



**CERTIFICATE  
OF  
FINANCIAL IMPLICATIONS**

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

**THIS IS TO CERTIFY** that THE HIGHER EDUCATION STUDENTS FINANCING (Amendment) Bill, 2024 has been examined and I wish to report as follows:

**a) That the Bill has the following objectives:**

The intention of the Bill, therefore, is to amend or repeal several Acts of Parliament to:

- i) enable the mainstreaming and rationalisation of the functions of the Higher Education Students Financing Board thereby, inter alia, relieving the Government of the financial drain on its resources and the burden of wasteful administration and expenditure;
- ii) facilitate efficient and effective service delivery by clearly delineating the mandates and functions of the Ministry in respect to students financing, thereby avoiding duplication of mandates and functions;
- iii) promote coordinated administrative arrangements, policies and procedures for: ensuring the efficient and successful management, financial accounting and budgetary discipline of government agencies and departments; enabling the Government to play its proper role more effectively; and enforcing accountability; and

- iv) the restructuring and re-organisation of agencies and departments of Government by eliminating bloated structures and functional ambiguities in Government agencies and departments

**b) That it is expected to achieve the following major outputs:**

- i) The Higher Education Students Financing Act, 2014 (Act 2 of 2014) amended and the Higher Education Students Financing Board abolished and the functions of the Higher Education Students Financing Board transferred and mainstreamed in the Ministry responsible for education which shall, on the commencement of this Act, be responsible for administering the Act;

**c) Funding and budgetary implications**

The costs of the Bill of **Ushs. 1.28 Billion** will be accommodated within the Medium-Term Expenditure Framework ceiling for Ministry of Public Service.

**Table 1; Sources of Revenue and Expenditure for the Higher Student Education Financing Board for FY 2023/24**

<b>ITEM</b>	<b>TOTAL COST (Ushs. Bn)</b>
<b>REVENUE</b>	
Consolidated fund/MTEF	27.521
Loan Recoveries and Interest	1.5
Loan protection fees	0.136
Redemption of Fixed Deposit	1.703
Interest on Fixed Deposit	0.14
Sale of Bids	0.005
Fees and charges	0.002
<b>Total Revenues</b>	<b>31.007</b>
<b>EXPENDITURE</b>	
Loans to students -Degree (3,120 Students)	14.598
Loan to students -Diploma (238 Students)	0.833
Wages and Social security	2.479
Non-wage including rent, recovery activities, office running etc.	5.493
Loans and Scholarships to New students (1,500)	7.604
<b>Total Expenditure</b>	<b>31.007</b>

**Table 2; Financial Implications for the Bill over the medium term for the Higher Student Education Financing Board**

Category	FY 2024/25	FY 2025/2026
<b>Savings in Shs. Bn</b>	<b>Shs (Billion)</b>	<b>Shs (Billion)</b>
Wage	1.162	1.162
Non-Wage Recurrent	0.470	0.470
<b>Total</b>	<b>1.632</b>	<b>1.632</b>
<b>Costs</b>		
No. of staff affected -21		
o/w Terminal benefits	<b>1.280</b>	
Net Savings	<b>0.352</b>	<b>1.632</b>

**d) Expected savings and/or Revenue to Government:**

The Bill is envisaged to result in savings to Government through a reduced wage bill and personnel related costs arising from the restructuring of the Higher Education Students Financing Board.

**Table 3; Savings over the medium term for the Higher Student Education Financing Board**

Category	FY 2024/25	FY 2025/2026
<b>Savings in Shs. Bn</b>	<b>Shs (Billion)</b>	<b>Shs (Billion)</b>
Wage	1.162	1.162
Non-Wage Recurrent	0.470	0.470
<b>Total</b>	<b>1.632</b>	<b>1.632</b>

**e) Impact on the Economy**

The Bill is expected to centralize control to ensure greater consistency in policy decisions and program implementation which will lead to standardized procedures and regulations for the student loan scheme. The centralized management at the Ministry of Education and Sports will streamline processes, reduce duplication of efforts and increase efficiency in the administration.

Submitted under my hand this <sup>5</sup>27<sup>th</sup> day of March, 2024.

*AK*  
Matia Kasaija (MP)

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

Received by .....

Date .....

