



THE REPUBLIC OF UGANDA

**CERTIFICATE
OF
FINANCIAL IMPLICATIONS**

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

THIS IS TO CERTIFY that **The Uganda National Roads Act (Repeal) Bill, 2024** has been examined and I wish to report as follows:

a) That the Bill has the following objectives:

- i. To enable the mainstreaming and rationalization of the functions of Uganda National Roads Authority into the Ministry responsible for roads agencies thereby, *inter alia*, relieving the Government of the financial drain on its resources and the burden of wasteful administration and expenditure;
- ii. 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;
- iii. To facilitate efficient and effective service delivery by clearly delineating the mandates and functions of the Ministry responsible for roads and other government agencies and departments, thereby avoiding duplication of mandates and functions in the management of roads.

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

The Bill will achieve the following outputs:

- i. The Uganda National Roads Authority Act, 2006 (Act 15 of 2006) repealed and the functions of Uganda National Roads Authority established under the Act mainstreamed into the Ministry responsible for roads; and

c) Funding and budgetary implications

The direct cost arising from the terminal benefits paid to staff who will be absorbed under Ministry of Works and Transport is estimated at **UGX 11.562bn** (*based on computations from the Compensations department under Ministry of Public Service*). More so, the budgetary and financial implications for rationalization of Uganda National Roads Authority are demonstrated in Table 1 below

Table 1: Financial Implications for rationalization of Uganda National Roads Authority over the Medium Term for (UGX 'Bn)

Category	FY 2024/25	FY 2025/26
Savings	103.634	103.634
<i>o/w Wage</i>	<i>75.712</i>	<i>75.712</i>
<i>o/w board expenses</i>	<i>0.406</i>	<i>0.406</i>
<i>o/w NWR</i>	<i>23.335</i>	<i>23.335</i>
<i>o/w Development</i>	<i>4.182</i>	<i>4.182</i>
Costs	11.562	0
No. of Staff affected	1,577	
<i>o/w Terminal Benefits</i>	<i>11.562</i>	
Net savings	92.072	103.634

Given the significant net savings, this will free up fiscal space to fund other Government priorities and reduce the burden on the overall resource envelope. It is also anticipated that the costs of the Bill will be accommodated within the existing Medium-Term Expenditure Framework ceiling.

d) Expected savings and/or Revenue to Government:

The Bill is envisaged to result in savings of **UGX 92.072 billion** in FY2024/25 to Government through rationalizing of the wage bill and personnel related costs arising from the restructuring of the Agency.

e) Impact on the Economy

In the short run, there will be unemployment for some of the common cadre staff and potential loss of specialized skillset in some instances.

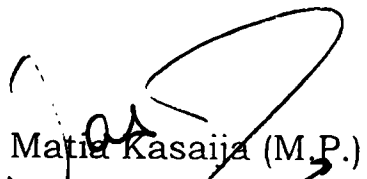
There may also be disruptions in the financial sector including the delayed repayment of salary loans acquired from lending institutions by the staff, which may affect investment by individual staff. In addition, there may also be drawings from the National Social Security Fund as eligible staff are absorbed within the mainstream Public Service.

Nonetheless in the medium to long term there will be significant benefits, such as streamlined governance, cost savings, enhanced accountability, and better integration in the overall transport planning.

In addition, given that the staff under the agency have been earning relatively higher salaries, those eligible to access their NSSF savings may re-invest into the growth sectors including agro processing, manufacturing, tourism and ICT which have a higher rate of return and therefore will accelerate employment, better livelihoods and economic growth.

Therefore, the Bill will result in redistribution of income in the economy in light of the anticipated investment in other sectors and the review of the mainstream Public Service remuneration. This will lead to improved Gini coefficient ratio of the economy.

Submitted under my hand this ~~21st~~^{27th} day of March, 2024.



Matia Kasaija (M.P.)

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

Received by

Date