

CHAPTER 325

THE UGANDA COFFEE DEVELOPMENT AUTHORITY ACT.

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CHAPTER 325

THE UGANDA COFFEE DEVELOPMENT AUTHORITY ACT.

Commencement: 15 April, 1994.

An Act to establish a public authority to promote and oversee the coffee industry as a whole by developing research and controlling the quality and improving the marketing of coffee and to provide for other matters connected therewith.

PART I—INTERPRETATION.

1. Interpretation.

In this Act, unless the context otherwise requires—

- (a) “authority” means the Uganda Coffee Development Authority established under section 2;
- (b) “board” means the board of directors established under section 5;
- (c) “chairperson” means the chairperson of the board of directors, the chairperson of the price policy committee established under section 7 or chairperson of the price committee established under section 8, as the case may be;
- (d) “coffee subsector” means a division or part of the agricultural sector policy of the Government;
- (e) “financial year” means in respect of an accounting period a period of twelve months ending on the 30th day of September;
- (f) “Minister” means the Minister responsible for cooperatives and marketing;
- (g) “outturn test” means a test conducted to determine the quality of coffee obtained after processing from a given quantity of unprocessed coffee;
- (h) “price committee” means the committee established under section 8; (i) “price policy committee” means the committee established under section 7.

PART II—ESTABLISHMENT OF THE AUTHORITY AND BOARD OF DIRECTORS.

2. Establishment of the Uganda Coffee Development Authority.

(1) There is established an authority to be known as the Uganda Coffee Development Authority.

(2) The authority shall be a body corporate with perpetual succession and a common seal and shall be capable of suing or being sued in its corporate name and, subject to this Act, may borrow money, acquire and dispose of property and do all other things a body corporate may lawfully do.

(3) The seal of the authority shall be authenticated by the signatures of the chairperson and the managing director.

(4) In the absence of the chairperson, two other members of the board shall sign in the place of the chairperson, and the person performing the functions of the managing director may sign in the absence of the managing director.

(5) Every document purporting to be an instrument issued by the authority and to be sealed with the seal of the authority and authenticated in the manner provided under subsections (3) and (4) shall be received in evidence and be deemed to be such an instrument without further proof unless the contrary is shown.

3. Objectives of the authority.

The objectives of the authority shall be—

- (a) to promote, improve and monitor marketing of coffee with a view to optimising foreign exchange earnings and payments to the farmers;
- (b) to control the quality of coffee in order to ensure that all coffee exported meets the standards stipulated by the contract between the seller and the buyer;
- (c) to monitor the price of coffee in order to ensure that no export contract for the sale of coffee is concluded at a price below the minimum price;
- (d) to develop and promote the coffee and other related industries through research and extension arrangements;
- (e) to promote the marketing of coffee as a final product;

- (f) to promote domestic consumption of coffee.

4. Functions of the authority.

The functions of the authority shall be—

- (a) to issue certificates in respect of the grade and quantity of coffee;
- (b) to register in accordance with guidelines issued by the Minister, from time to time, on the advice of the board, all organisations and bodies applying to market coffee;
- (c) to liaise with the Bank of Uganda in respect of repatriation of foreign exchange obtained from the sale of coffee;
- (d) to set the quality control standards under which coffee is sold;
- (e) to certify all coffee exports;
- (f) to collect, maintain and disseminate statistical data in respect of all aspects of the coffee industry;
- (g) to advise the Government on the mechanism for determining the minimum price for the sale of coffee;
- (h) to monitor world market price changes and adjust the minimum price on a day-to-day basis to reflect the changes;
- (i) to research and make extension arrangements through the Ministry responsible for agriculture or any other organisation established in the country for the purpose;
- (j) to reconcile coffee subsector policies with the macroeconomic policies of the Government;
- (k) to liaise with the International Coffee Organisation and be responsible for the administration of the stamps of the organisation;
- (l) to liaise with other international organisations and promote Uganda's coffee on the world market;
- (m) to be responsible for the overall supervision of the coffee subsector, including related industries, and advise the Government on coffee subsector policies;
- (n) to organise training for technicians, coffee processors and quality controllers.

5. Board of directors of the authority.

(1) There shall be a board of directors of the authority which shall consist of—

- (a) the chairperson of the board;
- (b) a representative of the Ministry responsible for cooperatives and

- marketing;
- (c) a representative of the Ministry responsible for finance and economic planning;
- (d) a representative of the Ministry responsible for agriculture;
- (e) two representatives of coffee farmers;
- (f) two representatives of coffee exporters;
- (g) two representatives of coffee processors; and
- (h) the managing director.

(2) The chairperson of the board shall be appointed by the Minister.

(3) The members of the board referred to subsection (1)(c) to (g), shall be appointed by the Minister upon the recommendation of the Ministry or bodies represented.

(4) A member of the board, other than the managing director, shall hold office for a term of three years and shall not exceed two consecutive terms.

(5) A member of the board shall vacate office—

- (a) by resignation; or
- (b) by removal from office by the Minister— (i) on written recommendation of the body represented by that member; or (ii) for inability to perform the functions of his or her office, arising from infirmity of body or mind or from any other cause.

(6) The members appointed under subsection (1) shall be persons who qualify for appointment by virtue of their experience in commerce, finance, public administration, the profession represented or in matters relating to economic planning and development.

(7) The Schedule to this Act shall apply to meetings of the board, and the Minister may, by statutory instrument, amend the Schedule.

6. Functions of the board.

The functions of the board shall be—

- (a) to formulate and review the policy of the authority;
- (b) to set targets for the annual performance of the authority;

- (c) to appraise and evaluate the performance of the management of the authority;
- (d) to determine the organisational structure and staffing of the authority;
- (e) (f) to appoint and discipline members of staff of the authority; and to perform any other function relating to the above as the Minister may direct.

7. Price policy committee.

- (1) There shall be a price policy committee consisting of—
 - (a) the managing director of the authority, who shall be the chairperson;
 - (b) a representative of the Bank of Uganda;
 - (c) a representative of the Ministry responsible for finance and economic planning;
 - (d) the commissioner for cooperatives, Ministry responsible for cooperatives and marketing;
 - (e) a representative of the coffee exporters;
 - (f) a representative of the Coffee Marketing Board Limited;
 - (g) a representative of the coffee farmers; and
 - (h) a statistician.

(2) The committee may co-opt any other person to sit on the committee.

(3) The price policy committee shall meet at least once in two months to establish or review the pricing formula for fixing the minimum prices of coffee.

8. Price committee.

- (1) There shall be a price committee consisting of—
 - (a) the managing director, who shall be the chairperson;
 - (b) the export manager;
 - (c) the research and development manager;
 - (d) the price statistician; and
 - (e) a representative of the Ministry responsible for cooperatives and marketing.

(2) The price committee shall meet every day to set the minimum

price for coffee using such guidelines as it may, from time to time, prescribe.

9. Duty of Government Ministries, departments, etc. to cooperate with the authority.

Every Ministry, department, other division of the Government, parastatal body or private company shall, to the greatest extent possible consistent with the functions of the authority under this Act, afford the authority all reasonable opportunity for consultation and shall, subject to any law, provide the authority with any information that the authority may require.

PART III—STAFF OF THE AUTHORITY.

10. Managing director.

(1) There shall be a managing director of the authority appointed by the board, on such terms and conditions as the board may determine.

(2) Subject to this Act and the general supervision and control of the board, the managing director shall be responsible for the day-to-day operation of the authority, the management of the funds, property and business of the authority and for the administration, organisation and control of the other officers and staff of the authority.

(3) The managing director shall be a member of the board.

11. Board secretary.

(1) There shall be a secretary to the board who shall be appointed by the board, on such terms and conditions as the board may determine.

(2) The secretary shall, among other duties, be responsible for taking minutes of the proceedings of the board.

12. Other staff.

The board shall appoint other officers and staff on terms that the board may determine.

PART IV—FINANCIAL AND RELATED PROVISIONS.

13. Funds of the authority.

- (1) The funds of the authority shall consist of—
 - (a) money appropriated by Parliament from time to time for enabling the authority to perform its functions;
 - (b) a cess not exceeding 1 percent of the FOB/FOT price levied on exports of coffee;
 - (c) monies received by the authority for services provided under the authority of this Act;
 - (d) monies borrowed by the authority;
 - (e) any other monies received by, or made available to, the authority for the purposes of performing its functions.
- (2) The authority may operate its own bank accounts in both domestic and foreign currencies.

14. Authority to operate on sound financial principles.

The authority shall—

- (a) perform its functions in accordance with sound financial principles and shall ensure as far as possible that its revenue is sufficient to meet expenditure properly chargeable to revenue; and
- (b) determine and charge a fee or commission for the provision of its services.

15. Estimates.

(1) The managing director shall, within not less than three months before the end of each financial year, prepare and submit to the board for its approval estimates of the income and expenditure of the authority for the next ensuing year and may, at any time before the end of a financial year, prepare and submit to the board for approval estimates supplementary to the estimates of a current year.

(2) No expenditure shall be made out of funds of the authority unless that expenditure is part of the expenditure approved by the board under the estimates for the financial year in which the expenditure is to be made or in estimates supplementary to those estimates.

16. Accounts, audit and annual report.

(1) The authority shall keep proper accounts and records of its transactions and affairs and shall ensure that all monies received are properly brought to account, all payments out of its funds are correctly made and properly authorised and that adequate control is maintained over its property and over the incurring of liabilities by the authority.

(2) The annual accounts of the authority shall be audited by the Auditor General.

(3) The authority shall, within six months after the end of each financial year, submit to the Minister an annual report in respect of that year containing—

- (a) financial statements;
- (b) its general performance during the year and any other information relating to that performance;
- (c) a report on the operations of the authority; and
- (d) other information as the board may determine.

(4) The authority shall, within six months after each financial year, submit to the Auditor General—

- (a) the accounts of the authority for that financial year; and
- (b) the annual report referred to in subsection (3).

(5) The Auditor General shall audit the accounts of the authority and, within two months of the receipt of the accounts and annual report, submit his or her opinion to the Minister and the board.

(6) The Minister shall cause copies of each annual report together with a copy of the opinion of the Auditor General to be laid before Parliament within six months of receipt of them.

PART V—MISCELLANEOUS PROVISIONS.

17. Vesting of assets and liabilities.

The Minister may transfer to the authority the ownership or possession of assets belonging to the Government which, by virtue of this Act and in his or her opinion, are necessary for the performance of the functions of the

authority; and the authority shall, in respect of those assets, have all the rights and be subject to all the liabilities attaching to those assets.

18. Regulations.

The Minister may, on the recommendation of the board, make regulations for better carrying into effect the provisions of this Act, and without limiting the generality of the foregoing may make regulations—

- (a) regulating the storing, handling, processing, sale and export of coffee and the grading, packing and marketing of coffee;
- (b) regulating the keeping of records and the furnishing of returns in respect of coffee;
- (c) providing for the entry by an authorised person on any premises or place of business used or occupied by a registered buyer or processor or exporter of coffee for the purposes of examining those premises or place of business;
- (d) prescribing the manner of application and the registration form, certificate or any other form that is required under this Act;
- (e) prohibiting, controlling or regulating the importation of coffee into Uganda;
- (f) providing for the methods of conducting outturn tests;
- (g) providing for the inspection of coffee;
- (h) prescribing the manner in which samples of coffee may be taken;
- (i) providing for the testing of coffee;
- (j) prescribing the manner in which stamps under the International Coffee Organisation may be administered;
- (k) prescribing the manner in which quality and quantity incentive schemes and any other schemes shall be operated.

19. Consequential amendment.

Subject to section 20(2), the functions of the Minister under sections 3, 4 and 8 of the External Trade Act, in respect of coffee, shall be exercised by the authority.

20. Saving of actions.

(1) Notwithstanding the repeal of the Coffee Marketing Act, any statutory instrument, licence, certificate, permit or other document issued under the Coffee Marketing Act and in force immediately before the commencement of this Act shall remain in force until altered, amended or

revoked under this Act or until it expires.

- (2) Any act or thing done by—
 - (a) the Minister;
 - (b) the Coffee Marketing Board or any officer of that board;
 - (c) any other person authorised by the Minister, before the commencement of this Act, in connection with the Coffee Marketing Board or the authority shall be deemed to have been done under this Act and shall continue in force until altered, amended or revoked under this Act.

Schedule.

s. 5(7).

Meetings of the board.

1. Meetings of the board.

(1) The chairperson shall convene the first meeting of the board as soon as is practicable after the appointment of the board, and thereafter the board shall meet for the transaction of business at times and places that may be decided upon by the board; and the board shall meet at least once in every two months.

(2) The chairperson or, in the absence of the chairperson, a member appointed by the board to act as chairperson may at any time call a special meeting of the board, or shall call a special meeting upon a written request by a majority of the members of the board.

(3) The chairperson shall preside at all meetings of the board, and in his or her absence the members present may appoint a member from among themselves to preside at that meeting.

2. Quorum.

The quorum at a meeting of the board shall be seven members.

3. Decisions of the board.

Questions proposed at a meeting of the board shall be decided by a majority

of the votes of the members present; and in the event of an equality of votes, the person presiding shall have a casting vote in addition to his or her deliberative vote.

4. Disclosure.

(1) A member of the board who has any pecuniary interest in a matter being considered or about to be considered by the board shall, as soon as possible after the relevant facts have come to his or her knowledge, disclose the nature of his or her interest to the board.

(2) A disclosure of interest under subparagraph (1) shall be recorded in the minutes of the meeting of the board, and the member making such disclosure shall not, unless the board otherwise determines in respect of that matter—

- (a) be present during any deliberation on the matter by the board;
- (b) take part in the decision making of the board.

(3) For the purpose of the making of a decision by the board under subparagraph (2), the member who has made the disclosure shall not—

- (a) be present during the deliberations of the board for the making of that determination;
- (b) influence any other member or take part in the making of the determination by the board.

5. Minutes of proceedings.

(1) The board shall cause the minutes of all proceedings of its meetings to be recorded and kept, and the minutes of each meeting shall be confirmed by the board at the next meeting and signed by the chairperson of the meeting.

(2) The chairperson of the board shall submit to the minister a copy of the minutes of each meeting of the board as soon as such minutes have been confirmed.

6. Board to regulate proceedings.

Subject to this Schedule, the board may regulate its own proceedings.

History: Statute 4/1991; L.N. 4/1991; Statute 5/1994; S.I. 31/1999.

Cross References

Coffee Marketing Act, Act 40/1969.

External Trade Act, Cap. 88.