

1.0 INTRODUCTION

Rt. Hon. Speaker and Hon. Members,

The Uganda Export Promotions Board Act (Repeal) Bill, 2024 was read for the First Time on Tuesday, 9 April 2024; and in accordance with Rule 129(1) of the Rules of Procedure of the 11th Parliament of the Republic of Uganda, was referred to the Sectoral Committee on Tourism, Trade and Industry 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 BACKGROUND TO RATIONALISATION OF GOVERNMENT AGENCIES AND PUBLIC EXPENDITURE: THE UGANDA EXPORT PROMOTIONS BOARD ACT (REPEAL) BILL 2024.

On 22nd February, 2021, Cabinet took a decision to merge, mainstream and rationalize Government Agencies and Public Expenditure, to facilitate efficient and effective service delivery. This decision followed the 2018 Report by the Ministry of Public Service that detailed findings and recommendations of the review of Government Agencies and Authorities. The primary goals of Rationalization of Government Agencies was to establish their operational relevance; determine their current operational costs; eliminate embedded duplications and overlaps; identify wasteful expenditures; and establish the resultant short term and long term savings, which would be optimally utilized for sustainable socio-economic and political development of the country.

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In the early 2,000s Government of Uganda witnessed an increase in the number of self-accounting government institutions: commissions, authorities and agencies that were created through parliament's key function of legislation. The creation of these self-autonomous government institutions through Acts of Parliament bestowed on policy/governance and management structures specified in such Acts, key responsibilities of formulation of strategic policies and direction as well as implementation of policies. The Acts of Parliament that created self-autonomous government institutions make specific provisions for cost drivers of such institutions, being Boards, accounting officers and their staff; and further make specific provisions relating to their sources of funds being through parliamentary appropriation, and fees and monies charged by such institutions for goods sold or services rendered. The funds allocated to self-accounting institutions through parliamentary appropriation to finance their activities suggested an annual charge on the Consolidated Fund.

Whereas the Acts of Parliament that created self-autonomous government institutions mandated Ministers to have direct control and oversight over their strategic policy direction through appointment of Boards and the accounting officers, most self-accounting government institutions executed their mandate independent of their Ministry Headquarters.

This Report will primarily focus findings, observations and recommendations on the repeal the Uganda Export Promotions Board Act, Cap 102 to enable the merger of Uganda Export Promotions Board and Uganda Free Zones Authority in order to give effect to Government Policy on Rationalisation of Government Agencies and Public Expenditure (RAPEX), and for related purposes.

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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 intention of the Bill is to repeal the Uganda Export Promotions Board Act, Cap 102 to enable the merger of the Export Promotions Board and Uganda Free Zones Authority thereby among others, relieving the Government of the financial drain on its resources and the burden of wasteful administration and expenditure of maintaining two Agencies which perform similar function or functions which may be performed by one Agency.

5.0 METHODOLOGY

During the process of considering the Bill, the Committee:

(a) met and held discussions with the following stakeholders:

- (i) The Hon. Minister of Trade, Industry and Cooperatives;
- (ii) The Hon. Minister of Public Service
- (iii) The Executive Director and Staff of Uganda Export Promotion Board
- (iv) The Executive Director and Staff of Uganda Free Zones Authority

(b) conducted documentary review of the following literature:

- (i) The Constitution of the Republic of Uganda, 1995 (*as amended*)
- (ii) The 2018 Report of the Ministry of Public Service on the Review and Rationalisation of Government Agencies and Public Expenditures;
- (iii) The Free Zones Act, 2014
- (iv) The Uganda Export Promotions Board Act, Cap 102

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6.0 FINDINGS/OBSERVATION AND RECOMMENDATIONS.

6.1 Uganda Export Promotions Board (UEPB)

Uganda Export Promotion Board (UEPB) is a Government Agency enacted by an Act of Parliament, Cap 102 of 1996 to facilitate the development, promotion and coordination of all export-related activities that lead to export growth on sustainable basis.

Section 5 of the UEPB Act, 1996 provides for the following specific functions of UEPB:

- (1) To provide trade and market information services;
- (2) To promote the development of export;
- (3) To provide trade promotional services;
- (4) To promote customized advisory services in various areas;
- (5) To formulate and recommend to Government export plans, policies and strategies designed to provide efficient, adequate and coordinate measures for promotion of Uganda exports.

Observations of the Committee

The Committee observes that the proposed merger of the Export Promotions Board and Uganda Free Zones Authority will facilitate effective and efficient service delivery by clearly delineating the functions and mandates of the two Agencies, thereby avoiding duplication of mandates, which is one of the objectives of the merger.

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The Committee further observes that the merger would reduce and eliminate bloated structures and functional ambiguities of the two Agencies. The Committee is also alive to the information that the estimated total cost of the Uganda Export Promotions Board (Repeal) Bill, 2024 will be UGX 0.289 billion in form of terminal benefits for staff to laid off; and that this cost would be accommodated within the Medium Term Expenditure Term ceiling for the Ministry of Public Service.

The Committee also observes that the net savings accruing out of the merger of the Uganda Export Promotions Board and the Uganda Free Zones Authority would be UGX 6.227 billion in the first year of the merger i.e. FY 2024/25, and this would increase to UGX 6.516 billion in the subsequent Financial Year 2025/26 as in indicated in the table below.

Cost Benefit Analysis

| | FY 2024/25 | FY 2025/26 |
|-----------------------|---------------|---------------|
| Category | UGX (billion) | UGX (billion) |
| Costs | 0.289 | 0 |
| Staff to be laid off | 7 | 0 |
| o/w Terminal benefits | 0.289 | 0 |
| Savings | 6.516 | 6.516 |
| o/w Wage | 0.205 | 0.205 |
| o/w Board expenses | 0.381 | 0.381 |
| o/w Nonwage | 5.89 | 5.89 |
| o/w Development | 0.04 | 0.04 |
| Net savings | 6.227 | 6.516 |

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- Handwritten signature "GMR" with a circled "R" above it.
- Handwritten signature "K..." with a circled "K" above it.
- Handwritten signature "L..." with a circled "L" above it.
- Handwritten signature "PEN" on the right side.
- Handwritten signature "D" in the center.
- Handwritten signature "H..." at the bottom center.
- Handwritten signature "Q..." at the bottom right.

Issues raised by Uganda Export Promotion Board in objection to the Merger; and the observations of the Committee.

The Name of the new Authority – The Executive Director of Uganda Export Promotions Board informed the Committee that he had no objection to the merger of Uganda Free Zones Authority and the Uganda Export Promotions Board into one single entity, but was only concerned on the proposed name of the new entity.

The Committee finds no merit in this argument since this is simply a nomenclature on arrangement of the name of the proposed new entity.

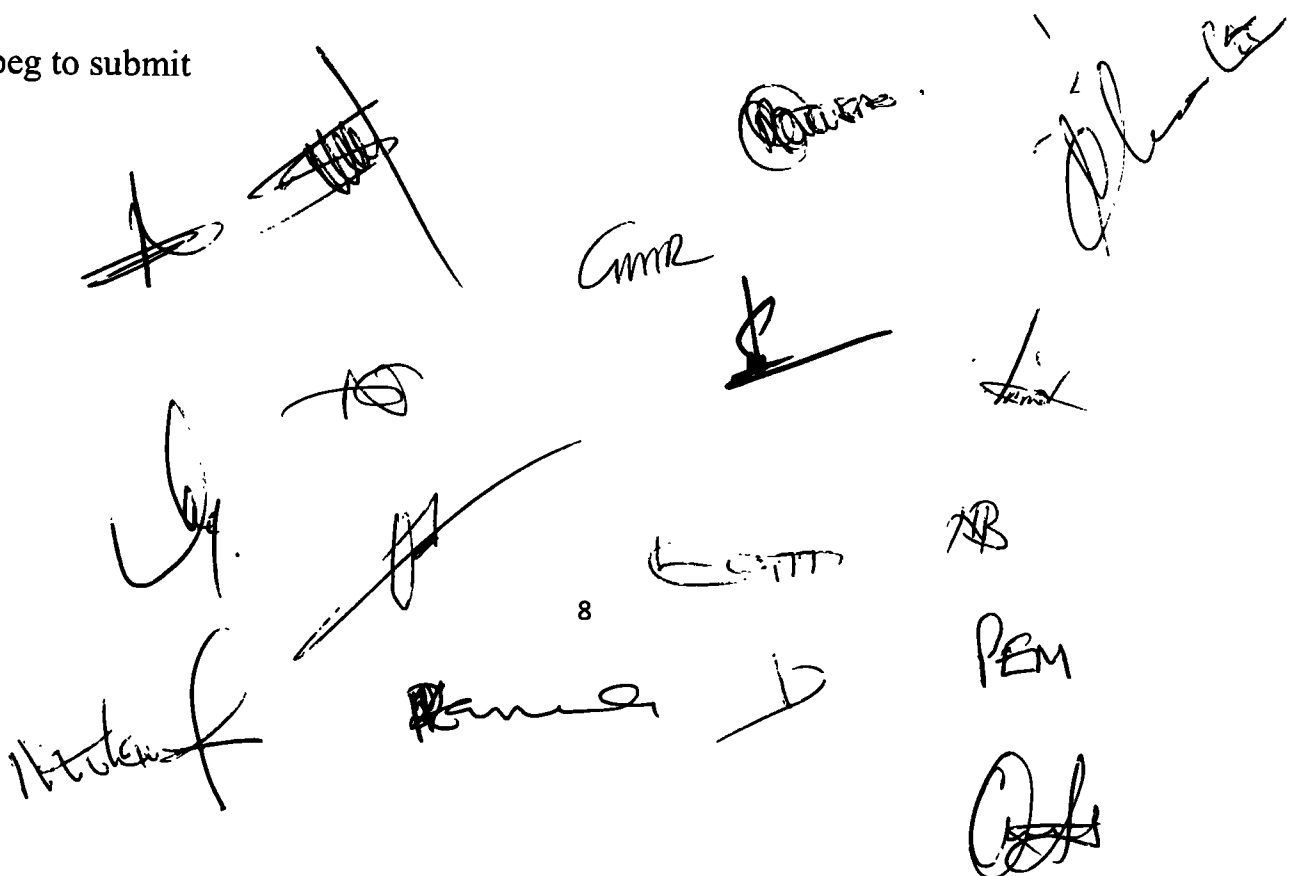
7.0 RECOMMENDATIONS OF THE COMMITTEE

The Committee therefore recommends that the Uganda Export Promotions Act, Cap 102 be repealed and merge the Export Promotions Board and Uganda Free Zones Authority into one entity called ‘the Uganda Free Zones and Export Promotions Authority’ under the supervision of the Ministry responsible for trade.

Rt. Hon. Speaker and Members,



I beg to submit



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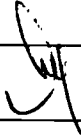
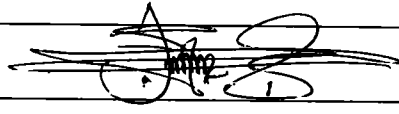


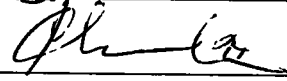
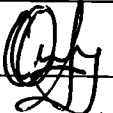
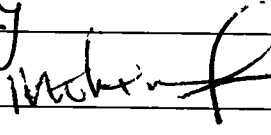

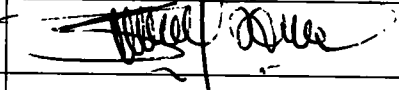


PARLIAMENT OF UGANDA

**REPORT OF THE COMMITTEE ON TOURISM, TRADE AND INDUSTRY ON THE
UGANDA EXPORT PROMOTIONS BOARD ACT (REPEAL) BILL, 2024.**

| No | Member | Signature |
|----|--|-----------|
| 1 | Hon. Mwine Mpaka, Chairperson | |
| 2 | Hon. Lamwaka Catherine, Vice Chairperson | |
| 3 | Hon. Afidra Ronald Olema | |
| 4 | Hon. Aleper Margaret Aachilla | |
| 5 | Hon. Aloba Joan Acom | |
| 6 | Hon. Atukwasa Rita | |
| 7 | Hon. Avako Melsa Naima Gule | |
| 8 | Hon. Awich Jane | |
| 9 | Hon. Awor Betty Engola | |
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| 11 | Hon. Businge Harriet | |
| 12 | Hon. Byakatonda Abdulhu | |
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| 14 | Hon. Edakasi Alfred | |
| 15 | Hon. Gafabusa Richard | |
| 16 | Hon. Gaffa Mbwaterkamwa | |
| 17 | Hon. Isabirye David Aga | |
| 18 | Hon. Kaala Kevin Ojinga | |

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| 19 | Hon. Kamugo Pamela |  |
| 20 | Hon. Kato Mohammed | |
| 21 | Hon. Kayemba Geoffrey Ssolo | |
| 22 | Hon. Kemirembe Pauline K. | |
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| 29 | Hon. Lutaaya Geoffrey | |
| 30 | Hon. Masaba Karim | |
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| 33 | Hon. Namukuta Brenda |  |
| 34 | Hon. Nayebale Sylvia |  |
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| 38 | Hon. Ssentanyi Muhammad |  |
| 39 | Hon. Ssimbwa Fred |  |
| 40 | Hon. Wakayima H. Musoke |  |
| 41 | Hon. Were Godfrey Odera | |