



**CERTIFICATE**  
**OF**  
**FINANCIAL IMPLICATIONS**

(Made under S.76 of the Public Finance Management Act, 2015)

THIS IS TO CERTIFY that **The Tier 4 Microfinance Institutions and Money Lenders (Amendment) Bill, 2024** has been examined as required under section 76 of the Public Finance Management Act, 2015 (as amended).

I wish to report as follows:

**1) Objectives of the Bill.**

The main object of the Bill is to give effect to the Government Policy for Rationalization of Government Agencies and Public Expenditure (RAPEX) which was adopted by the Cabinet on 22<sup>nd</sup> February, 2021.

Specific objectives of the Bill are:

- i. To merge, mainstream and rationalize agencies, authorities and public expenditure thereby, *inter alia*, relieving the Government of the financial drain on its resources and the burden of wasteful administration and expenditure;
- ii. To facilitate of efficient and effective service delivery by clearly delineating the mandates and functions of government agencies and departments and thereby avoiding duplication of mandates and functions;
- iii. To promote coordinated administrative arrangements, policies and procedures for efficient and successful management, financial accounting and budgetary discipline of government agencies and departments, enable Government to play its proper role more effectively and enforce accountability; and
- iv. To eliminate bloated structures and functional ambiguities in Government agencies and departments by restructuring and re-organization of agencies and departments of Government.

**Mission**

*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.*

## 2) Expected Outputs

The Bill will amend the Tier 4 Microfinance Institutions and Money Lenders Act, 2016 to mainstream functions of the Uganda Microfinance Regulatory Authority established under the Act into the Ministry responsible for finance to eliminate duplication of roles and ambiguity of functions.

## 3) Funding and Budgetary Implications

The direct costs of the Bill will be **Shs 1.896bn** for **25** staff under Uganda Micro Finance Regulatory Authority to cater for retrenchment costs and severance package for staff that will not be absorbed in the rationalized structure. The costs will be accommodated within the Medium-Term Expenditure Framework ceiling for the Ministry of Public Service. The costs are broken down as shown in Table 1 below.

**Table 1: costs**

		FY 2024/25	FY 2025/26
Category			
Costs	Number of staff (to be laid off)	25	-
	Costs (terminal benefits)- billions	1.896	-

## 4) Expected savings and/or Revenue to Government.

The Bill is envisaged to result in savings of **Shs 6.70** to Government through reduction in administrative and personnel related costs following its implementation. The breakdown of savings is as shown in Table 2 below.

**Table 2: Savings**

		FY 2024/25	FY 2025/26
Category		Shs (Bn)	Shs (Bn)
Savings	Wage	2.17	2.17
	Non-Wage Recurrent	4.53	4.53
	Development	-	-
	<b>Net savings</b>	<b>6.70</b>	<b>6.70</b>

The overall expected savings under Uganda Microfinance Regulatory Authority is **Shs 6.70bn**.

## 5) Impact to the Economy

The Bill is expected to have a positive impact on the economy by improving efficiency and effectiveness of Government administration through reduction in duplication of roles and interventions. The bill will also promote consolidated planning for enhancing financial inclusion, financial stability, and financial consumer protection. Additionally, the

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expected savings from rationalization will be directed to more productive sectors of the economy.

Submitted under my hand this <sup>4<sup>th</sup></sup> day of April, 2024.

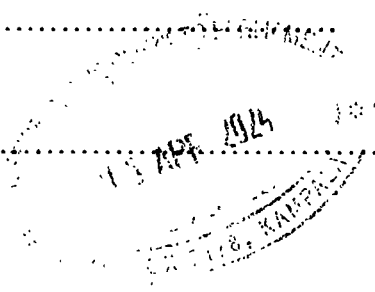


Matha Kasaija (MP)

**MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT**

Received by: .....

Date: .....



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