

Tuesday, 11 October 2011

Parliament met at 11.41 a.m. in Parliament House, Kampala.

PRAYERS

(The Speaker, Ms Rebecca Kadaga, in the Chair.)

The House was called to order.

COMMUNICATION FROM THE CHAIR

THE SPEAKER: Hon. Members, I welcome you to today's meeting. We had a slight delay because we were trying to condense the work we had already programmed so that we could have this meeting.

But on a happy note, I am delighted to inform you that in the Public Gallery we have distinguished people. We have Rt Hon. Alhajji Ali Kigongo, the former Chairman of the National Resistance Council and Chairman of the NRM, we also have hon. Aggrey Awori -(Laughter)- we have hon. Okello-Okello - (Applause)- we have a very veteran politician, Mr Robert Kitariko, we have Mr Bamwanga, and we have our own hon. Nyakaisiki Byenkya, former Member of Parliament. You are welcome.

There are children, but I do not know where the children are coming from. I will let you know who they are later but we also have officials from the Swedish Embassy in Kampala; I believe that is them. They have come to observe our proceedings. (Applause) Thank you very much.

MOTION FOR A RESOLUTION OF PARLIAMENT MOVED IN ACCORDANCE WITH ARTICLE 99(5) OF THE CONSTITUTION AND RULE 43 OF THE RULES OF PROCEDURE IN RESPECT OF REGULARISATION OF THE OIL SECTOR AND OTHER MATTERS INCIDENTAL THERETO.

(Debate continued.)

THE SPEAKER: Hon. Members, yesterday a few Members wanted to speak. Hon. Dombo, hon. Mutumba - I think I have to write your names.

11.44

MR EMMANUEL DOMBO (NRM, Bunyole East, Butaleja): Thank you very much, Madam Speaker. Today in the House, we have hon. Elly Tumwine and he is remembered for firing the first bullet in the liberation struggle of the people of Uganda. (Applause) Hon. Elly Tumwine is also the Chairperson of the Anti-Corruption Coalition within Parliament and yesterday, he gave a standing

ovation to one of the Members who made a submission in this House about issues we are debating today.

I did not sign the petition. Why? Because the issues being discussed then concerned the oil agreements which you rightly judged that actually they had been tabled before this House; whether they had expired or not, to me, that was inconsequential. But yesterday, I sat here listened and watched, I became even greatly provoked that could be, it was an omission on my side not to have signed, but I should do the duty to make a deliberation.

Members of this House should remember that I had a privilege to serve as the Natural Resources Committee Chairperson for a whole two years and the oil sector is part of this committee. While I served as Chairman of Natural Resources Committee, there are specific issues which we raised in our reports and we made recommendations.

We also had an opportunity to travel to a number of countries to make a comparative analysis of how oil is being managed. One of the countries we visited was Norway. In Norway, because of the inadequacy of information about the cost of exploration, they decided to use a tax regime. In Norway, when you are given a block to do exploration, the costs are yours, but whatever you get out, 70 percent belongs to Government and 30 percent belongs to the firm that explores. It depends on the firm to control the cost of exploration, and one of the things which became so specific during the meeting - we were with the Minister of Energy in that meeting - is that under the production sharing agreements, you cannot control the cost side because you do not know what is going to be invested. So, you cannot say, subject yourself to the firm recovering the cost. All this information is available to the Minister of Energy, is available to Government and I wish we could pick the good experiences so that the people of Uganda can avoid the curse.

Until recently, the President of Uganda had assured the people of Uganda and he said oil will never be a curse for the people of Uganda and we believed him. By the way, if people did not know, the President of Uganda did a tremendous job to ensure that before the exploration licenses were initially issued, capacity had to be built for the people of Uganda. People were sent for training so that we could enter negotiations with knowledge. If information coming now shows that exactly this is happening, then the earlier we halted the process for us to have a legal regime that should be superintended by the people of Uganda through the administrative organs, the better. So, I stand here to support the motion. (Applause)

The other issue which we should strongly consider; it has been reported in the media quite often about the President writing letters to the ministers of energy and advising them not to conclude any issues until he does the final input himself. If these reports are true, we should remember that the President is mortal and he is a human being. He can fall sick; he can collapse and never wake up. Supposing that happens, the people in the sector will take that advantage to sign so many things without a legal regime for us to make a fallback position. Whereas we can rely on the

goodwill of the President and the ability that he is running the oil sector the way he is doing it, the earlier we had a legal framework from which we know that this is a direction we are moving, the better for the people of Uganda and the better for this Parliament.

Yesterday, hon. Sam Kutesa did rise on this Floor on a point of order. I did sympathise with him, myself. Why? Because information was being provided over which all of us did not have control. We did not even know the source of the information; we do not even know the authenticity. So, the only thing which can salvage hon. Kutesa and all of us is for us to put a judicial commission of inquiry which will investigate –(Applause)– this will leave hon. Sam Kutesa and the ministers cleared, and it will also provide information to the Members of Parliament and the people of Uganda.

Finally, the desire to hide information under the secretive agreement, given what is happening – Madam Speaker, you need to go to the Public Accounts Committee, you will shed tears; go to the committees of Public Service and Local Government, you will shed tears. A public officer ate a whole consignment of bicycles –(Laughter)– and yet this Parliament continues to vote money and put it under the superintendship of that person; that is regrettable.

People are using the secretive agreements to hide legitimate information which the people of Uganda are entitled to; we should not relegate our responsibility as Parliament. By the way, we should remember the constitutional framers who thought that in addition to the regular way of recalling Parliament to consider business, they create an opportunity for Members to petition. We want to thank you for having stood up to defend the Constitution so that people can be seen implementing their oaths.

Some of us who have been here a little bit longer than others can retire from Parliament with honour knowing that the young Members are taking over in a manner that will salvage this House. I stand here to support this motion and I thank you very much, Madam Speaker.

11.51

MR RICHARD SEBULIBA MUTUMBA (DP, Kawempe Division South, Kampala): Thank you, Madam Speaker. I stand to support the motion. No wonder you are called Rebecca; it has got a lot of intonations and being a person from the East - I know so many Members of Parliament have either had their education from the East, or they hail from the East – you never know, you might be the first lady to lead this country – (Interjections)– yes, and I thank you for allowing this debate to go on.

Hon. Members, if we are not careful in debating this issue, we may degenerate into a civil war or regional wars. Let us borrow a leaf from Nigeria. They discovered oil in the 60s and after that all the other sectors were affected. Hon. Ssekikubo is on record telling this House yesterday that even the inhabitants of Bunyoro are not benefiting from the oil; that even the chicken that these people

feed on is imported from Kenya. That is going to kill the sector of agriculture; that is what happened in Nigeria. People felt that they were not benefiting and they had to rush for oil. Consequently, Nigeria which was the second biggest producer of cocoa abandoned the industry and it is no longer producing cocoa. Nigeria had 60 percent of its land under arable agriculture; they abandoned all that and everybody rushed for a kill in the oil industry; the Army joined the fray.

In the 60s, Ojukwu began a guerrilla war to make part of the oil producing area secede from the rest of Nigeria. It was Gowon who conquered him; and while Gowon was here attending OAU, he was also conquered by Murtala Muhammad; after Murtala Mohammed, Obasanjo came in; after Obasanjo, Jonathan came in. But everything was rotating around oil. If we are not careful, we might have the same here.

If we allow individuals to gunner 1.5 million Euros on their account, what can deter them from bankrolling bandits to overthrow even the current Government? That is why if they are sure they are clean – I support that clause that they step aside while the commission of inquiry does its work. And if they do not step aside, we do the needful; without fear or favour, we can apply Rule 118. Otherwise, it might take them time to step aside, but we can eliminate them from here by applying Rule 118.

I am perturbed; some of these things they are suggesting about how much oil we produce per day, they say: “Where production does not exceed 5,000 barrels per day, we are going to share at 50 percent; where production is higher than 5,000 barrels per day but does not exceed 10,000, Uganda Government gets 55 percent and they get 45 percent; where production is more than 10,000 but does not exceed 20,000 barrels per day, we get 62 percent and they get 38 percent; where production is higher than 20,000 but does not exceed 30,000, we get 65 they get 35; where production is higher than 30,000 barrels per day but does not exceed 40,000 per day, we get 70 and they get 30; where production is higher than 40,000 but does not exceed 100,000 barrels per day, we get 75 and they get 25 percent, and where production is higher than 100,000 we get 80 and they get 20.

So, if we do not have a legal regime and an authority in place, they will just produce 5,000 barrels per day and we get 50 percent. That is why we should not move in darkness. We need a legal regime before we delve into any other aspect. Let us have the law, like the motion says, within 30 days and we pass it very fast. Otherwise, they are even going to produce less in order to earn more than we do. They are not going to produce at full capacity because that would mean that they get only 20 percent.

What am I trying to say; without the gas policy being operationalised, without a legal regime in place, we are not going to breakthrough in this matter –(Member timed out.)

11.58

MR EPHRAIM BIRAARO (NRM, Buhweju County, Buhweju): Thank you, Madam Speaker, for conducting this session the way you have done. Apart from what everybody else had mentioned, I would like to congratulate all the ministers who have so far not been mentioned in the scam. (Applause) It is a big achievement to find that at least we still have some ministers who have served for so long and they have not yet been mentioned in this scam.

We have known these people to be liberators at one time. I, therefore, ask one thing of them, if they still like Uganda, their president and our party and Government; can they be kind enough to step aside early –(Applause)- we are talking about them, but they know more truth about themselves than we do. So, from what they know about themselves, it would be better if they stepped aside and the commission of inquiry will be free to do its job. That would save our time; resources and it would save them a lot of embarrassment.

We need to avoid the curse that is being spelt about oil and this will only be done if we all stand firm and fight evil in the Ninth Parliament. I come from Buhweju and we have got a lot of gold. I hoped people would come and mine the gold, but what will happen if the gold is mined in such circumstances? We will have double curses. Therefore, we need to avoid the curse; we need to nip it in the bud before it spreads over Uganda.

MR KATOTO: Thank you, hon. Member, for giving way. Hon. Members, according to Article 79(1), “Subject to the provision of the Constitution, Parliament shall have powers to make laws on any matter for the peace, order, development and good governance of the country”.

I, therefore, give information that the ministers mentioned in the saga - given this jurisdiction of the Constitution - we Members of Parliament support the issue that they voluntarily or forcefully resign as the commission handles their matters because they have the tools and power. They are going to compromise the issues –(Applause)- and we shall not take this as important and we shall not achieve what we want to achieve if they are still with their powers in the government. Thank you very much.

MR BIRAARO: Thank you for the information. I have one last appeal; I believe the President is listening to what we are saying or he will be briefed intensively. I am appealing to our President to steer clear from this. He should not interfere with this. Parliament is taking the right course. Let a commission be established as soon as possible and then the effect of the commission should take place undeterred without any influence-peddling. Thank you, Madam Speaker, and the House.

12.01

MR ALEX RUHUNDA (NRM, Fort Portal Municipality, Kabarole): Thank you very much, Madam Speaker. I stand here to support the motion. Ugandans out there are very anxious. They are looking at all of us here, their representatives, to see how we are going to take their matters seriously. We

have talked about corruption for a very long time in this country. We, members of NRM, who really want to see NRM move on for the next 50 years -(Applause)- feel terribly cheated -(Interjections)- by those supposed to be our mentors in the party. [HON. MEMBERS: "And disappointed."] Our moral ability to engage is facing a lot of challenges. It is so painful for me to stand here – and again, I am looking at issues where our senior people who should be the fountains of honour are being implicated. That is very unfortunate. We must restore dignity. We can only restore dignity - when you have the title of honourable; it means that given certain circumstances, you must reach a point and say, "Let me resign, enough is enough."

My colleagues in the party, these are not simple things. You have to know the difficulty the President has been going through over the years -(Interjections)- the last time I stood here, I was going to talk about the Attorney-General; I was going to talk about the contracts that are selling this country and I could not get a chance -(Applause)- now, I have got here with me, a detailed analysis of the PSAs. They are right here. When you look at this analysis, you begin asking yourself; will these extortionists -(Laughter)- thievery Europeans who have exploited us for generations and generations continue to do so? These Europeans who have looted us in various forms? They came with guns; they first took us as slaves. They took all our resourceful labour force. From slavery, they came and conquered us and after that, through education, through sophisticated means, they have come to hoodwink us, but in partnership with our elites. This is very shameful. When you look at these contracts, what do you see -(Interjection)- I will take the information.

MR BESISIRA: Thank you very much, honourable colleague, for giving way. In some areas, they took only that, but in Bunyoro, they even took away our land. Today, in the same place, it is where they are taking away our oil -(Interjections)- actually, I am about to regret why I was born in Bunyoro because while I am suffering with no land, now I am going to have the oil curse. It is very painful.

MR RUHUNDA: Thank you for that vivid information -(Interjections)- when you read through the contracts -(Interruption)

DR EPETAIT: Madam Speaker, we are dealing with a very sensitive matter. According to our Rules of Procedure, no one is allowed to make phone calls while proceedings are going on. Is the Rt Hon. Prime Minister, hon. Amama Mbabazi, in order to be on phone when debates are going on?

THE SPEAKER: Hon. Members, it is a breach of our Rules of Procedure to use telephones in this Chamber.

MR RUHUNDA: Madam Speaker, when you scrutinise the contracts, you are going to realise that what these companies have actually done is to have hidden costs. They have gone into these agreements and put all the costs on the profits of the State, not on theirs. So, the whole liability is carried by the State. When it comes to – in the natural resources committee, we asked the minister, "How can we begin entering agreements without having a national oil company that can

have its own assets?" If there is any problem, then it is the assets of that company that can be staked, but not the country. Right now, it is Uganda that is being staked. That is very dangerous. It is within this PSA.

When allegations come, that some monies were wired to some individuals' accounts – yesterday, they mentioned the honourable Hilary Onek, the Minister of Energy by then. For me, when allegations of that kind begin being made on the Floor and when I look closely at these agreements, I become much more suspicious. I think someone must have benefited and sold the country at the expense of all Ugandans. I think this kind of practice must be condemned with utmost vigour. (Member timed out.) Madam, allow me to lay this document on the Table.

THE SPEAKER: Come down.

MR RUHUNDA: Madam Speaker, this is a study entitled, "Contract Curse: Uganda's Oil Agreements place profits before people, February 2010." It was conducted by Taimour and Mika Paluallo of PLATFORM. I now lay it on Table. (Applause)

THE SPEAKER: Hon. Members, in the Gallery, we have district councillors from Igara West Constituency, represented by hon. Magyezi. You are welcome. I am still trying to establish where the children have come from and when I find out, I will let you know.

I had allowed hon. Stephen Kagwera to make his contribution, but I just realised that yesterday hon. Onek wasn't here yet a number of issues were raised about him. So, let me allow him to say something.

12.11

THE MINISTER OF INTERNAL AFFAIRS (Mr Hillary Onek): Thank you very much, Madam Speaker. I wasn't here because I had taken a few days leave to go and rest. But while still in Lamwo, I got to learn about this debate going on with a lot of misinformation and lies being given out about me. First of all, I strongly support this investigation. (Applause) This is because it will clear the air on what has happened. Actually, that is what I would even desire to do. (Laughter) I am going to consult with the appointing authority –(Laughter)– Madam Speaker, I would like to request that we remain cool so that we can go through all this carefully. Otherwise, Members will miss a point.

The allegations leveled against me were earlier on made last year in August. That time, somebody rang me saying that money had been wired onto my account at Emirates Bank. In my response, I told this person, I had no account in such a bank or any other bank outside Uganda. I further told him that I conduct all businesses in Uganda and that everything is within here. When I asked him to meet me with any documentary evidence, he dodged me. He continued ringing me. So, this forced me to go and make a report at the Police Interpol office –(Mr Hussein Kyanjo rose_)– can you give me time?

THE SPEAKER: What is the point of procedure, hon. Hussein Kyanjo?

MR KYANJO: Thank you very much, Madam Speaker, for your kind attitude. I stand on a point of procedure – I was hesitant to interrupt my senior colleague, the Minister of Internal Affairs, whom I shadow. However, I have just realised that he sounds like he is beginning to defend himself over allegations that were leveled against him yesterday yet this is not a court of law. The Rules of Procedure provide that a Member can write a statement as a personal explanation, which will be a decent way of presenting his defence. So, is it procedurally right that the Member stands up and begins to exchange views? I am asking this because this makes the debate personal.

THE SPEAKER: Hon. Members, I think it is important that he tells us his side of the story before we continue with the debate. I think it is only fair that we do that for him.

MR ONEK: Thank you very much, Madam Speaker. Actually, I will write a personal statement and present it to the House tomorrow. But for today, allow me table fundamental documents to this House.

When these allegations were made against me, I went to Police on 16 August and made a report of reference GEF 61671/2010. After that, I requested the Director of CID to investigate this allegation in order to establish who the person who was trying to blackmail me was.

Two, I also asked him to establish whether such an account really existed. A copy of the statement that I made to the police is here before Parliament.

Three, because I had been implicated with the Manager of Tullow in Uganda called Brian Clover, who they alleged to have wired money onto my account - the Police summoned Brian Clover for questioning. He also made a statement which is here before Parliament.

Also with me, are copies of the data regarding my telephone conversations with the man who made the allegations against me. The details are here and I request that I be allowed to table them before the House.

One thing I want to point out is that we need to be focused. Otherwise, we will miss the vital points in the investigations. I am saying this because once you resort to mob justice without understanding or following the sequence of the events, you will definitely miss the point.

Since I became the Minister of Energy, I had a lot of battles with bureaucrats because of information. You remember I tabled before the House, production sharing agreements. I also tabled before Cabinet, a proposal by an Italian company called Eni, to buy off Heritage. Later, Cabinet approved this proposal that saw Heritage buy it off. But even in that, there were

accusations leveled against me that I had been bribed. That accusation was investigated with nothing found. Anyway, it achieved its purpose of objecting to the buys by Heritage. The rejection was based on the fact that Cabinet didn't want to see any monopoly in the Albertine Graven area.

In generating those lies about me, the accusers reported me to the American Ambassador that I had taken a bribe of \$2 million. All these things appeared in the Wikileaks reports. And I have been on record saying that these people tried to evade taxes. They were trying to get here through the window, which I refused; that is on record because they had to pay taxes.

I also signed a MoU approved by our President, in which it was stated clearly that Uganda Government would not go to court in London. I again made a statement here in Parliament about this issue. But how things changed after I left that ministry, I can't tell. Anyway, I am going to put all these in my personal statement to Parliament. I am personally hurt by these allegations. If such an account really exists in my name, then I deserve any punishment on earth.

I am going to ensure –(Interjections)- resignation will – once a committee is instituted to investigate this, I will leave the Floor. In any case, there is nothing there in being a minister that one should fight for. I am going to make my statement tomorrow. I have been told and a lot of lies have been said, but I will demand that all the documents - for example, the document I signed, the MoU, should be tabled here to show that Uganda should not go to court. I am told that some other people were misinforming the House that Uganda should go to court. Uganda should not go to court.

THE SPEAKER: Thank you very much hon. Onek. Can I have hon. Kagwera and then hon. Wadri, then Mukitale, hon. Atwooki, and hon. Lukyamuzi.

12.21

MR STEPHEN KASAIJA (NRM, Burahya County, Kabarole): Thank you. I start by saluting colleagues who moved the motion and I also rise to support this motion. The other person I would like to salute is hon. Onek. He has moved in the right way.

Yesterday, when hon. Kutesa was mentioned in the story, I waited for him in vain to say that he does not own the bank account that was mentioned. That was absurd.

Oil is an important resource to this country, which must be owned and shared by all Ugandans. It is unfortunate that a few individuals have taken it upon themselves to have it as their own. This is a shame and as Parliament, we need to stand our ground and be counted.

Research has been done and colleagues have done good work. What we need now is to find a way forward on these people named. My worry is that colleagues might start developing the Stockholm syndrome, where hostages start sympathising with their captors. That is my biggest worry.

(Laughter) As we speak now, people are making calculations about numbers. How many Members are in Parliament? Which party has the biggest numbers? I call upon colleagues to join hands and desist this. (Applause) It is not a question of adding and subtracting Members of Parliament – (Interjections)- on a genuine cause, yes; but on this one, no. Let us move as one. Let us not abuse the trust the citizens of Uganda put in us.

My suggestion, therefore, is that the people mentioned – I think the word “resign” is harsh. Let us say, step aside -(Laughter)- such that you allow investigations to go on. When you are found to be innocent, you come back. History will absolve you. But as long as these people still hold their positions, we cannot do much because they will keep influencing the investigations. So, Madam Speaker, I have earlier on indicated and requested the people mentioned to step aside and this is why I am rising to say step aside. Wait for a week or so and then you come back. But if you are guilty, this is another proposal, let the law take its course.

We have seen people who have committed a lot of scandals against the people of Uganda. They are in Parliament and they are outside on the streets. They are enjoying themselves. I have not seen a person being imprisoned. Does it mean that we don't have people, especially leaders, who commit crimes here? We have arm twisted the arm of justice.

Selective punishment – you mention about 20 people, they have committed the same crime but very few, at times one, is victimised. This is unfortunate. Colleagues, I put my case to rest. Thank you very much.

12.25

MR KASSIANO WADRI (FDC, Terego County, Arua): Thank you very much, Madam Speaker. I have been in this Parliament for the last 11 years. And in all these three Parliaments that I have served, I pay salutation to the Ninth Parliament for its unique character. (Applause)

The Ninth Parliament has demonstrated that they are not here for themselves but for the people who voted them to come into this Parliament. Therefore, when I saw the list circulating among Members to put their signatures for this noble cause, I did say that I think the Ninth Parliament is making history and I quickly vouched my signature to the motion.

From the various anthropological studies, when a person is born in a village or a community, the whole community gets involved at the initiation stage because they are celebrating the birth of that child. In a similar vein, when we woke up one day and we were told that there is abundant oil discovered in Uganda, we all thumbed our chests saying we have reached the other stage. And we thought as Ugandans, we would all partake and get to know the information surrounding this very great discovery that had been made. But to our greatest dismay, even after religious leaders were invited to say special prayers on this discovery, all went silent and a few people kept these agreements to their chests; like you do when you are playing cards, you keep the master card close

to your chest, and that is what happened.

I remember very vividly before we closed the last Parliament - the hon. Eng. Hillary Onek was the Minister of Energy; he stood on the Floor of this House and appealed to us to be patriotic. I took hon. Eng. Onek Obaloker, as the person who was really appealing to us that we must be patriotic. As if that was not enough, on Sunday, His Excellency the President was in Lira officiating on the 49th anniversary of Independence. I saw him on the screen giving out patriotic uniforms, meaning that we should be patriotic. The praise that I had for my brother, hon. Eng. Onek, landed on a hard rock; it could not germinate when I heard that his name had appeared among those who were implicated.

Honourable colleagues, in our own culture, when two or three people in a village commit a crime, you go to show concern and disciplinary measures are taken against you. It is for that reason that I am singling out my brother, Hillary Onek.

We northerners are known for pugnacity; we are not known for theft. (Applause) We are known for being fighters but not stealing. We have had presidents; the late President, Dr Milton Obote ruled this country for two terms. He has not left behind him a trail of selfishly acquired property. (Applause)

We have got the late Field Marshal Idi Amin. There is not even any hut in Arua. In his eight years, he served this country without selfishly stealing money.

We had the late Gen. Tito Lutwa who was president for six months. He never acquired any properties during his six months rule.

Therefore, hon. Hillary Onek, you are a shame to us northerners. (Laughter) My senior brother, Hillary Onek, if it is true and it is discovered that you partook of that money, you are a disgrace to us northerners. I leave it to others to discipline their own children, but you my own, I will discipline you.

Today, as we talk, we have seen a number of countries in this country exploring oil. You go to Pakwach in Nebbi District and you will find a large contingent of vehicles and personnel in that part of the country. If you go to Rhino Camp, the same contingent is there. You go to Obongi, heavy equipment is plying day and night through Terego and we all think that this is there for us and we will have something good at the end of it. When we begin to hear such kind of news, we begin to ask, are we really citizens of this country? Is this Uganda for the 34 million people or it is for a few? I think we all have a share in this country; the share that we have means that we must collectively own the property we have as a country.

The people whose names have been mentioned - in Public Service when you are suspected of any

wrongdoing, you were usually relieved of your duties when investigations take ground. In a similar way, I would expect the appointing authority to politely request his ministers to step aside such that investigations can go on.

Next door, you had hon. Ruto, Minister for Higher Education; he willingly stepped aside after being named in a scandal. Even up to now, he is still out of office. Really, my brothers, hon. Amama Mbabazi, hon. Kutesa, hon. Hillary Onek, Mr Keith Muhakanizi and Billy Kainamura should stand aside.

As chairman of the Public Accounts Committee, I am privy to a lot of information which implicates many people here seated with us. I have got signed documents making this country bleed day and night. I want to ask my friend Kahamba Kutesa to lead an exemplary life by stepping aside if it is true that he shared on the \$100 million. Wait to be investigated then if you are clean, you will always have back your chair as a minister for foreign affairs.

Lastly, colleagues, this is a very serious matter. As I left Arua yesterday afternoon, everybody was thumping their chest saying that the Ninth Parliament is unique. Continue with this spirit of nationalism and true patriotism and making sure that people of this country are protected through your unified action to clean the image of corruption. Uganda is now next to Nigeria. When you leave this Continent and go to Europe, you are asked whether you are from Nigeria because Nigerians are known for crafty actions. Uganda has now become number two and the oil situation has made it worse. I thank you my colleagues for the stand that you have taken for the 34 million Ugandans.

THE SPEAKER: I have now discovered the children who are in the Gallery. They have an interest actually in this debate about the royalties. They come from Kigolobya Town Council in Hoima District represented by Hon. Byagira.

12.35

MR STEVEN BIRAHWA MUKITALE (NRM, Buliisa County, Buliisa): Madam Speaker and Members, God is good and all the time God is good. The Almighty God has blessed Uganda with oil; it can only become a curse because of the greed.

The children who have been introduced from Kigolobya, over 48 of their parents are not at home because one director of ISO wants five square miles in Kigolobya, an equivalent of 1900 mailo land in 2011. I gave the documents to the Prime Minister yesterday and this is Major Herbert Muramagye, who has been arresting my people in Kigolobya because he wants to acquire five square miles of land in the oil area.

In 2004, when the good story of licensing in Bunyoro started, the ever accommodative mother kingdom of Bunyoro suffered a very big problem with our neighbours in West Nile because of the

discovery. The security operatives in the rift-valley alleged that all those people living on the shores of the lake were Congolese even the Alur community - I am glad that the former chairperson is here. I want to thank hon. Kiyonga who came to put this matter to rest. When they were evicting the Alur, the cows were taking over as an advance party of the speculators.

Leaders who have stood firm like my chairman for Masindi, Birija - he is in exile because he had the audacity of telling the operatives who were involved. RDCs that stood firm against this were threatened and those who conformed were promised jobs.

I support the inquiry because in the last Parliament, I came here and requested for an inquiry of all land acquisitions in the Albertine region. From 2004 to date, there are new land owners as there was no community in that area. In the last Parliament, I came here and reported that all the oil wells in Buliisa have new claimants, who before the oil companies could locate the wells, would with 100 percent precision locate every oil well before the community knows. I got no response from anywhere apart from his Excellency the President, even after I had written about the conspiracy and infiltration of those supposed to protect the people being part of the deal.

I thank the President who initially sent Gen. Tinyefuza and Kasirivu to evict these people. They came and made sure that the eviction was done after going through a long process in court. What is happening in the oil industry is so ugly. I want to challenge anybody in the oil industry to tell us if Ugandans have got more than 20 percent of the local content in the prospecting stage.

In the last Parliament, while working with the oil and gas forum chaired by hon. Banyenzaki, I did caution this Parliament as the demand for the agreements was being moved, that we look at the recovery cost, the law and the local content. I am happy that yesterday, it was brought up. The only way we can benefit from production sharing agreements as they are is when there is more local content - more Ugandan experts, more Ugandan workers, and more Ugandan contractors partaking in the cost of production. I can challenge you that 80 percent of that money has gone out. A husband of a yard officer from Mombasa is a provider of catering services. The names that you heard yesterday are the people -(Mr Gilbert Olanya rose_)

THE SPEAKER: Are you taking the information?

MR MUKITALE: If I can be given some good time because I want to give you details.

MR OLANYA: Thank you so much, Madam Speaker. I would like to inform the honourable member that the problem you are having in Hoima and Buliisa is the same problem that we have in Amuru District. Upon the discovery of oil from Nwoya District stretching to Amuru District, the government is emphasising that that area near the Nile must be given to Madhvani for sugarcane growth. As Amuru District, we tried to talk them into giving them another area and not that particular area, but they said they strictly need that particular area. Therefore, hon. Member,

Amuru District shares the same problem with Buliisa and Hoima districts. Thank you so much.

MR MUKITALE: Thank you so much, hon. colleague, for the information. I want to sincerely thank the Speaker. In the last Parliament, it is the Speaker who allowed us to have a select committee to look into the Albertine problem, but the report never saw light on this Floor. There are forces which blocked the report from coming here. It was a damning report and I want to request the Ninth Parliament to allow this report to be delivered. It was not about Buliisa; it was about the land grabbing - the pastoralism challenge in the country. If it is not brought here, the money which was spent will be wasted.

Madam Speaker, the way the Ninth Parliament has made a choice can turn this threat of an oil curse into a blessing. I am re-energised because some of us were lonely voices when we raised these matters. There is a price to pay. It was not easy for me to come back to Parliament. I was in exile, 10 days to the election, and who was moving against me? They were leaders in the Uganda Police Force; even when I complained here that I was being indicted by the serious crime unit of the Police. I thank ndugu Rugunda, before he went to the UN, who gave me an early morning call – (Member timed out.)

THE SPEAKER: I will give him more five minutes because he has been consistent on that issue.

MR MUKITALE: Madam Speaker, people like ndugu Rugunda are really seniors and their grandchildren have no cross-generational curse; they should really enjoy their lives and if this Parliament chooses to move the way we are moving, even other land grabs - like you recently heard, we are about to lose Isimba land to an investor who has failed to work with the out-growers started by Government under BOOKER-TATE. We are rewarding inefficiency. All these land grabs of the sugar growers should be fought because we need investors who are smart partners with our community, who have their land as equity and, therefore, a smart partnership. If you cannot do a nuclear project working with the outgrowers and smallholders, you are a liability.

As I start giving a way forward, I have discovered that under the guise of privatisation and liberalisation, we actually have a very big problem, where we are under ransom by criminals and the Ninth Parliament should not accept to be held hostage by criminals. There are shareholders, there are dealers, and there are commission agents who are either senior government people, senior government experts who, unfortunately, include security officers and even negotiators in the Attorney-General's office, who do not speak for the country but for the so-called investors. They are very comfortable to speak for multinationals; they are so concerned about Tullow Oil losing money, but are not concerned about what the next generation will get from the oil, and because of that, I would like to request that the Ninth Parliament goes on record to give an ultimatum, an amnesty for anybody who is supposed to be a government senior politician, an expert, who is in security, but has since decided to be a dealer and businessman, to step aside and resign. We shall not fight corruption if we do not do that.

I sympathise with the son of Kaguta. Why do you wait for the President to disappoint you if you have already disappointed yourself? Why do you want Parliament to go through the trouble of censuring you? We know how people have been harassed; those who were in the old censure have been harassed and their coming back to Parliament was not easy.

Hon. colleagues, as I conclude -(Mr Kyanjo rose_-) I am giving a way forward. It is wrong for Government to be running the oil industry with a very good 2008 oil policy, but with an archaic UPC 1985 Act as amended in 2000. We must get a timeline –

THE SPEAKER: Hon. Mukitale, will you take the information?

MR KYANJO: Thank you, Madam Speaker and hon. Member, for giving way. The clarification I would like to seek from you quite kindly is that yesterday, a tradition was laid in the way of governing this debate. That Members stood boldly and brought out names of individuals who are suspected to have been involved in these shoddy deals and this is the reason we have the guts to say in their own faces that please quit. The honourable member has referred to security officers who are involved in disturbing the Albertine region and said, these people should also follow suit; that they should not be in business. It would give this House the greatest benefit if within your own allocated time, you are capable of being bold and saying it was this officer and this officer, other than thanking the Minister of Defence and the former Minister of Internal Affairs, so that we know how to deal with them. We are here for the job.

MR MUKITALE: Hon. Hussein Kyanjo, I have already mentioned names. The list is very long. I submitted it to the committee of Parliament that is why I am requesting this Parliament to make a resolution today to request the Speaker to bring us that report. It is a detailed document and I will need a whole session to present it. I am giving a way forward because I don't want us to get clogged by the Buliisa issues.

I am now moving, as the Chairman of the Committee on National Economy, for this industry to be left to the private sector. The leverage we have given the private sector is too much for this country. I want to move and propose that Government reviews all the agreements and takes 51 percent shares in the industry.

The refinery, the pipeline and the processing units should be government-owned. The investors can do management because the viability of the industry has since been proved when we hit 1.5 billion barrels. So, with over 3 billion barrels expected, it is no longer a question of viability because – (Interruption)– Oh my God. Madam Speaker, let me conclude.

I come from Buliisa. In the Albertine area, we do not have a formula of those who have been trained. Nobody from Buliisa and the neighbouring districts has benefited from the training of the

petroleum industry. I want to request Parliament to make a resolution today that Government is going to apply and aspire to join the EIATI process. I want to request that by the time we finish this debate, Government gives us a timeline, an equivalent of a White Paper, a road map of when we are getting the loan. When shall we have the institutions in place -(Member timed out.)

12.51

PROF. KASIRIVU BALTAZAR ATWOOKI (NRM, Bugangaizi County West, Kibaale): Thank you, Madam Speaker. I want to thank the movers of this motion and I want to thank Parliament for this very good debate. This is a very good and very sensitive debate, and everybody in Government should be very proud of this Parliament that this information is coming out in this debate.

Madam Speaker, allegations are normal. They are being made and they will continue being made. The most important is that we must have a mechanism to make sure that the truth comes out and if an allegation has been made against you, do not think that is the end of the world. Feel comfortable, let an investigation be made and when the truth comes out, that is it. Even the oil companies must be proud of this debate that they should operate in an environment which is transparent. It is in their interest. Anybody who wants to do something in the dark is very unfortunate in this global world.

There is one matter that has not come out well, that is, the issue of the environment. The biggest problem that areas where oil has been discovered - West Nile, Bunyoro, Acholi regions, Kigezi region, Bundibugyo, Kasese and so on - are going to have is environmental degradation if it is not taken care of. This money we are talking of is being eaten in Kampala and capitals, but the communities where this oil is going to be exploited will suffer a big problem and when you hear about curses, actually the problem is on the environment. When you hear militancy and other things that accompany these oil things, it is a problem of the environment -(Interruption)

MS BINTU: Thank you very much, Madam Speaker and hon. Atwooki, for giving way. The issue of environmental management, even as we speak now during the exploration, it has become a big problem, especially the managing of the waste products.

Recently, the Bunyoro Parliamentary Group visited the oil well and it was sad to note that the liquid waste that has been extracted from the wells was left to evaporate, and when it evaporates, the human beings around those areas continuously inhale what is being evaporated. Even the birds cannot land on the liquid waste. That means it is hazardous to human consumption. The solid waste like the rocks and the stones is heaped in certain places and with these heavy rains, now they are being washed away, and within 10 or 20 years, we are most likely to have numerous cancerous diseases in those areas where exploration is being conducted.

So, we need to handle the issue of the environment like yesterday and not even in future when we start refining. It is an issue which needs to be handled by the government as soon as possible.

Thank you very much.

PROF. ATWOOKI: Thank you hon. Bintu. Are we waiting for another Nyangire rebellion? We had one in 1907 because of land being given away. Now, environment? When Government was going to privatise Kinyara in this very spot, I did caution Government and said, "This privatisation of Kinyara should be made very well and transparently so that the owners of Kinyara will operate well." Somehow my question was not taken seriously. Hectares of sugarcane in Kinyara have been burnt because of poor management of the outgrowers and the workers.

Now, when the environment in this oil region has been degraded and the people cannot grow crops and their livelihood is destroyed, what do you expect them to do? Nyangire rebellion. And then Government will say, "Those people are not supportive, they are not what." We should have mitigating measures to make sure that the environment will be managed very well.

Someone said there are consultations with stakeholders going on in this sector. The other day, hon. Bintu said, we were with the king in Hoima and the kingdom is saying, "But we are not being consulted by Government," because we have a Bunyoro Agreement of 1955 which talks about natural resources and royalties and Government has not talked to those people to say - Madam Speaker, let me read to you the Bunyoro Agreement of 1955.

Section 33 says, "In the event of any mineral development taking place, a substantial part of the mineral royalties and the revenue from mining leases shall be paid to the native government of Bunyoro-Kitara." It is here - the Bunyoro Agreement of 1955.

When are we going to be consulted to say that this is what we think should be done? Are we waiting for people to go to court to say the agreement of 1955 - someone will say that is an agreement but the 1900 Agreement still exists, which took away my grandfather's land - 1900. What about this 1955 agreement?

I think Uganda is lucky. In the Sixth Parliament, Uganda was about to witness another big problem. There was a power purchase agreement which was about to be filed for the construction of Bujagali and by God's providence, hon. Ben. Mutyaba and hon. Aston Kajara chanced to get that agreement before it was signed. And do you know what was there? That Uganda was going to guarantee the water level of Lake Victoria for the next 30 years. Water level being guaranteed by Government? (Member timed out_)

THE SPEAKER: Three minutes.

PROF. ATWOOKI: Madam Speaker, in the same agreement, Uganda was going to pay for 250 megawatts everyday for 30 years. How is it possible? Wouldn't machines be serviced? Would they produce at 100 percent capacity? But this was in the agreement.

With a few Members, we travelled to Washington to see the lawyers who had been part of the drafting of that agreement. We asked them, “You people who were paid by Government of Uganda, how could you do this?” Actually, I asked one person, “You tell us how you can guarantee the water level of Mississippi River and Lake Ontario.” They just looked on. We said, “How do you expect us in Uganda to guarantee the water level of Lake Victoria?” We refused as Parliament and we said we cannot allow this agreement to be signed. I am very happy that again I am a Member of the Ninth Parliament, which is looking at the oil agreements. I thank you Members.

Government should listen; members in Government should for heaven’s sake listen to the people of Uganda. We want good laws; we want good agreements; we want good things so that everybody can enjoy staying in this country in harmony and when we meet each other in old age, we can say, “We were together in the Ninth Parliament and caused this and that; you were in Government and caused a good agreement.” But to think that it is only a few people that matter and others don’t is very bad even before God. God will never really give us good judgement if we don’t make good decisions. I thank you.

THE SPEAKER: Hon. Members, yesterday allegations were made against a number of colleagues who are also in this House. I think, let me give hon. Amama Mbabazi an opportunity and then hon. Kutesa.

1.01

THE PRIME MINISTER AND LEADER OF GOVERNMENT BUSINESS (Mr Amama Mbabazi): Thank you very much, Madam Speaker, for giving me the opportunity. I just want to make two points; one, that as a leader of the Movement and a Member of this august House, I am fully with you and consistent with the methods of work of the Movement; openness and transparency – (Interjections)- that is NRM; that is the hallmark of the National Resistance Movement for all this time –(Interruption)

MR KYANJO: Thank you. Since yesterday, every Member here present knows for a fact that we came for this important debate and we came as Ugandans to use similar tools; to use similar understanding.

Secondly, there was a rumour yesterday, but it was verifiable, that the caucus of the National Resistance Movement had time to sit - is the Prime Minister, therefore, in order to continue bringing the idea of NRM as if we are in an NRM Caucus? We are here as Parliament and if the Prime Minister wants to argue an NRM case, let him go back to their caucus. Is he, therefore, in order? (Applause)

THE SPEAKER: Hon. Members, let me appeal to the Members of this House not to draw me into any caucus because I do not belong to any. (Applause) So, let us address the issues which arose

yesterday.

MR AMAMA MBABAZI: I was saying that anyone who wishes me out of NRM is only wasting their time. My –(Interjections)- presentation this morning on the allegations against me is that; one, I am with you and obviously when there are allegations they should be investigated and conclusions should be made so that when we make statements, they are statements based on facts and findings of investigations. That is all I am saying.

Two, I would like to say that when we come to this House - yesterday the presenter of the motion, hon. Ssekikubo, mentioned that the company that owned the park yard that was being used by Tullow belongs to Nina Mbabazi and Rukikaire Junior. I would like to say that I have a daughter called Nina Mbabazi I don't know if she is the one they meant, and she is married to a "Rukikaire" whom I don't know if he is the one they meant. So, I sat quietly here yesterday because I wanted particulars about that allegation. And I asked the mover, the hon. Sekikubo, who advised that he would give that information in the morning, which he didn't do.

However, I did investigate and found that there is a company called "Mineral Services Ltd." This company's certificate of registration is dated 3 July 1997 and is here, and I lay it on Table.

Secondly, its articles and memorandum of association are also dated 3 July 1997 and the shareholders are a Mr Jeffrey Roberts of P.O. Box 7747, Kampala; he holds 300 shares; Mr Patrick Timbareba of P.O. Box 7747, Kampala; he holds 300 shares; Mr Edward Kabuchu of P.O. Box 7747; he holds 300 shares and they are all signed; those are the shareholders of this company and I wish to lay it on the Table.

I have here the particulars of directors and secretaries of this company which was actually done on 20 September and the names are here; they are Mr Kabuchu Edward and Mr Patrick Timbareba. They are all here; this is the record in the office of the Registrar of Companies.

This is the annual return of this company dated 16 September 2011. And this annual return has the shareholders as Mr Kabuchu Edward and Mr Patrick Timbareba. I beg to lay this on the Table.

It appears to me, therefore, that in case this was the company name, and in case the name of Nina Mbabazi and what they call Rukikaire Junior, they are my daughter and son-in-law, and they have absolutely nothing to do with that company.

Yesterday, when they mentioned her name here in Parliament, I actually sent a message to her and she promptly replied to me that she did not own any business of that kind.

On this point, I am saying one -(Interruption)

MR NANDALA-MAFABI: Thank you very much, hon. Prime Minister. The clarification I want to seek from you is that it means you got this document this morning and you must have asked the Registrar of Companies to give it to you. Can we have the document certified by the Registrar of Companies that this was given to you this morning? Thank you.

MR KIKUNGWE: Madam Speaker, I would also wish to hear from the Prime Minister. What do you know about Kabuchu?

MS ALASO: Thank you, Madam Speaker. The clarification I am seeking from the Prime Minister and Leader of Government Business is whether he is aware of the provision in the Petroleum Exploration Act that requires those exploration companies to provide audited accounts, which the Government of Uganda should benefit from, and whether he has looked at the recent audit report of 2004 to 2006 - the operations of Tullow; and whether that audit report does not name Nina Mbabazi. (Members rose_)

MR AMAMA MBABAZI: Take heart, I have absolutely nothing to hide in this and I can assure you that the only point I am making is that for the investigation I have done since yesterday when I heard this, these are the findings. In case there is more information, we have all the time to discover this. But let me make this point that even if in fact Nina Mbabazi was involved in a business with Tullow, what crime is that?

Madam Speaker, my children do not ask me for permission to do business. In fact, I do not get to know what business they are doing. So, the only point I am making is that this was mentioned yesterday and I am laying on table information to show that actually that company does not belong to her.

My second point concerns the papers that were laid before the House by hon. Karuhanga yesterday. The case that he mentioned about me was a case that, to the best of my knowledge, has been in the public domain for the last two years almost. This case arose out of a Wikileaks report which we have all seen, and I think, which he laid here and which he read, and I do not have to repeat it.

In that report by Wikileaks, which says the American Embassy made a report about me, it was alleged that the head of Tullow Company had informed the embassy that Heritage had bribed me. Of course, in case that document is different, this is the Wikileaks report and I want to lay it on Table.

When this allegation came out in the media, I actually first heard it from the Observer newspaper of London and my response about that was the following in summary; that the allegation is absolutely not true. I have never received even an offer let alone payment from Heritage or ENI of that kind. They have never offered me anything. However, around that time, there was a report in

the London Times or some other international newspaper, which did not name anyone, but it talked about corruption over the deal.

There was a story that Heritage or ENI was involved in corruption over that deal. This was picked and reported in one of our local tabloids, I think the Red Pepper. I did not take that report seriously. What surprised me is that the embassy believes that the allegations are true and concluded that the deal showed signs of high level corruption in Uganda's oil sector. This is incredible. (Interruption)

DR EPETAIT: Thank you very much, Madam Speaker. Since the Rt hon. Prime Minister started submitting, we have taken nearly ten minutes. In the prayers of the motion, among other things, we want to have a commission of inquiry to verify these allegations, especially on the three ministers who have been suspected.

Now the Prime Minister is laying on Table a defence that would ordinarily go to the commission of inquiry. I do not know whether we are turning ourselves into a commission of inquiry. I thought we would allow Members to first do the in-depth debate and then the minister can have all the time with the commission of inquiry once we have resolved this. I beg to propose.

THE SPEAKER: Hon. Members, if the allegations were made against people who are not in the House, maybe that would be the procedure, but these are Members of this House and I think they are entitled to say something before we proceed to the commission of inquiry. That work will inform the commission of inquiry.

MR AMAMA MBABAZI: Thank you, Madam Speaker. I have said that this was my response, completely denying any connection with that allegation and I want to lay it on the Table.

Subsequent to that, Tullow actually wrote a letter to the President on 10 December 2010 and it is addressed to His Excellency, Yoweri Kaguta Museveni. It is copied to Amama Mbabazi and I am going to lay it on the Table, my brother.

It is addressed to His Excellency, Yoweri Kaguta Museveni, President of the Republic of Uganda, State House Entebbe, Uganda, 10 December 2010 –(Interjections)- thank you, she is my friend.

“No doubt you have been made aware of the illegal theft of confidential communications from various US embassies around the world including that in Kampala and the publication of selected and often doctored elements of these on the Internet. In one such release, I have been mentioned as accusing your honourable ministers Onok and Mbabazi of involvement in corruption during a meeting I had with the US Ambassador last year, 2009. This is absolutely false.

Of course, I never made such a claim to the US Ambassador, but merely discussed with him at our

meeting in December 2009, the detailed stories published in the previous weeks' local press and the associated rumours circulating in Kampala at that time. I have no evidence to present implicating the honourable ministers in corruption and I have no reason to believe that the rumours sweeping Kampala at the time were actually true.

In answer to the many media inquiries, which have flooded Tullow since the Wikileaks publications, we have released the following statement to the press." [Mr Nsereko: "Clarification"] Let me finish this, please.

"As part of a general discussion about doing business in Africa with the US Ambassador to Uganda, I made reference to a number of rumours then in circulation in the local media in Kampala to illustrate the issues the oil and gas industry faced. At no time did I give any credence to these rumours and would, therefore, dispute the record of our conversations as detailed by Wikileaks. In fact, President Museveni's government rightly insisted on a transparent process which led directly to the joint venture agreement between CNOCC, Total and Tullow.

I can assure your Excellency that we will continue to monitor these matters closely and will work in any way we can with the two ministers involved to help clear their names. I remain available in Kampala and welcome any advice you may have to offer in this regard, and sincerely regret this entire and unhappy episode."

I wish to lay this document on the Table. (Mr Ssekikubo rose_)

THE SPEAKER: Are you taking clarification?

MR MBABAZI: Not yet. I will later. (Mr Nsereko rose_) I am not giving way so, thank you. Madam Speaker, I have also received -(Interruption)

MR KEN-LUKYAMUZI: Thank you very much, Madam Speaker. The title of Prime Minister is partially blessed and honourable. If any Member of the House can raise a point of clarification before the Prime Minister, it is very rare that the Prime Minister should discard that point of clarification. Otherwise, he does not have the mandate to represent the government. (Laughter)

So, is it in order for the Rt hon. Prime Minister to discard a question of clarification on an important matter of this magnitude?

THE SPEAKER: Hon. Members, I think he wanted to complete the point before allowing the three pieces of information and I hope you will allow them.

MR AMAMA MBABAZI: Well, my brother hon. Ken-Lukyamuzi, knows very well that it is within the powers of the one holding the Floor to give way for clarification or not, but I said that I would give

way actually. I just want to finish my point and then I will give way before I conclude.

So, I have also received a copy of a letter written by Tullow Oil and addressed to you, Madam Speaker, and it says -(Interjections)- please, you made allegations which were read saying that the source of information about me was from Tullow. This is the allegation on the Table and that is why I am talking about Tullow. Now, I did not hear any other allegation yesterday about me except what Tullow is alleged to have said to the Ambassador or the Embassy in the US and that is why I am talking about Tullow.

I have in my possession a letter dated 11 October 2011 from Tullow and it reads as follows -
(Interruption)

MS ALASO: Madam Speaker, thank you very much. I just want to be sure that we are proceeding normally and for the record of this House. The Prime Minister read a letter and he did not tell us the author and now he is talking about Tullow. Does Tullow write as the organisation or is there somebody in Tullow who appended his signature to that particular letter; so that for the record of this House, we have proper information flow. So, is it okay that we proceed with a statement reading letters from Tullow without being told who in Tullow authored the letter?

THE SPEAKER: Hon. Prime Minister, since you are laying the documents, please state the date and the author so that the Hansard can be clear.

MR MBABAZI: Madam Speaker, the first letter I read was written by Mr Tim O'Hanlon, Vice President Africa Business, Chiswick Park London W4 5YS, email tim.o'hanlon@tulloil.com. This is dated 10 December 2010. Now, this one I am reading, when I finish, I will tell you who wrote it.

"We are in the process of reviewing the groundless allegations made against Tullow and certain of its employees during yesterday's Parliament session. We wish to make the following preliminary statement for the public record. Tullow Oil totally rejects the outrageous and wholly defamatory accusations of corruption made against the company in the Uganda Parliament yesterday. If these comments are repeated or made outside Parliament, Tullow will examine all possible legal action to protect the reputation of the company and its employees."

This letter is written by Mr Aidan Heavey, the Chief Executive of Tullow -(Interruption)

MR OKOT-OGONG: Madam Speaker, I am getting lost. Tullow is accused of bribery and is a suspect. How do we now believe a letter written by a suspect? (Applause) If I am accused of bribery or facilitating bribery, would you believe my response? We cannot believe in that letter between the President and Tullow, Tullow and others. Remember there are mafias in this system so they are using every system to disorganise our focus. We cannot rely and believe in a letter written by suspects.

THE SPEAKER: Hon. Members, I think let us receive them and our committee will examine the authenticity.

MS BETTY AMONGI: Thank you, Madam Speaker.

MR AMAMA MBABAZI: Point of?

MS BETTY AMONGI: Procedure, Madam Speaker. The letter being read is purportedly written to you today and a letter written to our honourable Speaker has already landed in the hands of the Prime Minister. I would want to know, procedurally, how your letter, Madam Speaker, written this morning, has landed in the hands of the Prime Minister.

And the allegations levelled yesterday by hon. Karuhanga indicated connivance between hon. Amama Mbabazi, Hillary Onek, Sam Kutesa and Tullow. It means hon. Amama Mbabazi has interest in the matter; Tullow has interest in the matter; and Kutesa has interest in the matter. I want to refer to Rule 80, "Declaration of personal interest in any matter before the House".

Rule 80(1) "A Member shall not in or before the House or any committee, take part in the discussion of any matter in which he or she has direct pecuniary interest unless he or she has declared the nature of that interest to the House or Committee."

So, until we have cleared hon. Amama Mbabazi, we presume he has interest in the matter. So, is it procedurally correct for him to continue to bring all these matters before we have investigated and cleared him or before he declares his interest? If he has interest, let him declare it because the information we have, already pins all of them with Tullow. And he is not the lawyer or defence of Tullow – procedurally, if a Member is not in this House, there is a procedure for that Member to appear before a committee. Now, is hon. Amama Mbabazi a defence lawyer for Tullow? (Laughter)

THE SPEAKER: Hon. Members, let me answer one question. As I was sitting here, a letter arrived – (Interjections)– listen. I wrote on it, "Mr Wabwire, please study and advise", because I have come with my clerk here. So, I sent it there –

MR AMAMA MBABAZI: Madam Speaker, this letter is copied to ministers and I have laid it on Table for your scrutiny. I will now take points of clarification.

MR EKANYA: Madam Speaker, I am having a bit of difficulty; whereas we do not have any problem hon. Amama making explanations, some of us have not spoken. We have information which the Prime Minister will need to clarify. So, when Members ask for clarification, he should give way.

We have information to the effect that you were fronting Eni. So, if you are only defending your

dealings with Tullow, there is another person who was fronting the issue of CNOCC and Total, which you will need to clarify to the country. They say you were a frontman of Eni; and that is how the bribery allegation came on board and that is how hon. Onek Hillary came to be involved.

So, if you begin to defend yourself before many Members speak, when the information comes on Eni and how you and hon. Hillary Onek got involved, and how the matter went to Cabinet and you wanted to involve the NRM Caucus and you failed - if Members ask for clarification and you refuse, then the talk will continue and the Wikileaks will continue.

Since you are ready to clarify, could you also bring documents about your involvement with Eni; how the President constituted a security committee which went to London and New York? Bring them because we do not want to bring documents which may not be authentic. So, can you clear yourself?

MR OKUPA: Thank you, Madam Speaker. I have been waiting patiently to ask for some clarification from the Prime Minister. We thought we would ask for these clarifications from point to point, but he kept denying me the chance. But now that I have the opportunity, may I ask the Prime Minister the following – and hon. Kikungwe asked the same question, “Who is Kabuchu”?

From what we know, Kabuchu is a former ESO operative, and was there when you were ESO boss. He moved from there and went to Heritage. This Kabuchu, whom he has refused to clarify on is related to this park yard in Kira. He has not told us who owns that land where that park is. Mr Kabuchu is just a front.

Can you also clarify to me whether it is true that you sent 60 people to Libya to train in oil security, but after three days, Col. Muammar Gaddafi, former President of Libya, sent those people back because they did not have the consent of the President of Uganda?

MRS BAKIREKE: Thank you, Madam Speaker. The clarification I seek is, who is this Mbabazi addressing the august House. Is it Mbabazi the Leader of Government Business addressing us in reply to the several issues raised during the debate? And for that matter, if he is the Prime Minister, why does he choose to address us only on those matters concerning Nina and his in-law and not the other people who were mentioned?

Then, a motion is on the Floor, I want to know whether he is speaking in support of the motion or against it –(Laughter)– those are the clarifications I seek.

MR NSEREKO: Thank you, Madam Speaker. We are caught at crossroads here; the Rt Hon. Prime Minister is also dwelling his mind on the allegations that he received bribes. History has it that at one time in 1888, Uganda received a company private in nature called the Imperial British East African Company. It came with tokens, bribes and other things as you know and later Uganda was

colonised and conquered.

Today, we hear of Tullow coming and even intimidating Members of Parliament that if you talk about me, outside this parliament, you will attract a lot. We are not here to be intimidated by such companies in order to mitigate the sovereignty of this country.

And two, the most important thing is that there are two parties that are privy to these allegations, the US Ambassador and Tullow. It is only O'Hanlon from Tullow who is writing. This justifies the issue in our motion that a commission of inquiry be instituted as the Rt Hon. Prime Minister and others implicated step aside. I take your information.

MR KARUHANGA: Madam Speaker, the information I am giving –

THE SPEAKER: Prime Minister, I think allowed the information from those two people to come in; there and hon. Ssekikubo.

MR KARUHANGA: Madam Speaker - thank you hon. Nsereko for giving way. The information I am giving is that the document I was referring to yesterday was from the American Embassy. Now, what we have here is the Prime Minister who was accused coming up with information from Tullow. The document I was referring to was from the American Embassy. If the American Embassy feels it is not their document and they have a problem - probably, they would be the right authority to come here and tell us you have a problem. And the time - why is it morning?

MR NSEREKO: Thank you for your information. Therefore, as I wind up -(Interjections)- the honourable Prime Minister is one of the accused and he is presenting information from the co-accused -(Laughter)- and substantive information. You wait for your time. Please, be calm. Wait for your time and present that information on oath with your co-accused and the others as the commission of inquiry takes a step. Further information? Okay. (Laughter)

MR BARYAYANGA: Thank you, hon. Member, for giving way -

THE SPEAKER: No, hon. Members -

MR BARYAYANGA: Thank you, Madam Speaker, -(Interjections)- right now, we are talking about Tullow whose agreements expired. We very well know that Tullow is an exploration company not a production company, and there is nowhere in this world where Tullow has had success stories in production. It tried production in Ghana and it was very disappointing to the President of Ghana. That is why yesterday he said that he could not imagine Tullow was still getting contracts at this time in Uganda. What are we looking at right now? Are we going to give Tullow the production part? We cannot give it a licence. Why is it coming up as though it had the licences? It does not have the authority to come up and say, "For us as Tullow, we are telling you Ugandans, stop joking

around with us.” This is a sovereign state for heaven’s sake. We will have learnt nothing and forgotten nothing.

My hon. Members, please let us learn. We should not give our oil to a company that is trying to learn. That is why when they got the so-called contracts that had expired; they immediately sold them to Total and CNOOC. Had they had the capability of doing the production, they would not have sold the 33.3 percent to CNOOC, 33.3 percent to Total and they are ready to sell another 33.3 percent to another company. They are only joking around with Ugandans’ money, doing it like this as though we are there to look on. We have to serve this country. No, this must stop. Thank you, hon. Members.

THE SPEAKER: Hon. Ssekikubo, the last information is from you.

MR NSEREKO: Finally -

THE SPEAKER: You are giving information -

MR NSEREKO: Finally, after informing me Madam Speaker, I think it would be prudent for the senior counsel here and the Rt Hon. Prime Minister to know that the course to take is to support our motion and wait for the commission of inquiry as he steps aside as usual and, therefore, waits for justice to take its course. Thank you very much, Madam Speaker.

THE SPEAKER: There was clarification from hon. Ssekikubo.

MR SSEKIKUBO: Thank you very much, Madam Speaker. Mine is more of a procedure about how communications are delivered to your chambers. We left this Chamber yesterday at a quarter to nine. Between yesterday and this morning, Tullow has received - I do not know whether it was by your communication - they seem to be writing a response to your communication to them. I do not understand, but the communication is delivered to you and before you can receive that communication, the person being accused has already gotten his copy and has gotten copies out of the same and is here laying them before the House. Are we procedurally moving in the right direction if communications that are supposed to be received and acted on by you are here being laid by the persons accused? What is this relationship?

Hon. Members, as you may appreciate, this is the kind of working such that by the time we understand it, we too shall be encircled. (Laughter) How is it a normal procedure for you to receive communication in session when the House is on? What emergency was there to be salvaged? Since these matters have been on since October last year, why are there efforts to put your office in a very doubtful situation? Why are they stampeding your chair, Madam Speaker?

Lastly, when these matters were raised, I am saddened to know, that again, the name of the

President is being dragged in the affair. Under what circumstances did Tullow choose to write to the President? Was the President condemning, accusing Tullow, or accusing the ministers? Under what circumstances, did the letter that was meant for the President, end up in the hands of the accused, again, in this matter? Isn't it disturbing and making us fail to understand. I take the information, hon. Tinkasiimire. (Laughter)

THE SPEAKER: But, hon. Members, wait. I have not had any correspondence with Tullow since we left last night. I left here and went to my House. From my House, I came to the office. There was no correspondence from Tullow until I came here. When I saw it, I just wrote on it, "Mr Wabwire, please study," and I sent it behind. I have not even read the letter.

MR AMAMA MBABAZI: So, my only point, Madam Speaker –

THE SPEAKER: Motion –

MR AMAMA MBABAZI: In reference to the accusations from Tullow –

THE SPEAKER: There is a motion -

MR AMAMA MBABAZI: Reference to the accusation from Tullow, was to prove –(Interjections)- it is false. That is the end of my presentation.

THE SPEAKER: There is a motion.

1.49

MR HUSSIEN KYANJO (JEEMA, Makindye West, Kampala): Thank you, Madam Speaker. I am moving –(Interjections)- under Rule 66 of the Rules of Procedure of our House, given the circumstances under which we have found ourselves, including your distinguished chair, that the honourable member holding the Floor, and that is the honourable Prime Minister, no longer be heard so that we do not jeopardise our debate and we do not enter into trivialities. I beg to move.

THE SPEAKER: I think that brings us to the issue that hon. Betty Nambooze raised when she inquired whether the Prime Minister is speaking as the Prime Minister or only as Mr Mbabazi. So, please tell us in what capacity you are talking so that we can take a decision.

MR AMAMA MBABAZI: Well, I really have many clarifications to make because I gave way to all of you. One of the clarifications was indeed from hon. Betty Nambooze. She asked me thus: "You are speaking as who?" As I said from the beginning, I wanted to respond to accusations that were made against me, personally, as Mbabazi, and that is what I did. The only point that I really have been making is that from the documents read, the accusation was made by Tullow and I have given Tullow's response. This will help investigations; it is a good beginning because you now have the

documents and I think there is no problem.

So, when I come in to speak on behalf of Government, of course, I will speak as Leader of Government Business. But for now, I have rested my case on that point and that is it. Thank you.

THE SPEAKER: Okay, let us first hear from hon. Sam Kutesa.

1.52

MR SAM KUTESA (NRM, Mawogola County, Sembabule): Thank you, Madam Speaker.

THE SPEAKER: There is a point of procedure. Yes, hon. Dr Bayigga.

DR BAYIGGA: Thank you, Madam Speaker. There is a motion on the Floor of Parliament and so, we expect any submissions to be for or against it. That would be the right way in which to drive the point home.

We are aware that names were mentioned yesterday and as long as these people continue to make submissions to this Parliament outside the motion, both the Members of Parliament and the motion itself get derailed. In order for the House to be focused, I would think that the prayers that were asked for in the motion be maintained by having the accused Members stop defending themselves. They should defend themselves before a commission that we are proposing.

It is against that background, Madam Speaker, that such Members wait for a chance when they will be summoned by the commission after passing this motion. I beg to submit.

THE SPEAKER: There is a suggestion that you wait for the commission. I do not know what to say, but -

MR KUTESA: Madam Speaker, it is common practice and trite law that when someone is accused and he has the ability to defend themselves in the forum or the tribunal before which they are accused, the right to defend oneself is guaranteed. It is trite common practice and trite law.

I would like to quote Sir Winston Churchill, who never liked a man in the Opposition called Butler, but he said that because he was a democrat, though he hated what Mr Butler said, he would defend, to death, his right to say so. I beg that I be given a right to defend myself here, because I am a Member of Parliament. I am a Member of Parliament that is one; and I can defend myself in Parliament. Two, I can contribute to this motion as a Member of Parliament, that is why I stood up to contribute to this motion. So, I do not see why I can be ruled out of contributing to this motion, when I am a Member of Parliament, and there is a motion before Parliament. I would also like to make a contribution relating to all aspects of this motion. I seek your Guidance here, Madam Speaker.

THE SPEAKER: That is why I had earlier said that because you are Members of this House, you are also entitled to speak. So, you contribute to the motion.

MR KUTESA: Thank you Madam Speaker. I would like to welcome the motion. (Applause) The reason is because I think it is healthy to debate public matters. The oil and gas industry is a public matter. It is, therefore, in the powers of Parliament to debate it. So, I would like to associate myself with effort to bring it out for debate.

In the debate, a number of issues were touched on, for example, the need to ensure that the provisions of the agreements are enforced; to ensure that Ugandans are employed; to ensure that we get value for money; and that the industry is regulated. All these are very good points. There were even allegations against individuals who were accused of looting this country by dealing with the oil companies and, therefore, that there should be an investigation.

Madam Speaker, in welcoming this motion, I also want to welcome the free atmosphere for debate and discourse. So, I think it is important that we have a vibrant Parliament; a Parliament that keeps the Government on its toes and individuals accountable.

But though it is important to have a free and open debate; to question Government policies; and to keep individuals accountable, it is equally important to do it responsibly and factually. It is important that if we are going to fight corruption, we need to use facts. If we are going to fight corruption, we must rid ourselves of practices that are corrupt.

We must ourselves do it based on facts and guided by a desire to set the correct record and the correct course for our country.

I want to say that if we use incorrect methods of fighting corruption, we ourselves will be entrenching corruption, instead of getting rid of it. And I would like to say, and I want to be on record that this House is a very important institution of our country. I have revered this House for most of my life and I think we should give it the honour and dignity it deserves by making its work transparent and focused, and ensuring that we really get to the bottom of the matter.

What am I saying? (Interjections) I am saying the following - please, you may not like what I say, but I fight for my right to say it. That is what democracy –(Interjections)

THE SPEAKER: Order, Members. Allow him to say what he wants to say.

MR KUTESA: Yesterday, besides very great contributions by Members of this Parliament about implementation of agreements and about regulating the industry, there were also allegations made against persons. And I was one of them. Hon. Karuhanga said he was a whistleblower and

that he was prepared to die, but he must tell the truth.

I want to thank him –(Interruption)

MR KIKUNGWE: (Member off microphone)- it has set a precedent already by denying the Prime Minister to go ahead and defend himself here unless he goes to the committee. I think it is wrong for hon. Sam Kutesa to start defending himself here.

THE SPEAKER: Hon. Members, what he is saying will inform the outcome of the debate eventually.

MR KUTESA: Thank you, Madam Speaker. Once again, let me appeal to my honourable friends to at least allow me an opportunity to talk as a Member of Parliament. We should listen to each other.

I was saying that yesterday, hon. Karuhanga said he was a whistleblower, and indeed, as a whistleblower, he made allegations against a number of people, including myself. He said that Tullow paid me a bribe of a staggering amount of 17 million Euros. Can you believe it? [Hon. Members: “Yes”] A staggering 17 million Euros! I have never seen a single individual’s account with 17 million Euros in my life, and I know that many of us in this House have not.

Let us think back. First of all, what kind of service could I have rendered for 17 million Euros? Frankly –[Hon. Wadri: “Information.”]- Just let me finish my statement and I will allow you.

However, I want to say that this subject matter of a bribe by Tullow to Sam Kutesa and Hillary Onek is not new. It has been around since about a year and a half. (Interjections) Please, lend me your ears for a while. I beg you to hear me.

Hon. Karuhanga is not the first whistleblower on this matter. The first whistleblower, way back I think in January or December last year, was none other than Andrew Mwenda. Andrew Mwenda fell on documents that suggested that Sam Kutesa had received a bribe of 16.5 million Euros. (Interjections) The same amount. Let me be very candid with you. Andrew Mwenda reported this matter to the Police, way back then. Documents were flying around, making these allegations that also hon. Hillary Onek had received from Tullow – I think hon. Karuhanga was talking about 4.5 million Euros, but there they were alleging 16.5 million Euros. I want to be honest with this House. An investigation was ordered on this matter by the Inspector of Police and it was undertaken by Mr Ndungutse, a Commissioner of Police.

He tried to find out the veracity of these documents and of these allegations. He could not do it here on his own. Mr Ndungutse, working with the Director of Public Prosecutions, contacted the British Metropolitan Police and asked for access for them to be able to investigate these allegations. Mr Ndungutse wrote to a Mr Simpson – Mr Simpson is from the British Metropolitan Police. He was asking Mr Simpson to give him assistance in his investigations.

When Mr Simpson got this letter, he wrote the following letter to Mr Ndungutse; please, lend me your ears, I will read it carefully:

“RE: East African Development Limited” - That is the company that hon. Karuhanga said is my company, through which I was paid.

“I make reference to your mutual legal assistance letter requesting consigning East African Development Limited dated 12 January 2010, which has been referred to the United Kingdom Central Authority for action by the Metropolitan Police Service Proceeds of Corruption Unit. I have examined the supporting documents viz Tullow Oil Power of Attorney and Bank of Baleta Plc third party payment forms. The third party payment forms on the face of it suggest that monies have been paid to an account held by East African Development Limited with EFG Private Bank Limited in the United Kingdom.

I have established that there are two banks named, EFG Private Bank Limited operating in the United Kingdom and EFG Eurobank Ergasias. I have spoken with the compliance departments of both banks to establish whether they hold bank accounts relevant to your investigations and they do not.”

That is his letter. I will lay it on Table and - (Interjections)- Can I finish this letter and I allow you to ask for clarification. (Mr Ssekandi rose_)

THE SPEAKER: I think the Vice-President wants to say something. Hon. Kutesa, could you yield the Floor to the Vice-President?

THE VICE PRESIDENT (Mr Edward Ssekandi): Madam Speaker, I am here to give some information on a matter that is being debated in the House. I must thank the Members because of the way you have made your contribution on this petition. You seem to be patriotic and please, continue. The information I would like to give is that last year the President got some of the documents that were tabled here yesterday by hon. Karuhanga. After some inquiries, the President involved the Inspector General of Police in the inquiries, who in turn sought the Authority of the Director of Public Prosecution because the alleged acts and crimes in those documents could not be dealt with without involving foreign Governments. The Uganda Police got the necessary information from the Malta Police, which informed Uganda Police that the documents were fake.

The Attorney-General of Uganda was two months informed about this. Contacts between Uganda Police and Dubai Police are continuing.

The DPP advised the Police to concentrate on Malta to verify the validity of these documents because apparently, the money that was given to various individuals mentioned, originated from a

bank in Malta. The investigations were to the effect that the named account from which the money was supposed to have been withdrawn does not exist in the Bank. The President is of the view that it is better to continue with the investigation until the truth is really found.

This information is only to tell you what the government has so far done since last year to date.

THE SPEAKER: A point of procedure.

MR TINKASIIMIRE: Thank you Madam Speaker. After hearing the information from His Excellency the Vice President, and given the culprits who have been named in this matter, who include the Minister of Foreign Affairs, who facilitates any diplomatic movements between any Ugandan moving out and other countries. The other is a Minister of Internal Affairs controlling Police and dispatching them to go and investigate. In this matter, therefore, do we expect to have credible information coming here purportedly saying that what was presented by hon. Karuhanga is a forgery? How can we verify that theirs is not a forgery?

THE SPEAKER: Hon. Members, the way I see it is that this information does not take away the need for further investigations.

MR OKUPA: Thank you Madam Speaker. I would want to appeal to hon. Kutesa to stay calm. I would like first of all to give some clarification to His Excellency the Vice President.

Following what hon. Tinkasiimire stated, it becomes difficult for these investigations to continue when the suspects are the ones who control the process of us getting out of this country, investigation, clearing our travel abroad – the Prime Minister always has to append his signature. That is why the Members here are asking, can they please step aside as investigations continue?

I remember very well – my friend, who is also your friend, Mr Kutesa, the foreign affairs minister of Kenya, hon. Mutangula, when there were allegations against him, he stepped aside until the investigations were over and he was cleared.

We would be comfortable in seeing the Minister of Foreign Affairs, the Prime Minister and the Minister of Internal Affairs step aside such that there is no interference.

Because yesterday, after we left here, we got information from the officers concerned that when they went to Malta, the Bank said we can give you the statements, but we cannot put our stamp and signature. When they went to Emirates in Dubai, they said, “We can give you this statement, but we cannot certify because of the mafia surrounding the oil saga.”

When they went to Kenya, they found that there had been changes in the names of the companies. Things had been tampered with. So, we really appeal to the government to do this country proud

by relieving these ministers. We appeal to the President to help this country. Let these ministers step aside. If they fail to do this, Parliament will be forced to take another step.

Some of us are even in the know that during the campaign when the President got this information, a team of security officers had been dispatched to Lamwo to arrest hon. Hillary Onek; and they were dispatched to Ssembabule to arrest hon. Kutesa. Because they know that he is being guarded by the military Police, Colonel Mugira was contacted to help them. But because of the tension at the time, it was stopped. We have this information; this is a country and we share this information. It is just because I cannot name the officers for security reasons, otherwise I would name them.

MR OKUMU: Thank you Madam Speaker. I want to thank hon. Elija Okupa for giving me this opportunity to seek further clarification.

I think we should not get diverted. Individuals were named and offices were also named. For example, the office of the Attorney-General; and from office of the Attorney-General, I am seeking further clarification - now, from the Vice President, because he now seems to be almost a Leader of Government Business – that at one time, hon. Amama Mbabazi was an Attorney General. So, we really want to know whether those agreements were signed at that time when the Rt. Hon. Amama Mbabazi was the Attorney-General.

Secondly, somebody else took over from hon. Amama Mbabazi because this is not something that started yesterday. It has been on for a long time. So, can we get this clarification? One, from the hon. Amama Mbabazi, as to the role he played as Attorney-General in this oil Bill; because when I look at the current Attorney-General, I really sympathise with him; because he really looks like somebody that is being told just to defend. He does not know anything and is just defending. I thank you, Madam Speaker.

MR EKANYA: Thank you very much, Madam Speaker. I want to seek clarification from the Vice President. Upon the team constituted by Government to follow up on the matter finding no merit from where they went in Malta and the UK, can you lay on Table the report that you gave the American Embassy that raised the matter to His Excellency the President?

MR NANDALA-MAFABI: Thank you very much, Madam Speaker. Hon. Hillary Onek said that they should not take anything out of this country and he signed a memorandum of understanding. You are a very good person, hon. Onek. Thank you very much. After signing it, as soon as you left, somebody transferred it; somebody took over the issue. You can see the sequence of events. The Vice-President is now saying that there is an investigation on fake papers. Why do you investigate when you have already declared them fake? This shows that you are planning to muzzle us into covering up issues, and that is why I can clearly state –(Interruption)

MS ALASO: Thank you very much, Leader of the Opposition, for giving way. The information I would like to give you is in regard to an incident that happened in this Parliament in 2010. What I want to remind you about is that this House, presided over by His Excellency the Vice-President now, exonerated ministers in the CHOGM scandal and after we did that, as the Parliament of Uganda, Government went back and backstabbed Parliament and are now selectively arresting the people who are said not to have stolen money. They said at that time that those people were innocent and had not stolen any money. I would like, if we have to believe the Vice President and any other person presenting these issues, to get assurance that they are not duping Parliament again to exonerate people who are actually culpable and then they will turn around and the image of Parliament will be thrown into disrepute. (Applause)

MR NANDALA-MAFABI: Madam Speaker, experience is the best teacher. Yesterday, before we started debate, you read some rulings which were made by the former Speaker, who is now the current Vice President. You said that the Speaker made a ruling on Article 95(5). That means that if it had been his regime, Parliament would not have sat yesterday. Given his experience that he has ruled for 10 years as Speaker, how can we believe him, now that there is an investigation on which he does not have information?

MR SSEKANDI: Madam Speaker and hon. Members, what we debate here is always in the Hansard. I am surprised that sometimes, people do not properly read the Hansard. I want to refer to the issue of the CHOGM report. What was done - and that clarification was clearly given - is that Parliament did not exonerate anyone. What we said was that let the agencies in charge of following these matters, which can prosecute, take action. So, the question of exonerating does not arise and Parliament cannot exonerate; it is not a court of law.

What we did is proper in that the IGG and the DPP can do what they want. It could not be taken as res-judicature that Parliament decides to exonerate. So, it is not true that we exonerated the people named in the CHOGM report.

As regards the Police report, I stood here to give information that I got from His Excellency the President. During the relevant period, I was not in the Executive; I was in Parliament. So, the President told me what they did and that is what I did. The question of bringing a Police report does not arise. Therefore, as for the Police inquiry, their conclusion on matters that they investigated in Malta was that the documents were fake and I said that investigations are continuing in Dubai. Therefore, there is no way you can do without the Police in this kind of inquiry. We are lay people and we need the assistance of the Police to make inquiries, but anyway, the information I have been giving is the information that I got from His Excellency the President, and I am just reporting on what he told me. Do not make these matters personal in this debate. (Interjections) You cannot intimidate Ssekandi. (Laughter)

MR KUTESA: Thank you, Madam Speaker. When I yielded the Floor, I was reading to you a letter

from Mr Simpson of the Metropolitan Police of the United Kingdom, and I was at this paragraph; “I have spoken with the compliance department of both banks to establish whether they hold bank accounts relevant to your investigation and they do not. EFG Private Bank Limited stated that the swift code EFGBGZL on the third party payments form is their swift code.” He admits that that is their swift code, but the beneficiary account number or ISBN No.GB36 is not their ISBN number and does not match any bank account. “They do not hold an account in the name of East African Development Limited. Both banks state that if Euros 16.5 million had been received into their accounts, such activity would have triggered their anti-money laundering process and the transactions would have been closely scrutinised before the money was allowed to enter their banking system. Similarly, both banks were aware of their obligations under the UK money laundering regulations concerning politically exposed persons -

And if they had an account in the name of or linked to government officials e.g. Sam Kahamba Kutesa, this would also be carefully scrutinised and in all likelihood disclosed to the UK law enforcement authorities. EFG Eurobank Ergasius is a Greek-owned bank whose main Greek clients are involved in the shipping industry. Neither bank has business interests or a client profile in East Africa.

As discussed, the most sensible next step would be for you to contact the authorities in Malta that enquiries can be made on the Bank of Valletta plc to see if they hold an account in the name of Brian Glover/ Tullow Oil and for the bank to examine the third party payment forms to see whether they are actually their forms.

I have doubts as to the authenticity of the Tullow Oil power of attorney letter purportedly signed by CEO Aidan Heavey. I appreciate that you are working from copy documents but the layout of the letter does not seem to be consistent with something that a big corporation like Tullow Oil would send out. I doubt that the CEO of such a company would sign off a letter of this nature. Can you check with your source(s).

Please do not hesitate in contacting me if you require further information.

Kind regards,
George Simpson.”

Madam Speaker, as the last point, the same detective wrote to the Attorney-General of Valletta, Malta. This is a letter dated June 21, 2011.

“The Attorney-General, Office of the Attorney-General, the Palace, Valletta, Malta,” and here he was answering their own Police according to their investigations.

“Attn: Dr Donatella Frendo Dimech, L.L.D

RE: Letter regatory received from Uganda bearing referenced under number PRO/68/1.

With reference to the letter regatory from Uganda dated 4 April 2011, consequently, Bank of Valletta was requested to furnish this end with all information requested by the Ugandan authorities. Bank of Valletta was also furnished with the copy of the alleged transaction for verification. Subsequently, a thorough and linked search was conducted by the mentioned bank staff which, unfortunately, yielded negative results. Therefore” -(Interjections)- I am just concluding.

“Therefore, it was concluded without any doubt that the companies and persons mentioned in the letter regatory do not hold any accounts with BOV and the transaction receipts submitted are forgeries as no such transfer of monies has ever taken place.”

My conclusion, Madam Speaker, is that yes, it is true that hon. Karuhanga is a whistleblower - (Interruption)

MR KARUHANGA: Thank you, hon. Kutesa for giving way. Madam Speaker, hon. Kutesa is talking about documents and accounts that actually did not refer particularly to him. However, as we were entering Parliament this morning, a Member of Parliament brought further evidence of these accounts, which I think might be important to lay on Table once again - (Applause)- so that in case we eventually agree that we have a commission of inquiry, they can be of help to the commission of inquiry.

There are nine documents. The first one is a letter of the CEO of Tullow, Mr Aidan Heavey, writing to Bank of Valletta and it reads as follows - it is a very brief letter.

“For attention, CEO, Bank of Valletta.” It is dated 3 June 2010.

“Letter of power of attorney to Mr Brian Glover: We refer to the power of attorney registered in your office on 1 June 2010 to specify that Mr Brian Glover is authorised to make payments in cash up to €500,000”, an equivalent today of Shs 2 billion, “to the introduced representative of East Africa Development Limited, Sam Kahamba Kutesa, born in Ssembabule, Uganda, 1 February 1949.” I beg to lay on Table, Madam Speaker.

We have printouts from Bank of Valletta. The first one is a transaction dated 16 July 2010 from account number 40037242019 and the beneficiary name is East Africa Development Limited. Instructed amount in currency of your account, €5 million. Madam Speaker, I beg to lay it on Table.

There is also another transaction still from the same bank on 12 July 2010. The beneficiary name is East Africa Development Ltd, same account, same name; €5 million. I beg to lay the document on Table.

There is another transaction on 8 July 2010, the beneficiary name is East Africa Development Ltd, from the same account and the money transferred here is €3.5 million, an equivalent of about Shs 14 billion. I beg to lay it on Table, Madam Speaker.

Another transaction on 6 July 2010, same account and this one now refers to the other first letter. It was from the London branch cash movement and a reference was to Brian Glover of €500,000, an estimated amount of Shs 2 billion today. I beg to lay it on Table.

East Africa Development Limited was not yet done. (Laughter) On 21 June 2010, East African Development Limited received €1.5 million, an estimated Shs 6 billion today. I beg to lay it on Table.

Madam Speaker, the hon. Member involved here was not yet done. On 4 June 2010, the same company received €500,000. On the 10th of June 2010, East Africa Development Limited received €1.5 million, about Shs 6 billion today. I beg to lay it on Table.

The whistleblowers have also been very kind and have given us the transactions from the same account around the same time, which add up to €17.5 million and the printout is here. I beg to lay it on Table. (Applause)

As I leave the Floor, it is very painful when the same names keep coming up all the time when corruption scandals are mentioned in this country. First, some were censored. We have CHOGM and they are there. The names of the hon. Amama Mbabazi and hon. Kutesa are mentioned. Temangalo; the name of hon. Amama Mbabazi is there; and now here we are with oil and the same names are there. I think this is the time that we have to stand up and make a statement and get rid of the people who are stealing our money in this country. I thank you. (Applause)

THE SPEAKER: Hon. Kutesa is concluding.

MR KUTESA: Madam Speaker, in my conclusion, I would like to say that it is alright to make statements, to vilify people and to show them as thieves, looters and whatever you want. It is also important to know that the people we are addressing – the people of Uganda - are not fools. The people of Uganda can tell a –(Interjections)– the people of Uganda will be able to tell the difference between a lie, a falsehood and the truth. How can anybody - even a self-respecting infant - believe that in a matter of four months you get €17.5 billion over and above €16 million? I am calling upon this august House to exercise caution. I am ready to lay these letters on Table.

My position, while concluding on this motion, is that the investigations against me over allegations made against me by hon. Karuhanga have been investigated and there is no need for further investigations. I thank you.

THE SPEAKER: Hon. Members, I know that this matter is very emotional. I know that it is of concern to everybody, but I would like to appeal to the Members of the House to treat each other with courtesy. First of all, we were all elected and we are going to be stuck together for the next five years. We are going to be meeting in the corridors, in the canteen; you are going to meet in the committees. I think let us treat each other with a minimum level of courtesy. I would really like to appeal to you.

Hon. Kutesa, I do not think you formally laid the papers; could you please, formally lay them?

MR KUTESA: This is a letter from the Metropolitan Police regarding allegations on East Africa Development Limited to Mr Ndungutse. I lay it on the Table. Then this is another letter from the Attorney-General's Palace of Malta. I lay it on Table.

2.46

DR FRANCIS EPETAIT (FDC, Ngora County, Ngora): Thank you very much, Madam Speaker. I am moving under Rule 68 of our Rules of Procedure; "Whereas Parliament was recalled from recess, pursuant to Article 95(5) of the Constitution of the Republic of Uganda, in order to discuss a motion for a resolution of Parliament in respect of regularisation of the oil sector and other matters incidental thereto;

Appreciative that upon recall, Parliament unanimously agreed that a number of issues in the prayers in that motion are pertinent;

Further appreciative that there was unanimous concurrence in the debate that followed for that motion;

Aware that during the debate, there was no dissenting voice in the drafting of the motion;

Cognisant that Ugandans need to have a transparent oil sector;

And further appreciative that a number of Members have exhaustively handled the debate on the oil sector;

Now, therefore, I move that a question be put on the motion." I beg to move.

THE SPEAKER: Hon. Members, if we agree that the question is put, we shall put closure to the debate and then go to the motion, which we shall now handle, item by item –

Yes, if we agree to close the debate, then we shall move to the motion. Hon. Members, we would now move to debate the motion and you will respond. I put the question that the question now be

put.

(Question put and agreed to.)

THE SPEAKER: Do all the Members have the text of the motion? Can I direct the Clerk to distribute the text of the motion and then we shall take each item one by one?

HON. MEMBERS: Yes.

THE SPEAKER: So, we shall suspend until 4.30 p.m. to enable the distribution and then when we re-convene, we shall take the motion item by item. House is suspended for one and a half hours. Clerk, please ensure that Members get the papers.

(The House was suspended at 2.52 p.m.)

(On resumption at 4.38 p.m., the Speaker presiding_)

THE SPEAKER: Hon. Members, before we suspended the House, I requested the Clerk to distribute the text of the motion. I want to confirm whether all the Members have got it.

HON. MEMBERS: No.

THE SPEAKER: Please pick them, I understand they are outside. Secondly, I understand the Minister of Finance has a clarification to make before we go into the text of the motion.

4.14

THE MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Mrs Maria Kiwanuka): Thank you, Madam Speaker. I speak in answer to a comment that was raised yesterday in the House as to the whereabouts of the money collected, so far, from the oil industry.

A Capital Gains Tax was assessed and collected by URA on the transfer of interest from Heritage to Tullow. This amounted to \$434,924,980 in addition to Stamp Duty of \$14,500,000 collected in this transaction. The total collection of \$449,424,960 was deposited in Bank of Uganda on the URA tax collection account. The local equivalent amounting to Shs 1,160,736,556 was transferred to the Consolidated Fund account on 21 July 2011 at the then ruling exchange rate.

I lay on Table the URA collection account statement in relation to the dollar collection and subsequent transfer to the Consolidated Fund as certified by the Bank of Uganda.

Furthermore, I also lay on Table the Bank of Uganda Annual Report 2010/11, which incorporates these accounts duly audited by the Auditor-General of the Uganda Government.

Madam Speaker, I refer you to page 124 of the annual report where the amount is indicated as at the ruling exchange rate on 30 June 2011.

A comment was also made about the non-tax revenues. This includes signature bonuses, training fees, annual surface rental, data purchase and permit fees collected by the Ministry of Energy and Mineral Development, and deposited on their account held in the Bank of Uganda, and subsequently transferred to the Consolidated Fund account in line with the financial laws and regulations of this country. I wish to lay on Table the bank statement of the Ministry of Energy and Mineral Development in relation to these collections for the financial year 2006/2007 to 2010/11. No royalty from oil has been collected as oil production has not yet commenced.

As far as expenditure is concerned, a question was raised on the Floor yesterday. The current budget of financial year 2011/2012 authorised the use of Shs 826 billion for the financing of the hydropower infrastructure at Karuma. The financing of the Karuma power plant would use a capital gain of these tax revenues. Madam Speaker, thank you.

MR NANDALA-MAFABI: Thank you very much, Madam Speaker. I want to thank the Minister for Finance that we are able to see where the money went. I just want to seek clarification from the minister. The money was moved according to the Bank of Uganda statement on 7 July 2011, but it hit the account on 21 July 2011. How long did it take to move from one account to another? Where did it delay?

THE SPEAKER: Come again. I did not get the dates.

MR NANDALA-MAFABI: Madam Speaker, I can confirm I have got a statement here. It is true the money moved from URA account in dollars on 7 July 2011 to an account called Accountant General's Office - I think that is the Treasury Account - but it reached that account on 21 July. It left on 7 July, but it reached on 21 July - two weeks. I do not know which Bank of Uganda it moved from to which Bank of Uganda it went to and where was our money stuck? Who was trading with it?

MR KATOTO: Madam Speaker, as we know, when money is being transferred, it has to take some steps. Surely, for people who have done business, I think you know. So, is it in order for the whole Leader of Opposition to stand in front of the House and ask about that cheque?

THE SPEAKER: Hon. Members, I think what the Leader of the Opposition was asking is for the minister to explain the two weeks.

MS ALASO: Thank you, Madam Speaker. What I want in regard to revenue and in very specific terms, since the honourable minister is attempting to account for oil revenues to this House; out of

the five that have been contracted, why is it that there was only one signature bonus accounted for? What happened to the rest of the signature bonuses that should have been collected?

Two, I would like the minister to tell me what happened in exploration Area 3, which was eventually subdivided into A, B and C? That is the area around Kibale, Semuliki and Hoima. In that area, the first licence for the entire block was issued on the 15 January, 1997. Then it was divided into three and relicensed to Energy Africa. Then Energy Africa gave it over to Hardman and Hardman to Tullow.

So, how much did you collect in Capital Gains Tax over the shifting of those licences from the five licensees to the present licensee? I really need to know and I need that money accounted for.

THE SPEAKER: Hon. Members, the issue they are raising is actually a resolution. Why don't we go one by one and then reach them?

MR AMURIAT: Thank you, Madam Speaker. I would like to know from the minister, whether in her accounts there is a reflection of a signature bonus for Block 3. Also, whether in respect of the PSA for Block 3A, she received \$300,000. And whether in the case of the PSA for Block 2, she received \$200,000. And whether in respect of Block 1 of the PSA, she received \$3.5 million.

I have information to the effect that this money is not reflected anywhere in the budget or the expenditure of the Government of Uganda.

MR OKUPA: Thank you, Madam Speaker. The minister categorically stated the amount that was paid as revenue. But she did not tell us how much non-tax revenue has been collected. So, can we know the exact figures – I would be comfortable if we are given the total figure they collected for non-tax revenue in form of the signature bonus licences.

MR EKANYA: Thank you, Madam Speaker. I would like to find out from the Minister of Finance, based on the audit report of Ernst and Young, 2004/2006 and 2009/2010. For example, 2004/06, the audit report by Ernst and Young which was commissioned by Government of Uganda indicated that the recoverable cost from oil by Heritage had been over-claimed by \$586,511. So, what action have you taken since then? This was 2004/06.

In 2009/10, there was another audit report and all these audit reports stated clearly that Heritage was over claiming –(Interruption)

MR MUSASIZI: Thank you, Madam Speaker. The information I would like to give is in relation to the management of finances. Government did not have a chart of accounts. In this regard, it is very difficult for Government to analyse financial information. Government was relying on the chart of accounts of these companies.

Two, according to the review done by Ernst and Young on oil exploration in the same –
(Interruption)

MR BESISIRA: Madam Speaker, when you suspended the House, there was a motion and you ruled that debate closes. After that, you also ruled that when we come back, we should speak on each item of the motion and vote on it. The motion is with us and some of the issues being raised in relation to revenues accruing from the oil transactions have also a section that caters for them.

So, wouldn't it be procedurally right for us to go straight, such that all the issues that every Member feels that need clarification – because now it looks like there is one side which is interested and another which is not interested. But we are all interested and we are all concerned as Ugandans. I am sure even the Executive is very happy that this motion is now here and is being deliberated because it is for the good of this country that this debate is going on.

So, I suggest that we move item per item on the motion, we agree on each of them, vote and then move on.

THE SPEAKER: Actually, that is what I had advised. Since the minister is here and her job is to be here until we finish, let us start with the motion. When we reach the point where issues have been raised, she can come back and answer them.

Hon. Members, the preamble page I think is really not a problem; it is giving an account of the background to the resolution. Does anybody have a problem with the preamble?

MR BESISIRA: Resolution One; “Moratorium on executing oil contracts and all transactions be put on the Executive Arm of Government until the necessary laws have been passed by Parliament, to put into effect the Oil and Gas Policy.”

HON. MEMBERS: Aye.

MR BANYENZAKI: Thank you, Madam Speaker. As the former Chairperson of the Parliamentary Forum on Oil and Gas, now a Minister of State for Economic Monitoring, if we put a moratorium on executing oil contracts and transactions on the Executive Arm, that means that as a Government, one, the effect on the economy, the signals to the investors -(Mr Tinkasiimire rose_)- hon. Tinkasiimire, give me a chance to explain. (Interjections) Hon. Tinkasiimire, give me a chance -

THE SPEAKER: Hon. Members, let us have courtesy for one another.

MR BANYENZAKI: Madam Speaker, I request for your protection from hon. Tinkasiimire.
(Interjections)

THE SPEAKER: Hon. Members, please.

MR BANYENZAKI: Madam Speaker, the implication of this is that the Government of Uganda cannot honour its contractual obligations. That will be number one. Therefore, this is a very wrong signal to the investors. Besides these provisions - because it will not save - once we halt this business - still, we shall continue to incur the costs. So, I am proposing that we say that, "All the necessary laws be tabled before Parliament to put into effect the Oil and Gas Policy within 30 days." I propose, Madam Speaker.

THE SPEAKER: Does the minister wish to say anything?

MRS MULONI: Madam Speaker, I welcome the motion and I want to thank Members for the interest they have shown in the oil sector. But I would like to request that while we all have interest in ensuring that the oil resource in this country before us that whatever decisions we make, we do not impact and paralyse the country. (Interjections)

As I said, I appreciate the concerns, and I think all of us are trying very much to work towards exploiting this resource in the most transparent and accountable manner. I am saying this because I have listened –(Interruption)

MR ANYWARACH: Madam Speaker, thank you very much. I would like to seek a very simple clarification. This resolution number one is on moratorium; I call it in Latin "emoratorius" on executing oil contracts. I wonder how this endangers the economic operations of Uganda to execute a contract, with due respect to the Frontbench. So, we are going to put a ban on it until there is the Oil and Gas Policy. This is in accordance with the policy copy that hon. Ssekikubo presented yesterday very maturely in this House. I think we should not be misdirected on a national cause. Thank you very much.

THE SPEAKER: Hon. Member, I do not know whether we may not need to find another word. You see, if you say "a moratorium on executing oil contracts", it means even the existing must stop. Can we say, "...on new contracts?"

MR MAGYEZI: Thank you very much, Madam Speaker. I would like to request you hon. Members to pay attention to two issues about that proposed resolution. One is what you are calling "executing oil contracts." Are we talking about all oil contracts? I think the purpose here is to add something like executing fresh oil contracts.

The second one is, "until the necessary laws have been passed by Parliament." Again, this is vague. We should be talking about, "until the following laws have been passed and then we lift them," Otherwise, this remains vague. Thank you, Madam Speaker.

DR BARYOMUNSI: Thank you very much, Madam Speaker. We can agree, maybe on a new contract. But also, the information I would like to give the honourable minister, including hon. Banyenzaki, is that the modern way of managing oil resources is that you do not just plough them into the economy. You actually disorganise the economy when you just put in oil resources. That is why there must be a law to govern the management of these oil resources. Other than that, you cause what we call the Dutch disease where you disorganise the economy. What you are doing that you just get all this money and put it into the economy without an enabling law, is wrong. It is not the best way to manage oil resources.

MR RUHUNDA: Thank you very much, Madam Speaker. Members, as you know, we are executing details of the agreements. That is the main theme we are looking at. We have found flaws within these agreements. Good enough, some of the agreements are going to expire and others have already expired. (Interjections) Our prayer is that the existing contracts which have expired should not be renewed until we have passed the necessary laws to protect this country, including the setting of the national oil company.

MR SSEWUNGU: Thank you, Madam Speaker. Actually, it is very interesting that this time hon. Banyenzaki is making himself laugh. Last week, I was in Buliisa and I would like to say that I fully support this resolution. This is because there is one thing we do not know or which we should learn. Tullow Company in the mining industry is just one of those whose work is only to discover oil wells. During the time we were in Buliisa, I tried to ask them about this information. In their response, they told me that actually, their work was just that; to discover the oil wells.

They also told us that after they have done that, Government can contract bigger companies like Shell because such companies do not carry out discoveries. It is like somebody coming to my fish pond and I tell them that I have 500 fish in there. That person will not believe that statement until the fish has been removed from the water.

So, Madam Speaker, when we close all those contractors, it will save us from these predators who worked with Tullow. Thank you.

THE SPEAKER: Hon. Minister, you know that this Oil and Gas Policy was published in 2004. So, I think you will agree that seven years is really long. Can you make a commitment on when you are going to execute this? I think the country is saying, the laws should be here now. When I looked at the document and realised it had taken seven years, I was embarrassed.

MRS MULONI: Thank you, Madam Speaker. What I was saying is that as a matter of fact, Government had suspended licensing, pending the enactment of the new laws that will provide for licensing through competitive bidding to ensure increased value-for-money. That is why the three laws that are still in draft form – (Interruption)

MR NGANDA: Thank you, hon. Minister, for giving way. Madam Speaker, we are talking about two situations. There are bad contracts that we already have entered into as a country. But there are also fresh ones that we are about to enter into. So, Resolution No.1, in my understanding, is supposed to deal with these two situations. What do we do with the contract we have entered into without the laws being in place? That should be very pertinent before you even talk about the fresh ones. The reason you went to London was to enter into a contract, but which has caused us problems. So, what is the remedy for the ones that are running?

MRS MULONI: Madam Speaker, I would like to clarify to Members that we already have oil laws in place. We, for example, have the Petroleum Act enacted in 1985 and revised in 2000. And that is the law that has been guiding the operations in the petroleum industry. So, it is not true that we are operating in a vacuum. There is a law -(Interjections)- but following the –

THE SPEAKER: Please, leave the Minister to talk because she kept quiet and listened to everybody, please let her tell us what she has from her sector.

MRS MULONI: Madam Speaker, I would like to request that Members allow me to put my case across because I listened very attentively to all of them -(Interruptions)

MR OKUPA: Madam Speaker, is the honourable minister in order to confuse us? She just stated a few minutes ago that Government has suspended licensing pending the enactment of the laws. How come she is again saying the laws are in place?

THE SPEAKER: Hon. Minister, can you explain what you meant to the House? But maybe before the minister comes to the Floor, allow me welcome the children of Frobel Kindergarten Primary School, represented by hon. Ruhindi and hon. Nagayi Nabilah Sempala. (Applause)

MRS MULONI: Madam Speaker, what I was saying is that, indeed, we have a law in place, but that following the discovery of huge deposits of oil, we felt it was important to enhance the existing laws so that we can add value to our oil and improve the bidding system. This was also intended to add value to the assets of this country. That is why I was saying the law actually exists.

Following the discoveries, Government felt it was important to bring new laws into place to enable us process it and also add value to it in order to maximize the benefits for our country. It is true Government suspended new licenses. However, we have transactions that are still going on and need to be concluded. So, if we halt the process, even the Capital Gains Tax that we are talking about will not be received. We might have to pay back what we have already received. That is why I am pleading with Members –

THE SPEAKER: Hon. Minister, you are saying that there are subsisting contracts under the

Petroleum Exploration Act, which are ongoing, not so?

MRS MULONI: Yes.

THE SPEAKER: But that you need laws to now activate the process, not so?

MRS MULONI: Yes, but these laws are still in draft form with the First Parliamentary Counsel.

THE SPEAKER: Maybe, let me ask the mover of the motion, hon. Ssekikubo, to give us the rationale of his resolution.

MR SSEKIKUBO: Thank you, Madam Speaker. As you may recall, we had to answer the question: "Why now?" But we have information that by 15th there are new undertakings under PSA IIs between Tullow, CNOOC and Total and we are saying, halt that please.

So, the gist of this resolution – we can consider what the minister is talking about, the ongoing transactions, and we have no quarrel with it; but by 15th, they are going to commit us, under PSA IIs and we are saying, no. We can allow, the Rt Hon. Prime Minister and the sector minister, those that have been ongoing because there could be contractual obligations which we should not block. However, what we want the minister to appreciate is the new commitment under PSA IIs, which should be halted, awaiting the new law.

THE SPEAKER: So, if we add the word "new" you will be satisfied?

MR SSEKIKUBO: Yes, and it has to be on record for the particular area we are emphasising.

Maybe, Madam Speaker, what we are saying can be further consolidated by saying the fresh undertakings –(Member timed out.)

MR KIKUNGWE: Madam Speaker, I would not agree with a situation where we would add the word, "new" because we are dealing with people who are not trusted any more. People who can even back date this agreement up to a year ago. I do not know whether I will get another chance to say something; but on this, I would like to amend.

Madam Speaker, you will recall that Parliamentary resolutions, as far as the Executive is concerned, are only advisory; they are not binding. So, I want to add to resolution No.1 that anybody who goes ahead to contravene this resolution, will be liable as a person to this Parliament.

MR OKOT OGONG: Madam Speaker, the document that I am holding now is from the Ministry of Energy and Mineral Development. It is the National Oil and Gas Policy for Uganda. On page 25 of this policy, they agreed on the actions to take:

“1. Put in place a law to regulate payment, sharing, use and management of revenues accruing from oil and gas activities.” Are those laws in place, Madam Minister? Are they there? This is 2008, and the laws on the management of our resources are not there.

“2. Put in place the necessary institutional framework for the collection and management of oil and gas revenues.” Are the frameworks in place? No.

“3. Participate in the process of Extractive Industries and Transparency Initiatives (EITI).” Madam Minister, are they in place? (Interjections) What are you talking about? (Laughter)

MR KAKOOZA: Thank you, Madam Speaker. I would like to amend the first resolution and support the argument you had mentioned earlier. When we look at the law which we passed in 2009, the Income Tax Act Section 89, the petroleum revenue returns, the costs, the expenditures are within this law. That means there are business activities taking place by the companies which are involved in oil and the government is collecting proceeds. (Interjections) Wait, I am still explaining. If they are not collecting proceeds, that is another issue. But what I am trying to say is that those companies which are coming in as new companies, with new contracts, should not start business. Let those who are existing within this law operate and Government collects those returns till the new laws are brought within 30 days, and then we deal with them.

MR KATUNTU: Thank you very much, Madam Speaker. I think it would be in our interest not to look at Resolution No.1 in isolation because it is intertwined with other resolutions. For example, when you look at resolutions No.1 and No.10 - and I am specifically talking about No.10 for a reason because this is one of the contracts that is about to be entered into - we do not want to resolve in such a way that resolution No.10 becomes redundant. That is why we specifically put it differently because in Government, extending this consent to allow this transaction between Tullow, CNOOC and Total to do the farm-in and farm-out, it would have an impact on the point hon. Niwagaba was raising yesterday about the legality of this particular transaction, because the exploration licenses in respect to those blocks have expired. They have lapsed.

Since yesterday, when we raised that issue, Madam Speaker, you have not got an answer from the Frontbench. (Hon. Amama Mbabazi rose_) The point I am trying to make is – if you want an opportunity to speak, you stand up and you are given the opportunity. The Speaker will not look for the Rt Hon. Prime Minister and ask him whether he has anything to say. (Interjections) Hon. Byandala, let us do things the civilised way. [Hon. Tinkasiimire: “Information.”] If you give me information I will sit.

MR TINKASIIMIRE: Thank you, hon. Katuntu, for giving way. Why we emphasise that our resolution or prayer No.1 stands is because we have got information from the management audit report by Ernst & Young of 2004 to 30th October 2006 clearly indicating that even in the contracts we signed,

a number of articles have not been observed. So, give me justification why these contracts should go on when these companies have not observed these articles.

MR AMAMA MBABAZI: I thank my learned friend, hon. Katuntu, for giving way. The point I was making about not having had the opportunity, I meant that the way I had understood the way the debate would go was that the motion would be moved; it would be seconded and then there would be a full response from Government so that the debate is balanced. As it turned out, there has been the mover of the motion and then the justification.

We then moved to the motion before the minister responsible for the sector actually responded fully. If she had, she would have certainly answered many of the questions, including questions that arose in the course of justification for this motion. I had hoped that there would be that explanation from Government so that we debate with information and on a clear balance.

MR SSEKIKUBO: Madam Speaker, since we started our debate yesterday, you allowed all sides to respond including the Members mentioned. Is it procedurally right for the Leader of Government Business to stand here and go on record that the Speaker did not allow room for those concerned to have a response yet we have moved up to this late hour?

Is the Rt Hon. Prime Minister procedurally right to insinuate that the debate has been lopsided when, indeed, he has been in this House, and listened to all - he made the best he could offer?

THE SPEAKER: I think the Prime Minister is not being fair. Yesterday, we started at 4 O'clock. I first came here at 2.30, the government was not here and I suspended the House. I came back after, they were not here; again I suspended the House to enable them to come back so that they could be present. This morning, I expected you to speak; you spoke about different issues. I cannot guess what you wanted to speak.

The vice President came; he also spoke about a particular issue. I also asked you whether you were responding as hon. Mbabazi or as a Prime Minister, and you did not answer.

MS ALASO: Thank you very much, Madam Speaker. Is it in order for the Rt Hon. Prime Minister to intimidate the Speaker after she has guided the House on what happened in the morning? Is the House safe when the Speaker is intimidated in her chair?

MR KATUNTU: If we go ahead and change this resolution, I am not sure if we will have achieved anything during this debate. The gist of the matter actually, is Resolution No.1, and indeed, that is why we named it number one.

MR AYENA-ODONG: I would like to inform hon. Katuntu and the House that crafting of this resolution was deliberate and in my view, there is no reason why I should or even subtract

anything because if you read carefully, the addition of the word “new” would be redundant in the presence of the word “necessary”. If you read, “a moratorium on executing oil contracts ends, all transactions be put on the Executive Arm of Government until the necessary laws have been passed by Parliament to put into effect the oil and gas policy.” The “necessary” includes new laws and with absolute reluctance, I would put a bracket on “s” after law so that in case we do not need many laws, we can stop on law.

THE SPEAKER: Please, conclude so that the minister gives us her response.

MR KATUNTU: In my view, I would seek your indulgence that we leave Resolution No.1 the way it is. I want to caution about this scare politics; “You do this, you scare away investors.” I think those scare politics should stop. We are cleaning up our House and once you clean up, there will be dust, but nobody is going to be choked by this dust.

Hon. Banyenzaki, there is no investor who will be scared away because we want to regularise the sector; unless he is a fake one. A genuine investor will welcome all the laws and an atmosphere where there is goodwill between Government and the people.

THE SPEAKER: Can I ask the Minister of Energy to give us her position.

MRS MULONI: I want to clarify an issue regarding the expiry of licenses. In accordance with Section 13 of the Petroleum Exploration and Production Act that we are using in the industry, once an area or an exploration licence expires and there is oil that has been discovered, the licensee retains the discovery area and relinquishes the other area. The discovery area is retained by the licensee for appraisal, development and production. So, the areas that the Members have been talking about are exploration areas 1, 2 and 3A, which are under appraisal.

So, it is not that the licences have expired and, therefore, all dealings are illegal. That is not true. The correct information is that for areas where discovery has been made, the next process is appraisal because the licensee then relinquishes the rest of the area and proceeds with the area where there is production. (Interruption)

MR KATUNTU: Madam Speaker, we are here to speak facts and I want to challenge the minister. The appraisal period for the Kingfisher discovery in exploration Area 3A expired in February 2010. I challenge you. The exploration licence for Area 3A expired in September 2010, while Area 1 expired in July 2011, and I can also assure you that this information actually comes from your office.

MRS MULONI: Madam Speaker, while I agree with the facts that my brother has, the appraisal that I am talking about was because of the transactions that had been going on for the last 18 months. There was need to extend the appraisal period so that the transaction is completed. I am stating facts that, because of the transactions that were going on –

THE SPEAKER: Hon. Minister, yesterday, hon. Niwagaba set out the conditions that should be done before a renewal is made and he punched holes in them showing that if they were not done in accordance with that Act, therefore, they have lapsed. That is what he said yesterday.

MR NIWAGABA: Actually, Madam Speaker, let me guide the House. If a licensee who has made a discovery has not applied for a production licence, then he has nothing and there is also a timeframe within which to apply for a production licence. The questions that were raised and which have never been answered were, has Heritage Oil ever applied for a production license? No! Has Tullow Oil ever applied for a production licence? No! So, they have nothing and cannot give anything.

THE SPEAKER: Hon. Members, let us move slowly, but carefully.

MR KATUNTU: Madam Speaker, here with me are two letters, and I am going to read both of them and lay them on Table. This one is dated 8 September 2010 from the Office of the Minister of Energy and Mineral Development. It is written to the General Manager, Tullow Oil and this is the reference: "Expiry of exploration licence for exploration Area 31. As you are aware, the third and last exploration period under the Production Sharing Agreement between Government and your company of exploration Area 31 of the Albertine Graben has expired and, therefore, the area has reverted back to Government. You are, therefore, requested to ensure that all restoration work detailed in the environmental impact assessment for the respective activities undertaken during the tenure of the exploration license is implemented as required.

Government appreciates the efforts your companies have put in the exploration for petroleum in this area.

Yours, Engineer Hillary Onek, Minister of Energy and Mineral Development."

And this letter is copied to His Excellency the President, to the Principal Private Secretary to His Excellency the President, the Permanent Secretary in the Ministry of Energy and Mineral Development, and to the Commissioner, Petroleum Exploration and Production Department. I beg to lay this on Table.

Madam Speaker, there is another one dated 17 September 2010. It is addressed to Tullow Oil, Heritage Oil, both offices of Tullow Oil in Kampala and in London, and to both offices of Heritage Mauritius and Heritage UK. The reference is section 19(1)(b) of the Petroleum Exploration and Production Act. "Ministerial direction on Kingfisher field under exploration area 31. Your attention is drawn to section 20(1) and (2) of the Petroleum Exploration and Production Act governing the time for application for petroleum production licences. The period within which you are supposed to have applied for a petroleum production for the Kingfisher field expired in February 2010.

In accordance with the powers entrusted to the minister under Section 19(1)(b) of the Act, I hereby direct that the Kingfisher discovery area has ceased to form part of the petroleum exploration area 31 under the exploration licence granted to you on 8 September 2004. You are, therefore, directed, either jointly or severally to cease carrying out any activities in this discovery area.” It is signed, “Engineer Hillary Onek, Minister of Energy and Ministerial Development” and copied to the President and to those I read in the other letter.

No wonder, Madam Speaker, when hon. Onek was on the Floor, he said there are decisions he had taken but when he left office, they were changed. I think he was on record and we must congratulate him for this. But now that he left office, manipulations have started coming in and you can hear the present minister is busy telling us that they were still in the appraisal period when the minister then, had actually directed and issued an instrument for Tullow and Heritage to cease activities in those areas. What are you going to renew? There was nothing to renew. The period had expired and there are no more agreements to be signed or no more transactions undergoing. Everything ceased with these letters. So, why are you denying us information? Why did you sit on this information and you did not inform this House?

THE SPEAKER: Hon. Members, wouldn't this mean that these companies have no locus standi even to sue us?

HON. MEMBERS: Yes!

5.49

MR HASSAN FUNGAROO (FDC, Obongi County, Moyo): Thank you very much, Madam Speaker. The fight started very well. I am here on my own behalf and on behalf of the people of Obongi to state that No.1 of our prayers here should stand as it is. This is the backbone of our sitting here. If all were right, if there was no problem with the earlier agreements, we would not even have had reason to petition for this sitting. This is carried here in prayer No.1. I, therefore, say there is no reason whatsoever to add a new word or whatever here. This prayer should remain and all other agreements, transactions executed should be put down. (Applause)

Lastly, hon. Members, you need to protect the fight in the following manner. Protect the institution of Parliament and the office of the Speaker and the fighters. Intimidation is on the way. Those who are accused are going to fight back. Their kickbacks are very painful. I see some of my colleagues retreating. This is a fight of no retreat, no surrender. (Applause) Do not withdraw my brother, Ssekikubo. Stand firm. Thank you.

5.52

MR ROBERT SSEBUNYA (NRM, Kyadondo County North, Wakiso): Thank you, Madam Speaker. First of all, I want to thank you for having such good eyes that can turn 360 degrees. My prayer to the

House is that we should look at resolutions No.1 and No.2 almost concurrently, to the extent that when we talk of specific laws, we should mention the laws. If they are two, we mention them.

Two; once we say that we wait until Parliament passes the necessary laws - we know how Parliament works - (Interjections)- give me time. We cannot pass laws within 30 days. So, we must give ourselves realistic time. If it is two months -(Interjections)- first wait. Madam Speaker, protect me. (Hon. Winifred Kiiza rose_) I know she has information, but let her first wait.

MRS KIIZA: Madam Speaker, the information I wish to give to my honourable colleague is that in the Eighth Parliament when we were debating the law relating to the traditional leaders, the law was passed in one day. It was actually not a full day. I just want to let my brother know that this Parliament is so interested in the laws regarding oil and even if they bring them right now we can sit here until we pass them. Let the ministers just bring the laws. We are here to ensure that our country runs.

Madam Speaker, the honourable colleague should not get scared. Everyone is here for the good of this country and we are ready to pass these laws. Whether it means sleeping in this chamber, we shall sleep here to ensure that the laws are in place and the system runs fairly and transparently. I thank you.

THE SPEAKER: Can I also assure the House and the country that when we went on recess there was no business from the government. That is why I commissioned a number of our committees to do some work so that when we resume on 25th we do our own work; but I am prepared to make time for the oil law. (Applause) Yes.

MR SSEBUNYA: Thank you, Madam Speaker, for that information. We want the minister to put it on record that she will do it within 30 days. If she does so, then we go ahead with the resolution.

5.55

MR SANJAY TANNA (Independent, Tororo Municipality Tororo): Madam Speaker, I would like to take this opportunity to most sincerely thank you. I have been standing up since yesterday, hoping to contribute. The system of balancing where the Government side is given a chance and then the Opposition and then independents, seems to have been lost in the fire. (Laughter)

THE SPEAKER: Hon. Member, one of the lengthiest contributions was from a Member who is Independent - hon. Karuhanga. Do not accuse me.

MR TANNA: Much obliged, Madam Speaker. I would like to urge this Parliament not to be diverted by sentiments and emotions.

The motion states that, "a moratorium on executing oil contracts and/or transactions be put on the

Executive Arm of Government.” I really see no problem in this clause. Why? The honourable minister herself, a couple of minutes ago, said the laws are ready. She said that they have suspended any further licensing. Really, that is what we are asking them to do. So, I do not know why we are moving around the same issue. She is conceding in her own submission. (Ms Mariam Nalubega rose_)I will take that one.

MS MARIAM NALUBEGA: Thank you, honourable colleague, for giving way. The information I want to give in support of recommendation No.1 is that in the Oil and Gas Policy, there is a recommendation that the ministry establishes a petroleum authority. This authority is supposed to regulate the oil sector and also go ahead to recommend for a national oil company to handle the commercial interests of our state which are at stake now.

So far, we have lost over US\$ 1 billion which should have been as a result of capital gains from taxes in sales of interests by the oil companies. Now, if we go ahead to continue with these contracts and even sign new contracts - I am actually very interested in knowing the contracts that are running and also those that are to be commissioned. So, I support this, and I would like to inform you that there is much to do in preparation for the sector. So, recommendation No.1 should stand the way it is. Thank you.

MR TANNA: Thank you, Madam Speaker. I would like to elaborate on two fundamental issues that the hon. Banyenzaki laboured to explain. First of all, yesterday hon. Niwagaba enumerated the number of ways in which the Government of Uganda has been losing money. We have the signature bonuses uncollected; we have the capital gains taxes from the various oil companies that have been selling from one company to another uncollected; we have the licensing fees to date uncollected, and the various revenues.

We have so far looked at the Auditor-General’s report for the last several years, but these monies have not been reflected there. Now, when hon. Okupa told us that the special account, the escrow account in Bank of Uganda, which is supposed to be holding this money has a nil balance, what more can we lose within the next 30 days? We have been sleeping for the last so many years, - 2008 to date - what can change within the next 30 days? I would like to request this honourable House to remember that this issue is bi-partisan; it is not for individuals.

I would like to request that clauses 1, 2 and 10 be passed together because they are intertwined and have the same purpose. I, therefore, beg to move that the question be put that the three be passed as one.

THE SPEAKER: I would like to hear from the hon. Elly Tumwine before we deal with the motion.

6.01

GEN. ELLY TUMWINE (Army Representative): Thank you, Madam Speaker. Since yesterday, I have

been listening attentively. First of all, I would like to say that there is momentum since the other day of the prayer breakfast. There was unity in Lira during the celebrations because even UPC participated in the parade and I have seen unity here against corruption. (Applause)

Many people talked about the love for Uganda and it sent me far to think of the best example that I could give so that we can really think seriously. There is a story in the Bible of two women who were fighting over a child and King Solomon was clever enough –(Interjections)- You see, everybody knows about it. So, King Solomon wanted to put the question because it was so important to see who really loved the child. One of the women suggested that they should divide the child into two. That is what I want us to use in this matter that concerns all Ugandans. Let us not pull the child with one hand and maim it; let us keep the child healthy. Let us keep the child giving us hope by looking at issues a little bit more soberly.

Madam Speaker, why I did not stand up yesterday was because of my experience in the General Court Martial where I learnt very firmly from the Luganda proverb: “Tosala gwa kawala nga tonawulira gwa kalenzi”. This means that when judging a case, first listen to both sides - because the prosecution can make a very wonderful case and you think that somebody in the dock is a real criminal until you hear the defence - and then be able to get a balanced opinion.

Yesterday we heard the petitioners and today we were able to hear the individuals implicated defending themselves. I was still waiting to listen from the government giving its side and then get the facts. The Vice-President -(Interjections)- Thank you, Madam Speaker, for protecting me. I am really concerned because Uganda belongs to all of us as all of you have equally said.

We are governed by rules and regulations which we set ourselves. Article 244(2) of the Constitution is the one which provides for how we should manage minerals. It provides that: “...Parliament shall make laws regulating – (a) the exploitation of minerals and petroleum;” We passed an Act here in Parliament in 1993 on petroleum production and exploration. The government has been following that Act; there is international commitment and there are international implications. Uganda is already committed on an everyday basis on those contracts. The argument now is on two words: Do we keep “new” or do we keep “necessary”?

THE SPEAKER: Hon. Members, I asked a question here, which nobody has answered. I would now like to ask either the Leader of Government Business or the Attorney-General; if what hon. Niwagaba said, that these agreements expired, is correct, what are we renewing?

GEN. TUMWINE: Madam Speaker, there are a few aspects that have been pointed out by hon. Katuntu. There are a lot of documents that have been laid on the Table, picked from here and there. I am certainly sure there are many others which have not been laid here, but they might be moving around and they are committal. This is because we have not had enough time to look at everything.

I fully support the suggestion that there should be an investigation, but when you say, "Stop" to the government - moratorium means stop - concerning running, you are incurring some dangers. I would like to support you on investigating but not stopping Government from running.

MR WADRI: Thank you very much, Madam Speaker. I rise on a point of order against a four-star general, hon. Elly Tumwine. I have high regard for hon. Tumwine as a person who I have always regarded as having shot the first bullet that liberated this country.

From yesterday up to a few hours back, people have poured out their hearts, displayed information that was within their means and laid it on the Table. At approximately 3.00 p.m. or 4.00 p.m., you suspended the House on the very clear understanding that when the House next resumes, we will go into considering the specific items on the motion. Indeed, you directed staff of Parliament to make sure that the Members of Parliament have access to copies of this motion.

When we resumed, we are on record that we started considering clause by clause of the issues in the motion as tabled. In considering these prayers, suggestions have come up, but unfortunately Gen. Tumwine has taken us very many miles back. The point of order I am, therefore, raising against a four-star general is: Is the honourable member in order to persistently defy the advice and ruling of the Speaker that we consider the motion prayer by prayer, and he goes ahead to open up fresh grounds of debate? Is he in order? [Members: "No."]

THE SPEAKER: He was speaking to the motion, but he said he agrees with parts of the motion and does not agree with others. I think that is what he was saying. Hon. Members, let us hear from him and then the Prime Minister can tell us the status of these agreements.

MR AYOO: Thank you, Madam Speaker. I would like to seek clarification from two ministers; one is hon. Hillary Onek. I would like to know if he is aware of that document that was laid on the Table by hon. Katuntu.

Two; five months after hon. Onek left the Ministry of Energy, the whole situation changed. Why was that situation changed by the new minister? Was it legal? If it was not legal, then we are going to carry resolution No.1 and have it as it is. I want that clarification. Thank you.

THE SPEAKER: That is what I have been asking for.

THE PRIME MINISTER AND LEADER OF GOVERNMENT BUSINESS (Mr Amama Mbabazi): Thank you, Madam Speaker. You know this is the Prime Minister of the Republic. I have been carrying out consultations with the line minister and we were considering giving a position on this that may unite us, but we were worried about the possible implications in No.10.

I was worried that if, hypothetically, we were to concede to No.1, this would mean no execution of oil contracts. The gentleman from Padyere – actually, there are some who carry the title “honourable” but he is honourable and a gentleman - you were right; executing means putting into effect what already exists. So, you are saying that in No.1 we put a moratorium on putting into effect oil contracts - all of them that are in place now - until the necessary laws have been passed by Parliament.

Of course in No.2 you are saying we produce this within 30 days. It looks reasonable. My problem, however, is when we are looking at No.10 -(Interjections)- I want to use it to make my point now, please. Let us try to get the facts and do the right thing. When we look at No.10, which says that Government withholds the consent of the transaction between Tullow and Total and CNOOC before capital gains tax are assessed by URA as payable, or are paid, I feared that and I did not want to lose this money. I did not want the Republic of Uganda to lose this money by saying that they are not licensed and this transaction is not lawful, therefore, they have no liability to pay.

Madam Speaker, that is the interpretation. If I can be disabused of this fear about this US\$ 909 million, I would be happy to concede.

THE SPEAKER: Hon. Prime Minister, yesterday I think the movers said that the President has declined. Isn't it this transaction, which he declined to consent to? Isn't it this one? It is not this one? It is a different one?

MR EKANYA: Madam Speaker, I want to thank the Prime Minister, hon. Mbabazi. He said that he has no problem, if I got him very well, with No.1 but his concern is No.10 and in relation to Government losing the tax.

We are all here because of the desire to save money. Tax laws are very simple. Taxes are not charged in a vacuum. Let me use an elementary explanation. If Ekanya Geoffrey and hon. Mbabazi had an agreement and a transaction, which was to last for one year, and you and I were supposed to pay tax and the period elapses, under the laws of Uganda, UK and Europe we have to pay the tax. You cannot run from paying the tax because the period has elapsed. It is a responsibility and a liability that is carried forward, even if you go to your grave. The people who inherit the property will have to pay the tax; very simple.

THE SPEAKER: Hon. Members, I want to propose that we stand over No.1 for now.

HON MEMBERS: No!

THE SPEAKER: Let us stand over No.1 for now and move to No.2. Hon. Members, the movers are consulting. I have been talking to the movers here around my desk. Let us move to No.2. Hon. Katuntu has gone to consult hon. Niwagaba and they are coming back to bring the information.

MR SSEKIKUBO: Madam Speaker and hon. Members, the information I am giving to all Members is that we were proceeding with a lot of honesty. Just a while ago, we were aware that we were proceeding in this line and that is why we were even ready to have an accommodating stance. However, when the minister somersaulted and said, "By the way, we had an existing relationship", I got worried.

Once a discovery is made, within two months you must report it to Government; within 18 months you must make an appraisal; and within 36 months you make a field development plan. Clearly, all these matters are under contention - let it be 3A discoveries in Kingfisher which are under contention now. None of these were done and as a result the licenses expired. I knew we were dealing with people who were honest, but now that there is -Interjections)- I want to request hon. Abdu Katuntu to cease all consultations because apparently, we are not proceeding on the same page. As we are proceeding now, they start to say, "You know, we have subsisting contracts", and that is what they want to use to execute new engagements. (Mr Lokeris rose_) Let me finish with this.

Madam Speaker, when we wrote our petition on 20th, you wrote back to tell us to give the reasons to enable Government come and prepare and make a meaningful contribution. It has not started just now. They have been aware and in full possession of this motion and petition. Without any further ado - I see a ploy to keep us around so that we become dizzy and we fall off - can we proceed and put the matters to vote? I move a motion that the question be put.

6.22

MR FELIX OKOT OGONG (NRM, Dokolo County, Dokolo): Madam Speaker, considering what is happening now, I would like to move under our rule 68 on resolutionNo.1. I am moving under this rule because as you are aware, we have debated this matter since yesterday on the same resolutionNo.1.

This afternoon, we have all been debating resolution No.1 and we have got conflicting information from the minister. Right now, it is clear that resolution No.1 has no problem. It is only giving Government time to put our house in order so that we get value for our money. I, therefore, move under 68 that the question be put.

MR BANYENZAKI: Madam Speaker, when I moved to amend this proposal No.1, I absolutely agreed with hon. Katuntu and the position which the Prime Minister has advanced because No.10 captures the transactions of Total, recognises CNOCC and recognises that there is a possible capital gains tax of Shs 900 million plus. So, when you say, "Cease the transaction" in No.1, that means that all the transactions are being ceased. I want to put this on record. In the last Parliament -(Interruption)

THE SPEAKER: Hon. Members, let me ask the clerk to read No.10. Read it aloud so that members

can understand. (Clerk reads resolution No.10.) My understanding of this is that this transaction gives rights to capital gains tax, and the Members are asking that it be paid early, before the agreement.

MR BANYENZAKI: Madam Speaker, what you have said is precisely what I am saying. When we make a resolution now to freeze transactions in this sector, that means even -(Interruption)

MR SSEKIKUBO: Thank you, Madam Speaker. I am worried. In fact, other than the so-called capital gains tax where they want all of us to look, I invite Members even to look at Article 11 about state participation. Here we are entitled to 15 percent of all transactions. However, if we go by the sweet banana being placed before us, it would appear that we, as Parliament, are conniving in getting money - capital gains - whereas we know the transaction is null and void. That is trapping this Parliament and I do not want us to be on record to be in cohorts with conmen. This Parliament cannot participate in that. If we say no transaction -(Interruption)

MR KATUNTU: Colleagues, actually, when we drafted this motion, we had not yet accessed some of this information. Some of this information started coming to us when the motion had already been drafted and handed over to the Rt. Hon. Speaker's Office. In retrospect, if we had the information we now have, there is no way we would have drafted this clause the way it appears now. I am referring to clause 10.

We have actually produced evidence before this House to confirm that the transaction between Heritage and Tullow was void. Now, if it was void, there is no way Tullow would have a proper transaction between itself and CNOOC and Total. When you read resolutionNo.10, we are talking about collecting tax. At this time, we thought the transactions were correct and we were only concerned with the tax. Now it has come to our knowledge -(Interjections)- let me finish. Now it has come to our knowledge that this transaction, as hon. Ssekikubo said, was void right from the beginning. So, if it is void, we cannot even talk about collection of tax.

In fact, the legal position now is that we own Kingfisher well because it reverted back to Government. In fact, these are not letters; these are instruments where the minister exercises his power under the Petroleum Exploration and Production Act -(Interjections)- hon. Minister, let me finish. My own considered opinion, therefore, is that when we reach clause 9, we shall have to redraft it because our right as a country is not to the tax, but to the well itself.

6.32

THE MINISTER OF STATE FOR ENERGY AND MINERAL DEVELOPMENT (MINERALS) (Mr Peter Lokeris): Madam Speaker, I appreciate all our concerns, but some information is misinformation. You cannot sell what does not belong to you. By the time negotiations started and the idea was conceived to sell the assets of Heritage to Tullow, the licence was still running. They started discussing, but Government as the owner of the asset had to consent. As they were discussing, Eni

came in and said, "I am the one to buy it" and they placed their money. However, they had a right to say "No" because that was in the clause. Government said, "Okay, if you are pre-empting, do it", and the licence was still running. So, it was they who sold their interest in that area.

After they did that, we then had a problem of tax. We declared the difference between what was injected there and what the other people offered. We depend on a programme and budget which is controlled by Government and that is why we were able to get that difference and say, "You have to offer this to us". Uganda Revenue Authority then said, "Pay thirty percent imposed on the gains tax". We took 18 months and that is why the licence expired and we have not renewed that – (Interruptions)

MR EKANYA: Thank you, Madam Speaker and honourable colleagues. Yesterday when the Attorney-General stood here, he said that some of these matters may be sub judice. Madam Speaker, you ruled very well and said that if any Member during the debate deliberates on any matters that are before the courts here in Uganda or in UK for arbitration, you will rule that Member out of order and that record will be expunged.

I, therefore, want to seek your guidance; for us as a House to start debating whether the issue of taxes is legal or illegal becomes sub judice. Any person can pick a copy of that Hansard and table it in court and it can be very dangerous. This country can lose Shs 3 trillion. Therefore, I plead with you, Madam Speaker, that we delete anything from our record that might be sub judice to the matters that are before courts and we should not discuss any matters relating to the taxes.

MR NSEREKO: Madam Speaker and hon. Members, I have started sensing a delaying tactic in this country. The whole country has vested all its confidence in us and we are here playing over words.

The issue in the motion is that the question be put. Let the motion be seconded and we move on. What is wrong with 30 days? First of all, the government side never wanted this debate to be open. Now that it is open, they are freaking out on the issue of the days because they are not ready to fulfil the commitment of 30 days. Why the panic? We should continue with the 30 days to halt everything. What are we going to lose within these 30 days?

Hon. Members, do not allow to be derailed by the delaying tactics. Let us vote on the motion and move step by step, question by question.

MR OKOT OGONG: Madam Speaker, the House is aware that I moved a motion. Rule 68 is very clear that once the question has been put, it shall be put forthwith and decided without amendment and debate. I already moved a motion which was seconded. So, can the question now be put, Madam Speaker?

THE SPEAKER: Hon. Members, let us not put together several parts of this motion; let us go one by

one. I think it is better we go from one until the end. Okay, hon. Members, I put the question that the question now be put.

(Question put and agreed to.)

Resolution 1

THE SPEAKER: I put the question that resolution 1 be approved by this House.

(Question put and agreed to.)

Resolution 2

THE SPEAKER: Hon. Members, I put the question that this House do approve Resolution 2 as proposed.

(Question put and agreed to.)

Resolution 3

THE SPEAKER: Hon. Members, this was an area which was not canvassed during the debate. Can we hear from the government about resolution 3.

6.40

THE ATTORNEY-GENERAL (Mr Peter Nyombi): Madam Speaker, I think there is no doubt the agreements have been laid on the Table before Parliament. I am only uncomfortable about the second part that talks about the case which is in court.

There are two cases in court. Heritage took Uganda Revenue Authority to the Tax Appeals Tribunal, challenging the authority of the Uganda Revenue Authority to charge the capital gains tax. Heritage went to the High Court in an attempt to halt the proceedings in the Tax Appeals Tribunal. The High Court rejected that appeal. So, the case is still before the Tax Appeals Tribunal. Our position is that taxation should be governed by Ugandan laws. This is our position. We agree on that. However, Heritage is challenging Uganda Revenue Authority that it should not have exerted taxes.

The second case -(Interjections)

THE SPEAKER: Listen, hon. Members.

MR PETER NYOMBI: The second case is the one before the arbitration tribunal in London. Whereas in Uganda Heritage took the Uganda Revenue Authority to the Tax Appeals Tribunal, in London,

Heritage took the government of Uganda to the arbitration tribunal alleging that Uganda should not have exerted the tax that the Commissioner-General of URA collected. In effect, what Heritage is trying to do is to get what the Commissioner-General collected and take it back. (Interjections) Our position is that taxation should be governed by the laws here -(Interjections)- I am coming to that. Be patient. I do not think there is a disagreement between you and I.

The issue is that the second part of this paragraph is sub judice, both here and in London. Therefore, I pray that the second part either be amended or expunged. I have no problem with the first part.

6.44

MR VINCENT MUJUNI KYAMADIDI (NRM, Rwampara County, Nakasongola): Thank you very much, Madam Speaker and hon. Members. I have been here bleeding internally; first of all, as a member of NRM; and secondly, as a Ugandan. I sympathise with the Attorney-General because you have nothing to say other than what you have said. (Laughter)

It is on record that the Government of Uganda and the people of Uganda have been sold by these very technocrats we have in front of us here. Actually, most of these agreements were signed in London, which London is now the arbitrator and the arbiter. The arbitration is in London. The other day, we were questioning in our workshop why we should not have arbitration by a party that is neutral, like Rwanda or Kenya? However, because the Attorney-General and the group and the court had to move to London with the allowances, they signed the agreements well aware that would happen. That is the reason I was bleeding.

Members, I want to suggest that whereas we all are bleeding in one way or another, we must debate some of these things soberly. We have the movers and shakers of this motion here. They know the implications of the law. Madam Speaker, you are a learned friend and although I am not very learned -(Interruption)

MR SSEGGONA: Thank you, Madam Speaker, and I thank the honourable for giving way. This rule of sub judice must not be used by people to behave hypocritically. Rule 60 of our Rules of Procedure says:

“(1) Reference shall not be made to any matter on which a judicial decision is pending in such a way as may, in the opinion of the Speaker, prejudice the interest of any party to the action.

(2) This rule shall cease to have effect in any case when the verdict has been arrived at or judgement given or in any case where an appeal has been lodged, when the appeal has been decided.”

This applies to a matter which is pending before a court. A court is defined in our Constitution, Article 257, as, “A court of judicature established by or under the authority of this Constitution.”

With the greatest of respect to the Attorney-General, this arbitration we are talking about is not established under our Constitution. That is one.

There is also the second leg, and we are mindful of the interests of this country. How does the second part of No.3 affect any pending decision? We are simply saying - and we are strengthening our courts of law - take note and give respect to a decision of the High Court. It is as simple as that.

Finally, Madam Speaker and honourable colleagues, there is nothing that precludes a party from discussing his case. We are not talking about a pending decision of a court or even of this tribunal. We are simply saying take note and give respect. Thank you, Madam Speaker.

MR KYAMADIDI: Madam Speaker, when the learned friends –(Interjection)- I cannot refuse to take the information.

MR AYENA-ODONG: Madam Speaker, with the greatest respect to my senior learned colleague, the Attorney-General, I would like to say that the second part is of great assistance to him in the case that is before arbitration in London.

I absolutely agree with my learned brother who said that the only thing in this second part is about Government taking note. This is intended for them to use what has been provided for here. We are advising the Attorney-General that when he goes to London, he should take note of the fact that back home, we have a law that says that matters of arbitration should not be handled outside our country. Thank you. (Applause)

MR KYAMADIDI: I will take further information from hon. Katuntu, hon. Dombo –(Laughter)

THE SPEAKER: Yes, hon. Katuntu.

MR KATUNTU: Thank you very much, Madam Speaker. I also would like to thank the honourable colleague for yielding the Floor.

What I want to say is that any decision of a court of law is public record for discussion once a judgement has been delivered. The judgement in clause 3 is Civil Appeal No.14 of 2011 and the decision that was taken therein. What we are saying is, may Government take note of this decision.

The principle of sub judice does not mean that we do not talk about this case at all and that to say so would be ending up in some sort of absurdity. As a rule, sub judice emanates from the principle that people should not say anything that might influence the decision of the court. It is about not discussing a case that will make a court get other facts outside its record, which can unduly influence that court's decision. That is what it means when we talk about sub judice.

I would like to ask the learned Attorney-General to first of all realise that there is this decision. The Attorney-General actually knows that what we have put in clause 3 is what the court already decided. So, how is that sub judice to any proceedings anywhere in the world? So, it is not fair for the learned Attorney-General to overstretch the limits of the rule of sub judice. There is nothing sub judice about what is contained in clause 3 because the facts in there are court decisions.

At the end of the day, Madam Speaker, my understanding is that this is your rule. If I may read it: "Reference shall not be made to any matter on which a judicial decision is pending in such a way as may, in the opinion of the Speaker, prejudice the interest of any party to the action..." That is why I am saying this is your rule. The Attorney-General has not demonstrated, at least to me, that actually there is any reason why we should invoke this rule. So, it is just an idea that he came here with yesterday, which you already ruled on. Also, we have not yet generated into aspects of these cases anywhere. So, let me take this opportunity to inform my colleague that the rule is for the Speaker.

THE SPEAKER: Attorney-General, you know I read the judgement of Justice Ogola on this matter and what I can say is that it is actually a judgement in favour of the people of Uganda through the Uganda Revenue Authority. What Members are saying is that you should make use of it and say: "In my country, this is the subsisting judgement." (Applause)

MR PETER NYOMBI: Madam Speaker, I took note of the comments that hon. Sseggonna made. He, in effect, was saying that tax tribunals are not established by law. However, I have a copy of the ruling of the judgement with me. In this ruling, it is clear that what the appellant did was to appeal from the proceedings of the tax tribunal, but hon. Sseggonna attempted to show that the tax tribunal is not established by law. This is a judicial –(Interjections)– Madam Speaker –(Interruptions)

DR EPETAIT: Thank you, Madam Speaker. I listened to the submission made by hon. Sseggonna carefully and at no point did he insinuate or say that the tax tribunals are not constituted by an Act of law. So, is the hon. Attorney-General in order to start putting words in the mouth of hon. Sseggonna? Is he in order to begin manufacturing his own interpretation or in fact to misinterpret the law? Is he in order to mislead this House when the Hansard is very clear that there was no mention of a tax tribunal not being constituted by law?

THE SPEAKER: Hon. Attorney-General, I think that this judgement, which is in favour of the people, is our property. What this motion is asking you to do is to arm yourself with this property, go with it and say, this is our position in Uganda. (Applause)

MR PETER NYOMBI: Madam Speaker, the matter I am raising is not a matter about this ruling but the main case is before the Tax Appeals Tribunal. It is not this ruling that I am referring to. It is the main suit that is before a Tax Appeals Tribunal. The Tax Appeals Tribunal is established by the Tax Appeals Tribunal Act, 1998 and Section 21 of that Act provides that "this tribunal has powers of the

High Court". That is why this appeal could move from the Tax Appeals Tribunal to the High Court. It has the powers of the High Court.

Madam Speaker, my discomfort -(Interjection)- I do not need your information. My discomfort – (Interruption)

MR AYENA-ODONG: Thank you very much, Madam Speaker, and I thank you, learned Attorney-General, for giving way. The information I want to give is that after the ruling – of course after wise counsel from your learned colleagues - we are actually giving you arms and ammunition for the matter in the tax tribunal in London. We are now saying that whether or not the tribunal is a creation of the law is no longer the issue. What is important now is that as far as we are concerned, this does not prejudice anything whatsoever. That is the information I want to give.

THE SPEAKER: Actually, how does taking note of the judgment of the High Court prejudice what is at the Tax Appeals Tribunal? Let me read: "That Government produces to Parliament all agreements it has executed with the oil companies in the oil industry including the MoU it executed with URA and Tullow on March 2011 in Uganda." You say you have no problem with that?

We go to part two; "...and that the government takes note of the decision of the High Court of Uganda, civil appeal 14, 2011 from the Commercial Court Division between Heritage Oil and Gas Limited and Uganda Revenue Authority to the effect that there shall be no arbitration on any tax dispute more so outside Uganda."

MR PETER NYOMBI: Madam Speaker, the last part of this paragraph is not very correct because the impression that is being given is that the ruling was to the effect that there shall be no arbitration on any tax dispute more so outside Uganda. The crux of this appeal was that Heritage wanted the proceedings in the tax tribunal halted until a decision had been made in London, and so we argued against that. So, the information in this paragraph is not exactly correct. What Heritage wanted to do was to stop the proceedings here.

When in the last sentence it says, "There shall be no arbitration on any tax dispute more so outside Uganda", it is like we are saying we should abandon the proceedings in London. That is what we are saying -(Interjections)- If that is not what we are saying, I would not have a problem because I do not want -(Interjection)- You tried to mislead people about the law saying that tax tribunals are not courts.

THE SPEAKER: Honourable, I do not think anyone is asking the Uganda Government not to go for arbitration. Is that the intention, movers? [Hon. Members: "No."]

MR PETER NYOMBI: Madam Speaker, if that is not the import here, I have no problem.

THE SPEAKER: Hon. Members, I put the question that resolution 3 be approved by this House.

(Question put and agreed to.)

Resolution 4

THE SPEAKER: You know in law we are not allowed to make unconscionable contracts. I think this provision is unconscionable. Do you have a problem in the new agreements in discarding this? Is there a problem?

Hon. Members, I put the question that resolution 4 be approved by this House.

(Question put and agreed to.)

Resolution 5

THE SPEAKER: That is the area where we had asked the minister to respond to queries.

THE MINISTER OF FINANCE AND ECONOMIC PLANNING (Mrs Maria Kiwanuka): Madam Speaker, the required information will be laid before the House within seven days –(Interjections)- The revenues so far received by Government will be brought to Parliament within seven days.

MR SSEKIKUBO: I would like to add one leg called “e” on Government participation. This is provided for under article 11 of the Production Sharing Agreements where Government has either by itself or by election got 15 percent stake in all these ventures. If it chooses to participate, it gets profit. If it chooses not to, it is paid. Once there have been transfers from one company to another, Government is entitled to a separate 15 percent. So, I would like to add “e”, what we call state participation.

MR ATIKU: Mine is concerning the question that was raised by the Leader of the Opposition. We had expected her to have given us a response then but you ruled that when we reach this very item she would give us a response. Two weeks have elapsed since money disappeared from that account. If she cannot do it now, may she prepare a substantive statement which we can debate? We still do not know where this money is. We need to know whether it was deposited somewhere and it is accruing interest for the country.

DR EPETAIT: Mine is just a correction of the record. The numbering got messed up. This particular prayer is talking about revenues and expenditure. The subsequent prayer that appears as No.5 is actually a continuation of No.5 above, so it should have been read in full. “An account of all revenues so far received...” That prayer continues up to “...the Government accounts for expenditure”. So, you delete that next five.

THE SPEAKER: No, hon. Epetait, one leg is on revenue and the other is on expenditure. So, there are two legs.

DR EPETAIT: Ok, I withdraw.

MRS KIIZA: Thank you, Madam Speaker. I think the correction of the record that hon. Epetait wanted to talk about is that No.4 appears twice. Possibly there was a problem with numbering. The clerk corrected the record as he was reading the resolution and I think that is what the Member did not hear.

MR NIWAGABA: Madam Speaker, we actually forgot other revenue provided for under Section 61 of the Act because we shall also demand accountability, and that is penalty for late payments.

The section reads: "Where the liability of a person under this Act or under a license to pay an amount is not discharged on or before the time when the amount is payable, there shall be payable by that person an additional amount calculated at the rate of a third of one percent per day upon so much of that amount as from time to time remains unpaid to be computed from the time that the amount became payable until it is paid."

So, there is a part of revenue called "penalty for late payments" under the licenses issued, whose accountability we shall require. So, it should be added as "f".

THE SPEAKER: Give me what you wanted to amend under the new No.5.

MR SSEKIKUBO: The amendment was an insertion of "e", which is state participation provided under article 11. It provides that: "Government or its nominee may elect or enter into joint venture agreements with the licensee thereby allowing state participation for no more than 15 percent. Government shall inform the licensee of its decision in writing within 120 days of receipt of the application for the production license. Government or its nominee shall be entitled to participate in development area by development area. Licensee agrees to carry the cost of Government or its nominees through development to the production." This is what I wanted to be added as revenue under leg "e".

THE SPEAKER: So, under "e" we have state participation and then penalties are "f". I put the question that resolution 5 be approved as proposed by the addition of "e" for state participation and "f" for penalties.

(Question put and agreed to.)

Resolution 6

MR MAGYEZI: I would like to propose an amendment on resolution 6. It should read as follows: "Government accounts for expenditure, if any, made from oil revenues within seven days, and a moratorium be put on Government to stop any further expenditure on oil revenue without the laws on revenue collection and management being first put in place, and Government produces up-to-date financial reports on debts and upstream investment costs incurred so far."

The purpose of this proposed amendment is first, to provide a timeframe for implementation; and secondly, to ensure that Parliament gets a statement of what has so far been incurred in costs and upstream investments by Government and these oil companies. I beg to move.

MRS KIWANUKA: Thank you, Madam Speaker. As previously written, the government will account for expenditure, if any, made from oil revenues within seven days.

As far as the moratorium is concerned, I would like to point out that so far, all Government expenditure including from oil related revenues, if any, is governed by the Budget Act, the Public Finance and Accountability Act and the Appropriation Act. Under these laws, Parliament, in its wisdom under the current budget of financial year 2011/2012, authorised the use of Shs 826 billion to start financing the Karuma hydro power infrastructure. This expenditure on highly needed infrastructure should not be included in any moratorium.

Further, more amendments have been introduced on the Floor concerning up-to-date statements of accounts. Since I am not in charge of the accounting department, I cannot commit to seven days. I do not know how long it will take to get the one certified as Parliament would require.

THE SPEAKER: Hon. Members, I think we need some advice because we have already given the authority to spend this money. This House gave that authority, and that is what the minister is saying. You have given her the money, should she return it? The seven days are okay, but I am talking about a moratorium on spending because she says this House authorised her to spend. She is asking whether you are telling her not to spend that money.

MR OKUPA: Madam Speaker, this resolution takes effect from today, if passed. So, what has already been passed by this House definitely is not affected. However, we shall still demand a statement on how that money which we have passed has been spent. That is what we are asking for here.

THE SPEAKER: In order to save Karuma, can we perhaps be specific and say the money for Karuma is saved or something? Someone can take advantage of this and say the House said "No".

MR OKUPA: Madam Speaker, the statement is very clear here. It says that Government accounts for expenditure, if any, made from oil revenues and a moratorium be put on Government to stop

any further expenditure. The words “any further expenditure” is what we are concerned about. We are not bothered by what has been passed by this House here.

MR KATUNTU: Thank you very much, Madam Speaker. Once we pass the budget, that money is already expended and we have already given the right to spend. We do not have any problem with that. We are talking about all revenues which will accrue after this debate. There is no way we can stop you from spending the money which this House had already authorised. We do not want you to come and blame us that, “you see, Karuma should have been completed but the Ninth Parliament...” You were already given that authority. We are talking about revenue which is going to accrue after this debate.

DR AJEDRA: Madam Speaker, the clarification I wanted to bring to the Floor is that a project such as Karuma is not anticipated to start in the next one or two months. The procurement process takes a long time. For the contractor to even mobilise to move to Karuma and start the construction, it is going to take some time. So, as far as I am concerned, Karuma is safe. Unless the Minister for Energy says that the contractor has been procured and they are ready to move to site, but if it is not, as far as I am concerned Karuma is very safe. Thank you.

MS FRANCA AKELLO: Madam Speaker, unless the minister is telling us that the money that has been committed by this Parliament is over or unless she is asking for more, but the statement here is very clear. When you say that Government should stop any further expenditure, this is a way of saying that there is no problem with the monies that have been committed previously such as this that she is talking about. However, any further expenditure will not be allowed until when the laws are made.

MR OKOT OGONG: Madam Speaker, when I am going to Dokolo I always pass via Karuma, but I do not see any activity taking place there. The information that we have been given is that the procurement process has not even started and the contract has not been awarded. We plan annual budgets; I wonder how the ministry or the contractor is going to use US\$ 800 million in six months.

I would like to propose that we have already given that money and we should know where that money is being kept, because they may talk about Karuma today and the money is reallocated. Let them tell us the account and it should be ring-fenced.

MS MULONI: Thank you, Madam Speaker. I want to inform Members that the procurement process for Karuma is on. I appreciate that it takes time, but the process is on. The feasibility study was completed, the prequalification is complete and it is now the budgeting process. So, we hope that at the beginning of the year, we should have the contractors on site. So, the process is on.

MR SEBUNYA: Thank you, Madam Speaker. Mine was for us to make a difference between appropriation and expenditure. Once we appropriate for the budget and say, “Stop any further

expenditure”, this will impact on the US\$ 800 million unless we clearly say that this cannot affect the expenditure. I want Parliament to give us information on whether this will not affect the expenditure.

THE SPEAKER: Hon. Members, I put the question that resolution 6 as amended be approved by this House.

(Question put and agreed to.)

Resolution 6, as amended, agreed to.

Resolution 7

THE SPEAKER: I put the question that resolution 7 be approved by this House.

(Question put and agreed to.)

Resolution 8

7.30

MRS ROSEMARY SENINDE (NRM, Woman Representative, Wakiso): Thank you very much, Madam Speaker. I think I have heard the clerk reading No.7, but I would like to move an amendment to No.8.

THE SPEAKER: That is where we are. We have re-numbered. It is now No.8.

MRS SENINDE: Thank you very much, Madam Speaker. I would like to move an amendment to resolution No.8 which is talking about Government setting up a select committee.

THE SPEAKER: No.

MRS SENINDE: Madam Speaker, I think I have got it. It was wrong numbering on my part.

THE SPEAKER: Okay. Hon. Members, the new No.8 is: “Government desists from executing any contract in the oil industry with a provision or clause for confidentiality.” Do you have a problem? Okay, hon. Tumwine.

7.31

GEN. ELLY TUMWINE (UPDF): Thank you, Madam Speaker. I would like to give caution on areas that can get this country into trouble which are -(Interjections)- can you give me a chance to elaborate?

THE SPEAKER: Order!

GEN. TUMWINE: I strongly support the momentum against corruption -(Interjections)- but confidentiality may be necessary in some contracts for the sake of the security of the country, for the sake of business -(Interjections)- can I finish? Can I be protected, Madam Speaker?

THE SPEAKER: Hon. Members, let him give his views. We came to discuss. Let us hear his views.

GEN. TUMWINE: Thank you, Madam Speaker, for protecting me. There is need for confidentiality in some aspects. Even in business, we have business intelligence and business security. In some situations there would be need for confidentiality.

I am glad, Madam Speaker, that you have already provided guidelines on how some of these confidential issues can be handled. It is contained in our Constitution and in our Rules of Procedure. So, I think this would be too sweeping. There are words like, "when it is necessary." There are situations when it is necessary to have confidentiality for purposes of securing a business and the future and security of the country.

7.33

MS JOVAH KAMATEEKA (NRM, Woman Representative, Mitooma): Thank you, Madam Speaker. I would like to move an amendment to resolution No.8 to cater for intellectual property: "Government desists from executing any contracts in the oil industry with the provision or clause for confidentiality except where intellectual property is concerned."

This is a competitive world and it would not be wise for businesses to disclose, for example, if there was a find in volumes for example of -(Interjections)- Madam Speaker, I would like to take care of intellectual property. Thank you.

7.35

DR MEDARD BITEKYEREZO (NRM, Mbarara Municipality, Mbarara): I thank you so much, Madam Speaker. Since yesterday, I have wanted to speak about this oil and I was not given a chance. I thank you, Madam Speaker, for giving me a chance. One of the reasons why we are here is the problem of confidentiality. (Applause) I am one of the people who signed this petition and I have no regrets. I cannot apologise to anybody because I am a Ugandan and I wanted to know.

Madam Speaker, this is the time; if we have wanted confidentiality, let us break it because we have broken so many things. Let us not hide our heads in the sand like ostriches when our other parts are out. Let us open up. I stand to say that Government should desist from executing any contracts in the oil industry with the provision or clause of confidentiality because confidentiality has been broken -(Interjections)- I can take the information.

MR SSEGGONA: Thank you very much, Madam Speaker, and I thank my brother for giving way. The information I want to give to my honourable colleague and colleagues is that actually, Article 41 of our Constitution is self-contained. We are all consumers of security and nobody should be worried about that, and we love the security of this country. Thank you for reminding us about the security. However, what is the mischief that we are trying to cure? People have been hiding under the cloak of security, robbing and raping the country. There is nothing that is sensitive in terms of security about oil. We are not talking about guns. I do not want to know how many guns the country has.

Secondly, Madam Speaker, about intellectual property, it is correct that we must protect these innovations; I agree. However, colleagues must be reminded that formulae that relate to intellectual property are not in the contracts of these agreements. They are developed separately and protected separately under an existing legal regime. So, there is nothing to hide. We want information relating to our oil.

THE SPEAKER: Hon. Members, this is one of the areas which was not covered in the debate so I will allow a few – hon. Ssegona, you complete.

DR BITEKYEREZO: Madam Speaker, because of what transpired in this House yesterday, I cried. I cried because of what I heard. These are either allegations or they are true. I can tell you that if what we said yesterday was untrue, then it means that there is a problem because it means that the people who were implicated are going to be in pain forever. It is going to be a problem. However, if it is very true, it is going to be a very big problem also for us. That is why we want to break this confidentiality, Madam Speaker, for the sake of this country. I am telling you we need your support, Madam Speaker and honourable members, and it is either now or never. I thank you so much. (Applause)

7.40

MS HARRIET NTABAZI (NRM, Woman Representative, Bundibugyo): Thank you so much, Madam Speaker. Since yesterday, I have been in this House listening to information which my colleagues got from different sources. I appreciate the effort put in by Members to collect all this information about this sector, which none of our ministers had thought to bring to us. I appreciate the efforts of Members because we have come to know something to do with the oil.

One of the grave things which a person can do, even in a home as the smallest administrative unit, is to hide information from a husband or boyfriend. (Applause) It can cause a problem to the relationship. Even if the relationship was strong, the moment you start hiding information, then that relationship is gone. Madam Speaker, I am speaking from experience. (Applause)

Basing on the information given by one of the Members yesterday, and also that from the workshops and seminars that we have been attending by the Auditor-General, there is certain information in this country, which is supposed to be classified. This so-called classified information

is on record.

Matters to do with defence, maybe like operations of the enemies, cover and whatever kind of security, is on record. However, on a matter of national importance like this one, where every Ugandan in the world is listening and waiting - if I could remind you that the area where oil was first cited was in Bundibugyo District, Ntoroko County. However, how the operations changed venue and were channelled to another district, not even an LC I of the area can tell you what happened. That question has remained in our heads -(Interruption)

MR WAIRA MAJEGERE: Thank you, Madam Speaker, and I thank the honourable member for giving way. In Busoga where I come from, there is a saying that, “Ekigitegite kilibwa mpube”. It literally means that whenever you try to conceal something so much, chances are very high that whatever you are trying to conceal will be eaten by rats. So, this is what we are seeing with the oil. Already, the money from oil is being eaten by rats. (Laughter) We so far know the “big rats” but imagine the “small rats” which have been eating and are not yet known. So, it is important that we do not hide behind the confidentiality clause. Everything should be put before the public so that we can be able to audit the progress.

THE SPEAKER: Hon. Members, once hon. Ntabazi has finished, and bearing in mind that the first law on oil with that clause was made in 1995, I would like the Attorney-General to help me understand the rationale for the 2000 amendment which retained this, because all of us were not here. So, I will ask the Attorney-General to explain the rationale about this.

MS NTABAZI: Madam Speaker, I thank you so much. I wanted to put it to you that the President clearly stated that if the oil in this country is really produced very well, it will change the lives of all Ugandans, even those at the local level. So, I would like to tell you that we are receiving messages right here from the people at the grassroots saying that we are doing a wonderful job. This Parliament is being commended for the work it is doing even as we are seated right now. (Applause)

Madam Speaker, I would like to give you an example. You have played with children of three to five years of age. These children, as you know, ask very many questions. Once you do not answer their questions brilliantly and they happen to get the information on their own, you will get exposed in a funny way. So, what we would like to inform this country is that let no information be hidden from honourable Members of Parliament who were elected by the majority of the people of Uganda and thus are their representatives, unless it is of a security nature. In any case, if there are people to keep the secrets, it is the Members of Parliament who would know whether certain information is dangerous to the country or not.

In any case, the agreements we are hiding are already on the internet. Some of the information is already on the internet and everybody is reading it. Now, what are we hiding? The PSAs are already

on the internet. So, we have failed to know what we are hiding.

Finally, the resolution that Government desists from executing any contract in the oil sector - we are not talking about any other sector - should have any kind of confidentiality removed so that we do not face the kind of embarrassment that some of our Members have got on the Floor. I beg to move.

THE SPEAKER: Hon. Members, I appreciate everything you have said, but I would like to hear the rationale, and that is why I would like the Attorney-General to tell us why these clauses exist.

THE ATTORNEY-GENERAL (Mr Peter Nyombi): Madam Speaker, whenever I come to the microphone my brother, hon. Tinkasiimire, shouts out, "Black Mamba". (Laughter) I used to have a brother whose name was "cross-eyed Mamba".

Madam Speaker, we are at liberty to do away with the confidentiality clauses. However, I would just like to provide some information. We have carried out some research in this area of confidentiality clauses. In the world there are about three countries where oil agreements are in the public domain. One of those countries is Kyrgyzstan but it does not have a law regulating the production of oil. So, when an agreement is made, it is actually the law. There are two other countries, that is, Ghana and Egypt. However, I would like to point out that in those countries, although the agreements are in the public domain, certain clauses that are considered to be very confidential are not inserted in the agreement.

THE SPEAKER: Hon. Members, let us listen to one another, please. I want to benefit from that information.

MR PETER NYOMBI: I am giving you information so that you take a decision knowing what you are concluding. My brother, Gen. Tumwine, was telling you to be cautious.

Madam Speaker, from our research, international petroleum agreements do normally have that clause for the purpose of protecting the use and disclosure of intellectual property -(Interjections)- Do not say, "Ahh". An educated person should be able to sit and listen. If what I am saying is rubbish, you can make that conclusion, but I think you need to sit and listen. I am telling you what our research has revealed.

THE SPEAKER: Hon. Members, please let us treat each other with minimum courtesy.

MR PETER NYOMBI: Madam Speaker, these clauses are normally intended to protect intellectual property, data and to protect information that the parties to the agreement may wish to protect. So, when we are taking a decision, we should have that in mind. We are free to do away – Madam Speaker, I was not a member of the Constituent Assembly. My brother, hon. Mukasa, beat me -

THE SPEAKER: Maybe hon. Dombó thinks he might solve his problem. Okay, give us a way forward.

MR DOMBO: Madam Speaker, we have just approved resolution No.7, which requires Government to join the Extractive Industrialised Transparency Initiative. Joining that initiative has guidelines, which you must follow. One of them is that you must publish whatever you earn and all the companies that trade within the country must publish what they pay. That is a condition through those guidelines.

I had the opportunity to attend the Extractive Industries Initiative training in Norway with hon. Migereko here and a number of officers from the Ministry of Energy. Since we have already approved this, may I propose this as a compromised position?

Gen. Tumwine, the soldier that he is, did raise some issues which our Constitution framers did provide for and yesterday it was clearly articulated by hon. Katuntu on the Floor. May I, therefore, propose that resolution No.8 reads as follows: "Government desists from executing any contract in the oil industry with a provision/clause for confidentiality, and the right to access to information as enshrined in Article 41 of the Constitution shall be respected." All issues have been captured and we can move ahead.

THE SPEAKER: Attorney-General, have you got his proposal?

MR PETER NYOMBI: Madam Speaker, hon. Dombó has actually gone to the point that I was going to make that provided -

THE SPEAKER: Order, we are moving well and are still together.

MR PETER NYOMBI: Madam Speaker, I can only add that although I was not a member of the Constituent Assembly that drafted this Constitution, I believe the intention of the framers of this Article 41 was to look into introducing transparency. I think that is the intention. Well aware that there are certain things that may not be for the public domain, that is why it was drafted the way it was.

Article 41(1) is very clear on security, sovereignty of the State and inference with the right to privacy of any other person. So, the intention of the Article, I believe, was to introduce transparency but well aware that there are certain things that may not be for the public domain.

7.55

MRS JANET MUSEVENI (NRM, Ruhaama County, Ntungamo): Thank you, Madam Speaker. I think that the conduct of this House cannot allow us to hear each other or to understand where we are coming from or going to. I have been listening here since yesterday and I think what we are doing

here, even though it is very important and all of us take it to be really important, the way we are doing it has made it so useless. (Members rose_) I am not finished. This is exactly what I am referring to. (Interruption)

MR NSEREKO: Madam Speaker, it is true that we are here for patriotic reasons and that everyone who left their homes since yesterday and attended this debate cannot be termed to be arguing in a way that is useless. Therefore, the honourable Members that are seated here today trying to traverse the laws and debate for this entire nation, putting away even bi-partisan differences and saying that now it is country first, cannot be deemed to be debating uselessly.

It is in this spirit that I would like to say and I would like to seek guidance and impute a point of order; is the hon. Janet Kataaha Museveni in order to say or impute that the honourable Members in this august House are debating in a useless manner that is not productive to this country? I beg to seek your guidance and order, Madam Speaker, in this nature.

THE SPEAKER: Hon. Members, a lot of work was going on in this Parliament which I did not want to interrupt, but because of the importance of this work, I had to recall the House from the recess. We have sat here long hours really doing productive work so it is not proper to say that what we are saying is useless. (Applause)

8.00

MR BARNABAS TINKASIIMIRE (NRM, Buyaga County West, Kibaale): Thank you very much, Madam Speaker. Given your ruling, I want to move under rule 66 of our Rules of Procedure. It reads: "If a Member persists in irrelevancies or tedious repetitions or uses objectionable words and on being called to order fails to retract or to explain words and offer an apology to the satisfaction of the Speaker, any Member may, with the consent of the Speaker - which you have given me, Madam Speaker - move that the Member using the objectionable words be no longer heard and the question on the motion shall be put forthwith without amendment or debate". I beg to move, Madam Speaker.

THE SPEAKER: Hon. Members, I do not agree that she has been repetitious because she had just started speaking. I also do not agree that she was repetitious because she has not repeated but I do agree that the word "useless" is objectionable. Just withdraw it.

MRS MUSEVENI: Madam Speaker, what I wanted to say was that we have the Rules of Procedure that are supposed to govern the way we behave in this House and they compel us that when one of the Members is speaking, others must listen. That has not happened since yesterday. Whenever anybody is speaking, others are holding meetings all over the place and we cannot hear each other. Does that make what we are saying useful really?

Now, what I wanted to contribute to -(Interruption)

MS NEBANDA: Thank you so much, Madam Speaker. As I was seated here, you made a ruling that the honourable minister should withdraw and apologise, but I am waiting for the withdrawal and apology, but the honourable minister is consistently continuing without withdrawing the statement. So, can the honourable minister please withdraw? Is she in order to persist without withdrawing the statement? Is she in order?

THE SPEAKER: Hon. Minister, please withdraw the word “useless” and proceed with your contribution. (Applause)

MRS MUSEVENI: Madam Speaker and colleagues, I wanted to withdraw the word by saying, is it useful -(Interjections) - Is it useful to continue the business the way we are going? (Interjections)

THE SPEAKER: Order, Members!

MRS MUSEVENI: I withdraw the word “useless”. (Applause) I wanted to remind you of our Rules of Procedure, rule 70(c). It says, “While a Member is speaking, all other Members shall be silent and shall not make unseemly interruptions”. That is what I was saying. The whole day today and all the time we were here yesterday, every time any Member is speaking, others are also talking their own things. Do these rules really govern this House?

THE SPEAKER: Hon. Members, she has withdrawn the word which is offensive, allow her to make her contribution.

MRS MUSEVENI: Now, my contribution was about issue No.8, which says Government desists from executing any contract in the oil industry with a provision/clause for confidentiality.

I wanted to say that I think that oil is a strategic national asset and it really does need protection. If we all love Uganda like we all say we do, if our oil is not protected as it should be - do you know that the oil in countries that have problems can be actually -(Interjections)- Libya, for instance, has been bombed by France from the air. If they know where the oil fields are, they can be bombed from the air -(Interruptions)

THE SPEAKER: Hon. Members, hon. Museveni is a Member of this House; she is entitled to speak what she believes in.

MRS MUSEVENI: I just wanted to say that take the responsibility of having denied Uganda Oil of confidentiality. Thank you, Madam Speaker.

THE SPEAKER: Hon. Members, hon. Dombo had moved a proposal which was moving us forward –

MR DOMBO: Madam Speaker, the amendment on resolution 8 reads as follows: "Subject to the provisions of Article 41 of the Constitution, Government shall desist from executing any contract in the oil industry with a provision or clause with confidentiality". I beg to move.

8.11

MR JACK WAMANGA-WAMAI (FDC, Mbale Municipality, Mbale): Thank you, Madam Speaker. I have respect for Gen. Tumwine, but I want to disagree with him this time that the issues of oil, a natural resource of this country, are not a secret. I do not want you to mix these issues with security. But even with security, I want to tell you that Jane's Magazine publishes all armaments sold around the world. They even know the number of soldiers most of these countries have. So, I do not want you to confuse the issue of oil with security.

Secondly, I have respect for the First Lady and Minister for Karamoja, Mama Janet Museveni, but when we start producing oil, we shall become members of oil producing countries, and the whole world is going to know how much oil we produce. So, we cannot keep it a secret.

I would also like to thank the Speaker for showing us the procedures of the Eighth Parliament. In the proceedings of the Eighth Parliament, the Minister of Energy, Hon. Onek, stood on that side and said, "We want you to be patriots; we do not want you to discuss those agreements". I thought hon. Onek was a patriot. But what has transpired on this Floor today and yesterday, has disclosed that some of the people are not really patriotic to this country.

Madam Speaker, we have been sitting here for two days and you called Parliament because we wanted to discuss the issue of oil. And one of the main reasons was confidentiality. Now, if you tell us that we should not disclose the oil fields; everybody knows. There are satellites in the air which report that we have oil and we cannot hide from the oil. We are going to declare how much oil we are producing and it is not a secret at all.

MR WAFULA: Thank you, Madam Speaker and thank you hon. Wamayi for giving way. On Friday, I was among a team of MPs who visited the oil wells and we had a briefing at a camp called Kaiso-Tonya by the officials of Tullow. From my notes which I have just read, Tullow informed us that they have already signed the protocol for an industries initiative –(Interjections)– that they signed it about five months ago; and many firms we are going to deal with are going to sign.

So, what will you be protecting which they are not protecting; they have signed. So, this argument that there is something to protect - intellectual property right, what is it? It is about oil. You have discovered oil, you are selling oil and we want to know how much money you are getting; how you are spending it and who is paying you. And here it is pitiable to say that we should hide our oil wells because they can be bombed. Bombed for what? These days, with GPS, everything is known, there is nothing that you can hide.

So, Madam Speaker, we have resolved to join the extractive industry transparency initiative. Our partners have joined; what are we doing; wasting time? Let us pass this as amended by hon. Dombo and we move on.

MR TODWONG: Thank you, Madam Speaker. We have sat here for the last two days as Members have said; we are also touched by these debates and we appreciate all Members for the national interest they have shown.

But Article 41(1) and (2) unless otherwise misinterpreted or we vote to amend them, but the Constitution is very clear on what we are discussing. Article 41(1) reads: "Every citizen has a right of access to information in the possession of the state or any other organ or agency of the state except where the release of the information is likely to prejudice the security or sovereignty of the state or interfere with the right to the privacy of any other person.

(2) Parliament shall make laws prescribing the classes of information referred to in clause (1) of this article and the procedure for obtaining access to that information." Do we want to amend the Constitution again? It is here. You are very clear.

THE SPEAKER: Hon. Members, that was the proposal of Hon. Dombo. Why don't we adopt that proposal and move on? Please conclude and do not go to the general debate. Focus on -

MR ONEK: The manner in which our colleague hon. Wamanga-Wamai stated that I talked about patriotism; I meant everything of it. Now he is passing judgment on me basing on just a computer print-out which is not authenticated by bio data. There is no proof and he is passing judgment on me. Is it in order for him to state that I am sitting here -

THE SPEAKER: Hon. Members, in the morning we dealt with the general debate and Members said what they wanted. Please, do not re-open that area. Just focus on the way forward as proposed by hon. Dombo because it was clear; it tied in with hon. Todwong and the others.

MR WAMANGA-WAMAI: Most obliged, Madam Speaker. I was talking about confidentiality. Now, if you can hide information from Members of Parliament, who is privy to that information, then? Therefore, that issue of confidentiality should be ruled out so that everything is exposed and Ugandans have access to that information.

On the issue of excitement in the House, I want to tell hon. Members that Ugandans out there are very excited because they are in a very low mood after losing our match to qualify for the African competition. (Interjections) Ugandans are now looking at this debate as something that has excited this House. I want to tell hon. Members that I have seen parliaments around the world debate and at times, they exchange blows and throw chairs across. Therefore, the excitement in the House was because of the issue of oil. I thank you, Madam Speaker.

THE SPEAKER: Hon. Members, I appeal to you to focus on the proposal by hon. Dombo because it captured Article 41 of the Constitution and also captured what was here. Do not go into general debate.

8.22

MS BETTY AOL OCAN (FDC, Woman Representative, Gulu): Thank you, Madam Speaker. In the interest of time, I will focus on that. But I must say that we must know oil is a potential area of conflict if we insist on confidentiality. So, I would like to just add a little to what hon. Dombo has proposed. We even knew that there was that Article 41 in place, yet we went ahead to hide a lot of information on this oil. This means there are certain things which have to be put very clearly. So, whenever contracts have to be awarded; it is very important that they are advertised. I do not think this has been in place. The confidentiality has been just for Ugandans not for other people - (Interjections)- Which new law?

Let us be very transparent and make sure Ugandans know everything about oil. We should be more transparent even beyond Article 41. In this area of oil, we must exercise it. Thank you.

THE SPEAKER: Hon. Members, I think there is nothing new. Already, hon. Dombo made a proposal with Article 41. So, there is nothing new we are introducing.

8.24

MR THEODORE SSEKIKUBO (NRM, Lwemiyaga County, Ssembabule): Thank you, Madam Speaker, and hon. Members. We still have some long three more to go. Now that we seem to be agreeable to details; I concede to that amendment by hon. Dombo and move that you put the question.

THE SPEAKER: I put the question that clause 8 be amended as proposed.

(Question put, and agreed to.)

Clause 8, as amended, agreed to.

Resolution 9

“Government sets up a commission of inquiry headed by a Justice of the Supreme Court to investigate claims and allegations that some of its officials have been compromised and received bribes from some players in the oil industry, and the report of the commission of inquiry be laid before Parliament for consideration.”

MR MUSINGUZI: Thank you very much, Madam Speaker. With due respect, I would love to amend Resolution 9 such that it reads as follows. Instead of Government setting up a commission of

inquiry, I would beg that this Parliament, through the chair of the Speaker, sets up a select committee of inquiry, which can be headed by the supreme -(Interjections)- I am saying it should be or -

THE SPEAKER: Allow him to give his views.

MR MUSINGUZI: Protection, Madam Speaker.

THE SPEAKER: Order! Members.

MR MUSINGUZI: Which one can co-opt. I am saying the committee of inquiry can co-opt the Justice of the Supreme Court if need be because, hon. Members, it is this Parliament which has got all the classified information. No one outside there can doubt the competence of this Parliament to dig for more information -(Interjections)- in these dealings which are unveiling. I would, therefore, beg to move, that it is this Ninth Parliament, the respected Parliament, that sets up the committee. Thank you very much, Madam Speaker.

MR MUSASIZI: Madam Speaker, considering the importance of the matter that is going to be investigated; and considering the sensitivity that this matter will carry; and also, considering that the principles of good governance must be upheld, I beg to move that Parliament sets up a committee fully constituted by Members of Parliament to look into this matter such that it can make a report to this House to debate, in order for us to take the necessary action. Let me take information from -(Interruptions)

MR BYARUHANGA: Thank you, Madam Speaker. Yesterday, hon. Karuhanga mentioned names of people who allegedly got bribes, to this House. If it is indeed true, then we should leave no stone unturned. We have to ensure everyone involved is brought to book. On page 3 of the document that hon. Karuhanga laid on Table yesterday there is more information –

THE SPEAKER: No, no, we are not debating. The question is: Do we set up a commission of inquiry under a judge or just a select committee? That is what we are handling now.

MR MUSASIZI: But, Madam Speaker, we should not leave other people out. I am saying this because there are more people implicated who we need to bring to book. In the circumstances, I am proposing an amendment to let us add in names of more people who have been implicated, but not talked about in this House. One of these is the Permanent Secretary of the Ministry of Energy and Mineral Development.

I would also like to suggest that the document remains as it is such that when we get to peruse it, everyone gets to be – and I would love to lay this on Table as a property of Parliament. Thank you.

THE SPEAKER: But hon. Members, there is a word “officials.” Doesn’t that include the permanent secretary? Otherwise, we might have to start bringing even the sweepers on board.

MR MUSASIZI: Madam Speaker, thank you very much. Whereas I appreciate the information –

THE SPEAKER: Hon. Member, when you come to lay something on Table, you don’t just throw it there. You have to tell us what the document you are laying on Table is.

MR MUSASIZI: Thank you, Madam Speaker, for giving me the opportunity to lay this document on Table. This is a brief on Uganda’s oil deals. It is part of the report that hon. Karuhanga laid on Table yesterday. In this document there are some more names of people implicated in this situation. The document talks about the bottlenecks from the findings, which flow over to page 3, where it says that the Ugandan experts were disturbed by the removal of Engineer Hillary Onok as Minister of Energy and Mineral Development.

It also says that the support of the experts continues since the case on arbitration is still going on as planned. But insider sources said that the State ministers, Peter Lokeris and Simon D’Ujanga are said to be already integrated.

There is also information that Tullow is paying tuition for the two of the permanent secretary’s children in London and Scotland. I beg to lay. Thank you, Madam Speaker.

MR D’UJANGA: Madam Speaker, I am not standing to deny anything because I have got nothing to deny about. I stand to express my concern about a document without a source, but which is being tabled to tarnish my name. I would like to inform the House that I am ready to be investigated because I have nothing to hide. There is no money attached to my name in that document. This is just a malicious document without source, which must be investigated properly to shame those who are parading a falsehood.

MRS SENINDE: Madam Speaker, I would like to thank you – (Interruptions)

MR LOKERIS: Madam Speaker, I heard my name being read as being integrated. My question is: What is the definition of integration? I am asking this because as far as I am concerned, I am a free person who does not follow anybody anywhere. I have not been to the cities that people are talking about. So, I don’t know whether this is integration by osmosis or not.

THE SPEAKER: Hon. Members, we need to conclude this matter. Can we hear from hon. Seninde?

MRS SENINDE: Madam Speaker, I stand to move an amendment on resolution No.9 by creating 9(a) and 9(b). But before I do that, I beg that you allow me to thank the Ninth Parliament for the patriotism that Members have exhibited in fighting corruption.

Secondly, allow me to appeal to our Executive – if you are fighting corruption; if we are patriotic as we have tried to demonstrate by teaching it in schools, we need to walk the talk.

Therefore, based on what the Members have raised I stand to move an amendment as 9(a) to read as follows: “Parliament sets up an ad hoc committee to investigate claims and allegations that some Government officials have been compromised and received bribes from some players in the oil industry, and a report be presented to Parliament for consideration in the timeframe as the Speaker may so rule”.

The reason why I am proposing an ad hoc committee is as follows. Madam Speaker, I would like to refer this House to rule 164, it reads: “The House may at any time, on the advice of the Business Committee, appoint an Ad Hoc Committee to investigate any matter of public importance that does not come under the jurisdiction of any Standing or Sessional Committee or that has not been dealt with by a Select Committee.”

The reason why I am saying it should be an ad hoc committee is because the matter we are looking at now is “corruption” and not oil. The reason why I am not proposing a select committee is that when we look at rule 163, it reads: “Every Select Committee appointed under rule 162 shall consist of at least five Members who shall be designated by Party Whips...” which I don’t agree with at this moment. (Applause)

Another reason why I would not like Government to set up a commission of inquiry is as follows. We have a challenge in this country. A number of investigations have been carried out by Government, but up to now, Ugandans are lamenting and asking where those reports are, but they are nowhere to be seen. Where can we have the confidence to ask Government to set up a commission of inquiry?

Thirdly, the reason why I suggest Parliament sets up its own committee, is because it is this very Parliament which has seen the importance of fighting corruption and it must be the same Parliament to conclude this issue. (Applause)

I request Members to listen to the second amendment, as part (b). Part 9(b); I would like it to read as follows: “All Government officials named in the discussion of this resolution, namely, hon. Hillary Onek, hon. Amama Mbabazi, hon. Sam Kutesa and other officers in other offices, must relinquish their offices with immediate effect pending the completion and laying of a report of the investigative committee to this Parliament.”

Madam Speaker, the reason why I raise this is because in Public Service, if an officer is under investigation that officer is interdicted pending investigations.

My second reason; we have precedents in some other countries and I would like to give an example of our neighbours, Kenya, where ministers were accused of corruption – and even in other countries, where officers accused of moral turpitude always relinquish their positions to give way for the investigative machinery to do its part without hindrance.

Finally, I would like to say, and this is a very humble appeal from the bottom of my heart, I want this Parliament to be counted and I also want to be counted as a person who doesn't want corruption in this country. (Applause) If these mentioned officers are really patriotic and nationalistic as they have usually and always seemingly indicated, they should, without hesitation, relinquish their positions today so that they become examples to this country that they are fighting corruption; and if they are found free, they are willing and ready to come back to their positions.

Madam Speaker, I am saying this without fear or favour for the people of Wakiso District who elected me to come and speak on their behalf. I thank you very much. (Applause)

8.45

DR CHRIS BARYOMUNSI (NRM, Kinkizi County East, Kanungu): Thank you very much, Madam Speaker. The wording provided by hon. Seninde rhymes very well with what I had put down. Therefore, I will briefly add a comment or two.

First of all, we have been receiving messages that UBC was airing deliberations, but without sound, so that Ugandans don't hear what Members of Parliament are saying. This shows the kind of Government interference that is likely to jeopardise investigations. Therefore, it is important that the investigation remains within Parliament and not with a commission of inquiry. And I think the minister responsible should explain to us because many Members have received those complaints.

Some few amendments that I wanted to propose are that the ministers relinquish their ministerial responsibilities, but they can remain as MPs.

Secondly, I wanted to suggest that as a House, we give a timeframe and I was suggesting three months for the investigation. Hon. Seninde was saying, as the Speaker may determine, but I wanted us to move that this House pronounces itself on the period to give the ad hoc committee so that all of us know when this work is completed.

Thirdly, I also wanted to propose that since Government ministers who should step aside have been named, the government officers to be interdicted should be named in the resolution so that it is very clear who should be interdicted. I thank you very much.

8.47

THE ATTORNEY-GENERAL (Mr Peter Nyombi): Madam Speaker, the setting up of commissions of inquiry is regulated by the Commissions of Inquiry Act –(Interjections)-

THE SPEAKER: Hon. Members, let's listen to each other.

MR PETER NYOMBI: Madam Speaker, I have the Commission of Inquiry Act here, Chapter 166. Parliament is not given authority under this Act to set up a commission of inquiry. However, I want to support hon. Seninde because our rules do empower Parliament to appoint either a select committee or an ad hoc committee. I believe that those who have been named would like their names cleared. Either a select committee or an ad hoc committee can be set up.

When we are making recommendations, we need to be consistent and we must have a sense of justice. When we talk about ministers relinquishing their offices, we should be able to cite the law under which they would relinquish them.

When I look at the Constitution, I do not see anywhere a minister can be required to step aside. Even when we are making recommendations, we should be able to cite the law under which we are requesting certain things to be done.

MR KATEGAYA: I am making my brief contribution on No.9. The question is whether we should use an ad hoc committee or a commission of inquiry. My view is that an ad hoc committee is not enough. In the first place, if you look at rule 164; an ad hoc committee can be set up on the advice of the business committee. Unless we turn ourselves into the business committee then we cannot.

For me this matter is a weighty one; we have spent two days discussing it. A lot of information has been put on the table and my suggestion would be to set up a commission of inquiry - (Interruption)- I have been sitting here for two days without interrupting anybody. You just give me a few minutes and then you can have your day.

First, we have a maxim in law that states that "justice should not be done but it must be seen to be done." There is also a maxim that states that "we should not be judges in our own causes." The views of this House are known now on this matter because we have come a long way accepting what has been so far proposed. We need a commission of inquiry as you had proposed in paragraph nine.

MRS SENINDE: I would like to seek clarification. With due respect, hon. Kategaya is proposing a commission of inquiry and according to the resolution we are trying to amend, in the motion it says that, "Government sets up a commission of inquiry."

The clarification I would like to seek is simple; who is Government? Who is going to set up this commission of inquiry? The people implicated are the Government that is going to set up this commission of inquiry. Where do we get the confidence in such a commission of inquiry? I would like to remind this House that a committee of Parliament looked at -(Interruption)

MR NUWAGABA: Thank you honourable for giving way. The movers of the motion have already consented to the proposed amendments and, therefore, the debate must now be restricted to the amendments as proposed by hon. Seninde. Any issue related to a commission of inquiry is unrelated to the issues on the Floor.

MRS SENINDE: These are two different entities now, although it is a different arm of Government. It is Parliament which has interested itself in this matter. Therefore, it should be Parliament to carry out the investigations. Allow me to add an amendment.

THE SPEAKER: I do not think setting up of an ad hoc committee should stop Government from doing their own investigations.

MR KATEGAYA: If somebody asks where Government is, then I don't know what to say to such a Member of Parliament. There is a Government in this country headed by the President. The Government is here; there is a President in this country; he has a cabinet. The question that has been raised, that many commissions of inquiry have been set up but nobody has seen what has come from them. In this resolution, we have said that this commission shall report and give a report to this House. The House has the right to demand the production of that report. In fact, if anything, Madam Speaker - I was also going to reply to what hon. Niwagaba said, but really for me, when I do business -(Interjection)- of course there is a proposal by hon. Seninde, but we have not pronounced ourselves on this amendment.

It is a proposal before the House. The point is that it is a proposal, much as I am making mine - (Interjections)- I can waste my time; that is no problem as long as there is a record. My point is that it should be a commission of inquiry instead of an ad hoc committee and this is on two grounds; that we should not be judges in our own cause; and secondly, that justice must be seen to be done. The report can be given a timeframe to be tabled before Parliament. That is my contribution.

9.00

MR SEKIKUBO THEODORE (NRM, Lwemiyaga County, Ssembabule): Thank you, Madam Speaker. I have listened to hon. Kategaya and there is a matter that I think shouldn't go unchallenged. When we set up a committee of Parliament as you may realise, we once in a while interface with our colleagues on the front bench, but that does not whittle away the powers of Parliament to set up a committee by the defence of the nemo judex rule that hon. Kategaya is trying to put up; that we can't be judges in our own cause.

The committee of Parliament is strictly provided for under Article 90 which talks about the committees of Parliament and Article 90(1) says, "Parliament shall appoint committees necessary for the efficient discharge of its functions. (2) Parliament shall, by its Rules of Procedure, prescribe the powers, composition and functions of these committees..." and that is where we have an entry

into rule 164, and for the benefit of Members, this is not the first business to be investigated by this Parliament, and never has the issue of nemo iudex been raised on the Floor of this House.

So, I wanted Parliament to be guided that being Members of Parliament looking at matters which may involve colleagues on the front bench, does not in any way prejudice the proceedings of such committees and has no way of affecting the outcome of the report. And on that ground, I beg to support the amendment of hon. Seninde and do move that you put the matter to vote, Madam Speaker.

9.02

MR WADRI KASSIANO EZATI (FDC, Terego County, Arua): Thank you very much, Madam Speaker. I stand here to support the amendments moved by hon. Rosemary Seninde and I will make a rejoinder to it after. I want to remind hon. Kategaya of a Kinyankole proverb he told us in 2005 when we formed PAFO. At that time, translated into English he said, "A man only turns in bed" that is what he said to us -(Laughter)- and a few Banyankole friends who are here will put it best in the four Rs.

But the point I am making is that when you read the mood of the House, people have already made a departure from as far as setting up a commission of inquiry is concerned. They have already made a decision that they cannot turn the way that hon. Kategaya is trying to turn when he is not even in bed. (Laughter)

Madam Speaker, for hon. Kategaya to drag us on that path is like asking a monkey to go and set ablaze a forest which is its habitat. All these scandals that have been alleged against these three ministers have taken route under the watchful eyes of Government. Yes, it took long even for Parliament to come to notice that something wrong is happening in Government and, therefore, we cannot entrust such investigations in the hands of the same government which up to now has not realised that something has been going wrong. Of course, the learned Attorney-General did pose a few questions as to under what law these ministers should step aside as proposed by hon. Seninde in her amendment.

All I can tell you, hon. Prime Minister and the learned Attorney-General, is the fact that we are asking these ministers to appeal to their conscience. You do not have to be forced using the law. We have seen many people, who because of their conscience say, well, if that is the suspicion on me, let me step aside and be assessed accordingly -(Interruption)

MR MPUUGA: I thank you, hon. Kassiano Wadri, for giving way. Madam Speaker, early in the day today, we heard from the Vice President and he informed this House that indeed, the President did constitute his own investigations on this matter and even has a report and did not find anybody culpable on this matter; and we know for a fact that if we go into a commission of inquiry under the Commission of Inquiries Act, it will be the President, who did not find anyone culpable, to

appoint the chair of this commission. I believe the honourable member is right to say that Government did not find a problem here and, therefore, as Parliament, we find a big problem and we must proceed. I thank you.

MR EKANYA: Thank you very much, hon. Kassiano Wadri. Hon. Colleagues, I just want to give information and I want to thank hon. Rebecca Kadaga. In the last Parliament, I put three questions insisting that the Production Sharing Agreement be tabled here and I always timed when the hon. Rebecca Kadaga, then Deputy Speaker, was hearing, and she insisted and directed. May God bless you, Madam Speaker. (Applause)

Lastly, I want to educate the hon. Attorney-General to read Article 114 regarding the power of Parliament to approve the appointment of ministers. If you have the power to approve, then you have the power to disappoint and to withdraw the approval. So, by us recommending that these honourable ministers step aside is implied in law. You need to read the Commonwealth practise. For us to recommend that the ministers named step aside just to allow investigations is applying Article 114 of the Constitution of the Republic of Uganda.

MR WADRI: Thank you very much, hon. Ekanya and hon. Mpuuga for the information that you have given me. As I wind up, I have only two issues to bring forward. One, I want to again inform the learned Attorney-General that decisions to step aside are not necessarily backed by any written laws. Precedents that have been set can still be followed. It is not the first time that suspects have stepped aside to pave way for investigations and I will expect that the same applies to the three suspects who have been named in this scandal. If, therefore, these three suspects cannot appeal to their conscience and have an honourable exit as investigations take root, then Article 118 of the Constitution will be invoked and that will by the way discredit them the more. (Applause)

So, my colleagues, the three suspects- not that I am a suspect but the colleagues, members of Parliament- and three ministers who have been named suspects, be ware that it is in your own interest to step aside rather than for us as a Parliament to invoke Article 118 of the Constitution of the Republic of Uganda which provides for a censure motion.

Lastly, Madam Speaker, as we agree to support this motion by hon. Seninde, I would like to make a very meek appeal to this august House. There have been ad hoc committees and select committees established by this Parliament in the past years. I remember there was an investigation into Police; there was an investigation into election violence and many others. These investigations have never seen the light of day and it is my hope that because this is a very serious matter which has actually touched every Ugandan, it is given the seriousness it deserves; that these people are given clear terms of reference and as they go out and execute their duties, they report back to Parliament so that we can be able to start a serious debate where the suspects will be given an opportunity to defend themselves. This is not a kangaroo court. We shall give them an opportunity to be heard as demanded by natural justice. We are not going to hang them before they have confessed to us

what wrong they did; if they were wrong at all. I thank you very much, Madam Speaker.

9.10

MR MEDARD SSEGGONA (DP, Busiiro County East, Wakiso): Thank you, Madam Speaker. I will be very brief. Winston Churchill who was referred to by the hon. Kutesa, one day invoked the Latin maxim, and he said that, while few may be punished the fear for punishment affects all. This is the point where we are simply advising our colleagues collegially to step aside in their interest or be retired in public interest. While I agree with hon. Eriya Kategaya that the three and other suspects must be accorded a fair hearing in such a manner that we must not prosecute and judge our own case, this morning we received information from His Excellency the Vice President, that it is the information - I hope it was correct - from His Excellency the President, that these people have been investigated and we are here wasting time. Therefore, we cannot expect the same Government to appoint a commission of inquiry to investigate the Prime Minister of this country; that on matters that concern crossing borders, we investigate the Minister of Foreign Affairs, who speaks good English for us outside this country; and that the Police, to investigate hon. Hillary Onek, the Minister of Internal Affairs.

What is our role? Our role is an oversight role. We cannot be carrying out an oversight role then we tell the person upon whom we are carrying out this function that, "Please carry out this oversight role for us." The option available is for us. We must be prepared to go the full length. Under our Rules of Procedure - I know there is some pain when you read rule 164, which is a procedural pain. We should prepare ourselves to go through it because on the other hand, we cannot go through the select committees where the nominees are provided by the chief whips and it is abundantly clear.

Madam Speaker, look around this House. Those that have been here before me will tell the importance of this subject by seeing all the Members seated past 9 O'clock. Nobody is moving. We are all here. In the gallery, the Members are there. On TV, people are watching although not hearing, because of government machination again. (Laughter) I will take information from hon. Ssekikubo.

MR SSEKIKUBO: Thank you hon. Sseggon for giving way. The information I want to give is that at this point in time I would rather emphasise what the Speaker has guided. When I was listening in the morning, the Vice President intimated to this House that indeed, State House had carried out investigations and they were still in progress. I want to submit that we have no quarrel with that, but I would urge Members that we go by the guidance of the Speaker. Let State House and the state agencies that are not part of Parliament, proceed with their work. But what we need to emphasise is not to make reference to Government. Let us say, "Within our own ambit, this is the best decision we have taken," and as Parliament, we proceed to set up an ad hoc committee not encumbered by any other innuendos. Let us forget about any other innuendos. In our own right way and within our means and powers and rights of Parliament, we have the ambit to proceed

under an ad hoc committee without any further reference to Government. Government is welcome to proceed with its own, but now, this is the process owned and taken by Parliament. Thank you.

MR SSEGGONA: Thank you, Madam Speaker and hon. Ssekikubo for the information. I just want to conclude by saying this. First, the Attorney-General, other than being an Attorney for the suspects, should be an Attorney for this House as an arm of Government. And finally -

THE SPEAKER: No, hon. Sseggona, we agreed to be civil to each other.

MR SSEGGONA: I withdraw that, Madam Speaker. I will take your guidance. I think gentility would call upon me to do that and I have done it.

Finally, this is simply a call to my senior brothers, the honourable colleagues; save us the time. Save us the resources. Save us the good relationship we have with you. Step aside. It is wisdom. It is not cowardice. I strongly advise.

THE SPEAKER: Hon. Nambooze. Now, three minutes each and then we close; no more debate?

9.17

MRS BETTY BAKIREKE (DP, Mukono Municipality, Mukono): Thank you, Madam Speaker. History has given us an opportunity to define what type of Parliament we are and in doing this I want to refer to the code of conduct in our Rules of Procedure, Part IV: "Members shall base their conduct on full consideration of public interest, avoid conflict between personal interest and the public interest and resolve any conflict between the two at once, and in favour of the public interest." For that matter, Madam Speaker, I would like to move that the question be put. Thank you.

THE SPEAKER: There was an amendment. Hon. Nyakecho, is there anything different?

MR TINKASIMIIRE: Thank you very much, Madam Speaker. I would like to support the amendments moved by hon. Seninde and hon. Chris Baryomunsi, and also add that on top of those to be investigated, we add companies, which are in the centre of this oil industry like the ones supplying food from Kampala. They are shipping food from Kampala as if the people in Bunyoro cannot feed the workers there. (Laughter)

9.20

MS ANNET NYAKECHO (NRM, Woman Representative, Otuke): Thank you very much, Madam Speaker. This has been a very healthy debate and I am really confident and happy about the Ninth Parliament. We have really been exemplary and I hope that we keep the spirit.

I have some issues I would like to talk about. I accept that Parliament felt the urge to look into corruption, but we should listen to one another. Let us search deep inside our hearts as Members

of Parliament and first leave the Executive alone; how many of us are clean? (Interjections) Yes, because the Bible says - I know many Members who are using corruption to fight corruption. The truth is bitter. Madam Speaker, I beg for your protection.

MS AOL: Madam Speaker, I am rising on a Point of Order. A motion was moved and an honourable Member of Parliament decided to debate proving to us that she is one of those corrupt people. Is she in order to take us back when we have all the documents laid here? Is she in order to declare that over 80 Members of Parliament here are corrupt including herself? Is she in order?

THE SPEAKER: Now, hon. Members, one matter where there has been total convergence was the need to investigate. No Member has spoken against the need to investigate. So, it is 100 percent; everybody who has spoken has said that we need an investigation; so, you cannot go back on that.

MS NYAKECHO: Madam Speaker, I totally agree that there is a need for us to have an investigation, but then – okay, I withdraw the statement, but I have mentioned it.

I would like to ask that from the deliberations we have had, what lessons has Parliament learnt for the future as far as fighting corruption is concerned? We should learn from what we have today so that we can prepare for the future. Madam Speaker, the House is hostile.

THE SPEAKER: Hon. Member, can you address point No.9 of the motion about either an ad hoc or a select committee. That is where we are.

MS NYAKECHO: Yes, Madam Speaker, I would like to conclude. Let me say that we are the accusers, and so we cannot be the prosecutors and judges as well. Thank you very much, Madam Speaker.

MR SSEMMUJU NGANDA: Thank you very much, Madam Speaker. The hon. Betty Nambooze moved a motion under our Rules of Procedure that the question be put. I am wondering whether the question should be put or we are discussing the amendment as proposed by the hon. Seninde?

THE SPEAKER: Hon. Members, the rules are very important, but it is very important to get the views of as many Members as possible. That is why I am giving Members who haven't spoken for the last two days a chance.

9.29

MR XAVIER KYOOMA (NRM, Ibanda County North, Ibanda): Thank you Rt Hon. Speaker. Allow me take this opportunity to thank the lead petitioners and all those who have given views towards our noble cause. I also take the opportunity to support hon. Seninde's amendment. I would even pray that the affected ministers will come to the ad hoc committee because it will be after its work that we will know the truth.

It is also my prayer that this ad hoc committee yet to be put in place be fully facilitated so as not to be compromised. With that, allow me to second the motion moved by hon. Namboze that the question be put. I thank you, Madam Speaker.

9.30

MR SINGH KATONGOLE (NRM, Rubaga Division North, Kampala): Thank you very much, Madam Speaker. I would like first, to thank the Ninth Parliament for doing this good work of fighting corruption. I also want to add my voice that we shall all fight corruption until we have no more corruption in Uganda.

I want to agree with the resolutions made by hon. Seninde, but I want an amendment on (b). As this debate goes on, we should look behind our heads as there may be a lot behind what we are not seeing here.

If you look at some of the documents, there are fights among the oil companies themselves for contracts. The oil companies have their internal fights and they are spreading some of the rumours, which are coming to this House.

We should not forget that among ourselves, we have people and law firms, which wanted contracts with these oil companies and never got them. We should also bring to book such oil companies, which are initiating fire in this House because of their personal interests. We know the legal firms, which had applied. My brother hon. Katuntu's company wanted a contract and he is a seconder of this motion because he failed to get a contract.

My amendment is that the ministers who have been mentioned and some financial evidence brought against them, should step aside, but people who have no evidence against them will appear to the committee, but not step aside. Madam Speaker, we should not start fighting our people just because of hearsay - (Interruption)

MR KATUNTU: Madam Speaker, hon. Singh Pamindar has made an allegation. First of all, I first met the hon. Singh some years back when I was acting for a financial institution called Capital Finance, which hon. Pamindar owed money. I had been instructed by Capital Finance Limited to attach the old buses he was operating. Since that time -(Interjection)- there is nothing confidential about it. Since that time, I have never interacted with hon. Singh.

It is true that I own a law firm, Katuntu and Company Advocates; but since I joined Parliament, I have been a passive advocate in that firm because I do not have the time. Most of the time has been dedicated to this House.

I have never been an oil lawyer and none of the lawyers in my firm is an oil lawyer. They are young boys who will keep that firm for purposes of address. I have never sought any business and never

had the slightest contact with any oil company and now that - but you see, these are diversionary tactics anyway. Now that he has actually mentioned my name thinking I will be diverted, is it in order for hon. Pamindar Singh Marwaha to mention the name of my law firm or even myself without giving any details and without substantiating? Can he bring the evidence on the Floor? And in any case, I am also open, if they so wish to investigate; so that should not be a problem.

THE SPEAKER: Hon. Members, we need to conclude this matter. Can you conclude and we close?

MR KATONGOLE: Madam Speaker, I had concluded but responding to what hon. Katuntu has just said - Madam Speaker, he brought an issue here, which happened some years back. But I would also like to say that the person bringing that issue at that time swindled the money of the Capital Finance Bank so what is the credibility of such a person here?

THE SPEAKER: No, hon. Members, we are not going to - our rules do not allow this kind of confrontation; it is out of order.

9.37

MR ASUMAN KIYINGI (Independent, Bugabula County South, Kamuli): Thank you, Madam Speaker. I am rising to make a contribution on the amendment made by hon. Seninde, which if I may read states, "All Government officers named must relinquish their offices with immediate effect pending the release of the report of the committee."

Madam Speaker, what is good for the Legislature is good for the Executive as well. We should be consistent in the standards we are applying. What is the standard with us here in Parliament? The standard is that when you are accused, you can protest your innocence up to the highest court in the land, but maintain your seat. That is why there are Members here who have lost petitions in court over bribery allegations -(Ms Nalubega rose_) - I am making my point. You will give me information later. That is why Members who have lost election petitions appeal, stay and they even go to the Court of Appeal, up to the Supreme Court; and they are here deliberating. I fear that we are setting a precedent which may get some of us unawares.

I can see hon. Epetai looking at me kindly, but it is not a good precedent. Allegations have been made against hon. Katuntu; very serious ones. I could as well insist that because they have been made against hon. Katuntu, now he should step aside. It cannot be a good practice that statements are made which are unsubstantiated and then we insist that because statements have been made, people step aside. It is wrong; we are being judges in our cause. I rest my case.

THE SPEAKER: Let me invite Gen. Ali.

THE THIRD DEPUTY PRIME MINISTER (Lt Gen Moses Ali): Thank you, Madam Speaker. I want to say a few things here. Some of the things may not be nice. I want to warn that be ready. It may be like

having quinine to take. I want, first of all, like many others, to say I have discovered since yesterday that the two sides have merged. (Laughter) The reason for doing so is to fight corruption. Is it the beginning or for how long is it going to take? How are we going to get this work against us all together like this lady said? What method are we going to use?

That is what I have discovered; because of corruption, this debate has become bi-partisan. I have discovered that people seem to be losing confidence in Government. Why I am saying that, is because there is the Legislature, which is ourselves; there is the Judiciary, and there is the Executive. This is the Legislature. Now, out of these three, it is only the Executive with powers to sanction.

There must be an inquiry; if rightly so, you have power to appoint your committee. Assume you take one or two years or even three months and you come out with your conclusions and you want some implementation of those conclusions, where are you going to take them? Who is going to implement these conclusions? The Government. Therefore, from the word go, we must trust each other. Government must trust the legislature, and the legislature must trust the government because nobody is going to implement your decisions. You as a legislature have no authority. You cannot implement your own decisions and, therefore, you cannot just dismiss - you must have trust.

I also discovered that the House has broken into total disorder. There is no discipline. People shout; people do not listen to the Speaker. (Interjections) There is no order because you do not respect order yourselves. I am now behaving like you because you do not respect order. What order are you talking about?

I want to display what I have discovered in this House; that our being disorderly is good to all of us. That is why I behave like you. Thank you.

MR SSEKIKUBO: Thank you, Madam Speaker and hon. Members. There is a matter that needs to be clarified that I thought should not go unchallenged. The issues at hand - we are carrying out an inquiry and if I understand the spirit of this debate, is the fact that some members of Cabinet have been found to be on the wrong side of the law. They have been suspected in that regard - (Interruption)- But I was moving on order as well.

MR AMAMA MBABAZI: Madam Speaker, is it in order for hon. Ssekikubo to claim and assert that some members of Cabinet have been found to be on the wrong side -(Interjections)- you know, anyone that talks about Temangalo is absolutely - "have been found" means that judgement has been passed on them. Who has passed that judgement and where?

Madam Speaker, as far as I am concerned, I am as innocent as anyone could be. For anyone even to say that I am a suspect because someone produced a paper here; to say that an embassy said this,

and the embassy has not even acknowledged it and you say I am a suspect, is absolutely out of this world.

So, is it in order, Madam Speaker, for the honourable member to assert that some of us, including myself, have been found - I do not know of what crime?

THE SPEAKER: Hon. Members, no findings have been made because no investigation has taken place. So, it is premature to pre-judge. I think, hon. Members, let us agree on our committee; we do our work and at the end of the investigation we can form an opinion about everybody.

MR SSEKIKUBO: For that matter, having been clarified that it is not Government, but individuals having some gray areas - and you have guided that well. According to Article 164, those individuals are personally held accountable.

Madam Speaker, may I move that you right away put the question on the motion.

THE SPEAKER: Hon. Members, I put the question –

GEN. TUMWINE: May I make a slight amendment to the motion moved by hon. Rose Seninde. On 9(a), she proposed a period of three months. I think it is too long; if you look at what we have been doing, for everything else we have said 30 days. Enough is enough on corruption; there is no smoke without fire –(Applause)– and everybody on this Floor has agreed that we proceed with investigations, including those who are being accused. And as all of you have said, this is a wonderful opportunity for unity against corruption.

So, I want to move on (b) where there is an allegation that there is no law requiring them to step aside, which is true because some other constitutions have it. While Uganda may not have it, the President can send them on leave; we should urge the President to do that so that we start a culture where people who are associated with corruption step aside. That way, there will be a movement against corruption; and we do not keep it business as usual –(Interjections)– I beg to move an amendment that the ad hoc committee reports within one month and that we urge the President to send them on leave.

THE SPEAKER: We need to agree on the time; we have agreed on many things, but we need to agree on the time.

MR NANDALA-MAFABI: I want to thank Gen. Elly Tumwine for his proposal, but I have the following to say. Madam Speaker, people have talked of Zurich, United Arab Emirates, Malta and UK. Those countries are not like Mbale where it takes three hours to reach.

So, I think three months would be sufficient for these people to do a good job because it involves

travelling, meetings, and we do not want them to be in a hurry because they might produce a bad report. I think three months is ideal. But if they can finish in 30 days, it is good for us, and we would be happy to see the report in 30 days.

Madam Speaker, I also want to take this opportunity to lay a document here, which will help the investigating team. It is called: "Classified document - Ministry of Energy and Mineral Development, Report to the NRM Caucus on the history, background, information petroleum agreements and current developments in Uganda's Oil and Gas Sector by the Minister of Energy and Mineral Development, October, 2011." It will be a very useful document; but here they call it a "classified document". Thank you.

MS AJOKI: Thank you, Madam Speaker, for giving me this chance. I do not think I have anything contrary to what hon. Seninde proposed. Rule 71(3)(g) – Appendix F, of our Rules of Procedure talks of leadership. Members should promote and support good governance by leading by example.

Madam Speaker, we have people's names in this saga and they have to lead by example. It is my humble appeal to the Members that have been implicated in the oil deal to please step aside and pave way for investigation.

Madam Speaker, I beg that you put the question with the amendment that hon. Seninde brought so that we settle this matter.

THE SPEAKER: Hon. Members, I put the question that the question be put.

(Question put, and agreed to.)

I now put the question that clause 9 as amended be approved by this House.

(Question put, and agreed to.)

Clause 9, as amended, approved.

Resolution 10

"Government explains the process of procurement of the firm of Curtis, Mallet-Prevost, Colt and Mosle LLP, and furnishes a list of firms affiliated to Chambers Global giving their ranks and scale of charges vis-à-vis Curtis, Mallet-Prevost, Colte and Mosle LLP, within seven days from the date hereof." [HON. MEMBERS: "Aye."]

MR KATUNTU: Thank you, Madam Speaker. After consultation with my other colleagues about this

particular clause, and given the fact that actually, the Legal and Parliamentary Affairs Committee during the budget process raised this issue and it was referred back to it and business has already started on it; we want to abandon this one until the Legal and Parliamentary Affairs Committee reports.

THE SPEAKER: The proposal is that the present clause 10 be deleted.

(Question put, and agreed to.)

Clause 10, deleted

Resolution 11

Resolution 11, which becomes 10: "Government withholds the consent to the transaction between Tullow Oil (U) Limited, Total and CNOOC before capital gains tax assessed by URA payable by Tullow is paid in advance and a report to that effect be made to Parliament." [HON. MEMBERS: "Aye."]

THE SPEAKER: No, hon. Members; Parliament means you speak to each other. Let the minister speak.

MRS MULONI: Thank you, Madam Speaker. My understanding of capital gains tax is that it arises where a gain has been made as provided for in the Income Tax Act. Therefore, before Tullow executes the transaction of farming-down to Total and CNOOCO, there will not be such gains. So, we do not expect that capital gains tax.

THE SPEAKER: So, is it redundant?

MR KATUNITU: Thank you very much, Madam Speaker. As I had explained earlier when we drafted this particular resolution, some of the information which came later affected it. Number one, we are now informed that this particular transaction is premised on an earlier transaction of Heritage transferring to Tullow. After reading the agreements and the law, it is our view that the transaction was void. There is no way we would be talking about this tax. There is no way you can talk about collecting tax on a void transaction. Having said that from what hon. Niwagaba submitted yesterday, we can say, "Government withholds the consent to the transaction between Tullow Oil and Total and CNOOC," and we end there because we believe the transaction is void.

Alternatively, we can just delete it –(Interjection)- just a minute. We can –(Interruption)-

MR NIWAGABA: I entirely agree with your proposal, but after withholding the consent until the necessary laws have been put in place; basically to bring it in line with our resolutions one and two.

MR SSEKIKUBO: Thank you, Madam Speaker and my colleagues. Putting here “the necessary laws being put in place,” we are making this in anticipation. Because once we are at ground zero, why should we anticipate that this one shall - I propose, hon. Members, that we stop at CNOOC. Going beyond that, we shall be in anticipation. I thank you.

MR MAGYEZI: Thank you, Madam Speaker. Except, simply for emphasis and only to be specific on this particular transaction, I find this resolution quite redundant in view of what we have already agreed to under resolution one. Thank you.

THE SPEAKER: Isn't it redundant? In resolution one, we said no contracts. Isn't it redundant?

MR SSEMUJJU NGANDA: Madam Speaker, it is not redundant. We do not want people who have been executing agreements to take advantage that there was some ambiguity; so, it is just making it clearer that even this particular transaction should not go ahead.

THE SPEAKER: Okay, let us stop at CNOOC. Hon. Members, the question is that - Okay, hon. Alaso.

MS ALASO: Madam Speaker, thank you very much. My amendment is supporting a position, but I do not remember who presented it. I think it was hon. Niwagaba who proposed that, “Until the relevant laws are put in place.” The trouble I have with the mover of the motion on this one is that you cannot tell Government to withhold consent to this transaction in perpetuity. There has to be something that Government must be obliged to do and then after it has fulfilled that condition, it can move forward. If it fulfills it today, it can move forward.

But I also agree with hon. Ssemujju that the reason we are emphasising this particular transaction is that it was already in the pipeline - If you recall the letter hon. Katuntu laid on Table yesterday, of 2 December 2010, about a Gulu meeting package proposal. So, there was something about it going on and I think it is important that we be specific about this particular one; therefore, meriting its maintenance as resolution No.10.

THE SPEAKER: Would you like to say, “Until the necessary laws have been put in place?” I think that is harmless. Hon. Members, I put the question that clause 10 be amended as proposed by hon. Niwagaba.

(Question put and agreed to.)

Clause 10, as amended, agreed to.

THE SPEAKER: We are through - another resolution? Was it canvassed during the debate?

MR NANDALA-MAFABI: Madam Speaker, it was in the debate. You remember, hon. Hillary Onek said that he signed a memorandum of understanding that nothing of this nature should be taken out of this country, but that as soon as he left, people moved things. Some of them changed the agreements and moved them to places like the United Kingdom. Since we have that information, I want to propose that we include clause 11 to read that those persons who were involved in or changed things as soon as hon. Hillary Onek left –

THE SPEAKER: No, hon. Members; that will come in the investigations. Yes, hon. Lyomoki.

MR LYOMOKI: Thank you, Madam Speaker. I would like to beg that I move an additional clause 11 to read as follows: “The persons who will be named to constitute the ad hoc committee mentioned in (9), observe the highest moral, ethical and Godly standards.”

I am saying this because yes, we have debated this motion, but from all senses, it has come to our knowledge that this involves a lot of money. There is a lot of money that seems to be exchanging hands. Therefore, we have to include a clause so that the people who will be involved in this investigation get to know that they have an obligation to remain true to this investigation.

This is not the first time we are going to conduct such an investigation in this House. We have heard allegations that a lot of influence was involved. Others are to the effect that some of the documents are wrong while others are right. So, we don't want people involved in the investigation getting bribed. That is why I still think that in order for us to be sure of the authenticity of what will come out of this investigation, we should be able to pass this amendment. In that regard, let me lay something on the Table for this purpose.

Some few days ago, men of God gathered in Kololo to pray for this nation. One of the things they thanked God for was for us to be clocking 50 years. The other one was about peace and that our debts should be paid. So, Madam Speaker, allow me lay this bottle of oil. This oil has yellow and green colours for the people who will be investigating to always remind themselves of being anointed and that they should not let us down. (Laughter) Let me lay it on Table. And thank you very much.

THE SPEAKER: Hon. Members, what the honourable member has said is really part of our code of conduct. So, let us accept it. So, I put the question that the resolution be amended as proposed by hon. Lyomoki. (Laughter)

Hon. Members, I want to thank you for the work you have done in these two days. Let me just make it clear to the government that this House will bend over backwards to receive and consider, expeditiously, the laws that we have discussed. So, do not have the fear that the House will not be able to do it. We shall even put aside our own work to give priority to the government business as directed by the Constitution. So, as soon as you bring them, we shall be able to handle. House adjourned to 25 October 2011.

(The House rose at 10.16 p.m. and adjourned until Tuesday, 25 October 2011.)