

PARLIAMENT OF THE REPUBLIC OF UGANDA

**REPORT OF THE COMMITTEE ON FINANCE, PLANNING AND ECONOMIC
DEVELOPMENT ON THE NATIONAL LOCAL CONTENT BILL, 2022**

OFFICE OF THE CLERK TO PARLIAMENT

AUGUST, 2022

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1) Introduction

The National Local Content Bill was read for the first time as the National Local Content Bill 2019, on the 30th of January 2019. It was passed by Parliament on the 20th of May 2020. However, on the 20th of August 2020 and in accordance with Rule 142 of the Rules of Procedure of Parliament, the President returned the Bill for reconsideration on certain matters.

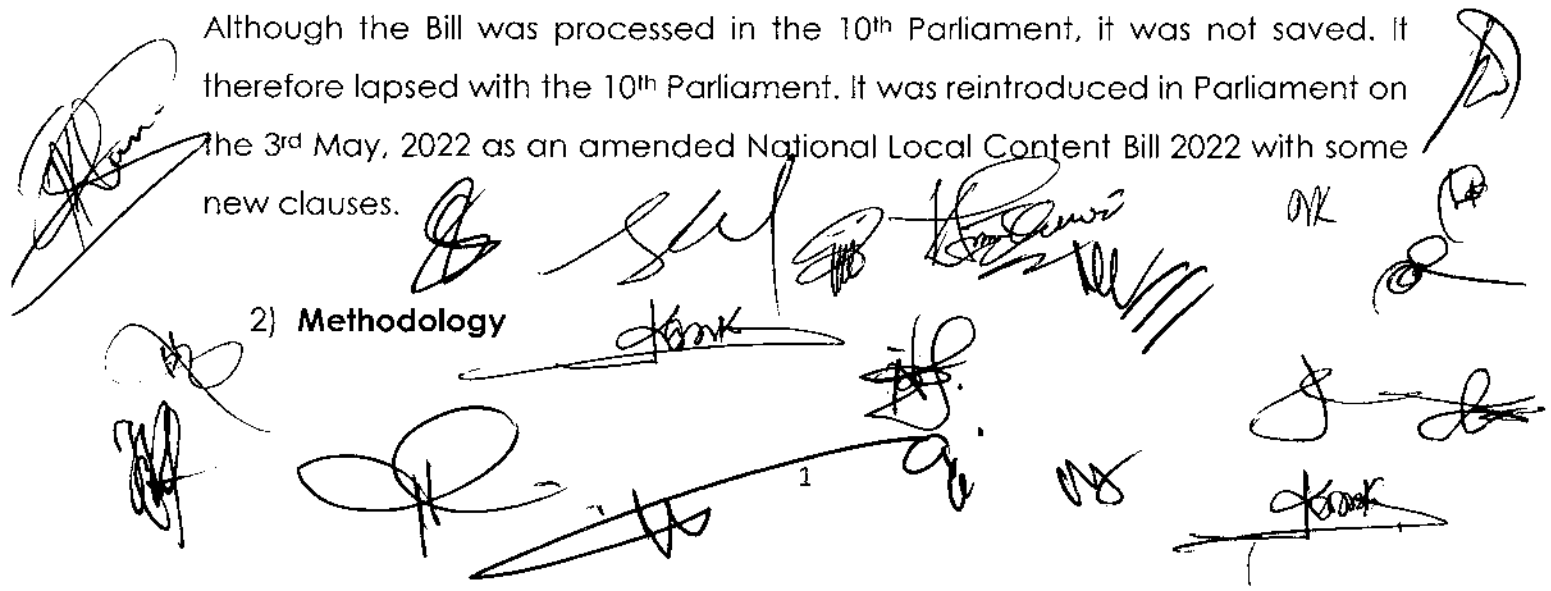
According to a letter, dated 18th August 2020, His Excellency the President had objections to the imposition of local content obligations on negotiated funding which comes in either as grants, donations or loans. This is because, as he stated in his letter, "...development partners incorporate terms and conditions of their choice".

Secondly, H.E. The President had objections to clauses in the Bill which he deemed to be in conflict with the East African Community Protocol on free movement of goods and services and that it also conflicted with the Public Procurement and Disposal of Public Assets Act 2003 (PPDA Act).

Finally, the President also objected to other proposals that sought to designate a department as an approver of procurement plans and contracts contrary to the traditional convention that such is a constitutional mandate of the Solicitor General. His letter was accompanied by a matrix delineating the matters to be revised in the Local Content Bill.

Although the Bill was processed in the 10th Parliament, it was not saved. It therefore lapsed with the 10th Parliament. It was reintroduced in Parliament on the 3rd May, 2022 as an amended National Local Content Bill 2022 with some new clauses.

2) Methodology



The Committee held meetings and received submissions from:

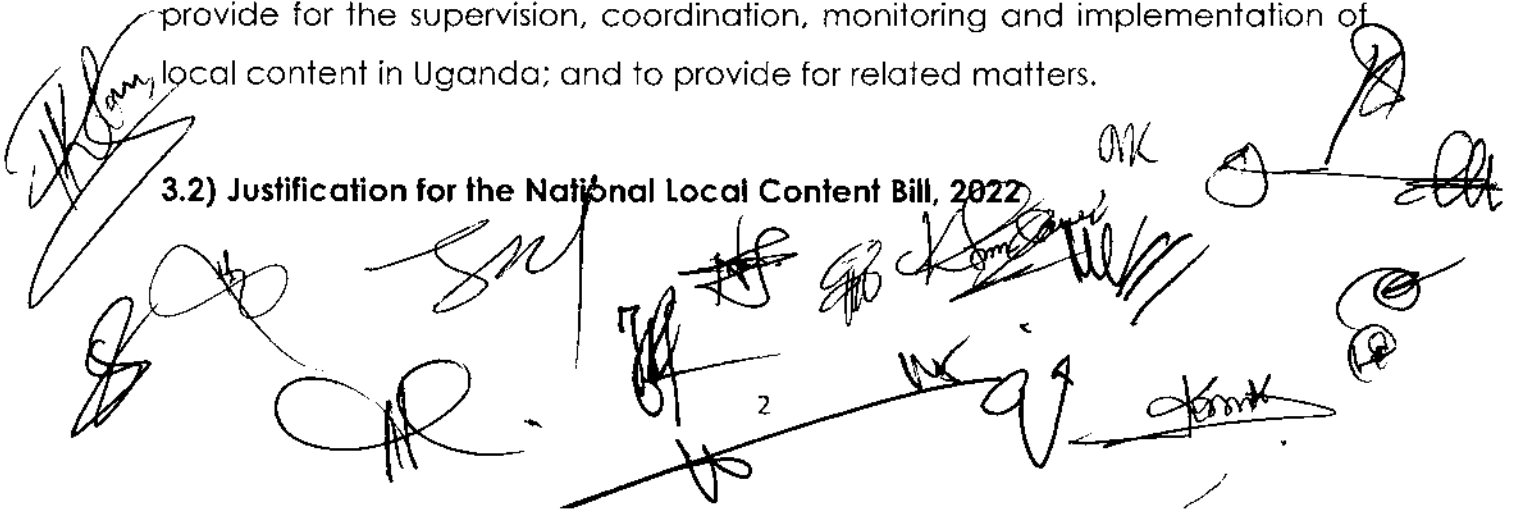
- Although the Bill was reintroduced in parliament and the Committee has processed it as new Bill, the committee has immensely benefited from the feedback from His Excellency the President on the earlier returned Bill.
- The Ministry of Finance, Planning and Economic Development
- The Private Sector Foundation
- The Uganda National Association of Building and Civil Engineering Contractors (UNABCEC)
- The Ministry of Trade, Industries and Cooperatives
- The Public Procurement and Disposal of Public Assets Authority
- The Uganda National Roads Authority
- Hon Patrick Nsamba Oshabe, MP Kasanda North Constituency
- Uganda National Roads Authority (UNRA)
- Civil Society Budget Advocacy Group
- Ms Kiconco Prim of Imperium Advocates

3) Background to the Bill

3.1) Object of the Bill

The object of the Bill is to impose Local Content Obligations on a person/entity using public money or utilising Uganda's natural resources or carrying on an activity requiring a licence; to prioritise Ugandan citizens, Ugandan and resident companies in public procurement; to ensure skills and technology transfer to Ugandan; to provide for the development of local content plans; to provide for the supervision, coordination, monitoring and implementation of local content in Uganda; and to provide for related matters.

3.2) Justification for the National Local Content Bill, 2022



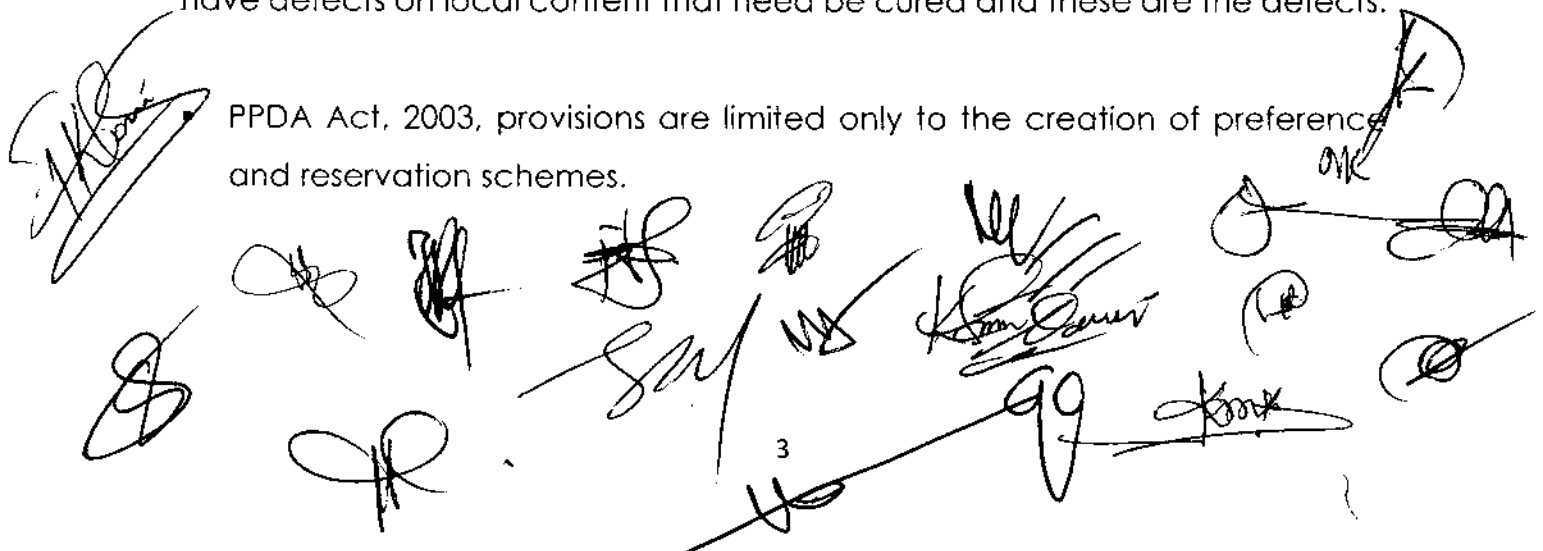
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The Organisation for Economic Cooperation and Development (OECD) defines Local Content as a range of measures that favour the domestic industry at the expense of foreign competitors. It is often characterised by a wide range of policies imposed by a government that requires firms to use domestically-manufactured goods or domestically supplied services in order to operate in an economy. In the Bill, Local Content is defined in terms of scope and is defined to include all locally produced goods, services and the utilisation of personnel, financing, goods and services by a local content entity in any operation or activity carried out in Uganda. The two definitions, however, do not conflict with other. They have tended to compliment each other. The Committee uses the two in this report, to steer the thinking around Local Content.

It is important to note that the Bill has not acquired a Certificate of Financial implication. It is therefore proceeding under Rule 118(4), of our Rules of Procedures, which provides that: "... a Certificate of Financial Implication shall be deemed to have been issued after sixty days from the date of request for the certificate".

Movers of the Bill argue that; yes, there are laws governing local content in Uganda. At the moment, local content is governed by the Public Procurement and Disposal of Assets Act 2003; the Petroleum (Exploration, Development And Production) (National Content) Regulations, 2016; the Guidelines on Reservation Schemes To Promote Local Content, March 2018 and; the Buy Uganda Build Uganda (BUBU) Policy. However, that all the existing legislations have defects on local content that need be cured and these are the defects:

PPDA Act, 2003, provisions are limited only to the creation of preference and reservation schemes.



- Local content in the PPDA Act, 2003, is not only applicable to public procurements but is only considered at the tail end of the procurement process after all other evaluation criteria have been considered.
- PPDA guidelines to promote local content do not have the same force of law as Acts of Parliament. The guidelines are also limited in scope as preference is not given to all goods or services manufactured or available in Uganda.
- The Buy Uganda Build Uganda (BUBU) Policy has not been fully operationalized due to lack of an enabling law, nonexistence of implementation modalities and lack of sanctions for non-compliance.
- The laws applicable to other extractive industries do not impose local content obligations on persons carrying on activities involving Uganda's finite resources.
- There are no local content obligations imposed on persons in possession of investment licenses or those who are beneficiaries of tax and other incentives to comply with in the execution of their activities in Uganda.

In light of the above, there is need to deliberately maximise patronage of Ugandan goods and services, increase employment of Ugandan professionals, facilitate technology and skills transfer and increase local participation that will sustain economic development of the country.

If passed, the Bill will apply to all:

- a) undertakings where public money are used, in the extractive industries, in donor or loan funded projects and in activities carried out by a local content entity in possession of an investment agreement;

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- b) the granting of preference to goods and services manufactured in Uganda or available on the Ugandan market;
- c) the granting of preference to Ugandan citizens, Ugandan companies and Resident entities in the procurement of goods and services;
- d) the prioritization of Ugandan citizens in employment in all activities where public money is used, in the extractive industries, in donor or loan funded projects and in activities carried out by a Local Content Entity in possession of an investment agreement;
- e) transfer of skills and technology to Ugandans and Government during execution of activities where public money is used, in the extractive industries, in donor or loan funded projects and in activities carried out by a Local Content Entity in possession of an investment agreement;
- f) the development of local content plans by persons carrying public works and persons in possession of a license in the extractive industry; and
- g) the evaluation of local content in procurement process.

4) Stakeholders' Views

4.1) Submissions on Part 1: Application and Interpretation

Part 1 deals with preliminary matters that include application and interpretation of the Bill. The Committee received submission that clause 1(A) seems to cover petroleum upstream segment because it refers to usage of public money. Public money, under the Public Finance Management Act 2015,

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is defined in part as other funds for the purpose of government. However, some stakeholders commented that it was not clear as to;

4.2) Submissions on The Department for Local Content and its functions

Part II of the Bill entirely deals with the administrative arrangement for purposes of implementing provisions. It proposes creation of a department under the Ministry of Finance, Planning and Economic Development and provides for the functions of the department. Over and above the function of overseeing, co-ordinating and managing the development of local content in Uganda, several other functions are assigned to the department. These include duty to develop a national local content plan; approve Local Content Plans and monitor and audit compliance with local content obligations under this Act and review contracts and activities in reference to local contact activities.

The Committee received numerous comments on this issue. Firstly, the idea of a department was warmly welcomed by the private and civil society sectors which included UNABCEC, Civil Society Budget Advocacy Group and the Private Sector Foundation Uganda. They however pointed out that the currently available reporting and monitoring system under government, lacks autonomy and might be prone to inefficiency and corruption. They argued that the private sector, at the moment, they are not that confident about the structure as, they; the private sector, do not participate in its decision making at all. They therefore argued for a structure that guarantees both the private and civil society sectors participation and autonomy in its operations. They strongly recommended creation of: "*... a regulatory body, which will have the independence, power and the integrity of similar agencies and should be an assemblage of the related ministries and private sector stakeholders*". They envisaged the body working as one stop centre with MDAs including Immigration, Uganda Registration Services Bureau, Public Procurement and Disposal of Public Assets Authority, Uganda Revenue Authority and Office of the Auditor General.

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Other stakeholders, however, had different views. PPDA viewed the creation of local content department under the Ministry of Finance, as an encroachment on its mandate enshrined in the PPDA Act 2003. Interestingly, the Ministry of Trade, Industry and Cooperatives also had a claim of the mandate to implement local content. The Ministry of Trade, strongly argued that implementation of local content requirements is its mandate and that the Bill is only helping to provide the legal framework to what the ministry is currently implementing as the Buy Uganda Build Uganda policy (BUBU). As to whether the implementing agency is a department or an agency, the Ministry of Finance had concerns as to whether a regulator (as a new commission) can regulate another regulator (the PPDA). Ministry of Finance, however, clarified that they already have a department in the ministry with responsibility for procurement.

The functions of the existing Department for Procurement Policy and Management under the Ministry of Finance, Planning and Economic Development include the following;

- i. To initiate, undertake and promote research in public sector procurement;
- ii. To manage and coordinate public sector procurement reforms;
- iii. To formulate, monitor implementation and review the public sector procurement legal and institutional framework;
- iv. To provide expertise and technical advice to government on all public sector procurement policy matters;
- v. To measure the performance of Procurement and Disposal Units/Procurement and Disposal Entities;
- vi. Benchmark international agencies in line with global procurement developments, best practices and evolution in order to ensure update of existing procurement laws and systems in Government;
- vii. To supervise procurement practitioners in MDAs;

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viii. To review the functioning and performance of Contract committees in.

The functions of the Department for Procurement Policy and Management as laid out above envisage the need for legislative and institutional reforms in the procurement legal framework; such as the incorporation of local content promotion in the procurement process.

Other stakeholders had concerns about the functions of the proposed department. Firstly, there was concern that it is not practical for one department to approve local content plans from bidders for each individual procurement for the whole country and that this will lead to increased lead procurement times and affect service delivery. Secondly, that Auditing Government entities which receive public funds is a mandate of the Auditor General under the National Audit Act, 2008. Thirdly, that reviewing of contracts is an activity constitutionally mandated to the Solicitor General or the contracts Committee, depending on the amount involved and that, therefore, these will cause conflicts in roles. The Committee reflects on these various submissions, under observations, conclusions and recommendations returned to later hereafter.

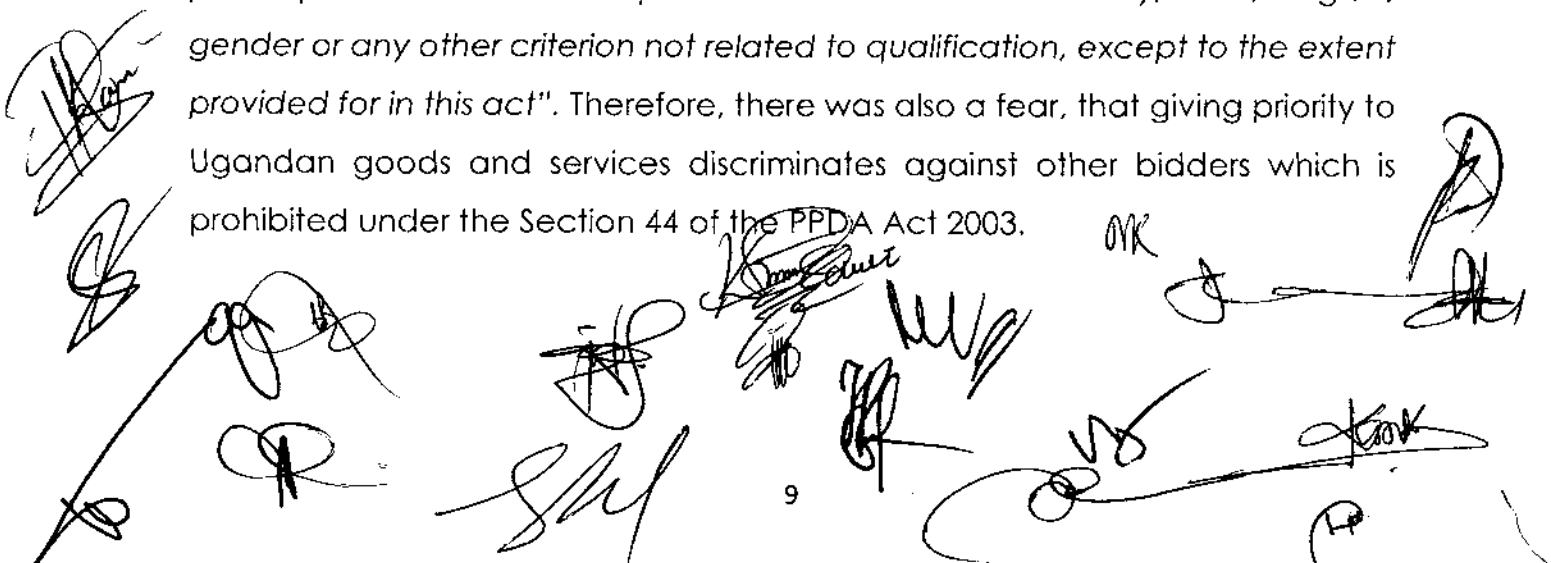
The Committee was also informed of the need for cooperative banks targeting specific local industries, such as the construction industry. While meeting UNABCEC, the importance of the construction industry was emphasised as the backbone of economic development.

Citing the example of China, the argument for a specialised cooperative for the construction industry, and indeed other critical industries such as agriculture, was proposed as a blueprint for economic development spurred. Agriculture Bank of China and the China Construction Bank offer banking services to local Chinese industries, enabling them to compete at an international level, and contributing to the country's GDP.

4.3) Submissions on the National Local Content Requirements

The proposed National Local Content requirements are dealt with in Part III, which are clauses 4 to 12. The Bill gives priority for Ugandan goods and services during procurement, circumstances under which available Ugandan goods and services can be rejected in procurement; reservation of goods or services to be exclusively procured from Uganda; preference of goods or services readily available on Ugandan market. It also imposes restrictions on employment of non-citizens, grant or renewal of work permits of foreigners and imposes a requirement for local entities, under local content to train and develop capacities of Ugandans.

The Committee also received several submissions on the local content requirements. Some stakeholders argued that provisions for priority of Ugandan goods and services during procurement may be contradictory to the East African Community Protocol on free movement of goods and services. Further, that it may also be contradictory to the PPDA Act which provides for international bidding where participation is open to all, on equal terms by all providers. In addition, international bidding is used to obtain the maximum possible competition and the best value for money. Therefore, there was concern that giving priority to only Ugandan goods and services may potentially close out the best bidders and that as a result the procuring entity may not obtain the best price for goods and services. Section 44 of the PPDA Act 2003, states that: "*A bidder shall not be excluded from participation in public procurement and disposal on the basis of nationality, race, religion, gender or any other criterion not related to qualification, except to the extent provided for in this act*". Therefore, there was also a fear, that giving priority to Ugandan goods and services discriminates against other bidders which is prohibited under the Section 44 of the PPDA Act 2003.



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However, these were challenged by the mover of the Bill on the grounds that we have already accepted them by implementing the BUBU policy which is hailed as successful but lacking a legal framework. Secondly, that giving priority does not mean excluding.

Clause 5 of the Bill provides for the circumstances under which Ugandan goods and services may be rejected. Clause 5(2) states that "where a good locally manufactured in Uganda does not meet the required quality, quantity or timeline for delivery or completion, the Local Content Entity may, with the written authorisation of the department, procure the good or the service as directed by the department". It was feared that this would be a very lengthy procurement process which may potentially increase the procurement lead time and negatively affect service delivery.

Clause 6(1) of the Bill provides that: "A Local Content Entity shall reserve contracts for goods or services listed in schedule 2 to be exclusively procured from Uganda and supplied by Ugandan entity or citizen". Schedule 2, lists as an example, virtually all professional services, computer services, research and development, real estate, communication, construction, educational services and financial services as services to be provided exclusively by Ugandans. It was feared that this will cause a lot of chaos virtually there will be no room for non-Ugandan entities to participate in business in Uganda. In any case, the provision in the Bill, were deemed as eliminating competition in Uganda. In addition, it they were seen as contrary to the East African Community Protocol regarding free movement of goods and services and contrary to the provisions of the PPDA Act 2003 which provides for the free movement of goods and services across the East African region.

Clause 8 of the Bill, restricts employment of a non-citizen, in its activity unless it has been certified by the department that suitably qualified Ugandan citizens are not available or are incapable of performing a particular type of work.

Whilst, Clause 9(3) of the Bill, provides for the specific circumstances, under which the department may grant authorisation to the employment of a non-citizen. A local entity must prove that every reasonable effort has been tried to find a reasonably qualified Ugandan but that non exists. Here some stakeholders felt that the Uganda Citizens and Immigration Control Act, 2009 exhaustively handles issues of immigration control and that, it also provides for strict criteria for one to get a work permit and that therefore there is no need to duplicate it.

4.4) Submissions on Part IV- Subcontracting of contracts and public works

Clauses 13 to 18, deals with the issues of subcontracting, the actual requirements to subcontract public works contracts and or activities, and eligibility for Ugandan entities to be a subcontractor. In addition, it also deals with termination of a subcontractor, certificate of completion and reservation of contracts for public works. In particular, Clause 14 requires that any contract for public works granted to an individual or entity other than a Ugandan company or citizen shall contain a requirement for such individual or entity to subcontract at least 40% of the contracted works to a Ugandan entity.

Some stakeholders feared that this provision does not satisfactorily provide for a Ugandan company to subcontract. And that, therefore, its implementation might be impractical especially if there is no Ugandan individual or entity with the capacity to ably do up to forty percent of the subcontracted work. This would eminently be the case in the oil and gas sector where contracts tend to be capital intensive as well as requiring very sophisticated technical ability. Furthermore, the percentage depends on the complexity of the contract and practicability.

4.5) Submissions on Part V- Local Content Plan

Clauses 19 to 23, deals with development of National Local Content plan, strategy, Local Content Plan, deviations from the local content plan and

technology transfer. **Clause 21** requires a supplier, provider or contractor to develop a local content plan when submitting a bid to undertake public works, with respect to the entire project or activity. Clause 21 (3) and Schedule 3 to the Bill delineates the content of the local content plan. Committee received submissions to the effect that Schedule 3 to the Bill should be easily updated by the Minister. As such, that it would be better if it is a Statutory Instrument which does not require parliamentary approval and can easily be amended by the responsible minister.

4.6) Submissions on PART VII- Compliance with the Act

Clauses 26 to 30 deals with the local content compliance requirements for public works funded through loans, Compliance by Sub Contractors, administrative measures for compliance and, security for performance obligations and incentives. Clause 26, specifically provides for local content conditions for public works funded through loans. There were concerns by many stakeholders that this provision does not consider loans that come with pre-conditions that contradict the local content plans. Some aspects of public financing such as concessional loans, grants and donations are always in favour of the lender or the donor. Ministry of Finance mentioned that at times the government negotiates from a vulnerable position for instance as a result of our credit rating which is determined by a number of variables including the country's debt to GDP ratio. As a result of a country's credit rating, at times the lenders may not even be interested in lending money to the country. The Government may, therefore, at times have to concede on its local content requirements to be able to get the loan.

In addition, the committee heard that according to the PPDA Act, 2003, on international obligations, it is already provided for Clause 4(1) that "*Where this Act conflicts with an obligation of the Republic of Uganda arising out of an agreement with one or more states, or with an international organisation, the provisions of the agreement shall prevail*". And that, as a result, Uganda has

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executed many financial agreements that provide that procurement shall adhere to the lender's procedure.

Clause 26 (3) further delineates requirements as spelt out in paragraphs (a) to (n) that a supplier, provider or contractor must adhere to in the development of a local content plan. The committee heard that provisions stipulated under the Clause should be flexible to allow for instances, where some provisions cannot be met. Focus should be put on how the supplier or contractor will ensure that the local content requirements/obligations that he/she has proposed in the local content plan can be achieved.

Clause 26 (4) deals with the submission of quarterly reports to the department and the procuring entity by the contractor. Some stateholders felt that it may not be practicle to have submissions of quarterly reports. They suggested that these reports could be submitted biannually. **Clause 28 (1) (f)**, proposes that where a person or entity fails, refuses or neglects to comply with the provisions of the Bill, the Department or Local Content Entity may order that costs and expenses incurred by a local content entity, contractor, supplier or subcontractor, not be deductible as a cost of doing business in determining the chargeable income by tax authorities. Some stakeholders thought that this can be best dealt with under the Income Tax Act.

4.7) Submissions on PART VIII – Offences and Penalties

Clause 31 deals with offences and penalties under the Bill. The following views arose from the Committee's interactions with the stakeholders. In regard

Clause 31 (1) (b) which proposes an offence in regards to knowingly making a false statement, stakeholders suggested that this provision is expanded to read "knowingly make false statement in relation to information required under this Act"; and that, the offences should further be mindful of the scope of the bill and not generally extend to the mandate of other regulatory authorities such as the Public Procurement and Disposal of Public Assets Authority, and Uganda

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Revenue Authority; That the offenses prescribed under Clause 31 (1) can only be enforced after a decision of the Court. This would create lengthy processes in determining who the offenders are prior to enforcement and that therefore on the spot penalties and fines be adopted for ease of administration. Finally, in **Clause 32** which deals with the imposition of administrative penalties by the department or local entity in addition to or as an alternative to the prescribed penalties, it was proposed that the offender is not punished twice for the same offence as proposed by the Bill under clause 31(1).

4.8) Submissions on Part IX Miscellaneous Provisions

Clause 35 prohibits the importation of regulated goods and services. Various stakeholders noted that this provision contravenes the East African Community protocols and treaties on free movement of goods and services. Whilst, the requirements under clause 38(5)c, which requires local content entities to submit statements containing information relating to payments of salaries, profits, dividends on shares and other tangibles paid to persons including citizens, residents and foreigners was seen as beyond the mandate of this bill.

Clause 41 prohibits a local entity from requiring a Ugandan citizen to possess a foreign technical qualification as a condition for employment. The oil and gas sector told the committee this may be impractical that for instance in the oil and gas sector international certification is critical during the employment process. In addition, and in relation to **clause 42**, which provides for an appeal in case a local content entity, contractor, provider or supplier is aggrieved, stakeholders deemed five days as inadequate. An example of court proceedings was cited as a benchmark for a reasonable time.

Finally, in relation to clause 43 regarding supremacy of this Act, whereas stakeholders generally agreed that it should be the supreme law relating to local content in Uganda, stakeholders in the oil and gas sector had a different opinion. They made a passionate appeal that, if passed, this Act should not be supreme to the Petroleum (Exploration, Development and Production) Act

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2013 and the Petroleum (Refining, Conversion, Transmission and Midstream Storage) Act, 2013 and the subsidiary legislations thereof. They argued that this is because of the uniqueness of the sector and the complex maze of agreements that govern the sector including the Production Sharing Agreement, Joint Operating Agreement and the Intergovernmental agreements like the East African Crude Oil Pipeline ACT 2022. Some of these agreements, they mentioned, constitute stabilization clause and if vitiated would constitute a breach.

5) Observations and Recommendations of the Committee

5.1) Observations on Part 1: Application and Interpretation

Part 1 deals with preliminary matters that include application and interpretation of the Bill. The Committee sought to answer the following questions regarding the application and interpretation of the Bill;

Whether or not the Bill applies to the petroleum sector;

The Committee observed that the Bill in its current form applies to all sectors of the economy that have a component of public money, including the oil and gas sector.

The unique nature of the oil and sector necessitated legislation that promotes local content and protects the interests of the country in the short, medium and long term. The unique nature of the oil and gas sector is characterised by the following aspects;

- a) The oil and gas sector is a high-risk high reward sector where investors take large sums of money in exploring for oil and gas and they only recoup their investment upon making a commercial discovery. These investments are based on the stability of the existing legal regime and regulatory framework

and constant changes to the said framework is bound to affect the existing and future investments;

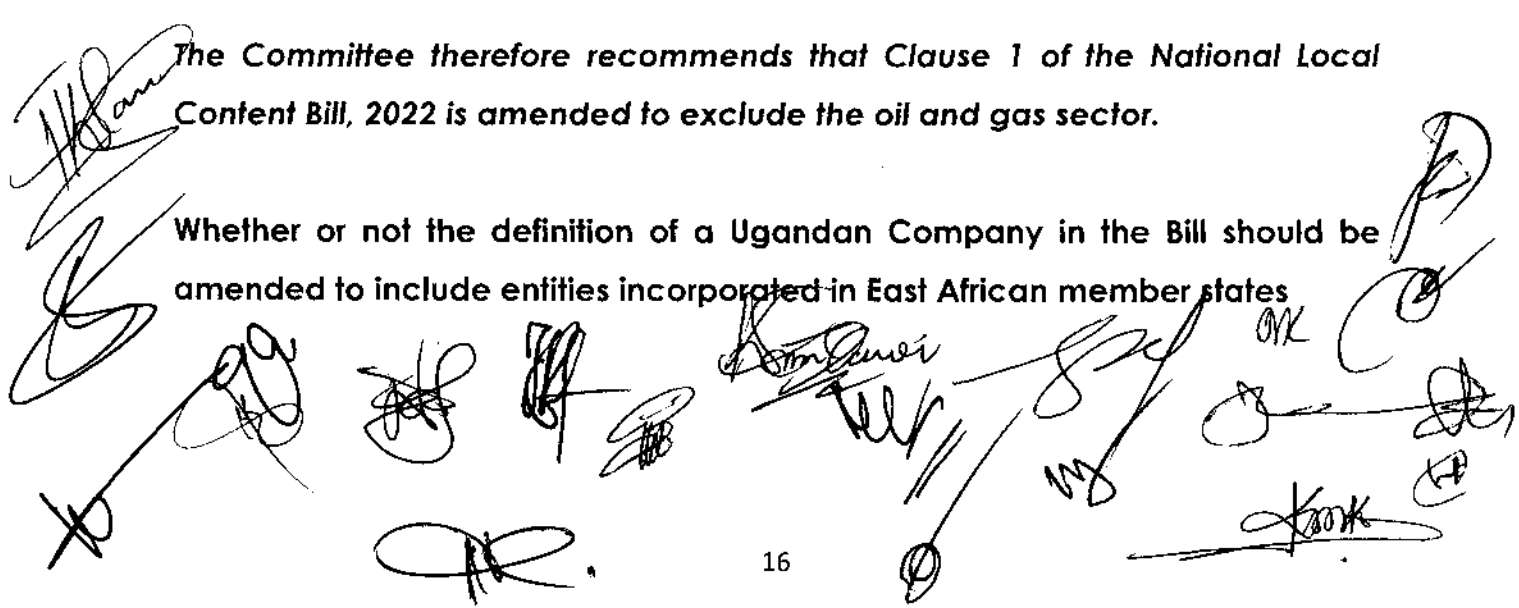
- b) The industry is characterised by long years of capital expenditure without realising profits, cost monitoring activities, work program and budget activities among others which require a stable legal regime to ensure consistency, stability and predictability, hallmarks of the oil and gas industry.

The Committee observed that government considered the above uniqueness of the oil and gas sector. Government therefore incorporated provisions of local content promotion in the principal legislations affecting the sector including Petroleum (Exploration, Development, Production) Act, 2013, the Petroleum (Refining, Conversion, Transmission, and Midstream Storage) Act, 2013, and Petroleum (Exploration, Development, Production) Regulations, 2016.

The above legislations in the oil and gas sector are sufficient to ensure the promotion of local content, while maintaining stability of the legal regime. Further, the Government of Uganda has entered into long-term legal contracts which are based on the existing national content legal regime. These contracts, including the Production Sharing Agreements, the Inter-Governmental Agreements, contain stabilization clauses which if vitiated by change of law as envisaged in this Bill will constitute breach of contract.

The Committee therefore recommends that Clause 1 of the National Local Content Bill, 2022 is amended to exclude the oil and gas sector.

Whether or not the definition of a Ugandan Company in the Bill should be amended to include entities incorporated in East African member states



The Committee observed that Clause 1 of the Bill defines a Ugandan Company as one incorporated under the laws of Uganda which is wholly owned and controlled by citizens of Uganda.

The definition of a Ugandan company in the Bill serves the purpose of ensuring that the provisions of the Bill are not circumvented by non-citizens. For example, the Companies Act 2012 permits foreigners to operate in Uganda with controlling interest in a company, which is then deemed to be a local company under the Companies Act, 2012. The Bill seeks to avoid such tendencies when foreigners hide "behind the veil of incorporation" to benefit from the privileges targeting non-Ugandans, such as the National Local Content Bill, 2022's provisions are expected to.

The Committee took cognisance of the definition of a "domestic investor" under Section 1 of the Investment Code Act, 2019. The Act defines a domestic investor to include a natural person who is a citizen of an East African member state, and a company incorporated under the laws of an East African member state, as long as they possess an investment license.

The above notwithstanding, the Committee observed that the objective of the Investment Code Act, 2019 differs from the objective of the National Local Content Bill, 2022. On the one hand, the Investment Code Act 2019 aims to promote investment in the country, including foreign direct investment. Therefore, giving priority to East African companies, through defining them as "domestic companies" does not undermine the spirit of local content promotion in the country, since it attracts investment and thus employment.

On the other hand, the Committee observed that expanding the definition of Ugandan company in the Bill to include East African companies shall not promote investment in the country, but rather create unnecessary competition for opportunities in public procurement and local content promotion.

The Committee also took cognisance of the fact that other legislations have definitions that differ from those posited in the Bill. For example, the PPDA Act, 2003, refers to such a company in which Ugandans have majority shares as a "national provider."

However, the Committee noted that the definition of a Ugandan Company within the context of local content promotion has no bearing or effect on other definitions of a Ugandan company in other principal legislations. A case in point is the Land Act, Cap 227 which has a similar definition of a non-citizen in case of a company as that proposed in the Bill. Section 40 of the Land Act defines a non-citizen in case of a corporate body as one in which the majority shares in the company are controlled by noncitizens.

The Committee therefore concluded that the definition of a Ugandan Company as proposed in the bill is sufficient to ensure that Ugandan citizens and entities in which they own controlling interest are offered benefits accruing to local content promotion.

The Committee recommends that the definition of a "Ugandan Company" under Clause 1 be maintained in the Bill.

5.2) Observations on Part II; The Department for Local Content and its Functions

Part II of the Bill entirely deals with the administrative arrangement for purposes of implementing provisions. As noted earlier, it proposes creation of a department under the Ministry of Finance, Planning and Economic Development and provides for the functions of the department. Over and above the function of overseeing, co-ordinating and managing the development of local content in Uganda, several other functions are assigned

to the department. These include duty to develop a national local content plan; approve Local Content Plans, monitor and audit compliance with local content obligations under this Act and review contracts and activities in reference to local content activities.

The Committee took into consideration the following issues in analysing part II of the Bill;

Whether the establishment of Department responsible for local content is necessary;

The Committee observed that while the Bill proposes there to be a Department responsible for local content, the Department for Procurement Policy and Management under the Ministry of Finance, Planning and Economic Development is technically and structurally equipped to undertake the mandate of the local content department as proposed in the Bill.

While the Bill in its current form extends beyond procurement to cover aspects of investment licenses, employment, tax incentives and public private partnerships among others, such functions are capable of being incorporated within the Department of Procurement Policy and Management to the extent of their mandates impact on local content promotion.

The Committee further took cognizance of the current trends in Government policy towards rationalisation and merger of Government Ministries, Departments and Agencies and concluded that the creation of a new Department for local content may not be sustainable and will be a burden on the shoulders of a tax payer in the immediate and long term. The next best alternative to creating a new Department is therefore empowering already existing structures within government to undertake the functions of the proposed Department responsible for local content; such as the Department

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for Procurement Policy and Management under the Ministry of Finance, Planning and Economic Development.

The Committee therefore recommends that;

a) Clause 3 of the Bill be amended to designate the functions of the Department responsible for local content as the Department for Procurement Policy and Management under the Ministry of Finance, Planning and Economic Development;

b) The functions of the Department responsible for local content be harmonised to ensure that they do not conflict with the mandates of already established Ministries, Departments and Agencies;

Whether or not the Department responsible for local content should develop local content plans.

The Committee observed that the function of approving local content plans as proposed under Clause 3 requires decentralization to the Procurement and Disposal Units and Entities (PDU's) under various Ministries, Departments and Agencies (MDA's). The Department responsible for local content should instead play a supervisory role to monitor and evaluate the extent to which local content plans are being followed by the various PDU's.

The Committee noted that procurement reforms in 2003 leading up to the enactment of the Public Procurement and Disposal of Public Assets Act, 2003 decentralised procurement to increase efficiency.

There were two sources of pressure on the Government to review the performance of the public procurement system and to generate a restructuring plan back in 1998 to 2003. One was the realisation by the

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Government itself, that the old system could not deal satisfactorily with the emerging demands on the system in terms of transaction numbers, expanding value of procurement budgets, scale and technical complexity of procurement activities. The second pressure was the need to ensure that various stakeholders, including the private sector and the donor community, operate in a predictable procurement environment.

The Task Force headed by Mr. Kalanguka-Kayondho established to reform the procurement system back in 1998, established that the procurement system, then under the Central Tender Board, was characterised by bureaucratic delays and lack of institutional co-ordination. Therefore, recentralizing procurement functions such as the development and approval of local content plans by the Department would undermine the intent of the reforms by increasing bureaucratic delays and procurement lead times. It will also weaken institutional coordination. Moreover, government is also in the process of rolling out E- Procurement.

The Committee therefore recommends that the role of developing and approving local content plans should be left to the various Procurement and Disposal Units under Ministries, Department and Agencies to ensure that efficiency in the procurement process is not undermined.

Whether the government should incorporate the development of sector-specific Cooperative Banks in its local content strategy

The Committee observed that cooperative banks are an economic driver in many countries that should be explored as a tool to spur the growth of local industries. According to the 2014 UN Global Census on Cooperatives, cooperatives are generally locally owned and operated enterprises. At a national level the cooperative economy comprises over 10% of the Gross Domestic Product in 4 countries in the world (New Zealand (20%),



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Netherlands (18%), France (18%) and Finland (14%). Uganda can pioneer and revive the power of cooperatives as a local content promotion strategy.

Recommendation

The Committee recommends that the government integrates the development of cooperatives in its local content promotion strategy and BUBU Policy.

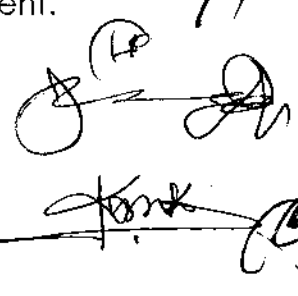
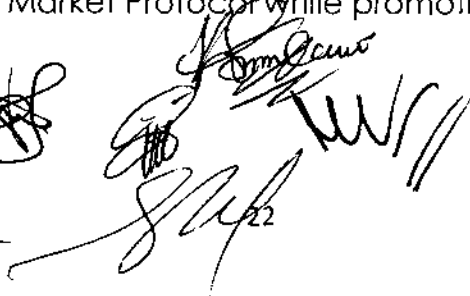
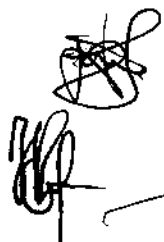
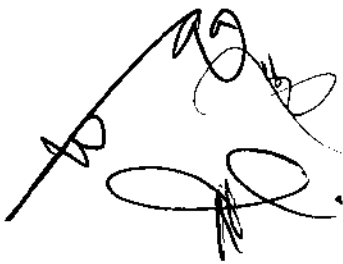
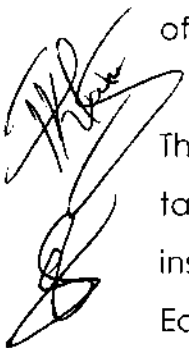
5.3) Observations on Part III; The National Local Content Requirements

The Committee observed that Part III of the Bill delineates requirements for priority of Ugandan goods and services over other goods and services. The Committee received several submissions on the local content requirements as earlier reflected in the Report. The Committee sought to answer the following questions regarding National Local Content Requirements;

Whether or not goods from the East African Community should be given equal treatment under the Bill, as goods from Uganda.

The Committee observed that the Bill seeks to provide priority of Ugandan goods and services during procurement. The Committee recognised H.E The President's concerns in his letter returning the National Local Content Bill, 2019, that the priority of Ugandan goods and services during procurement contradicts the East African Protocol on free movement of goods and services, the East African Monetary Union signed on 30th November 2013, and Article 13 of the Customs Union Protocol.

The Committee further observed the changes made by the mover in the newly tabled 2022 Bill, which incorporated the President's earlier concerns by inserting new Clauses 34 and 35, aimed at harmonising the provisions of the East African Common Market Protocol while promoting local content.

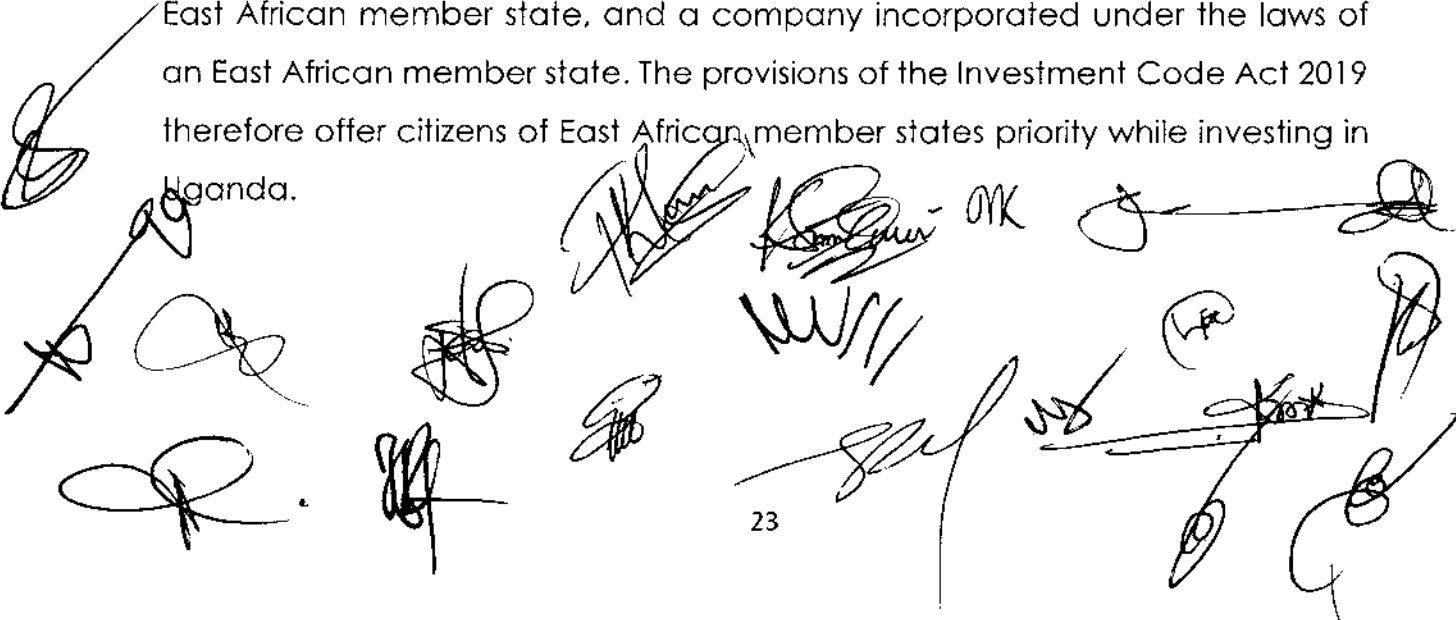


Clause 34 gives priority to goods and services manufactured by member states of the East African Community. However, the Clause gives pre-conditions to the priority of the goods and services imported from and produced in the East African Community. Clause 32 (d) in particular requires that the member State of the EAC grants similar priority to goods manufactured in Uganda and services provided in Uganda by Ugandan individuals and entities.

In Tanzania, the Committee observed that restriction on free movement of non-citizens is enforced through the Non-Citizenship (Employment Regulation) Act of 2015. Similar provisions in specific local content legislations in the mining and petroleum sectors that do not differentiate between citizens from East African Members States and non-citizens from other countries protect the free movement of goods in Tanzania. Similarly, Rwanda and Kenya have local content guidelines, which are implemented strictly in favour of their citizens.

The Committee therefore noted that the free movement of goods and services in East Africa should not be at the expense of Ugandan citizens, goods and services. A reciprocity in the Bill as proposed under Clause 34 would therefore provide a balance between local content promotion for Ugandan goods and services and priority for East African goods and services, as well as employees over EAC non-citizens.

Notwithstanding the above, Section 1 of the Investment Code Act, 2019 defines a domestic investor to include a natural person who is a citizen of an East African member state, and a company incorporated under the laws of an East African member state. The provisions of the Investment Code Act 2019 therefore offer citizens of East African member states priority while investing in Uganda.



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The Committee further noted that while Article 35 of the East African Common Market Protocol ensures non-discrimination during public procurement, Article 7(5) of the Protocol places exceptions to the provision.

The exceptions to Article 35 of the Protocol as laid out in Article 7(5) on free movement of persons, provides that the protocol may be restricted on grounds of public policy, public security or public health. Public Security is therein defined to include the function of governments to ensure the prosperity of their citizens. The Bill treads that delicate line between free movement of persons under Article 35 of the protocol, and prosperity of Ugandan citizens. Clauses 34 and 35 are aimed at ensuring the right balance.

The Committee further considered the mover's submission that local content policies protecting Ugandans to the exclusion of East Africans have already been accepted by implementing the BUBU policy which is hailed as successful but lacking a legal framework. Secondly, that giving priority does not mean excluding.

The Committee therefore recommends that Clause 4 of the Bill, giving priority to Ugandan goods and services be maintained. This is against the background that Clause 34 of the Bill provides priority for East African goods, services and people over other goods, services and EAC non-citizens.

Clause 5 of the Bill provides for the circumstances under which Ugandan goods and services may be rejected. Clause 5(2) states that "where a good locally manufactured in Uganda does not meet the required quality, quantity or timeline for delivery or completion, the Local Content Entity may, with the written authorisation of the department, procure the good or the service as directed by the department".

The Committee noted H.E The President's concern that this may lengthen the procurement process, potentially increasing the lead time and negatively affecting public service.

The Committee further observed that the rejection of locally manufactured goods on the basis of quality of timeline of delivery is already a function of the procurement process.

Section 48 of the PPDA Act, 2003 in particular sets the fundamental principal that all procurement and disposal shall be conducted in a manner which promotes economy, efficiency and value for money. The provision does not create any exceptions on grounds of citizenship or origin of goods.

The Committee therefore recommends that Clause 5 of the Bill be deleted.

Whether or not Schedule 2 of the Bill, providing a list of goods and services reserved for Ugandans should be maintained in the Bill.

Clause 6(1) of the Bill provides that: "*A Local Content Entity shall reserve contracts for goods or services listed in schedule 2 to be exclusively procured from Uganda and supplied by Ugandan entity or citizen*". Schedule 2, lists as an example, virtually all professional services, computer services, research and development, real estate, communication, construction, educational services and financial services as services to be provided exclusively by Ugandans.

The Committee observed that Schedule 2 of the bill requires constant updates to ensure that the list of goods and services reserved for Ugandans is alive to the dynamic nature of the business environment.

The Committee observed that leaving the schedule in the bill will cause a lot of chaos since virtually there will be no room for non-Ugandan entities to participate in business in Uganda. In any case, the provision in the Bill, were deemed as eliminating competition in Uganda. In addition, it was seen as

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contrary to the East African Community Protocol regarding free movement of goods and services and contrary to the provisions of the PPDA Act 2003 which provides for the free movement of goods and services across the East African region.

The Committee therefore recommends that Schedule 2 of the Bill be deleted and the Bill be amended to permit the Minister to develop regulations listing the goods and services reserved for Ugandan individuals and entities.

Whether or not the Department should be empowered to restrict employment of non-citizens in the country.

Clause 8 of the Bill, restricts employment of a non-citizen, in its activity unless it has been certified by the department that suitably a qualified Ugandan citizens are not available or are incapable of performing a particular type of work. Whilst, Clause 9(3) of the Bill, provides for the specific circumstances, under which the department may grant authorisation to the employment of a non-citizen. A local entity must prove that every reasonable effort has been tried to find a reasonably qualified Ugandan but that non exists.

The Committee observed that the Uganda Citizens and Immigration Control Act, 2009 exhaustively handles issues of immigration control and that, it also provides for strict criteria for one to get a work permit and therefore there is no need to duplicate it in the Bill.

The Committee recommends that Clause 8 of the bill be amended to ensure that the power to restrict employment of non-citizens in the country is left with the Directorate of Citizenship and Immigration Control.

5.4) Observations on Part IV- Subcontracting of contracts and public works

Clauses 13 to 18, deals with the issues of subcontracting, the actual requirements to subcontract public works contracts and or activities, and eligibility for Ugandan entities to be a subcontractor. In addition, it also deals with termination of a subcontractor, certificate of completion and reservation of contracts for public works. In particular, Clause 14 requires that any contract for public works granted to an individual or entity other than a Ugandan company or citizen shall contain a requirement for such individual or entity to subcontract at least 40% of the contracted works to a Ugandan entity.

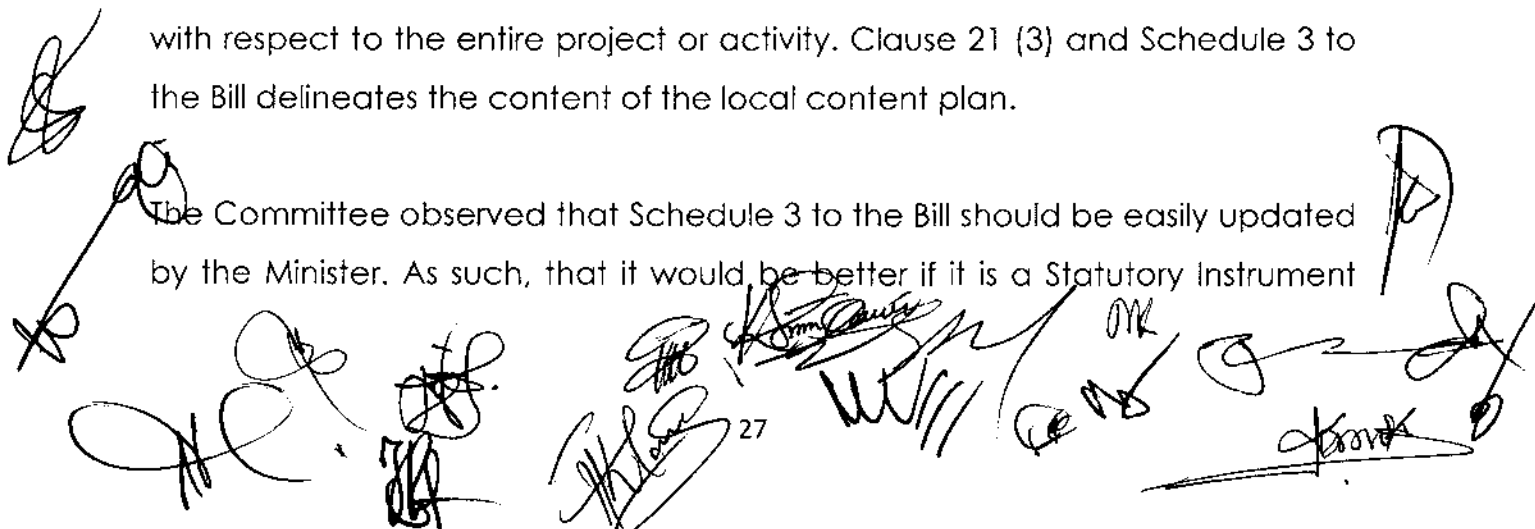
The Committee observed that some Ugandan entities may not have the capacity to carry on an activity, making it inevitable for them to subcontract some components of their contract. Therefore, its implementation might be impractical especially if there is no Ugandan individual or entity with the capacity to ably do up to forty percent of the subcontracted work. This would eminently be the case in the oil and gas sector where contracts tend to be capital intensive as well as requiring very sophisticated technical ability. Furthermore, the percentage depends on the complexity of the contract and practicability.

The Committee recommends that Clause 13 to 18 be amended to authorize the subcontracting of contracts to other non-citizens.

5.5) Observations on Part V- Local Content Plan

Clauses 19 to 23, deals with development of National Local Content plan, strategy, Local Content Plan, deviations from the local content plan and technology transfer. **Clause 21** requires a supplier, provider or contractor to develop a local content plan when submitting a bid to undertake public works, with respect to the entire project or activity. Clause 21 (3) and Schedule 3 to the Bill delineates the content of the local content plan.

The Committee observed that Schedule 3 to the Bill should be easily updated by the Minister. As such, that it would be better if it is a Statutory Instrument

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which does not require parliamentary approval and can easily be amended by the responsible minister.

The Committee recommends that Schedule 3 of the Bill be deleted and the Minister be empowered to update the list of a local content plan.

5.6) Observations on PART VII- Compliance with the Act

Clauses 26 to 30 deals with the local content compliance requirements for public works funded through loans, Compliance by Sub Contractors, administrative measures for compliance and, security for performance obligations and incentives.

Clause 26, specifically provides for local content conditions for public works funded through loans. There were concerns by many stakeholders that this provision does not consider loans that come with pre-conditions that contradict the local content plans.

The Committee observed that indeed some aspects of public financing such as concessional loans, grants and donations are always in favour of the lender or the donor, with the country negotiating from a vulnerable position.

For example, Uganda's credit rating by Moody's currently stands at B+, which makes it difficult for the country to negotiate fairly during contract negotiation with multinational development partners. The Government may, therefore, at times have to concede on its local content requirements to be able to get the loan.

In addition, the committee observed that under the PPDA Act, 2003, on international obligations, it is already provided for Clause 4(1) that "where this Act conflicts with an obligation of the Republic of Uganda arising out of an agreement with one or more states, or with an international organisation, the

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provisions of the agreement shall prevail". And that, as a result, Uganda has executed many financial agreements that provide that procurement shall adhere to the lender's procedure.

The Committee recommends that this clause should be amended to be aligned to clause 4(1) of the PPDA Act 2003.

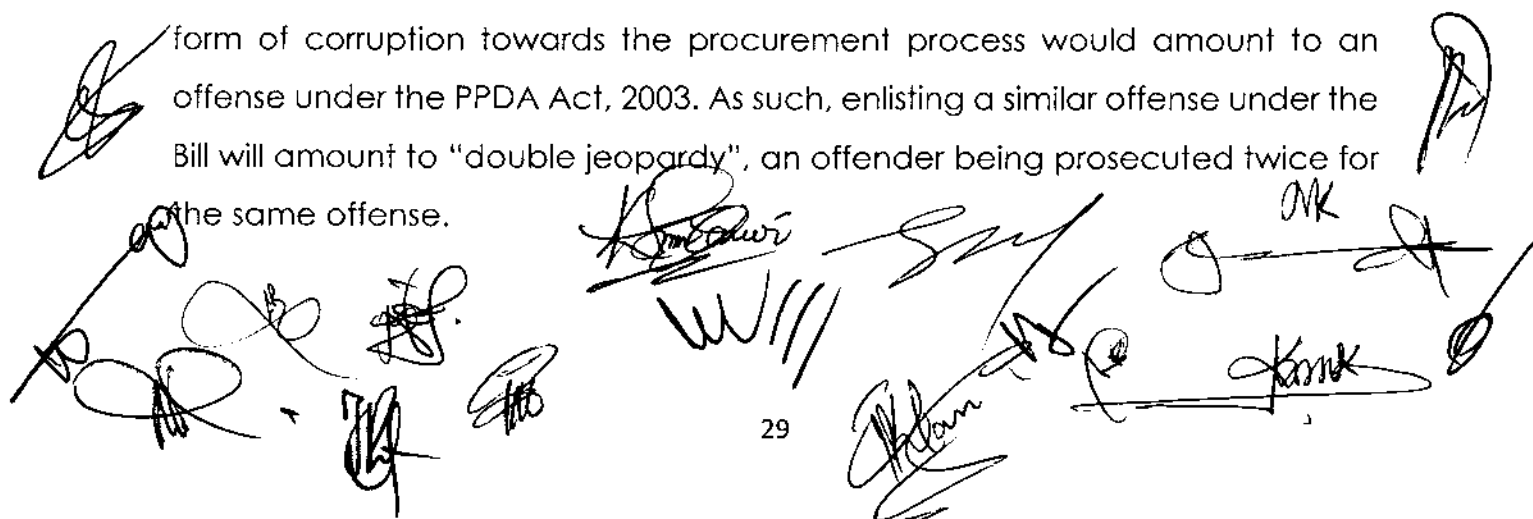
5.7) Observations On PART VIII – Offense and Penalties

Clause 31 deals with offenses and penalties under the Bill. The Committee observed that **Clause 31 (1) (b)** proposes an offense in regards to knowingly making a false statement.

The Committee further observed that this provision is not specific as to which statements may amount to an offense. As such, the Committee proposes that the clause is expanded to read "knowingly make false statement in relation to information required under this Act". This will clarify the extent to which statements lead to liability; when they are in relation to information required under this legislation.

The Committee further noted that the offense in the Bill as proposed are not mindful of the scope of the bill. It was noted that some of offenses enlisted relate to public procurement and already have corresponding offenses in the PPDA Act, 2003.

For example, in lieu of the fact that local content entities occupy the same function in the Bill as the Procurement and Disposal Unit under the PPDA, any form of corruption towards the procurement process would amount to an offense under the PPDA Act, 2003. As such, enlisting a similar offense under the Bill will amount to "double jeopardy", an offender being prosecuted twice for the same offense.



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The Committee also observed that the offenses prescribed under Clause 31 (1) can only be enforced after a decision of the Court. This would create lengthy processes in determining who the offenders are prior to enforcement and that therefore on the spot penalties and fines be adopted for ease of administration.

The Committee therefore recommends that;

Clause 31 (1) (b) is amended to read, "knowingly make false statement in relation to information required under this Act". This is more specific to protection against the issuance of false information under the Bill;

Clause 31 is restricted to offenses specific to local content, and should be amended to exclude those offenses already stipulated under other laws including the procurement and disposal laws under the PPDA Act 2003;

The Department exercises restraint in instituting offenses under the law, in order to promote efficiency in procurement processes.

5.8) Observations on Part IX Miscellaneous Provisions

Clause 35 prohibits the importation of regulated goods and services. As earlier elaborated, the Committee observed that Clause 34 and 35 strike a balance between local content promotion and the spirit of East African integration by granting East African goods, services and citizens priority over EAC non-citizens.

The Committee further observed that the requirements under **clause 38(5)c**, which requires local content entities to submit statements containing information relating to payments of salaries, profits, dividends on shares and other tangibles paid to persons including citizens, residents and foreigners is beyond the mandate of this bill.

Clause 41 prohibits a local entity from requiring a Ugandan citizen to possess a foreign technical qualification as a condition for employment. The Committee

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observed that this may be unpractical. For example, in the oil and gas sector international certification is critical during the employment process.

The Committee further observed that five days as required under **Clause 42** within which a local content entity, contractor, provider or supplier who is aggrieved is required to file an appeal is insufficient.

The Committee noted that the Civil Procedure Rules S.171-1 offer 15 days for an appellant in the High Court to file an appeal in the Court of Appeal. As a compromise, the Committee noted that the days of an aggrieved party to file an appeal should be 10 days, and not 5 days as proposed in the Bill.

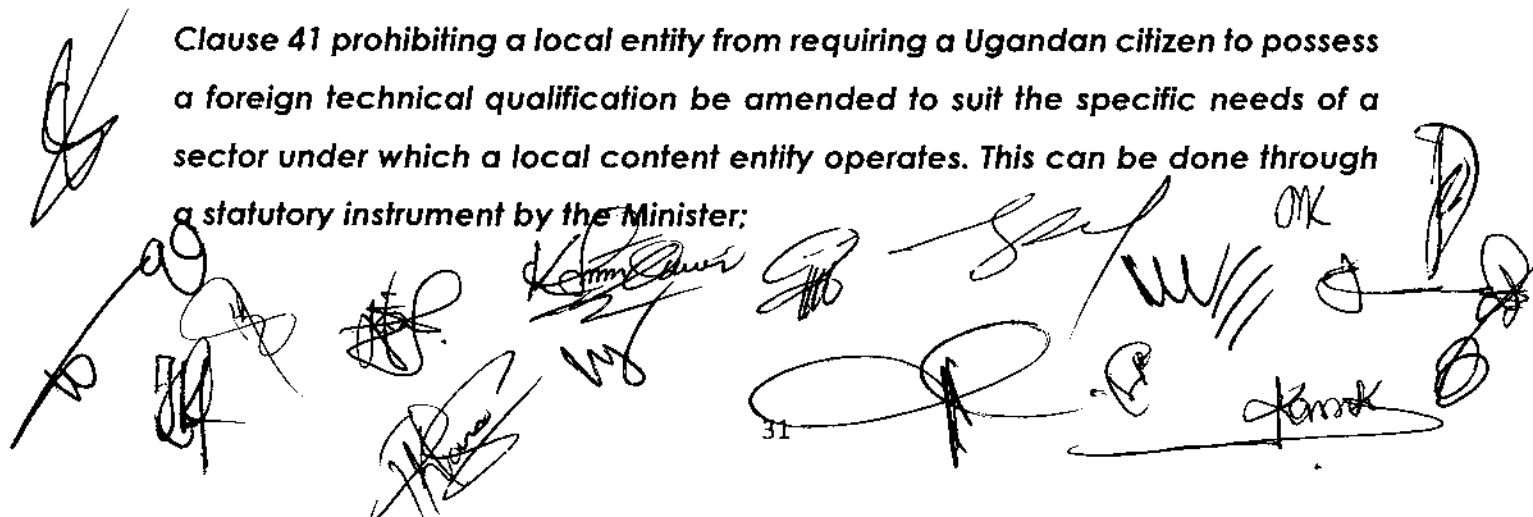
Finally, in relation to **clause 43** regarding supremacy of this Act, the Committee reiterates its earlier proposal that the law excludes the oil and gas sector in its application under Clause 1, and consequentially, Clause 34 should be amended to reflect that proposal.

The Committee recommends that;

Clause 35 prohibiting the importation of regulated goods and services be maintained;

Clause 38 (5) (c) be amended to exclude information that has no bearing on local content promotion, including, payments of salaries, profits, dividends on shares and other tangibles paid to persons including citizens, residents and foreigners;

Clause 41 prohibiting a local entity from requiring a Ugandan citizen to possess a foreign technical qualification be amended to suit the specific needs of a sector under which a local content entity operates. This can be done through a statutory instrument by the Minister;

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Clause 34 be amended to exclude the oil and gas sector from the application and supremacy of the Bill

PROPOSED AMENDMENTS TO THE NATIONAL LOCAL CONTENT BILL, 2022

Clause 1: Application

Clause 1 is amended-

(i) by renumbering the provision as sub clause (1)

(ii) by inserting a new sub clause (2) as follows—

(2) This Act shall not apply to the oil and gas sector.

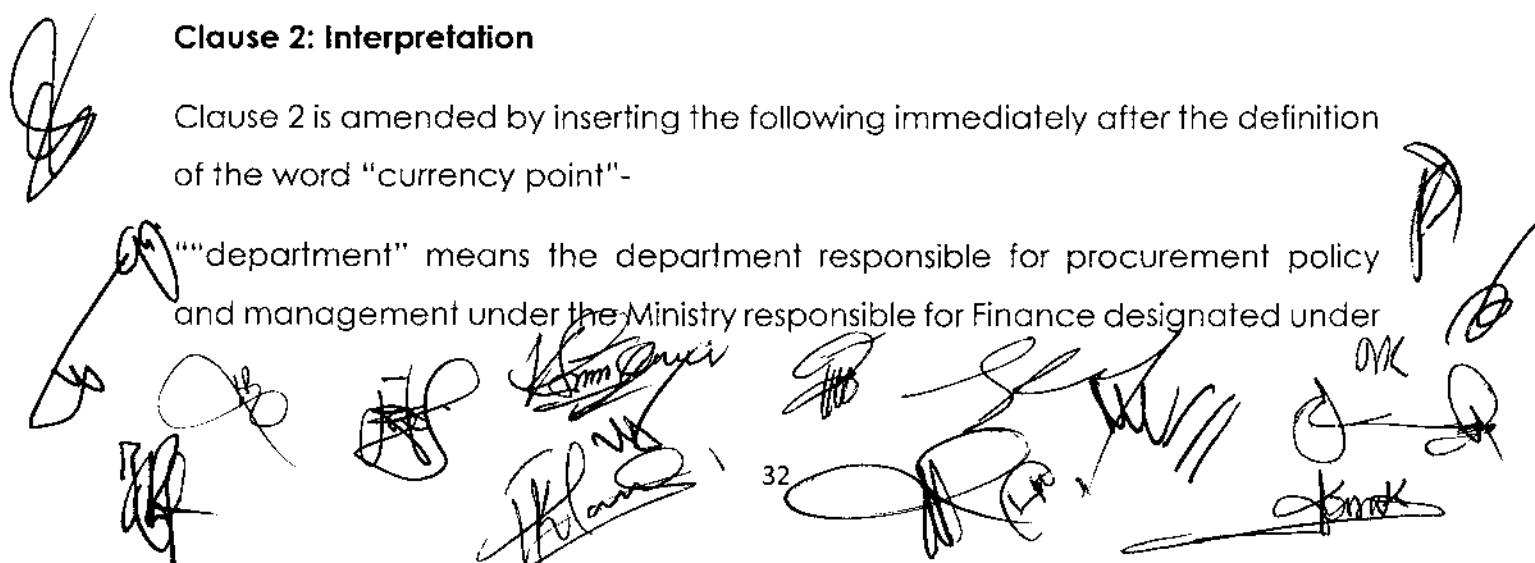
Justification

1. The existing legal framework for the oil and gas sector in Uganda is sufficient to ensure the promotion of local content while maintaining stability of the legal regime.
2. The Government of Uganda has entered into long term legal contracts based on the existing national content legal regime in the oil and gas sector. These contracts contain stabilisation clauses which if vitiated by change of law, as envisaged in this Bill will constitute breach of contract.

Clause 2: Interpretation

Clause 2 is amended by inserting the following immediately after the definition of the word "currency point"-

""department" means the department responsible for procurement policy and management under the Ministry responsible for Finance designated under



section 3 to be responsible for local content and the implementation of this Act;”

Justification

To provide a definition to the word “department” that is used in the Bill.

Clause 3: Department responsible for local content

Clause 3 is amended—

(i) by substituting the head note with the following—

“3. Designation of the Department for Procurement Policy and Management”

(ii) by substituting for sub clause (1) the following—

“(1) The Department responsible for procurement policy and management under the Ministry responsible for Finance is designated the department responsible for local content and the implementation of this Act.”

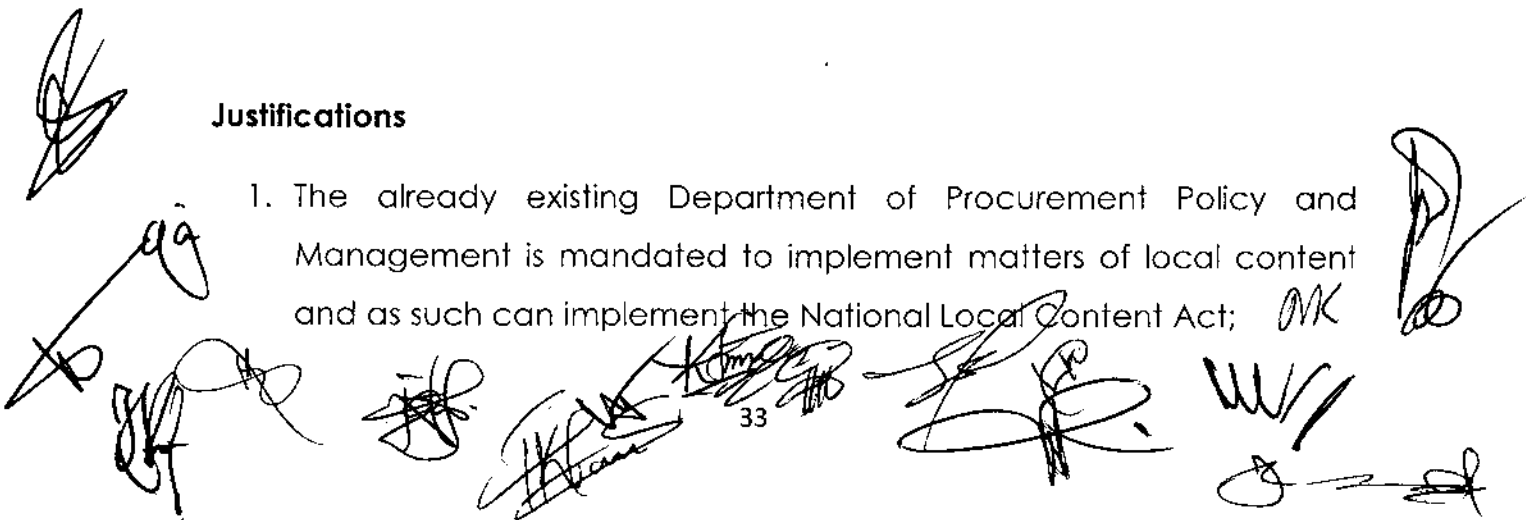
(iii) by deleting paragraph (d) in sub clause (2);

(iv) by deleting the words “and audit” in sub clause (2) (i); and

(v) by deleting subsection (3)(b) and (c).

Justifications

1. The already existing Department of Procurement Policy and Management is mandated to implement matters of local content and as such can implement the National Local Content Act;



2. To comply with the Government policy towards rationalisation and merger of Government Ministries, Departments and Agencies;
3. The approval of local content plan should be deleted for the reason that once the department has developed the national local content plan, the aspect of approving the local content plan should not arise but rather be left for auditing by the department;
4. The proposed functions of reviewing and approving contracts are a preserve of the Attorney General and as such should be deleted to avoid conflict of roles; and
5. The auditing function should be reserved for the Auditor General under Article 163 of the Constitution of Uganda and the National Audit Act, 2008.

Clause 5: Rejection of Ugandan goods and services during procurement

Clause 5 is amended in sub clause (1) by inserting the word "price" immediately after the word "quality"

Justification

To include price as one of the parameters for rejection by a local content entity of a good or service.

Clause 8: Employment of Ugandan citizens,

Delete clause 8.

Justification

This is covered under the Uganda Citizenship and Immigration Control Act, 2015.

Clause 9: Employment of non-citizens

Delete Clause 9

Justification

This is covered under the Uganda Citizenship and Immigration Control Act, 2015.

Clause 10: Restriction on grant or renewal of work permit

Delete clause 10.

Justification

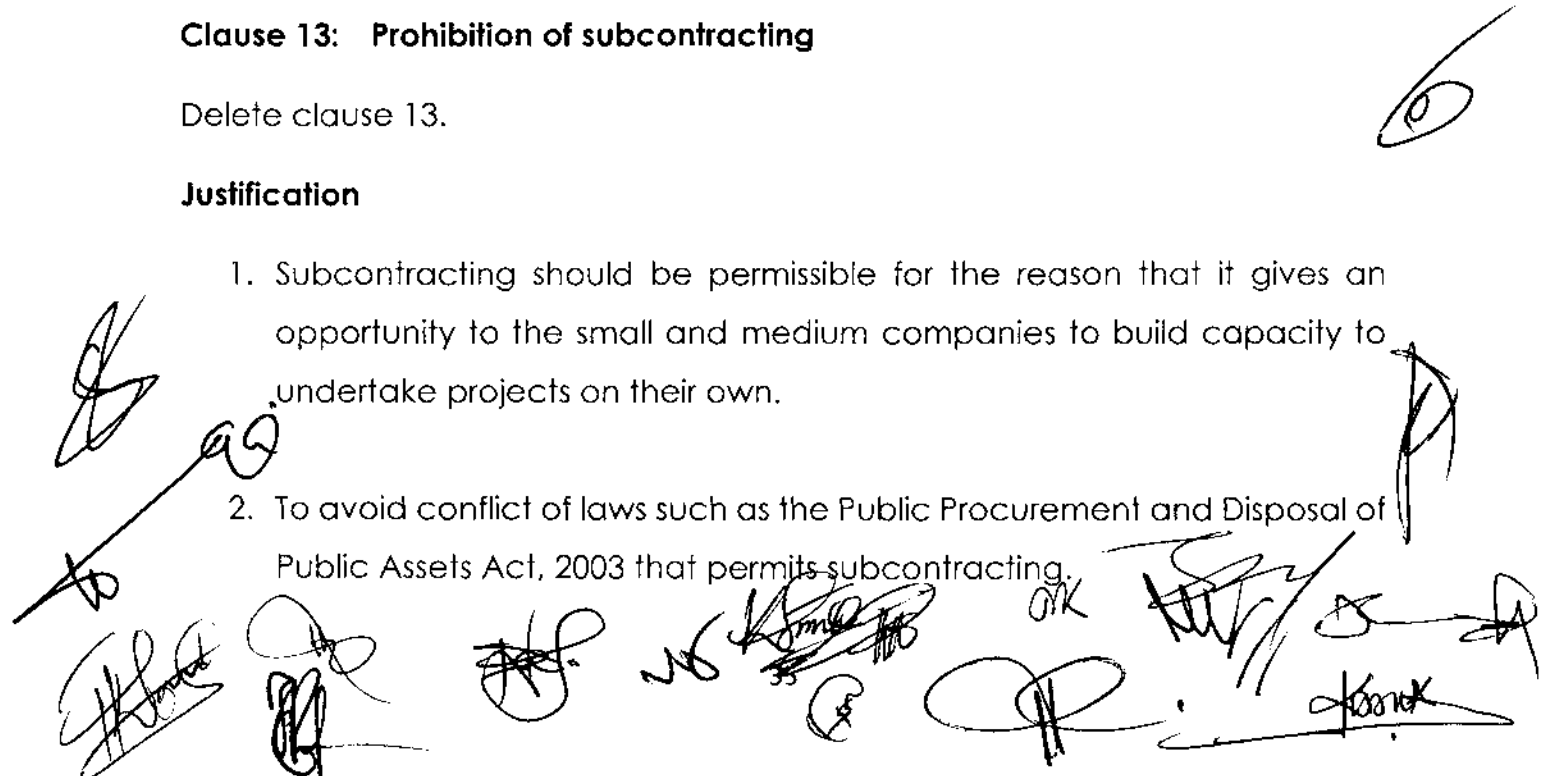
1. This is covered under the Uganda Citizenship and Immigration Control Act, 2015.
2. Employment arrangements should be left to the agreement between the employer and employee.

Clause 13: Prohibition of subcontracting

Delete clause 13.

Justification

1. Subcontracting should be permissible for the reason that it gives an opportunity to the small and medium companies to build capacity to undertake projects on their own.
2. To avoid conflict of laws such as the Public Procurement and Disposal of Public Assets Act, 2003 that permits subcontracting.



Clause 17: Termination of subcontract

Clause 17 is amended-

- (i) in sub clause (1) by deleting the words, "on any of the grounds prescribed in subsection (2); and
- (ii) by deleting sub clause (2).

Justification

The grounds listed under the sub clause are grounds to be provided in a contract of subcontracting for breach of contract. Further, when we attempt to list, we leave out some grounds that may be peculiar to particular contracts.

Clause 21: Development of local content plan

Clause 21 is amended by deleting sub clause (2)

Justification

1. It is a consequential amendment to the deletion of sub clause (2)(d) that provided for the approval of local content plans by the department; and
2. Sub clause (1) of clause 21 is sufficient for it requires a supplier, provider or contractor to develop and submit a local content plan with respect to the entire project or activity.

Clause 24: Procurement planning

Clause 24 is amended in sub clause (2) by substituting for the word "bid", the word "bidding"

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Justification

The right nomenclature to be used is "bidding"

Clause 31: Offences and penalties

Clause 31 is amended-

- (i) in sub clause (1) (b)", by inserting immediately after the word "statement", the words "in relation to information required under this Act"
- (ii) sub clause 1(j) by substituting the words "without authorization from the department" the words "contrary to the provisions of this Act"; and
- (iii) in sub clause 1, by deleting paragraphs (q) and (r).

Justifications

1. To provide clarity on the nature of false statements that lead to liability under this Act.
2. The offences proposed similar or relate to the offences under the Public Procurement and Disposal of Public Assets Act.

Clause 38: Requirement to keep records

Clause 38 in amended by deleting sub clause (5) (c)

Justification

The clause gives the Minister discretionary powers and yet there is need for certainty in legislation.

Clause 41: Prohibition on foreign technical qualifications

Delete clause 41

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Justification

The requirement under this clause is necessary since some professions require international qualifications and certifications for employment.

Clause 42: Appeal

Substitute the words "five days" the words "ten days"

Justification

To align with other laws that provide for period for appeal.

Clause 43: Supremacy of this Act

Clause 43 is amended by substituting for sub clause (2), the following-

"(2) This Act shall apply to the insurance sector where the Insurance Act, 2015 is silent on the matter."

Justification

This is a consequential amendment following the exclusion of the oil and gas sector in clause 1 on application.

Insertion of new clause

Immediately after clause 43, insert the following new clause-

"International obligations.

(1) Notwithstanding section 43, where this Act conflicts with an obligation of the Republic of Uganda arising out of an agreement with one or more states, or with an international organization, the provisions of the agreement shall prevail over this Act.

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(2) Where an agreement referred to in this section contains a preference or preferences in favour of Ugandan entity, a local content entity shall ensure that the applicable preference or preferences are clearly stated in the bidding documents.

Justification

To give supremacy to international agreements and obligations.

Clause 45: Amendment of Schedules



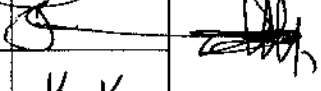
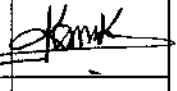

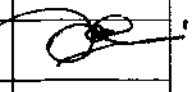
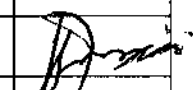
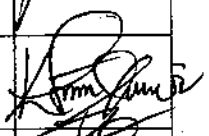
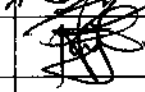


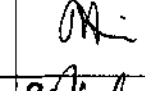
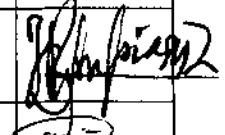
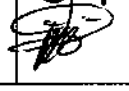
Clause 45 is amended by inserting the words, "by statutory instrument," immediately after the word "may".


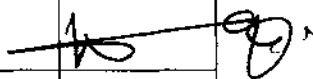
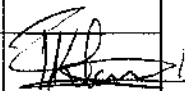
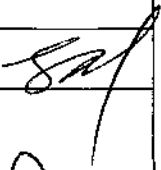
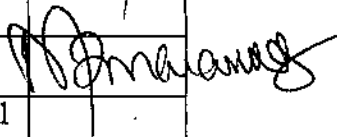
Justification

To provide a mechanism through which the Minister may amend the schedules.



**COMMITTEE ON FINANCE, PLANNING AND ECONOMIC DEVELOPMENT ;
REPORT ON THE NATIONAL LOCAL CONTENT BILL, 2022**

NO	NAME	CONSTITUENCY	SIGNATURE
1	Dr. Keefa Kiwanuka C/P	Kiboga East County	
2	Hon. Avur Jane Pacuto D/CP	DWR Pakwach	
3	Hon. Wamakuyu Ignatious Mudimi	Elgon County	
4	Hon. Kankunda Amos Kibwika	Rwampara County	
5	Hon. Atima Jackson	Arua Central	
6	Hon. Bataringaya Basil	Kashari North County	
7	Hon. Asimwe K Enosi	Kabula County	
8	Hon. Aleper Moses	Chekwii County	
9	Hon. Ssejoba Isaac	Bukoto County Mid West	
10	Hon. Tayebwa Herbert Musasizi	Kashongi County	
11	Hon. Lematia John	Ayivu West County	
12	Hon. Kyooma Xavier Akampurira	Ibanda County North	
13	Hon. Nakut Faith Loru	DWR Napak	
14	Hon. Nangoli Gerald	Elgon North County	
15	Hon. Katali Loy	DWR Jinja	
16	Hon. Ochai Maximus	West Budama County North	
17	Hon. Opolot Patrick Isiagi	Kachumbala County	
18	Hon. Wanda Richard	Bungokho Central	

19	Hon. Okwir Samuel	Moroto County	
20	Hon. Nabukeera Hanifa	DWR Mukono	
21	Hon. Muwanga Kivumbi	Butambala County	
22	Hon. Ssenyonyi Joel	Nakawa West	
23	Hon. Nandala Mafabi	Budadiri West County	
24	Hon. Kalule Flavia Nabagabe	^{DWR} Kassanda	
25	Hon. Akol Anthony	Kilak North	
26	Hon. Luttamaguzu Semakula P.K	Nakaseke South	
27	Hon. Ocan Patrick	Apac Municipality	
28	Hon. Omara Paul	Otuke County	
29	Hon. Muhammad Nsereko	Kampala Central Division	
30	Hon. Aciro Paska Menya	DWR Pader	
31	Hon. Kinyamatama Suubi Juliet	DWR Rakai	
32	Hon. Masaba Karim	Mbale, Industrial Division	