



THE REPUBLIC OF UGANDA

CERTIFICATE OF FINANCIAL IMPLICATIONS

(Made under Section 76 of the PUBLIC FINANCE MANAGEMENT ACT PFMA 2015)

THIS IS TO CERTIFY that the DRAFT CABINET MEMO ON THE INLAND WATER TRANSPORT BILL 2019 has been examined as required under S.76(3) of the PFMA 2015 as amended and I wish to report as follows:

a) Objectives of the Bill

- i) To harmonize and modernize legislation governing the Inland Water Transport sub-sector;
- ii) Creation of a Maritime Administration to regulate the water transport sub-sector.
- iii) Establishment of a Maritime Institute to professionalize those employed in the water transport subsector.
- iv) Carrying out of flag and port State duties which include surveys, inspections and registrations and licensing of vessels to be able to improve their safety and.
- v) Advising government on ratification/ accession to international Maritime Conventions and their implementation process.

b) Expected outputs

- i) Maritime Administrative Unit and Training Facility established.
- ii) Professional development for regulators and operators increased.
- iii) Improved safety and security of property and lives on Inland Water Bodies.
- iv) Marine pollution mitigated/ reduced.

C) Impact on the economy.

Arising from weaknesses in the current legal and regulatory framework for transport on Uganda's water bodies, there have been rampant accidents and colossal losses of property and lives. Whereas the associated economic loss has not been computed, it is estimated to be in the excess of 5% of GDP over the past 10 years alone.

The most notable losses include a collision between M/V Kabaalega and M/V Kaawa in 2005 which resulted in the sinking of the former with and loss of over 800 tonnes of cargo, stripping of the insurance cover on all the vessels and suspension of maritime

operations: loss of over 200 lives reported over the period, most notably the capsizing of the boat which was on a party cruise on Lake Victoria and sinking of a barge in Lake Albert and several motorised canoes on Lake Victoria.

The above losses are attributed to poor mechanical conditions of the vessels, non-adherence to safety protocols like wearing life jackets by passengers, overloading and lack of navigation aids. The resultant effect has been a slower than anticipated growth in maritime investments.

Therefore, enactment of the proposed law will improve the regulation of maritime activity and provide an appropriate mechanism to mitigate economic losses incurred on inland water bodies.

D) Financial Implications

i). Funding and budgetary implications

The enactment into law of the proposed of the proposed Bill will entail additional costs over the medium term as demonstrated the in the table below:

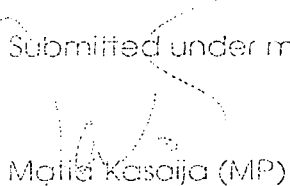
Year	2019/20	2020/21	2021/22
Expected Revenue (Ushs Bn)	3.717	3.697	3.302
Expected Expenditure (Ushs Bn)	3.557	3.325	3.33
Surplus (Ushs Bn)	0.05	0.372	0.472

However, the above costs will be funded from the additional Non Tax Revenue collections arising out of charges, certification, licensing and fees to be charged under the proposed law. Therefore, the bill will not impose additional financial implications on the overall resource envelope (Medium Term Expenditure Framework).

ii) Benefits (Savings and Revenues)

As indicated in the table above, it is expected that additional surplus revenues of Ushs. 894 million will accrue to Government from the operations of the proposed Law over the medium term.

Submitted under my hand on this 6th day of June, 2019


Maite Kasaija (MP)

MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

Received by

Date.....

SECRET

CABINET

Action Extract from Minute No. 204 (CT 2020) of the
meeting of the Cabinet held at ^{Entebbe} ~~Kampala~~ on 18/05/2020
for action / information by PS/W&T

MINUTE 204 (CT 2020)

THE INLAND WATER TRANSPORT
BILL, 2020

3. Cabinet:

- (1) Approved the Inland Water Transport Bill, 2020.
- (2) Authorized the Minister of Works and Transport to have the Bill published in the Gazette and tabled before Parliament for debate and enactment.