

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.

3. Remedies proposed in the Bill

The intention of the Bill is to amend the Public Enterprises Reform and Divestiture Act, Cap. 98, to—

- (a) enable the mainstreaming of the Privatisation Unit into the Ministry responsible for finance thereby, *inter alia*, relieving the Government of the financial drain on its resources and the burden of wasteful administration and expenditure;
- (b) facilitate efficient and effective service delivery by clearly delineating the mandates and functions of the Ministry, thereby avoiding duplication of mandates and functions;
- (c) promote coordinated administrative arrangements, policies and procedures for—
 - (i) ensuring the efficient and successful management, financial accounting and budgetary discipline of government agencies and departments;
 - (ii) enabling the Government to play its proper role more effectively; and
 - (iii) enforcing accountability;

- (d) to restructure and re-organise the ministry to perform the functions of the Privatisation Unit.

4. Provisions of the Bill

The Bill has 17 clauses. Clause 1 provides for the interpretation of terms used in the Bill. Clause 2 provides for the objectives of the Bill. Clause 3 provides for the purpose of amending the Public Enterprises Reform and Divestiture Act, Cap. 98, which is to mainstream the functions of the Privatisation Unit into the Ministry responsible for finance. Clause 4 provides for the dissolution of Privatisation Unit on the commencement of the Act. Clause 5 provides that the responsibilities and functions of the Privatisation Unit shall on the commencement of the Act be transferred to the Ministry responsible for finance. The other clauses of the Bill seek to give effect to the dissolution of the Privatisation Unit and the transfer of its functions to the Ministry responsible for finance.

MATIA KASAIJA (MP)
Minister of Finance, Planning and Economic Development

**THE PUBLIC ENTERPRISES REFORM AND DIVESTITURE ACT
(AMENDMENT) BILL, 2024**

ARRANGEMENT OF CLAUSES

Clause

1. Interpretation
2. Objectives
3. Purpose
4. Dissolution of Privatisation Unit
5. Responsibility for functions of dissolved Privatisation Unit
6. Amendment of paragraph 2 of Second Schedule to principal Act
7. Amendment of paragraph 4 of Second Schedule to principal Act
8. Amendment of paragraph 5 of Second Schedule to principal Act
9. Amendment of paragraph 6 of Second Schedule to principal Act
10. Amendment of paragraph 7 of Second Schedule to principal Act
11. Amendment of paragraph 8 of Second Schedule principal Act
12. Amendment of paragraph 9 of Second Schedule to principal Act
13. Amendment of paragraph 10 of Second Schedule to principal Act
14. Amendment of paragraph 11 of Second Schedule to principal Act
15. Amendment of paragraph 12 of Second Schedule to principal Act
16. Amendment of Fourth Schedule to principal Act
17. Savings

A Bill for an Act

ENTITLED

**THE PUBLIC ENTERPRISES REFORM AND DIVESTITURE
ACT (AMENDMENT) ACT, 2024**

An Act to amend the Public Enterprises Reform and Divestiture Act, Cap. 98, to enable the mainstreaming of the Privatisation Unit into the Ministry responsible for finance in order to give effect to the Government Policy on Rationalisation of Government Agencies and Public Expenditure, and for related purposes.

BE IT ENACTED by Parliament as follows:

1. Interpretation

In this Act, unless the context otherwise requires—

“agency” means a body established by an Act of Parliament and includes an authority;

“commission” means a body established by the Constitution;

“Government” means the Government of Uganda;

“Ministry” means the Ministry responsible for finance.

2. Objectives

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

(2) Without prejudice to the general effect of subsection (1), the following objectives shall be deemed to fall under the objective specified in that subsection—

- (a) the merging, mainstreaming and rationalisation of agencies, commissions, authorities and public expenditure thereby, *inter alia*, relieving the Government of the financial drain on its resources and the burden of wasteful administration and expenditure;
- (b) the facilitation of efficient and effective service delivery by clearly delineating the mandates and functions of government agencies and departments and thereby avoiding duplication of mandates and functions;
- (c) the promotion of coordinated administrative arrangements, policies and procedures for—
 - (i) ensuring the efficient and successful management, financial accounting and budgetary discipline of government agencies and departments;
 - (ii) enabling the Government to play its proper role more effectively; and
 - (iii) enforcing accountability; and
- (d) the restructuring and re-organisation of agencies and departments of Government by eliminating bloated structures and functional ambiguities in Government agencies and departments.

3. Purpose

The purpose of amending the Public Enterprises Reform and Divestiture Act, Cap. 98 is to mainstream the functions of the Privatisation Unit into the Ministry responsible for finance.

4. Dissolution of Privatisation Unit

On the commencement of this Act, the Privatisation Unit established by Cap. 98 shall be dissolved.

5. Responsibility for functions of dissolved Privatisation Unit

On the commencement of this Act, the Ministry responsible for finance shall be responsible for performing the functions formerly dissolved by the Privatisation Unit.

6. Amendment of paragraph 2 of Second Schedule to Cap. 98

Paragraph 2 of the Second Schedule to Cap. 98, in this Act referred to as the “principal Act” is amended in subparagraph (4) by substituting for “director of the privatisation unit” the words “Minister or his or her representative”.

7. Amendment of paragraph 4 of Second Schedule to principal Act

Paragraph 4 of the Second Schedule to the principal Act is amended—

- (a) by substituting for the headnote to the paragraph the following—

“4 Ministry to implement divestiture programme”;
- (b) in subparagraph (1) by substituting for “privatization unit” the word “Ministry”;
- (c) by repealing subparagraph (2);
- (d) by repealing subparagraph (3); and
- (e) in subparagraph (4) by substituting for “privatisation unit” the word “Ministry”.

8. Amendment of paragraph 5 of Second Schedule to principal Act

Paragraph 5 of the Second Schedule to the principal Act is amended in subparagraph (1)(d) by substituting for “privatisation unit” the word “Ministry”.

9. Amendment of paragraph 6 of Second Schedule to principal Act

Paragraph 6 of the Second Schedule to the principal Act is amended by substituting for “privatisation unit” wherever it appears the word “Ministry”.

10. Amendment of paragraph 7 of Second Schedule to principal Act

Paragraph 7 of the Second Schedule to the principal Act is amended by substituting for “privatisation unit” wherever it appears the word “Ministry”.

11. Amendment of paragraph 8 of Second Schedule to principal Act

Paragraph 8 of the Second Schedule to the principal Act is amended by substituting for “privatisation unit” wherever it appears the word “Ministry”.

12. Amendment of paragraph 9 of Second Schedule to principal Act

Paragraph 9 of the Second Schedule to the principal Act is amended by substituting for “privatisation unit” wherever it appears the word “Ministry”.

13. Amendment of paragraph 10 of Second Schedule to principal Act

Paragraph 10 of the Second Schedule to the principal Act is amended by substituting for “privatisation unit” wherever it appears the word “Ministry”.

14. Amendment of paragraph 11 of Second Schedule to principal Act

Paragraph 11 of Second Schedule to the principal Act is amended by substituting for “privatisation unit” wherever it appears the word “Ministry”.

15. Amendment of paragraph 12 of Second Schedule to principal Act

Paragraph 12 of the Second Schedule to the principal Act is amended—
(a) in subparagraph (1) by substituting for “privatisation unit or member of a committee of the privatisation unit or employee of the privatisation unit or consultant or associate of any such person” the word “Ministry”;

- (a) in subparagraph (2) by substituting for “privatisation unit” the word “Ministry”;
- (b) in subparagraph (3) by substituting for “privatisation unit” wherever it appears the word “Ministry”;
- (c) in subparagraph (4) by substituting for “privatisation unit” the word “Ministry”;
- (d) in subparagraph (5) by substituting for “privatisation unit” the word “Ministry”;
- (e) in subparagraph (6) by substituting for “privatisation unit” the word “Ministry”;
- (f) in subparagraph (7) by substituting for “privatisation unit” wherever it appears the word “Ministry”; and
- (g) in subparagraph (9) by substituting for “privatisation unit” the word “Ministry”;

16. Amendment of Fourth Schedule to principal Act

The Fourth Schedule to the principal Act is amended in paragraph 8 by substituting for “the director of the privatisation unit, any officer or employee of the privatisation unit or any adviser or consultant to the privatisation unit” the words “an officer of the Ministry”.

17. Savings

(1) The staff of the privatisation unit who are not staff of the Ministry shall be paid their terminal benefits in accordance with the terms and conditions of their service.

(2) On the commencement of this Act, all the property, assets, rights, obligations, and liabilities of the privatisation unit shall vest in the Government of Uganda under the Ministry.

(3) Any proceedings commenced by or against the privatisation unit may be continued by or against the Attorney General.

(4) A licence, permit, certificate or authorisation issued by the privatisation unit which is in force immediately before the commencement of this Act shall have effect from the commencement of this Act as if granted by the Ministry.

(5) The terms and conditions including the rights and obligations under a licence, permit, certificate or authorisation in force immediately before the commencement of this Act, shall not be less favourable than those that applied immediately before the commencement of this Act.