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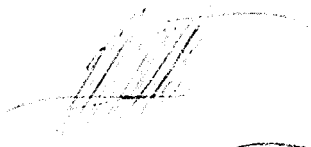
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REPORT OF THE COMMITTEE ON PUBLIC SERVICE AND LOCAL GOVERNMENT
ON

THE MARKETS BILL, 2021



OFFICE OF THE CLERK TO PARLIAMENT
PARLIAMENT BUILDINGS
KAMPALA - UGANDA



February 2022

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1.0 INTRODUCTION.

Rt. Hon. Speaker

The Markets Bill, 2021 was read for the first time on 7th December 2021 and it was referred to the Committee on Public Service and Local Government in accordance with Rules 129 of the Rules of Procedure of Parliament. The Committee on Public Service and Local Government has examined the Bill in detail, made inquiries and in accordance to Rule 129 presents this report with observations and recommendations to this House.

1.1 METHODOLOGY

The Committee held consultative meetings, reviewed some literature, consulted relevant laws, and received submissions from the following stakeholders:

- a) The Mover of the Bill, Hon. Rwobushaija Margaret
- b) The Ministry of Local Government
- c) Kampala Capital City Authority (KCCA)
- d) Uganda Markets and Allied Workers Union
- e) Private Markets Owners



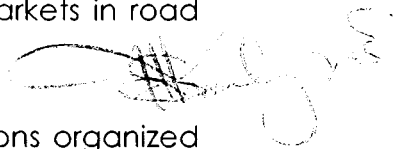
The Committee hereby presents its findings, recommendations and proposed amendments.

1.2 THE POLICY AND THE PRINCIPLES OF THE BILL

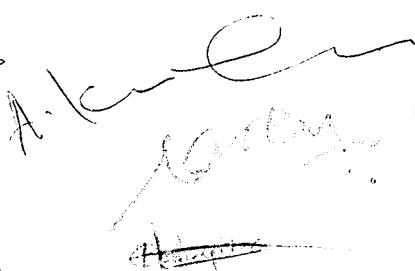
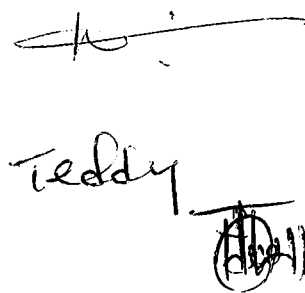
Most markets in Uganda were established between the late 1950s and early 1960s under the Market Act Cap 94 of 1942. Overtime, the capacities of these markets have been overtaken by the increasing urban population growth and the tremendous increase in the number of market vendors in all urban markets.



Apart from the newly constructed markets in some Municipalities, most Market Infrastructures are dilapidated and cannot sustain a comfortable working environment leading to the development of illegal Markets in road reserves, roadsides and open public spaces.



Most of the markets today have small Market Trader Associations organized according to commodity lines for purposes of engaging the Local Governments to offer them better services and to create an enabling environment for them to operate; however, the interface between these Market Associations and the Local Governments in managing the market has not been easy. This poses a strain on Local Governments.



Under the Kampala Capital City Act, 2010 Kampala Capital City Authority (KCCA) is mandated to establish Markets within the Capital City and devolve the administration of Markets to Division Urban Councils; Yet the Local Governments Act, Cap. 243, provides for Local Governments to establish and administer markets in their respective areas of jurisdictions. Given that the Capital City has a separate Ministry responsible for its affairs different from that of Local Governments, there is need to streamline and harmonize the implementation of Markets by the two Ministries and enhances coordination. The Bill seeks to address the administrative uniqueness of Kampala Capital City Authority to facilitate collaboration between the Ministry of Local Governments and the Ministry for Kampala Capital City Authority.

1.3 DEFECTS IN THE EXISTING LAW

The current Markets Act presents the following defects:

- a) The Act does not provide a clear definition of a Market;
- b) The current Markets Act puts restrictions on Private individuals, Companies and Associations from owning or establishing markets.
- c) The Act does not address the current needs of Market Development, Management and Administration that have evolved overtime.
- d) The Act does not cater for the significant impact of Urbanization and Population Growth on the Markets in the decades that followed independence, with the number of Vendors increasing significantly. Such growth has placed increased pressure on internal systems of Governance in Markets.
- e) There is no provision for clear Regulation of Revenue Collection and Administration; and with no requirement for registration of vendors to ease revenue collection.
- f) The Act prohibits any other Person or Authority other than the District Administration, a Municipal Council and a Town Council within their jurisdictions from establishing and maintaining a Market.

1.4 JUSTIFICATION OF THE MARKETS BILL, 2021

The Bill seeks to address the gaps and limitations that have been identified in the current law by strengthening the Markets Regulation, Management and Administration by providing for:

- a) Repealing and Replacing the Markets Act, Cap. 94;
- b) Alignment of the Law on Markets to the current needs of Market Development, Management and Administration that have evolved overtime;
- c) To provide for harmony and co-existence between Local Authorities, Market Operators and Vendors including the determination of Market

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fees and Revenue collection, Management of vendors, involvement of vendors in the affairs of Markets and providing for the Registration of vendors;

- d) Establishment and Management of Markets by Local Governments and Private Persons;
- e) Formation of Market Management Committees for all markets;
- f) Licensing of Private Markets by Local Governments;
- g) Requiring Local Governments to register all Markets within their area of jurisdiction;
- h) Requiring Market Operators to register all Vendors;
- i) Involvement of market vendors in the management of the affairs of markets through establishing the Market Management Committees for all markets which shall run the affairs of markets in Uganda;
- j) Empowering the Minister responsible for Local Governments to oversee the operations of Markets in Uganda and to make Rules and Regulations for the better carrying into effect the purposes of the Act;

2.0 GENERAL OBSERVATIONS

The Markets Bill 2021 has been prepared in consultation with the Ministry of Local Government and Kampala Capital City Authority to provide for the following:

- a) Definition of a Market to take care of the various forms, types and categories of Markets;
- b) Establishment and Management of Markets by Local Governments and Private persons;
- c) Licensing of Private markets by Local Governments;
- d) Local Governments to register all Markets within their area of jurisdiction;
- e) Local Authorities and Market Operators to register all Vendors;
- f) Involvement of Market Vendors in the management of the affairs of Markets through establishing the Market Management Committees for all Markets to run the affairs of markets;
- g) Empowering the Minister responsible for Local Governments to oversee the operations of Markets and to make Rules and Regulations for the better carrying into effect the purposes of the Act;

3.0 COMMITTEE'S OBSERVATIONS AND RECOMMENDATIONS.

3.1 Interpretation

The Committee noted that the definition of "private market" and "vendor" in the Bill is not clear. The Bill defines a "Private Market" as a market established and licensed in accordance with this Act a "Vendor" as a person registered

in accordance with this Act to carry out business in the market. The Bill further restricts the Minister to the Minister responsible for Local Government and not taking into the fact that some markets are in Kampala Capital City Authority.

The Committee therefore recommends the definition of the "Minister" should include the Minister responsible for Kampala Capital City where applicable.

The Committee shall propose an amendment at Committee stage on Clause 1 for clarify the definition of "private market" and "vendor" in the Bill and further introduce new clause that has been inserted in the Bill after Clause 6 providing for a market master to administer public markets.

3.2 Clause 4: Establishment of public markets

In accordance with the Local Government Act and the Kampala Capital City Act 2010, the mandate to establish public markets lies with the respective local governments within their areas of jurisdiction. The Committee observed that clause 4 seeks to augment that. In addition, the clause stipulates the procedure and processes for establishing public markets to ensure clarity.

In order to address the controversies that surround land ownership where markets are established, clause 4(2) seeks to require local government councils to resolve issues relating to land ownership and other land user rights, among other requirements, before a council resolution is made to establish markets.

The Committee shall propose an amendment at Committee stage on Clause 4 for clarity

3.3 Clause 6 Establishment of the private markets

Clause 6 seeks to regulate the establishment of private markets and the application procedures, stipulating the application related timelines and appeal mechanisms. The Committee observed that Private markets have not been regulated before and this clause provides for regulation. The Committee further observed availability of land availability is important and should form part of the particulars when applying to establish private markets. The Committee also noted that clause 6 (5) provide for appeal to the Minister in case of refusal to establish a private market. The Committee observed that this provision denies the applicants the rule of natural justice. Where the applicant is a legal person, there is need of proof that that company is registered in Uganda.

The Committee shall propose an amendment at the Committee stage to apply for to court seeking redress.

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The Committee recommends

- a) **There is need for a provision of land availability as a condition for establishing of private market.** The Committee shall propose an amend at Committee stage
- b) **There is need to provide a provision natural justice in case the Minister rejects an application to establish a private market**

3.4 New Clause 7 Gazettement of Markets

The Committee noted that once a market had been licensed, there is need to inform the general public of the existence of the market.

The Committee shall propose an amendment at the Committee stage to insert the new clause 7 to cater for gazettelement of markets.

3.5 Clause 8: Conditions of Grant of Licence

Clause 8 highlights the prerequisites for social protection which are access to the market by persons with disabilities, baby care and nursing centres, separate toilets for men, women and persons with Disabilities. The Committee observed that the conditions exclude parking areas for motor vehicles.

The Committee shall propose an amendment at the Committee stage to insert a sub-section "parking areas" as a condition for grant of license.

The Committee recommends that markets should have parking areas for motor vehicles as a condition for granting license.

3.6 Clause 9 Grant of license

Clause 9 (3) provides for administrative authority refusal to grant license. The Committee observed that the 21 days given for the written explanation is not sufficient to give a written explanation. The Committee shall propose an amendment at the committee stage to increase the number of days to 30 days.

The Committee recommends 30 days to give the authority sufficient time to give reasons for refusal.

3.7 Clause 11 Suspension and revocation of a license

Clause 11 provides for the Suspension and revocation of a license. The Committee observed that Ninety days are too long period for the administrative authority to wait before taking a decision when there is a breach of the conditions upon which the market was licensed.

The Committee shall propose an amendment at the committee stage to reduce the number of days from 90 days to 60 days.

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3.8 Clause 16 Register of Markets

Clauses 16 requires a register of all markets to be kept and maintained for the purpose of traceability, ease administration and revenue collection. The Committee observed that the provision excludes location of the market. The Committee shall propose an amendment at the committee stage to provide for location for ease of administration of markets.

3.9 Clause 17 Register of Vendors

Clauses 17 requires a register of all vendors within markets to be kept and maintained for the purpose of traceability, ease administration and revenue collection. The Committee observed that sub clause (3) does not require the vendor to indicate the National Identification Number (NIN) and work permits for non-Ugandans which is the current practice.

Committee shall propose an amendment at the committee stage to include vendor's allocation number, National Identification Number (NIN) for vendors and work permits for non-Ugandans.



3.10 Clause 19 Market Management Committee

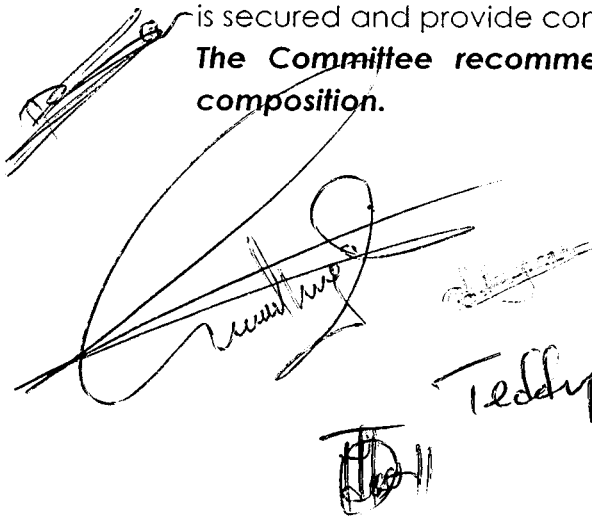
Clauses 19 of the bill deal with management administration of markets. This part is intended to clearly provide for the involvement of vendors in the management of the affairs of markets as key stakeholders. The Committee observed that this provision promotes harmonious relations and information flow between market proprietors and vendors. The committee noted that the provision does not provide for remunerations of the members of the Committee and the regulation of the election of the Committee members. Committee shall propose an amendment at the committee stage to insert provision for remunerations of the Committee members and the regulation of the election of the Committee members.

3.11 Clause 20 Composition of the Committee

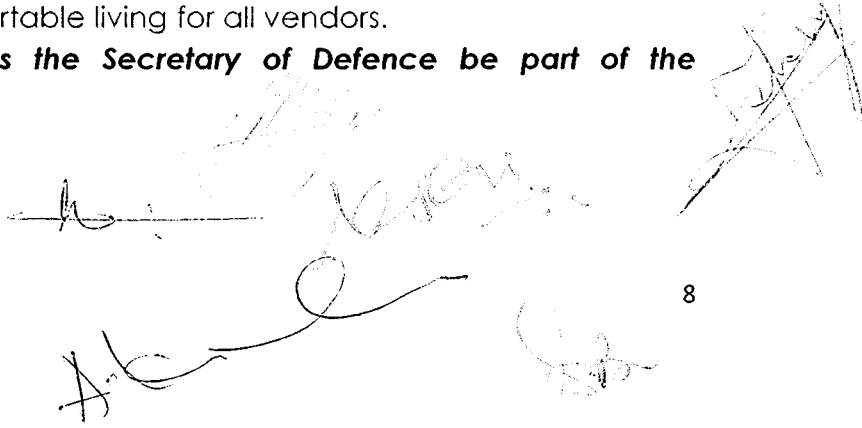
Clause 20 Composition of the Committee provides for different person sitting on the Committee. The Committee observed that key ingredient that guarantees proper development is safety. When people know they are safe, and the same applies to their properties, it becomes easier to focus on innovation rather than worrying and focusing all their resources on protecting what they have. With security, a market can be certain that its development is secured and provide comfortable living for all vendors.



The Committee recommends the Secretary of Defence be part of the composition.



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Committee shall propose an amendment at the committee stage to insert representative of Security, law and order.

3.12 Clause 25 Meetings of the Committee

Clause 25 (2) provides the chairperson of the Committee shall give a one day's notice for all the meeting to all members. The Committee observed that this is too short to call a meeting and therefore recommends the days be increase to seven days.

Committee shall propose an amendment at the committee stage to increase the days to call a meeting to 7 days.

3.13 Clause 26 Sub-Committees

Clause 26 provides for sub-committees for the purpose of effective management of the affairs of the markets. For effective and efficient management of the markets recommends finance, security and any other sub-committees deems fit.

The Committee shall propose an amendment at the committee stage to insert the sub-committees finance, security and any other sub-committees deems fit.

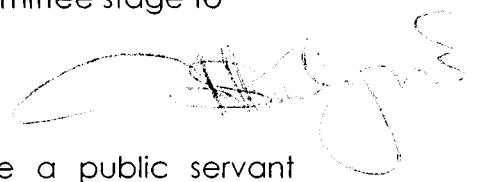


3.14 Clause 27 Designation of departments in a market

Clause 27 seeks to create trade order in markets by ensuring that departments are organised based on goods sold or services provided in a market. The Committee observed that sub-section (3) provides for election of two department heads which can bring confusion.

The Committee therefore recommends election of one deputy head of department head with tenure of two years instead of three.

The Committee shall propose an amendment at the committee stage to affect the changes.



3.15 Market Administrator

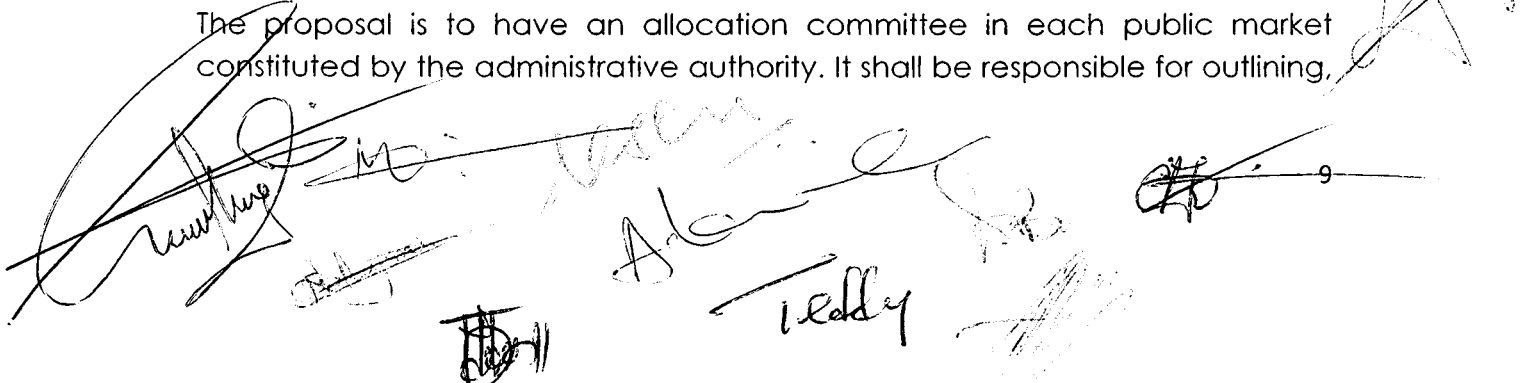
The Committee noted that there is a need to have a public servant responsible for public markets to oversee the operations of the market, secure public installations and utilities, public order and public health.

The Committee shall propose a new sub-clause at the Committee stage to include the position of Market Administrator.



3.18 Clause 29: Allocation of shop, pitch or stall in a public market

The proposal is to have an allocation committee in each public market constituted by the administrative authority. It shall be responsible for outlining,



designating and allocating work spaces, shops, pitches or stalls in a public market. The Committee observed that this intended to ensure transparency and fairness in allocating work places, shops, pitches or stalls in public markets. The Committee the noted some individual acquired many shops, pitches or stalls and are subletting at a higher fee. Also noted the current process of allocation is marred with lack of transparency and personal conflict by technical people in the local authorities. This tendency not only makes business expensive, but also makes people shun the market premises. Clause 29 further does not stipulate the process of the acquisition of shops, pitches or stalls in a public market. The Committee further observed that the provision did not provide the composition of the Committee and therefore recommends the composition of the committee as follows;

- a) The Accounting Officer (Chairperson)
- b) The Finance Officer
- c) The Officer in-charge of revenue
- d) The production Officer
- e) The Commercial Officer
- f) The Community Development Officer
- g) A chairperson of vendors, a woman, elderly, youth; and a person with disability

The Committee shall propose an amendment at the committee stage to insert the composition of the committees and new sub-clauses to provide for expression of interests to operate in a market and equity and transparency in allocating working spaces in the market.

3.19 New Clause 30 Abandonment of shop, stall pitch allocated to a vendor

The Committee shall further propose clause to cater for abandonment of shop, stall pitch allocated to a vendor to ensure realization of revenue to the local authorities.

The Committee shall propose an amendment at the committee stage to insert the new Clause 30 to cater for the Abandonment of shop, stall pitch allocated to a vendor.

3.20 Penalty for breach of conditions of a license

The Committee observed that custodial punishment for breach of conditions of license is not heavier and deterrent enough in case a breach.

The Committee shall propose an amendment at the committee stage to increase the imprisonment from year to two years.

3.21 New sub-clauses under 34 "Obliteration of market facilities"

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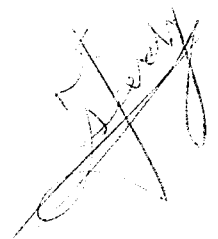
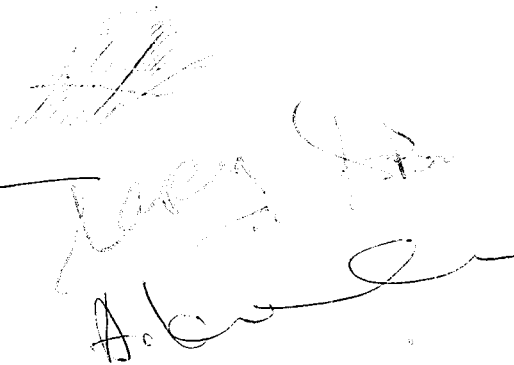
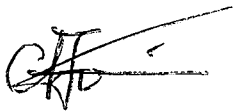
The Committee observed that Bill does not provide security of market properties and installations and sales of prohibited sales.

The Committee shall propose an amendment at the committee stage to insert a new sub- clause to secure the market properties and installations and prohibited sale.

4.0 CONCLUSION

Rt. Hon Speaker and Hon. Members, the Committee recommends that the Markets Bill 2021 be passed into law subject to the proposed amendments.

Rt.Hon. Speaker, I beg to move



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PROPOSED AMENDMENTS

1. Clause 1: Interpretation

Clause 1 is amended by-

(a) Substituting the interpretation of the words "private market"

Substitute: The phrase "private market" as provided in the bill is substituted to read as follows-

"private market" means a market established by any person other than the local authority and licenced in accordance with this Act;

(b) Substituting the interpretation of the words "responsible minister"

Substitute The phrase "responsible Minister" as provided in the bill to read as follows-

"Responsible Minister" means the Minister responsible for local governments or Minister responsible for the Kampala Capital City Authority as the case may be;

(c) Substituting the definition of the word "vendor"

Substitute The phrase "Vendor" as provided in the bill is substituted to read as follows:

"Vendor" means a person authorised to carry out business in the market.

Insert Interpretation for a new phrase immediately after the interpretation of phrase "market administrator"

"Market operator" refers to a person who owns a market.

Justification:

- a) This is for clarity since all markets whether public or private markets t are authorised by local authority before operations.
- b) This new Act the Market Act 2021 shall be implemented by two different ministries that is the Minister responsible for Local Government and Minister responsible for Kampala city as it is applicable
- c) For clarity on who is a vendor.

2. Amendment of Clause 4: Establishment of public markets

Redraft: sub clause (4) of the bill is redrafted to read as follows;

"The conditions for licensing a private market prescribed under section 8 shall apply to public markets"

Justification

Conditions for the market to be licensed remain the same whether the market is private or public.

3. Amendment of Clause 6: establishment of private markets

a) inserting a new paragraph in sub clause (2);

Insert new paragraphs after paragraphs (b) and do renumbering

- i) "availability of land"
- ii) certificate of incorporation for a legal entity

b) Insert a new sub clause immediately after sub clause (6) to read as follows;

(7) An applicant who is dissatisfied with the decision of the responsible Minister may apply to Court.

Justification

- a) There is a need for the applicant to file evidence of availability of land for purposes of facilitating the local authority to be sure that land is already secured for purposes of constructing a market.
- b) Where the applicant is a legal person, there is need of proof that that company is registered in Uganda.
- c) Right to apply for to court seeking redress is the creature of statute and an applicant should be given opportunity to seek court redress in case he or she is not satisfied with decision of the Minister.

4. Insertion of a new clause: Gazettement of markets

Insert a new clause immediately after clause 6 to read as follows;

"Gazetting markets

The administrative authority shall, with in thirty days of issuance of license cause name(s) of marked licensed to be published in the national gazette.

Justification

The public need to be notified on the existence of the market.

5. Amendment of Clause 8: Conditions for grant of licence

Insert a new paragraph in sub clause (2) after paragraph(c) to read as follows;

“(d) *Parking area for motor vehicles*”

Justification

Each market should ear mark and secure a demarcated place for parking vehicles and motor cycles.

6. Amendment of Clause 9: grant of licence

Amendment in sub clause (3);

Substitute for the words “twenty one” appearing in line two of sub clause (3) with a word ‘thirty’.

Justification

Twenty one days are too short period for the administrative authority to take a decision. The administrative authority should at least be given four weeks within which it make a decision and communicate to the applicant.

7. Amendment of Clause 11: suspension and revocation of a license

Amend sub clause (2) by-

Substitute for the words “ninety” appearing in sub clause (2) line tree with a word ‘sixty’.

Justification

Ninety days are too long period for the administrative authority to wait before taking a decision when there is a breach of the conditions upon which the market was licensed.

8. Amendment of Clause 16: Register of markets

Amend in sub clause (2) by -

Insert the words "and the location" immediately after the words "market operated" appearing at the end of the provision.

Justification

For easy tracking and administration of a market.

9. Amendment of Clause 17: Register of vendors

Amend in clause (3) by-

Insert new paragraphs immediately after paragraph (a) to read and renumber accordingly;

- a) national identification number of the vendor;
- b) vendor allocation number;
- c) work permit for vendors who are non-Ugandan citizens;

Justification

To provide adequate information about the vendors in the register.

10. Amendment of Clause 19: market management Committee

a) Clause 19 be amended;-

Amend in sub clause (3) by-

Insert the words "in accordance with regulations prescribed by the responsible Minister" immediately after the word "committee" appearing at the end of the provision.

b) "Insert a new sub clause to read as follows;

"" (2) The responsible Minister shall, by statutory instrument, prescribe allowances payable to members of the Market Management Committee".

Justification

For easy administration of a market.

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