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UNRA clarifies on the mineral scam story

I have read the article titled "Minister's Sons Named In Mineral Scam" (the *New Vision*, Wednesday, June 28, Page 5) in which it was reported that money was paid to Welt Machinen Engineering Ltd with the collusion of the Uganda National Roads Authority (UNRA), in relation to the contentious rock that was excavated to construct the Moroto-Nakapiripirit Road.

UNRA wishes to clarify on the facts and set the record straight.

On April 14, 2016 Judgment was delivered by Justice Henerietta Wolayo at Soroti High Court; Welt Machinen Engineering Ltd versus China Road & Bridge Corporation and Nakapiripirit District Local Government, where she found that China Road & Bridge Corporation had not been licensed to mine Kamusalaba Rock.

Her Lordship directed China Road & Bridge Corporation to render an account of the quantity of the aggregate procured from Kamusalaba Rock to the Attorney General and pay Government its monetary value.

She further issued a permanent injunction restraining China Road & Bridge Corporation from mining the rock.

Dissatisfied with the discussion, both Welt Machinen Engineering Ltd and China Road & Bridge Corporation appealed to the Court of Appeal. However, in a sudden turn of events, Welt Machinen sued the Attorney General for unjust enrichment in Kampala High Court Civil Division, Civil Suit No. 278 of 2016 and subsequent application 700 of 2016 and Miscellaneous Application 806 of 2016. A consent judgment was entered by the parties with orders that UNRA pays out of monies owed to China Road & Bridge Corporation as follows;

- Sh10,505,182,390 to Government
- Sh35,768,678,999 to Welt Machinen Engineering Ltd

Neither UNRA nor China Road & Bridge Corporation were parties to the above suit. Consequently, China Road & Bridge Corporation filed Miscellaneous Application No. 876 of 2016 seeking for orders of judicial review of the ruling and



orders. To avoid contempt of court and the escalating interest due to the prolonged dispute between the parties, UNRA filed Miscellaneous Application No. 886 of 2016 seeking for orders to deposit the claimed sums in Court and be discharged from the proceedings.

On December 20, 2016, the Court directed that UNRA deposits a sum of sh9,150,000,000 immediately, and makes a further deposit of sh21,198,784,051 not later than October, 2017 into the Court account.

From this point on, UNRA was accordingly discharged from these proceedings. Indeed the sum of sh9,150,000,000 was immediately paid by UNRA into the Court account as directed. The application for judicial review filed by China Road & Bridge Corporation proceeded against the Attorney General and Welt Machinen. UNRA was not a party to these proceedings.

On March 14, 2017 a ruling was delivered by Her Lordship Justice Henerietta Wolayo in which she put the value of the Rock at sh20,744,711,490.15 and directed the same be paid to Welt Machinen Engineering Ltd and Attorney General out of money deposited in Court as per Court Order dated December 20, 2017.

This order was not directing UNRA to deposit the money, but presumed that the same had already been deposited as per the earlier order.

On June 6, 2017, an earlier interim order staying execution was extended by court maintaining the status quo until the parties hold a discussion and report to court.

Neither this order nor the earlier one was ever served on UNRA since it only affected the parties to that application.

This order did not stop UNRA from depositing the earlier ordered sums in court, but rather stopped the parties from taking benefit of the money deposited in court.

Therefore, to avoid UNRA being in contempt of the court order, the escalation of interest on the outstanding payment and the risk of the funds being returned to the Consolidated Fund at the close of the financial year, UNRA paid the balance of sh11,244,711,490 to the Court account in compliance with the court order.

It is not the responsibility of UNRA to pay this money to either of the parties, but to Court. Therefore, it is the court's responsibility to maintain the status quo by not paying out this money to those parties.

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