



**CERTIFICATE
OF
FINANCIAL IMPLICATIONS**

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

This is to certify that **THE NON-GOVERNMENTAL ORGANISATIONS (AMENDMENT) BILL, 2024** has been examined for financial implications 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 22nd February, 2021.

The specific objectives of the Bill are:

- i. To merge, mainstream and rationalize the functions of the National Bureau of the Non-Governmental Organizations 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 the National Bureau of the Non-Governmental Organizations 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 the National Bureau of the Non-Governmental Organizations, enable Government to play its proper role more effectively and enforce accountability; and

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

- iv. To eliminate bloated structures and functional ambiguities in Government agencies and departments by restructuring and re-organization of the National Bureau of the Non-Governmental Organizations.

2) Expected Outputs

The Non-Governmental Organizations Act, 2016 (Act 5 of 2016) will be amended to mainstream the functions of the National Bureau of Non-Governmental Organizations established under the Act into the Ministry responsible for Internal Affairs.

3) Funding and Budgetary Implications

The financial implications arising from mainstreaming the functions of the National Bureau of Non-Governmental Organizations established under the Act as a department in the Ministry responsible for Internal Affairs is estimated at **Shs.2.738Bn** to cater for retrenchment costs and severance package (terminal benefits) of 26 staff who will not be absorbed in the rationalized structure.

The actual costs for running the newly established National Bureau of Non-Governmental Organizations as a department in the Ministry responsible for Internal Affairs will be ascertained after approval of the structure by the Ministry of Public Service. The costs will have to be provided by Government from the realized savings and included in the Medium-Term Expenditure Framework of the Ministry of Internal Affairs.

4) Expected Savings and/or Revenue to Government

The Bill is envisaged to result in savings to Government of **Shs.4.4Bn** per annum through reduction in administrative and personnel related costs arising from mainstreaming the functions of the National Bureau of Non-Governmental Organizations established under the Act as a department in the Ministry responsible for Internal Affairs. The savings are broken down as summarized below:

- i. Wages (**Shs. 1.377Bn**).
- ii. Board Expenses (**Shs. 0.156Bn**)
- iii. Gratuity (**Shs. 0.43Bn**)
- iv. Rent (**Shs. 1.08Bn**).
- v. Non-Wage Recurrent (**Shs. 1.357Bn**).

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

In addition, increased efficiency of the National Bureau of the Non-Governmental Organizations is expected to enhance Non-Tax Revenue collections from the services rendered, currently estimated at **Shs.2Bn** for registration of NGOs under NGO Bureau.

5) Impact on the Economy

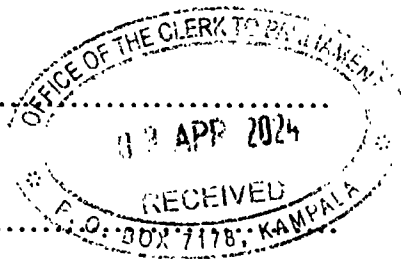
The Bill is expected to improve efficiency through reduction of administrative costs of public service delivery in the long-run by eliminating duplication of services and will increase Government effectiveness in revenue generation by the National Bureau of Non-Governmental Organisations. The expected savings and revenues will be redirected to more productive services and sectors of the economy, hence improved service delivery and economic growth.

Submitted under my hand this ^{27th} day of March, 2024.


Math Kasajja (MP)
MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

Received by:

Date:



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