

**PARLIAMENT OF UGANDA**

**REPORT OF THE COMMITTEE ON EDUCATION AND SPORTS ON THE  
HIGHER EDUCATION STUDENTS FINANCING (AMENDMENT) BILL,  
2024**

**OFFICE OF THE CLERK TO PARLIAMENT  
PARLIAMENT BUILDING  
KAMPALA-UGANDA**

**APRIL 2024**

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## 1.0 INTRODUCTION

Rt. Hon Speaker and Hon. Members,

The Higher Education Students Financing (Amendment) Bill, 2024 was read for the first time on Thursday 4<sup>th</sup> April, 2024 and in accordance with Rule 129(1) of the Rules of Procedure of the Parliament of Uganda, was referred to the Sectoral Committee on Education and Sports for scrutiny.

The Committee scrutinized the Bill in accordance with Rule 129(2) of the Rules of Procedure and hereby reports to this house in accordance with Rule 130(2) of the same Rules.

## 2.0 POLICY AND PRINCIPLES OF THE BILL

The policy behind 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 22<sup>nd</sup> February 2021.

## 3.0 DEFECTS IN EXISTING LAW

The Bill states the defects in the existing law as follows:

The Constitution establishes a definite number of Government agencies, including constitutional commissions, authorities, boards, local councils and other statutory bodies. These were established to perform certain specified constitutional functions. Over the years, however, there has been a proliferation of agencies established by Acts of Parliament, Executive Orders and administrative arrangements. Whereas most of the agencies are necessary due to the critical nature of the functions they perform, Government has established that a certain limited number of agencies were established without due consideration to the aspects of institutional harmony, functional duplications, overlaps and affordability. Government has also established that some agencies have served the purpose for which they were established. The mandate of a few other agencies has been overtaken by events. Such agencies need to be rationalized.

More importantly, the proliferation of agencies has created mandate overlaps and jurisdictional ambiguities among the agencies. Additionally, the high cost of administering the agencies has drained the national treasury at the expense of effective service delivery. This has overstretched the capacity of Government to sustain them. Government has also established that the generous salary structures of the agencies has created salary disparities between employees of the agencies and public officers in the traditional civil service leading to demotivation of human resources in the mainstream public service.

#### 4.0 OBJECT OF THE BILL

The main objective of this Act is to give effect to the Government Policy for Rationalization of Government Agencies and Public Expenditure adopted by the cabinet on 22<sup>nd</sup> February, 2021 and contained in Cabinet Minute No. 43 (CT 2021).

#### 5.0 METHODOLOGY

During the process of considering the Bill, the committee:

a) met and held discussions with the following stakeholders:

- (i) The Ministry of Education and Sports;
- (ii) The Higher Education Students Financing Board.

b) reviewed the following documents:

- i. The Constitution of the Republic of Uganda, 1995 (as amended);
- ii. The Higher Education Students Financing Act, 2014;
- iii. Written memoranda from Higher Education Students Financing Board.

#### 6.0 BACKGROUND TO HIGHER EDUCATION STUDENTS FINANCING BOARD

The Higher Education Students Financing Board is a scheme meant for Ugandan students seeking financial assistance to pursue a program of higher education in an accredited higher education institute by National Council for Higher Education. The loan scheme covers tuition fees,

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functional fees, research expenses, aids and appliances for Persons with Disabilities. The loan beneficiary covers the component of accommodation and other requirements.

Higher Education Students Financing Board currently supports programs under Science, Technology, Engineering and Mathematics (STEM) in line with the NDP III requirement that has placed emphasis on supporting science programs that are critical to national development. Persons With Disabilities are eligible to pursue either science or humanities programs. Two years back, the board started awarding loans to students pursuing humanities starting with learners who are pursuing programs in hospitality, leisure and tourism programs.

In the written memoranda received from the Higher Education Students Financing Board, it was stated that currently, out of about 130,000 to 140,000 candidates that qualify for higher education annually;

- a) Government sponsors 10,000 out of the above number under the Government Sponsorship schemes, totaling to only 7% of the eligible candidates;
- b) the rest of the 93% are meant to be privately sponsored and only a fraction make it to higher education institutions;
- c) Government spends UGX. 120 billion on the 10,000 Government sponsored students with an average Government sponsored student at a university budgeted at UGX. 18 million per annum as a one off payment;
- d) the students' loan scheme employs a cost sharing model where Government spends an average UGX. 4.5 million per student on beneficiary's academic costs as students cater for their welfare costs;
- e) with a budget of approximately UGX. 4.5 billion for the new cohort, the students' loan scheme pays for at least 1,000 beneficiaries. With UGX. 45 billion, the scheme could cater for 10,000 students. With the current budget of UGX. 120 billion, the scheme could support up

Alamo

Frank

to 40,000 students, which would translate to 30% of eligible candidates to higher education.

## 7.0 OBSERVATIONS OF THE COMMITTEE

- a) With reference to the submissions from the Higher Education Students Financing Board, the Committee observed that mainstreaming the Board under the Ministry would not cure the existing structural and operational issues associated with delivery of services. Instead, the mainstreaming of the Board will lead to delayed decision making, disbursing of loans and loan recovery.
- b) The Committee observed that management of the students' loan scheme requires managing a revolving fund channeled back to borrowers to make the scheme sustainable. The Board envisages that it will be self-sustaining as long as it is effectively managed and supported by the Government.
- c) The Committee further observed that the Bill states some of the defects in the existing law that the Bill intends to cure including; establishment of a certain number of agencies, institutional harmony, functional duplications, overlaps and affordability. However, the Committee observed that none of these defects applies to the Higher Education Students Financing Act, 2014.
- d) The Committee notes that world over, most student financing models, have established a specialized institution for the management of student loans given the unique nature of managing such schemes. In Africa, there are over 13 countries that are managing students' loans schemes under semi-autonomous bodies having moved away from management of such schemes under the parent ministries including; Tanzania, Kenya, Rwanda, Ghana, Burkina Faso, Ethiopia, Malawi, Zambia, Lesotho, Namibia, Swaziland, Botswana and South Africa.

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e) The Committee observed that the Certificate of Financial Implication, envisages a savings of UGX 0.352 bn in FY 2024/25 and UGX 1.632 bn in medium term against UGX 1.636 bn that will be earned from income for loan recoveries and interest and protection fees expected to grow in the medium term. However, the Certificate of Financial Implication is silent on the arrears amounting to UGX 14.6 bn, which has not been released by the Ministry of Finance, Planning and Economic Development as passed in Supplementary Schedule No.1 FY 2023/24.

**The Committee recommends that-**

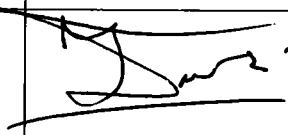

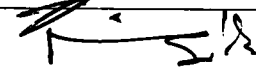
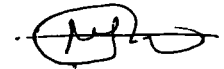
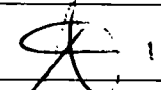

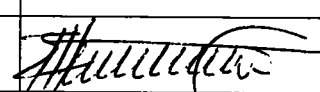
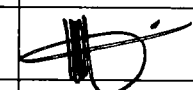
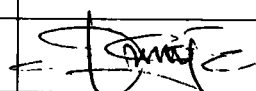
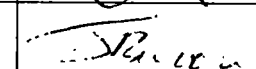
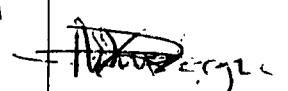
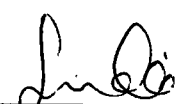
- (i) Higher Education Students Financing Board be maintained as a semi-autonomous body, with a view of granting it vote status in the medium term for it to effectively discharge its mandate.
- (ii) Ministry of Finance Planning and Economic Development fully funds Higher Education Students Financing Board in order for it to become self-sustaining and support more students to access higher education.


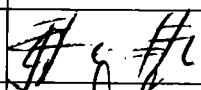
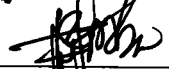
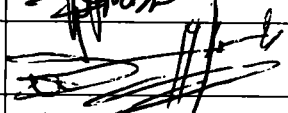



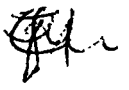
## 8.0 CONCLUSION

The Committee on Education and Sports recommends that Higher Education Students Financing Board be maintained as a semi-autonomous body and the Bill is not passed.

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**REPORT OF THE COMMITTEE ON EDUCATION AND SPORTS ON THE UGANDA  
NATIONAL COMMISSION FOR UNESCO (AMENDMENT) BILL, 2024.**

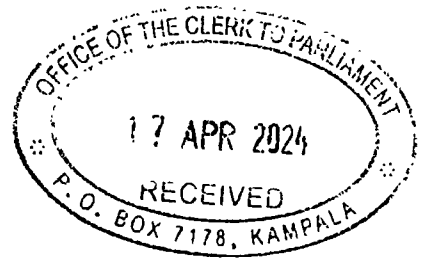
No	NAME	CONSTITUENCY	PARTY	SIGNATURE
1.	Hon. Twesigye John Nfamuhira Chairperson	BUNYARUGURU COUNTY	NRM	
2.	Hon. Kubeketerya James D/Chairperson	BUNYA COUNTY EAST	NRM	
3.	Hon. Asimwe Musiime Molly	RWAMPARA COUNTY	NRM	
4.	Hon. Nyakato Dorothy	DWR KITAGWENDA	NRM	
5.	Hon. Acibu Agnes	NEBBI DISTRICT	NRM	
6.	Hon. Ndeezi Alex	PWD	NRM	
7.	Hon. Lokwang Philliphs Illukol	NAPORE WEST COUNTY	NRM	
8.	Hon. Mutumba Abdul	KIBOGA WEST COUNTY	NRM	
9.	Hon. Etuka Isaac Joakino	UPPER MADI	NRM	
10.	Hon. Paparu Lillian Obiale	DWR ARUA	NRM	
11.	Hon. Katusiime Annet Mugisha	DWR BUSHENYI	NRM	
12.	Hon. Tibasiimwa Joram Ruranga	OPS WESTERN	NRM	
13.	Hon. Bingi Patrick Nyanzi	BUTEMBA COUNTY	NRM	
14.	Hon. Acon Julius Bua	OTUKE EAST COUNTY	NRM	
15.	Hon. Timuzigu Kamugisha Micheal	KAJARA	NRM	
16.	Hon. Linda Irene	FORTPORTAL CITY	NRM	

17.	Hon. Ismail Muhammad Lomwar	KOTIDO MUNICIPALITY	NRM	
18.	Hon. Edson Rugamayo	WESTERN YOUTH	NRM	
19.	Hon. Ongiertho Emmanuel Jor	JONAM COUNTY	FDC	
20.	Hon. Oguzu Lee Denis	MARACHA COUNTY	FDC	
21.	Hon. Nabukenya Brenda	DWR LUWERO	NUP	
22.	Hon. Ssewungu Joseph	KALUNGU WEST	NUP	
23.	Hon. Nsamba Patrick Oshabe	KASSANDA NORTH	NUP	
24.	Hon. Kakembo Michael	ENTEBBE MUNICIPALITY	NUP	
25.	Hon. Kayemba Geoffrey Solo	BUKOMANSIMBI	NUP	
26.	Hon. Aguti Sarah	WR DOKOLO	UPC	
27.	Hon. Rev. Fr. Charles Onen	GULU EAST	INDEP	
28.	Hon. Macho Geoffrey	BUSIA MUNICIPLAITY	INDEP	
29.	Hon. Aogon Silas	KUMI MUNICIPALITY	INDEP	
30.	Hon. Akugizibwe Aled Ronald	BURULI COUNTY	INDEP	
31.	Hon. Lt. Col. Dr. Jennifer Alanyo	UPDF REPRESENTATIVE	UPDF	
32.	Hon. Juliet Kyinyamatama	DWR RAKAI	INDEP	
33.	Hon. Makhoda Margaret	DWR NAMAYINGO	INDEP	
34.	Hon. Nakayenze Connie Galiwango	WR MBALE CITY	INDEP	
35.	Hon. Itungo Nathan Twesigye	KASHARI SOUTH COUNTY	INDEP	





PARLIAMENT OF UGANDA



**MINORITY REPORT ON THE HIGHER EDUCATION  
STUDENTS' FINANCING (AMENDMENT), BILL 2024**

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**APRIL 2024**

Proposal of Rationalization of the Higher Education Students' Financing Board  
(AMENDMENT), BILL 2024

**Background**

The minority report is prepared by a Member of the Committee on Education and Sports pursuant to rule 205 of Rules of Procedure of Parliament of Uganda which accords a member dissatisfied with report of the majority the right to be heard through a minority report that brings out dissenting opinion. This is a minority report to that of majority of Committee on Education and Sports.

This minority report emanates from departure of minority from recommendations of the majority. The grounds of dissent are below;

- a) Maintaining the Board is costly and wasteful- disagree because maintaining those people is expensive and the cost of maintaining that Body is high. The expenditures are wasteful, thus spending on rent, allowances of Board members, PAYE and NSSF and from this we are saving 1.2bn. which money could sponsor students
- b) There is no equity in the current system administered by the centralized board. It largely favors students from well to do families, urban areas and is not gender responsive. So continuing it will promote inequality in education and imbalance in development contrary to National Objectives and Directive Principles of State Policy (XII), Article 21 and 32 of the Constitution.
- c) The current selection process operated disenfranchises the number of constituencies where electricity connectivity and technical know who, the technical knowledge and infrastructure needed for application process is missing or non-existing. The advanced system (The way it is run) does not favor the people from the Villages, the application processes are complicated and people in the villages find difficulty.

The Minority recommendations;

- 1) That the Board be rationalized hence proposed by Government in the Bill
- 2) The resources under the management and for operations of the board be redirected to top resources under the district quarter system
- 3) The district Local Government should charge the responsibility of identifying and selecting suitable candidates or beneficiaries based on set criteria and local development priorities
- 4) The selection under the loan scheme should be based on district quarter system and affirmative action

I beg to move that the house adopts the recommendations of the minority for equity, efficiency and best results

