament to speak because I was scanning around looking for them and it is very important.

3.05

**MR ALEX NDEEZI (NRM, PWD Representative):** Thank you very much, Mr Speaker. I would like to remind Members that before we assumed our duties, as Members of the 11<sup>th</sup> Parliament, we swore to uphold and defend the provisions of the Constitution.

One of the most important provisions in the Constitution is non-discrimination. There are more than seven articles in the Constitution that prohibit any practice related to discrimination; some forms of discrimination are visible while others are invisible.

Now, when it comes to the case of science versus arts teachers, the situation is very clear and this reflects a very high form and level of discrimination. What does the Constitution say? The Constitution says that we must not harm its provisions.

Mr Speaker, I think that at the end of the day, we must admit that this Parliament will be required to do appropriation. This means that with time, it will be said, “You, Members of Parliament, are part of the problem. Why do you proceed to approve a budget that clearly shows that there is discrimination?” *(Applause)*

I am not blaming colleagues, but I am putting the minister on notice. At an appropriate time, when doing appropriation, I will stand in this House and say that we cannot continue to harm the provisions of the Constitution. Therefore, this budgetary provision that leads to the violation of the Constitution - that affects non-discrimination should not be agreed to.

3.08

**MS MARGARET RWABUSHAIJA (Independent, Workers Representative):**

Thank you, Mr Speaker, for giving me this opportunity. Chapter Four of the Constitution talks about fundamental human rights. One of the issues mentioned is equal pay for equal work, but we are ignoring it. For instance, if all the secondary school teachers go for a training of three years and graduate, it does not matter - irrespective of whether they are science or arts teachers - they are still teachers. They need the same money. We are ignoring that and yet we went ahead and endorsed the Equal Opportunities Commission, which focused on fighting segregation. However, we fight for it with one hand and block the people with the other.

I have here a list - and I know that 44 teachers in these districts have not received their salary from January to date. We have ignored it because they are teachers. If we go on like that and come here and lament about the quality of education, then we are contradicting ourselves. You cannot have quality when you are not paying the people and are just segregating against them claiming some are better than others. If we continue doing that, we are losing out on a generation, Mr Speaker.

**THE DEPUTY SPEAKER:** Thank you. Honourable colleagues, we all agree that this is an issue where Parliament, on record, disagreed with the Executive on several occasions. It is an issue where the Executive needs to engage more with Parliament and address the concerns raised by the honourable colleagues. We see issues to do with our resource envelope, which we acknowledge, but someone will say, “Well, if the resource envelope is not okay, then how do you double it?” What is the basis of doubling it and yet some are even tripled, while others have not got anything added on? For example, if you had said that you had added 50 per cent, then, it would be a bit reasonable but you more than double it sometimes and then you say that there is no money.

3.10

**MR FRANCIS MWIJUKYE (FDC, Buhweju County, Buhweju):** Mr Speaker, I am directing Hon. Bwanika to respond.

**THE DEPUTY SPEAKER:** He should tell us his role in the Opposition government. He is not only an honourable but he must be having a strong title.

3.10

**DR ABED BWANIKA (NUP, Kimaanya-Kabonera Division, Masaka City):** Thank you, Mr Speaker. I would like to thank the Leader of the Opposition for directing me to -

**THE DEPUTY SPEAKER:** It is “the acting Leader of the Opposition”. He has given out directives while he is the acting Leader of the Opposition. If he becomes the Leader of the Opposition - *(Laughter)*

**DR BWANIKA:** Thank you. Mr Speaker, enhancing the salaries of one category of workers is discriminatory and must not be accepted. I am talking from a scientific background; I went to school and I did sciences. It is not true anywhere in the whole world that when you enhance salaries of only scientist workers of Government, it will cause the development of that nation. The little that we have in this country must be shared equally and fairly. All workers in this country, regardless of the courses they did at school, must be paid based on their education levels, experience and output, and not based on whether they are scientists or artists.

The directive of the President on salary enhancement for scientists across the board was bound to cause problems in this country. We have many workers in the Public Service sector that are now demoralised. Like one of my colleagues said, as we lose scientists, we are bound to lose the artists who are very important. We should also differentiate between studying science and being a professional; the two are not the same. You can study science but when you are not a professional in that area.

It is important to carry out proper research while making a government policy. Our government policies must be informed by research. The people who go to the President must do research. We do not want policies that are not based on research that drives this country into chaos. What we are facing now is anarchy within the Public Service.

Mr Speaker, I call upon the Ministry of Public Service to expedite the establishment of the salary review commission to work on equitable salaries of all the public servants in this country.

Lastly, there must be harmonisation in remuneration of all workers. Whether you are a scientist or an artist, we all deliver services to this Government and to the people of Uganda; there must be equity. I so present, Mr Speaker.

**THE DEPUTY SPEAKER:** Thank you. Honourable colleagues, in the Public Gallery this afternoon, we have a delegation from the

Guild of Bishop Stuart University, Mbarara led by their speaker. They are represented by Hon. Mwine Mpaka, Hon. Rukaari Robert and Hon. Rita Atukwasa. They have come to observe the proceedings of the House. Please join me in welcoming them. Can they stand up? Thank you for coming. *(Applause)*

The Ministers of Finance and Public Service will have to comment because the issues were cross-cutting.

3.14

**THE MINISTER OF PUBLIC SERVICE (Mr Wilson Muruli Mukasa):** Mr Speaker, it is true that some scientists in the department of prisons are not being paid a scientists' salary. The problem came not because of any other thing, like the finance minister has explained -

**THE DEPUTY SPEAKER:** Government Chief Whip, your people are outside. Tell your troops the caucus is on Thursday, not today. *(Laughter)*

**MR MURULI MUKASA:** Thank you very much, Mr Speaker. Scientists in the Uganda Prisons Service who are being paid the scientists' salary are those who are directly doing the work of scientists in the prisons, like agricultural officers and others.

The other scientists who are recruited for general duties and others - Unfortunately, when we were working out this, they were taken in the category of administrators. Therefore, they did not qualify to get a scientist's pay. However, we are engaging the Ministry of Internal Affairs and the prisons department to see how best this can be handled so that as much as possible, we follow the directive of paying scientists much better than the other civil servants. That is being worked out with the relevant ministry and department.

**THE DEPUTY SPEAKER:** Honourable minister, can you allow Hon. Opendi to give information?

**MR MURULI MUKASA:** Yes. She is my friend. *(Laughter)*



**MS OPENDI:** Thank you very much, Mr Speaker. Honourable minister, I appreciate what you are trying to state but I would have wholly agreed with you, if the pay slips were reading otherwise.

Honourable minister, I would like to inform you that I have pay slips of some officers within prisons with enhanced salary but what they are being paid is Shs 650,000. I asked, “Are you sure you do not have a loan?” They said, “No, this is the old salary” - which means there is still a problem within your system.

The clarification I seek from you is whether your officers within Public Service actually sit to review some of these discrepancies. Or is it just business as usual and whoever complains is the one whose issue they deal with?

Mr Speaker, the issue I wanted to raise is that there are people whose pay slips read enhanced salary, but they are still getting the old salary.

**MR MURULI MUKASA:** Thank you very much. Mr Speaker, you are aware that payment of salaries was decentralised to a particular vote. What we do in Public Service is to aggregate at the beginning of each budget year how much money is required for salary - the wage bill - and is looked at with finance. We then agree that that is what we pay. Once it is settled and appropriation is done, the Ministry of Finance sends these amounts of money to the various votes for the officers to pay. If a particular Vote-holder chooses to pay something less -

Mr Speaker, we have time and again talked about discrepancies in pay. I recall this House agreed to enhance the pay of all public servants, but in phases. This was determined - but not to discomfort our civil servants - This was done because of the actual performance of our budget and the economy. We agreed to pay in phases and we have started on this in earnest and we have been paying in phases.

The pay principles we agreed on showed equitability. Once we move as we are projecting, then we shall have equitable pay, which is harmonised and rationalised.

On the issue of the salaries review board or commission, yes, we have heeded to the proposal and advice given by Parliament. Actually, our proposals, as Public Service, have been sent to the Cabinet. Very soon, the Cabinet, if we are given a slot on the agenda, shall consider this and come back here happily to report that the salaries review commission or board will now be in place and it will start its work. Of course, it will look at the harmonisation issues of ensuring that everybody gets what is due to him or her.

Mr Speaker, we looked at the issue of equity - but supposing the money we are giving scientists was given *pro rata*, what impact would it have? Probably, very little. So, we thought that it would be strategic to start somewhere and start with some of the most strategic sectors, which have a quick turnover in the transformation, not only of the society, but even of the economy. This is why we chose -

**THE DEPUTY SPEAKER:** Colleagues, when you ask a question twice and the Member holding the Floor has not considered it, just allow him or her to continue.

**MR MURULI MUKASA:** Mr Speaker, Hon. Ssewungu is my friend and he is a fellow teacher; so, he can seek clarification.

**MR SSEWUNGU:** Thank you, Mr Speaker, for guiding well. I also thank the minister. Honourable minister, I agree entirely with you on being strategic, but the best strategy for teachers in Uganda is to start with science teachers at the primary schools. There is no single child that will do science well in the upper classes when he or she has not had a good foundation in primary school.

The clarification I am seeking, as a fellow primary school teacher is: don't you think science starts in primary school? Which component of science is not taught in primary school? Thank you.

**MR MURULI MUKASA:** Thank you very much. We shall discuss that with the subject

matter experts, especially the primary school teachers.

Mr Speaker, we are saying, let us start with this category paid very well, stop the haemorrhage and then look at the other sectors. We are committed. It is not a question of segregation; it is a question of the reality of our economy.

A Member said, “Let us pay equitably, say 30 per cent and so on,” but that may not bring about the satisfaction we need. The issue of the scientists in the police, pilots and others has now been discussed and settled. *(A Member rose\_)*

**THE DEPUTY SPEAKER:** He needs you to clarify; so, you better listen. He is seeking clarification from you.

**MR SEBAMALA:** Mr Speaker, I thank you for the opportunity. I also thank Hon. Muruli Mukasa for the opportunity to seek clarification.

Mr Speaker, I asked this particular question. The reason I brought it up was that scientists, as you said, were on general duties. So, they were receiving between Shs 650,000 to Shs 850,000. They were later enhanced to Shs 2.2 million.

At the beginning of this financial year, you brought in a budget of Shs 4,000,000 for the salaries of scientists. They received this money from July to February. They went ahead and made commitments to different entities; they got loans.

Finally, in March, you dropped a bombshell on them and reduced their salaries back to Shs 800,000 and Shs 650,000 yet they had commitments. Parliament had appropriated that money like you presented it in the budget.

After the complaints, you are now bringing up the issue of “Some came in as general duties and others as scientists.” As of today, all we know is that you employed them. It is not their problem if you have not deployed them. It is you, prisons, to deploy them – “Go to forestry”; “Go to engineering”; “Go to this brigade...”

Today, with the commitments that they have and without warning that you were going to cut their salaries, could you, please, clarify to this Parliament where these scientists are going to get money from? The loans were being deducted from the Shs 2 million, but you have dropped them back to Shs 850,000, yet we appropriated money to the entity to pay them as scientists.

**MR MURULI MUKASA:** Mr Speaker, as I said, the management of the Vote is to the Vote-holder. After we have worked out all the money required and we come here and money is appropriated, the Vote-holder manages it.

However, what I am saying is that yes, for the case of the prisons officers who are scientists but are in general duties, discussions are going on and I think they are heading in the right direction. A clear line of action is going to be got. It will be, I can assure you, in line with the general principle that scientists should be paid higher – for now – until we have enough money to enhance for the rest.

Secondly, the question of pilots, as I said, has also been sorted out. They are going to be paid like the other pilots, depending on their qualifications so that there is no discrepancy between the pilots in the police and those elsewhere.

Mr Speaker, I would like to say that there is no discrimination – in principle. What we are saying is that given our ability to pay now, what we have is a phased approach. With money available and if appropriation is right, then, progressively, we are going to get up to the principle that we agreed on in 2017. Thank you.

**THE DEPUTY SPEAKER:** Thank you. Honourable colleagues, this was a statement that did not require a resolution and the rules say it should not go beyond a certain time. So, let us go to the next item. The committee responsible will follow up the matter.

MOTION THAT THE HOUSE RESOLVES ITSELF INTO THE COMMITTEE OF SUPPLY TO CONSIDER:

I) THE REVISED EXPENDITURE FOR FINANCIAL YEAR 2022/2023

II) THE PROPOSED EXPENDITURE FOR FINANCIAL YEAR 2023/2024

**THE DEPUTY SPEAKER:** The Minister of Finance was consulting. Please, ensure he comes in.

However, honourable colleagues, some of you were asking me how the item is scheduled on the Order Paper. Yes, this is the right way because now, all processes to do with budgeting will be handled under this motion. We have to, first, look at the revised expenditure for this current financial year and then we go to the one of the next financial year.

Therefore, all ministerial policy statements and subsequent discussions on the budget will be under this motion, which the minister is going to move. Honourable minister?

3.29

**THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi):** Thank you, Mr Speaker. I beg to move a motion that the House resolves itself into the Committee of Supply to consider:

- i) The revised expenditure for Financial Year 2022/2023, and;
- ii) The proposed expenditure for Financial Year 2023/2024

**THE DEPUTY SPEAKER:** Is the motion seconded? (*Members rose*) It is seconded by Hon. Betty Amongi, Hon. Silwany, Hon. Fox Odoi, Hon. Maximus Ochai, Hon. Katalihwa, Hon. Mudimi, Hon. Roland – by all of you. (*Laughter*) I did not know that you were alert.

Honourable minister, would you like to speak to your motion?

**MR MUSASIZI:** Mr Speaker, on the 30<sup>th</sup> of March, when we presented the budget, we gave a small highlight. However, for the purpose of kick-starting this debate, let me give the following summary:

First, our total resource envelope for Financial Year 2023/2024 is Shs 50.92 trillion, from Shs 48.13 trillion for Financial Year 2022/2023.

The theme of next year's budget remains the same and it is: "Full Monetisation of Uganda's Economy through Commercial Agriculture, Industrialisation, Expanding and Broadening Services, Digital Transformation and Market Access."

Our budget is going to be financed in the following categories;

- i) Domestic revenue – both tax and non-tax revenue – will amount to Shs 29.34 trillion;
- ii) Budget support in terms of grants and loans will amount to Shs 2.78 trillion;
- iii) Domestic financing – in other words, domestic borrowing – will amount to Shs 2.71 trillion;
- iv) Domestic debt refinancing will amount to Shs 8.36 trillion;
- v) Project support – external financing – is going to be Shs 7.44 trillion; and
- vi) Local government revenue is going to amount to Shs 283.1 billion.

Another key figure to note is that the discretionary resource or the amount available for us to finance our expenditures is going to amount to Shs 24.42 trillion.

Mr Speaker, with these few highlights, I would like to invite the House to consider the motion. As the Ministry of Finance, Planning and Economic Development, we know the process will take us some few weeks. We pledge our

total commitment to support the process and invite colleagues to support us in this process.

I beg to submit, Mr Speaker.

**MR WAMAKUYU:** Some corrections, Mr Speaker.

**THE DEPUTY SPEAKER:** Thank you. Hon. Mudimi, you should not access the microphone without my permission.

Honourable colleagues, as I mentioned to you earlier, we are going to start handling ministerial policy statements because as per rule 149, we must be done by the 20<sup>th</sup> day of April, which is Thursday.

Therefore, tomorrow, starting at 10.00 a.m., committee chairpersons, please – tomorrow, I will need the following committees to present their statements: Committee on ICT and National Guidance; Committee on East African Community Affairs, Committee on Defence and Internal Affairs, Committee on Public Service and Local Government, Committee on Environment and Natural Resources, Committee on Presidential Affairs, Committee on Foreign Affairs, and the Committee on Health.

Please let us handle these tomorrow starting at 10.00 a.m., and we shall do the whole day.

On Thursday, we shall also start at 10.00 a.m. This is intended to help us beat the deadline, which is statutory in nature, according to our rules.

And one of the ways of weighing our performance, as Parliament, is to see – Please do not tell me about the caucus. I do not know those issues of the caucus; I am in plenary. Internal issues of political parties are internal issues; I have a statutory deadline to meet, and so, you cannot tell me about internal issues of political parties.

I want to ensure – one of the ways they will use to measure our performance will be to see whether we complied with this. This happens

once in a year. So, how can we fail on it? Let us work day and night to ensure we beat the deadline as provided for in our own rules.

Hon. Mudimi Wamakuyu, you had a procedural matter?

**MR WAMAKUYU:** Mr Speaker, when the minister was read the figures – I want to correct the record on the *Hansard*.

Mr Speaker, when the Minister of Finance read the figures, I heard him talk about the Shs 382 trillion as local revenue; it is in billions, not trillions.

**THE DEPUTY SPEAKER:** Okay, but I remember he corrected it, but it is good you have emphasised it. So, let the *Hansard* capture it well.

3.37

**MR MUWANGA KIVUMBI (NUP, Butambala County, Butambala):** Thank you, Mr Speaker. Two issues to correct because they affect sectors. The Ministry of Finance gives an impression of Shs 24 trillion as discretionary expenditure. However, when you look at the details of what he defines as discretionary expenditure, you realise it includes pension, gratuity and wage. I want to state that wage, gratuity and pension are not discretionary; they are statutory.

Therefore, the figure he read here is misleading. So, I would beg him, in all honesty, to revise that figure so that Parliament works with the correct figures of discretionary, which is minus pension, gratuity and wage because those are statutory. You cannot vary them; it is not money to vary or to spend. It is as it is, but they have continued to balloon the budget to look that way.

Secondly, the Minister of Finance has not at all alluded to the National Budget Framework Paper. At this time, we check the consistency of parliamentary recommendations as to how far they are consistent with what we recommended in the budget framework paper. With those two remarks, Mr Speaker, I rest my case.

**THE DEPUTY SPEAKER:** Thank you. Starting with the last one, Hon. Kivumbi, I think that is good guidance to colleagues when they are debating because we passed the National Budget Framework Paper that had recommendations.

Now when we are processing ministerial policy statements, we have to ensure that what we passed in the Budget Framework Paper for each sector is in line with what we have discovered in the ministerial policy statements. That way, you will get to know whether there is a relationship, and whether they were addressed. If they were not addressed, the sectoral committee should be able to analyse and tell us whether indeed their recommendations in the Budget Framework Paper were considered or not.

The first issue – I hope your committee has made a recommendation on revising the Charter of Accounts because this would be an issue for the Charter of Accounts; how do they capture it under their own Charter of Accounts? Yes, honourable minister?

**MR MUSASIZI:** Mr Speaker, on the Public Finance Management Act requirement that the budget estimates shall be consistent with the Budget Framework Paper, I want to state that that is true. When you critically analyse the ministerial policy statements, you will find that in some areas this was addressed; we addressed our minds to that provision of the law.

On whether salary, wages and gratuity should appear in the discretionary resources, I would like to say that yes, this is how we have been treating it and this is how we continue to treat it unless new ideas come up. Otherwise, as it is, there is no problem with the way we are moving.

**THE DEPUTY SPEAKER:** These are the new ideas, honourable minister, which you should take up; look at them and discuss and see the best practices in the region.

3.41

**MR PAUL OMARA (Independent, Otuke County, Otuke):** Thank you, Mr Speaker.

**THE DEPUTY SPEAKER:** Is Hon. Maximus Ochai here? I would want him to also say something.

**MR OMARA:** I thank the Minister of Finance for providing us with the revised figures. The Secretary to the Treasury has just tweeted saying that he is just back from the IMF and the World Bank conference in Washington. One of the key issues he mentioned there is that concessionary loans have dwindled and will not be available, and that we need to curtail our appetite for debt, and most importantly, improve our domestic revenue generation.

Mr Speaker, the figures for revenue projections have gone up, from Shs 25.5 trillion to Shs 29.3 trillion. As of now, the Uganda Revenue Authority is Shs 300 billion below the budget yet we are now only three months to the end of the financial year.

My observation and recommendation to the Minister of Finance is that for the first time, let us have a robust domestic revenue generation strategy. We have seen pockets of opportunities where we can collect taxes to improve our revenue generation locally.

Last time, I mentioned the issue of taxes on gold. We have arrears of Shs 43 billion, which has not been collected; URA says they have only collected Shs 3 billion.

Now we have a projection for Financial Year 2023/2024 – the Rt Hon. Prime Minister was here saying that they have projected Shs 10 billion. What is happening? We must be very serious, where if anybody has to pay tax, they must pay those taxes.

Therefore, Mr Speaker, may the Minister of Finance assure us that they will be very serious in supporting Uganda Revenue Authority to collect taxes wherever they exist. I beg to submit.

**THE DEPUTY SPEAKER:** Honourable minister, we just need assurance.

3.44

**MR MAXIMUS OCHAI (NRM, West Budama County North, Tororo):** Thank you, Mr Speaker, for giving me an opportunity to make a comment on the reaction by my colleague, Hon. Muwanga Kivumbi.

I want to categorically state that wages, pensions and gratuity, according to the government's financial statistics, are non-discretionary.

As long as the wage bill and the gratuity are known and the pension is already computed, we cannot run away from them; they must be paid. As such, I call upon my colleague, the Minister of Finance, Planning and Economic Development, to consider revising the statement so that we put aside what is discretionary and what is non-discretionary accordingly. I thank you.

**THE DEPUTY SPEAKER:** Thank you. Honourable minister, this is how I understand discretionary money; it is money that we can reallocate. We have a right, as Parliament, to say that we can remove money from one area to another. Can we do it on salary, pension and gratuity? Like you said, treat this as new ideas from Parliament.

However, I think it is a matter of sitting down and probably revising it. One thing I discovered is that sometimes you find that the way we would want to report our finances, as a country, is different from how other countries are reporting them. Sometimes, it puts you at a disadvantage when you go to these rating bodies and rating agencies because they tend to standardise everything, but this is something extremely direct. Let us hear from Hon. Jonathan and we conclude. We are opening up to the ministerial policy statements. Honourable colleagues, I am going to pick you.

3.46

**MR JONATHAN ODUR (UPC, Erute County South, Lira):** Thank you, Mr Speaker. I have three issues; one is how we have

captured this motion on the Order Paper. I see that we are dealing with a two-in-one motion, which is kind of alien. It is probably going to be the first time that we are going to handle a motion to consider the estimated expenditure for the Financial Year 2022/2023, which year has not yet ended. I thought the minister could help us clarify item 4(i) – then, we also have item 4(ii). In terms of processing it in the House, how are we going to deal with those two motions together? I thought I should first get clarification from you.

Secondly, when we bring to the House a revised expenditure estimate, I do not know whether we are not actually amending or doing a re-appropriation especially for a financial year that is still running and the appropriation was already done by this Parliament. If that is the intention of the minister, then, I think it should come separately on its own and should be subjected to a relevant committee of Parliament to look at, before it comes to this House. I thought I should raise those matters first, as issues of procedure.

**THE DEPUTY SPEAKER:** Chairman of the Committee on Budget, did you want to make a comment on the issues raised? Then, I will come in and explain how we did the Order Paper.

3.48

**THE DEPUTY CHAIRPERSON, COMMITTEE ON BUDGET (Mr Mudimi Wamakuyu):** Mr Speaker, normally, when the finance minister is presenting a budget, he talks about the revised expenditure for the previous financial year before he talks about the current. I think the minister is in the right direction. Much as the financial year has not ended, we have to talk about the previous financial year in terms of reporting; you are comparing the past, the current and the future. It does not do any harm, according to me.

**MS CECILIA OGWAL:** Mr Speaker, I slightly disagree with the chairperson of the Budget Committee. Here, it says, “revised expenditure for the current financial year.” That is why we are saying if it is revised, then

it is not the same as the one we appropriated. As far as this Parliament is concerned, we have already appropriated for the Financial Year 2022/2023.

When the minister says “revised”, it means we have departed from what we appropriated to a new position. That is why we are saying that you cannot come up with a new position because the new position can only be discussed and later appropriated by the same Parliament. We cannot do three things at the same time. We want to know what happened to the money we gave you in the Financial Year 2022/2023. At the same time, we are now working on the Financial Year 2023/2024, and yet you are also talking of the third tier, which is the revised figure. I think that you are confusing the House. The minister should come clear on that.

We now have three pillars; Financial Year 2022/2023 revised expenditure – which he has talked about – and then the one that the Budget Committee chairperson is talking about – which we are all anxiously waiting for in the Financial Year 2023/2024. I am, therefore, seeking clarification. Thank you.

**THE DEPUTY SPEAKER:** How would you capture the money you allow the minister to spend under Article 156 of the Constitution; the supplementary of 3 per cent? You say that the minister should only report on what you appropriated, but there is money you allowed him to spend under 3 per cent. However much you have not yet approved it, it is still pending. If he only captures what you approved, and yet he spent more, then he will mislead you. He will have spent extra – over Shs 1 trillion – and he misleads you.

What I look at as this revised figure is – he captures whatever he has reported to Parliament; what you appropriated plus what he spent on under your authority, what he reported to Parliament and what you are processing. Of course, the financial year has not yet ended but you need a picture of how far – because he has released money for the fourth quarter. By the time you do the budgeting, three quarters

would have already gone. At least, you should know how he is performing. Is he doing well? This is just for guidance purposes.

**MR ODUR:** I thank you, Mr Speaker, for confirming my suspicion that the minister was attempting to hoodwink this House to process a supplementary budget. That is the point. I am now going to address the House on that matter because that is totally going to be against what this House wants to do. When a supplementary budget is allowed and brought before this House, there are two dimensions to it – and I am going to cite the article that you mentioned; article 156. One aspect of that article is that the House must validate expenditures that have already been incurred under the supplementary.

On the other hand, there are other things that the Government has looked through and they would want money to be voted for. This means that they are futuristic. The supplementary has two elements that the minister must confirm to us here: There is one you have used – which we must validate. If we find that it was expended illegally, this House can reject it. Then, there is one you are requesting for because you have foreseen some circumstances that require extra money – that this House can then vote that amount of money.

Mr Speaker, I would like to persuade you that this House should not be hoodwinked into indirectly processing a supplementary through the motion that this minister has brought. That should be rejected because it is going to be illegal from the onset. If the minister wants a supplementary, we can – I was actually suspicious that item 4 was brought so that item number 5 on the Order Paper is not processed. It was going to be overtaken by events.

If you want a supplementary budget, be honest; come to this House, state to us so and we address it. However, we cannot deal with item 4(i) - the revised estimate - because we are amending the Appropriation Act. If you want to amend an Appropriation Act, which is equivalent to amending a Bill, come to this House and then it will be dealt with.

**THE DEPUTY SPEAKER:** Thank you. Hon. Jonathan and honourable colleagues, let me just give you my word. Let me give you confidence. When we were starting, I explained to you that the budgeting process will be under this motion, and for now, we are starting with ministerial policy statements.

The purpose for today is ministerial policy statements and then, the supplementary. You cannot approve a supplementary that way. You cannot say, "We are now going to be conclusive on this motion." This is a motion whereby after processing the ministerial policy statements on the Floor, you refer them to the Budget Committee. You do not make a decision here. They are for reference purposes. So, we are not getting any single resolution under this item.

Approving a supplementary requires a resolution, and that is for next week because this week, I must first process ministerial policy statements so that we can beat the deadline. Honourable colleagues, I want to assure you of that.

Secondly, it is not the Minister of Finance, Planning and Economic Development who makes the Order Paper; it is I. The Order Paper is under me, and I am following the deadline. So, there is no way to say someone is trying to do something. No, that is not allowed.

For the supplementary, it is very clear. As I guided, the minister reported all figures, and this is very clear under Section 25(1) of the Public Finance Management, Act where funds are expended. It says "... a supplementary estimate, showing the amount required, shall be laid before Parliament..." If the minister laid it here, he must capture it among the expenditure he made and then we scrutinise.

Why we cannot even manage this supplementary because Article 156(3) of the Constitution says "...a supplementary Appropriation Bill shall be introduced into Parliament in the financial year next following that financial year to which the estimates relate, providing for the appropriation of the sums so approved for the purposes specified in those estimates". Under

this Supplementary Appropriation Bill, this is where all these will be captured, but after approval by this House.

Honourable members, I just wanted to allay your fears that no one will play games on this issue. Hon. Aleper?

3.57

**MR MOSES ALEPER (NRM, Chekwii County (Kadam), Nakapiripirit):** Thank you, Mr Speaker. Mine is on ministerial policy statements. The current budget projections are derived from the growth in the Gross Domestic Product (GDP). The assumption is that the growth in domestic revenue is based on the growth of the GDP and it will be 0.5 per cent of the GDP.

The assumption of the Ministry of Finance, Planning and Economic Development is that the outlook on the GDP performance is expected to grow by 5.6 per cent. However, based on the assumption you have projected the revenue, it will mean the GDP will grow by 10 per cent. I would like to request the finance minister to clarify that so that it allays our fears.

**THE DEPUTY SPEAKER:** Thank you. Hon. Nsamba?

3.58

**MR PATRICK OSHABE (NUP, Kassanda County North, Kassanda):** Thank you very much, Mr Speaker for allaying our fears because when you read the headnote on the Order Paper on Item No. 4, it says, "*Motion for the House to resolve itself into a Committee of Supply to consider...*" these items. Yet, when we go to the Committee of Supply, we will debate and pass. There will be no chance for these items to go to the committee.

Mr Speaker, I would like to request you to further clarify on how we are going to deal with Item No. 4. Otherwise if it was a motion, you would be sending it to the committee, but if it is a motion for us to resolve into a Committee of Supply, then they are sending us to process these items yet you have allayed our fears that



you are going to send it to the committee for processing. Thank you.

**THE DEPUTY SPEAKER:** Thank you. Hon. Mwijukye, you had something?

3.59

**MR FRANCIS MWIJUKYE (FDC, Buhweju County, Buhweju):** Mr Speaker, following the submission of the two colleagues and your guidance, I think we need to get a way of removing item No. 4(i) so that we deal with item No.4(ii), otherwise, as it is, for us to say we are going to a committee to deal with item No. 4(i), we will not be right.

**THE DEPUTY SPEAKER:** Thank you. Hon. Mwijukye, the format of the ministerial policy statements requires that you refer to the performance of the current financial year. So, how will you refer to it, if you cannot capture it? I think what is important is to note that we are not making a resolution on it. That should give you all the confidence.

Secondly, we cannot, and I repeat, we cannot put the question on item No.4(i), before handling item No.5. Item No.4(i) is for purposes of addressing the concern of article 156(3). When we reach the Supplementary Appropriation Bill, that is where it will be captured, but now we have to move with the ministerial policy statements.

Honourable colleagues, let us move with the ministerial policy statements and refer them to the budget committee for harmonisation. Then, we shall come back here and deal with the supplementary so we can make the process for item No.4(i) complete. Otherwise, we shall be handling item No.4(i) of the whole budgeting process for the next two weeks.

**MR OSHABE:** Mr Speaker, I still have a challenge with item No.4(ii). There is no way we shall deal with items 4(i) and (ii) in this manner. The motion should be to the House but not to resolve into a Committee of Supply to deal with these matters because item No.4(ii) is dealing with the Financial Year 2023/2024

and this is not the stage where we can handle it under the Committee of Supply. Thank you.

**THE DEPUTY SPEAKER:** Hon. Oshabe, give me a few minutes to consult a few colleagues. Hon. Kivumbi, Hon. Musasizi and Hon. Mudimi - just wait a bit, thank you.

Honourable colleagues, sorry for taking a minute off – please, let us have order in the House. This is the format that has always been used during budgeting. We did not introduce anything new. However, I think the problem was that we have not yet finished the supplementary – there has been that suspicion but I have given them the confidence that that is not the purpose.

There is no way I can touch item No. 4(i) – like I said – before we finish item No.5, which is a critical one. However, you must capture it to show that when you were handling item No. 4(ii), you had in mind the contents of item No. 4(i) – although it is not yet approved.

So, that is the purpose and I think we have harmonised that. Let us have ministerial policy statements, starting with the Committee on Finance, Planning and Economic Development.

REPORT OF THE COMMITTEE ON  
FINANCE, PLANNING AND ECONOMIC  
DEVELOPMENT ON THE MINISTERIAL  
POLICY STATEMENT FOR FINANCIAL  
YEAR 2023/2024

4.07

**THE CHAIRPERSON, COMMITTEE ON FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Dr Keefa Kiwanuka):** Mr Speaker, I am sorry we are not ready due to reasons beyond our control. We had a meeting with the Ministry of Finance, Planning and Economic Development about two weeks ago. They are -

**THE DEPUTY SPEAKER:** Honourable colleagues, I need order in the House. We have one meeting here. Please, for anyone who wants to consult, you can consult from the corridors.

Let us have one session here - please, let him finish speaking.

**DR KEEFA KIWANUKA:** Mr Speaker, we had a meeting with the Ministry of Finance, Planning and Economic Development about two weeks ago. They agreed to give us the costed project implementation plans, which they said are bulky, and they would be sending them as soft copies. Unfortunately, they did not send them.

We wrote to them about one week ago, reminding them that we needed this costed project implementation plan. They responded, but not satisfactorily; they did not send the costed project implementation plan. The general feeling of the Members is that without that information, we are not in position to give an informed opinion, specifically on Vote 008.

We have agreed with the minister that they will provide them tomorrow morning. If it pleases you, Mr Speaker, allow us to present on Thursday. Thank you.

**THE DEPUTY SPEAKER:** Honourable colleagues, I communicated the schedule for committees; you even have the right of coming here and saying, “We have assessed, but it is unsatisfactory” and it goes on the record here.

Otherwise, committee procedures will not bog me down when I have a statutory deadline. What do you want us to do here? Do you want us to go on record that the Committee on Finance, Planning and Economic Development failed on this? You can as well come and report that: “Look, the Ministry of Finance, Planning and Economic Development has refused to cooperate.” It would go on the record and that is what I would refer to the Committee on Budget.

Hon. Kivumbi, do you want to say something?

4.10

**MR MUHAMMAD MUWANGA KIVUMBI (NUP, Butambala County, Butambala):** Mr Speaker, first of all, care must be taken about

the finance committee. Out of the Shs 50 trillion budget that we are going to consider, nearly half of it is in one committee – that is, the finance committee – for approval. It handles Vote 130: Treasury Operations, which has got about Shs 18 trillion. The Ministry of Finance, Planning and Economic Development has about Shs 19 trillion of the total budget. The other leg of it is that it also has to consider the taxation Bills that amount to about Shs 28 or Shs 29 trillion of the total budget.

Therefore, any information that is inadequate in that committee may be to the detriment of the entire budget process. That is why we press it upon the Ministry of Finance, Planning and Economic Development to avail that committee with every necessary data humanly possible for us to make an informed opinion and recommendations to this Parliament, and that will affect the entire budgeting process.

I would like to add my voice to the plea of the chairperson and press the Ministry of Finance, Planning and Economic Development. For example, Mr Speaker, we wanted to interact with the energy ministry. The ministry issued an instrument – and this is critical. We had tax arrears of Shs 616 billion on gold. The Ministry of Energy and Mineral Development went ahead and issued an instrument. Consequently, the tax arrears fell to Shs 43 billion, and we lost Shs 616 billion because of that instrument. What a loss to the country! It is nearly the whole budget of the agriculture ministry and many other ministries.

So, for us to come here and give you a half-baked report – even admission of failure – would be detrimental to this Parliament. That is why I urge you, Mr Speaker, to press it upon the finance ministry that tomorrow, before 8.00 a.m., it provides the Committee on Finance, Planning and Economic Development with all the necessary information.

**THE DEPUTY SPEAKER:** Honourable minister for finance?

4.12

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

**(Mr Henry Musasizi):** Mr Speaker, I am fortunate that before I was elevated, I served on the Committee on Finance, Planning and Economic Development for 10 years. Out of the 10 years, I was the chairperson for five years.

In our opinion, the information we provided was sufficient to make the committee arrive at a conclusion. If they need further information, we can provide it to the extent possible.

What is not possible can be reported and the House can debate it. I wonder why the information we provided cannot enable the committee to arrive at a conclusion. This is my concern.

4.14

**MR HERBERT TAYEBWA (NRM, Kashongi County, Kiruhura):** Thank you, Mr Speaker. Rule 189(d) requires the sectoral committees to examine and make recommendations on these ministerial policy statements.

To me, “examining” means going deeper to scrutinise and understand. When examining, you are looking for reasonableness, economy, effectiveness and efficiency. What the Ministry of Finance provided to us – let me give you an example - they would just say, “Output: hold a workshop in Mbarara at Shs 200 million.” To me, this does not make sense because a budget is a costed output or work plan in which you indicate what you want to do, and how much it costs so that when am examining it, I can understand that what you are putting in the budget is reasonable. I can understand that you are not hiding or exaggerating figures under a certain cost.

Mr Speaker, our committee was defeated and we reasoned it with the ministry, and they accepted it as the way to go although their excuse was that it is bulky. My question was: If it is not bulky to you, why do you think it

is bulky to us? We can get a soft copy and go through what they did to understand it well so that figures are not hidden within their budget and we just go through it; unless we agree that we are going to simply rubber stamp whatever they bring to us. I beg to submit, Mr Speaker.

**THE DEPUTY SPEAKER:** Honourable colleagues, I do not know what is difficult here. Let me go back to the schedule, which was developed after consulting with the committees – the problem is that you are now disorganising me - that is what I see because the space you are asking for on Thursday is meant for someone else, yet I cannot ask you to present now because you have nothing.

Anyway, I am also recording the performance of the committee because you should have brought this to my attention much earlier. I do not know why you have to present it here on the Floor that you have such challenges; you should have brought this to my attention much earlier, for my intervention.

Secondly, honourable Minister for Finance, it should also be noted that it is the committee that determines the information they want - to the extent possible. So, give them whatever information possible. When you were chairperson, maybe you were not interested in some of the information but these ones are interested in it. So, give it to them. This is important because writing a report to satisfaction is relative; they need this information to reach that conclusion.

Therefore, honourable minister, if the information is available - it is public information. There is nothing we are hiding as Government. So, pass it on to them urgently so that they can process the report. As you may know, the relationship between a sectoral committee and the sector is very critical; I hope this does not degenerate your relationship.

The reason I am very cautious about this issue, honourable members, and why we need to satisfy Members – for example, in this financial year, we passed a budget; Hon. Muwanga Kivumbi, was it about Shs 920 billion, which

we removed for debt repayment? However, along the way, we found out that this money was needed for debt repayment yet that is the money we had already cut out and appropriated for other items. That meant we had supplied 'air', but what brought about that is maybe because they lacked some information.

So, we do not want a repeat of this. Committees should make decisions based on actual information. Therefore, honourable minister, tell your technical people to avail the information today because the information is in soft copy and it is very easy to get; it will help them to crack the numbers. Then I will call the chairperson tomorrow at 4.00 p.m. to report.

**DR KEEFA KIWANUKA:** Much obliged, Mr Speaker.

**THE DEPUTY SPEAKER:** Thank you. Committee on Tourism, Trade and Industry.

REPORT OF THE COMMITTEE ON  
TOURISM, TRADE AND INDUSTRY ON  
THE MINISTERIAL POLICY STATEMENT  
AND BUDGET ESTIMATES FOR  
FINANCIAL YEAR 2023/2024

**THE DEPUTY SPEAKER:** The chairperson told me that they are ready. Chairperson? Honourable members, I am suspending the House for 10 minutes for these chairpersons – are you ready, chairperson? I want to know whether you are ready before I move. If you are ready – but I have not moved; I am still in my position. Okay, let us suspend for just 10 minutes so that the chairpersons can consolidate all this. Just 10 minutes.

*(The House was suspended at 4.20 p.m.)*

*(On resumption at 4.30 p.m., the Deputy Speaker presiding\_)*

**THE DEPUTY SPEAKER:** Thank you. Honourable colleagues, order! Chairperson of the Committee on Tourism, Trade and Industry, are you ready? Honourable colleagues, can I have order in the House?

4.31

**THE VICE CHAIRPERSON, COMMITTEE ON TOURISM, TRADE AND INDUSTRY (Ms Catherine Lamwaka):** Mr Speaker, I beg to lay -

**THE DEPUTY SPEAKER:** Can you get closer to the microphone?

**MS LAMWAKA:** Mr Speaker, I beg to lay the report of the Committee on Tourism, Trade and Industry on the Ministerial Policy Statement and Budget Estimates for the Financial Year 2023/2024 and proceed with the presentation. I beg to lay.

According to Article 155(4) of the Constitution of the Republic of Uganda, Section 12(1) of the Public Finance Management Act, 2015, and Rule 144(1) of the Rules of Procedure of Parliament, the Committee on Tourism, Trade and Industry considered the Ministerial Policy Statement and Budget Estimates for the Financial Year 2023/2024 for the Ministry of Tourism, Wildlife and Antiquities, and the Ministry of Trade, Industry and Cooperatives.

The Ministry of Tourism, Wildlife and Antiquities has entities with and without a Vote status. Those with a Vote status have been indicated by the committee. The report uploaded for Members to peruse elaborates all this. However, because of time, I am going to present a summary of the detailed report.

The Ministry of Tourism, Wildlife and Antiquities has the following Votes:

- a) Vote 022: Ministry of Tourism, Wildlife and Antiquities;
- b) Vote 117: Uganda Tourism Board.

The entities without a Vote status are well stated:

- i) Uganda Wildlife Authority;
- ii) Uganda Wildlife Conservation Education Centre;
- iii) Uganda Hotels and Tourism Institute, Jinja; and

iv) Uganda Wildlife Research and Training Institute, Kasese.

Likewise, the Ministry of Trade, Industry and Cooperatives has got entities with and without a Vote status. They are all clearly stated in the report.

The tourism development programme under 3.1; the half-year financial performance for Financial Year 2022/2023 is well elaborated. In brief, I want to say that the tourism programme covers the Ministry of Tourism, Wildlife and Antiquities and its five subventions, which are clearly named there.

The Ministry of Trade, Industry and Cooperatives, the Ministry of Tourism, Wildlife and Antiquities, and the Gender and Equity Compliance details have been clearly stated in the report.

In accordance with section 13(11)(e) and (i) of the Public Finance Management Act, 2015, the minister responsible for finance in consultation with the Equal Opportunities Commission, should issue a certificate:

- a) Certifying that the budget is gender and equity responsive; and
- b) Specifying measures taken to equalise opportunities for men and women, persons with disabilities and other marginalised groups.

The Ministry of Tourism, Wildlife and Antiquities registered a huge decline in gender and equity compliance with a performance of 70 per cent, compared to 80.6 per cent performance in the previous financial year. This is a 10.6 per cent point drop from the Financial Year 2022/2023.

Mr Speaker, I want to refer Members to Table 1 on the overview of budget allocation to the Tourism Development Programme. At the programme level, the budget is expected to increase effectively by Shs 24.437 billion. Notable increments of Shs 40.793 billion have

been made in the development budget of the Ministry of Tourism, Wildlife and Antiquities. Members can refer to the table above.

Table 2 – Half-year financial performance of the Financial Year 2022/2023 for the entire programme, including subventions. The table clearly elaborates in terms of figures.

The tourism programme comprised –

**THE DEPUTY SPEAKER:** Honourable colleague, when doing ministerial policy statement reports, the figures have to be captured because they are very critical at this stage since we shall refer them to the Committee on Budget for them to handle the final figures.

**MS LAMWAKA:** Allocation in the Financial Year 2022/2023

The budget allocation to the tourism development programme adds up to Shs 190.150 billion. The budget for the Financial Year 2023/2024 adds up to Shs 214.587 billion.

The change in the budget for the Financial Year 2023/2024 versus Financial Year 2022/2023 totals to Shs 24.437 billion. That is on the overview of budget allocation to the tourism development programme.

Half-year financial performance, which I had already read in summary in the table, presents the release by end of December vis-à-vis the approved budget of Shs 194.842 billion. The release by December was Shs 95.568 billion. Money spent by the end of December for the Financial Year 2022/2023 (July to December) is Shs 76.467 billion. You can read clearly the percentages as far as the approved budget, release and money spent are concerned. Absorption release was at point 80 per cent.

Vote 22: The Ministry of Tourism, Wildlife and Antiquities

The ministry's half-year financial performance for Financial Year 2022/2023 is as follows:

- i) The approved budget for the ministry was Shs 166.309 billion;
- ii) The revised budget was Shs 166.59 billion that came through a supplementary;
- iii) The release to the ministry alone by December was at Shs 84.005 billion; and
- iv) Money spent by end of December was Shs 70.483.

The percentages, according to the approved revised budget and release, are well stated there in Table 3. However, the release spent was 83.9 per cent.

At the Vote level, the approved budget was Shs 166.309 billion. This was revised upward to Shs 166.59 billion, resulting from the supplementary budget of Shs 0.281 billion approved to cater for wage enhancement for scientists. Out of the revised budget, Shs 84 billion was released, while Shs 70 billion was actually spent. The percentage of the budget released was 50.50 per cent, the budget spent was 52.4 per cent and the release spent absorption was 83.9 per cent by half-year of the Financial Year 2022/2023.

The Ministry of Tourism, Wildlife and Antiquities hosts four subventions namely: the Uganda Wildlife Authority, the Uganda Wildlife Education Centre (UWEC), the Uganda Hotel and Tourism Training Institute (UHTTI) and the Uganda Warehouse Receipt System.

The Ministry of Tourism, Wildlife and Antiquities changes in approved and proposed budget allocation

The budget categories are well stated there – wage, non-wage and Government of Uganda development. The revised approved budget for the Financial Year 2022/2023 is Shs 166.425 billion and the proposed budget for the Financial Year 2023/2024 is Shs 187.059 billion. The change between the approved budget and the proposed budget is Shs 20.634 billion.

The proposed total budget allocation to the tourism ministry and all its subventions is Shs 187.059 billion. This is expected to increase effectively by Shs 20.634 billion from the approved Shs 166.425 billion to the proposed Shs 187.059 billion.

Changes in the specific budget categories include wage and development, which are expected to increase by Shs 1.145 billion and Shs 40.93 billion, respectively, while the non-wage budget category is proposed to reduce by Shs 21.304 billion.

Mr Speaker, all subventions are funded under the non-wage category whose budget has been reduced.

#### Uganda Wildlife Authority projections

The table above presents off-budget financing. The Uganda Wildlife Authority, in Financial Year 2023/2024, expects support from development partners in form of grants and donations to the tune of Shs 46.36 billion as shown in the table below.

However, Mr Speaker, the figure forecast in Financial Year 2023/2024 is Shs 153.12 billion. In Financial Year 2022/2023, it was Shs 155.83 billion and in Financial Year 2021/2022, it was Shs 117.75 billion.

Observations and recommendations of the committee

#### Operationalisation of the Wildlife Compensation Scheme

The committee observes that Section 83 of the Wildlife Authority Act, 2019 requires the Uganda Wildlife Authority to establish a wildlife compensation scheme consisting of 2 per cent of monies collected by the Authority for financing compensation claims.

The committee was informed that although 2 per cent of the revenue collected by UWA is annually retained in fulfilment of Section 83 of the Wildlife Authority Act, 2019, section 86(2) (k) requires the Minister of Tourism, Wildlife

and Antiquities, in consultation with the board, to make regulations to provide for procedures for compensation for injury or death caused to a person or damage to property by wild animals.

The committee was informed that human-wildlife conflict has increased from 2,000 about five years ago – from 2018 – to 7,795 in 2023. This translates to a 289.8 per cent increase.

The compensation scheme was operationalised in 2022 and the wildlife verification compensation committee is currently considering 75 claims.

The committee was informed that there is a general lack of awareness about the existence of this committee.

The committee learnt that UWA is continuing to sensitise the communities about the existence of this committee.

It is, therefore, expected that more claims for compensation, under Section 84 of the Wildlife Authority Act, 2019, shall be received and considered.

Therefore, we recommend that UWA should invest more resources in creating awareness in the neighbouring communities.

The Uganda Wildlife Authority Compensation Verification Committee should fast-track compensation claims launched before it in view of the backlog of 7,795 cases of human-wildlife conflict reported.

Lack of adequate tourism statistics to enable effective planning for the sector

The committee observed that the tourism statistics are inadequate for the tourism programme working group to make informed decisions that affect the programme.

The committee, therefore, recommends that the ministry be allocated Shs 2.6 billion for the operationalisation of the Tourism Information Management System, which will facilitate the

real-time generation of tourist data for better planning.

Uganda Wildlife Authority

#### 1. Electric fence

Mr Speaker, the committee observed that the human-wildlife conflict has been on the increase despite efforts to use electric fencing to stop wild animals from crossing into the communities.

Mr Speaker, in Financial Year 2022/2023, UWA registered 7,795 cases – as I already hinted. The committee established that UWA expects to get Shs 10.46 billion from development partners to procure materials for the construction of the electric fence in Murchison Falls National Park (47 kilometres), Queen Elizabeth National Park (47 kilometres) and construction of trenches in Kidepo National Park (25 kilometres).

The committee recommends that UWA should prioritise the completion of fencing and construction of trenches in all the mentioned national parks from the anticipated IFPA-CD Project under the World Bank funding.

#### 2. Increase in the expenditure ceiling by UWA

Mr Speaker, the Uganda Wildlife Authority is seeking an increase in the expenditure ceiling from Shs 106.7 billion to Shs 140 billion in Financial Year 2023/2024. The request is based on the projected non-tax revenue collections of over Shs 150 billion.

The increase will be used in the upgrade of protected areas, staff accommodation, rhino translocation, electric fence maintenance, valley dam construction, boundary surveillance and maintenance and controlling the wildlife invasive species.

The committee observes that UWA already has Shs 33.3 billion unappropriated non-tax revenue collected from Financial Year 2021/2022.

We, therefore, recommend that Shs 33.3 billion be incorporated in the indicative planning figures for Uganda Wildlife Authority.

On wildlife evasive species, UWA is mandated, under section 6, to promote scientific research and knowledge of wildlife and wildlife conservation areas.

Consequently, the authority works together with the Uganda Wildlife Research and Training Institute as well as Makerere University, among others, to conduct research.

Furthermore, the Uganda Wildlife Research and Training Institute is mandated, under section 4, to provide for research and sustainable development of wildlife resources, among other functions.

The institute, however, is understaffed and has one researcher only. Additionally, the current salary structure is not competitive enough to attract qualified and competent researchers.

The committee, therefore, recommends that the Uganda Wildlife Research and Training Institute be allocated Shs 2 billion to operationalise the new staffing and salary structure to enable it to achieve a centre of excellence that is internationally competitive in wildlife research and training. This is urgent, given the need to undertake the required research to inform interventions to address wildlife management and conservation issues such as wildlife invasive species and disease outbreaks.

#### Uganda Hotel and Tourism Training Institute (UHTTI)

The committee was informed that UHTTI has planned to spend Shs 6.23 billion for staff training and assessment, admitting new students and students' welfare management.

The committee learnt that UHTTI spends Shs 450 million per annum on renting hostels to accommodate the students.

The institution, in its work plan, intends to construct its own hostels on the existing land, which would cost Shs 5.5 billion. This, however, has been put under unfunded priorities.

Since the Uganda Hotel and Tourism Training Institute is a hospitality institution, the students have to be kept within the vicinity of the application hostel and, thus, the justification for the provision of the required funds for the construction of hostels.

The institute is pivotal in the tourism and hospitality industry. Therefore, with adequate funding, it should be in position to churn out highly-skilled personnel.

The committee recommends as follows:

- (i) That Shs 6.23 billion be provided to the Uganda Hotel and Tourism Training Institute for its planned activities as proposed.
- (ii) That Shs 5.5 billion is needed for the Uganda Hotel and Tourism Training Institute for the operationalisation of the Institute's new staff structure and the construction of the students' hostels, which should be provided for, Mr Speaker.
- (iii) That the UHTTI reviews its curriculum to meet the current standards, which will make it a one-stop centre for human resource for both public and private entities in the hospitality and tourism industry.

#### The Uganda Wildlife Conservation Education Centre (UWEC)

The Uganda Wildlife Conservation Education Centre informed the committee that on the construction of a wall fence, the institution was soon getting a more than 50-seater boat through the Competitiveness and Enterprise Development Project-Additional Financing to boost the Lake Victoria Tourism Circuit Project. The committee was further informed that -



**THE DEPUTY SPEAKER:** Chairperson, sorry for the interruption. Honourable colleagues, we have 15 ministerial policy statements and we have three days, actually, they are two days because today is gone. If we give one hour to each presentation and debate, those are 15 hours. That would mean every day we do five hours. And if we are to do five hours, that is from 2.00 to 6.00 p.m. and that is when a normal parliamentary session should be ending.

So, I think I will be allowing only 20 minutes for the presentation because we need to capture the figures and then allow debate because Members have issues, especially the fact that they do not sit in some sectoral committees. They have issues touching the committees in which they could not sit. So, honourable chairperson, conclude by going to the summary and final recommendations. The rest we shall dig in. This is the problem of a statutory deadline.

**MS LAMWAKA:** Mr Speaker, on the Uganda Wildlife Conservation Education Centre, the committee recommends that a proposed Shs 20 billion be provided to UWEC for the implementation of the projects as listed in the report. I request members to look through the uploaded report. The breakdown is as follows:

- a) Shs 1,000,000,000 for pier boat docking facility;
- b) Shs 4 billion for the construction of the wall fence; and
- c) Shs 15 billion for Mbale Wildlife Satellite Education Centre, which is a regional centre.

Mr Speaker, on the Uganda Wildlife Research and Training Institute, the committee recommends that an allocation of Shs 2 billion that is needed to operationalise the new staff structure be provided for.

#### Vote 117: Uganda Tourism Board

Mr Speaker, the half-year financial performance for this entity is well presented in the table. Members can refer to it. The proposed budget allocation for Uganda Tourism Board is stated in the report and well tabulated. The proposed budget for Financial Year 2023/2024 is Shs 27.33 billion. Because of time, I am not going to run through the observations of the committee. I will, therefore, proceed to the recommendations.

The committee, therefore, recommends that the Government should provide Shs 32 billion to enable UTB to brand and market the country. They plan to use that money to brand the Pearl of Africa and market our tourism sites.

The committee also recommends that Shs 2 billion be provided for the procurement of a fleet of vehicles to facilitate the enforcement and compliance with tourism standards, which will be done through the registration, inspection and licensing of tourism service providers. This arose from the observations of the committee.

The committee recommends that Shs 200 million be appropriated to Uganda Tourism Board to set up its own billboards. This was recommended after the committee realised that Uganda Tourism Board is renting billboards yet the costs of establishing its own billboards would solve the current challenge once and for all. 0772303743

The committee is of the view that every district in Uganda should have at least four billboards displaying what the country has to offer, in terms of tourism attraction sites, and no more funds should be allocated to UTB for the hire of billboards until the entity sets up its own.

The committee also recommends that the Government of Uganda should intensify domestic and international media relations to depict a positive destination image in regard to health, safety and security in Uganda.

The tourism development levy, which is provided for under Section 20 of the Uganda Tourism Act, 2008, should be operationalised to generate more non-tax revenue for the tourism and hospitality industry in Uganda.

In the committee's observations, we realised that this provision has not been operationalised yet the ministry has the mandate to do it in order to generate more non-tax revenue. We recommend that it be prioritised.

#### Tourism Development Programme

Here the unfunded priorities are well listed there, Mr Speaker. I am not going to read through the table because of time but the total is Shs 95.81 billion.

#### Source of funds

#### Committee recommendation

The committee internalised and realised that it is crucial for reallocation within the ministry. The committee recommends that Shs 15.7 billion should be reallocated from the Government subvention to Uganda Wildlife Authority within the tourism development programme, to UWEC, UHTTI and UWRTI, as per the reallocation table presented.

The committee further recommends that Shs 1.8 billion should be internally reallocated from Project 1701 - Development of the Source of the Nile (Phase II), to cater for unfunded priorities of development as presented in the table above.

#### Trade, Industry and Cooperatives Sector

Mr Speaker, gender and equity compliance is well elaborated in the report and even well tabulated, and honourable colleagues can refer to that. The half-year financial performance for Financial Year 2022/2023 is well presented in the table, including the narrative.

The budget allocation for the Ministry of Trade, Industry and Cooperatives is tabulated in Table No.7.

Mr Speaker, the total budget for the Ministry of Trade Industry and Cooperatives is expected to reduce by Shs 55.163 billion from the approved figure of Shs 137.927 billion to Shs 82.764 billion. Proposed allocation, specifically non-wage and development budgets, are expected to reduce by Shs 31.92 billion and Shs 22.83 billion, respectively.

Mr Speaker, budget allocation to the ministry subventions are clearly presented in the table. The budget for all subventions under the Ministry of Trade, Industry and Cooperatives is expected to reduce by a total of Shs 440.05 billion.

Significant budget reductions are observed on;

- i) The Uganda Development Corporation (UDC) - Shs 440 billion; The Ministry of Trade, Industry and Cooperatives (MTIC) - Shs 32.3 billion;
- ii) The Uganda Warehouse Receipt System Authority (UWRSA) - Shs 3 billion;
- iii) The Management Training Advisory Centre (MTAC) - Shs 3.1 billion; and
- iv) The African Growth and Opportunity Act (AGOA) - Shs 0.45 billion.

Mr Speaker, the observations of the committee are in the report.

#### Recommendations

We recommend that Shs 1 billion is provided to the Ministry of Trade, Industry and Cooperatives to initiate the process for the establishment of the Co-operative Bank.

#### Lack of Tea Sector Quality Regulation

1. The committee reiterates its earlier recommendation that the Ministry of Trade, Industry and Cooperatives should commence the process of reviewing and updating the laws regulating the Uganda tea sector.

2. The Government of the Republic of Uganda should open a tea auction market in Uganda. When this is done, Uganda's tea traders will earn more and the country will earn more foreign exchange. The tea traders will be in position to sell their products at less operational costs.

The unfunded priorities for the trade and industry sector are clearly presented in the table. It totals to Shs 40.65 billion.

#### Africa Growth Opportunity Act (AGOA)

AGOA provides duty-free access to the US market for over 6,000 products. You can read through the observations of the committee, but among them, the committee observed that in the previous financial year, the approved budget for AGOA was Shs 550 million. However, the proposal has been reduced to Shs 100 million only, yet it is supposed to perform the mandate that I have just stated.

The committee, therefore, recommends:

1. That AGOA should be revived, recapitalised, staffed to capacity and made a funding priority of the ministry. This will give AGOA the opportunity to maximise the export capacity awarded by the USA Government to Uganda.
2. That the Shs 3.093 billion needed by AGOA should be provided. If more resources are allocated to AGOA, it will be able to increase more markets for Ugandan products to the US and other countries.

#### Uganda Development Corporation (UDC)

Allocation of the proposed budget under UDC is well tabulated, totalling Shs 37.22 billion. The proposed budget for UDC is Shs 37.22 billion, out of which, Shs 13 billion is allocated to recurrent/operations activities, while Shs 23.57 billion is allocated to capital development projects. In the table below, Members can look at it. The committee observation is well stated.

#### Recommendations

The committee, therefore, recommends that the Uganda Development Corporation should be adequately funded during the budgeting process to avoid supplementary budgets.

The committee was informed that UDC intends to carry out equity financing investment to establish a packaging production plant. In that observation, the details are there. The committee recommends that that unfunded priority be covered. The details are in the report.

The next table presents UDC unfunded priorities. Honourable members can read the bigger report and be able to see the unfunded priorities.

#### Uganda Warehouse Receipt Systems Authority (UWRSA)

Colleagues, the Uganda Warehouse Receipt Systems Authority is established under Section 3 of the Warehouse Receipts System Act, 2006 herein referred to as the Act, as a regulatory authority.

The committee observation on their performance and every detail about them as far as budget is concerned is well captured.

#### Recommendations

The committee recommends as follows:

The authority should refrain from planning for activities which are not within their mandate, as provided for in the Act.

Therefore, we strongly recommend that funding should be provided for planned activities that are within the mandate of the Authority, unless the law is amended. All the powers of the Authority under Section 5 of the Act are in line with licensing and license warehouses under the Act. This should be the main focus of the Authority.

## Management Training and Advisory Centre (MTAC)

Honourable colleagues, the committee is concerned that MTAC has been operating without a governing council since 2015. MTAC reported that the appointment of the governing council awaits the conclusion of the rationalisation of Government agencies.

The committee observed that the delayed conclusion of the rationalisation process leaves governance gaps and it is affecting institutions.

We, therefore, recommend that:

1. Government should fast-track the merger policy so as to resolve issues of non-constituted governing bodies and ensure optimal utilisation of Government funds.
2. The Ministry of Trade, Industry and Cooperatives should intensify its oversight and supervisory role over MTAC, in the meantime.

MTAC's unfunded priorities add up to Shs 37.4 billion. It is well presented in the report.

The Uganda Export Promotion Board (UEPB)

The half-year budget performance of the Uganda Export Promotion Board for Financial Year 2022/2023 is there in the table.

The approved budget for Uganda Export Promotion Board was Shs 8.423 billion, out of which Shs 2.23 billion was released, while Shs 1.594 billion was spent. By half of the Financial Year 2020/2023, the percentage of the budget released was 26.50 per cent. The budget spent was 18.90 per cent while release spent (absorption) was 71.30 per cent by half-year for the Financial Year 2022/2023.

The proposed budget allocation for Financial Year 2023/2024 and changes between the proposed and approved budget is presented in the table; the change is -0.003 per cent only. The approved budget was Shs 8.428 billion.

Meanwhile, the proposed budget for the Financial Year 2023/2024 is Shs 8.431 billion.

The observations of the committee are immediately after the table.

### Recommendations

1. Government should release the budget of the Uganda Export Promotion Board as appropriated and the funding gap of Shs 10 billion should be provided to enable the Uganda Export Promotion Board effectively execute its mandate.
2. Government should fast-track the merger policy so as to resolve issues of non-constituted governing bodies and ensure optimal utilisation of Government funds. This will then guide the Ministry of Public Service to carry out the necessary and pending recruitments.

The unfunded priorities for the Financial Year 2023/2024 of the Uganda Export Promotion Board are presented and well-tabulated.

Vote 154: Uganda National Bureau of Standards (UNBS)

The half-year performance of Financial 2022/2023 of the UNBS is well tabulated in table 10; Members can refer to it.

The approved budget for UNBS was Shs 41.28 billion, out of which Shs 20.372 billion was released, while Shs 19.328 billion was spent by half-year for Financial Year 2022/2023. The percentage of the budget release was 49.40 per cent, budget spent was 46.80 per cent while release spent (absorption) was 94.90 per cent by half-year for Financial Year 2022/2023.

The Uganda National Bureau of Standards (UNBS) had an annual non-tax revenue target of Shs 48.8 billion by half-year. The actual collection amounted to Shs 24.67 billion, reflecting 50 per cent of the non-tax revenue performance.

Honourable members, I refer you to table 8.1 on UNBS to understand it better. However, UNBS had an annual non-tax target of Shs 48.8 billion, like I earlier hinted at.

Table 11 presents the allocation to the UNBS approved budget, the proposed budget, change between the approved budget and the proposed budget.

#### Trade, Industry and Cooperatives sector

Due to time, I will rush to the committee recommendation, that Shs 2 billion should be relocated within the trade sector from the Warehouse Receipt System Authority to facilitate AGOA.

The committee observation is captured but because of time, I cannot read it for you to appreciate it better.

#### Committee recommendation on UNBS

- i) The UNBS should be availed with funds amounting to Shs 8.3 billion for the first enhancement of salaries for their staff in the science category;
- ii) The UNBS should be availed funds for purposes of employing more staff to implement the mandate of trade facilitation, and consumer protection through border control and standards enforcement throughout the country; and
- iii) The UNBS should be availed with funds to procure specialised equipment, furniture and a new fleet of vehicles. The details are in the observations, as per the scrutiny of the committee.

I now proceed to general observations and recommendations in the trade sector.

#### Observations

Access to the affordability of capital has been a big challenge that the committee is presenting to this House.

Uganda Development Bank on the affordability of capital

Mr Speaker, in a June 2022 meeting, the Bank of Uganda Monetary Policy Committee increased the Central Bank Rate by 1 per cent to 7.5 per cent. Additionally, in October 2022, the Bank of Uganda raised the central bank government rate by one percentage point to 10 per cent.

As expected, the tightening monetary policy has resulted in raising interest rates. Lending rates by commercial banks are on a rise with an average of 18.4 per cent as of October 2022. As such, Uganda has the highest lending rates in the region compared to Rwanda at 16.9 per cent, Tanzania at 17.4 per cent and Kenya at 13.1 per cent.

The second observation is on the Uganda Development Bank (UDB) which is mandated to provide finance in form of short, medium and long-term secured loans and the costs of operation.

The committee notes that the ever-increasing costs of rent, electricity, transport and other operational costs have resulted in the closure of many businesses. Trade infrastructure is an issue, telecommunication coverage, the low electricity supply and connectivity has got negative implications on the trade sector.

Indigenous *vis-a-vis* foreign capital participation

Government laws and policies empower foreign investors at the cost of local investors. For example, the qualifications for incentives, according to Section 12 of the Investment Code Act disqualifies most local traders and manufacturers from accessing Government incentives.

#### Cooperative societies

There is inadequate human resources in terms of numerical strength, skills and experience, which is also affecting the trade sector.

The recommendations of the committee are as follows:

- i) Government should plan for the provision of low-cost capital. The Uganda Development Bank should be capitalised with a condition that it revises its condition to serve micro, small and medium enterprises and to have sub-regional presence or collaborate with other financial institutions in every district. This will increase access and affordability of capital;
- ii) The UNBS should be facilitated to develop, promote and enforce standards;
- iii) On trade infrastructure, Government should invest more in infrastructure supporting trade, particularly transport and ICT;
- iv) Under transport, the Government's focus should be on roads connecting to border markets and expanding major ports. The construction of roads and expansion of ports will reduce transport costs and increase market access; and
- v) Under ICT, funds should be availed for the provision of free Wi-Fi, especially in all cities and major business districts and at least in every sub-region to facilitate trade on top of scrapping the internet excise duty. Effective ICT increases market access, enhances marketing, and provides a low-cost channel for searching.

Proposed budget estimates for the Financial Year 2023/2024

The committee recommends that Parliament adopts this report and approves the budgetary estimates for the Financial Year 2023/2024 under the following Votes -

**THE DEPUTY SPEAKER:** Honourable member, capture the totals for each Vote.

**MS LAMWAKA:** The Financial Year 2023/2024 under the following Votes:

Vote 022: Ministry of Tourism, Wildlife, and Antiquities

Recurrent budget – is Shs 133,417,142,000

Development - Shs 52,640,000,000

**THE DEPUTY SPEAKER:** Honourable colleague, I need the total of Vote 022.

**MS LAMWAKA:** The total budget of the Ministry of Tourism, Wildlife and Antiquities is Shs 186,057,142,000.

Vote: 117 Uganda Tourism Board

Recurrent budget allocation - Shs 25,745,627,000

Development budget - Shs 100,000,000

Total - Shs 25,845,627,000

Vote 015: Ministry of Trade, Industry and Cooperatives

Recurrent - Shs 78,709,702,000

Development - Shs 225,623,000

Total - Shs 78,935,325,000

Vote 136: Uganda Export Promotions Board

Recurrent - Shs 7,869,500,000

Development budget - Shs 37,000,000

Total - Shs 7,906,500,000

Vote 157: Uganda National Bureau of Standards (UNBS)

Recurrent budget – Shs 45,567,420,000

Development – Shs 6,651,000,000

Total – Shs 52,218,420,000.

Mr Speaker, I beg to submit.

**THE DEPUTY SPEAKER:** Thank you, committee chairperson. You have led the way. Honourable committee chairpersons, you have seen it. One, the figures should be very clear because we are going to adopt your report and refer it to the Committee on Budget. In the end, show the total for each Vote. Do not just show the recurrent and development estimates.

Secondly, Clerk, capture the full report on the *Hansard* for future reference.

*(The report is hereby attached.)*

Thirdly, specifically for this report, kindly consider the final page on signatures because for the one you captured, the presenter has not signed. However, she signed the one that she laid on the Table. Those details are very important; in future, we might have a report where the chairperson and vice-chairperson have not signed; so, who presents it? *(Laughter)*

Since she has tabled the one which she signed, it is the one that we should consider. So, Clerk, ensure that you capture the one which she signed.

Honourable colleagues, I now open the Floor for debate – procedure, Hon. Jonathan?

**MR ODUR:** Thank you, Mr Speaker. In light of your guidance, since we shall consider the report, some of the figures that the presenter mentioned here are not captured in the report – which I thought must have been some typing error or minor omissions. For example, we have Shs 100,000, but she read Shs 100 million. So, it would be proper that we correct it to reflect the correct record or you direct that the Clerk captures the correct figures other than the ones mentioned.

**THE DEPUTY SPEAKER:** That was the correct figure, but they should have shown the zeros on the table. That is why we clean up the record on the *Hansard*; so, let it be captured very well in terms of figures.

Honourable colleagues, I am opening the debate for 20 minutes so that we can go to agriculture. Procedure, Hon. Yeri? No, speak to the microphone, my brother. *(Laughter)*

**MR OFWONO:** Thank you, Mr Speaker. When the chairperson was presenting the report, she did not tell us whether there is a certificate of climate change responsiveness. She only mentioned the one for gender. Thank you.

**THE DEPUTY SPEAKER:** Thank you. The certificate of climate change responsiveness is for the whole budget – can you refer to the

law and tell me under which law? I know what I am talking about. Under section 30 of the Climate Change Act, the certificate is for the whole budget and it was tabled. If you have another law which says it is for each sector – *(Laughter)* – Members of the committee, please, do not come up.

I will pick Hon. Wagahungu – I also need MPs from tourism-related areas. I will then pick the Member for Bughendera, Hon. Aza, Hon. Teira, the Member for Amolatar, the Member for Kiboga, the youth representative – I will pick you, honourable colleagues. And if I pick you on this, I will not pick you on the next one, for fairness.

5.28

**MR EDDIE KWIZERA (NRM, Bukimbiri County, Kisoro):** Thank you, Mr Speaker. I thank the committee for the work done. On a selfish note, I thank you, Mr Speaker, for having visited one of the national parks. Honourable members, do not promote tourism outside only, but promote it in Uganda as well and have holidays in our national parks.

On hotel and tourism training, it is high time we decentralised and had regional centres such that we benefit from the training and building of skills for our tourism industry.

Secondly, we should also learn to decentralise our zoos. We should have the central one in Entebbe, but we should also have regional centres. The Government should be able to appropriate sufficient funds for that.

Mr Speaker, although we are looking at the conservation of these protected areas, looking at the national parks only without looking at the communities surrounding the national parks does not help. We should have a collaborative relationship such that the people and national parks are not endangered.

On revenue sharing, we should not look at revenue from the park entrance only, but we should also look at the general revenue in the park.

On trade, I have seen that we are promoting UDC so much, but it is becoming more of a political than economic vehicle. We should be looking at bankable projects. An example is the spongy land in my place. No study has been done on it, but the money is provided for it. So, let us look at bankable projects so that we do not fail to do what we want to do.

Lastly, Mr Speaker, is the distribution of the tourism data centres. Do they have a national outlook? Some of –(*Member timed out.*)

**THE DEPUTY SPEAKER:** Thank you. Reading through the report, I was also concerned. Human-wildlife conflict is an issue that we have been discussing here. However, in the report, we are saying tourism people said they are sensitising people. No! People have applied for compensation, and you do not have the money. Let us be honest.

Also, these people do not desire compensation. Let us go for prevention. By the time you compensate someone, that person is hurt and sometimes the compensation is not adequate. Why don't we focus on prevention?

I am concerned when I see, on page 17 that you are budgeting for only 15 kilometres of electric fence at Shs 3.13 billion. This fence would prevent you from compensating people. People are not interested in your money. They are saying you should protect them from the animals instead of you saying let the animals eat, and then you come and compensate. So, instead of allocating more money for compensation, why don't we put more money into the prevention of animals from destroying crops?

5.32

**MR ACROBERT KIIZA (NRM, Bughendera County, Bundibugyo):** Thank you, Mr Speaker. My concern is about the electric fence. They have started this electronic fence -

**THE DEPUTY SPEAKER:** Electric fence; the electronic one would be digital. (*Laughter*)

**MR ACROBERT KIIZA:** Mr Speaker, in some national parks, this had already been started. Unfortunately, the animals seem to be clever. The animals are avoiding where they have worked and are now going to the areas without and they are becoming very destructive.

Mr Speaker, as you rightly observed, I was looking for an opportunity in the report, where the committee is going to recommend that the process should be completed in all the national parks, but this is missing.

I want to recommend that this should be taken as a priority because when we work on it, we will even be addressing the issue of compensation. Like you rightly said, Mr Speaker, the farmers, for example, who neighbour the national parks are not interested in the compensation because that comes in as a by the way.

Mr Speaker, those of us staying near the national parks want you to work more on prevention rather than simply compensating us. I thank you.

**THE DEPUTY SPEAKER:** Thank you. Hon. Aza.

5.34

**MR TOM AZA (NRM, West Moyo County, Moyo):** Thank you very much, Mr Speaker, and I thank the committee for the report.

Mr Speaker, we have serious issues related to human-wildlife conflict in a Dufile Subcounty in Moyo District. Usually, very big numbers of elephants cross the borders from Nimule National Park into Uganda to Dufile Subcounty and wreak havoc. They destroy crops, displace people, destroy houses, and so on.

Therefore, I will be very happy if electric fencing is also brought to Dufile Subcounty where there are serious issues related to human-wildlife conflict.

Secondly, honourable minister for tourism, we have Fort Emin Pasha, the place where slaves were being collected - the *Khartoumers* would



come to Buganda and collect slaves, and hold them in that place called Dufile in Panjara and thereafter, take them to Khartoum; thus, the *Khartoumers*. So, I would be happy if you developed that place into a tourism site. Thank you very much.

**THE DEPUTY SPEAKER:** Thank you. Hon. Apea Agnes.

5.37

**MS AGNES APEA (NRM, Woman Representative, Amolatar):** Thank you very much, Mr Speaker. I would like to applaud the committee for the report and specifically refer to page 45, where the committee has recommended Shs 1 billion to initiate the process of establishing a cooperative bank. So, I would like to thank them for bringing back the discussion around the cooperative and farmers' banks.

However, I would like to point out that the Ministry of Trade needs to collaborate and partner with other Government agencies to avoid reinventing the wheel. I am saying this because a lot of research has been done. One of the challenges they found is the recapitalisation of the former Cooperative Bank, which led to its collapse.

I would like to urge the ministry and the committee to explore a bit more on the available very many rural financing models that are in place, for example, the PDM, *Emyooga*, and the Microfinance Support Centre that are doing the same rural financing models that this bank could be looking at.

So, my proposal would be that instead of the Ministry of Trade, looking at initiating a new bank, as they have proposed, they should consolidate and synergise the existing models, but also leverage on the available many rural capitals that are in the communities, so that we do not cry about capitalisation any more for the farmers and the Cooperative Bank to be reopened. Thank you.

5.37

**MR JOHN TEIRA (NRM, Bugabula County North, Kamuli):** Thank you, Mr Speaker. I take this opportunity to thank the committee, for the good report presented.

Mr Speaker, the report highlights a very big necessity and requirement for the development of tourism sites, and publicising our tourist attractions to the different parts of the world. However, I notice that there is one simple element lacking - and I am glad the honourable minister is here - and that is synergising the activities of the tourism ministry with those of other agencies.

For example, after the transformation of Bujagali Falls, what is left along that road is Itanda Falls but even the road that goes to Itanda Falls - one has to stop like 10 times to ask, "Where is the road to Itanda Falls?"

First of all, it is in a very poor state with no signpost to show where the mighty falls are yet once one reaches there, they notice that it is a very amazing place to visit. It would require only the effort of the Minister of Tourism to liaise with the local authorities to pull a grader through and create a good access point.

Therefore, I want to invite the Minister to synergise with the various entities, which operate in most of these areas to create a good environment for our tourists.

Mr Speaker, we cannot promote tourism, I am glad we have had a discussion on the state of the roads in Uganda. I mean, tourists leaving and arriving through Entebbe Airport - all we see on social media is the state of our roads. We should have a well-synergised approach to the development of tourism in this country. Otherwise, we are wasting a goldmine. Thank you.

**THE DEPUTY SPEAKER:** Thank you. And we were told that they allowed Nyege Nyege in order to promote tourism and it took place at Itanda Falls, but then there is no road there after the Nyege Nyege?

5.39

**MS CHRISTINE KAAYA (NUP, Woman Representative, Kiboga):** Thank you, Mr Speaker. I have an issue with the naming of the ministerial policy statement because if more ministerial statements get uploaded, it will be disturbing for us to identify the current one for revision.

Anyhow, on the issue of compensation, some of us do not live near national parks but we are also invaded by wild animals. I once said it here that Kiboga had been invaded by the white calabash monkeys that ate everything. When we approached UWA, they requested us not to kill them yet they did not respond to our plea for help. Our district did not have a Vermin Control Officer, so, the monkeys ate everything. There is a subcounty where people cannot grow anything; the people vacated the land. So, it is important to consider protecting those people.

Mr Speaker, we have a lot of tourism attractions. I do not support the idea of establishing new zoos in other areas. There are already a lot of undeveloped tourism attractions. For example, in Kiboga District, we have four of them that have never appeared anywhere and no development has ever occurred. So, many of those so-called new tourist attractions simply need to be advertised and get known.

So, what is the problem with the operationalisation of the levies from the different sectors? Even the tourism development levy is not operational. I think we need to revise this.

My final submission is in regard to the trade ministry. Mr Speaker, one of the unfunded priorities is the transportation of commercial –(Member timed out.)

**THE DEPUTY SPEAKER:** Thank you. Honourable colleagues, I am scanning, Sebei - because it is a tourism area – listen, I am trying to scan so that each region is picked. I started with Kigezi. I want to pick Sebei and even the traders; so, if you are a registered trader, please let me know. Hon. Chemonges represents both.

5.41

**MR WILLIAM CHEMONGES (NRM, Kween County, Kween):** Thank you so much, Mr Speaker. I want to thank the committee for this very good ministerial statement. I have read it because I am much more interested in this matter. I come from Sebei where we border a national park on the upper side and another national park on the lower side.

Members have been talking about compensating people for their crops, but in Sebei, we have instead lost people; hundreds and hundreds of people, yet in the report, I do not see any plan for compensation.

We have people who need to be resettled and have been staying around the boundaries of the national park for the last 30 years. I do not see any plan by the Government to resettle them.

Last year, we went to Sebei with the Minister of Tourism, Wildlife and Antiquities. The topic that time was wildlife-human conflict. The minister got there and listened to all the people. He saw people with wounds and even witnessed graves. He got all the stories but up to now, the minister has never brought back a report to this House.

Two months ago, we lost two people in Kween and one in Bukwo who were shot by the UWA officers still because of the fight over the boundary.

Lastly, I want –(Member timed out.)

**THE DEPUTY SPEAKER:** Thank you. Honourable colleagues, this is beyond tourism. We have sectors to do with standards in this country. We have issues to do with export promotion and those to do with development banking. Therefore, let us try to widen the scope.

For example, on the issue of standards, personally, I am a manufacturer. We have a very big issue; how are you helping those small scale manufacturers when the costs for standards are very high for each and every product?

Then, there is also the issue of the harmonisation of standards. For example, there is a product we were manufacturing and the naming alone, honourable minister - you allow products in the country with names that favour importers against us the local manufacturers. I want to give an example: we wanted to produce a surface disinfectant. However UNBS said, "No, you cannot call it a surface disinfectant. It is against our standards." However, they are allowing in imported products called "Surface disinfectants" and they are in supermarkets.

Carrefour brings in a product called "Surface disinfectant." When they are advertising those products, clients want surface disinfectants. However, UNBS wants you to call it a "Multi-purpose cleaning agent." Then I will not qualify for an advert in the private sector, which wants a surface disinfectant.

Then you find that UNBS is not able to even certify some of the products because they do not have funds to establish laboratories to test whether those products conform to their standards. They do not even know about standards. It has affected manufacturers now. You keep recycling and you cannot be innovative. Then they keep allowing in imported products. What is the business community - certification?

**MR SSEWUNGU:** Mr Speaker, the procedural matter I am raising is that whatever we say here goes on the record. Some Members are giving very good information.

The honourable member from Kween has just said that they lost hundreds of people. A while ago, an honourable member from Kiboga also said that people vacated a whole subcounty. We need to understand. There are no people living in a whole subcounty because of monkeys. *(Laughter)*

We know that there is a challenge but let these people clearly substantiate. When you talk about a subcounty being affected by monkeys and all the people vacate leaving their property plus hundreds of people dying - let us have a

clear image of this so that it goes well on the record.

**THE DEPUTY SPEAKER:** This is what I have been trying to enforce; then when you go to the canteen, you start discussing how I am difficult. It bounces back to me. You even send emissaries to talk to me to be a bit flexible, but this is what he is talking about.

When you say a whole subcounty or hundreds of people died; I know there is a point you are trying to emphasise; that the impact is huge. However, the moment you refer to figures - you can use the language of "We have many people." That is very good advice, honourable member.

**MR HERBERT TAYEBWA:** Procedure.

**THE DEPUTY SPEAKER:** Honourable colleague, never access a microphone without my permission; so, you are wrong on procedure, from the onset. You have used the wrong procedure of addressing me. What is your procedural matter?

**MR HERBERT TAYEBWA:** Thank you, Mr Speaker. I went read this report. On page 10, the figures - since you emphasised figures - for the Ministry of Trade - (MTWA), the total is about Shs 187.2 billion. The total for Uganda Tourism Board (UTB) is Shs 27.3 billion.

On page 75, the last page where they request for approval, the figure for MTWA is Shs 186.057 billion. The one for UTB is Shs 25.84 billion. Both figures have a difference of Shs 1.2 billion for the Ministry of Trade and Shs 1.49 billion for UTB.

Are we procedurally right with these contradicting figures? I thank you.

**THE DEPUTY SPEAKER:** Madam Chairperson of the committee, do you need a minute to cross-check?

**MS LAMWAKA:** About the budget allocation of the tourism and development programme?

**THE DEPUTY SPEAKER:** Yes. The table is on page 10.

**MS LAMWAKA:** Mr Speaker, the table is allocation to tourism development programmes, but what I heard him bring on board is on trade. Maybe he can clarify that.

**THE DEPUTY SPEAKER:** We can proceed with the debate and you have a few minutes of reconciling this. Hon. Herbert, you can come close here. I hope the clerk is also nearby to help you. I hope committee clerks are here on the bench to help chairpersons to reconcile such matters. The moment you add up, please inform us. You must tell us before we put the question.

5.51

**MR BONIFACE OKOT (NRM, Youth Representative, Northern):** Thank you, Mr Speaker. I have listened attentively to the report and I have four concerns. One is that one of our core sources of revenue in the tourism sector is nature-based tourism. However, the greatest undoing is the state of our infrastructure, especially the roads.

I think it should be emphasised that as part of the tourism development programme - since we are in a programme-based budgeting - safe access to these tourism sites must be prioritised.

Two, also outside nature-based tourism, we should deliberately promote cultural tourism. I have noticed that we have a very rich, unique and diverse culture but we are not taking advantage of it. That is why programmes or festivals like Nyege Nyege end up taking advantage of that particular vacuum.

Thirdly, as much as we intend to set up billboards in every district, I think digital - *(Member timed out.)*

**THE DEPUTY SPEAKER:** Thank you. Is anyone going to speak outside of tourism?

5.53

**MR ROLAND NDYOMUGYENYI (Independent, Rukiga County, Rukiga):**

Thank you, Mr Speaker. It is very important to understand from the committee that the cost of doing business in Uganda is very high. Therefore, as the committee responsible for this sector, they should tell us what the tourism ministry is putting in place to ensure the cost of doing business in Uganda is reduced.

Mr Speaker, many businesses are closing on a daily basis because of the taxes and other attendant costs of doing business. What measures are being put in place to reduce the cost of doing business?

Secondly, Mr Speaker, as you said earlier, there are very many substandard products on our market. The UNBS is doing this country a disservice by not enforcing standardised products and reducing counterfeits. The moment there are many counterfeits and substandard products on the market, traders lose a lot of money because those with genuine products cannot sell them since UNBS, at the entry-level, has failed to monitor the local manufacturers to ensure there are standardised products in this country.

Thirdly, we cannot talk about tourism without talking about the infrastructure; the tourism roads throughout the country. The roads that go to our national parks are very bad. *(Member timed out.)*

**THE DEPUTY SPEAKER:** Honourable colleagues, we are running programme-based budgeting; so, let us do a programme-based debate. Anything to do with infrastructure should wait for infrastructure. We can bring in tourism.

5.55

**MR MILTON MUWUMA (NRM, Kigulu County South, Iganga):** Thank you, Mr Speaker. My concern rotates around one of the recommendations made by the committee on the provision of resources for recruitment.

Most of the issues we are discussing here are to do with the capacity of the Uganda National Bureau of Standards. The UNBS has a very lean structure and staff to man their mandate. Therefore, we need to avail them with the requisite resources to be able to execute their work.

Mr Speaker, if you went to the countryside, the UNBS has only excelled in terrorising retail shops with weighing scales. That is where they are visible. You can only see them terrorising retail shops on why they have not updated their expired weighing scales.

My colleague has talked about counterfeits - if you went to the supermarkets, you will find that we are consuming expired products from the supermarkets. Most of the malls have expired products *–(Interjections)–* and drugs but the UNBS is not doing much to address the challenge.

Mr Speaker, I got express permission last week from Abim District and the MP has cleared me to share this. When I introduced myself in Abim that I come from Kyabazinga land, they attacked me that we advertise small stones as nice rocks - I think they were looking at Kagulu Hill - and ignore the beautiful scenery in Abim. Therefore, I would like to appeal to the tourism minister to begin coding the nice-looking mountains in Abim. Thank you.

**THE DEPUTY SPEAKER:** Thank you. Honourable colleagues, do not mind. I know agriculture is coming up and you are going to stand. If you want to go away - we are still here.

5.57

**MS JANE AVUR (NRM, Woman Representative, Pakwach):** Thank you, Mr Speaker. I want to thank the chairperson of the committee for the good report.

I would like to request us to address our minds to the fact that this country or the world over is grappling with difficult economies. We are grappling with raising revenue yet we have much potential in our undeveloped and untapped tourist sites.

Mr Speaker, if some of these tourist sites like the ones I have in Pakwach District and perhaps all over the country were developed, or local investors were supported to develop them, we would enhance our revenue mobilisation. Not only that, we would leverage the traders of this country from the burden of high taxation. How I pray that this sector is supported by this very Parliament so that some of the potential tourism sites are developed sooner than later.

I would like to speak on behalf of the traders of this country, especially those from West Nile. When I was studying commerce, I learnt about the auxiliary of trade. By that, we mean the transport system, the insurance sector, bank – *(Member timed out.)*

**THE DEPUTY SPEAKER:** Thank you.

5.59

**MR EMELY KUGONZA (NRM, Buyanja East County Kibaale):** Thank you, Mr Speaker. I would like to thank the committee for the good report.

Regarding the aspect of tourism development, tourism survives very well when the circuits are well developed. In our country, we have heavily relied on nature-based tourism. However, I think some of the circuits need to be improved. For example, a tourist who has come to Uganda will travel all the way from Kampala to Queen Elizabeth National Park using Mubende Road - over 200 kilometres - without interfacing with any other thing. It becomes boring.

We, therefore, need to support the private sector to invest, for example, in issues like wildlife sanctuaries. This means we need to create incentives that will attract private players to invest in such areas. Talk about snake parks and cultural tourism. We have other things that have been neglected. For example, we have not talked much about caves. In other countries, there is a lot of tourism going around caves. I think we need to document all this.

In Bunyoro sub-region, we have some things to do with our history. Just last week, we

celebrated 100 years since the death of King Kabalega. We could put up things like the monument of Kabalega in one of the areas and this could be part of the attractions in this country. I beg to submit.

**THE DEPUTY SPEAKER:** Thank you. [Member rose\_] Honourable colleague, under what rule do you rise?

**MS ROSE OBIGAH:** Thank you, Mr Speaker. We are talking about unique features that attract a lot of tourism to this country -

**THE DEPUTY SPEAKER:** Honourable colleague, I want discipline in the House and you are a lawyer. Rule 84 is about unparliamentary language. Therefore, I want your submission to be on that. If you are not sure of the rule, just be honest with me. Honourable colleagues, I want this to be orderly. If you are not sure about a rule, please let me know.

6.01

**MR ISAAC OTIMGIW (NRM, Padyere County, Nebbi):** Thank you, Mr Speaker. I would like to thank the Minister of Tourism, Wildlife and Antiquities for constructing a good road from Masindi to Karuma because it will promote tourism along Murchison Falls National Park.

I would like to talk about the Uganda Tourism Board. We need to look at the way we are focusing our channel in terms of marketing Uganda's tourism. Our neighbours in Rwanda charge each gorilla permits at \$1,400. In Uganda, we charge half the price at \$700. Despite the high charge, Rwanda gets more tourists visiting their gorillas at \$1,400. Whereas in Uganda we have 12 gorilla families, which can be visited, in Rwanda, it is not the same. I think the approach that the Uganda Tourism Board is taking in marketing our tourism sites must improve.

As Parliament, we need to increase funding to Uganda Tourism Board for marketing. Rwanda is doing that and is reaping the benefits. In Uganda, that has failed.

The second point I would like to highlight is about the non-tax revenue that is being collected by the Uganda Tourism Board and the Uganda Wildlife Education Centre. They have collected a lot of money and maybe that money will be used in other entities. I think that the entities, which collect more money through NTRs, should be allowed to utilise the money in order to cover some of the shortfalls. I rightly – (Member timed out.)

**THE DEPUTY SPEAKER:** Thank you. Honourable minister for trade, we are on your sector and you have heard the Members' concerns. What is your comment? We could hear from the honourable minister for tourism as the one for trade consults with the committee chairperson.

6.04

**THE MINISTER OF STATE FOR TOURISM, WILDLIFE AND ANTIQUITIES (Mr Martin Bahinduka):** Mr Speaker, I also want to add my voice to thank the committee for the report. I also thank you, Mr Speaker, in a special way because when we had challenges of funding – when our budget had been reduced by over Shs 100 billion – you came in and supported us and so did the Committee on Tourism, Trade and Industry.

Members have raised a number of issues and I will respond to a few of them and then I will conclude. Mr Speaker, it is true that human-wildlife conflict is a big problem. We have come to this House before and presented what it takes for us to put an end to this problem once and for all. Unfortunately, even the trenching that we looked at, as one of the solutions, is not as effective. However, let me disagree with some Members; the electric fence is effective but quite costly. That is why we are implementing it in phases.

According to the ministerial policy statement that we presented, we showed you that we shall be doing 47 kilometres in Queen Elizabeth and 47 kilometres in Murchison Falls national parks. Of course, we shall not have worked on all the parks. So, it is a challenge and if we had the finances, we would do it.

We agree that prevention is better because we do not even have enough resources to do the compensation. If we were to compensate 7,000 people - let me give you a simple scenario, for example. If you look at the Uganda Wildlife Act that you passed in 2019, it appropriates only 2 per cent of our gate collections for compensation.

If you look at what we have left, it is slightly less than Shs 2 billion – because we were not collecting enough money due to COVID-19. So, we have around Shs 2 billion to compensate around 7,000 claimants – both death and treatment. The Act also says that Parliament can appropriate money to support this cause but it would still be too much.

As the Speaker said, we would not wish to continue compensating because the problem keeps getting out of hand. The best way forward would be for us to fence because the fencing is effective. We will continue, of course, asking Parliament to support us. As the Executive, we will continue extending the fence where we can.

A number of issues were raised to do with the monkeys. We have said on the Floor of this House that in most districts, we have vermin officers that we train and they usually deal with these animals. You actually do not need to come to UWA. We only come in if the problem is too big and they need our support. Most of the districts have these officers that know how to deal with them.

To my brother from the Elgon region, it is true that we went to the Elgon region together and visited the communities around the park. I remember we agreed on the issue of boundaries. We all agree that the 2019 Act does not allow for degazettement currently.

However, there are some areas where people had already settled and we went and had a discussion with them. We agree that as much as we cannot come to Parliament now to request for degazettement, we recognise the fact that they are already on that land. In some areas where we erroneously took some land and

considered it under the protected area of Mount Elgon, we agreed that the people can stay on this land -

**THE DEPUTY SPEAKER:** Honourable minister, we are on matters which have an impact on the budget. Respond to matters that are related to finance; leave out those to do with policy.

**MR BAHINDUKA:** Thank you. Let me just focus on what you have said.

Mr Speaker, it is unfortunate that we have just got a copy of this report now, as it was being presented – I understand the challenges. Probably, we would have wanted to engage more with the committee because there are a few issues that we may not have agreed on.

For instance, there is a reallocation from the Shs 40 billion of the development budget to other activities, where they have cut off around Shs 17 billion.

In the committee report, they clearly show that out of the Shs 26 billion that the Ministry of Tourism, Trade and Industry had as a recurrent budget for this financial year; they are only getting Shs 4 billion in the next financial year. So, we will have a deficit of around Shs 21 billion. We intend to reduce off the Shs 40 billion of the development budget to cover up a gap in the recurrent budget.

When you take away Shs 17 billion and we have not harmonised it with the committee, it becomes a challenge for us, going forward. I think that is the only area where we see a problem.

On the development of the source of the Nile, we are saying that we have many products as a country, but there are those flagship products that we have been advocating to develop over a period of time. Now that we have got funding, I beg that we use this opportunity. Reducing money from the source of the Nile, for instance, to do a fence in UWEC, would not be the best priority. We are the only country in the whole world with the source of the Nile. It is important that we resolve these issues.

Mr Speaker, I beg your indulgence. I do not know how we will move forward, but our prayer is that the Shs 40 billion stays intact and that some money is reallocated to the recurrent budget that was reduced instead of reallocating this money.

**THE DEPUTY SPEAKER:** Thank you. That is noted. The Member for Terego had a procedural matter.

**MS OBIGAH:** Thank you, Mr Speaker. I move under rule 70(c). We have a big investment that would bring a lot of money to West Nile, that is, the White Rhinos. We have moved, as West Nile, on the Floor of Parliament about taking back these White Rhinos where they can multiply and bring tourists to that part of the region. However, this has not been captured in the budget. Wouldn't it have been procedurally right for this to be captured so that we have these White Rhinos back in West Nile? Thank you.

**THE DEPUTY SPEAKER:** Honourable minister, do you have anything to say about that?

**MR BAHINDUKA:** Thank you, Mr Speaker. I thank the Member for the concern. If you in the committee's recommendation, they said that UWA's ceiling should be lifted from Shs 106 billion to Shs 140 billion, so that they can be allowed to use the Shs 33 billion that they have already collected. . If Parliament grants that, we shall have some money to start the process of the relocation of the White Rhinos to the protected areas.

**THE DEPUTY SPEAKER:** Thank you. Honourable colleagues, I am sorry that I am going to be hard. There are opportunities where I become flexible, especially with points of procedure. However, there are times when I want us to move and "procedure" keeps holding us back. Procedure is provided for under rule 78(4). Procedure has to do with a Member being on the Floor and he or she breaks a certain rule. If there is no one on the Floor, you cannot stand up under procedure.

That Member holding the Floor must violate a certain rule.

I am usually flexible when we have time, but for example, now when we are in a session for ministerial policy statements, I try to be stricter. So, you will have to bear with me if we are to finish this on time.

Honourable Chairperson, you need someone to crosscheck whether they have indeed reconciled the figures because I cannot put the question until we reconcile the figures, a matter that was raised by Hon. Herbert Tayebwa. Yes, Minister of Trade, Industry and Cooperatives -

6.13

**THE MINISTER OF TRADE, INDUSTRY AND COOPERATIVES (Mr Francis Mwebesa):** Thank you. One of the issues raised by the honourable members is access to capital. Uganda Development Bank (UDB) still has high interest rates, and by the very fact that they get the money from Bank of Uganda, unless the interest rates at UDB are lowered, there will be a very difficult time for businesses that operate in Uganda to get cheap capital.

The other is about the cost of electricity, instability and distribution of power throughout the country. That is one of the problems we have but it is the Ministry of Energy and Mineral Development responsible for that.

Telecommunication is another hump to the cost of doing business. At the same time, there is the Uganda National Bureau of Standards (UNBS), which was mentioned. The UNBS needs to be given more money to recruit more staff to be able to visit the different factories in the country, rather than a few people roaming the streets, trying to find the goods that are not suitable for use. That is why we are asking for more staff to be able to visit factories at source where goods are being manufactured, and see if the manufacturers are following the standards that are set out for the different products.

The honourable members talk of foreign goods; the issue is that there is always smuggling,



which is very hard to stop and, which becomes a police case. Otherwise, I have taken note of the Members' concerns. We have tried to address these by asking for more money to straighten the business in the country. Thank you.

**THE DEPUTY SPEAKER:** Thank you, honourable minister. We are always happy to see you. Leader of the Opposition, I had wanted to guide that where the shadow minister is not a member of the committee, I will give them an opportunity. But where he is a member of the committee, I will not give them the opportunity.

Also, since this is a consolidated report of the House, the Leader of the Opposition does not need to comment. Maybe if the shadow minister is not a member - because I consider that if there is no minority report, the shadow minister and the Opposition have agreed and their issues are incorporated. But LOP, maybe you want to say something?

6.16

**MR FRANCIS MWIJUKYE (FDC, Buhweju County, Buhweju):** I just want to thank the chairperson and the sector ministries for being very effective; they were the first to bring a report. I also want to say that the Opposition statements were incorporated in this report and we are happy about it.

And finally, among the other challenges that the tourism sector goes through, once the issue of good governance is not addressed and there are arbitrary arrests and confusion in town, the tourism sector will continue being affected. So, it is very important that Government addresses that; that people do not see security agencies arresting people in town, beating up suspects and then they refuse to come to Uganda. I thought that should also be mentioned. Thank you very much.

**THE DEPUTY SPEAKER:** Thank you. He will always find a way *-(Laughter)-* I thought you were going to ask for financing for that since we are handling finances now. So, any statement you make here has to be with the financing aspect.

Hon. Mugole, I missed you. I had wanted you to submit on this but you are a member of the committee.

6.18

**MS CATHERINE LAMWAKA (NRM, Woman Representative, Omoro):** Mr Speaker, I want to appreciate Members for the debate they have had on this report.

I just want to comment on a few areas of concern that were raised. On regional centres for UWEC, our report on page 24 clearly spells out how UWEC is moving to the different regions.

In the report on page 24, you can see the list of regional proposed office establishments for UWEC. Mbale has been chosen as the first UWEC regional centre that the ministry has taken on to establish, before they move to other regional centres like Gulu and other areas that are elaborated in the report. I do not want to go into the detail, but that is on page 24 of the report.

Then on the human-wildlife conflict, this is well elaborated on pages 19 to 20. Mr Speaker, that is why the Uganda Wildlife Authority is requesting Parliament to raise their ceiling so that they are able to meet the cost of the electric fence. This is well detailed on pages 21 to 22. However, also the committee observed that UWA is receiving money from the World Bank, towards that project.

Mr Speaker, I think the main issue is to raise the ceiling for UWA for them to meet all that the honourable members have talked about because all these are well captured in the report of the committee.

On the figures as were raised on page 10, I want to say that we have been able to harmonise. Indeed, when you add them up, they vary simply because the committee considered the superior document that was presented to this House in April - the one that came after the policy statement that was presented on 15 March. So, the figures that the honourable colleague is referring to are figures in the

policy statement, as presented on the 15 March. However, to appropriate, Mr Speaker, the committee is supposed to consider the details of the documents that were presented to this House in the draft appropriation figures, which came later in April.

It is from these figures that the committee was able to arrive at the mentioned detailed figures under the different votes as I read. So, while the honourable colleague has cited this, I want to point it out clearly that those are figures that were presented in the policy statements that were laid on 15 March and later on the figures that were presented in the draft appropriation report is what the committee used to consider appropriation to these ministries, Mr Speaker. Thank you.

**THE DEPUTY SPEAKER:** Thank you, chairperson, for the good work. Hon. Herbert, I think this is very clear because the ministerial policy statement comes before they bring the draft estimates. So, if the committee had gone with the figures in the ministerial policy statement, it would mean they had not gone with an updated figure. So, the updated figure is the one from the draft estimates. That is where the inconsistency - but thanks for bringing it out.

Honourable colleagues, thank you very much for the good work and I want to congratulate the committee. [*Member rose*] No, honourable member, when your chairperson has spoken, you do not have to add anything.

I now put the question that the report of the Committee on Tourism, Trade and Industry and the Ministerial Policy Statement for the Financial Year 2023/2024 be adopted.

*(Question put and agreed to.)*

*Report adopted.*

**THE DEPUTY SPEAKER:** Thank you. I now refer the report to the Committee on Budget for reconciliation, harmonisation and consolidation.

We expect the Budget Committee to report by the statutory deadline on 30 April, but if you could do it earlier - our target is around 27 April - that would be much better.

Let us go to the Committee on Agriculture, Animal Industry and Fisheries. Colleagues, we are still here. There is a lot of jam outside; so, let us work. (*Laughter*)

REPORT OF THE COMMITTEE ON  
AGRICULTURE, ANIMAL INDUSTRY  
AND FISHERIES ON THE MINISTERIAL  
POLICY STATEMENT AND BUDGET  
ESTIMATES FOR THE FINANCIAL YEAR  
2023/2024

6.22

**THE CHAIRPERSON, COMMITTEE ON AGRICULTURE, ANIMAL INDUSTRY AND FISHERIES (Ms Janet Okori-Moe):** Thank you, Mr Speaker. I beg to lay on the Table the report of the Committee on Agriculture, Animal Industry and Fisheries on the Ministerial Policy Statement and Budget Estimates for the Financial Year 2023/2024.

I also beg to lay the minutes of the meetings while considering the Ministerial Policy Statement and the Budget Estimates for the Financial Year 2023/2024.

In accordance with Article 155(4) of the Constitution and rule 149(1) of the Rules of Procedure of Parliament, the sectoral Committee on Agriculture, Animal Industry and Fisheries considered and reviewed policy statements and budget estimates under its mandate.

Page 4 is on the methodology that the committee used. Honourable colleagues, you can go through that. On page 5, we have the scope and the votes under which the committee is reporting and I do not know whether I should read through them. They include:

- (i) Vote 010: Ministry of Agriculture, Animal Industry and Fisheries
- (ii) Vote 121: Dairy Development Authority
- (iii) Vote 125: National Animal Genetic

## Resources Centre and Data Bank

- (iv) Vote 142: National Agricultural Research Organisation (NARO)
- (v) Vote 152: National Agriculture Advisory Services (NAADS)
- (vi) Vote 155: Cotton Development Organisation (CDO)
- (vii) Vote 160: Uganda Coffee Development Authority (UCDA)
- (viii) Vote 601-999: Local Governments.

The other contributing Votes under agro-industrialisation are underlined there. They include:

- (i) Vote 011: Ministry of Local Government
- (ii) Vote 015: Ministry of Trade Industry and Cooperatives
- (iii) Vote 019: Ministry of Water and Environment
- (iv) Vote 021: Ministry of East African Community Affairs
- (v) Vote 108: National Planning Authority
- (vi) Vote 122: Kampala Capital City Authority (KCCA)
- (vii) Vote 154: Uganda National Bureau of Standards (UNBS)
- (viii) Vote 500: Missions Aboard.

Agriculture remains the mainstay of Uganda's economy and the sector employs 68 per cent of the total population, where 70 per cent are youth.

In the Fiscal Year 2020/2021, the sector contributed 23.7 per cent of GDP and 31 per cent of export earnings, just below industry at 26.18 per cent and services sector at 43.01 per cent.

Despite all the interventions by the Government to realise socio-economic transformation, the sector is still faced with many challenges, the major one being inadequate budget allocations. The limited budget allocation negatively impacts the sector and affects the country's comparative advantage in the region. This further affects the provision of seeds and seedlings and other inputs to the farmers, which is vital in the improvement of agricultural production and productivity in the country.

The sector budget will, therefore, reduce by 7.5 per cent; that is Shs 88.2 billion in the Financial Year 2023/2024 compared to what was approved in the Financial Year 2022/2023.

Page eight, table 2, talks about the sector budget performance and budget allocation for the Financial Year 2023/2024. The estimates - Government of Uganda, total amount is Shs 680.14 billion. Then the total Government of Uganda plus external financing is Shs 1,709.33 billion.

By the end of quarter two, only Shs 365.2 billion had been spent, representing absorption of 31.3 per cent, way below the ideal 50 per cent at half year.

As I said earlier, the sector will reduce by 7.5 per cent in the Financial Year 2023/2024. The non-wage component will reduce by Shs 62.8 billion or 28.7 per cent. While Government of Uganda development will reduce by Shs 78 billion that is equivalent to 21.2 per cent.

Much as the total government funds will be reduced by 14 per cent, the external financing of the sector will grow by 5.9 per cent, equivalent of Shs 22.4 billion.

Table 3 talks about the budget overview of Vote 010 - Ministry of Agriculture, Animal Industry and Fisheries. This is just a comparison for the budget for the Financial Year 2022/2023 and Financial Year 2023/2024.

The overall budget will grow by 5.2 per cent to Shs 593.53 billion in the Financial Year 2023/2024, as compared to Shs 564.39 billion that was approved in the Financial Year 2022/2023. This is mainly attributed to a 5.9 per cent rise in the external financing component of the vote.

Table 4 talks about the Vote budget allocation by sub-programmes; the sub-programmes are lined up there.

The sub-programme on animal resources has only a share of 5.4 per cent and that of fisheries

resources has only 4.0 per cent. Agricultural infrastructure and mechanisation development has 25.7 per cent of the share, and the crop resources 46.1 per cent.

During the Financial Year 2023/2024, 46 per cent of the vote's budget will be allocated to crop resources followed by agricultural infrastructure and mechanisation development with 26 per cent of the budget.

Tables 5 to 9, on pages 12 to 22, talk about the budget overview for the different votes of the programme. Members will read that. Due to lack of time, I will not concentrate on it.

I request to go through the observations and recommendations of the committee, which starts from page 22.

On Vote 010: Ministry of Agriculture Animal Industry and Fisheries, the committee observed, with great concern, that the country has no clear food security strategy and policy. The country has adopted an ad hoc method of handling hunger related crises whenever they erupt. In the Financial Year 2022/2023 alone, the Cabinet approved Shs 350 billion following the recent famine. MAAIF and other agencies such as NAGRC&DB, NARO, NEC, UPDF, veterans, and prisons were asked to use their available budget to produce food and animal feeds for the country but up to now, Government has not refunded the budget hence affecting the respective agencies' implementation of the planned activities as per the approved budget and mandate of the different entities.

The committee recommends as follows:

- i) Shs 110.21 billion be provided as supplementary or additional funds to refund the agencies that used their own budget to implement the 2022/2023 food security intervention;
- ii) Shs 150 billion that was approved by the Cabinet be provided to fund large-scale farmers across the country who are already profiled by the agriculture ministry. Mr

Speaker, by the time the Cabinet took this decision, the season was already off for the large-scale farmers to be on board;

- iii) Government should develop a comprehensive clear food and animal food security strategy, regulations, and policies to guide implementation in the event of a famine crisis or any other calamities, to avoid the ad hoc way the issue is being handled;
- iv) Shs 400 billion be provided annually for the next two years for food security and related interventions, that is, food production, silos, food reserves, and stocks. That is where we can fall when hit by famine.

On the Parish Development Model, the agriculture ministry is responsible for pillar 1. However, the committee notes with concern that no funds have been provided in the Financial Year 2023/2024 budget to enable the ministry to handle its mandate.

The committee, therefore, recommends that Shs 5 billion be provided to facilitate policy and guidelines on enterprise selection, value addition, and market linkages for all agricultural produce.

On duplication of activities, the committee observes that some of MAAIF planned deliverables for the Financial Year 2023/2024 are best delivered by other agencies, for example, the distribution of 2,945 goats at a cost of Shs 2.8 billion, purchase and distribution of cashew nut seedlings to the tune of Shs 1.8 billion, and Shs 7.2 billion support to Government agencies and private seed multipliers in the production of seed, stocking, and planting material under the Public Private Partnerships (PPP) arrangement. The committee notes that these activities can be managed by NAADS like any other priority crops like macadamia, and Hass avocado.

The committee, therefore, recommends as follows:

- i) That Shs 2.8 billion meant for the distribution of goats, Shs 1.8 billion for the supply of cashew nuts, and Shs 7.2 billion for seed, stocking, and planting material be transferred from Vote 010: Ministry of Agricultural, Animal Industry and Fisheries, to Vote 152: National Agriculture Advisory Services (NAADS), for effective management;
- ii) That Government prioritises the provision of priority drops like cashew nuts, macadamia and Hass avocado to cattle corridors and North-eastern parts of the country.

On affirmative action for North-eastern Uganda, the committee notes that the North-eastern region needs affirmative action to address persistent food insecurity, famine and drought, which has been experienced year in and year out, given that most agriculture sector agencies are either very thin or not present in the region. For example, DDA, NAGRC&DB in an area like Karamoja, which has the largest number of cattle that does not exist. West Nile is characterised by poor-quality livestock breeds that call for urgent improvement and an under-utilised Government ranch in Nwoya, that is, Got Apwoyo which has great potential for improved livestock, breeding, and production in the region.

The committee recommends that:

- i) Shs 10 billion be provided to facilitate the revamping of the Karamoja Ranch by NAGRC&DB;
- ii) Shs 10 billion required for revamping the Got Apwoyo Ranch in Nwoya District be provided;
- iii) Shs 5 billion be provided to DDA for milk collection centers in Karamoja;
- iv) Shs 4 billion be provided to MAAIF for mechanisation centers in West Nile and Karamoja to manage and maintain significant tractors in those subregions.

On agricultural extension services, the committee observes that the immense reduction of the extension services budget from Shs 245.493 billion in the Financial Year 2022/2023 to Shs 141.91 billion in the Financial Year 2020/2024, only covering the wage component. This implies that extension workers will only be paid salaries with no tools or funds to operate. Out of the required 9,275 extension workers, only 4,031 are available and face challenges of lack of transport, and inadequate training among others, while they lack performance indicators to measure the performance.

The committee recommends that:

- i) Shs 103.5 billion that has been removed from the district local government production services to support extension services be provided to reinstate the allocation to the current level;
- ii) Shs 13 billion be provided to facilitate tooling and retooling of the district extension workers with iPads, computers, motorcycles, and motor vehicles;
- iii) The funds required for wage and recruitment of 5,244 extension workers to fill the gaps countrywide be provided.

Water for agricultural production

- a) The committee notes with concern the continuous absence of an irrigation master plan to guide planned investments in water for agricultural production. The committee was informed that the Ministry of Water and Environment is in the process of acquiring a consultant for the activity.

The committee recommends that MAAIF takes lead in the development of the master plan and works with the Ministry of Water and environment to ensure that a comprehensive plan capturing all components of irrigation is in place before the next budget

## b) Irrigation infrastructure development

The committee notes with concern that irrigation is one of the budget priorities in Financial Year 2023/2024 to mitigate climate change effects on food production, but has limited budget. However, MAAIF intends to acquire and provide irrigation technologies and equipment using solar and other energy sources for distribution, pumping, supply and operationalisation of the developed water infrastructure and facilities for all-year production for small (micro), medium and large-scale farmers.

The committee recommends that the Shs 25 billion that is required to facilitate affordable irrigation systems be provided.

## Regional mechanisation centres

The committee recommends that the Government provides the required Shs 20 billion for the completion and operationalisation of the regional mechanisation centres.

The committee also recommends that MAAIF should fast-track the establishment of the regional mechanisation centres to promote equitable mechanisation of the country.

## Procurement of tractors, storage and value addition facilities

In a bid to promote agricultural mechanisation and commercial farming, MAAIF plans to procure and deploy 400 tractors, implements and accessories. Additionally, it also plans to procure 1,000 walking tractors and implements to support farmers in production. MAAIF needs Shs 50 billion for this activity.

The committee recommends that:

- i) Government provides Shs 20 billion required for tractors, Shs 15 billion for storage facilities and Shs 15 billion for value addition facilities at regional level.
- ii) MAAIF develops a proper distribution mechanism for all the equipment acquired to ensure equity.

## Vote 121: Dairy Development Authority

Funds for rehabilitation of Mbale Milk Factory

The committee observes that in Financial Year 2022/23, Shs 6 billion was appropriated by Parliament to facilitate the phase one renovation of Mbale Milk Factory, but this money has not been released. The milk factory will incentivise milk production and marketing in northern and eastern Uganda and contribute to at least 20 percent of the national milk production.

The committee recommends that Shs 6 billion be provided to cater for renovation of the factory to provide market and facilitate milk production in the region

## The dairy value chain development project

The committee notes that the authority does not have funds for physical plan, bills of quantities (BOQs) and an architectural plan that is required for approval of the Shs 68.5 billion Dairy Value Addition and Marketing Project that includes:

- a) Upgrade of Entebbe Dairy Training School into Dairy Training and Incubation College for East Africa; and
- b) Extend specialised dairy interventions to Karamoja and West Nile regions, through the creation of regional offices and support commercial dairy farming.

The committee recommends that:

- i) Shs 0.314 billion be reallocated from travel inland, for physical plan, BOQs and the architectural plan required for the approval of the project.
- ii) Shs 12.4 billion be provided for the rehabilitation and equipping of the milk collection centres across the country to meet the demand for the Algerian market.

### Milk standards for the emerging markets

The committee observes that the newly negotiated market of Uganda's milk products in Algeria is worth \$500 million. The committee, therefore, recommends that Shs 2.6 billion be provided to facilitate activities towards completely securing the Algerian milk market.

### School milk programme

The Dairy Development Authority, in collaboration with the Ministry of Education and Sports and SNV, plans to roll out the school milk programme in its historic attempt to boost local milk per capita consumption, improve child nutrition, stabilise domestic milk prices and widen the milk market. The programme was piloted in the south-western milk shed in Uganda and it was very successful. Dairy Development Authority requires Shs 4 billion to roll it out countrywide.

**THE DEPUTY SPEAKER:** Honourable committee chairperson, we shall not go into such details. Otherwise, we will sleep here.

**MS OKORI-MOE:** The committee recommends that Shs 4 billion be provided for the programme to be rolled out.

### Feasibility study to establish Gulu and Soroti milk processing factories

This feasibility study requires Shs 1.2 billion and the committee recommends that Shs 1.2 billion be provided.

### Vote 125: National Animal Genetic Resources Centre and Data Bank (NAGRC&DB)

#### Community breeding programme

##### i. Poultry/fish hatcheries

The committee recommends that Shs 2.7 billion for poultry hatcheries that were started in Wakiso, Bukedi and Karamoja be provided and

Shs 8 billion for fish hatcheries be repurposed from item "312129: Other buildings other than dwellings – Acquisition".

##### ii. Fish/poultry feeds

The committee observes that for sustainability, accessibility and affordability of community fishing and poultry breeding, there is need to establish corresponding fish and poultry feed factories and this requires Shs 20 billion.

The committee recommends that Shs 20 billion be repurposed from the community breeding budget to establish a community fish factory.

The committee also recommends reallocation of Shs 15 billion towards structures and allocates it to NARO for Agri-Engineering Research Solutions – that is, for making equipment for value addition of our products

### Vote 142: National Agricultural Research Organisation (NARO)

##### i. Agri-Engineering Research Solutions

The committee notes that NARO's research has over time been concentrated on genetics and less has been invested in value addition technologies that can provide solutions for production, processing, food and nutrition security.

The committee recommends that Shs 15 billion be reallocated from Vote 121: NAGRC&DB to Vote 142: NARO, for this purpose.

##### ii. Conservation of indigenous genes

The committee recommends that;

a) NARO invests in deliberate efforts to conserve indigenous genes through establishment of a dedicated genetic bank for plants and animal genes.

b) NARO takes interest in GMO-related activities in the country to avert any unregulated consequences

## iii. Inter-agency land wrangles

The committee recommends that an inter-agency committee be instituted to resolve these wrangles and expedite the process of resolving the conflict to pave way for Government programmes.

## Anti-tick vaccines

The committee notes that NARO is in the final stages of rolling out the anti-tick vaccine. The vaccine trials shall be concluded in the next six months; they are being tried in some of the NARO centres.

The committee recommends that Shs 16 billion be repurposed to ZARDIs. We realise that ZARDIs depends on the headquarters and sometimes they are bogged down. That is why the committee recommends that to each of the 16 ZARDIs, one billion be sent to each to facilitate research.

On sunflower and research and seed production for import substitution, the committee recommends that Shs 15 billion be provided to Serere ZARDI that is specialised in producing and multiplying sunflower seeds.

On the multiplication and delivery of technologies for food and nutrition security at Nabuin, the committee recommends that Shs 10 billion be provided for to multiply and deliver technologies for food and nutrition security.

## Vote 151: National Agriculture Advisory Services

The committee observes that the Vote has experienced significant budget cuts in the Financial Year 2023/2024, losing Shs 23.45 billion in total. The committee recommends as follows:

- i) That Shs 58.6 billion be reinstated to enable the Vote consolidate its current achievements;

- ii) That Shs 44 billion be provided to supply beans and maize seeds to address food security as the PDM gets fully operational;

- iii) Shs 10 billion be reallocated from Vote 010 – MAAIF, for related items, to Vote 152 - NAADS as follows:

- a) Shs 3.2 billion for Hass Avocado;
- b) Shs 4 billion for cashew nuts;
- c) Shs 2.8 billion for procurement and supply of goats; and
- d) Shs 20 billion be provided to purchase and distribute hoes to the remaining districts that have not received them.

On the duplication of activities, the committee recommends that Shs 3 billion meant for the provision of milk coolers, under Vote 152: NAADS, be relocated to Vote 121: DDA, which is the mandated agency for the effective provision of the milk coolers.

The committee observed that following a Cabinet directive on special intervention to evacuate tea and coffee seedlings from nurseries, NAADS supplied tea seedlings to a tune of Shs 61.096 billion to farmers in six district local governments (Mitooma, Buhweju, Bushenyi, Sheema, Rukungiri and Kanungu). No funds have been provided in the budget to clear these arrears. The committee recommends that Shs 61.096 billion be provided to clear these arrears.

## Vote 152: Uganda Cotton Development Organisation

The committee recommends as follows:

- i) That Shs 0.163 billion be provided for setting the country's cotton standards and reinstate it to meet its statutory requirements;
- ii) That Shs 5 billion be provided for farmers' mobilisation, seed multiplication, production and pesticides to farmers; and



iii) That Shs 2 billion be provided for purchase of hand tractors to open more land for cotton production, especially now that most of the cotton farmers have lost their oxen.

#### Vote 160 - Uganda Coffee Development Authority

The committee notes that the Uganda Coffee Development Authority closed the Financial Year 2021 with outstanding coffee seedlings arrears of Shs 15.97 billion. Cabinet took a decision to procure and distribute coffee seedlings to farmers before Season B 2022 - that is September to December - and ends as a one-off intervention. This resulted in additional Shs 26.3 billion. The total comes to Shs 42 billion but no budget has been provided for the settlement of these arrears.

The committee recommends that Shs 42 billion be provided in the budget for the Financial Year 2023/2024 to settle all the outstanding areas.

On the construction of coffee analytical laboratories, the Uganda Coffee Development Authority plans to contract a central coffee quality certification laboratory in Kampala to handle the bulk of exports by exporters based in Kampala, Wakiso and those other districts.

Additional two regional laboratories will be constructed in Kasese and Mbale to support and serve exporters in the areas of Arabica coffee growing. This activity requires Shs 10.2 billion and the committee recommends that this money be provided.

On coffee research, the committee observed that there are limited funds for coffee research to develop coffee varieties that are high yielding, disease and drought resistant. This activity requires Shs 4.5 billion. The committee recommends that this money be provided to UCDA for coffee research.

#### Coffee value addition

The Committee recommends that Government reallocates Shs 37 billion from Science,

Technology and Innovation to UCDA to ensure efficiency and accountability for the utilisation of funds.

The next pages, Mr Speaker, are about key unfunded and underfunded priorities for which I will not go into detail. You will study them by yourself.

I now go to page 38 on the supply tables for the Financial Year 2023/2024. Based on the aforementioned observations and recommendations, the committee recommends that the House approves the budget of the Votes under its jurisdiction as follows:

- i) Vote 010: Ministry of Agriculture, Animal Industry and Fisheries. The total allocation is Shs 583,533,130,878;
- ii) Vote 121: Dairy Development Authority - Shs 16,676,013,100;
- iii) Vote 125: National Agriculture Genetic Resource Centre and Data Bank; a total allocation of Shs 64,775,124,684;
- iv) Vote 142: National Agriculture Research Organisation, total allocation is Shs 181,487,209,273.
- v) Vote 152: NAADS Secretariat. The total allocation is Shs 41,611,610,000;
- vi) Vote 155: Uganda Cotton Development Organisation. The total allocation is of Shs 5,370,758,396;
- vii) Vote 160: Uganda Coffee Development Authority. The total allocation of Shs 44,756,429,653;
- viii) Votes 601-999: Local Governments. The total allocation is Shs 141,905,532,140, giving a total of Shs 1,080,115, 808,124. Mr Speaker and honourable members, I beg to submit.

**THE DEPUTY SPEAKER:** Thank you, honourable chairperson and committee members for the good work in processing eight

Votes in time. This is impressive. Honourable colleagues, I open up debate.

7.02

**MS CECILIA OGWAL (FDC, Woman Representative, Dokolo):** Mr Speaker, thank you for recognising me. Before I contribute, I would like to find out if the rules that we follow in guiding the House could be applied selectively.

I have been looking at the rules - we could start from rule 50 and rule 112, and specifically, I want to comment on rule 114.

Mr Speaker, rule 114(1) says, *“For any Ministry, the Minister, or at least the Minister of State, shall attend sittings of the House, and where none of them is able to attend, the Minister shall request another Minister to represent that Ministry’s interest in the House and notify the Speaker accordingly.”*

The chairperson of the Committee on Agriculture, Animal Industry and Fisheries has given us a very good report. I am very impressed with what this lady Chairperson can do for this country (*Applause*). She has been able to open our eyes to so many areas that some of us probably do not seriously focus on because that is not our sector.

However, for a person like me, who has been reading a lot, I am wondering whether the report we have received today complies with the African Charter of Values and Principles and other charters on agriculture as the pillar of agriculture, not only in Uganda but also in the region and the African Union.

I would like the chairperson of the Budget Committee, who is busy talking to the minister - they should have talked earlier -to tell us whether we have complied with a 15 per cent budget allocation to the agricultural sector.

I know you have talked about over Shs 1 trillion - but how do you compute that in terms of the percentage of the total budget? I would like to be comforted on that.

I am concerned about the presence of ministers because whatever we do - it is only agriculture that touches every voter in this country; it is either through farming - as I do, using the hoe. There are those who are lazy to hold the hoe and rear the cows around the field; there also those who cannot rear cows but rear goats. That is how we survive.

Mr Speaker, if the ministers are too busy, we should probably revise our rules - I am saying this with a lot of concern in my heart because the President normally appoints ministers and sends their names to us to scrutinise and approve. In my conscience, I did scrutinise almost everybody that was sent to us by the President. I was very sure that the ministers appointed would do the work for this country. Now, if every day, you are lamenting that the attendance of the ministers in Parliament is poor, can we please revise our rules?

Otherwise, it will look as if we are just using the rules for a show, but we do not respect them. However, if we respect them, all ministers who cannot come to the House must write to the Speaker so that we know if they are engaged elsewhere.

Going back to the report, I want to conclude by saying that I am happy that the Ministry of Agriculture, Animal Industry and Fisheries has decided to revise and increase the production of cotton. However, before we go to the production side of cotton, can we look at the lint that is now piling up in the country? Can you help us market the lint?

**THE DEPUTY SPEAKER:** I need you to conclude, honourable. I have other Members who have been here for long.

**MS CECILIA OGWAL:** I am concluding, Mr Speaker. The problem I have is that I am a farmer and a very passionate one at that; so, when I decide to talk about agriculture, sometimes I get lost.

Mr Speaker, I beg to appreciate the committee for recommending that we increase the production of cotton, which is so dear to my

heart and also to ensure that we look at the backlog that we now have in the export of our lint, so that we move together with the rest of the country. I thank you, Mr Speaker.

**THE DEPUTY SPEAKER:** Thank you. Hon. Cecilia Ogwal started by raising the issue of ministers being present. Tomorrow at 10.00 a.m., Government Chief Whip, I need a schedule for ministers laid on the Table because not all of them can be here. At least, we need that schedule laid on the Table so that I share it with you, honourable colleagues, and we know which minister is scheduled to appear from each ministry.

Hon. Rwamirama was here earlier on. I think he disappeared a little but came back - no, honourable minister, you cannot be in the lobby when they are presenting your ministerial policy statement; that is not setting a good precedent. However, I am happy you came back because I had received very many queries here like, “we do not have a minister” so it is very important. I know this is a sector you know very well.

Now, honourable colleagues, I think if we are handling a ministerial policy statement here and the minister is not here, what we can do is make a very clear recommendation to the Budget Committee; that on what they are asking as unfunded priorities and they want our support, we do not give anything.

If ministers feel like they do not need to come here and that we shall do for them everything they want - even when they are not here, we add them Shs 100 billion through reallocation. Why would they come? That is not anchored in the rules, but it can be our strategy as we think of more measures of handling them.

When we come to attend the House, let us sit here and do business. People who have been quarrelling that I do not pick them are nowhere. I know some; I can even mention names - some have just come. I think they moved out and found the traffic was too much from wherever they were coming from.

Honourable colleagues, let me open up the debate. Let us take two minutes each. Hon. Paparu, I have not picked you; okay, you will be the first to speak. I am going to ensure we do a quick round. We can do one hour but a quick round. If you have spoken today, please do not stand up.

7.10

**MS LILLIAN PAPARU (NRM, Woman Representative, Arua):** Thank you, Mr Speaker. I would like to thank the committee chairperson and the committee members for the work well done.

I want to echo my voice on the area of pillar 1 of the Parish Development Model, where there is no allocation for storage, production and processing. We are already giving farmers money under the Parish Development Model to start production. If we cannot have a link and allocation for value addition and marketing, then we will be wasting our time. I pray that there is an allocation for pillar 1 of the PDM so that there is a link between production and marketing.

I would like to applaud the committee for the allocation for mechanisation. In West Nile, if one uses a tractor to open land, he or she spends up to Shs 180,000 per acre since tractors are very few in the region. I pray that these allocations for mechanisation, especially the tractors, are well done so that that area can have tractors and the element of mechanisation is improved. That way, we shall increase production.

The element of recruitment of the extension workers is key with the PDM, where we are focusing on monies at parish level to increase production. Without extension workers, of course, farming will be challenged and production will not be achieved. Thank you.

7.13

**MS OLIVER KATWESIGYE (NRM, Woman Representative, Buhweju):** Thank you, Mr Speaker. I would like to look at Votes 125 and 142, that is, about research. The

monies have dropped so much; there are a lot of budget cuts.

Mr Speaker, this time, we should fund and invest in research, if our products are to compete with other countries. I would like to ask that these votes be funded and given more money.

I would like to talk about value addition. We have not seen much in this budget towards value addition. It is very sad that Uganda has invested in some monies - let me give an example of the Buhweju tea growers.

We grow tea and the Government has invested so much money to give seedlings to the farmers, but they do not think much after the tea has grown. Mr Speaker, we do not have enough factories. The small factories we have cannot sustain the green leaf. The Government should look at value addition, if we are to achieve what we are investing in.

7.14

**MS JOVANICE TWINOBUSINGYE (NRM, Woman Representative, Kiruhura):** Thank you, Mr Speaker. I would like to appreciate the committee for the report. The chairperson commented about water for production but in my district, we have old dams that were dug some time back by a one Mulumba. They exist in different parts of the district and they need to be desilted. We need to desilt those dams. Therefore, I would like to know whether desilting those dams has been included in the water for production.

My second concern is on the Foot and Mouth Disease. We have been facing problems over that. I would like to know whether the committee considered routine vaccination of our cattle. This affects the whole cattle corridor. Thank you.

7.16

**MS AGNES ACIBU (NRM, Woman Representative, Nebbi):** Thank you, Mr Speaker. First of all, I want to add my voice to thank the chairperson for this committee.

One of the submissions made by the chairperson that has really impressed me is the issue of farmers who distributed seedlings in the West Nile region, but have never been paid. They distributed coffee seedlings. When the chairperson was reading the names of the farmers in the different regions, West Nile - especially the people from Nebbi District and Zombo District - was not mentioned. Therefore, it is my prayer that as we sit here, we include those areas so the seedling producers are paid their arrears. Thank you.

**THE DEPUTY SPEAKER:** Thank you. Colleagues, I remember something very well on seedlings because I was among the people who pushed this matter seriously, and I still have a very strong memory around it.

There is money that was in the budget; we agreed and the minister promised that that money was going to be provided. But then the nursery bed operators had extra seedlings, beyond the money we had allocated in the budget. The minister said that the nursery bed operators should supply the extra seedlings and they would be paid in two subsequent financial years. This is what was agreed on here.

After we have pushed that far, I do not want us again to say, "No, look for all the money at once", yet we made a commitment here and all of you agreed. We have other competing priorities. Committee on Budget, pick that *Hansard* so we go by the statement the minister brought here, where we all agreed. If money is available, pay.

However, if it is money we are going to be relocating, then it might be difficult, moreover we agreed that it should be paid in two subsequent financial years so these people get the seedlings out of the nursery beds. I felt that information is needed for us to take note, as we push.

Let us have Hon. Leku and after, I will allow Hon. Max Ochai. Reason being, the time he spoke, I provoked him because there is some information I want from him since he is a budgeting expert. It was not his time to speak,

but I will allow him. I saw him standing and then sitting down again.

7.19

**MR JOEL LEKU (NRM, Terego West County, Terego):** Thank you, Mr Speaker. I would like to re-echo the issue of cotton. The budget that has been read by the chairperson says Shs 5.37 has been allocated to the cotton sector. However, he did not indicate clearly the revamping of the ginneries across the country.

We have ginneries, especially in West Nile, that is, in Rhino Camp in Madi Okollo. There is also another in Pakwach. Mr Speaker, this has been an abandoned ginnery for more than 28 years and the farmers who used to grow the cotton actually abandoned it. This means loss of revenue to the families and Government.

We are now moving towards BUBU; Buy Uganda, Build Uganda. Textile factories have now come into the country and these need raw materials, which is supposed to come from these farmers. What the chairperson read clearly did not indicate how we are going to revamp these ginneries. Can the chairperson tell Parliament how ginneries are going to be revamped in this country? Thank you.

**THE DEPUTY SPEAKER:** Honourable member, that is a very difficult question. The stage we are in now is talking about money. We cannot go to policy or research. We are at the stage of saying the ginneries are not funded and they need this much. So, encourage the House to look for that money.

Two, any item at this stage of budgeting - and I would like you to go back to the *Hansards* and look at the budgeting process. You will note that we are only limited to items that are captured in the ministerial policy statements - whether funded or unfunded - because the budget committee cannot introduce a new item from outside the priorities.

So, if you know you have not read through and have a wild dream about something in your area that you want captured, I am sorry. It had to be captured either as unfunded or funded

and then we would be able to recommend it. Isn't it so, Chairperson Committee on Budget? Otherwise, you would be wasting time making such a recommendation. So, let us talk money, not generalities. Hon. Ochai?

7.22

**MR MAXIMUS OCHAI (NRM, West Budama County North, Tororo):** Thank you very much, Mr Speaker, for this opportunity. I find it difficult, at this point, to talk about the allocations without appreciating the economic impact of these injections.

Mr Speaker, according to Rule 146(2)(b) of the Rules of Procedure, the ministerial policy statement was expected to provide us with information on the potential impact of the injections or withdrawals from the economy.

I listened to the report; it is, indeed, quite comprehensive. However, I could not detect what the Shs 1 trillion injection, through the agricultural sector, is going to impact on the economy, particularly as required in the national development plan.

We expected this injection in the economy to impact on agricultural exports over the year and to have potential effects over the medium term period. Could we, therefore, request the committee to furnish us with that data so that we are able to confirm that, actually, what we are allocating here will be meaningful to our economy? I thank you.

**THE DEPUTY SPEAKER:** Thank you. Unfortunately, at this stage, we are not able to because from here - after adopting it - it goes to the Committee on Budget. These are questions which can be asked at the budget committee stage because at that stage, the chairperson of the committee represents a sector and they are asked to justify the budget for their sector.

Honourable colleagues, I am picking you now and, please, I want you to comply properly. I know what time you came. I will start with those who have been here for long. I have seen - no, I know you. If you want me to mention names, I will. So, I will first do a round of those

who have been here with us. They are the most committed. Then, for these ones who have shown us some love very late, we shall see how to accommodate them later.

I can see some are still standing up to now. Please, take your seat. Be disciplined. Let us have Hon. Edakasi, the Member for Budyebo, the Member for Kanungu and then the Member for Kiruhura.

7.25

**MR ALFRED EDAKASI (NRM, Kaberamaido County, Kaberamaido):** Thank you, Mr Speaker. I would like to add my voice to thank the committee and the technical staff. I have been completely impressed by this report. I wish we had money, we could triple the budget for agriculture. It is just a wish.

Mr Speaker, I would like to continue to implore the House that going forward – maybe not this year, but in the following years – we should continue to prioritise agriculture, trade and tourism. These are the areas from where we earn money.

Really, for us to continue giving them less than even one per cent of our budget - If you look at the Japanese, they have concentrated on building cars because they have an advantage. We have an advantage in agriculture, but even the way our budget cuts are, the little we are putting cannot give us much.

Mr Speaker, I am glad that the committee is putting some money on NAADS. At some point, I think we said that all money should go to the Parish Development Model, but the experience in Kaberamaido, after one year, shows that the local people have understood NAADS and, just like *Emyooga*, they have learnt and have improved. So, to see NAADS receiving more money is commendable.

Mr Speaker, the issue of food security is where I want to add my voice. The effect of climate change is ravaging our country and we will continue to experience famines. So, I think continuous allocation of money to NAADS to provide seeds, and continuing to build these dams –(Member timed out.)

7.27

**MR BENARD SEKYANZI (NRM, Budyebo County, Nakasongola):** Thank you, Mr Speaker. I would also like to thank the committee for the wonderful report. However, the committee has not talked about the irrigation scheme, yet they talked about water for production. For example, this can be used to address the issues of drought in the cattle corridor areas, for example, Nakasongola.

There is also a project in Nakasongola – bulk water supply – which is for domestic use. This project would also be used for irrigation because we are blessed by God that Lake Kyoga surrounds Nakasongola, majorly my constituency. So, if the minister takes this into consideration, I think the revenue collection from Budyebo would increase.

Mr Speaker, I would also like the committee to add some money for tractors – or let me amend by moving that we increase the money for tractors from Shs 20 billion to Shs 25 billion because these constituencies in Uganda, majorly in rural areas, need these tractors. For example, my constituency is a very big one and with very good farmers. These people need tractors. If they are availed with these tractors – (Member timed out.)

**THE DEPUTY SPEAKER:** Member for Kanungu?

7.29

**MS PATIENCE KINSHABA (NRM, Woman Representative, Kanungu):** Thank you, Mr Speaker. I want to add my voice to thank the agriculture committee for the good report. I thank them for recommending that the tea seedlings farmers should be paid their arrears. However, we need to internalise issues affecting tea in Uganda.

In Kanungu, we have five tea factories. I recommend that the Government gives tea farmers subsidised or free fertilisers. If we need to keep these factories running, we need to have a lot of green leaf to be able to sustain our factories. Farmers cannot afford fertilisers because the cost of fertilisers is very high today.

Tea brings in over \$90 million to our economy annually. We need to support them.

As Parliament, we need to make a tea policy and law that can regulate the tea sector in Uganda. We need to formulate a policy and law that can govern the tea trade because we export 90 per cent of our tea. We consume 3 per cent locally and 7 per cent is contract by sale.

When you look at all these numbers and the money the tea sector brings in - and in Kanungu, tea farming employs over 40 per cent of our population. So, I recommend that the Government intervenes so that we can support these tea and coffee projects because they are the major cash crops we have in Uganda.

Thank you.

**THE DEPUTY SPEAKER:** Thank you. Let us have the Member for Nyabushozi and then the Member for Apac...

7.31

**MR TWINOMUGISHA KAJWENGYE (NRM, Nyabushozi County, Kiruhura):** Thank you, Mr Speaker. Many countries have got products where they have comparative advantage, at least in the whole of East Africa. And if not the whole of Africa, Uganda has a comparative advantage on food production. So, agriculture is central to us and we should appropriate money to it.

I thank the chairperson for a very good report. She talked about water for production, but it is unfortunate that the water for production docket lies under the Minister of Water and Environment, and does not fall under the Ministry of Agriculture, Animal Industry and Fisheries. That is a misnomer, but all is not lost; we still can do that.

You cannot talk about water for irrigation when you do not control water for production. As we go to the budget stage, this should be rectified. Otherwise, what are you going to use to irrigate?

In my constituency of Nyabushozi County and the entire cattle corridor, we have communal water dams that were constructed long time ago but have not been used; they need desilting, and then you will have a base for irrigation.

Secondly, I am happy that the committee highlighted milk for school consumption. This is good and I support it. In fact, I would want that you budget more for it because it is going to include more domestic consumption, improve the status of nutrition for our children and stabilisation for our prices.

Third, and which is the last, Mr Speaker, the committee has only highlighted one vaccine - the anti-tick vaccine - yet there are several vaccines we must produce. We have already signed a \$500 million deal for our milk but we still have a challenge when it comes to the Foot and Mouth disease.

So, we need to produce vaccines to guard against Foot and Mouth Disease or at least import it and vaccinate our cattle for purposes of our market. I beg to submit.

**THE DEPUTY SPEAKER:** Thank you. Honourable member, you are always a diplomat but today, you hijacked the microphone. So, let us stick to the two minutes. However, the issue of water for production that you have talked about, these are some of the challenges we are facing with programme-based budgeting.

At this stage, we cannot do much about it; we only need to review the budgeting process and see whether we can make some few compromises here and there. Otherwise, for now, under programme-based budgeting, we cannot do much.

7.34

**MS BETTY ENGOLA (NRM, Woman Representative, Apac):** Thank you, Mr Speaker. I also want to thank the committee for the report they have presented here. Uganda is a farming country. I am happy with putting more money into the purchase of tractors so that we can up our productivity.

Cattle breeding is a very good thing to do but for us who come from Northern Uganda, we have not seen this impact. That is why our cattle are of very poor quality. So, I request Government to put more money into this.

On agricultural extension workers, I see they are very thin on the ground yet they are very important. Can Government put more money into these activities to support them because I know they have challenges?

Mr Speaker, it is good we have talked about cotton. However, across the country, I only see the Uganda Prisons growing a little cotton. I think it is even below capacity. Can Government aggressively encourage farmers to grow more cotton?

This agriculture sector needs more funding every year so that –(Member timed out.)

**THE DEPUTY SPEAKER:** Thank you. Hon. Sendawula was here from 2.00 p.m. Do not mind; I will do another round, Hon. Noeline.

7.36

**MS CHRISTINE SENDAWULA (NRM, Woman Representative, Kyankwanzi):** Thank you, Mr Speaker. I also take this chance to thank the chairperson and the committee for the good recommendations. I also thank them for including the cattle corridor in the programmes; I think they know the problems we experience.

When I look at the milk collection centres, I would like to let the House know that the milk production in the cattle corridor of Kyankwanzi, Kiboga and Nakaseke, is now very high.

Therefore, I request that if there is any chance for more funding, that would be good because then, we would get a milk factory in that cattle corridor for more production and to even save our milk from getting spoilt because our production is now high. I thank you.

7.37

**MR STEPHEN MUGOLE (NRM, Kabweri County, Kibuku):** Thank you, Mr Speaker. I thank the committee for the excellent report. I have about two or three issues: the first is that we cannot buy all these structures and plan to buy more without mechanisation centres. Whereas the committee recommends to have them, I would think that all the regions, concurrently, should have mechanisation centres because we cannot have these machines moving without these mechanisation centres. We need them urgently and more money should be put forward, and agree that a reallocation be made to this area.

The other is on the matter of the Parish Development Model. We cannot - in fact, it will be a fallacy if we do not have the extension workers - monies have gone into the farmers - if we do not have extension workers on the ground working but are just being paid salary without facilities to reach the farmers, then this is a fallacy. The Parish Development Model will collapse immediately, if we do not have these extension workers.

Thirdly, I think there is need for synergy among the Ministry of Agriculture and the Ministry of Water, with that of Trade, in two areas - water for production. I am just coming from my constituency, Kabweri and of the beans that were planted, nobody will get anything because there has been a drought spell and you know with beans, within two weeks, you lose everything. We just received water yesterday; we need this water.

So, even if the synergy is going to come in form of a supplementary, we need water for production.

7.39

**MR RWEMULIKYA IBANDA (Independent, Ntoroko County, Ntoroko):** Thank you, Mr Speaker for the opportunity. I would like to thank the chairperson for that wonderful report presented. Uganda is a blessed country, given our climate. I think we would have been the best in food production for the entire Africa but maybe because we were not putting a lot



of emphasis on agriculture, we haven't been to that level.

For instance, if you went to the cattle corridor areas - even if you went to this Karamoja that they are talking about, you will notice that people are hungry yet there is vast land. So, if Government would concentrate on having water for production - which water can be for agricultural production and domestic use. Look at countries like Egypt, which are doing intensive agriculture; but in Uganda, we just concentrate on seasons. I think Shs 25 billion is not enough; more money should be added so that we concentrate on irrigation.

When people want to carry out agriculture on an intensive scale, they need tractors. Since last term - this is my second term - we have been begging for tractors but up to now, we are still stuck on tractors. Committee chairperson, I do not know whether you have provided for more tractors. We need them so that the people who carry out agriculture can sell and get food.

7.42

**MS SUSAN AMERO (Independent, Woman Representative, Amuria):** Thank you, Mr Speaker. I join the rest of my colleagues in thanking the chairperson and the Committee on Agriculture, Animal Industry and Fisheries for the elaborate report. I have a challenge; in the Constitution, Objective XII is about balanced and equitable development. I listened to the report, specifically on coffee and tea seedlings, but I did not hear anything set aside for the Teso Subregion, Karamoja and other regions. If we are to share the national cake, each one has to have their part.

The other issue is on tractors. Members here talked about tractors, but some just kept quiet. They did not want to raise the issue of the distribution of these tractors. I think it needs to be investigated because these tractors seem to be "a scratch my back and I scratch yours" kind of thing. They have only been distributed to the ministers who have something to offer in return. Some people, who do not have ministers or something to offer, will not get these tractors

in their districts. I beg that an investigation is carried out so that these tractors are distributed equally.

I am very happy about NAADS. Thank you very much, committee, for reconsidering allocating money for NAADS because without NAADS, we are bound to have food insecurity. I remember - *(Member timed out.)*

7.44

**MS CHRISTINE KAAYA (NUP, Woman Representative, Kiboga):** Thank you, Mr Speaker. We are here to look at how people are disappointed in agriculture. We are looking out for items and issues that can bring back our people. One of the most disappointing factors is the deteriorating fertility of our soils due to climate change. It is very important that this budget incorporates the issue of organic fertilisers; the same applies to enterprise selection.

I will not comment on the tea farmers because they are very happy, but we also request that more emphasis is put on enterprises that generate food, especially maize and other cereals.

The issue of gene banks coordinated by NARO is very important to safeguard the local varieties that we have. Otherwise, if we do not look at this, the sustainability of our small scale farmers to participate in agriculture is a serious one.

My last contribution is the need for us to establish storage facilities in each region, especially based on the enterprises they engage in. This is very important in order for us to manage some of the prices of these crops.

Regarding the issue of extension workers, you find that one veterinary officer serves more than two subcounties and it is very difficult, especially for women, to access these extension workers. They have to pay, call on somebody for over a week and he has to come to you - these are the issues that disappoint people in taking part - *(Member timed out.)*

7.46

**MS ROSE OBIGAH (NRM, Woman Representative, Terego):** Thank you, Mr Speaker. In the same vein, I thank the committee and the chairperson. The committee has alluded to the fact that the cows you get in West Nile are almost like goats and NAADS is going to improve our breeds; we are thankful.

On irrigation, we applaud you. We thank you. West Nile has fertile soils but our rain period is really short. If we can have irrigation, we will be able to provide food for our people. We also need the hand driven tractors in big numbers.

Mr Speaker, Terego has been the biggest producer of tobacco and yet we do not get a single tractor. This means that we have a lot of vast lands. Honestly, I am on bended knees, to say that Terego needs to be given first priority so that we can mechanise agriculture in this powerful district. I thank you so much.

7.47

**MR HAROLD MUHINDO (FDC, Bukonzo County East, Kasese):** Thank you, Mr Speaker. To the chairperson and the committee, you have never betrayed us. I want to commend the fact that there is support for NAADS. Of course, if you went to our communities and spoke about NAADS, they will recall mango seedlings, oranges, and bananas. We are now headed to cashew nuts, macadamia nuts, and Hass avocado. The question is: what are we settling for, as a country? It is important that we identify what works best for our people.

You also rightly mentioned that cashew nuts, macadamia nuts and Hass avocados are high-value crops. The recommendation was that we make an investment in the cattle corridor. For some of us that live near and around the cattle corridor, during the dry spell, everything green dies and you see something next to dust. I am tempted to think that this is an investment that we will not reap from because we know that there are high and harsh conditions that would not allow the high yields.

Mr Speaker, recently, I watched the President of Zimbabwe telling the whole world that we saw the demand –*(Member timed out.)*

7.49

**MR JONATHAN ODUR (UPC, Erute County South, Lira):** Thank you very much, Mr Speaker. I want to start by appreciating the work of the committee and to mention that if we need to be serious in this country, agriculture should not have unfunded priorities. Every activity in the agricultural budget should be funded because everyone accepts it as our backbone. It is the engine to drive all the other factors that we are talking about. By the time the Budget Committee looks at this report, they should give it due consideration.

Secondly, we know the kind of land tenure system that we have. Although the effort is to ensure that the commercial farmers are supported, we should also be dealing with the transformation from household to subsistence agricultural farmers that should transit from the rudimentary methods to the mechanised methods. If you are to do that, you do not just pick them at once and throw them to the higher levels. That is why I want to support the proposals for the smaller agricultural mechanisation unit, for example, the handheld tractors. We can even talk about the Ox-plough instead of the hand hoes. In the industrial revolution in Europe in 1888, Europe used the Ox-plough; such a long period of time. So, we need to catch up with them.

On the issue of extension workers, I would like to emphasise that given that we have small acreage and since it has been proven that we can have more production per acre, if we do not have access to full time extension services, then we are bound to fail. Even the most elite farmers like us, who are here, will fail from the onset. So, this should be –*(Member timed out.)*

7.51

**MS ALUM SANTA (UPC, Woman Representative, Oyam):** Thank you, Mr Speaker. Allow me join my colleagues in thanking the committee for coming up with a

very good report on this very important sector in this country.

My first issue is on food security. I would like to thank the committee for the relocation to NAADS. The budget for NAADS was constrained but if you look at what they were doing, we were really very happy. How I wish we give more money to NAADS so that the issue of food security - the beans, maize and others - is sorted once and for all.

I would like to mention something about affirmative action. The chairperson talked about North-eastern Uganda but I was eagerly waiting to hear Lango sub-region as far as Maruzi Ranch is concerned. As the colleague from Amuria mentioned, every sub-region must at least get something.

I would like to also mention something about conservation of indigenous genes. Mr Speaker, we are facing a number of problems because of improved genes. For example, you can only plant a crop once, it won't yield the second time is planted. This leaves farmers stranded.

The committee recommended that NARO should interest itself and have a deliberate effort to conserve the indigenous genes. However, I think the committee should look for money to allocate to these very important indigenous genes and crops so that our farmers are not left out.

7.53

**MR JOSEPH SSEWUNGU (NUP, Kalungu West County, Kalungu):** Thank you, Mr Speaker. I would like to also thank the committee and I am happy the minister is around.

I taught Social Studies (SST). In SST, there are various types of mountains. We have the active volcano, dormant and deadly volcano. The agriculture minister has money and we are allocating money. However, from their report, the PDM funds are not under their control. Are they an active volcano or a dead one? As we allocate funds, the agriculture ministry

should have control over all the funds we are allocating to them.

Mr Speaker, there is someone in Kapeeka - when it comes to Operation Wealth Creation, the first funds that are allocated go to that gentleman to manage them politically yet, the expertise is in these other people.

We are lucky the agriculture minister and others are people who worked with Obote; they know how the Obote Government worked and now it managed agriculture. Are we really running agriculture in the actual sense? PC, can you tell us?

Mr Speaker, we are allocating money but these people will remain with skeletons. All the funds that manage agriculture are run politically. Read the report carefully. You will see where the funds are going to be taken. They are going into political issues from the Kapeeka General and all that.

I pray that if we want to make agriculture stronger, it should be managed under the Ministry of Agriculture, Animal Industry and Fisheries. All the funds they are going to remain with will be unfunded priorities yet where there is tangible performance that the funds will work - The PDM is at the parish level - students have run out of universities due to lack of fees. Their parents can only manage, if they have productive agriculture so they can sell the products and get money. Otherwise, at the end of the day, we shall see *-(Member timed out.)*

7.55

**MR PATRICK OCAN (UPC, Apac Municipality, Apac):** Thank you, Mr Speaker. The sector we are talking about is very critical to our economy given its contribution to development and growth. The sector intends to increase household incomes from agro-industry mainly through increased commercialisation, competitiveness of agricultural production and agro processing.

Irrespective of our productivity and level of production, that is, the volumes of the products we shall produce as a country, if we want to remain competitive especially on the international market, we must invest massively in post-harvest handling, storage, increased processing capacities and value addition.

I am saying this because over time, our products suffered rejections across borders. There are very many cases on record. Remember the case of aflatoxins in our products, and our pineapples and avocados that were rejected from the UK markets. I think it is time the sector massively invests in post-harvest handling, storage and value addition while increasing processing capacities. Thank you.

7.57

**MS MARGARET MAKHOHA (Independent, Woman Representative, Namayingo):** Thank you, Mr Speaker. I would like to take the opportunity to appreciate the chairperson of the committee for a great report.

It is important to note that agriculture is the backbone of our country. It is also very unfortunate that although many of our people are in the agricultural sector, we still face food insecurity, implying that as a country, we have not given priority to the sector, so, we produce enough food for ourselves and our neighbours.

Given the fact that we have fertile soils and fresh water bodies compared to other countries we can utilise - I come from Namayingo, which is surrounded by Lake Victoria but we do not have irrigation schemes in the area.

Therefore, I would like to call upon the committee to allocate more money for irrigation, especially for people surrounded by the fresh water, so we can utilise production. This will help the regions around the water bodies during the dry spell to be in position to produce enough food.

It is unfair for us to be in a fertile country, yet we hear other regions dying of hunger, like you saw in Karamoja where people literally had no food to eat.

I would like to, therefore, call upon us to put more money in this sector. Also, as we put money in the PDM and NAADS, I would like to call upon NAADS to distribute the seeds timely because at times, they distribute the seeds very late and in most cases – *(Member timed out.)*

7.59

**MR NOAH MUTEBI (NRM, Nakasongola County, Nakasongola):** Thank you very much, Mr Speaker. I would like to also thank the chairperson for the elaborate report.

A number of colleagues have discussed the agriculture sector, but nobody is mentioning anything about the fisheries sector. I have come to say something about the fishery sector.

Mr Speaker, I have not seen the budget for the fisheries sector. I have only seen some Shs 6 billion for clearing water weed. When you look at the nature of our lakes in this country, many of them have been invaded by water weed and of course, we need some good money to clear water weed from the waters of Lake Kyoga and some other lakes.

I would like to implore the Committee on Budget and this Parliament to look for money so that water weed can be cleared from the lakes.

The second issue is about buying inputs for fishermen. I see we are looking at buying tractors and hoes but how about the fishermen? If we allocate money to buy nets and engines for fishermen, they will say they are Ugandans and adding value to our budget. However, it will be unfortunate if we do not budget for them.

Lastly, Mr Speaker, we have valley dams, which were excavated in the 60s and 70s. Since that time, those valley dams are in our areas, but the Government has not made the intervention to desilt them. My humble appeal is that we look for money and desilt those dams across the country. I thank you.

8.01

**MS PHYLLIS CHEMUTAI (NRM, Woman Representative, Kapchorwa):** Thank you, Mr Speaker. I thank the committee for the very good report that they have presented to us. I also thank them for the many things they have mentioned.

At this moment, I want to talk about research. Research is the way forward for Uganda. We have been depending on other countries, but I want to mention that last week, we visited the centres of excellence in Uganda. We visited Makerere University Agricultural Research Institute Kabanyolo, Uganda Martyrs University, Nkozi, and went up to Mbarara. We saw wonders in research. The only problem is that they get little money.

I implore the committee to consider these centres of excellence so that they are given more money to do more research for us. I saw very many products, especially the organic fertilisers that they have produced. I saw herbicides, acaricides and soil-testing kits. They are doing a lot of things.

In Uganda here, we use fertilisers but in some cases, we do not know that when you put fertilisers in the soil, they may not be absorbed by the roots of the plants because of the pH of the soil.

We discovered that there is need to test the soils first. This research is being done by our children in these centres of excellence. It has attracted very many students *—(Member timed out.)*

8.03

**MS NOELINE KISEMBO (NRM, Woman Representative, Kibaale):** Thank you, Mr Speaker, for the opportunity. I also join my colleagues to appreciate the committee chairperson for the comprehensive report.

I want to add my voice on the issue of water for production. It is becoming increasingly difficult to rely on rain-fed agriculture and our farmers are making many losses. We need a comprehensive approach on water for

irrigation. Apparently, in different districts, they select a few farmers - one or two - and that, really, cannot be an approach that is going to ensure food security in this country.

The chairperson mentioned in the report that the Government seems not to have a plan for irrigation in the country. I pray that the provision that has been put for water for irrigation be provided. Even the budget needs to be enhanced.

Secondly, farmers are having a big problem with counterfeit farm inputs, right from the seeds – both for crops and pasture. When it comes to herbicides and acaricides, there are very many counterfeits and farmers are making losses. I pray that the Government - the minister is here – makes a comprehensive plan to protect the farmers from all these counterfeit products that are on the market. Thank you.

**THE DEPUTY SPEAKER:** Honourable minister? The responses are to do with finances; what is captured now. Those that are not captured are outside the budget framework paper and we cannot have them in the budget committee. Three minutes are enough for you.

Honourable colleagues, I have been seated here since 2.00 p.m. You have an opportunity of moving around, but I do not have it. Tomorrow, at 10.00 a.m., I have to be here.

8.05

**THE MINISTER OF STATE FOR AGRICULTURE, ANIMAL INDUSTRY AND FISHERIES (ANIMAL INDUSTRY) (Lt Col (Rtd) Bright Rwamirama):** Thank you, Mr Speaker. I take this opportunity to thank the committee for a job well done. I also thank Members for their resourceful contributions.

I want to make a few clarifications. The first one is on the recommendation of the committee, on page 30, that NARO invests in deliberate efforts to conserve indigenous genes through establishment of a dedicated genetic bank for plants and animals.

I want to make clarification here that it is not very wise to be a prosecutor and judge in your own case. We have experience of crop conservation under NARO and, really, we have not done very well.

The conservation of animal genes is for the National Animal Genetic Resources Centre and Data Bank. One of the reasons it was created was to conserve the animal genes. I want to inform Members that, actually, we host a regional gene bank for over 21 countries, in Entebbe, under NAGRC&DB.

I would like to advise that we think of another agency to conserve crop genes. NARO can pick whatever they want to do research on and then we adopt the technology. However, conservation, under research, has not done very well.

Secondly, land wrangles between –(*Member timed out.*)

**THE DEPUTY SPEAKER:** Honourable minister, if I can request, let us handle matters with financial implications. For those of a policy nature, I can give you space anytime you request and you come and respond.

**LT COL (RTD) RWAMIRAMA:** Thank you, Mr Speaker. I would like to say that the policy statement captures the priorities and the funding. The recommendations of the committee are an extra effort to improve on what we have been given.

I would like to say that for the first time – I think because of the Parish Development Model – we are, in our budget, at our lowest percentage – almost to 2.1 per cent.

I want to, therefore, thank the committee and Members for their contribution. We are going to take up the recommendations that they have made for further discussion in the Executive. Thank you.

**THE DEPUTY SPEAKER:** Thank you. Chairperson, Committee on Budget and your members, you need to take this seriously. In the end, you will not blame Government. We are

the ones who do appropriation. If we do not give money to agriculture, how are we going to help our local people? (*Applause*)

Honourable colleagues, I now put the question that the report of the Committee on Agriculture, Animal Industry and Fisheries on the Ministerial Policy Statement for Financial Year 2023/2024 be adopted.

*(Question put and agreed to.)*

*Report adopted.*

**THE DEPUTY SPEAKER:** Thank you, honourable colleagues. Thank you, committee chairperson and team. I know you would have wanted to speak more, but I want Members to go and rest so that tomorrow, by 10.00 a.m., we are here.

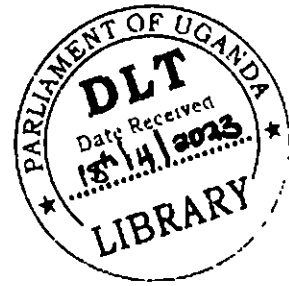
Committee on Budget, you now have some committees which have presented here. Start meeting those committees for coordination and consolidation of the budget so that by the statutory deadline of 30<sup>th</sup>, you would have already finished. We are targeting the 27<sup>th</sup>.

The House adjourned to tomorrow at 10.00 a.m.

*(The House rose at 8.09 p.m. and adjourned until Wednesday, 19 April 2023 at 10.00 a.m.)*



PARLIAMENT OF UGANDA



**REPORT OF THE COMMITTEE ON TOURISM, TRADE & INDUSTRY ON THE MINISTERIAL POLICY STATEMENTS & BUDGET ESTIMATES FOR THE FY 2023/2024**

*[Handwritten signatures]*

**OFFICE OF THE CLERK TO PARLIAMENT**

**APRIL, 2023**


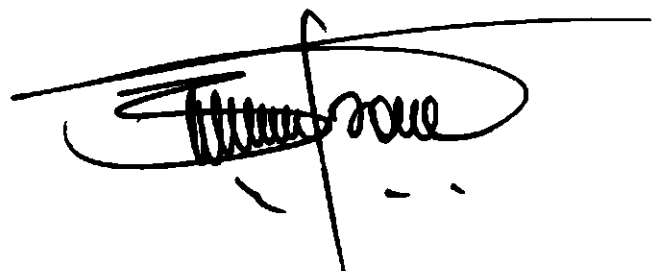
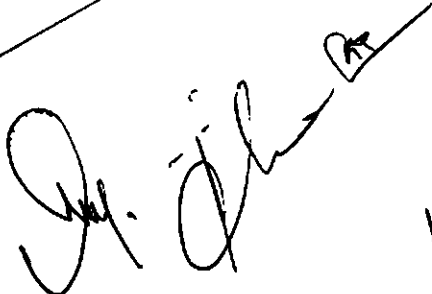
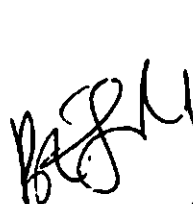
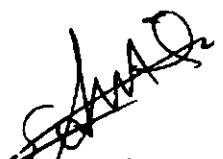

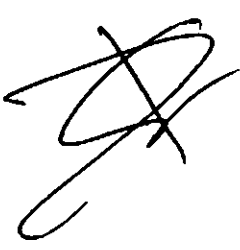
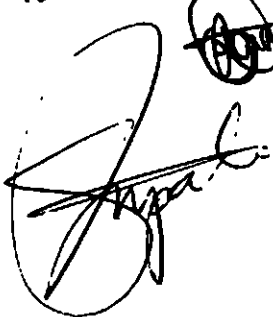
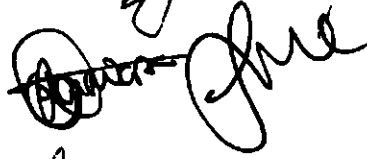
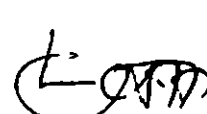
*[Handwritten signatures]*

## Table of Contents

<b>LIST OF ABBREVIATIONS</b> .....	3
<b>1.0 INTRODUCTION</b> .....	6
1.1 Scope.....	6
<b>2.0 METHODOLOGY</b> .....	7
2.1 Meetings.....	7
2.2 Document Review .....	8
<b>3.0 THE TOURISM DEVELOPMENT PROGRAMME</b> .....	9
3.1 Tourism Program Half Year Performance FY 2022/23.....	9
3.2 MTWA's Gender & Equity compliance .....	9
<b>4.0 VOTE 022: MINISTRY OF TOURISM, WILDLIFE AND ANTIQUITIES</b> .....	12
<b>4.1 Major Achievements In 2022/23</b> .....	12
<b>4.1.1 Sub programme Marketing and Promotion</b> .....	12
<b>4.1.2 Sub-programme Infrastructure Product Development and Conservation</b> .....	14
4.2 MTWA Changes in approved and proposed budget allocation.....	15
4.3 Key Planned Activities for FY 2023/2024.....	16
4.4 Committee Observations and Recommendations.....	19
<b>4.4.1 Ministry of Tourism, Wildlife and Antiquities (MTWA)</b> .....	19
<b>4.4.2 Uganda Wildlife Authority (UWA)</b> .....	21
<b>4.4.3 Uganda Hotel and Tourism Training Institute (UHTTI)</b> .....	23
<b>4.4.4 Uganda Wildlife Conservation Education Centre (UWEC)</b> .....	24
<b>4.4.5 Uganda Wildlife Research and Training Institute (UWRTI)</b> .....	25
<b>5.0 VOTE 117: UGANDA TOURISM BOARD (UTB)</b> .....	25
5.1 Major Achievements by UTB FY 2022-23 .....	26
5.2 Key Planned activities for FY 2023/24 .....	29
5.3 Committee Observations and Recommendations on UTB. ....	31
<b>10.0 SOURCE OF FUNDS IDENTIFIED FOR REALLOCATION</b> .....	37
10.1 Proposed Committee Re-Allocations.....	38

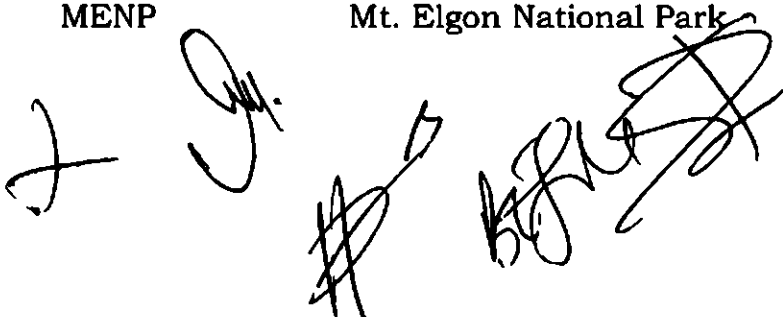
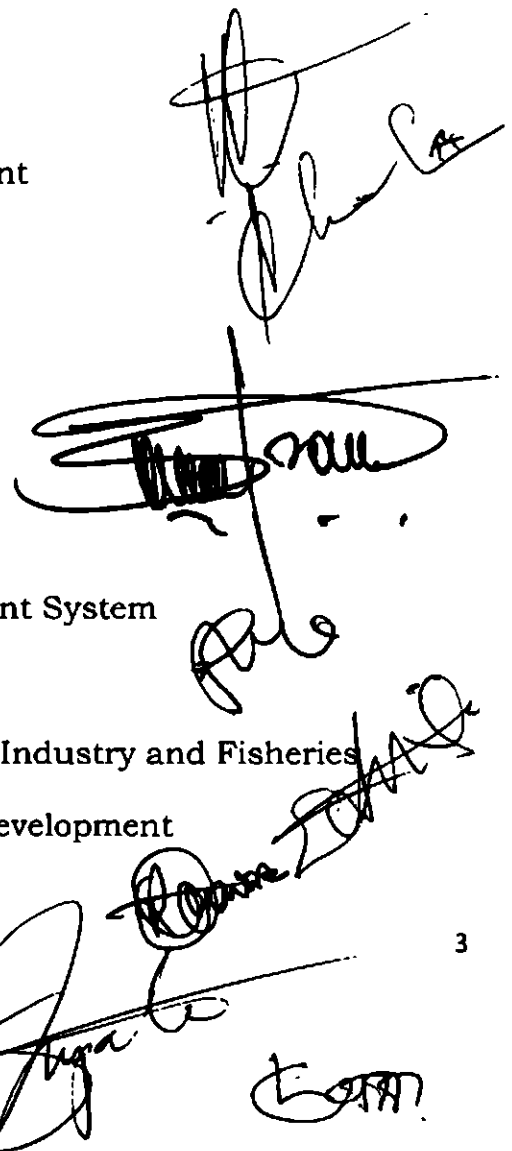


<b>6.0 THE TRADE, INDUSTRY &amp; COOPERATIVES SECTOR</b> .....	40
6.1 Trade and Industry Sector .....	40
6.2 Sector Gender and Equity compliance of the budget for FY 2022/2023 .....	41
<b>7.0 VOTE 015: MINISTRY OF TRADE, INDUSTRY AND CORPERATIVE</b> .....	41
7.1 Committee Observations and Recommendations. ....	44
<b>7.1.1 Ministry Of Trade, Industry and Cooperatives</b> .....	44
<b>7.1.2 Africa Growth Opportunity Act (AGOA)</b> .....	46
<b>7.1.3 Uganda Development Corporation (UDC)</b> .....	47
<b>7.1.4 Uganda Warehouse Receipt Systems Authority (UWRSA)</b> . ....	54
<b>7.1.5 Management Training and Advisory Centre (MTAC)</b> .....	56
<b>8.0 VOTE 136 - Uganda Export Promotion Board (UEPB)</b> .....	57
8.1 Committee Observations: .....	58
<b>9.0 VOTE 154 - Uganda National Bureau of Standards (UNBS)</b> .....	66
9.1 UNBS NTR Performance and Projections for FY 2023/24.....	66
9.2 Committee Observations: ..	69
9.3 General Observations and recommendations in the trade sector: ....	71
<b>11.0 PROPOSED BUDGET ESTIMATES FOR FY 2023/24..</b> .....	74

## LIST OF ABBREVIATIONS

AGOA	African Growth and Opportunities Act
BINP	Bwindi Impenetrable National Park
BUBU	Buy Uganda, Build Uganda
CITES	Convention on International Trade in Endangered Species
CEDP-AF Financing	Competitiveness & Enterprise Development Project-Additional Financing
CFTA	Continental Free Trade Area
COMESA	Common Market for Eastern and Southern Africa
CSBAG	Civil Society Budget Advocacy Group
DCO	District Commercial Officer
EAC	East African Community
EPA	Economic Partnership Agreement
EPZs	Export Processing Zones
FTA	Free Trade Area
FY	Financial Year
GDP	Gross Domestic Product
GoU	Government of Uganda
IFMS	Integrated Financial Management System
LG	Local Government
MAAIF	Ministry of Agriculture, Animal Industry and Fisheries
MEMD	Ministry of Energy & Mineral Development
MENP	Mt. Elgon National Park



MGNP	Mgahinga National Park
MFNP	Murchison Falls National Park
MoFPED	Ministry of Finance, Planning and Economic Development
MoICT	Ministry of Information and Communications Technology
MoLG	Ministry of Local Government
MPS	Ministerial Policy Statement
MTIC	Ministry of Trade, Industry and Cooperatives
MSME	Micro, Small and Medium Enterprises
MTAC	Management Training and Advisory Centre
MTEF	Medium Term Expenditure Framework
MTWA	Ministry of Tourism, Wildlife & Antiquities
NBFP	National Budget Framework Paper
NTR	Non-tax Revenue
NDP	National Development Plan
NPA	National Planning Authority
PA	Protected Area
PBO	Parliamentary Budget Office
PFMA	Public Finance Management Act
PSFU	Private Sector Foundation Uganda
PwDs	Persons with Disability
Q	Quarter
QENP	Queen Elizabeth National Park
SWG	Sector Working Group

*Handwritten signature*

*Handwritten signature*

*Handwritten signature*

*Handwritten signature*

*Handwritten signature*

*Handwritten signature*

*Handwritten signature*

*Handwritten signature*

*Handwritten signature*

TFTA	Tripartite Free Trade Area
TEXDA	Textile Development Agency
TIC-SDP	Trade, Industry and Cooperatives Sector Development Plan
UCA	Uganda Cooperative Alliance
UCPC	Uganda Cleaner Production Centre
UDC	Uganda Development Corporation
UEPB	Uganda Export Promotion Board
UHTTI	Uganda Hotel & Tourism Training Institute
UIA	Uganda Investment Authority
UMA	Uganda Manufacturers Association
UNBS	Uganda National Bureau of Standards
UNCE	Uganda National Commodity Exchange
UNIDO	United Nations Industrial Development Organisation
URA	Uganda Revenue Authority
UWA	Uganda Wildlife Authority
UWEC	Uganda Wildlife Conservation Education Centre
UWRSA	Uganda Warehouse Receipt Systems Authority
UWRTI	Uganda Wildlife Research & Training Institute
WRS	Warehouse Receipt System
WTO	World Trade Organisation

## 1.0 INTRODUCTION

Rt. Hon. Speaker and Hon. Members;

In accordance with Article 155 (4) of the Constitution of the Republic of Uganda, Section 12(1) of the Public Finance Management Act, 2015 and Rule 148 (1) of the Rules of Procedure of Parliament; the Sectoral Committee on Tourism, Trade and Industry scrutinised the Ministerial Policy Statements and Budget Estimates for the Ministry of Tourism, Wildlife and Antiquities and the Ministry of Trade, Industry and Cooperatives for the Financial Year 2023/24 and begs to report.

### 1.1 Scope

The Committee on Tourism, Trade and Industry considered the Ministerial Policy Statements and Budget Estimates for the Financial Year 2023/24 for the Ministry of Tourism, Wildlife & Antiquities and Ministry of Trade, Industry & Cooperatives.

a) The Ministry of Tourism, Wildlife and Antiquities has Entities with and without a vote status. Those with a vote status include;

- Vote 022 – Ministry of Tourism, Wildlife and Antiquities
- Vote 117 – Uganda Tourism Board

Entities without a vote status include;

- Uganda Wildlife Authority
- Uganda Wildlife Conservation Education Centre
- Uganda Hotel and Tourism Training Institute, Jinja
- Uganda Wildlife Research and Training Institute, Kasese

b) Likewise the Ministry of Trade, Industries and Cooperatives has got entities with and without a vote status. Those with a vote status include;

- Vote 015 – Ministry of Trade, Industry and Cooperatives

The bottom of the page contains several handwritten signatures and initials. On the right side, there is a signature that appears to be 'EOM' above the number '6'. Below this, there are several other signatures, some of which are crossed out with a diagonal line. The signatures are written in black ink and vary in style, including some that are very stylized and others that are more legible.

- Vote 154 – Uganda National Bureau of Standards
- Vote 306 – Uganda Export Promotion Board

Entities without a vote status

- Uganda Development Corporation
- Uganda Warehouse Receipt Systems Authority
- Management Training and Advisory Centre

**2.0 METHODOLOGY**

While considering the Ministerial Policy Statements and Budget Estimates for the two Ministries mentioned above; the Committee utilised the following methodology:

**2.1 Meetings**

**External meetings**

The Committee held meetings with the following entities:

**Ministry of Tourism, Wildlife & Antiquities**

- Vote 022 – Ministry of Tourism, Wildlife and Antiquities
- Vote 117 – Uganda Tourism Board
- Uganda Wildlife Authority
- Uganda Wildlife Education Conservation Centre
- Uganda Hotel and Tourism Training Institute, Jinja
- Uganda Wildlife Research and Training Institute, Kasese

**Ministry of Trade, Industry & Cooperatives**

- Vote 015 – Ministry of Trade, Industry and Cooperatives
- Vote 154 – Uganda National Bureau of Standards
- Vote 306 – Uganda Export Promotions Board (UEPB)
- Uganda Development Corporation (UDC)

*[Handwritten signature]*

*[Handwritten signature]*

*[Handwritten signature]*

*[Handwritten signature]*

*[Handwritten signature]*

*[Handwritten signature]*

*[Handwritten signature]*

- Uganda Warehouse Receipt Systems Authority (UWRSA)
- Management Training and Advisory Centre

**The Shadow Ministers in charge of the Tourism (Hon. Masaba Karim and Hon. Francis Mwijukye) Trade Sectors**

**In-house meetings**

- The Committee held in-house meetings to review the issues paper, consider the draft report and sign the final report.

**2.2 Document Review**

The Committee reviewed and made reference to the following documents:

- The Ministerial Policy Statement and Budget Estimates for the Ministry of Trade, Industry and Cooperatives for the FY 2023/24.
- The Ministerial Policy Statement and Budget Estimates for the Ministry of Tourism, Wildlife and Antiquities for the FY 2023/24.
- Approved National Budget Framework Paper and Medium Term Expenditure Framework for the FY 2023/24-FY2027/28.
- Report of the Budget Committee on the National Budget Framework Paper for FY 2023/24-FY2027/28.
- Draft Budget Estimates for the FY 2023/24.
- Recommendations of the Parliamentary Sectoral Committee on the Budget for FY 2022/23.

A collection of handwritten signatures and initials in black ink, scattered across the bottom half of the page. Some signatures are large and stylized, while others are smaller and more legible. There are approximately 10-12 distinct marks, including what appear to be full names and initials.

### **3.0 THE TOURISM DEVELOPMENT PROGRAMME**

The Tourism Development Programme comprises the following votes and affiliated institutions:

- Vote 022 – Ministry of Tourism, Wildlife and Antiquities
- Vote 117 – Uganda Tourism Board

Affiliated institutions:

- Uganda Wildlife Authority (UWA)
- Uganda Wildlife Conservation Education Centre (UWEC)
- Uganda Wildlife Research and Training Institute, Kasese
- Uganda Hotel and Tourism Training Institute, Jinja

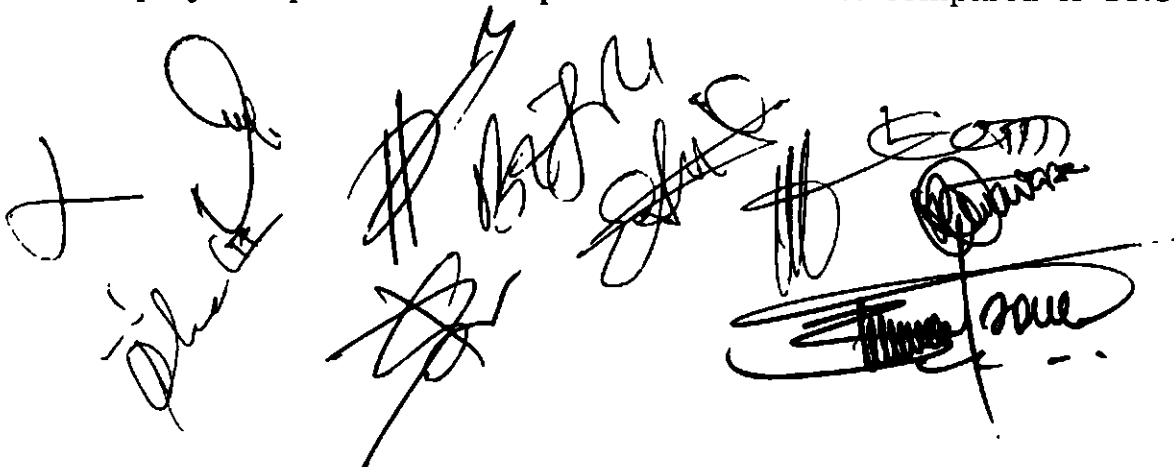
### **3.1 Tourism Program Half Year Performance FY 2022/23**

Tourism program covers Ministry of Tourism, Wildlife and Antiquities and its five subventions namely; Uganda Wildlife Authority, Uganda Hotel and Tourism Training Institute, Uganda Wildlife Conservation Education Centre, the Uganda Wildlife Research and Training Institute and Uganda Tourism Board.

### **3.2 MTWA's Gender & Equity compliance**

In accordance with section 13 (11) (e) (i) of the Public Finance Management Act, 2015, the Minister responsible for Finance shall in consultation with the Equal Opportunities Commission issue a Certificate: a) Certifying that the Budget is gender and equity responsive; and b) Specifying measures taken to equalise opportunities for men, women, persons with disabilities and other marginalised groups.

The Ministry of Tourism, Wildlife & Antiquities registered a huge decline in gender & equity compliance with a performance of 70% compared to 80.6%



Handwritten signatures and scribbles at the bottom of the page, including a large signature on the left and several smaller ones on the right, some appearing to be crossed out or heavily scribbled over.



performance in the previous financial year. This is a 10.6%-point drop from the financial year 2022/23.

**Table 1: Overview of Budget Allocation to Tourism Development Program (Billion, Ugx)**

	<b>Vote/ MDA</b>	<b>Budget category</b>	<b>Allocation in FY 2022/23 (A)</b>	<b>MPS 2023/24 (B)</b>	<b>Change 2023/24 Vs 2022/23 (B-A)</b>
1	MTWA	Wage	2.371	3.797	1.426
		Recurrent	26.128	4.857	-21.271
		Development	11.847	52.640	40.793
2	UWA	Subventions	106.749	106.749	0.000
3	UWEC	Subventions	9.498	9.498	0.000
4	UHTTI	Subventions	6.231	6.231	0.000
5	UWRTI	Subventions	3.485	3.485	0.000
6	UTB	Wage	1.855	4.465	2.610
		Recurrent	21.893	22.765	0.872
		Development	0.093	0.100	0.007
<b>GRAND TOTAL</b>			<b>190.150</b>	<b>214.587</b>	<b>24.437</b>

At program level, budget for the tourism Development program is expected to increase effectively by UGX.24.437Bn. Notable increments of UGX.40.793Billion has been made in the development budget of the Ministry of Tourism, Wildlife and Antiquities.

The bottom of the page contains several handwritten signatures and initials in black ink, including names like 'J. J.', 'B. J.', 'G. A.', 'L. M.', and 'M. S.', along with various scribbles and marks.

**Table 2: Half Year Financial Performance FY 2022/23 (July, 2022 - December, 2023)**

<b>Budget Category</b>	<b>Approved Budget</b>	<b>Released by End Dec</b>	<b>Spent by End Dec</b>	<b>% Budget Released</b>	<b>% of Approved Budget Spent</b>	<b>% Absorption Releases Spent</b>
<b>Wage</b>	4.226	4.864	3.251	115.10%	76.90%	66.80%
<b>Non-Wage</b>	178.511	83.565	71.66	46.80%	40.10%	85.80%
<b>GoU Dev't</b>	11.94	6.974	1.556	58.40%	13.00%	22.30%
<b>GoU Total</b>	194.677	95.403	76.467	49.00%	39.30%	80.20%
<b>Arrears</b>	0.165	0.165	0	100.00%	0.00%	0.00%
<b>Total Budget</b>	<b>194.842</b>	<b>95.568</b>	<b>76.467</b>	<b>49.00%</b>	<b>39.20%</b>	<b>80.00%</b>

**Source: MoFPED - Semi Annual Budget Performance Report FY 2022/23**

The Tourism Program is comprised of two Votes, these include Vote 022; Ministry of Tourism, Wildlife and Antiquities and Vote 117: Uganda Tourism Board.

At Program level, UGX.194.842Bn was approved, out of which UGX.95.568Bn was released. Out of funds released, UGX.76.467Bn was actually spend by half Year (December, 2022). The percentage of the budget released was 49%, the budget spent was 39.20%, and the release spent (Absorption) was 80% by half year of the FY 2022/23.

The bottom half of the page contains several handwritten signatures and initials in black ink. Some are large and stylized, while others are smaller and more scribbled. There is no legible text associated with these marks.

**4.0 VOTE 022: MINISTRY OF TOURISM, WILDLIFE AND ANTIQUITIES**

**Table 3: Half Year Financial Performance FY 2022/23 (July, 2022 – December, 2023)**

Budget Category	Approved Budget	Revised Budget	Released by End Dec	Spent by End Dec	% Budget Released	% Budget Spent	% Releases Spent
Wage	2.371	2.652	1.326	1.31	55.90%	55.30%	98.80%
Non-Wage	151.926	151.926	75.571	67.617	49.70%	44.50%	89.50%
GoU Dev't	11.847	11.847	6.943	1.556	58.60%	13.10%	22.40%
<b>Total</b>	<b>166.144</b>	<b>166.425</b>	<b>83.84</b>	<b>70.483</b>	<b>50.50%</b>	<b>42.40%</b>	<b>84.10%</b>
Arrears	0.165	0.165	0.165	0	100.00%	0.00%	0.00%
<b>Total Budget</b>	<b>166.309</b>	<b>166.59</b>	<b>84.005</b>	<b>70.483</b>	<b>50.50%</b>	<b>42.40%</b>	<b>83.90%</b>

Source: MoFPED - Semi Annual Budget Performance Report FY 2022/23

At vote level, the approved budget was UGX.166.309bn, this was revised upwards to UGX.166.59bn resulting from the supplementary budget of UGX.0.281Bn approved to cater for Wage enhancement for scientists. Out of the revised budget, UGX.84Bn was released while UGX.70Bn was actually spent. The percentage of Budget released was 50.50%, the budget spent was 42.40% and the Release spent (Absorption) was 83.9% by half year of the FY 2022/23.

**Vote 022:** The Ministry of Tourism Hosts four Subventions namely UWA, UWEC, UHTTI and UWRTI

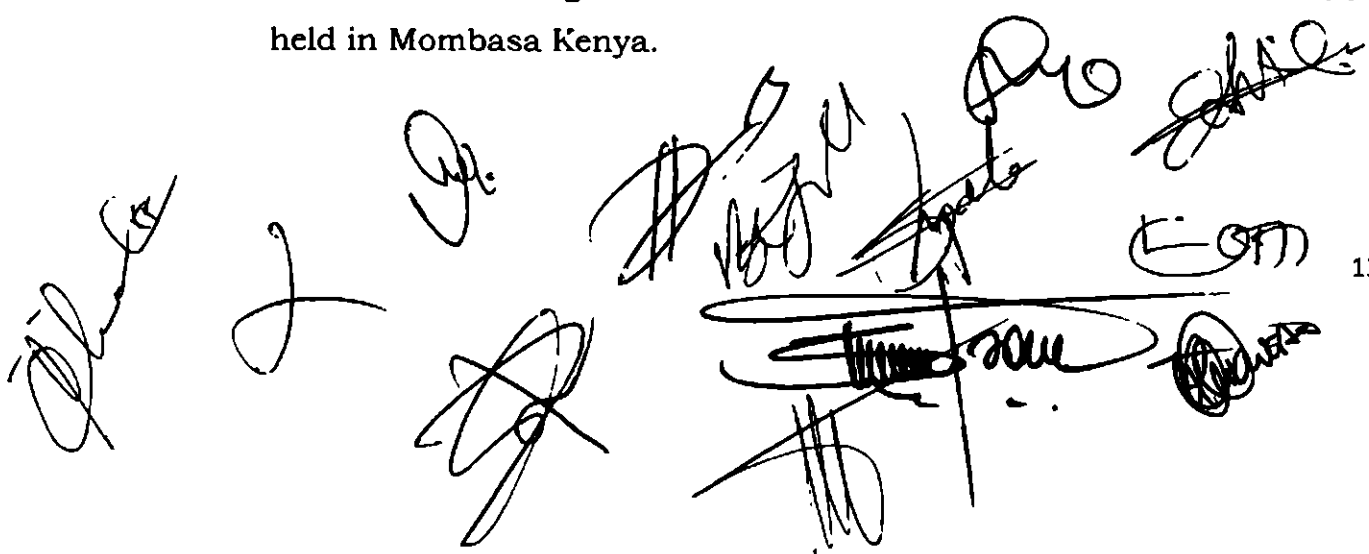
**4.1 Major Achievements in 2022/23**

**4.1.1 Sub programme Marketing and Promotion**

- i. Explore Uganda destination promotional video won three film awards from prestigious world film festivals, that is, International Committee

of Tourism Film Festivals CIFFT 2022 in Valencia Spain, Zagreb Tour film Festival in Serbia and Cannes Media Film Festival in France.

- ii. Explore Uganda brand gained international visibility on CNN where Uganda was recognized as one of the top 23 destinations to visit in 2023.
- iii. Explore Uganda brand was rolled out in three markets at 6 expos Magical Kenya United States Tour Operators Association USTOA Annual Conference and Marketplace Kenya-Uganda Tourism Business Summit in Mombasa, IBTM Barcelona, World Travel Market London Africa Hotel Investment Forum AHIF held in Morocco
- iv. Uganda's Tourism products promoted in 9 domestic and regional tourism events and the Elgon Campaign conducted covering Elgon Cultural Festival Food dance music exhibition of crafts 3 Hills Challenge Taryet marathon with the Champions among others
- v. Digital marketing campaigns and promotions conducted and positive analytics on the social media platforms of a combined post impression of 6586776 and a cumulative post reach of 3410919
- vi. Supported organization of a familiarization tour across Uganda for a delegation of 30 Kenyan tour operators in partnership with Uganda Tourism Association.
- vii. Destination promotion content provided for Uganda Airlines inflight magazine Ngaali Dec 2022-Feb 2023 and Safari Uganda media campaign produced and aired on nation media channels print and broadcast for the festive season
- viii. Coordinated the Uganda Mombasa tourism conference and exhibition held in Mombasa Kenya.



A collection of approximately ten handwritten signatures and initials in black ink, scattered across the bottom half of the page. Some are large and stylized, while others are smaller and more compact. One signature in the center-right appears to be 'L. O. M.' inside a circle.

#### **4.1.2 Sub-programme Infrastructure Product Development and Conservation**

- i. Maintained 58km of electric fence in Protected Areas (PAs) against a target of 61kms.
- ii. Invasive species management continued in PAs with 178.2ha against an annual target of 250 ha of invasive species cleared.
- iii. Maintained a total of 243km against annual target of 416kms of PA boundary. Boundary management continued with 15km of the PAs boundary planted with live markers.
- iv. Law enforcement operations across the country to combat wildlife crime continued smoothly with 5182 patrols conducted.
- v. A total of 850 Rangers against a target of 800 were recruited and trained.
- vi. 868 Rangers trained in military at Kaweweta Recruit Training School.
- vii. A total of 37ha against annual target of 250 ha of the degraded area in Kibaale, Mt. Elgon and Rwenzori mountains restored.
- viii. The Revenue sharing funds worth UUGX 4,002,905,463 was disbursed to communities neighbouring protected areas of Queen, Kibaale and L. Mbuoro National Parks.
- ix. 392.5km of roads were maintained in PAs.
- x. 1,218km of trails, 533km of tracks and 392.5km of roads were maintained and 5 new bridges were installed in Kyambura Gorge to ease chimp tracking within the gorge.
- xi. 15 Historical Sites and Monuments including Partiko Wedelai Nyero kakoro Komuge, Kapir Dolwe Ichagushe Barlonyo and Bigo Byamugenyi were developed and maintained as part of cultural heritage conservation.
- xii. The Museums and Monuments Bill was approved by Parliament. It enhances the utilization, protection and promotion of cultural heritage resources as well as the participation by the host communities in conservation and tourism to benefit from these assets.

- xiii. A total of 503 individual animals 63 species were maintained against target of 260 animals at UWEC
- xiv. A Contractor was procured for the establishment of Tourist facilities, rescue and first aid block dining structure kitchen at Elena camp Rwenzori.

**4.2 MTWA Changes in approved and proposed budget allocation**

<b>Budget Category</b>	<b>Revised Approved Budget FY 2022/23</b>	<b>Proposed Budget FY 2023/24</b>	<b>Change Between Approved &amp; Proposed</b>
<b>Wage</b>	2.652	3.797	1.145
<b>Non-Wage</b>	151.926	130.622	-21.304
<b>GoU Dev't</b>	11.847	52.64	40.793
<b>Total</b>	<b>166.425</b>	<b>187.059</b>	<b>20.634</b>

The proposed total budget allocated to the Ministry of Tourism and all its subventions is UGX.187.059Bn. This is expected to increase effectively by UGX.20.634Bn from the approved UGX.166.425Bn to the proposed UGX.187.059Bn. Changes in specific budget category include Wage and Development which are expected to increase by UGX.1.145Bn and UGX.40.93Bn respectively while Nonwage budget category is proposed to reduce by UGX.21.304Bn. All subventions are funded under the Nonwage category whose budget has reduced.

**UWA Revenue Projections FY 2023/24:**

UWA has various sources of revenue that can be categorized into 3 main categories, namely Appropriations in Aid, Government subventions and Grants and Donations. The Appropriations in Aid broad category is further sub divided into 3 revenue streams i.e. Park entrance, concessions and other income.

### Off Budget Financing

In FY 2023/24, UWA expects support from Development Partners in form of grants and donations to a tune of UGX 46.36 billion as shown in the table below.

Revenue Category	Revenue Category	Forecast	Forecast	Actual
		FY 2023/2024	FY 2022/2023	FY 2021/22
Non Tax Revenue / AiA	PA Entry and Recreational Activities	66.98	56.46	56.23
	Concessions Income	4.74	0.95	3.23
	Other Internally Generated Income	6.37	10.68	6.91
GoU Subvention	Government Subventions	28.66	38.66	51.38
External Finance		46.37	49.08	0.00
<b>Total</b>		<b>153.12</b>	<b>155.83</b>	<b>117.75</b>

### 4.3 Key Planned Activities for FY 2023/2024

#### a) Ministry Of Tourism, Wildlife and Antiquities

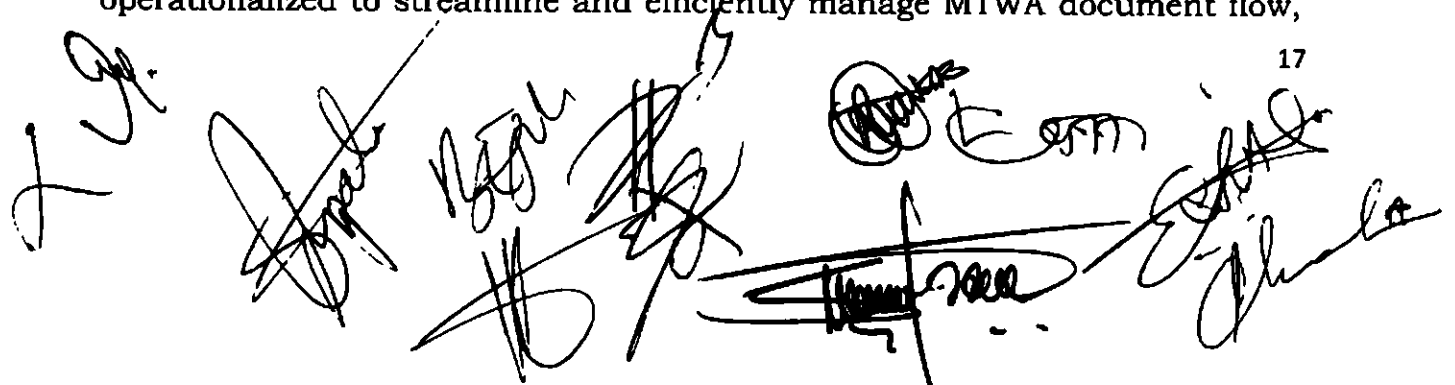
The Ministry reported the following as the key planned activities to be implemented in FY 2023/24:

- i. To develop six (6) museums and cultural heritage sites for cultural tourism and heritage conservation promotion namely Kikorongo Equator monument (in Kasese District); Karamoja Museum and handcraft center (in Moroto district); Napak Open Air Museum Interpretation centre; Fort Portal Regional

Handwritten signatures and initials are present at the bottom of the page, including a large signature that appears to be 'me' and several other scribbled signatures.

Museum and handcraft center; Kibiro community Interpretation centre; Katoosa Martyrs Kyenjojo; and Kabalega-Mwanga site in Dokolo district. The Ministry will also brand and market cultural heritage sites with production and dissemination of a documentary and 10,000 brochures.

- ii. To complete and submit the Rock Art file to UNESCO for enlisting as world heritage site
- iii. To develop the Rwenzori Mountains tourism support infrastructure: Three Tourist camps are planned to be developed and completed (John Matte, Bujuku and Elena) each with cold-proof facilities including 40 pax tourist accommodation, 60 pax porters and guides accommodation, rescue and first aid block, 2 dining structures, 2 kitchens, power and water supply and walk ways. A total of 1,000 metres of climbing ladders will be installed along the Rwenzori Kilembe and Central circuit trails (15.3 bn).
- iv. The Source of the Nile modern pier will be established and completed with facilities including a dock for 19 boats, a viewing bridge, 2 water fountains, outdoor restaurant, sanitary, vehicle parking area, relaxing gardens, staff station and offices, security station and waiting lobbies.
- v. To establish the Source of the Nile Glass Grand view deck with the following; 500 meters of modern walkways and trails; safety equipment (1 km of hand rails and cliff barriers) at the banks of the river; a one km access road; Zip line infrastructure and a total of 100 Solar lights, hotspot wifi and sanitary infrastructure installed.(22bn).
- vi. Continue the mitigating Human-Wildlife Conflict Project: A 15 km long electric fence; 10 water dams; 3 ranger outposts will be established and boundary pillars installed (3.133 bn).
- vii. Retooling of Ministry of Tourism, Wildlife and Antiquities. Two (2) sets of Digital Projection/presentation Display system will be installed at Uganda Museum and headquarters. Twenty five (25) computing Devices and Accessories; An Electronic Document Management system, deployed and operationalized to streamline and efficiently manage MTWA document flow,



The bottom of the page contains several handwritten signatures and initials in black ink. From left to right, there is a signature that appears to be 'J. G.', followed by a large, stylized signature, then another signature, and finally a signature that looks like 'E. S. M.'. There are also some circular stamps or initials scattered among the signatures.



registry and correspondences. Two Motor vehicles and office equipment delivered to support activities to develop and conserve tourism and heritage resources for enhancement of Uganda as a competitive and preferred tourist destination. Tourism Information Management System will be operationalized (TIMS) and 25 tourism data collection centers across the country will be equipped to implement TIMS. (2.6 bn).

- viii. Policy guidance, oversight and support supervision will be provided for the operations in the Tourism Agencies and the private sector: MTWA wage, pensions, gratuity, rent for office space, staff transport, maintenance of office and ICT, utilities.

**b) Uganda Wildlife Authority**

- i. Upgrade protected areas
- ii. Construction and maintenance of staff accommodation
- iii. Relocation of rhinos.
- iv. Maintain the electric fence and construction of valley dams.
- v. Provide protection and guidance for 5 community wildlife areas and 13 wildlife sanctuaries.
- vi. Clear Invasive Species.

**c) Uganda Wildlife Conservation Education Centre**

- i. Construction of a pier/boat docking facility at UWEC shore line.
- ii. Construction of a wall fence around UWEC.
- iii. Establish the Mbale Wildlife Satellite Education Centre.
- iv. Conduct species and ecosystem specific programs in schools and communities.
- v. Monitor performance of existing wildlife clubs and support establishment of 50 new ones.
- vi. Boost UWEC through branding and publicising.
- vii. Develop a business strategy to increase visibility and sustainable financing.
- viii. Improve feeding and health care to the zoo animals.

The bottom of the page contains several handwritten signatures and scribbles. On the left, there is a signature that appears to be 'J. J.'. In the center, there are several overlapping scribbles and signatures, including one that looks like 'H. B. B.'. On the right, there is a signature that looks like 'P. M.' and another that looks like 'G. A.'. At the bottom center, there is a large, bold signature that looks like 'M. M.'. On the far right, there is a signature that looks like 'J. M.'. There are also some circular marks and other illegible scribbles scattered across the bottom section.

**d) Uganda Hotel and Tourism Training Institute**

- i. Operationalise the new UHTTI staffing structure and provision of student's accommodation.
- ii. Conduct training and assessment of 600 students.
- iii. Conduct academic trip and place students for practical training.
- iv. Management of student welfare and admit a total of 428 new students.  
  
Placement of students on internship as part of practical learning and assessment.

**(e) Uganda Wildlife Research and Training Institute**

**The Uganda Wildlife Research and Training Institute plans to:**

- i. Enrol 160 new students
- ii. Conduct research on wildlife.
- iii. Recruit more researchers

**4.4 Committee Observations and Recommendations**

**4.4.1 Ministry of Tourism, Wildlife and Antiquities (MTWA)**

**1. Operationalisation of the Wildlife Compensation Scheme:**

The Committee observed that section 83 of the Wildlife Act, 2019, requires UWA to establish the Wildlife Compensation Scheme; consisting of 2% of monies collected by the Authority for financing compensation claims. The Committee was informed that although 2% of the revenue collected by UWA is annually retained in fulfilment of section 83 of the UWA Act, 2019, section 86(2)(k) requires the Minister of Tourism, Wildlife and Antiquities (MTWA) in consultation with the Board to make regulations to provide for procedures for compensation for injury or death caused to a person or damage to property by a wild animal.

The Committee was however informed by UWA that human-wildlife conflict has increased from 2,000 about five years (2018) to 7,795 in 2023. This translates into a 289.8% increase.

The bottom of the page contains several handwritten signatures and initials in black ink. There are approximately seven distinct signatures, some of which are quite stylized and overlapping. The signatures appear to be from various members of the committee or officials involved in the report.

The compensation scheme was operationalized in 2022 and the wildlife verification compensation committee is currently considering 75 claims. The Committee was informed that there is a general lack of awareness about the existence of this committee. The Committee learnt that UWA is continuing to sensitize the communities about the existence of this committee. It is therefore expected that more claims for compensation under section 84 of the UWA Act 2019 shall be received and considered.

**Recommendation:**

- i. **UWA should invest more resources in creating awareness to the neighbouring communities regarding the existence of the compensation verification committee and the fund.**
- ii. **The UWA compensation verification committee should fast track compensation claims lodged before it in view of the backlog of 7,795 cases of human wildlife conflict reported.**

**2. Lack of adequate tourism statistics to enable effective planning for the sector:**

The Committee observed that tourism statistics are inadequate for the tourism program working group to make informed decisions that affect the program. The working group is unable to monitor tourism arrivals on a daily, weekly, monthly and quarterly basis due to lack of interface between Uganda boarder entry points and the Ministry of Tourism. Furthermore, internally, there is lack of information regarding domestic tourism, accommodation facilities and other tourism services. This is due to failure to conduct surveys and census.

The Committee further observed that in Financial Year of 2023/24, the Ministry allocated UGX 2.6 billion for the operationalization of a Tourism Information Management System and equipping 25 tourism data collection centers across the country.

*[Handwritten signatures and initials]*

*[Handwritten text: ESTT 20]*

*[Handwritten text: JAC]*

*[Handwritten text: Ph...*

**Committee Recommendation:**

**The Committee therefore recommends that the Ministry should be allocated the UGX2.6bn for the operationalization of the tourism information management system which will facilitate real-time generation of tourist data for better planning purposes.**

**4.4.2 Uganda Wildlife Authority (UWA)**

**1. Electric fence**

The Committee observed that human wildlife conflict has been on the increase despite efforts to use electric fencing to stop wild animals from crossing to the communities. In the financial year 2022/23, UWA registered a total of 7,795 cases of human wildlife conflict inspite the efforts by UWA to stop animals crossing from the national parks.

The Committee established that UWA expects to get UGX 10.46 billion from development partners to procure materials for construction of electric fencing in Murchison Falls National Park (47km), Queen Elizabeth National Park (47km) and construction of trenches in Kidepo Nationals Park (25km).

**Recommendation:**

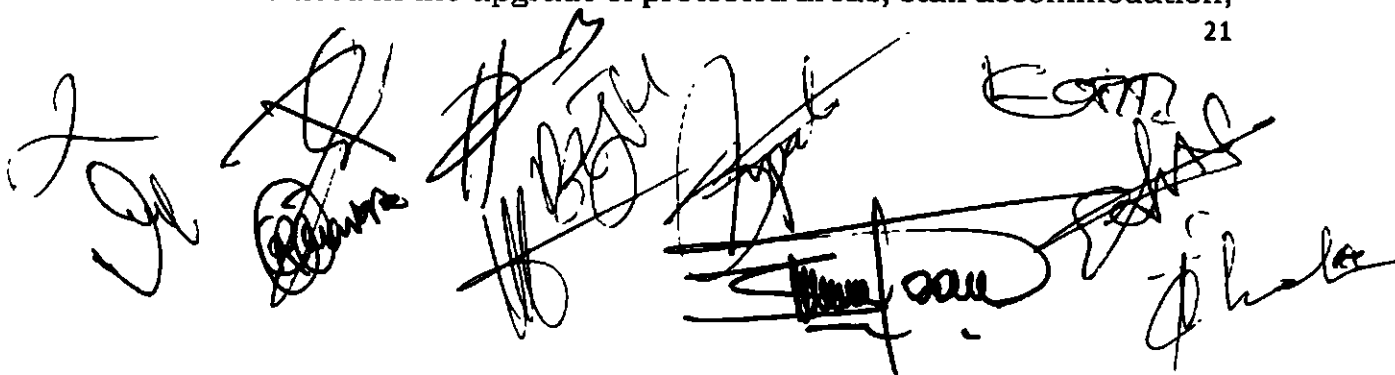
**The Committee recommends that UWA should prioritize completion of fencing and construction of trenches in all the mentioned national parks from the anticipated IFPA-CD project under the World Bank funding.**

**2. Increase in the expenditure ceiling by UWA**

Uganda Wildlife Authority (UWA) is seeking an increase in the expenditure ceiling from UGX106.7 billion to UGX140 billion in the 2023/2024 financial year.

The request is based on the projected NTR collections of over UGX150 billion.

The increase will be used in the upgrade of protected areas, staff accommodation,

The bottom of the page contains several handwritten signatures and initials in black ink. There are approximately seven distinct marks, including a large stylized 'J', a signature that appears to be 'K. B. B.', and another that looks like 'E. M. M.'. The signatures are scattered across the bottom half of the page, some overlapping.

Rhino translocation, electric fence maintenance, valley dams construction and boundary surveillance and maintenance and controlling the wildlife evasive species.

The Committee observes that UWA already has 33.3bn unappropriated NTR collected from financial year 2021/22.

**Recommendation:**

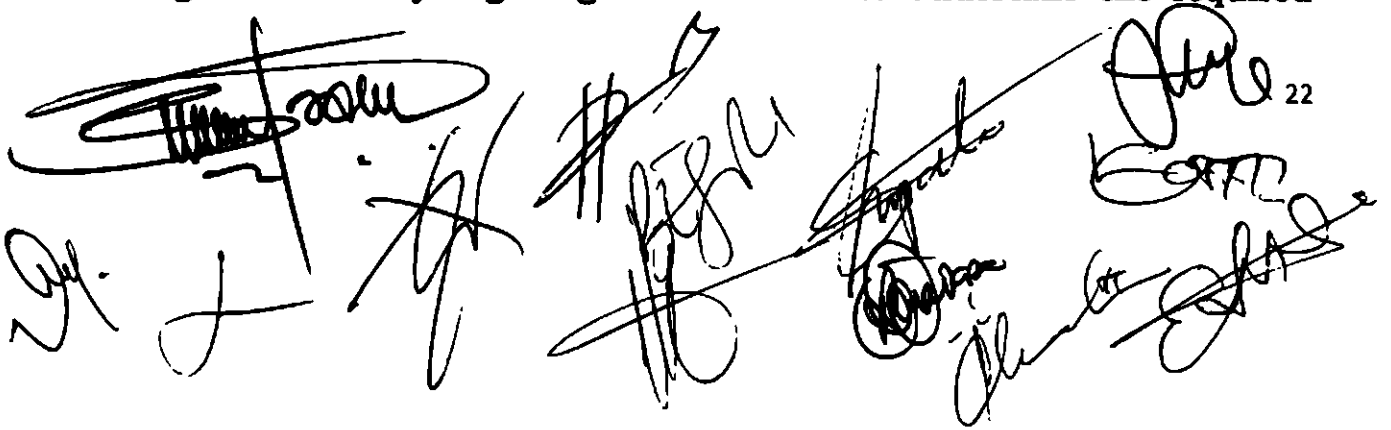
**The Committee recommends that UGX33.3bn be incorporated in the indicative Planning Figures for UWA**

**3. Wildlife Evasive Species:**

Uganda Wildlife Authority (UWA) is mandated under section 6(1)(n) to promote scientific research and knowledge of wildlife and wildlife conservation areas. Consequently, the Authority is working together with Uganda Wildlife Research and Training institute as well as Makerere University, among others to conduct the research. Furthermore, Uganda Wildlife Research and Training Institute (UWRTI) is mandated under section 4 to provide for research and sustainable development of wildlife resources, among, other functions. The institute however is understaffed and has only one researcher. Additionally, the current salary structure is not competitive enough to attract qualified and competent researchers.

**Recommendation**

**The Committee recommends that Uganda Wildlife Research and Training Institute (UWRTI) be allocated UGX 2 billion to operationalize the new staffing and salary structure that will enable it achieve a center of excellence that is internationally competitive in wildlife research and training. This is very urgent given the need to undertake the required**



The bottom of the page contains several handwritten signatures and initials in black ink. On the far right, there is a signature that includes the number '22'. The signatures are scattered across the bottom half of the page, some overlapping each other.

**research to inform interventions to address wildlife management and conservation issues such as wildlife invasive species and disease outbreaks.**

#### **4.4.3 Uganda Hotel and Tourism Training Institute (UHTTI)**

The Committee was informed that UHTTI has planned to spend UGX6.23bn for staff, training and assessment, admitting new student, student's welfare management. The Committee learnt that UHTTI spends UGX.450M per annum on renting hostel accommodation for its students. The institution in its work plan intends to construct its own hostels on the existing land which would cost UGX 5.5 billion. This however has been put under unfunded priorities.

Since UHTTI is a hospitality institution, the students have to be kept within the vicinity of the application hotel and thus the justification for provision of the required funds for the construction of hostels. The Institute is pivotal in the tourism and hospitality industry, therefore, with adequate funding, it should be in position to churn out highly skilled personnel.

#### **Recommendations:**

**The Committee recommends as follows:**

- (i) UGX 6.23bn be provided to UHTTI for its planned activities as proposed.**
- (ii) UGX 5.5 billion needed by UHTTI for operationalisation of the Institute's new staff structure and construction of student's hostels should be provided.**
- (iii) UHTTI reviews its curriculum to meet the current standards which will make it a one stop center for human resource for both public and private entities in the hospitality and tourism industry.**



A collection of approximately ten handwritten signatures and initials in black ink, scattered across the bottom half of the page. Some signatures are large and stylized, while others are smaller and more abbreviated. The ink is dark and the handwriting is cursive.

#### **4.4.4 Uganda Wildlife Conservation Education Centre (UWEC)**

##### ***Establishment of Regional Satellite Wildlife Conservation Education Centre, construction of a pier and a wall fence;***

The Committee was informed by UWEC that, the institution is soon getting a modern 50 seater boat through the Competitiveness & Enterprise Development Project-Additional Financing (CEDP-AF) to boost the Lake Victoria tourism circuit project. The Committee was further informed that notwithstanding the commencement of the procurement process of the boat, the same will require a pier for docking.

The Committee was learnt that UWEC has secured 60 acres of NFA land in the regional cities of Mbale, Gulu, Mbarara and Fort portal for the purpose of establishing a Regional Satellite Wildlife Conservation Education Centres. The first phase of this project will start in Mbale and the other centres will be established subsequently.

Furthermore, the Committee was informed by UWEC that the construction of the wall fence was a pertinent aspect to avoid the human-wildlife conflict, which has proved to be one of the biggest challenges that the neighbouring communities to the protected areas are facing elsewhere.

As thus, the Committee observes that the matters raised above are pertinent if the country is to nurture and grow domestic tourism; enhance and strengthen the security of both the wildlife and humans in the neighbourhood; bring the UWEC education and conservation service closer to the people.

**The Committee therefore recommends that;**

**The Proposed UGX 20 billion be provided to UWEC for the implementation of the projects as follows;**

- **UGX 1 billion for the pier boat docking facility**
- **UGX 4 billion for construction of the wall fence**
- **UGX 15 billion for the Mbale Wildlife Satellite Education Centre**

A collection of handwritten signatures and initials in black ink, some overlapping the text of the list. The signatures are varied in style, including cursive and block letters. One prominent signature on the right side appears to be 'J. M. Muhesi'. There are also several initials and smaller signatures scattered across the bottom of the page.

#### 4.4.5 Uganda Wildlife Research and Training Institute (UWRTI)

The Committee was informed that in the bid to achieve a centre of Excellency that is internationally competitive in wildlife research and training, there is an urgent need to undertake the required research to inform interventions to address the wildlife management and conservation issues, such as wildlife invasive species and disease outbreaks.

**The Committee observes that,**

The research and training institute as an entity that takes a core position in research; for purposes of exploring higher heights in the tourism sector; innovation and coming up with new brands. It is pertinent to note that the research element has not been facilitated, and therefore, not well grounded.

**The Committee therefore recommends that UWRTI be allocated UGX 2bn that is needed to operationalise the new staff restructure. This will propel the training and research to even greater heights.**

#### 5.0 VOTE 117: UGANDA TOURISM BOARD (UTB)

Uganda Tourism Board is mandated to sustainably promote Uganda as a competitive tourism destination for inclusive development.

**Table 4: Half Year Financial Performance for UTB for FY 2022/23 (July 2022 - December, 2022)**

Budget Category	Approved Budget	Revised Budget	Released by End Dec	Spent by End Dec	% Budget Released	% Budget Spent	% Releases Spent
<b>Wage</b>	1.855	4.465	3.538	1.941	190.70%	104.60%	54.90%
<b>Non-Wage</b>	21.893	21.893	5.942	2.559	27.10%	11.70%	43.10%
<b>GoU</b>	0.093	0.093	0.031	0	33.30%	0.00%	0.00%
<b>GoU Total</b>	<b>23.841</b>	<b>26.451</b>	<b>9.511</b>	<b>4.5</b>	<b>39.90%</b>	<b>18.90%</b>	<b>47.30%</b>

Handwritten signatures and initials are present at the bottom of the page, including a large signature on the left, several initials in the center, and a signature on the right. The page number 25 is visible in the bottom right corner.

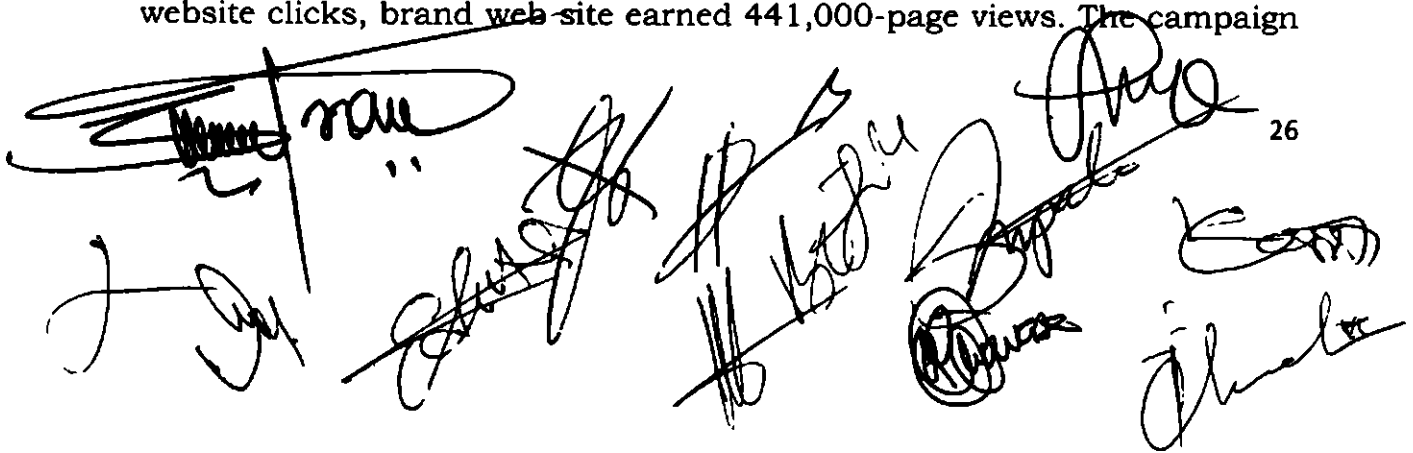


**Source: MoFPED - Semi Annual Budget Performance Report FY 2022/23**

Uganda Tourism Board's approved Budget was UGX.23.841Bn. This was revised upwards to UGX.26.451Bn resulting from the supplementary budget of UGX.2.61Bn approved to cater for Wage shortages. Out of the revised budget, UGX.9.511Bn was released while UGX.4.5Bn was actually spent by half year. Percentage of Budget released was 39.9%, Budget spent was 18.90%, while Release spent (Absorption) was 47.30% by half year of the FY 2022/23.

**5.1 Major Achievements by UTB FY 2022-23**

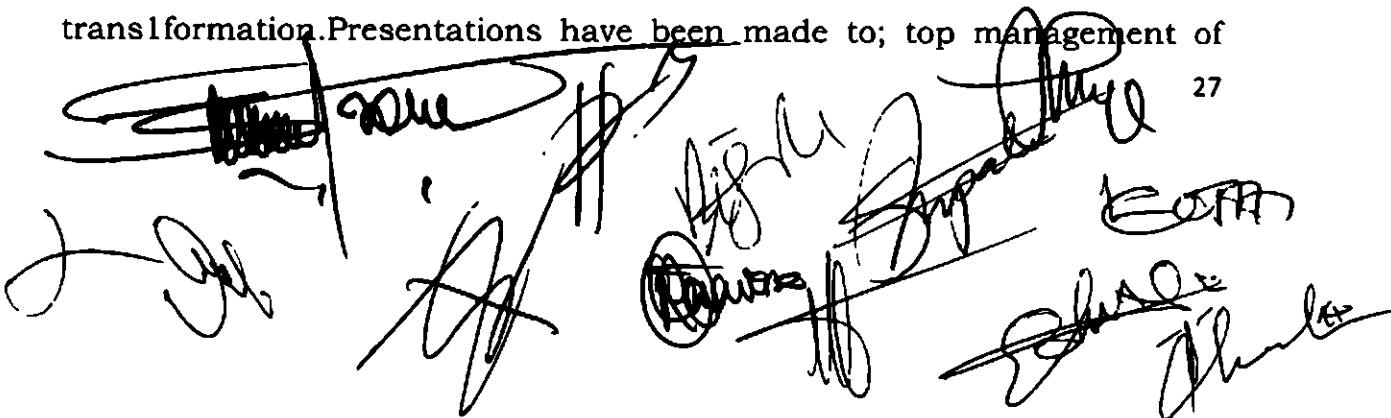
- a) Explore Uganda destination promotional video won three film awards from prestigious world film festivals i.e. International Committee of Tourism Film Festivals (CIFFT) 2022 in Valencia Spain, Zagreb Tour film Festival in Serbia and Cannes Media Film Festival in France.
- b) Registered 228 new tour and travel operators, inspected 201 and licensed 108.
- c) Registered 140 tourist guides, assessed 236 tourist guides in preparation for licensing and licensed 65.
- d) Registered 246 accommodation facilities, inspected 43 and licensed 47 from Eastern and Western Uganda.
- e) Explore Uganda brand gained international visibility on CNN where Uganda was recognised as one of the top 23 destinations to visit in 2023.
- f) Explore Uganda brand was rolled out in three markets at 6 expos (Magical Kenya, United States Tour Operators Association (USTOA) Annual Conference and Marketplace, Kenya-Uganda Tourism Business Summit in Mombasa, IBTM Barcelona, World Travel Market London, Africa Hotel Investment Forum (AHIF) held in Morocco.
- g) Explore Uganda digital brand campaign raised over 1.6 million views on YouTube, Google display ads earned 18 million impressions and 381,000 website clicks, brand web-site earned 441,000-page views. The campaign



Handwritten signatures and initials at the bottom of the page, including a large signature on the left and several smaller ones on the right.

hashtag earned over 1 billion impressions and reached over 90 million unique users.

- h) The Board developed a tourism promotion film – Rwenzori the Source of Life to promote climate change and mitigate its effects on tourism promotion in the Rwenzori region. The video is lined up for awards and international recognition in the CIFFT Circuit 2023.
- i) Destination training for foreign missions was conducted in South Africa, United Kingdom, Germany and Moscow to promote the awareness of the destination in the core and emerging source markets.
- j) The Board developed promotional materials to be used for tourism promotion in partnership with the private sector and the Uganda missions abroad.
- k) UCB secured the bid to host the African Blood Transfusion Conference in March 2024 with an estimated economic impact of USD\$ 0.7 million. In partnership with the Ministry of Health, delegate boosting was conducted in Dakar, Senegal to increase MICE tourism in the MICE landscape. The National Organising Meeting was launched in March 2023 by the Minister of Health and Ministry of Tourism, Wildlife and Antiquities
- l) UCB secured the bid to host the International Association for Impact Assessment 2025 with an estimated Economic impact of USD\$ 3 million. In partnership with the Ministry of Water and Environment, National Environment Management Authority and Uganda Association for impact Assessment, UTB successfully hosted the IAIA Team for a site inspection to Uganda in February 2023 to ascertain Uganda's readiness to host the conference in 2025.
- m) The theory and practice of MICE has been rolled out to different stakeholders both public and private sector as a way of lobbying the mandate of convention Bureau, highlighting the roles of different stakeholders and the impact of the MICE industry on the social economic transformation. Presentations have been made to; top management of



27

Ministry of Tourism, Uganda Revenue Authority, Uganda cancer institute and the Forum for Directors. Commissioners and undersecretaries. The Board continues to secure appointments to make presentations to other MDA's, Universities, Trade Associations, among others.

- n) Explore Uganda brand was rolled out in three markets at 09 expos (Magical Kenya Tourism Expo, United States Tour Operators Association (USTOA) Annual Conference and Marketplace, Kenya-Uganda Tourism Business Summit in Mombasa, IBTM Barcelona, World Travel Market London, Africa Hotel Investment Forum (AHIF), Uganda South Africa Summit, ITB Berlin and the Moscow International Tourism Expo).
- o) Supported the Uganda Tourism Roadshows in Berlin – Germany and South Africa to position Uganda as a preferred tourism destination in these source markets.

**Proposed Budget Allocation for Uganda Tourism Board (UTB) in UGX. Bn**

Budget Category	Revised Approved Budget		Proposed Budget		Change Between Approve & Proposed
	2022/23	FY	2023/24	FY	
Wage	4.465		4.465		0
Non-Wage	21.893		22.765		0.872
GoU Dev't	0.093		0.1		0.007
<b>Total</b>	<b>26.451</b>		<b>27.33</b>		<b>0.879</b>

Proposed total budget allocated to UTB is UGX.27.33Bn. This is expected to increase by UGX.0.879Bn from the approved UGX.26.451Bn to the Proposed UGX.27.33Bn. Changes in specific budget category include; non-wage UGX.0.872Bn and Development UGX.0.007Bn.

## 5.2 Key Planned activities for FY 2023/24

The above proposed resources will enable UTB to implement the following key planned activities;

- i. To roll out Explore Uganda brand in the domestic and international markets (East African region, South Africa, USA, Germany, etc.) through brand promotional campaigns, media advertising (outdoor, indoor, digital), sports advertising, influencer marketing, Expo participation, brand training for Missions abroad.
- ii. Undertake domestic tourism promotion for increased domestic tourism visitors and revenue through POATE 2024, regional cluster tourism promotion for 6 TDAs, Promotion of key national days and events.
- iii. Showcase Uganda's leisure experiences and business opportunities at 3 leisure tourism expos (USTOA 2023, EAC expo & Magical Kenya 2023) and 3 business tourism/Investment expos (IMEX Frankfurt business expo, Meetings Africa 2024, Africa Hotel Investment Forum-AHIF) and international conferences hosted by Uganda.
- iv. Conduct site inspection visits for MICE buyers.
- v. Maintain membership to 3 global MICE associations to support client sourcing in the International Congress and Convention Association (ICCA), Union of International Associations (UIA); Society for Incentive Travel Excellence (SITE).
- vi. Strengthen capacity of stakeholders in MICE and bidding for international meetings, conferences and events to be hosted in Uganda.
- vii. Conduct National MICE audit for 10 major cities to ascertain readiness to host large international events.
- viii. Enforce tourism regulations (150 tour and travel companies registered; 150 tour and travel companies inspected; 100 Tourist Guides registered, 300 assessed for licensing; 200 Tourist Guides licensed; 500 accommodation facilities registered, 500 inspected, 400 licensed).

- ix. 200 accommodation facilities inventoried for grading and classification; 150 accommodation facilities graded; 450 registered and licensed tourism service providers trained in service standards, emerging trends for tourism product development and service delivery
- x. Develop diverse and improved product ranges in collaboration with 12 cities, Local Governments and MDA's i.e. city tourism.
- xi. Develop tourism product portfolios for 12 cities/towns in the country in partnership with the city authorities and Local Governments.
- xii. Conduct tourism research studies and surveys and the Tourism Satellite Account produced.
- xiii. Carry out general administration and support services (Leadership and Management, Board Affairs, Legal, Procurement and Disposal, Public Relations and Communications, Administration, Audit, ICT and Finance).

### 5.3 Committee Observations and Recommendations on UTB

The Committee was informed that Uganda urgently needs a brand to position its destination favourably to potential tourists. Uganda is the only country in East Africa without a recognized brand; Rwanda-*Remarkable Rwanda*, Kenya - *Magical Kenya* and Tanzania - *Unforgettable Tanzania*. The Pearl of Africa Brand recently launched by H.E. the President will awaken the feelings of patriotism but also instil the urgency to promote the destination positively now that the country has an airline. Therefore UTB plans to roll out the "*pearl of Africa*" Brand whose development is complete and ready for roll-out.

The Committee further observed that UTB's mandate of enforcement of quality/service standards in tourist facilities across the country requires a robust fleet of vehicles. The current fleet of operational vehicles is over ten years old and overdue for disposal. There is therefore need to procure vehicles for enforcement of quality standards in the hospitality industry in Uganda.

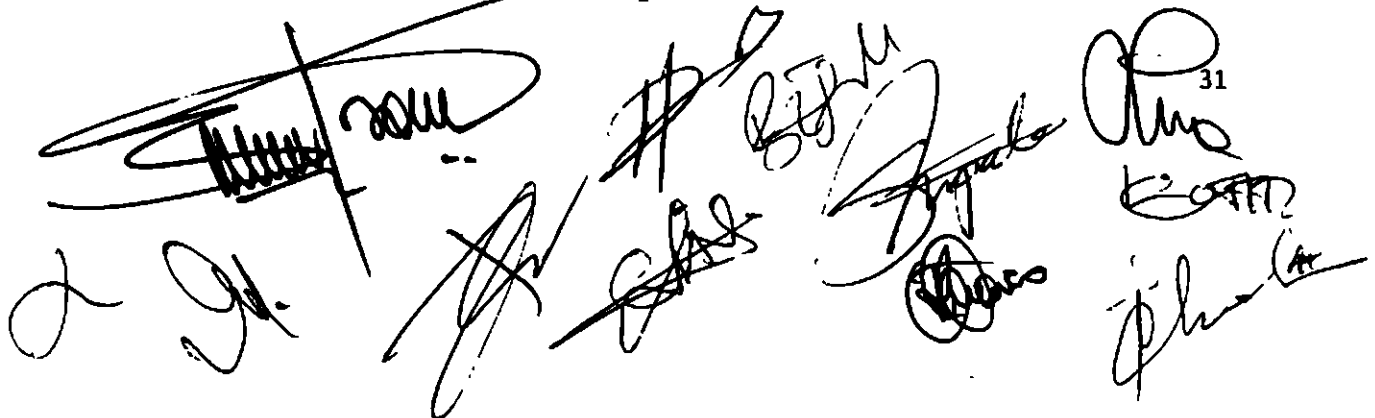
The Committee further observes that there is limited marketing and advertisement of the tourism sector, furthermore, the Committee is concerned about the limited Brand visibility and negative perceptions of the brand within the industry. UTB does not have its own billboards and therefore rents and utilizes billboards belonging to other private entities to advertise tourist attractions in the country.

The Committee further observes that the tourism development levy was established under section 20 of the Uganda Tourism Act, 2008. To this effect, the Act provides that the Minister responsible for tourism may, "after consultation with the Minister responsible for finance, by statutory order, impose a tourism development levy." To-date, this levy has not been imposed.

The Committee is of the considered opinion that the imposition of this levy will be a good source of NTR for the tourism and hospitality sector in Uganda. The Committee is alive to the fact that other countries in the region including Kenya and Tanzania have imposed such a levy. The Committee in its report on the "Impact of Covid-19 on the trade and tourism industry" that was presented and adopted by the House in 2021 recommended the operationalization of this levy specifically USD 10, to be charged on each passenger leaving the Uganda by air. The figures at the time amounted to an average of 31,000 passengers per month and totalling to UGX 1.6Bn per month and UGX 19.2Bn annually.

**The Committee therefore recommends that;**

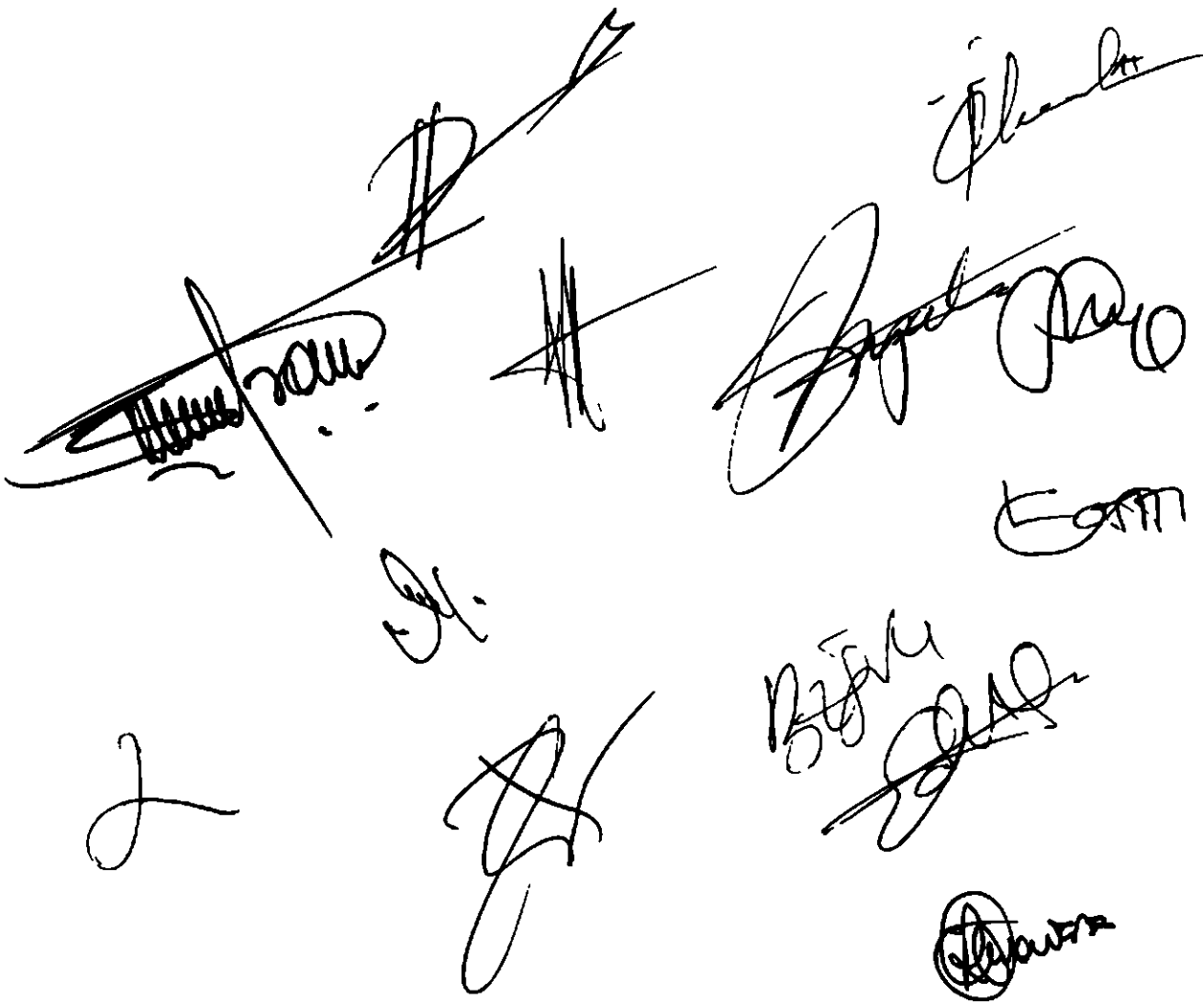
- i. Government should provide 32.0 billion needed to enable UTB to brand and market the country.**
- ii. That UGX2bn be provided for the procurement of a fleet of vehicles to facilitate enforcement and compliance to tourism standards which**



Handwritten signatures and initials at the bottom of the page, including a large signature on the left, several smaller signatures in the middle, and a signature on the right with the number 31 written above it.

will be done through registering, inspecting and licensing tourism service providers.

- iii. UGX 200m should be appropriated to UTB to set up its own billboards. The Committee is of the view that every district in Uganda should have at least 4 billboards, displaying what the country has to offer in terms of tourism attractions. No more funds should be allocated to UTB for hire of billboards until the entity sets up its own.
- iv. GOU should intensify domestic and international media relations to depict a positive destination image in regard to health, safety and security in Uganda.
- v. The tourism development levy which is provided for under section 20 of the Uganda Tourism Act, 2008 should be operationalised to generate more NTR for the tourism and hospitality industry in Uganda.



The bottom half of the page contains several handwritten signatures and initials in black ink. These include a large signature on the left, a signature in the center, a signature on the right, and several smaller initials and signatures scattered below them. One signature on the right appears to be 'Tom'.

**TOURISM DEVELOPMENT PROGRAM - UNFUNDED PRIORITIES**

**Reinstatements required.**

Un/underfunded priority	Funding gap (UUGX bn)	Justification
<p><b>MTWA</b> Reinstatement of MTWA's non-wage recurrent funds for implementation of critical interventions beyond Pensions, Gratuity, Rent and Utilities.</p>	<p>21.1</p>	<p>Need for funds to maintain and preserve the Museums and Cultural Heritage Sites across the Country, political oversight, policy implementation and regulation, statistics and performance assessment, Programme Working groups, Domestic tourism promotion; Operation and maintenance among others.</p> <p>There is need for consolidation of efforts to improve Uganda's Tourism Competitiveness that would lead to more foreign exchange earnings, jobs and revenue, to fund other Government priorities.</p>
<p><b>Sub-Total</b></p>	<p><b>21.1</b></p>	

Handwritten signatures and initials are present below the table, including a large signature on the left and several smaller ones on the right.



**Additional funding requests beyond the reinstatement**

Un/underfunded priority	Funding gap (UGX bn)	Justification
<p><b>UWA</b></p> <p>Increase UWA's ceiling by UGX 33.311 billion; from UGX 106.749 billion in FY 2022/23 to UGX 140.060 billion in the in FY 2023/24 on account of the projected increase in NTR collections.</p> <p><b>Challenges to be addressed include:</b></p> <p>Upgrade of protected areas, Staff accommodation, Rhino translocation, Electric fence maintenance, Valley dams construction, Invasive management and boundary surveillance and maintenance.</p>	<p>33.31</p>	<p>UWA manages 10 national parks and 12 wildlife reserves and provides guidance for the management of 5 community wildlife areas and 13 wildlife sanctuaries.</p> <p><b>Challenges to be addressed include:</b></p> <p>Staff accommodation, Upgrade of protected areas, Rhino translocation, Electric fence maintenance, Valley dams construction, Invasive management and boundary surveillance and maintenance.</p> <p style="text-align: right;"><i>Pure</i></p>
<p><b>UWEC</b></p>		<p>-UWEC's neighborhood is composed of many offices, schools, Entebbe town and the State house. A solid wall fence</p>

*[Handwritten signatures and scribbles at the bottom of the page]*



<b>Un/underfunded priority</b>	<b>Funding gap (UGX bn)</b>	<b>Justification</b>
<p><b>UTB</b></p> <p>Position and promote the destination Uganda brand in eight (8) markets namely; India, China, North American; Africa, UK; German speaking countries; Benelux (Belgium, the Netherlands, and Luxembourg) and Nordics.</p>	32	<p>The roll out of "Pearl of Africa" destination brand needs to be scaled up in these key markets and activities will include deployment of Market Destination Representative (MDR) firms, promotional campaigns and participation in expos/activations.</p>
<p>p). Operationalize the new UHTTI Staff Structure and provision of students accommodation (Construction of Students Hostel)</p>	5.5	<p>This is an effort to achieve a centre of excellence that is internationally competitive in hotel and tourism training in Uganda.</p>
<p>q). Operationalize the new UWRTI Salary and Staff Structure</p>	2.0	<p>This is an effort to achieve a centre of excellence that is internationally competitive in Wildlife Research and Training. This is urgent given the need to undertake the required research to inform interventions to address wildlife management and conservation issues such as wildlife invasive species and disease outbreaks.</p>
<p>Amuru hotspring development for tourism and cultural heritage</p>	0.8	<p>Tourism product development is key in enticing tourists to stay longer,</p>

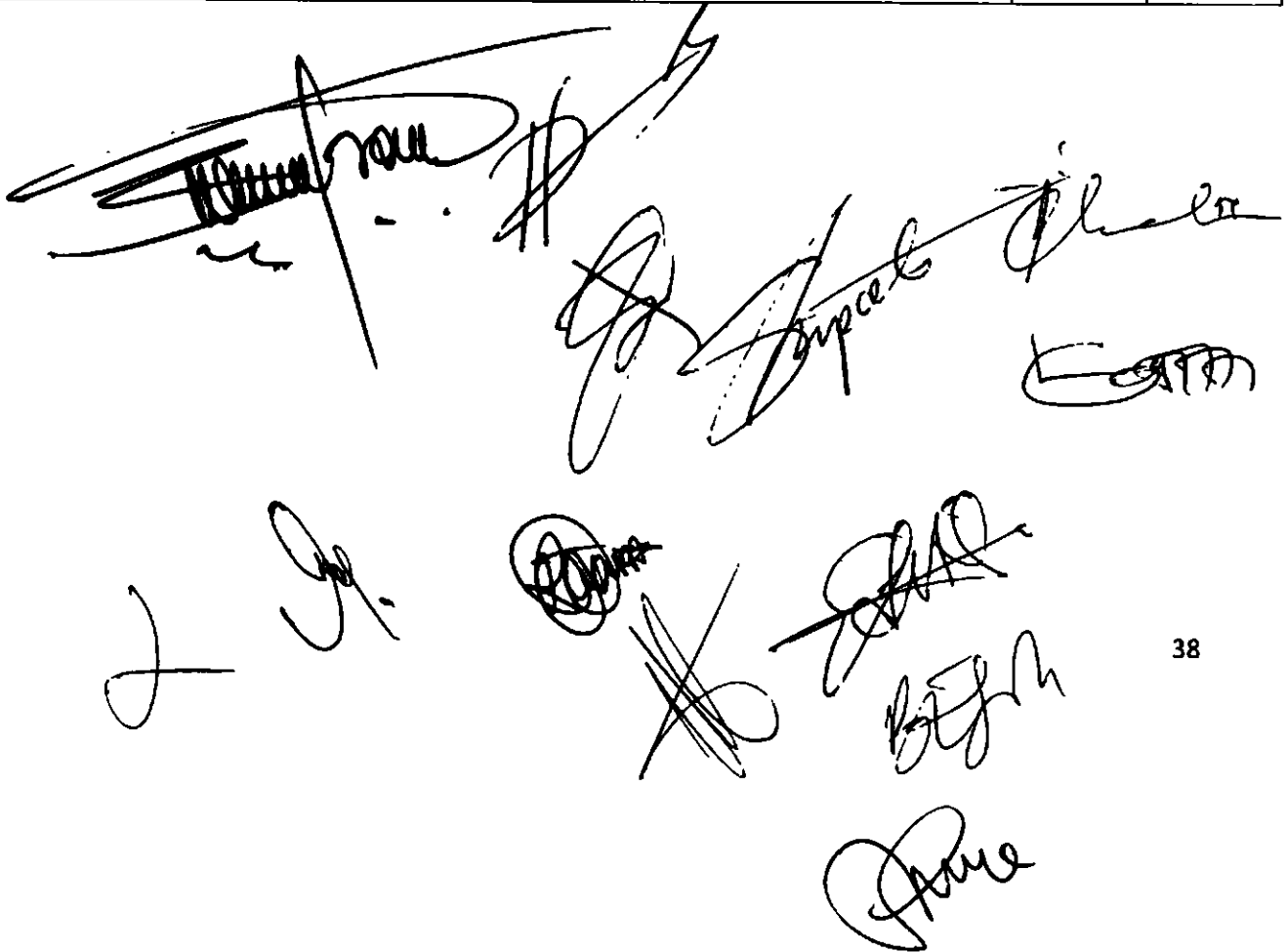
A collection of handwritten signatures and initials in black ink, including names like 'Mau', 'J', 'G', 'B', 'P', 'A', and 'P', along with some illegible scribbles and a date '30/12'.

Un/underfunded priority	Funding gap (UGX bn)	Justification
promotion: Appraisal conducted including consultations, land valuation, Area development plan, EIA, designs and BoQs		spend more and even make repeated visits. Due to gaps in tourism products, an average tourist to Uganda spends on about 80% of the intended amount. We need to continue to develop and improve tourist products to be internationally competitive. This will increase Uganda's tourism earnings and contribution to the economy.
Aruu water falls, Sipi Falls stop over, and Kafu tourist stop over development: Consultations, land valuation and acquisition, Area development plans, EIA, designs and BoQs.	3.5	
<b>Sub-Total</b>	<b>95.81</b>	

### 10.0 SOURCE OF FUNDS IDENTIFIED FOR REALLOCATION

The committee identified UGX.17.5Bn from within the Tourism Development Program and reallocated it within the Program key priority areas. The table below shows identified resources

Source of Funds to be reallocated to other Priorities within the Tourism Development Program(Ugx, Bn)			Recur rent	Devel opme nt
022	Ministry of Tourism, Wildlife and antiquities	UWA revenue potential has tremendously improved. Reduce UWA Government subvention of UGX.28.659Bn allocated during COVID 19 Lockdown when UWA could hardly collect any revenue by UGX.15.7Bn	15.7	
		Review criteria used to Distribute additional development Budget of UGX.40Bn to provide to Provide for Unfunded Priorities of Kafu tourist stop over development Consultations, land valuation and acquisition(1.Bn) and Amuru Hotspring (0.8Bn)		1.8
<b>Total</b>			<b>15.7</b>	<b>1.8</b>


  
 A collection of handwritten signatures and initials in black ink, including a large signature at the top left, several smaller signatures in the middle, and initials at the bottom.

### 10.1 Proposed Committee Re-Allocations

The committee observed that the Tourism Development program entities are grossly underfunded the committee was presented several unfunded priorities however, the following are considered very critical and should be provided for within the financial year 2023/24 through reallocation as follows;

Identified Priorities and of Reallocated Funds within Tourism Development Program			Recurrent	Dev't
022	Ministry of Wildlife, Tourism and Antiquities	UWEC- Construction of Wall fence - 3.2Bn, a Modern Pier - 2.0 and Regional Satellite Educational Center- in Mbale; Eastern region- 7Bn	12.2	
		UHTTI- Jinja to fully fund implementation of structure	1.5	
		UWTRI - Kasese to fully fund implementation of structure to conduct Wildlife related research	2	
		Provide for Unfunded Priorities of Kafu tourist stop over development Consultations, land valuation and acquisition(1.Bn) and Amuru Hotspring to conduct Appraisal, land valuation,		1.8

*[Handwritten signatures and scribbles at the bottom of the page]*



## 6.0 THE TRADE, INDUSTRY & COOPERATIVES SECTOR

The Trade Sector comprises the following votes and affiliated institutions:

Vote 015 – Ministry of Trade, Industry & Cooperatives

Vote 154 – Uganda National Bureau of Standards

Vote 136 – Uganda Export Promotion Board

Vote 500 - Local Governments

### Affiliated institutions:

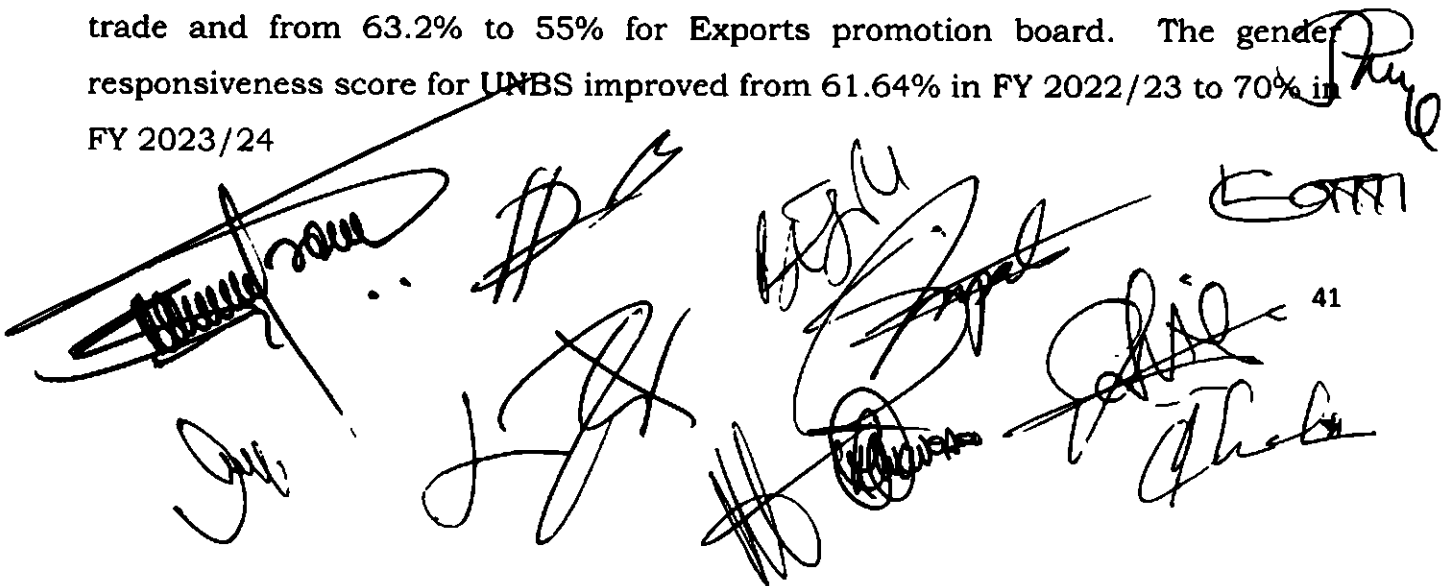
- Uganda Development Corporation
- Uganda Warehouse Receipt Systems Authority
- Management Training and Advisory Centre
- AGOA Secretariat

### 6.1 Trade and Industry Sector

The sector comprises of four votes that contribute to development and promotion of competitive and export-led private sector and these include: Vote 015 - Ministry headquarters which hosts Uganda Development Corporation, (UDC), Uganda Warehouse Receipt Systems Authority (UWRSA) and Management Training and Advisory Centre (MTAC). Vote 154 - Uganda National Bureau of Standards (UNBS), Vote 136 - Uganda Export Promotion Board (UEPB) and Vote 500: Local Governments (District Commercial Officers)

### 6.2 Sector Gender and Equity compliance of the budget for FY 2022/2023

In accordance with the Public Finance Management Act, 2015 Section 13 (11) (e) (i), the gender responsiveness score for the Ministry of trade and Exports promotion declined in FY 2023/24 declined ie from 70.9% to 68% for ministry of trade and from 63.2% to 55% for Exports promotion board. The gender responsiveness score for UNBS improved from 61.64% in FY 2022/23 to 70% in FY 2023/24



Handwritten signatures and initials are present at the bottom of the page, including a large signature on the left, several initials in the center, and a signature on the right. A circled signature is also visible in the lower right quadrant.



**Table 5-Gender & equity score of institutions in the trade sector**

Score / FYs	2019/20 (%)	2020/21 (%)	2021/22 (%)	2022/23 (%)	2023/24 (%)
<b>Ministry of Trade, Industry &amp; Coops</b>	53	63	68	70.9	68
<b>Uganda Export Promotion Board</b>	51	64.4	58	63.2	55
<b>Uganda National Bureau of Standards</b>	63	64.4	66	61.64	70

**7.0 VOTE 015: MINISTRY OF TRADE, INDUSTRY AND CORPERATIVE**

The Ministry of Trade Industry and Cooperatives hosts a number of subventions that have no vote status these subventions contribute to three Programs (Manufacturing, Agro-industralisation, Private Sector Development). The various subventions hosted by Vote 015 are ; Management Training and Advisory Center(MTAC) , Uganda Development Corporation (UDC) , Uganda Warehouse Receipt System(UWRSA) and Africa Growth Opportunity(AGOA). The following table shows aggregated Half year financial performance of Vote 015. This brief provides an overview of sector budget allocations to implement policy and performance issues emerging out of budget execution.

**Table 6: Half Year Financial Performance Fy 2022/23 (July, 2022 - December, 2023) (Billion, Ugx)**

Budget Category	Approved Budget	Revised Budget	Released by End Dec	Spent by End Dec	% Budget Released	% Budget Spent	% Release Spent
Wage	3.174	3.248	1.606	1.591	50.60%	50.10%	99.10%
Non-Wage	110.876	498.283	414.662	409.412	374.00%	369.30%	98.70%
GoU Devt	23.055	23.055	7.685	5.923	33.30%	25.70%	77.10%
GoU Total	137.105	524.586	423.953	416.926	309.20%	304.10%	98.30%
Arrears	0.822	0.822	0.822	0.781	100.00%	95.00%	95.00%
<b>Total Budget</b>	<b>137.927</b>	<b>525.409</b>	<b>424.775</b>	<b>417.707</b>	<b>308.00%</b>	<b>302.80%</b>	<b>98.30%</b>

**Source: MoFPED - Semi Annual Budget Performance Report FY 2022/23**

The Ministry of Trade, Industry and Cooperatives and its subventions approved budget was UGX.137.927Bn and this was revised upwards to UGX.525.409Bn resulting from the supplementary budget of UGX.387.481Bn to UDC meant for Horyal (UGX.274.11Bn, Abubaker Technical Services (UGX.26.15Bn) and Munyonyo Non Aligned Convention Centre (UGX.86.4Bn) and UGX.0.074Bn to cater for Wage enhancement for scientists in the Ministry. Out of the revised budget, UGX.424.775Bn was released while UGX.417.707Bn was actually spent. The percentage of Budget released was 308% while Budget spent was 302.80% and Release spent (Absorption) was 98.30% by half year of the FY 2022/23.

Handwritten signatures and initials, including names like 'J', 'BEN', 'CHAO', 'Supa', 'Lina', 'Pine', and others, are present at the bottom of the page.

**Table 7: Budget Allocation for Ministry of Trade Industry and Cooperatives (Billion, Ugx)**

<b>Budget Category</b>	<b>Approved Budget FY 2022/23</b>	<b>Revised Budget FY 2022/23</b>	<b>Budget Estimated FY 2023/24</b>	<b>Change Between Approved and Proposed Budget</b>
Wage	3.174	3.248	3.248	0.074
Non-Wage	110.876	498.283	78.956	-31.92
GoU Devt	23.055	23.055	0.226	-22.829
Arrears	0.822	0.822	0.335	-0.487
<b>Total Budget</b>	<b>137.927</b>	<b>525.409</b>	<b>82.764</b>	<b>-55.163</b>

Total Budget for Ministry of Trade Industry and Cooperatives is expected to reduce by UGX.55.163Bn from the approved UGX.137.927Bn to UGX.82.764Bn proposed allocation. Specifically, Non-wage and Development Budgets are expected to reduce by UGX.31.92Bn and UGX.22.83Bn respectively. Spec

**Table 8: Budget allocation to Ministry's Subventions (Billion, UGX)**

<b>MDA/Subvention</b>	<b>Approved Budget FY 2022/23</b>	<b>Proposed Budget FY 2023/24</b>	<b>Change in Budget Allocation</b>
Ministry of Trade Industry and Co-ops	61	28.7	-32.3
Uganda Development Cooperation (UDC)	439	37.2	-401.8
Uganda Warehouse Receipt Syst. Authority	15	12.0	-3
African Growth and Opportunity Act (AGOA)	0.55	0.1	-0.45
Management Training and Advisory Center (MTAC)	7.5	4.4	-3.1
Local Governments	2.2	2.8	0.6
<b>Total</b>	<b>525.25</b>	<b>85.2</b>	<b>-440.05</b>

Budget for all subvention under the Ministry of Trade is expected to reduce by a total of UGX.440.05Bn. Significant budget reductions are observed on UDC-440Bn (one-off supplementary), MTIC-32.3Bn, UWRSA-3Bn, MTAC - 3.1Bn and AGOA-0.45Bn.

**7.1 Committee Observations and Recommendations**

**7.1.1 Ministry Of Trade, Industry and Cooperatives**

**1. Establishment of a Co-Operative Bank**

The Committee was informed that the Ministry is planning to establish a Co-operative Bank for farmers. In May 1999, the Uganda Co-operative bank was closed, and the reasons for its closure were inadequate capitalization and insolvency to the tune UGX 4.8 Billion, as at 31 December 1998. The closure exposed farmers to the mercy of Commercial Banks, which currently dominate the financial sector. Their financing model is not accommodative of small firms and rural borrowers due to their stringent credit standards, high interest rate and other requirements.

The Committee was informed further that the Ministry is not desirous of reviving the previous bank due to several outstanding liabilities but will instead establish a completely new entity.

**Recommendation:**

**The Committee recommends that 1Bn is provided to the Ministry responsible for Trade to initiate processes for establishment of the Cooperative Bank.**

**2. Lack of Tea Sector Quality Regulation**

The Committee observed that Government through UDC has invested heavily in the tea sector which has propelled the sector to a high growth trajectory. However, it cannot achieve the desired revenue due to low grading resulting

The bottom of the page contains several handwritten signatures and initials in black ink. On the left, there is a large signature that appears to be 'J. G. ...'. In the center, there are several smaller signatures, some of which are crossed out with a diagonal line. On the right, there is a signature that looks like 'L. ...' and another one below it. The page number '45' is written in the top right corner of this section.

from lack of tea quality regulation. Ugandan tea has been fetching **US\$1.5 per a kg** compared to **US\$2 per a kg** charged by their counterparts (Kenya and Rwanda). This is due to quality compromises.

The Committee further learnt that Uganda tea is being repackaged at port Mombasa and re-exported, thus Uganda is losing a lot of foreign exchange. The only tea auction market is in Mombasa, therefore Uganda has to transport its tea to Mombasa auction market which has a cost implication.

**The Committee recommends as follows:**

**(i) The Committee reiterates its earlier recommendation that the Minister of Trade, Industry and Cooperatives should commence the process of reviewing and updating the laws regulating the Uganda tea sector.**

**(ii) Government should open a tea auction market in Uganda. When this is done, Uganda tea traders will earn more and the country will earn more foreign exchange. The tea traders will be in position to sell their products at less operational costs.**

The bottom half of the page contains several handwritten signatures and initials in black ink. On the left, there is a large, stylized signature that appears to be 'John' with a long horizontal stroke. Below it is a smaller signature. In the center, there are several scribbled-out signatures, some with circular marks. On the right side, there are more distinct signatures, including one that looks like 'Bill' and another that appears to be 'John' with a large flourish. The signatures are scattered and do not form a formal list.

## UNFUNDED PRIORITIES FOR THE TRADE AND INDUSTRY SECTOR

### MINISTRY OF TRADE UNFUNDED

Sn	Item	Estimated Cost
1	Trade Negotiations	3.00
2	Vehicles for MTIC	3.00
3	Audit of SACCOs	2.00
4	Coordination of Manufacturing Programme	2.00
5	Processes for Restoration of Co-operative bank	1.00
6	Commercial Attaches	5.00
7	Transport for Commercial Officers	24.65
	<b>Total</b>	<b>40.65</b>

#### 7.1.2 Africa Growth Opportunity Act (AGOA)

The African Growth and Opportunity Act (AGOA) provides duty-free access to the U.S market for over 6,000 products.

#### Observations:

1. The US government offered Uganda 5000 items, but Uganda is able to export only 31 items. The implementation of the objectives of AGOA is essential for the achievement of the goals of the Ministry of Trade. The Ministry has several entities like UNBS that generate non tax revenue. AGOA on the other hand, is in position to provide direct access to the USA market for Ugandan products and goods.
2. The Committee observed that in the previous financial year, the approved budget for AGOA was 550 Million, however, in the proposed budget, the budget has been reduced to 100Million only.

Handwritten signatures and initials are present at the bottom of the page, including a large signature on the left, several smaller signatures in the center, and a signature on the right that appears to be 'E. O. O. O.'. There is also a signature that looks like 'Phalca' at the bottom right.

3. The committee observes that AGOA is a great opportunity for the Ugandan economy and its funding should be prioritised. AGOA is currently run by only three members of staff and as such, it would need a revival if its objectives are to be achieved. AGOA plans to increase awareness among the current exporters, the general public and key stakeholders. AGOA also plans to facilitate exporters of key identified products to attend exhibitions in the USA and recruit experts to advise on increased volume and quality of targeted products and their penetration of the USA Market.

**Recommendations**

**The committee recommends as follows:**

- (i) **AGOA should be revived, recapitalized, staffed to capacity and made a funding priority of the Ministry, this will give AGOA the opportunity to maximize the export capacity awarded by the USA Government to Uganda.**
- (ii) **UGX. 3.093 billion needed by AGOA should be provided. If more resources are allocated to AGOA, it will be able to increase more markets for Ugandan products to the US and other countries.**

**7.1.3 Uganda Development Corporation (UDC)**

**Allocation of Proposed Budget under Uganda Development Corporation**

Wage & benefits (NSSF & gratuity)	7.34
UDC Operations (non- wage)	6.30
<b>Sub-total</b>	<b>13.64</b>
<b>B Development projects FY 2023/24</b>	
Busoga sugar factory	1.88

*[Handwritten signature]*

*[Multiple handwritten signatures and initials are present at the bottom of the page, including names like 'Simplicia', 'J', and others.]*

Soroti - Working Capital	3.491
Cocoa processing factory in Bundibugyo	4.65
Potato processing factory	1.00
Sponge iron manufacturing factory	4.00
Feasibility/ business plans/investment appraisal / business valuation/ value chain studies	2.45
Sanga Vet Chem (U) Ltd	4.00
Packaging plant	1.00
Delight Uganda, Ltd	1.0
<b>Subtotal</b>	<b>23.45</b>
<b>Grand Total</b>	<b>37.22</b>

Proposed budget for UDC is UGX.37.22Bn out of which UGX.13.64Bn is allocated for Recurrent /operations activities while UGX.23.57Bn is allocated to Capital Development -Projects see table above.

**Committee Observations:**

**In regard to UDC, the Committee observed as follows:**

The Committee observed that as follows:

1. Section 28 of the UDC Act established an industrial and economic development fund, which fund is supposed to be utilised to implement the objects of the Corporation including but not limited to the industrial and economic development of Uganda.

**The Committee recommends that funds be allocated to UDC subject to the following;**

- (i) **The management of UDC should improve implementation processes by ensuring that regulations and guidelines for the control and management of funds are in place.**

A collection of handwritten signatures and initials in black ink, some overlapping, located at the bottom of the page. The signatures vary in style, with some being more legible than others.



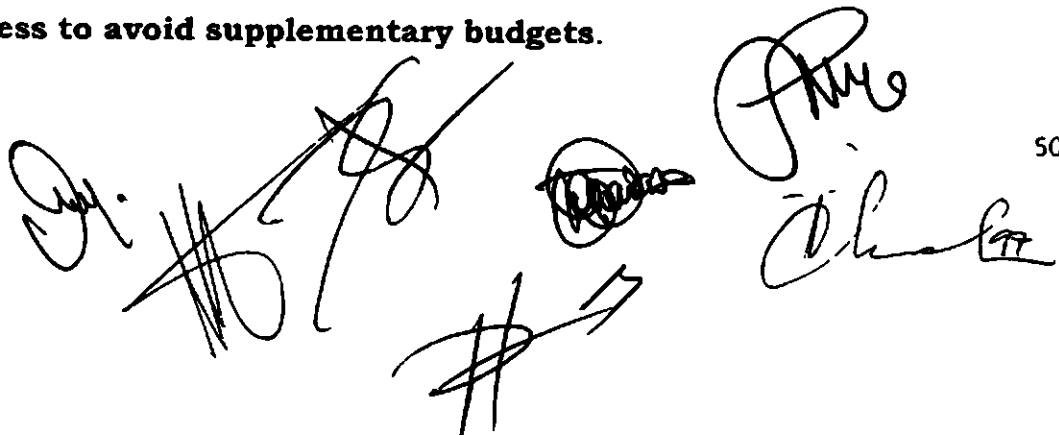
- (ii) A 'Fund-based' financing approach of UDC should be adopted; where by a feasibility report informs the funding of a project, instead of 'projectised' financing where funds are sent to UDC already tagged to an investment project to be funded in the absence of feasibility studies. This will allow flexibility during implementation of investment projects.
- (iii) The industrial development fund established under section 28 of the Uganda Development Corporation Act, 2016 should be operationalised for purposes of ensuring a fund-based financing approach of UDC.
- (iv) The UDC board should set strict targets for investments to generate revenue and enable the projects to yield dividends for the benefit of all Ugandans in fulfilment of the objects of the corporation.

2. The Committee further observed that capitalisation to UDC is mostly by supplementary budget which distorts budget implementation which undermines the important ace of the institution as investment Arm of Government.

3. The Committee was informed that UDC intends to carry out an equity financing investment to establish a packaging production plant in Lira district to reduce on importation of packaging materials in the country. The expected benefits include; Reduced import bill through import substitution of packaging material, Provision of employment to the local community and Source of tax revenue to local and central government This however has remained in the unfunded priorities.

**Recommendation:**

**The Committee therefore recommends that Uganda development Corporation should be adequately funded during the budgeting process to avoid supplementary budgets.**



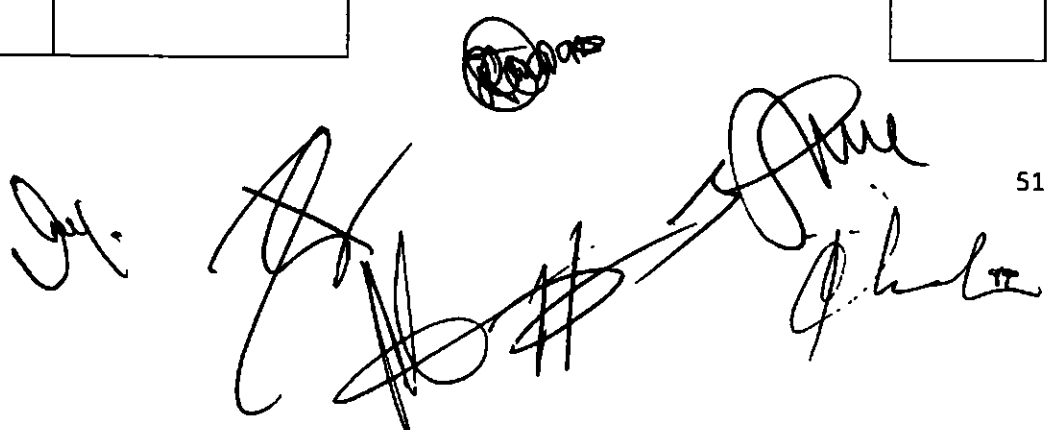
50

**UDC UNFUNDED PRIORITY PROJECTS FOR FY 2023/24:**

<b>Sector Intervention</b>	<b>Investment</b>	<b>Planned activities, Justification</b>	<b>Amount (Bn UGX)</b>
<b>Fruit processing</b>	Expansion of Soroti Fruits Factory	<ul style="list-style-type: none"> <li>▪ Provision of working capital</li> <li>▪ Procure, install and commission the PET Packaging Line &amp; civil works</li> <li>▪ Construct a water Treatment Plant</li> <li>▪ Acquire 10 Acres of Land for from UIA</li> <li>▪ Warehousing and Distribution trucks</li> <li>▪ Support to TEFCU (Short run)</li> </ul>	23.0
	Fruit factory in Luwero	<ul style="list-style-type: none"> <li>▪ Develop master plan</li> <li>▪ Procure an EPC (Engineering, Procurement and Construction) Contractor</li> </ul>	8.0

~~SECRET~~

51



Sector Intervention	Investment	Planned activities, Justification	Amount (Bn UGX)
		<ul style="list-style-type: none"> <li>▪ Construction works commence</li> </ul>	
Tea processing	Tea Processing Factory in Zombo	<ul style="list-style-type: none"> <li>▪ Develop Master plan</li> <li>▪ Procure an EPC Contractor and commence construction works</li> <li>▪ Provision of working Capital</li> </ul>	15.4
	Tea Processing Factory Mitooma	<ul style="list-style-type: none"> <li>▪ Undertake feasibility study and project appraisal</li> <li>▪ Develop a master plan, detailed technical engineering designs, bills of quantities &amp; undertake Environmental &amp; Social Impact Assessment, geo-technical survey studies</li> </ul>	10.0
Potato processing	Potato Processing Plant	<ul style="list-style-type: none"> <li>▪ Acquire land for constructing the factory</li> </ul>	18.5
Cocoa processing	Cocoa Processing Factory	<ul style="list-style-type: none"> <li>▪ Acquire land for constructing the factory</li> <li>▪ Develop a master plan, detailed technical engineering designs, bills of quantities &amp; undertake Environmental &amp; Social Impact Assessment, geo-technical survey studies</li> </ul>	28.4

<b>Sector Intervention</b>	<b>Investment</b>	<b>Planned activities, Justification</b>	<b>Amount (Bn UGX)</b>
		<ul style="list-style-type: none"> <li>Set up Cocoa processing plant</li> </ul>	
<b>Grain value addition</b>	Grain value addition	<ul style="list-style-type: none"> <li>UDC to acquire equity</li> </ul>	15.0
<b>Mineral Beneficiation</b>	Sponge Iron Manufacturing Plant	<ul style="list-style-type: none"> <li>Acquire shares in setting up a sponge iron plant</li> </ul>	2.0
<b>Packaging sector</b>	Packaging plant	<ul style="list-style-type: none"> <li>Set up Packaging plant</li> </ul>	20.5
<b>Fruit Processing</b>	Delight Uganda, Ltd	<ul style="list-style-type: none"> <li>Set up a special purpose vehicle to set up a factory in Nwoya</li> </ul>	5.0
<b>Medical &amp; Animal drug manufacturing</b>	East Africa Medical Vitals	<ul style="list-style-type: none"> <li>Acquire additional equity in the company through purchase of the 2<sup>nd</sup> processing line</li> </ul>	7.0
	Microhaem Scientifics & Medical Supplies Ltd (MHS)	<ul style="list-style-type: none"> <li>UDC to acquire equity</li> </ul>	3.0
<b>Feasibility, business plans,</b>	Research studies for appraisal of	<ul style="list-style-type: none"> <li>Feasibility, business plans, business valuation &amp; due</li> </ul>	1.5

Sector Intervention	Investment	Planned activities, Justification	Amount (Bn UGX)
<b>business valuation &amp; due diligence studies</b>	investments and projects	diligence studies on potential projects	
<b>BDS</b>	Business Development Services	<ul style="list-style-type: none"> <li>▪ Provide these services to prospecting new business ideas aimed at ensuring bankability of the project</li> </ul>	5.0
<b>Uganda national Marketing Company</b>	NMC	<ul style="list-style-type: none"> <li>▪ Acquisition of share capital</li> <li>▪ Provision of working capital</li> <li>▪ Setting up of management structure</li> </ul>	26.0
<b>Uganda National Commodity Exchange (UNCE)</b>	UNCE	<ul style="list-style-type: none"> <li>▪ Setting up of the trading platform</li> <li>▪ Procuring Quality infrastructure</li> <li>▪ Capacity Building of the stakeholders in the UNCE eco-system</li> <li>▪ Setting up management/ office structure.</li> </ul>	5.0
<b>Total</b>			<b>193.3</b>

Handwritten signatures and initials in black ink, including names like 'J. U.', 'R. K.', 'S. M.', 'P. K.', 'A. K.', 'B. K.', 'C. K.', 'D. K.', 'E. K.', 'F. K.', 'G. K.', 'H. K.', 'I. K.', 'J. K.', 'K. K.', 'L. K.', 'M. K.', 'N. K.', 'O. K.', 'P. K.', 'Q. K.', 'R. K.', 'S. K.', 'T. K.', 'U. K.', 'V. K.', 'W. K.', 'X. K.', 'Y. K.', 'Z. K.', and a circled 'A'.

#### 7.1.4 Uganda Warehouse Receipt Systems Authority (UWRSA)

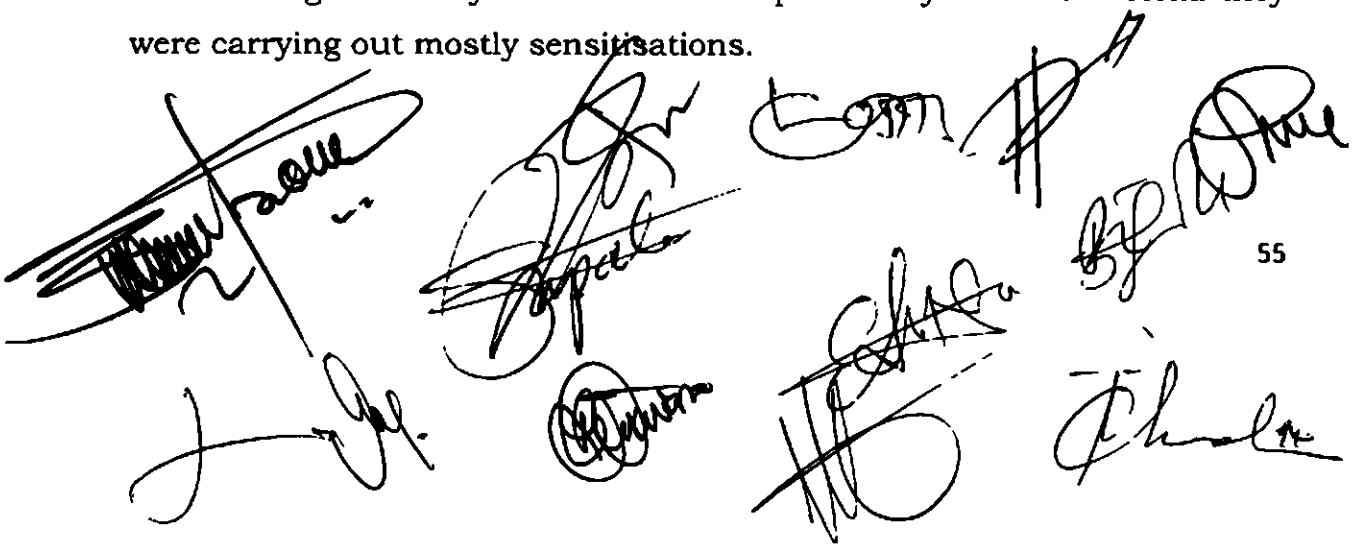
The Uganda Ware House Receipt System Authority is established under Sec.3 of the Ware House Receipt System Act, 2006, herein after referred to as the Act, as a regulatory Authority.

The functions of the Authority are prescribed under section 6 of the Act and they are to—

- (a) license warehouses;
- (b) license warehouse keepers;
- (c) license warehouse inspectors;
- (d) issue negotiable warehouse receipts books; and
- (e) carry out and perform such other functions as are conferred or imposed on it by this Act or regulations made under the Act.

#### Committee Observations:

1. According to the Auditor General's Report for FY 2021/22, absorption challenges of the Authority were cited to the extent that the Authority was unable to absorb UGX.2.82 Billion. In the FY 2020/21, the Authority was unable to absorb UGX 4.4 Billion out of an approved budget of UGX 8.1Bn. It is evident to the Committee that the Authority is struggling to spend money appropriated to it.
2. The Committee observed that while UWRSA is mandated to regulate warehouses and storage facilities but it did not certify or license any facility by half year. In FY 2023/24, UWRSA plans to certify 50 storage facilities and license 20 facilities and issue warehouse receipts. They have not been undertaking these key mandates in the previous years and instead they were carrying out mostly sensitizations.



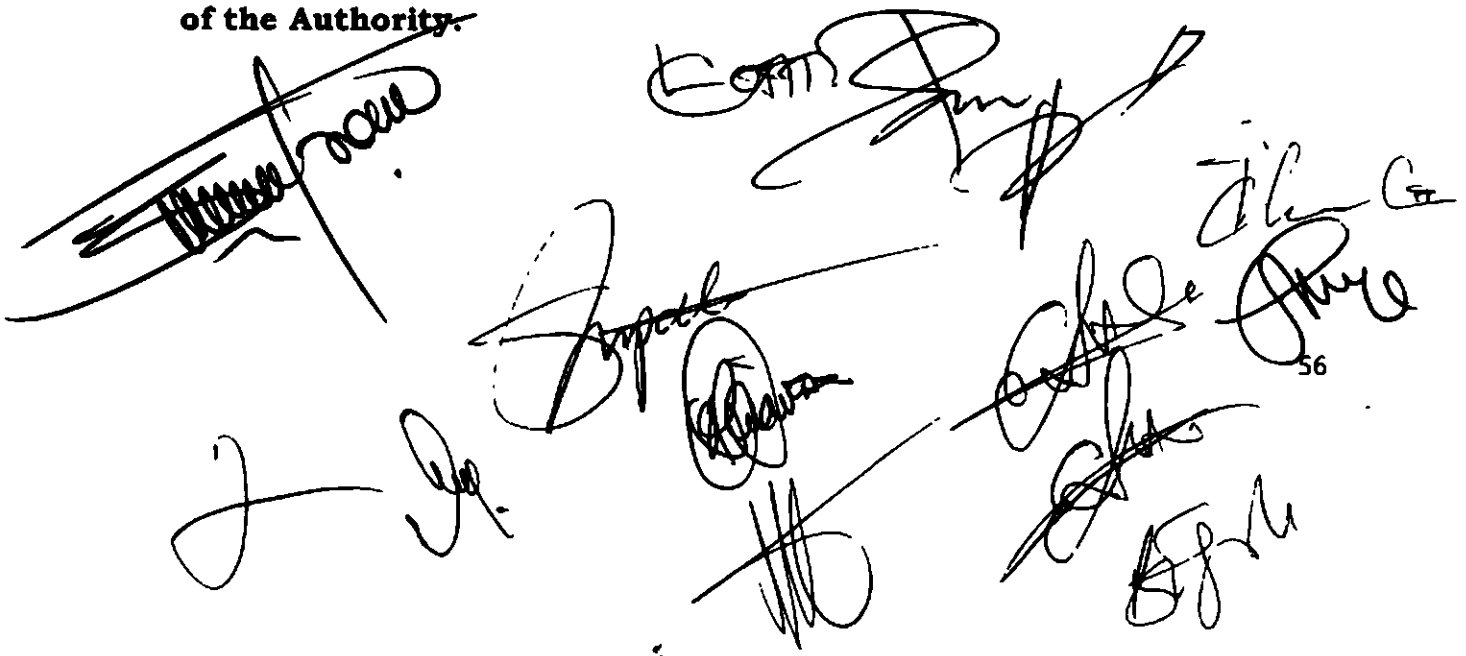
Handwritten signatures of committee members, including names like 'Musa', 'John', 'Tom', 'Byron', 'Philo', and others, written in various styles.

3. UWRSA has planned for activities including those ultra vires to its mandate. Some of such planned activities include to increase and improve the capacity of storage infrastructure. The Committee is of the considered opinion that such programs for which the funds are budgeted for outside the mandate of the Authority should not be appropriated unless government changes the mandate of the Authority under the law, before budget appropriation is concluded.
4. Some of the proposed activities of the Authority like increasing and improving the capacity of storage infrastructure makes it a participant in the industry it regulates. Allowing the Authority to participate in the industry it regulates is not encouraged because it results in regulatory capture. By participating in the industry it regulates, there is a likelihood that the Authority will prioritize the commercial interests of its undertakings rather than the public interest objectives for its establishment.

### **Recommendations**

#### **The Committee recommends as follows:**

- (i) **The Authority should refrain from planning for activities for which it has no mandate under the Act.**
- (ii) **Funding should be provided for planned activities that are within the mandate of UWHRA unless the law is amended. All the powers of the Authority under section 5 of the Act are in line with licensing and licensed warehouses under the Act, and this should be the main focus of the Authority.**



The bottom half of the page contains several handwritten signatures and initials in black ink. On the left, there is a large signature that appears to be 'W. J. ...'. In the center, there are several smaller signatures, including one that looks like 'J. ...'. On the right, there are more signatures, including one that looks like 'J. ...' and another that looks like 'J. ...'. The signatures are scattered across the bottom of the page, some overlapping the text.

### 7.1.5 Management Training and Advisory Centre (MTAC)

The Committee is concerned that MTAC has been operating without a governing council since 2015. MTAC reported that appointment of the governing council awaits the conclusion of rationalisation of government agencies.

The Committee observed that the delayed conclusion of the rationalisation process leaves governance gaps in the affected institutions.

#### The Committee recommends that;

- (i) Government should fast track the merger policy so as to resolve issues of non-constituted governing bodies and ensure optimal utilisation of Government funds.
- (ii) The Ministry of Trade should intensify its oversight/supervisory role over MTAC in the meantime.

#### MTAC - Unfunded Priorities

S/N	Priority	Amount (UGX) Bns
1	Free Job Creation Training interventions for all constituencies in Uganda.	20.8
2	Executive Director's means of transport and Students' bus	1.0
3	Staff Wages	1.5
4	Construction of MTAC Ntungamo	5.6
5	Construction of MTAC Mbale	8.5
	<b>Total</b>	<b>37.4</b>

A collection of handwritten signatures and initials in black ink, including a large signature on the left, a signature in the center, and several other initials and signatures on the right. A small number '57' is visible near the bottom right.



**8.0 VOTE 136 - Uganda Export Promotion Board (UEPB)**

The Uganda Export Promotion Board is established under section 4 of the Uganda Export Promotion Board Act, Cap 102 with the objectives of facilitating the development, promotion and coordination of all export related activities that lead to export growth on a sustainable basis. The governing body of the entity is an eleven (11) member board of directors appointed by the Minister for a three year tenure.

**Table 9: Half Year Budget Performance FY 2022/23**

<b>Budget category</b>	<b>Approved Budget</b>	<b>Released by End Dec</b>	<b>Spent by End Dec</b>	<b>% Budget Released</b>	<b>% Budget Spent</b>	<b>% Releases Spent</b>
Wage	2.561	1.281	0.74	50.00%	28.90%	57.80%
Non-Wage	5.833	0.943	0.854	16.20%	14.60%	90.60%
GoU	0.034	0.011	0	32.60%	0.00%	0.00%
<b>GoU Total</b>	<b>8.428</b>	<b>2.235</b>	<b>1.594</b>	<b>26.50%</b>	<b>18.90%</b>	<b>71.30%</b>

**Source: MoFPED - Semi Annual Budget Performance Report FY 2022/23**

The approved budget for Uganda Export Promotion Board was UGX.8.428Bn, out of which UGX.2.235Bn was released, while UGX.1.594Bn was spent by half year FY 2022/23. The percentage of Budget released was 26.50%, Budget spent was 18.90%, while Release spent (Absorption) was 71.30% by Half year of the FY 2022/23.

A collection of handwritten signatures and initials in black ink, scattered across the bottom half of the page. Some legible names include 'Zubeida', 'John', 'Peter', and 'Charles'. There are also several stylized initials and scribbles.

**Proposed Budget allocation FY 2023/24 and Changes between Proposed and approved Budget**

<b>Budget category</b>	<b>Approved Budget FY 2022/23</b>	<b>Proposed Budget FY 2023/24</b>	<b>Change Between Approved and Proposed Budget</b>
Wage	2.561	2.561	0
Non-Wage	5.833	5.833	0
GoU	0.034	0.037	0.003
<b>GoU Total</b>	<b>8.428</b>	<b>8.431</b>	<b>0.003</b>

**8.1 Committee Observations:**

**The Committee observed as follows:**

- (1) As indicated in the above table, the Committee observed that the budget for UEPB is expected to remain the same in the FY 2023/24 with no significant change. The theme for this year’s budget is to, among others, promote industrialization and market access. The Committee notes that the core mandate of UEPB is promote market access but the budget releases to UEPB were at 26 percent by half year. Out of the approved budget of UGX 8.4billion, UGX 2.2 billion was released to UEPB by half year, performing at 26 percent.
- (2) The Uganda Export Promotion Board has not been constituted for the past 3 years.
- (3) The Committee was informed that Uganda Export Promotion Board faces a challenge of staffing gap with no presence in the regions and thus there is critical need for recruitment to enable adequate deployment in the regions to extend export promotion services. The Committee notes that Parliament appropriated additional wage to recruit 20 staff in FY 2022/23,

Handwritten signatures and scribbles at the bottom of the page, including names like 'Joseph', 'Munyaho', and 'Bijah'.

however, the recruitment was halted due to the impending merger of government institutions.

(4) The Committee learnt that there is an impasse in the matter of commercial attachés in the missions abroad. The Commercial Attaches are recruited by the Ministry of Foreign Affairs without any input by the Uganda Export Promotion Board nor the Ministry of Trade. It was reported that most of the Commercial Attaches do not have the requisite skills in marketing and promoting Ugandan products and services.

**Committee Recommendations:**

**(i) Government should release the budget to UEPB as appropriated and the funding gap of UGX10bn should be provided to enable UEPB effectively execute its mandate.**

**(ii) Government should fast track the merger policy so as to resolve issues of non-constituted governing bodies and ensure optimal utilization of Government funds. This will then guide the Ministry of Public Service to carry out the necessary and pending recruitments.**

**UEPB UNFUNDED PRIORITIES FOR FY2023/24**

No.	Requirement	Budget	Justification
1	Conduct detailed market studies in the priority markets to guide export development and promotion activities	0.740	<p>Uganda export development and promotion initiatives are quite often not consistent with the target export market dynamics, market and buyer requirements. This negatively impacts Government's export promotion and development efforts and leads to resource wastage.</p> <p>UEPB has, in all its work plans, prioritized the conducting of market studies prior to</p>

Handwritten signatures and initials are present at the bottom of the page, including several large, stylized signatures and smaller initials.

No.	Requirement	Budget	Justification
			<p>undertaking any activities in foreign markets. Market studies are also essential in ensuring that the market information and intelligence plus customized advisory/guidance provided to exporters is accurate, relevant and actionable.</p> <p>UEPB plans to undertake at least two (2) market studies each year. However, funds have not been provided for this purpose.</p>
2	Developing and marketing Uganda's services as exports	0.650	<p>The service sector is the biggest of the three (3) broad sectors of the economy (agriculture, industry and services) accounting for more than 50 percent of Uganda's GDP as at FY 2020/21. (Ministry of Finance, Planning and Economic Development, Background to the Budget FY 2021/22).</p> <p>UEPB in a bid to coordinate the development and promotion of services exports spearheaded the development of the Uganda National Services Export Strategy 2021/22 – 2020/25.</p> <p>Actions proposed by stakeholders under this strategy include development of a national database of services providers; training of services providers on export services; promoting Uganda's services in the regional markets – especially education, medical and ITES.</p>

No.	Requirement	Budget	Justification
			UEPB is requesting for resources to facilitate the implementation of the Strategy.
3	Coordinating Uganda's export promotion and marketing in target markets	0.420	<p>UEPB is required, under the different NDPIII programs such as PSD and Agro-Industrialization, to coordinate the promotion and marketing of Uganda's exports and brands in the target markets.</p> <p>However, the required funding is not provided for under these programs. As such there are no efforts to market the outputs (products) under these programs.</p> <p>Required actions primarily include:</p> <ul style="list-style-type: none"> <li>a) coordination of the country's participation in strategic international trade fairs and events, and international expositions;</li> <li>b) conducting inward and outward buyer-seller missions to link Uganda exporters to foreign buyers;</li> <li>c) conducting regular market studies to gather market information and intelligence.</li> </ul>
4	Build the capacity of Uganda's foreign missions to promote exports (commercial diplomacy)	0.650	The government has started the programme of supporting commercial diplomacy as an approach of increasing exports, tourism and attracting foreign direct investment (FDI).

62

The bottom of the page contains several handwritten signatures and initials in black ink, including a large signature on the left, a signature in the center, and several smaller initials and signatures on the right side.

No.	Requirement	Budget	Justification
			<p>Currently, UEPB does not have offices in the target markets to gather the required market intelligence, promote exports and help exporters doing business in those markets. Working with MoFA, UEPB is adopting the approach of building the capacity of Ugandan missions in those markets to promote commercial diplomacy, including market intelligence and export promotion.</p> <p>Key activities will include:</p> <ul style="list-style-type: none"> <li>i. Training of mission staff in target markets of Kenya, Rwanda, India, China, UAE, UK and Brussels</li> <li>ii. Setting up of product display and information centres in the mission</li> <li>iii. Developing standard information collection tools and systems to be used by the missions.</li> </ul>
5	Training of Exporters	0.300	<p>As part of export development activities UEPB conducts regular training of both potential and active exporters on a number of thematic areas that affect exporting. These include export procedures and requirements; international contracting and contract management and logistics among others.</p> <p>As a result of budget cuts, UEPB has had to downscale the trainings. However, there is</p>

63

The bottom of the page contains several handwritten signatures and initials in black ink. On the left, there is a large, stylized signature. In the center, there are several overlapping signatures, some appearing to be 'B. B. B.' and others that are less legible. On the right, there is a signature that looks like 'John' and another one below it. The signatures are written over the bottom edge of the table's border.

No.	Requirement	Budget	Justification
			<p>increasing demand for these training given the number of new exporters that emerge every year. There are also a number of emerging issues especially in the market.</p> <p>UEPB is seeking for an increase in the exporter training budget to meet this requirement. This in turn will enhance the efficiency of these exporters and thus lead to an increase in their exporter turnover.</p>
6	<p>Opening Regional Export Information and Support Centres</p> <ul style="list-style-type: none"> <li>• Arua</li> <li>• Gulu</li> <li>• Mbale</li> <li>• Entebbe</li> <li>• Mbarara</li> <li>• Hoima</li> </ul>	4.15	<p>UEPB was in FY2020/21 cleared to establish up to fifteen (15) satellite information and support centers by 2025. The purpose of these centers was to bring services closer to the people - especially the producers. The centres would amongst other business development services provide guidance and information to the producers on 'Producing for Export'; support export business in upcountry locations; directly link producers with exporters and foreign buyers; and coordinate export development activities in upcountry locations.</p> <p>Efforts to establish and operationalize the first six (6) centres in Arua, Gulu, Mbale, Entebbe, Hoima and Mbarara were delayed due to the impending restructuring of MDAs. This should be established during the next FY 2023/24.</p>

A collection of handwritten signatures and initials in black ink, including a large signature on the left, a signature with a circled name in the center, and several other signatures on the right. A small number '64' is visible near the top right of the signatures.





No.	Requirement	Budget	Justification
			In FY2023/24 UEPB is targeting the EAC (especially Kenya), Dubai – UAE (as a follow-up measure after Expo 2020 Dubai), London – UK, Netherlands – EU, Kinshasa – DR Congo and Beijing – China.
9	Recruitment of additional staff to improve services delivery	2.63	<p>UEPB is currently understaffed, with less than 50% of the approved 40 positions filled. This has significantly impacted the performance of the institution, which provides services to the whole country.</p> <p>In FY2021/22 Parliament approved request for recruitment and allocated funds for this purpose in the FY2022/23 budget. However, the process was halted due to the impending restructuring of MDAs.</p> <p>UEPB requests that the funding for recruitment and new staff emoluments be provided for in the budget of FY2023/24.</p>
	<b>Total</b>	<b>12.66</b>	

EOM


 A collection of handwritten signatures and initials in black ink, including a large signature on the left, a signature in the center, and several other initials and signatures on the right.

**9.0 VOTE 154 - Uganda National Bureau of Standards (UNBS)**

**Table 10: Half Year Financial Performance FY 2022/23 (July, 2022 - December, 2023)**

Budget Category	Approved Budget	Released by End Dec	Spent by End Dec	% Budget Released	% Budget Spent	% Releases Spent
Wage	23.856	11.928	11.892	50.00%	49.80%	99.70%
Non-Wage	12.833	6.913	6.691	53.90%	52.10%	96.80%
GoU Dev't	4.592	1.531	0.745	33.30%	16.20%	48.70%
<b>GoU Total</b>	<b>41.28</b>	<b>20.372</b>	<b>19.328</b>	<b>49.40%</b>	<b>46.80%</b>	<b>94.90%</b>

**Source: MoFPED - Semi Annual Budget Performance Report FY 2022/23**

The approved budget for Uganda National Bureau of Standards was UGX.41.28Bn, out of which UGX.20.372Bn was released, while UGX.19.328Bn was spent by Half year FY 2022/23. The percentage of the budget released was 49.40%, Budget spent was 46.80% while Release spent (Absorption) was 94.90% by half year of the FY 2022/23.

**9.1 UNBS NTR Performance and Projections for FY 2023/24**

UNBS had an annual NTR target of UGX.48.8Bn by Half Year FY 2022/23, the actual collections amounted to UGX.24.67Bn reflecting 50.5% NTR performance.

SN	NTR Source	Actual Collections FY 2021/22	Actual collections Half FY 2022/23	Projected collections FY 2023/24
1	Legal Metrology	9.20	3.65	11.26
2	Testing Department	5.66	2.60	6.50
3	National Metro. Lab	0.71	0.34	0.91

Handwritten signatures and initials are present at the bottom of the page, including names like 'Bijal' and 'Phulka'.

4	Certification	6.41	2.69	5.85
5	Training and Advisory	0.16	0.07	0.26
6	Imports Inspection	38.43	15.22	53.97
7	Sale of Standards	0.19	0.08	0.26
8	Other Income	0.02	0.02	0.17
	<b>TOTAL</b>	<b>60.77</b>	<b>24.67</b>	<b>79.18</b>

UNBS had an annual NTR target of UGX.48.8Bn by Half Year FY 2022/23 the entity had collected UGX.24.67Bn reflecting 40.59% NTR performance.

**Table 11: Budget Allocation to Uganda National Bureau Of Standards (Billion, Ugx)**

Item	Approved Budget 2022/23	FY	Proposed Budget 2023/24	FY	Change Between Approved and Proposed Budget
Wage Recurrent	23.856		23.856		0
Non-Wage	12.833		27.535		14.702
Development	4.952		6.651		1.699
<b>Total</b>	<b>41.641</b>		<b>58.042</b>		<b>16.401</b>

Budget for UNBS is expected to increase by UGX.16.401Bn from the approved UGX.41.641Bn to the proposed UGX.58.042Bn. Notable increment of UGX.14.702Bn is made to Nonwage recurrent budget followed by Development Budget which has increased by UGX.1.699Bn.

## **THE TRADE, INDUSTRY & COOPERATIVES SECTOR**

### **Source of funds identified for reallocation**

The Committee identified UGX.2 Bn from within the Trade and Industry Sector and reallocated it within the sector key priority areas. The table below shows identified resources.

68

VOTE	Source of Resources	Activity and Justification	Amount (Bn.)
015	Ministry of Trade, Industry and Cooperatives	Uganda Warehouse Receipts Authority has continued to use funds outside the Authority's mandate contrary to Parliament's recommendations. In addition, the Auditor General's Report cited absorption challenges by the Authority to the extent that the Authority was unable to absorb UGX.2.82 Billion in FY 2021/22 and UGX.4.4Bn in the FY 2020/21. It is evident to the Committee that the Authority is struggling to spend money appropriated to it.	2
	<b>Totals</b>		<b>2</b>

**Proposed Committee Re-Allocations**

The Committee observed that the Trade, Industry and Cooperatives entities are grossly underfunded; the Committee was presented with several unfunded priorities. The Committee considered the following as very critical and therefore should be provided for within the financial year 2023/24 through reallocation as follows;

69

Identified Priorities and Destination of Reallocated Funds within the Trade and Industry sector			UGX , Billion
015	AGOA	UGX. 2 billion needed by AGOA should be provided to facilitate its revival and staffing to capacity. This will give AGOA the opportunity to maximize the export capacity awarded by the USA Government to Uganda.	2.0
	<b>Total - Trade</b>		<b>2.0</b>

**The Committee recommends that UGX.2Bn should be reallocated within the Trade sector from Warehouse Receipt Systems Authority to facilitate AGOA.**

**9.2 Committee Observations:**

1. The Committee received a written submission from the Uganda Scientists, Research and Allied Workers Union, stating that over 90% of UNBS staff are scientists and yet they were not considered in the on-going salary enhancement for all scientists in the country. This has caused the attrition of experienced staff in the institution.

The Committee observes the policy for salary enhancement for scientists is not being uniformly implemented. In the current budget, there is no provision of salary enhancement to scientists in UNBS.

2. The Committee was informed that UNBS is operating with total staff of 475 against 1,221. This is below the minimum required level to implement the

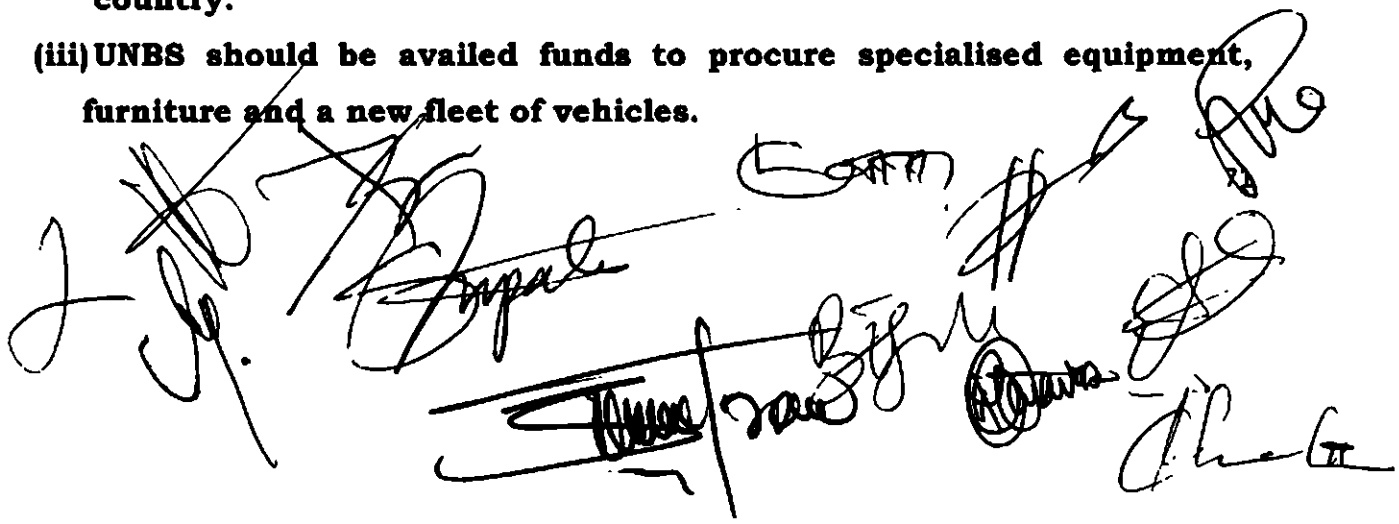
The bottom of the page contains several handwritten signatures and scribbles in black ink. Some of the signatures appear to be initials or names, while others are more complex and illegible. There are also some circular marks and lines that look like they were made with a pen or marker.

mandate of trade facilitation, consumer protection through boarder control and standards enforcement throughout the country.

3. The Committee was informed that UNBS operates modern food safety laboratories and is currently constructing a national metrology laboratory, however, there is need to procure specialised equipment and furniture. The level of automation meant to promote online services is at 40percent which is inadequate. Further still, 32 percent of UNBS fleet have crossed the 200,000 km mileage mark. The cost of repairing an old motor vehicle is higher than its assessed value, hence according to the Bureau purchase of new vehicles is inevitable.
4. The Committee is aware that there is inadequate decentralisation of UNBS services. UNBS services at regional offices are still insufficient due to under staffing and shortage of field vehicles for daily operations. Additionally, certification and market surveillance activities go hand in hand with testing and there are inadequate laboratories in the regions for testing of product samples.

**The Committee therefore recommends that,**

- (i) UNBS should be availed with funds amounting to UGX 8.3 billion for a phased enhancement of salaries for their staff in the 'science' category.**
- (ii) UNBS should be availed funds for purposes of employing more staff to implement the mandate of trade facilitation, consumer protection through boarder control and standards enforcement throughout the country.**
- (iii) UNBS should be availed funds to procure specialised equipment, furniture and a new fleet of vehicles.**

The bottom of the page contains several handwritten signatures and initials in black ink. On the left, there is a large, stylized signature. In the center, there is a signature that appears to be 'Bupala'. To the right of this, there are several other signatures, some of which are more scribbled or less legible. The signatures are scattered across the bottom third of the page, overlapping the text of the third recommendation.

### 9.3 General Observations and Recommendations in the trade sector:

The Committee makes the following general observations on factors affecting the trade sector in the country.

#### 1. Access and affordability of capital.

At its June 2022 meeting, BOU's Monetary Policy Committee (MPC) increased the CBR by 1 percentage point to 7.5 percent. Additionally, in October 2022, BoU raised the Central Bank Rate (CBR) by one percentage point to 10 percent. As expected, the tightening monetary policy has resulted in rising interest rates. Lending rates by commercial banks are on a rise with an average of 18.4% as of October 2022. As such, Uganda has the highest lending rates in the region compared to Rwanda at 16.9%, Tanzania at 17.4% and Kenya 13.1%.

2. Furthermore, Uganda Development Bank which is mandated to provide finance in form of short, medium and long term secured loans; equity financing and project preparation; business advisory services to Micro Small and Medium Enterprises (MSMES), and large-scale development projects is also biased towards big and well-established entities. It requires businesses to be registered with URSB, collateral of land titles and have a minimum lending threshold of UGX100M with a 14.5% interest rate, making the loans inaccessible and unaffordable for SMEs.

#### 3. Costs of operation:

The committee notes that the ever-increasing cost of rent, electricity, transport and other operational costs have resulted into closure of many businesses. Some businesses resorted to operating online. However, the internet excise duty and proposed VAT on most online applications like Instagram, zoom and others have worsened the situation. Uganda has the

The bottom of the page contains several handwritten signatures and scribbles. A large signature is written across the middle, and there are several other smaller signatures and marks scattered below it. Some of the marks include a circled '72' and a circled '73'.

highest cost of internet in the East African Community with \$2.67 per GB compared to Kenya with \$2.41GB, and \$2.18 for Rwanda and Tanzania.

#### **4. Trade Infrastructure**

The Infrastructure that facilitates trade includes transport infrastructure (air, land and water), telecommunications infrastructure (internet, satellite, telephonenetworks, and radio and TV networks) and electricity. The transport infrastructure in the country is very bad especially regarding connection to border markets such as the road to Tanzania border via Mutukula, Rwanda border and DRC border. Worse still, our ports are underdeveloped to support massive trade hence limiting cross border trade.

#### **5. Telecommunication Coverage**

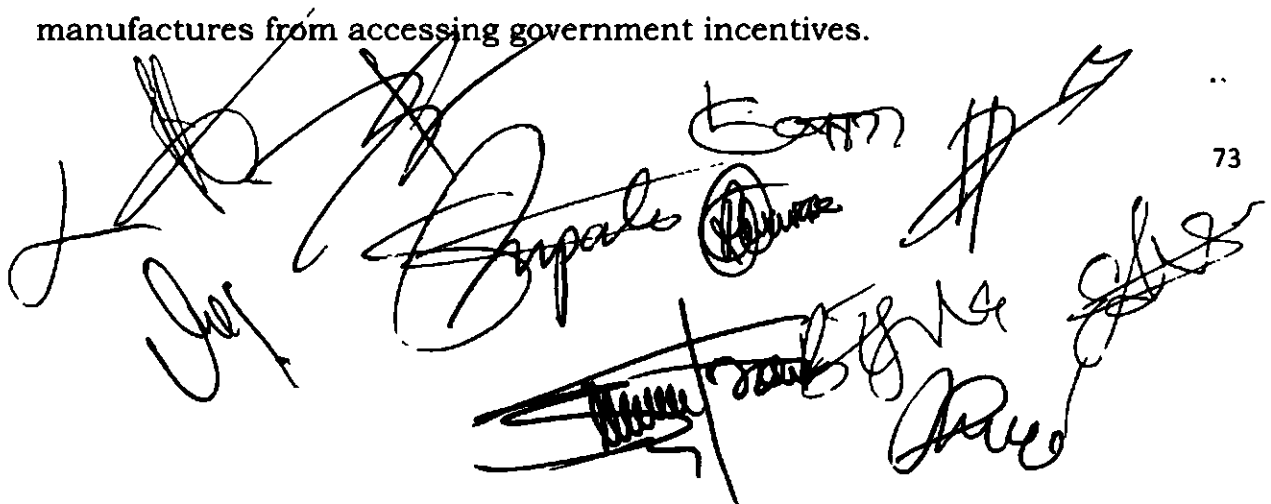
Uganda's telecommunication coverage is low and non-existent in most rural areas thus limiting information inflow, promotion and market access and yet they are our major commodity source, especially in agriculture. Hardly any business today can operate without telecommunications. For many, the telephone is the primary point of selling, and the Internet is an increasingly important channel for marketing and sales.

#### **6. The low electricity supply and connectivity has negative.**

The low electricity supply and connectivity has negatively affected value addition hence reducing the price of our products.

#### **7. Indigenous Capital vis-a-vis Foreign Capital Participation.**

Government laws and policies empower foreign investors at the cost of local investors. For example, the qualifications for incentives, according to Section 12 of the investment Code Act, disqualifies most local traders and manufactures from accessing government incentives.



Handwritten signatures and scribbles at the bottom of the page, including the word "Bupale" and a circled signature.





marketing and promotion and provides a low-cost channel for searching.

**11.0 PROPOSED BUDGET ESTIMATES FOR FY 2023/24**

Rt. Hon. Speaker and Hon. Members, the Committee recommends that Parliament adopts this report and approves the budgetary estimate (UGX, Bn) for the FY 2023/24 under the following votes:




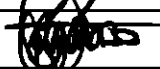

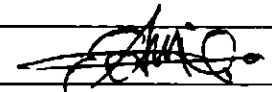
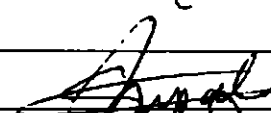
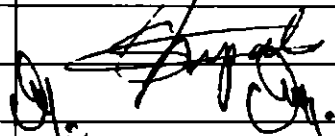
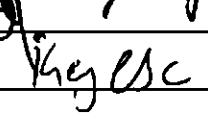
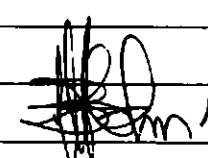
**Figures for Appropriation**

VOTE	Ministry /MDA	Recurrent	Development
022	Ministry of Tourism, Wildlife and antiquities	133,417,142	52,640,000
117	Uganda Tourism Board (UTB)	25,745,627	100,000
015	Ministry of Trade, Industry and Co-Operatives	78,709,702	225,623
136	Uganda Export Promotions Board	7,869,500	37,000
154	Uganda National Bureau of Standards (UNBS)	45,567,420	6,651,000

**Rt. Hon. Speaker and Hon. Members, I beg to submit.**

The block contains several handwritten signatures and initials in black ink, scattered across the lower half of the page. Some are large and stylized, while others are smaller and more compact. The signatures appear to be those of the committee members mentioned in the text above.

**SIGNATURE SHEET FOR THE REPORT OF THE SECTORAL COMMITTEE ON  
TOURISM, TRADE AND INDUSTRY ON THE MINISTERIAL POLICY  
STATEMENTS & BUDGET ESTIMATES FOR THE FY 2023/2024**

No.	Name	Party	Signature
1.	Hon. Mwine Mpaka Rwamirama	NRM	
2.	Hon. Catherine Lamwaka	NRM	
3.	Hon. Afidra, Ronald Olema	NRM	
4.	Hon. Aleper, Margaret Aachilla	NRM	
5.	Hon. Amero, Susan	INDEP	
6.	Hon. Amooti, Bright Tom	NRM	
7.	Hon. Atukwasa, Rita	INDEP	
8.	Hon. Awor, Betty Engola	NRM	
9.	Hon. Businge, Harriet Mugenyi	NRM	
10.	Hon. Edakasi, Alfred Elalu-Olale	NRM	
11.	Hon. Gafabusa, Richard Muhumuza	NRM	
12.	Hon. Isabirye, David Iga	FDC	
13.	Hon. Kalwanga, David Lukyamuzi	NUP	
14.	Hon. Kayemba, Geoffrey Ssolo	NUP	
15.	Hon. Kemirembe, Pauline Kyaka	NRM	
16.	Hon. Kirabo, Agnes	NRM	
17.	Hon. Koluo, Joseph Andrew	INDEP	
18.	Hon. Koyokyenga, Oliver	NRM	
19.	Hon. Mbwatekamwa, Gaffa	NRM	
20.	Hon. Mugole, David Stephen Mauku	NRM	
21.	Hon. Mushemeza, Elijah Dickens	INDEP	
22.	Hon. Nayebale, Sylvia	NRM	
23.	Hon. Odero, Godfrey Were	INDEP	
24.	Hon. Ogwal, Cecilia Atim	FDC	
25.	Hon. Okello, Geoffrey Charles	DP	

26.	Hon. Osoru, Mourine	NRM	
27.	Hon. Ssentayi, Mohamad	NRM	
28.	Hon. Ssimbwa, Fred	NUP	
29.	Hon. Timuzigu, Michael Kamugisha	NRM	
30.	Hon. Wanyama, Michael	NRM	
31.	Hon. Wakayima Hannington	NUP	<del>Handwritten signature</del>
32.	Hon. Mwijukye Francis	FDC	Handwritten signature
33.	Hon. Kato Muhammad	NRM	
34.	Hon. Lutaaya Geoffrey	NUP	

