CERTIFICATE

OF
FINANCIAL IMPLICATIONS

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

THIS IS TO CERTIFY that **The National Agricultural Advisory Services (Amendment) Bill, 2024** has been examined as required under Section 76 of the Public Finance Management Act, 2015.

I wish to report as follows:

a) That the Bill has the following objectives:

i. To enable the merging, mainstreaming and rationalization of the National Agricultural Advisory Services *inter alia,* relieving the Government of the financial drain on its resources and the burden of wasteful administration and expenditure;

ii. To facilitate efficient and effective service delivery by clearly delineating the mandates and functions of government agencies and departments, thereby avoiding duplication of mandates and functions;

iii. To 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. To restructure and re-organize 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;

The National Agricultural Advisory Services Organisation (NAADS) abolished and the functions of the National Agricultural Advisory Services Organisation transferred to the Ministry responsible for agriculture.

c) Funding and Budgetary implications

There is no Non-Tax Revenue generated by the Agency.

The estimated total cost of the bill is **Shs 5.23 Billion** in form of terminal benefits which will be financed by Government within the Medium Term Expenditure Framework for the Ministry of Public service as indicated in the table I below:

Table 1: Cost Implications

Costs	**FY 2024/25** Shs (Billion)	**FY 2025/2026** Shs (Billion)
Number of Staff (laid off)-80		
Costs (Terminal benefits)	5.23	0

d) Savings

The Bill is envisaged to result in savings to Government amounting to **Shs 98.19** billion in the FY 2024/25.

Table 2: Total savings

Category	**FY 2024/25 Shs (Billion)**	**FY 2025/2026 Shs (Billion)**
Wage	2.18	2.18
Non-Wage Recurrent	2.09	2.09
GoU Development	99.15	99.15
Total savings	**103.42**	**103.42**
Costs		
o/w Terminal benefits	**5.23**	**0**
Net Savings	**98.19**	**103.42**

e) Impact on the Economy

The Bill will impact the economy as follows:

i) Fiscal Discipline: Rationalization will help promote fiscal discipline by aligning Government spending at Programme level with strategic priorities and reducing the potential for wasteful expenditure. This can contribute to long-term fiscal sustainability and macroeconomic stability of the sector.

ii) Enhanced Service Delivery: By eliminating resources at national regulatory bodies and redirecting and streamlining the resources at Local Government to support interventions such as agriculture extension services. This will lead to improved farm outputs, leading to improved household incomes, and livelihoods.

iii) Improved Coordination and reduced transaction costs at programme level: By merging these agencies, there will be improved coordination and synergy in the development and promotion of the agricultural sector. This could lead to better planning, research, extension services, and market development efforts.

iv) Increased Accountability and Transparency: A leaner and more centralized Government structure will enhance accountability and transparency by clarifying lines of responsibility and improving oversight mechanisms. This can help prevent corruption, inefficiency in the agriculture sector, and mismanagement of public resources, fostering investor confidence and economic stability.

Submitted this 27th Day of March, 2024 under my hand

Matia Kasaija (MP)
MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

Received by: ....

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03 APR 2024
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Date: ....