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REPORT OF THE PUBLIC ACCOUNTS COMMITTEE - COMMISSIONS, STATUTORY AUTHORITIES AND STATE ENTERPRISES (PAC- COSASE) ON THE OPERATIONS OF THE UGANDA RAILWAYS CORPORATION

OFFICE OF THE CLERK TO PARLIAMENT
PARLIAMENT BUILDING
KAMPALA-UGANDA

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Hoteland 1 Landing Committee



REPORT OF THE PUBLIC ACCOUNTS COMMITTEE - COMMISSIONS, STATUTORY AUTHORITIES AND STATE ENTERPRISES (PAC- COSASE) ON THE OPERATIONS OF THE UGANDA RAILWAY CORPORATION

1.0 INTRODUCTION

The Public Accounts Committee – Commissions, Statutory Authorities and State Enterprises (PAC- COSASE) assessed and evaluated the operations of the Uganda Railway Corporation (URC) in accordance with Rule 159 (c) of the Rules of Procedure.

Uganda Railways Corporation (URC) was established under the Uganda Railways Corporation Act, Cap331 to carry out railway, marine and road services both in and outside Uganda for the carriage of goods and passengers. URC has a total track length network of 1,266Kms.

1.1 BACKGROUND

Following the collapse of the East African Community (EAC) in 1977, Uganda Railways Corporation (URC) came into existence. URC is a Government parastatal under the Ministry of Works and Transport and is responsible for operating and managing railways and marine services in Uganda. URC's system is rooted in the British colonial 1,000 mm (3 ft 3 3/8 in) gauge. Uganda Railway was transformed after World War I into the East Africa Railways Corporation (EARC). Its operation after the demise of the EARC had been hampered by civil war and inefficient management in Uganda. Only the 5 mile (8.0 km) line between Kampala and Port Bell and the 120 mile (190 km) main line from Kampala to the Kenyan border at Tororo remains in use.

On April 8, 2006 the Government of Uganda and the Rift Valley Railways (U) Limited of South Africa signed a Concession Agreement providing for the leasing of the Corporation's core assets to the investor. The core function of the concessionaire was to run and operate the railways for 25 years and give annual payments to the Corporation or its successor amounting to the equivalent of 11.1% of its gross revenue. The employees of the Corporation were paid their terminal benefits by the Government of Uganda during the year. The conceded

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ABBREVIATIONS AND ACRONYMS

EAC East African Community

EARC East African Railways Corporation

GoU Government of Uganda

ICD Inland Container Depot

NHCC National Housing and Construction Company

PERD Public Enterprises Reform and Divestiture

PDU Procurement and Disposal Unit

ULC Uganda Land Commission

URC Uganda Railways Corporation

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assets were handed over to Rift Valley Railways (U) Limited in November 1, 2006. However the 25 year concession with RVR was cancelled in 2018 and new management took over URC.

1.2a) The operational sections of the track include;

- Malaba Jinja Kampala main line (251 km)
- Jinja-Jinja Pier (4km)
- Siding to Roofings Namanve
- Siding to Liberty ICD
- Siding to UGACOF
- Siding to SPEDAG
- Siding to Bollore Uganda
- Kampala Port Bell (9km)
- Kampala Nalukolongo (5km); and
- Tororo Mbale(55km).

b) Non-operating sections include:

- Tororo Gulu (Ongoing rehabilitation works)
- Gulu Pakwach (Rehabilitation concept shared);
- Nalukolongo Kasese (330km);
- Siding to Kilembe mines (4km);
- Siding to Hima Cement (11 km)
- Busoga loop (145 km).

1.3 Services provided by URC

a) Freight Operations

URC provides logistics freight solutions for exports, imports and local haulage within the region mainly categorised as containerised, bulk, heavy cargo and out of gauge cargo through the railway.

b) Marine Services

URC offers a variety of marine services both at Port Bell and at Jinja Pier. Both piers are used by the various vessels to transport Roll on Roll off cargo.

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cargo.





c) Passenger Services

URC currently operates passenger trains between Kampala to Namanve and Port Bell offering seamless, affordable and reliable passenger service.

d) Warehousing and Terminals

The Mukono ICD is located on Mukono – Katosi road 26kms from Kampala with good proximity to Namanve Industrial park. The ICD is seated on 13 acres with a capacity of storing / handling 702 TEUS.

e) Real Estate

URC owns a substantial portfolio of land and property located across the country, many of which include residential and commercial buildings; warehouses and workshops; railway corridors and station

f) Railways Workshop

Located on Kampala – Masaka road in Nalukolongo, URC Railway Workshop is equipped with machines to handle specialized repair welding, machining and maintenance of electrical machines.

1.4 Administrative Structure

The Governing Body of Uganda Railways Corporation is the Board of Directors appointed by the Minister of Works, Housing and Communications. The Managing Director is the Chief Executive Officer of the Corporation and is responsible for the day to day running of the Corporation.

2.0 METHODOLOGY

In undertaking its task, the Committee;

- i. Held meetings with the Board and Management of URC
- ii. The Workers of URC
- iii. The Privatisation Unit
- iv. Some of the land beneficiaries namely; Hon. Robert Mwesigwa Rukaari, Ms. Janet Kobusingye (Mestil Residences)

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- v. The Minister of State for Investment in the Ministry of Finance, Planning and Economic Development
- vi. Carried out a field visit to the railways workshop in Nalukolongo on Kampala- Masaka Road
- vii. Made reference to several documents

3.0 COMMITTEE FINDINGS

The Committee made the following findings;

3.1 URC LAND MATTERS

The Committee inquired whether URC had in its possession all its land titles and whether the said Corporation land was free of encumbrances.

URC Management informed the Committee that the Corporation had most of its land titles as evidenced by the schedule of URC Certificate of titles. However, several pieces of the Corporation's land are encroached upon throughout the entire network, more especially in the urban environs.

Further that the Corporation was the Registered Proprietor of land and property comprised in different Freehold Register Volume, Leasehold, and sublease Register Volume and Mailo land which was originally owned by East African Railways and Harbours Administration and East African Railways Corporation. All this land was vested to the Corporation by virtue of Section 95 of the Uganda Railways Corporation Statute No. 13 of 1992 now Cap 331, Laws of Uganda.

These land and properties are situated in most of the districts in Uganda along the railway line.

1. Main Line- (Kampala – Malaba)

2. Port Bell Line-(Kampala -Port bell)

3. Kampala - Kasese Line-(Western Uganda Extension)

the At

- 4. Busoga Loop Line (Kakira-Kaliro)
- 5. Tororo Packwach Line (Northern Uganda Extension)

All the above captioned land measures approximately 4,050.711 Hectares / 9,823.745 acres.

The Committee was not satisfied with this response and set up a subcommittee to further investigate the land matters of URC.

3.1.1 Terms of Reference

The Sub- Committee adopted the following Terms of Reference in the land investigation;

- 1) To establish the status of land management and administration
- 2) To ascertain payment for URC land

1) ESTABLISH THE STATUS OF LAND MANAGEMENT AND ADMINISTRATION

a) Disposal of land

The Public Enterprises Reform and Divestiture Act 1993 provides for the reform and divestiture of public enterprises and established the Divestiture and Reform Implementation Committee. It was this Committee that implemented the Privatisation process.

The Act provides for 4 classes of enterprises: URC was put under Class II; these are enterprises in which Government retained majority shareholding.

Uganda Railways Corporation was divested by way of a 25-year concession to RVR effective 1st November, 2006. URC remained in existence as the regulator and RVR became the Concessionaire.

URC assets were earmarked as core and non-core assets. Core assets being vital for rail business operations and non-core assets being mainly assets used

for accommodation by staff.

assets being manny assets



b) Use of Proceeds from Divestiture:

According to Section 26, the Minister of Finance, Planning & Economic Development may use the proceeds to meet the costs and expenses associated with termination of contracts of employment in the different public enterprises under Classes I, II, III and IV.

Under the same provision, Government took over the liabilities of the enterprises. The proceeds not used for present and future costs were to be transferred into a redundancy account and to be used for promoting Uganda entrepreneurs for agriculture and industrial development.

The PERD Act, Policy and Uganda Railways Corporation (URC) Divestiture Action Plan therefore formed the basis for disposal of various parcels of land.

c) The Disposal process:

The disposal process of URC assets was implemented by Privatisation Unit (PU) as directed by Divestiture Reform & Implementation Committee in accordance with Section 22 and Second Schedule of the PERD Act.

PU in consultation with URC formed a task force composed of officers from PU and URC that enumerated all URC non-core assets and prepared an inventory of the same.

PU gave the first offer to the sitting tenants and where they were unable to purchase the properties, they assigned their rights to third parties of their choice. The Properties were sold on an As Is Where Is basis. Where the properties were not disposed of, the interest reverted to URC. A sample of the offer letter drafted by PU was availed to COSASE).

Whenever someone accepted an offer and paid up for a property, PU furnished URC with the original certificate of title accompanied by a receipt of proof of payment, for purposes of execution of a sale agreement and transfer forms.

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Observations

- There was non-Compliance with the provision of the PFMA on Asset
 Management and Inadequate Report on status of Assets.
- 2. The reports on status of URC's land that were submitted to the Committee were irregular since they lacked the period/years that they were compiled and was not regularly updated. No proper inventory was availed to the Committee.
- 3. URC has weak capacity to monitor, utilize and protect its vast land that stretches from Kasese to Malaba, and to Pakwach.

Committee Recommendations;

- The Government should swiftly move to start negotiations with those who lawfully acquired interest in the Railway Land with the objective of having them compensated within the meaning of Article 26 of the 1995 Constitution.
- 2. URC should engage an independent firm to make an inventory of its land.
- 3. URC should put in place mechanisms to enhance capacity to protect and utilize its land.

d) PROPERTIES DISPOSED OF UNDER PHASE I

Under phase 1, the following non-core assets were sold between 2007 to 2009 and concluded in 2010. All properties that were not disposed of under phase 1 were transferred to phase 2 for possible disposal.

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SN	DESCRIPTION	SIZE	TENURE	PURCHASER	RESERVE	AMOUNT SOLD
					PRICE (UGX)	(UGX)
. T					1000	1000
1	PLOT NO. 976,	0.120	MAILO	ROBERT	35,000	89,0000
•	KIBUGA, BLOCK 29	0.120		MWESIGWA		02,000
	MULAGO					
2	PLOT 76,	0.13	FREEH	PETER	120,000	150,000
	CHORLEY	9	OLD	RWABUYA	120,000	100,000
	CRESCENT,		CLB	NJA	ļ	
	PORTBELL			Non		
3	PLOT 122,	0.80	MAILO	ELLY	200,000	250,000
	BLOCK 264,	9	MAILO	KAYANJA	200,000	230,000
	KYADONDO	9		(ASSIGNM		
	, MUTUNDWE			ENT)		
4	PLOT 465,	0.10	MAILO	DENIS	70,000	125,000
4	1	0.10	MAILO	OWOR	70,000	125,000
	BLOCK 244,	0		OWOR		
	KYADONDO	0.50	1/477	16001600	900,000	250,000
5	PLOT 36, BLOCK	0.60	MAILO	MR&MRS	200,000	250,000
	207, KIBUGA,	7		MUHUMUZ		
	KANYANYA		-	A		
]	(ASSIGNM		
				ENT)		
6	PLOT 332,	0.20	LEASE	HOPE	100,000	100,000
	BLOCK 24,	2	HOLD	NURSERY		
	KIBUGA,			SCHOOL		
	LUNGUJJA					
7	PLOT 34,	0.46	FREEH	ROBERT	1,420,000	1,776,000
	ELIZABETH	7	OLD	MUWEMA		
	AVENUE			KINTU		
	KOLOLO			(ASSIGNM		
				ENT)		
8	PLOT 85-95,	2.56	FREEH	NATIONAL	1,904,000	1,904,000
	LAKE DRIVE,	8	OLD	HOUSING		
-	PORTBELL			&		
ļ				CONSTRUC		
				TION CO.		
				LTD.		
9	PLOT 872,	0.40	MAILO	MULOWOO	70,000	85,0000
	BLOCK 264,	5		ZA &		1
	KYADONDO			BROTHERS		1 (Ila
]				LTD.		Lan Arch

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10	PLOT 72,	0.13	FREEH	NAMBALE	69,000	131,000
	CHORLEY	9	OLD	DAVID		
	CRESCENT					
11	PLOT 73-75,	0.70	FREEH	GEN	525,000	525,000
	LAKE DRIVE	8	OLD	TINYEFUZ		
				Α		
12	PLOT 74,	0.13	FREEH	ROBERT	69,000	131,000
	CHORLEY	9	OLD	MWESIGW		
	CRESCENT			Α		
13	PLOT 78,	0.12	FREEH	ROBERT	75,000	137,000
	CHORLEY	0	OLD	MWESIGW		
	CRESCENT			Α		
14	PLOT 94, LAKE	0.33	FREEH	NIBYA LTD.	250,000	256,000
	DRIVE	2	OLD			
15	PLOT 96-98,	0.67	FREEH	NATIONAL	501,000	615,000
	LAKE DRIVE	6	OLD	HOUSING		
				&		
				CONSTRUC		
				TION CO.		
				LTD.		

Observations

- 1. The criteria that was used to classify those assets as core or non- core was not clear. As a result, some of the properties that were determined to be non- core assets were core assets. Some properties were classified as core while others within the same locality were classified as non-core for example Plot 122 block 264 Kyadondo Mutundwe and Plot 27-33 Kyadondo Mutundwe.
- 2. The Committee noted that only 10 out of 15 properties were advertised. There is no evidence to show that those which were not advertised were sold through the right procedures.
- 3. There was no evidence of payment for these properties.

4. There was no evidence of a valuer's report determining the reserve price.

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Recommendation

The Inspectorate of Government should investigate this matter and prosecute those found culpable.

e) PROPERTIES DISPOSED OF UNDER PHASE II

Under this phase, the Privatisation Unit (PU) in July 2013 contracted S-M Cathan Property Consult & CB Richard Ellis (CBRE) joint venture to provide consultancy services to subdivide Uganda Railways Corporation's estates, register/create titles and value the new plots which included land and buildings (Housing Estates). The assets are located within the towns of Tororo, Gulu, Masindi, Jinja, and Kampala. The valuation reports were sanctioned by the Chief Government Valuer.

Table 2: Properties earmarked for subdivision, titling, and valuation by PU;

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LOT	1: JINJA - FORMER RE		
1	PLOT 1 BISHOP BAMWOZE CLOSE.	0.366 HECTARES	131,000,000
	BAMWOZE CLOSE, JINJA DISTRICT	(0.904 ACRES)	
2	PLOT 2 BISHOP	0.039 HECTARES	14,000,000
	BAMWOZE CLOSE,	(0.096 ACRES)	
	JINJA DISTRICT		
3	PLOT 3 BISHOP	0.033 HECTARES	12,000,000
	BAMWOZE CLOSE,	(0.082 ACRES)	
	JINJA DISTRICT		
4	PLOT 12 FRANCIS	0.032 HECTARES	12,000,000
	OUNDO CLOSE, JINJA	(0.08 ACRES)	
	DISTRICT		
5	PLOT 13 FRANCIS	0.039 HECTARES	15,000,000
	OUNDO CLOSE, JINJA	(0.10 ACRES)	
	DISTRICT	, .	, ,

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6	PLOT 16 BISHOP	0.047 HECTARES	17,000,000
1	BAMWOZE CLOSE,	(0.116 ACRES)	
	JINJA DISTRICT	The state of the s	
7	PLOT 18 BISHOP	0.083 HECTARES	30,000,000
	BAMWOZE CLOSE,	(0.20 ACRES)	
	JINJA DISTRICT		
8	PLOT 19B BISHOP	0.067 HECTARES	24,000,000
	BAMWOZE CLOSE,	(0.166 ACRES)	
	JINJA DISTRICT		
9	PLOT 21 BISHOP	0.966 HECTARES	347,000,000
	BAMWOZE CLOSE,	(2.39 ACRES)	
	JINJA DISTRICT		
10	PLOT 1 SHEIKH	0.032 HECTARES	14,000,000
	KEZAALA ROAD, JINJA	(0.079 ACRES)	
	DISTRICT		
11	PLOT 2 DANA	0.034 HECTARES	33,000,000
	MUDDOLA CLOSE,	(0.084 ACRES)	
	JINJA		
	DISTRICT		
12	PLOT 8A1 SHEIKH	0.328 HECTARES	144,000,000
	KEZAALA ROAD, JINJA	(0.810 ACRES)	
	DISTRICT		
	LOT 2: FORMER MASINDI I	BULURI ROAD ESTATE	
1	PLOT 3-13	0.524 HECTARES	195,000,000
	LOCOMOTIVE ROAD	(1.295 ACRES)	
2	PLOT 19 BUTIABA	0.283 HECTARES (0.7	105,000,000
	ROAD	ACRES)	
3	PLOT 27-29 BUTIABA	0.305 HECTARES	113,000,000
	ROAD	(0.754 ACRES)	
4	PLOT 31 BUTIABA	0.283 HECTARES	105,000,000
	ROAD	(0.70 ACRES)	
	Section States Commission Control Cont		
LOT:	3: FORMER TORORO ESTATE	S STATION & KWAPA RD	
1	PLOT 6-7 OLOBO	0.856 HECTARES	190,000,000
1 1		(0.10.AODEO)	
	CLOSE TORORO	(2.12 ACRES)	
2	PLOT 15-21 COX ROAD	0.965 HECTARES	214,000,000

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3	PLOT 29-35 COX ROAD	1.452 HECTARES	323,000,000
	TORORO	(3.59 ACRES)	
4	PLOT 12 WABWIRE	0.035 HECTARES	10,000,000
	ROAD TORORO	(0.09 ACRES)	
5	PLOT 11 ELIDU ROAD	0.029 HECTARES	6,000,000
	TORORO	(0.07 ACRES)	
6	PLOT 30-36 WABWIRE	0.462 HECTARES	105,000,000
	ROAD TORORO	(1.14 ACRES)	
7	PLOT 36-48 WASIGE	0.433 HECTARES	100,000,000
	ROAD TORORO	(1.07 ACRES)	
8	PLOT 14-30 ELIDU	0.656 HECTARES	154,000,000
	ROAD TORORO	(1.62 ACRES)	
9	LAND NEAR BUBULO,		500,000,000
	TORORO	0.099 ACRES	
1	PLOT 9 ATWAL ROAD,	0.042 HECTARES	20,000,000
Lot 4	: GULU ESTATE		
	GULU DISTRICT	(0.104 ACRES)	
2	PLOT 11 ATWAL ROAD,	0198 HECTARES	98,000,000
	GULU DISTRICT	(0.489 ACRES)	
3	PLOT 37 ATWAL ROAD,	0.220 HECTARES	109,000,000
	GULU DISTRICT	(0.544 ACRES)	
5	PLOT 39 ATWAL ROAD,	0.230 HECTARES	113,000,000
	GULU DISTRICT	(0.568 ACRES)	
6	PLOT 40 ATWAL ROAD,	0.197 HECTARES	97,000,000
	GULU DISTRICT	(0.487 ACRES)	
8	PLOT 1 RING ROAD,	0.112 HECTARES	55,000,000
	GULU DISTRICT	(0.277 ACRES)	
9	PLOT 2 RING ROAD,	0.121 HECTARES	60,000,000
	GULU DISTRICT	(0.299 ACRES)	
10	PLOT 3 RING ROAD,	0.139 HECTARES	68,000,000
	GULU DISTRICT	(0.344 ACRES)	
11	PLOT 4 RING ROAD,	0.159 HECTARES	78,000,000
	GULU DISTRICT	(0.393 ACRES)	
		······································	

LOT 5: KAMPALA

1/1



	PLOT 872 KYADONDO		375,000,000
	BLOCK 264		
1	MUTUNDWE	1 ACRE	
	PLOT 544, BLOCK 11,		355,000,000
2	KABOWA	1.038 ACRES	

It is worth noting that even under Phase II all the non-core assets in Gulu, Masindi, Jinja, and Tororo properties that did not require subdivision were disposed on an "as is ", "where is" basis.

Anomalies arose from the second phase where certain properties were sold to third parties by sitting tenants who were given first priority that transferred their interest to third parties and whose interest could not be regularised by URC.

Observations

- 1. The Committee observed that there was no evidence of payment for the properties above.
- 2. There were anomalies in the disposal process which resulted into several litigations which could cause financial loss to government.

Recommendation

- 1. The Officers in the Privatisation Unit that handled this process should be held responsible and punitive action taken against them.
- 2. URC should appoint an independent legal firm to verify the claims with a view to settle and resolve these matters.
- f) DISPOSAL OF UGANDA RAILWAYS CORPORATION LAND AT NSAMBYA:

Arising from a Presidential directive and a Cabinet decision (attached herewith marked "A"), Nsambya land, formerly owned by URC was transferred to Uganda Land Commission with assurance that Government would pay URC for this land. However, URC has been persistently engaging the Ministry of Finance, Planning & Economic Development for compensation

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to the sum of **UGX 69.5 billion** to no avail. In the latest update the Minister of Finance has directed the PSST to effect payment to URC. (**Copy of the letter is attached hereto marked "B"**).

Government cancelled the land titles for local investors in the Naguru-Nakawa estate to allow development of a satellite city by OPEC prime properties. The local investors challenged the legality of the transaction and government agreed to settle out of court and compensate them with land elsewhere in the city. URC land in Nsambya was identified for that purpose.

Observations

The Committee makes the following observations;

- Despite the fact that the Presidential Directive and the Cabinet Memo indicated only 32.35 acres to be allocated to the above beneficiaries,
 72.78 acres was what was allocated bringing an over allocation of 40.43 acres without authorization.
- 2. Some beneficiaries that were included in the Presidential directive and Cabinet memo (annexture "A") were denied land for example; National Library (2 acres), Nakawa Disabled Vocational Training Institute (0.6 acres), Quakers (0.43 acres) and Church of Uganda (0.39 acres).
- 3. Some individuals/ entities were not meant to be beneficiaries but were allocated land. For example, Kampala International University, which did not appear in the Cabinet Memo and Presidential directive was allocated 14 acres for the development of the University. However, a shopping mall (Arena Mall) was eventually built on the said land.
- 4. The Committee noted that some individuals/ entities did not pay premium or ground rent for the land that was allocated to them. For example the lease for Ms. Janet Kobusingye the proprietor of Mestil Hotel and Residences was extended from 10 years to 49 years then to 99 years with no premium or ground rent paid for the 89 years.

This was contrary to the law and the terms of the Consent Judgment.

The Consent judgment did not waive the requirement for payment of premium and ground rent on public land or the need for due process to be followed in extension from the initial grant of a lease of 10 years.



Recommendation

The Committee recommends as follows;

- 1. The Committee recommends that Ministry of Finance, Planning and Economic Development should ensure that the proceeds from the URC land at Nsambya of UGX UGX 69.52 Billion should be prioritized/released to URC in the next Financial Year (2022/2023) budget.
- 2. The Uganda Land Commission and the Privatisation Unit should be held responsible for the anomalies that transpired in the allocation of URC land at Nsambya.

g) ISSUANCE OF ILLEGAL LEASES OVER URC LAND:

Over time, District Land Boards in Kampala, Jinja, Mbale, Gulu, Nwoya etc and Uganda Land Commission have created illegal leases over URC land. Several requests by URC to these land boards to cancel the said illegal leases have been futile. This has made it difficult for URC to recover its land. URC has written to these bodies and the letters have not been responded to. Some of them have been added as parties to litigation cases involving URC. (A matrix of land with illegal leases is attached hereto marked C).

Recommendation:

- 1. All illegal leases on URC land should be cancelled by the issuing authorities.
- 2. The officers in the District Land Boards involved in issuing the illegal leases should be held responsible.
- 3. URC should come up with clear mechanisms on how to lease its land so that the appropriate value of the assets can be ascertained.



3.2 LOCOMOTIVE ENGINES

The Committee inquired from management about the inventory list of locomotive engines for the Corporation, the status of operation, engine capacities, location and whether they possess fuel registers.

The Committee was informed that URC maintained a fleet of all locomotives under her use, indicating the status of operation, engine capacity and location (both in Uganda and Kenya).

Further, the Corporation maintained a fuel register of her locomotives both on the Translogic system and an excel database detailing the work done with fuel issued.

On further scrutiny however, the Committee made the following findings:

Four locomotives were purchased in August 2021 at a total of **UGX 48 billion** but since they arrived they had been parked in the workshop with no work. The URC Workers interfaced with the Committee and revealed that the locomotives were imported without knowing that they were too long for the triangles and not able to turn.

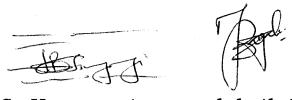
The workers also stated that;

c)

- a) The technical staff were not consulted prior to the commencement of the procurement of the locomotives.
- b) The Uganda railway line of 50 to 80 pounds would not be able to handle the weight of the new locomotives, which required that it runs on a 90-pound railway line.

The motors which propel the locomotives are very low and that they were

unoperational on Uganda rail lines.



URC Management responded that the Corporation was making modifications to the triangles on the railway lines to enable the locomotives to move smoothly and that this would be completed by 15th November 2021, a deadline which was not adhered to.

They further stated that the locomotives had been procured with additional spares for three years and the line was fit however the turning points were narrower. The Committee was informed that the locomotives would only serve Kampala –Malaba and only the turning point would be modified.

The Committee made the following findings;

- After carrying out a market survey, a URC select committee recommended that the company purchases locomotives which are 6 years old at UGX 36 billion, however, locomotives which were eight years old costing UGX 48 billion were procured.
- 2. The Committee notes that this was odd because older yet more expensive locomotives than those recommended were purchased.
- 3. Management stated that of the **UGX 48 billion** earmarked, UGX 42 billion was for the locomotives and UGX 6 billion was for the reach stackers.

Observations

- 1. The Ministry of Works and Transport deviated from the government policy of procuring new equipment and recommended and approved the purchase of used and refurbished locomotives.
- The Procurement and Disposal Unit and the Contracts Committee of URC recommended open international bidding because of the amount of money involved, however Management opted for restricted international bidding without proper justification.
- 3. URC has had to incur unplanned costs of modifications to improve the triangles and to provide turning points for the locomotives.

4. The compatibility of the locomotives to the Uganda rail lines should have been ascertained prior to the procurement.



Recommendations

- 1. The Ministry of Works and Transport should take responsibility for failure to follow government policy on procurement of equipment.
- 2. The Management of URC that was involved in this procurement should be held responsible for flouting procurement regulations and the unplanned costs incurred on modifications of railway triangles in Jinja and Tororo and the U turn in Kampala.

3.3.0 NSSF REMITTANCES

The Committee learnt that URC hadn't made remittances to NSSF for two years and the workers were concerned that this would affect the interest meant to accrue to them.

Committee Observations

- 1. It was observed that over **UGX 2.8 Bn** is still pending as NSSF arrears, although PAYE had been cleared up to date.
- 2. URC prioritized and remitted PAYE without remitting the obligations of NSSF and yet both are statutory obligations and equally important.

Committee Recommendations

1. The Committee recommends that URC Management should prioritize remittance of NSSF since this directly affects individual employees who are missing out on annual interest earned on the outstanding NSSF remittance.

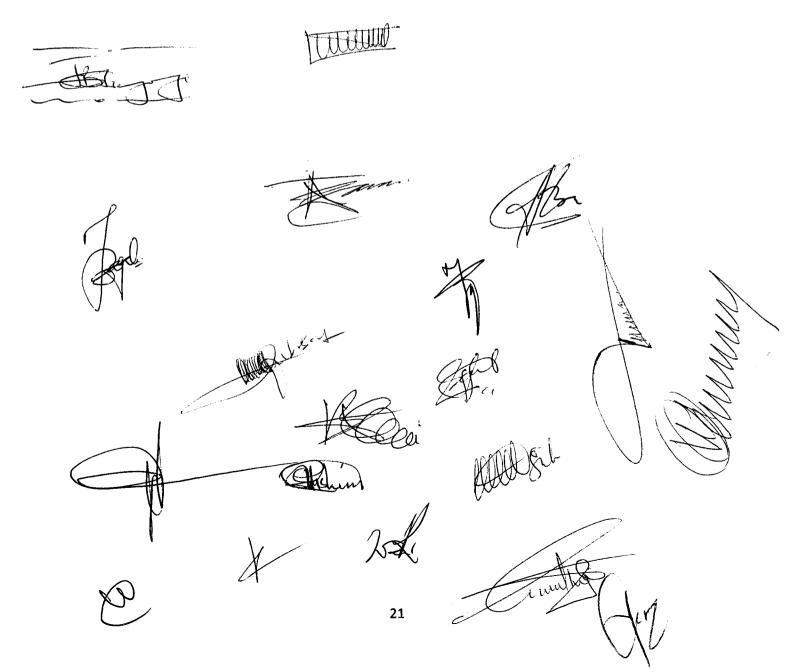
2. URC should ensure that the outstanding NSSF remittances should include interest which should have been earned by the employees.

4.0 CONCLUSION

URC Management should oversee their assets better given that they have the potential to generate resources that would enable the smooth running of its operations and activities. The Board of URC as required by law should pay keen interest in the affairs of URC and always provide appropriate guidance to Management to enable the entity to effectively carry out its mandate.

It is our prayer that the Committee report be adopted.

I beg to move



REPORT OF THE PUBLIC ACCOUNTS COMMITTEE ON COMMISSIONS, STATUTORY AUTHORITIES AND STATE ENTERPRISES (PAC-COSASE) ON THE OPERATIONS OF THE UGANDA REVENUE AUTHORITY (URC)

S/N	NAME	CONSTITUENCY	PARTY	SIGNATURE
1	Hon. Ssenyonyi Joel – C/Person	Nakawa West	NUP	# . J. J
2	Hon. Akello Lucy – D/CP	DWR Amuru	FDC	
3	Hon. Lagen David	Agago County	NRM	7
4	Hon, Mbwatekamwa Gaffa	Igara West County	NRM	1 .
5	Hon. Afoyochan Esther	DWR Zombo	NRM	
6	Hon. Anywar Ricky Richard	Agago West County	NRM	,
7	Hon. Acan Joyce Okeny	PWD National	NRM	A
8	Hon. Achan Judith Peace	DWR Nwoya	NRM	Y
9	Hon. Akampulira Prossy Mbabazi	DWR Rubanda	NRM	7. 0
10	Hon. Atwijukire Dan Kimosho	Kazo County	NRM	
11	Hon. Bakkabulindi Charles	Workers Rep	NRM	Allen
12	Hon. Gafabusa Richard Muhumuza	Bwamba County	NRM	Mulveay
13	Hon. Mugabi Muzaale Martin	Buzaaya County	NRM	Cumling
14	Hon. SSekikuubo Theodore	Lwemiyaga County	NRM	
15	Hon. Abigaba Cuthbert Mirembe	Kibale County	NRM	Mitsu
16	Hon, Okumu Gabriel	Okoro County	NRM C	Villey
17	Hon. Kibaaju Naome	Sheema North County	NRM	*
18	Hon. Ruhunda Alex	Fort Portal Central	NRM	
19	Hon. Sekyanzi Benard Kirya	Budyebo County	NRM	
20	Hon. Wandwasi Robert	Bungokho South County	NRM	29k
21	Hon. Hashim Sulaiman	Nesbi Municipality	NRM	
22	Hon. Maneno Zumura	DWR Obongi	NRM _	
23	Hon. Nangoli Gerald	Elgon North County	NRM	
24	Hon. Ababiku Jessica	DWR Adjuman	NRM	l l
25	Hon. Wakabi Pius	Bugahya County	NRM	



26	Hon. Linda Irene	DWR Fort Portal	NRM	
27	Hon. Kamukama Davis	Bunyangabu County	NRM	
28	Hon. Twalla Fadil	Tingey County	NRM	
29	Hon. Nsibambi Yusuf	Mawokota South	FDC	
		County		
30	Hon. Ekanya Geoffrey	Tororo County	FDC	000
31	Hon. Okot Santa	DWR Aruu North	PPP	
32	Hon. Auma Kenny	Kwania North	UPC	· ·
33	Hon. Sebamala Richard	Bukoto Central	DP	
34	Hon. Okupa Elijah	Kasilo County	IND	
35	Hon. Mpindi Bumali	PwDs Rep	IND	1000
36	Hon. Nsanja Patrick	Ntenjeru County	IND	
	-	South		
37	Hon. Acora Nancy	DWR Lamwo	IND	
38	Hon. Mugema Peter	Iganga Municipality	IND	
39	Hon. Roland	Rukiga County	IND	1
	Ndyomugyenyi			Mon
40	Hon. Nkunyingi Muwada	Kyadondo East	NUP	William Think
41	Hon. Kazibwe Bashir	Kawempe South	NUP	
	Mbazira			
42	Hon. Kiwanuka Abdallah	Mukono South	NUP	1
43	Hon. Bagala Joyce	Mityana District	NUP	Dal
	Ntwatwa	-		
44	Hon Nekesa Victor	UPDF Rep		Thy
				M

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SECRET

NSAMBYA LAND CABINET 337 (CT 2010)

MINUTE 337 (CT 2010)

THE TRANSFER OF 32.35 ACRES OF UGANDA RAILWAYS CORPORATION (URC) NSAMBYA LAND TO PRIVATE DEVELOPERS

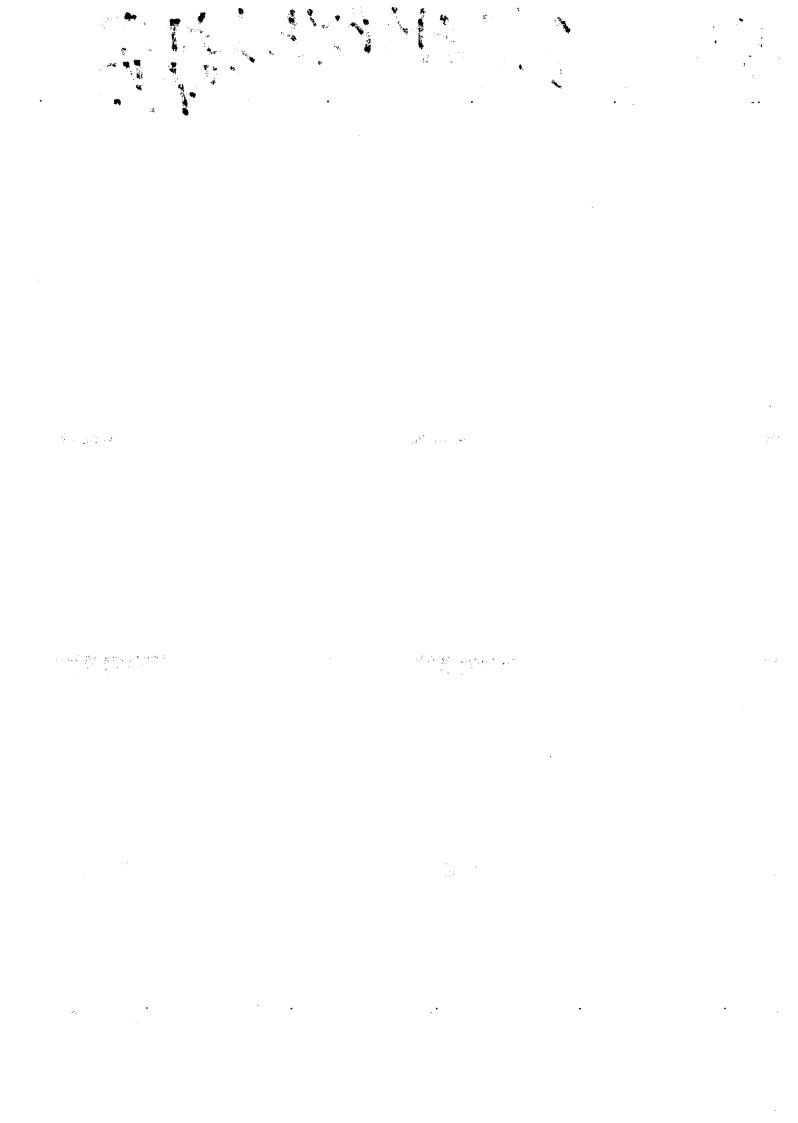
Cabinet Memorandum CT (2010) 128)

3. Cabinet:

(1) Rescinded its earlier decision of halting the sale of Uganda Railways Corporation land at Nsambya and Kibuli so as to enable the proposed transfer of 32.35 acres of the said land to the following local private developers on the following terms and conditions:

(i) beneficiaries:

- (i) Janet Kobusingye (5.8 acres);
- (ii) Charles Kimera (1.13 acres);
- (iii) National Library (2.0 acres);
- (iv) Islamic University of Uganda (10.0 acres);
- (v) Nakawa disabled Vocational Training Institute (0.6 acres)
- (vi) Quakers (0.43 acres);
- (vii) Church of Uganda (0.39 acres);
- (viii) House of Dawda (10.0 acres);
- (ix) CTM (U) Limited (6 acres);
- (x) Alumus Properties Ltd (2.5 acres);
- (xi) William Nkemba (6 acres);
- (xii) Yas Company (5 acres) and
- (xiii) Access (U) Limited (12.35 acres)



CABINET

Action Extract from Minute No	of the
meeting of the Cabinet held at Kampala on	
for action / information by	

(ii) Terms and conditions:

- (i) The Ministry of Local Government to obtain the actual value of the 57.93 acres of land at Kibuli and Nsambya from the Government Chief Valuer prior to the allocation of that land to the local private developers as compensation;
- (ii) The Ministry of Local Government to prepare and present to Cabinet a Paper on how the land in Nsambya and Kibuli would be divided among the beneficiaries in (i) above, prior to the actual allocation of that land.
- (iii) The Ministry of Local Government should attach development conditions to the land being compensated to the Local Private Developers and specify the time frame within which the said land was expected to be developed, and failure to comply within the agreed implementation schedule would result in the land reverting to the holding authority.
- (iv) The local private developers to pay premiums over and above the re-valued land at Kibuli and Nsambya if it costs more than the value they paid for the Naguru-Nakawa land.

of URC land at Msambya to private developers requires Cabinet to reverse its earlier decision on the preservation of URC Land at Nsambya.

II. Objectives of the Cabinet Memorandum

- 4. The purpose of this Memorandum is to request Cabinet to
- i. Revisit and rescind its earlier June 17, 2009 decision of halting the sale of URC land at Nsambya in order for Government to effect the proposed reallocation of 32.35 acres which is part of the said land to local private developers, as detailed in Paragraph 6, 13 and 14 of the Memorandum.
 - ii. Agree to Government providing URC with adequate compensation for the said-32:35 acres of land due for re-allocation, so as to enable URC sustain its operations and meet its liabilities.

<u>III.</u> Background to the Proposed Transactions

(a) Transfer of Naguru-Nakawa Land to Opecprime Properties Limited

- State for Local Government (MSLG) requested me to cause the transfer of 20 Acres of the URC land at Nsambya to a number of local private developers. These are the private developers who had been allocated the same pieces of land at Nuguru-Nakawa land, which was subsequently allocated by Government in October 2007 to Opecprime Properties Limited, a UK based property developer, to be developed into a modern satellite town. The project has not commenced because the said private developers took Government to Court seeking remedies against double allocation. Some developers have expressed willingness to relocate in order to allow Opecprime Properties Limited start implementing the project.
- 6. The identified local private developers who are willing to relocate include:
 - a) Janet Kobusingye (5.8 acres)

- b) Charles Kimera (1.13 acres)
- c) National Library (2.0 acres)
- d) Islamic University of Uganda (10.0 acres)
- e) Nakawa Disabled Vocational Training Institute (0.6 acres)
- f) Quakers (0.43 acres)
- g) Church of Uganda (0:39 acres)
- 7. The exact value of the pieces of land allocated to the local private developers in paragraph 6 above is not known. However, the Chief Government Valuer on 9th April 2010 issued an opinion on the comparative value of an acre of land in Naguru/Nakawa and an acre of land at Nsambya URC Land, and coincluded as follows: Quote "Testimate that a well drained planned plot in Nsambya would currently fetch more money in the market than a similar plot in Naguru as far as a general commercial user is concerned, not residential or institutional However for general broad exchange of land where there is no choice, one may take the two parcels at the same value on the assumption of the same land interest. I wish to repeat that when it comes to valuation, the two parcels of land will carry different values" Unquote.
- 8. The URC land at Nsambya which is identified for compensating the local private developers is part of the non-core assets of the corporation, which Cabinet on June 17, 2009 under Minute No. 292 (CT 2009) of Cabinet Memorandum CT (2009) 82 directed that should not be disposed of, while authorizing the disposal of all the other non-core assets of URC.
- 9. The URC land at Nsambya (which is indicated on 3 separate land titles), was valued by the Chief Government Valuer in December 2006 as follows:
 - a) Plot 2-28 Kibuli (28.44 Acres) at UGX 22,750,000,000/=;
 - b) Plot 16A-28A Nsambya Road (28.19 Acres) at UGX 22,750,000,000/=;
 - c) Plot 12A Nsambya Road (1.30 Acres) at UGX 800,000,000/=.

- 10. The position to re-locate the said developers is reiferated in a letter dated April 30, 2010 by His Excellency, The President, to MSL6 (copy attached), in which His Excellency confirmed that Government had in a meeting held at State House, Entebbe on February 15, 2010 chaired by himself (His Excellency, the President), resolved that:
 - a) Since some of the Naguru-Nakawa land that was allocated to local private investors had already been contracted out to UK property developer, M/s Opecprime Properties (U) Ltd, the sanctity of the latter's agreement with Government to establish a modern satellite town at Naguru and Nakawa must be upheld and respected.
- process and were therefore allocated some of that land in error, should either be allocated land elsewhere or integrated into the project as property buyers, provided that their undertaking are compatible with the developer's Master Plan;
 - c) The above consideration (in b) by Government to the private allocates should only be extended after the latter have withdrawn their court cases against Government on this matter.
- 11.In the said letter to MSLG, His Excellency the President specifically directed that:
 - a) The Uganda Land Commission and the Ministry of Lands & Urban Development should issue the two land titles for the Naguru-Nakawa Project to Opecprime Properties (U) Ltd immediately in accordance with the Agreement signed with Government on October 15, 2007. This should

not be delayed by the process of allocating the land to the private local investors elsewhere.

- b) The land titles for the small private local investors that were erroneously issued should be cancelled as advised by the Attorney General in his written opinion of September 7, 2009;
- c) MFPED should transfer the custody of land identified in Nsambya by the Ministerial Committee on this issue from URC to Uganda Land Commission (ULC). This should pave way for commencement of allocations to all private local investors whose titles were issued in error in Nagura-Nakawa upon cancellation of the title they hold. Most importantly, it should enable the developer to take over the whole project site in accordance with the Agreement signed with Government.
- d) The Ministry of Local Government should immediately fence off the Naguru-Nakawa site, and should hand over the Memorandum of Understanding signed with the Naguru-Nakawa tenants, to guarantee their furst purchase option of the subsidized flats; and
- e). MSEG should in co-ordination with the Inspector General of Police arrange for orderly vacating of the project site by the tenants; and that the Project site for the developer should be finalized no later than May 30, 2010 for the redevelopment to commence on earnest, in order to avoid the serious risk of losing the investor.
- 12. Consequently, MSLG requested me to initiate the process of exchange of the 20 acres of land at Nsambya for the land at Naguru, which had erroneously been allocated to the said private developers.

(b) Allocation of 12:35 Acres to Access (U) Limited

- 13.In December 2008, Access (U) Limited represented by one of its directors, Mr. Pradip Karia, paid Ushs 13 billion premium to the Uganda Land Commission. He also paid assurance of title, lease registration and one year's rent in respect of land measuring 5 hectares (12.35 acres) which had been allocated to him at Plot 30-34 Port Bell Road in Nakawa, vide ULC Minute 13/2008(a)(331) of 5th November 2008.
- 14. However, Access (U) Limited was not given a title for the land and therefore never took occupancy of the Plot, as another company was allocated the same land for development of low-cost housing. In view of this, Access (U) Limited has opted for land to be given for the same project in an area which is close to railway transport and storage infrastructure. Mr. Pradip Karia, one of the directors of Access (U) Limited, has asked for an amount of land at Nsambya Railways Quarters which is equivalent to what he had paid for in Nakawa, and with facilities similar or close to what he had paid for in the original place he was given. The land is to be used for constructing a modern commodity trade and export promotion centre (Commodity Trade Business Park) for Uganda in partnership with the Uganda Export Promotion Board (UEPB). Preference for the URC Land at Nsambya is based on the fact that the proposed investment includes intertwined components of online and walk-in commodity display, transport and storage. This is the reason why the company had initially preferred land next to the former Uganda Grain Traders warehouse in Nakawa near Uganda Revenue Authority Headquarters.
- 15. Once Cabinet has in principle agreed to the allocation, the Ushs 1.3 billion which Mr. Karia paid in December 2008 to ULC will be part payment to URC as

premium for the lease allocation of 12.35 acres on the URC Nsambya land, pending valuation of the same land.

- IV. Rationale for Transferring the Naguru-Nakawa Land to Opecprime Properties Limited, and to Access (U) Ltd.
- 16 The transfer of the Naguru-Nakawa land to Opecprime Properties Limited will enable the development of several low-cost housing units and other commercial amenities which will benefit the country in general. In particular, it will help to reduce the housing deficit in Kampala and the surrounding areas. This is consistent with the Government policy of providing affordable shelter for all Ugandans. In addition, there will be private capital inflow in the form of foreign direct investment for infrastructure development, which will create employment for Ugandans.
- If The allocation of land to Access (U) Limited will promote the marketing of Uganda's commodities which will have a positive effect on reducing volatility in Uganda's commodity prices. This will contribute to improving the incomes of particularly farmers which is consistent the growth and poverty reduction objectives of Government.
 - V. Steps Taken to Effect the Transfer land to Opecprime Properties Limited in Accordance with the Directive of H.E. The President, and to Access (U) Limited.
- 18 In response to MSLG's letter, I advised of the steps necessary to effect the decision, which involved seeking formal approval of the proposal by the Divestiture & Reform Implementation Committee (DRIC) as empowered under the PERD Act, Cap. 98, before presenting the matter to Cabinet.
- 19.In an April 9, 2010 opinion on exchanging similar plots of land, the Chief Government Valuer advised MSLG that plots of the same size located in Nsambya

and Nakawa could be exchanged where the parties had no choice, but the plots carried different values. A copy of the Chief Government Valuer's opinion is herewith attached:

20 On June 29, 2010 DRIC in its meeting authorized the transfer of 32.35 acres of Nsambya land to local private investors and requested Government to compensate EIRC for the land in order to enable it sustain its operations and to meet its liabilities. DRIC noted however that the proposed transfer was subject to my obtaining the requisite Cabinet authorization.

VI. Other Private Developers Claiming Part of the Naguru-Nakawa Land

- 21 In his letter of July 26, 2010 to me (copy attached), MSLG raised the fact that more land over and above the 20 acres earlier indicated, is required to compensate other private developers on the Nakawa site, who also need to vacate urgently to enable the developer take possession. The additional private developers who are claiming part of the land include:
 - a) House of Dawda (10.0 acres);
 - b) CTM (U) Limited (6 acres);
 - c) Allmus Properties Ltd (2.5 acres);
 - d) William Nkemba (6 acres); and
 - e) Yas Company (5 acres).
- 22. The above private developers cannot be compensated on the URC Nsambya land because Government has already undertaken commitments on the rest of the land. In light of this, Government will look for land elsewhere to compensate the remaining private developers, and after due diligence and verification has been carried out.

VII. Recommendations

- 23 Colleagues, in light of the urgency to: (i) handover the project site to Opecprime Properties (U) Ltd which should have occurred by May 30, 2010 as directed by His Excellency the President, and (ii) allocate land to Access (U) Limited for construction of a modern commodity trade and export promotion centre for Uganda in partnership with UEPB, I will at the next convenient meeting request. Cabinet to:
 - is Rescind its earlier decision of halting the sale of URC land at Nsambya so as to enable the proposed transfer of 32.35 acres of the said land to local private myestors detailed in paragraphs 6, 13 and 14 of this Memorandum,
- ii Agree in principle that Government will provide URC with adequate compensation for the 32.35 acres of land to be re-allocated to private developers, so as to enable URC sustain its operations and also meet its.

 Itabilities and
- iii. Agree that compensation to other private developers mentioned in Paragraph
 21 will be after due diligence and verification have been undertaken by
 Government

Ministry of Finance, Planning & Economic Development September 2010 Telephone: 256 41 4341305/230487 Fax: 256 41 4233524

Email : finance a finance.go.ug
Website : www.finance.go.ug
Plot No. 2-10 Apollo Kaggwa Road

In any correspondence on

This subject please quote No. EDP 234/54/01



Ministry of Finance, Planning & Economic Development,

P.O Box 8147

Kampala, Uganda

Thursday, 10 February 2022

The Permanent Secretary/Secretary to the Treasury
Ministry of Finance, Planning & Economic Development

P.O. Box 8147

Kampala - Uganda

Please and this in the revised on the BFD.

BUDGETING FOR UGX 69.524 BILLION COMPENSATION PAYMENT ARREARS OWING TO UGANDA RAILWAYS CORPORATION (URC) ARISING FROM THE 57.93 ACRES OF LAND AT NSAMBYA AND KIBULI TRANSFERRED TO UGANDA LAND COMMISSION IN APRIL 2011

Reference is made to the above subject.

In 2011, the Hon. Minister of Finance, Planning & Economic Development directed URC to transfer its land at Nsambya and Kibuli measuring 57.93 Acres arising from a Directive by H.E. the President and Cabinet, for which we undertook to compensate URC with the sum of **UGX 69,524,400,000/=** (Uganda Shillings Sixty-Nine Billion, Five Hundred Twenty-Four Million, Four Hundred Thousand).

The price determination of the said land was guided by a report of the Chief Government Valuer on 15 November 2010 which placed the value of the land at UGX 1.2 Billion per Acre.

This matter has remained unresolved for a long time despite a Directive by H.E. the President and Cabinet and a commitment by the Hon. Minister of Finance to compensate URC. As such this has raised audit queries by the Auditor General for which Parliament demanded corrective action in 2011 and subsequent years but to no avail.

Parliament's Public Accounts Committee on Statutory Authorities and State Enterprises (PAC-COSASE) has flagged this matter and is equally concerned about the length it has taken Government to settle the outstanding amount. Of concern is the need to support URC with these funds to enable them meet their current financial needs.

In my appearance today before PAC-COSASE, I undertook to follow up on this obligation which needs to be captured in the 2022/2023 Budget.

The purpose of this letter is to request you to ensure that Government budgets for the sum of **UGX 69,524,400,000/=** which should be ring-fenced to compensate URC for the aforementioned reasons.

[&]quot;To formulate sound economic policies, maximize revenue mobilization, ensure efficient allocation and accountability for public resources so as to achieve the most rapid and sustainable economic growth and development"

By copy of this letter, this is to inform the Hon. Joel Ssenyonyi, Chairman PAC-COSASE on the commitment to issue budgeting instruction for the said outstanding amount to be paid by Government to URC.

For your ease of reference, find enclosed -

- 1) The Hon. Minister of Finance, Planning & Economic Development's letter dated 1 April 2011 to the URC Board Chairman
- 2) The Hon. Minister of Finance, Planning & Economic Development's letter dated 17 February 2011 to the URC Board Chairman;
- 3) The Hon. Minister of Finance, Planning & Economic Development's letter dated 10 February 2011 to the URC Board Chairman;
- 4) H.E. the President's letter dated 10 August 2010 to the Hon. Minister of Local Government.

I will appreciate your prompt response and guidance on the steps you will take to address the aforementioned request.



MINISTER OF STATE FOR FINANCE, PLANNING & ECONOMIC DEVELOPMENT (PRIVATIZATION & INVESTMENT)

Copy to:

Hon. Minister of Finance, Planning & Economic Development

Hon. Minister of Works & Transport

Hon. Minister of State for Finance (Planning)

Hon. Minister of State for Finance (Genera Duties)

Hon. Minister of State for Finance (Microfinance)

Hon. Chairman, PAC-COSASE

Permanent Secretary, Ministry of Works & Transport

Deputy Secretary to the Treasury

Ag. Director Budget

Director, Privatization Unit

Managing Director, Uganda Railways Corporation



UGANDA RAILWAYS CORPORATION

B. ILLEGAL LEASES CREATED BY UGANDA LAND COMMISSION AND DISTRICT LAND BOARDS:

S/N	ISSUE	STATUS	COMMENT/ URC TITLE	ACTION TAKEN
1	ILLEGAL LEASES BY ULC	 KAMPALA LRV 4464 Folio 1 Plot 27 Nsambya Dembe Investments Ltd 	FRV 219 Folio 4, (Kampala Railway Station Reserve)	The matter is in court.
•		■ NAMUWONGO - LRV 3836 Folio 4 Plot 2 Namuwongo Road 8th Close ○ Ben Otim and Suzan Joy Amot Otim ○ Ismail Shaban Juma - LRV 3314 Plot 2 Namuwongo 3rd Close ○ Kamulegeya Lawrence and Nakafeero Namuddu Teopista - LRV 3856 Folio 17 Plot 109 A Namuwongo Road ○ Marjorie Kalema - LRV 2755 Folio 1 Plot 3 Namuwongo Road ○ Muramuzi Bartholomew - LRV Folio Plot ○ Deo Maniraguha Ntatamashakiro - LRV 2519 Folio 6 Namuwongo Road ○ Kandolo Muhamad - LRV 3956 Folio 7 Plot 109 A Namuwongo Road	FRV 211 Folio 22 and in private mailo Block 202 Plot 1 Government of Uganda World Bank in the early 2000's under the Namuwongo Upgrading and Low Cost Housing Project parceled and subdivided Railway Reserve land along Portbell Luzira line to implement the above named project. This project was implemented by the Ministry of lands and the now defunct Kampala City Council The land in question was allocated and the	,

			14	
		 Charles Mackyabire 	beneficiaries acquired title	
			through Uganda Land	
			Commission.	
	1		In July 2014, URC in	
			_	
			conjunction with Kampala	
			Capital City Authority (KCCA)	
			issued final notices pursuant	
			to section 72(1) of the Public	
			Health Act Cap 281 to	
			1	
			remove illegal developments	
			in the railway reserve within	
			the jurisdiction of KCCA to	
			owners of illegal, dilapidated	
			structures encroaching the	
			railway reserve in areas of	
			Nakawa, Banda,	
			Namuwongo, Luzira, Portbell,	
			Kibuye, Ndeeba and	
			Nalukolongo.	
				ĺ
		JINJA		
		 Plot 18 Scott Rise 	FRV 462 Folio 14 Plot 8	
		 Nile Humanitarian 	Tobacco road / (20-22	
		Development Agency Ltd	Locomotive road) Jinja.	
2	ILLEGAL LEASES BY	- KAMPALA DISTRICT		
	DISTRICT LAND	LAND BOARD		
	BOARDS			
		LRV 3825 Folio 1 Plots 2		
		and 3 First Luzira Close.		
		Twongyeirwe Robert and		
		another		
L	<u> </u>		<u></u>	

LRV 2963 Folio 3, Plot 28-32 Entebbe Road H&K Investments Limited	FRV 219 Folio 4, (Kampala railway station reserve)	The Corporation filed a suit vide H.C.C.S. NO. 392 OF 2011 - URC - VS H&K INVESTMENTS LIMITED (LAND DIVISION); for fraud and an order for eviction of the Defendant there-from.
■ LRV 4020 Folio 13 (KCCA62 Folio 18) Plot 45-53 Kampala Central Division Block Sports Road. Hackney Estates Ltd of P.O.Box 7158 Kampala.	Luzira-Portbell Railway Station Reserve Land.	The Corporation in a bid to protect its land has erected clearly labelled boundary Markers with the Corporation's Logo on the Corporation's Railway reserve land to safe guard the Corporation's land.
JINJA DISTRICT LAND BOARD		
■ LRV 4460 folio 13 plot 1 – 3	FRV 212 Folio 20, Plot 102-	On 7 th April 2017, the

Pepublic way V.G. Keshwala and Sons Ltd LRV 4427 Folio 1 Plot 6 Tobacco Road, Amore Investments Ltd. LRV JJA 215 Folio 25 Plot 20 Nyanza Road, Jinja Murisho Shafi, Hajji Isabirye Bakama and Kyowerere Sandra (Joint tenants) / Ediluma LRV JJA 4345 Plot 17-19 Scott Rise ,Jinja Engaano Millers Ltd. LRV 4448 Folio 7 Plot 8A Tobacco Road, Jinja - Amore Investments Ltd.	FRV 222 Folio 25 Jinja Old Station reserve FRV 462 Folio 14 Plot 8 Tobacco Road / (20-22 Locomotive Road) Jinja. FRV 1428 Folio 21 Plot 8A ¹ Tobacco Road, Jinja	Corporation paid the requisite statutory duties and made a request to the Registrar of Titles in the Jinja MZO Office to lodge caveats on the above captioned land. URC lodged caveats Administratively, URC has written to the Commissioner Land Registration to have the certificates of title cancelled. Due to the transition in the office of the Commissioner Land Registration, (Change from Madam Sarah Kulata to her successor) our correspondences were never responded to.
c. MBALE DISTRICT LAND BOARD	FRV 239 Folio 25 Mbale and FRV 214 Folio 24 Mbale Railway Station	Administratively, written to the Commissioner Mappings and surveys to have the fraudulently/ erroneously issued deed prints cancelled and the boundaries of the Corporation's property restored.
d. GULU DISTRICT LAND	LRV 727 Folio 19, Plot 19-	Gulu District Land Board

		BOARD LRV 4367 Folio 10 Plot 53 - Olal Andrew Cohen LRV HQT203 Folio 17 Plot55 - Rubangakene Hannington Alworo Prossy LRV 3941 Folio 1 Plot 57 - Lapai Nicholas Odongo LRV HQT 247 Folio 24 Plot 59 - Opoka David	25, Atwal Road Files missing in the Registry	unlawfully parcelled a portion of railway reserve land on Atwal Road measuring 1.08 acres into Plots 53, 55 and 57 and 59 re-named Atwal Road to Ring Road. The Department is following up on these land issues.
3	ILLEGAL LEASES BY KCC, PREDECESSOR OF KCCA	 Lease to Hancooks Multipurpose Ltd on plot 16 Lease to Songdoh firms (u) Ltd on plot 5 Lease to Kiwa Industries / WK properties on plot 7-9 Lease to MG Industries Ltd on plot 11, 13A, & 13B Leases to Road Master cycles (U) Ltd on plot 18, 20, 22, & 24 Lease to Crown Brand Tea (U) Ltd /Ntake Bakery on plot 26 Lease to Bugirinya United Steel Co Ltd Ntake Bakery on plot 28A Lease to United Chemical Products Ltd on plot 30 Lease to Mulowoza & Co. Itd on plot 15 Lease to Produce Marketing Board 	FRV Block 39, Plot 1, land at Nalukolongo	
4	ILLEGAL SETTLEMENTS	a. BYARUHANGA JOHN AND 78 OTHERS V UGANDA RAILWAYS CORPORATION CHIEF MAGISTRATES COURT AT	Plot 1 Block 604, Busiro, Mengo, land at Nabbingo.	Matter in court.

NSANGI .C.S. No. 13/2016, the claimants in filed a suit against the Corporation claiming that they are "bibanja" owners on the said land at Masanda Village which runs from approximately Railway Mileage 63/0 to about Mileage 64/0 which forms part of the Main Railway Line Reserve on Kampala Kasese line. b. THE MOSQUE IN JINJA AT LOCO GANG MEN CAMPS POPULARLY KNOWN AS LANDIE AND RAILWAY RESERVE The Muslim community of loco and Nile Crescent village grabbed land at the level crossing and took advantage of the 2016 Presidential and Parliamentary elections week nights to hurriedly construct a mosque. The mosque is not in possession of a land title. Mr.Kirunda Mubarak, Imam Mwanje Muhammed, Mr Kezaala Muhammed,	FRV 222 Folio 25 Jinja Old Station reserve.	
3. 58 DEVELOPERS IN WALUKUBA DIVISION, JINJA DISTRICT Railway Land in Walukuba division was parcelled up and shared among councillors. Mr Zziwa Julius ,Mbaziira Richard, Kigenyi	FRV 212 Folio 20 Plot 102 – 126 Kyabazinga Way	(Jinja) H.C.C.S NO. 132 OF 2017- Faith Kasoga and 42 others VS. Uganda Railways Corporation & Attorney General Matter in Court.

5	OTHER ILLEGAL TITLES	 Plot 203, Block 342-344 Busiro known as FRV 902 Folio 6 for Sekiwadde Rebecca and Baliruno John of P. O. Box 5841 Kampala. A substantial portion of the said land measuring 12.867 hectares (31.79 acres) was unlawfully parcelled out to create Plot 2013, Block 342-344 Busiro under FRV 902 Folio 6 and a certificate of title issued in the names of Sekiwadde Rebecca and Baliruno John of P. O. Box 5841 Kampala. 	Plot 1 Block 604, Busiro, Mengo, land at Nabbingo	A caveat emptor was placed in the New Vision of 10 th February 2014 to that effect. The Monitor newspaper also run the same caveat emptor The Corporation in a bid to protect its land has erected clearly labelled boundary Markers with the Corporation's Logo in the Corporation's Railway reserve land to safe guard the Corporation's land. The exercise is on-going.
6	UNLAWFUL DEED PLAN MAPPINGS ON	KAMPALALand plotted as plots 1, 1-2, 1-3, 3-	FRV 219 Folio 4, (Kampala	
	CADASTRAL	5, 7,9 Kibuli Road,	Railway Station reserve)	
	SHEETS BY THE	 Land plotted as 1-3, 2 press road 		
	DEPARTMENT OF	 Land plotted as 13-15, 17-19,21, 23, 		
	SURVEYS AND	27, Nsambya road		
	MAPPING, MOLHUD	MBALE DISTRICT		
		 Land Plotted as plots 2A, 2B, 2C, 2D Bugwere Road 	FRV 214 Folio 24 Mbale Railway Station	
		■ Land plotted as plots 1-6 & 8-13	ranway otation	
	,	town yard close		
7	NSAMBYA LAND	a. LAND FORMERLY OWNED BY	Land comprised in three	
		URC AND TRANSFERRED TO	certificates of title namely;	URC has not yet been
		ULC	FRV 440 Folio 17 Plots Plot	compensated by GOU.
		Land measuring 57.93 acres at	_	
		Kibuli and Nsambya was duly	FRV 440 Folio 16 Plot 12A	URC's residue by balance is
		transferred to Uganda Land	Nsambya Road	46.07 acres.

		Commission in 2011 by order of His Excellency the President and Government undertook to compensate URC for the said land.	FRV 440 Folio 18 Plot 2-28 Kibuli Road	
	•	Kampala Flyover and Road Reconstruction and Upgrading Project: Court consolidated all the suits under the Flyover Project.	Approx. 13 acres is affected by the Flyover Project.	The matter is ongoing in court.
8	NALUKOLONGO LOCOMOTIVE RAILWAY WORKSHOP	CLAIMS BY INDIVIDUALS, COMPANIES AND INSTITUTIONS IN POSSESSION OF CERTIFICATES.	URC enjoyed quiet possession of the land undisturbed for over 30 years.	This matter is being handled at Policy level where the Ministry of Works and Transport, Minister for
		 Kibuga Block 16 Plots 1076, 1077 and 1078 (formerly plot 85) situate at Nalukolongo, Kibuga Block 16 Plots 547, 548 and 549 situate at Nalukolongo Kibuga Block 16 Plots 595, 379, 485, 1098 and FRV KCCA 58 Folio 		Finance and Permanent Secretary/Secretary to the Treasury, Attorney General of the Republic of Uganda, Minister of Lands, Housing and Urban Development, Director Privatization Unit to find a long-lasting solution.
		22, 23, 24 and 25 Plots 1147, 1146, 1145 and 1144 respectively situate at Nalukolongo. 4. Kibuga Block 16 Plot 1096 situate at Nalukolongo.		mile a rong recently contain.

5.	Kibuga Block 16 Plots 596 and 412 situate at Nalukolongo.	
6.	FRV KCCA 59 Folio 1, 2, 3 and 4 Plots 1143, 1142, 1141 and 1140	
	respectively situate at Nalukolongo Kibuga	
7.	Kibuga Block 16 Plots 141 and 1137 situate at Nalukolongo, Kibuga	
8.	Kibuga Block 16 Plots 350,351, 79, 384 and 386 situate at Nalukolongo	
9.	Kibuga Block 16 Plot 548 situate at Nalukolongo	
10	. Kibuga Block 16 Plot 1095 and 1097 situate at Nalukolongo	
11	. Kibuga Block 16 Plot 378 situate at Nalukolongo	
12	. Kibuga Block 16 Plot 549 and 540 situate at Nalukolongo	

CHALLENGES ENCOUNTERED BY THE CORPORATION

- 1. Uganda Land Commission and several District Land Boards for instance Kampala, Jinja, Gulu and Mbale have unlawfully parceled up and leased out land belonging to the Corporation despite being availed the Corporations titles in proof of ownership.
- 2. The Land Registration Department under the auspice of the Commissioner land registration in the Ministry of Lands, Housing and Urban Development have despite several requests failed to cause the cancellation of unlawfully and illegally obtained Certificates of title over reserves already registered in the names of the Corporation.

- 3. The Surveys and Mappings Department under the auspice of the Commissioner Mappings and Surveys in the Ministry of Lands, Housing and Urban Development at Entebbe have to date not responded to requests by the Corporation to restore Railway land boundaries changes caused on the registry records through fraudulent transactions.
- 4. Reserve land and fire breaks creations along railway tracks are an industrial best practice of Railway operations intended to avert any catastrophic accidents and incidences like capsizements, chemical and hazardous waste spillages and fire out breaks thus the need to create and maintain them.
- 5. This country wide /massive land grabbing and encroachment.
- 6. Land issues have been highly politicized that the use of the District Leadership to protect the Corporations land and installations is no longer helpful because priority is given to voters.
- 7. The Corporation is battling several land related court cases which are an additional cost to URC. Worse still land cases have an exceptionally high backlog rate. Characteristically, land case hearings and mentions have a long adjournment span between the cases.
- 8. Encroachment greatly reduces the available for future developments, safety and operations.
- 9. The Government of Uganda Committed Billions of shillings to the erection of boundary marker to protect railway property and reserve land but some unscrupulous individuals have already uprooted the said markers in a bid to grab land.