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**Bill No. 27** *Higher Education Students Financing  
(Amendment) Bill* **2024**

**THE HIGHER EDUCATION STUDENTS FINANCING  
(AMENDMENT) BILL, 2024**

**MEMORANDUM****1. Policy and principles of the Bill**

The policy behind the Bill is to give effect to the Government Policy for Rationalisation of Government Agencies and Public Expenditure (RAPEX) which was adopted by the Cabinet on 22<sup>nd</sup> February 2021.

**2. Defects in existing law**

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 rationalised.

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 Higher Education Students Financing Act, 2014, Act 2 of 2014, to—

- (a) enable the mainstreaming and rationalisation of the functions of the Higher Education Students Financing Board 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 in respect to students financing, 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.

**4. Provisions of the Bill**

The Bill has 42 clauses. Clause 2 of the Bill provides for the objectives of the Bill. Clause 3 provides for the purpose of amending the Higher Education Students Financing Act, 2014, Act 2 of 2014, which is to mainstream the functions of the Higher Education Students Financing Board into the Ministry responsible for education. Clause 4 of the Bill seeks to dissolve the Higher Education Students Financing Board and transfer the functions of the Board to the Ministry responsible for education. The rest of the clauses of the Bill seek to implement the transfer of the functions of the Board to the Ministry responsible for Education.

**JANET K. MUSEVENI**  
*First Lady and Minister of Education and Sports*

**THE HIGHER EDUCATION STUDENTS FINANCING  
(AMENDMENT) BILL, 2024**

**ARRANGEMENT OF CLAUSES**

***Clause***

- 1. Interpretation**
- 2. Objectives**
- 3. Purpose of amendment of Act 2 of 2014**
- 4. Dissolution of Higher Education Students Financing Board**
- 5. Amendment of long title of Act 2 of 2014**
- 6. Amendment of section 1 of principal Act**
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- 11. Amendment of section 5 of principal Act**
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- 13. Repeal of section 7 of principal Act**
- 14. Repeal of section 8 of principal Act**
- 15. Repeal of section 9 of principal Act**
- 16. Repeal of section 10 of principal Act**
- 17. Repeal of Part IV of principal Act**
- 18. Amendment of section 16 of principal Act**
- 19. Amendment of section 18 of principal Act**
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- 21. Amendment of section 21 of principal Act**

22. Amendment of section 22 of principal Act
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34. Repeal of section 35 of principal Act
35. Repeal of section 36 of principal Act
36. Repeal of section 37 of principal Act
37. Amendment of section 38 of principal Act
38. Amendment of section 40 of principal Act
39. Amendment of section 41 of principal Act
40. Repeal of Schedules 2 and 3 to principal Act
41. Amendment of Schedule 4 to principal Act
42. Savings

A Bill for an Act

ENTITLED

**THE HIGHER EDUCATION STUDENTS FINANCING  
(AMENDMENT) ACT, 2024**

**An Act to amend the Higher Education Students Financing Act, 2014 to mainstream the functions of the Higher Education Students Financing Board into the Ministry responsible for education 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 education.

**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 22<sup>nd</sup> 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 of amendment of Act 2 of 2014**

The purpose of amendment of the Higher Education Students Financing Act, 2014, Act 2 of 2014, is to—

- (a) mainstream the functions of the Higher Education Students Financing Board into the Ministry responsible for education; and
- (b) dissolve the Higher Education Students Financing Board and transfer the functions of the Higher Education Students Financing Board to the Ministry responsible for education which shall, on the commencement of this Act, be responsible for administering the Act.

**4. Dissolution of Higher Education Students Financing Board**

On the commencement of this Act the Higher Education Students Financing Board established under Act 2 of 2014 shall be dissolved.

**5. Amendment of long title of Act 2 of 2014**

For the long title of Act 2 of 2014, in this Act referred to as the “principal Act”, there is substituted the following—

“An Act to establish a scheme to finance students to pursue higher education in Uganda; to establish a Fund to finance the scheme; and to provide for the management and administration of the scheme and the fund by the Ministry responsible for education.”

**6. Amendment of section 1 of principal Act**

Section 1 of the principal Act is amended—

- (a) by repealing the definition of “Board”; and
- (b) by inserting after “Minister” the following—

“Ministry” means the responsible for education;”.

**7. Amendment of section 2 of principal Act**

Section 2 of the principal Act is amended in subsection (3) by substituting for “Board”, the word “Ministry”.

**8. Amendment of title to Part III of principal Act**

For the title to Part II of the principal Act, there is substituted the following—

**“PART III—ADMINISTRATION OF ACT”**

**9. Amendment of section 3 of principal Act**

For section 3 of the principal Act, there is substituted the following—

**“3 Administration of Act**

This Act shall be administered by the Ministry.”

**10. Repeal of section 4 of principal Act**

Section 4 of the principal Act is repealed.

**11. Amendment of section 5 of principal Act**

Section 5 of the principal Act is amended—

(a) by substituting for the word “Board” wherever it appears the word “Ministry”;

(b) by substituting for subsection (2) the following—

“(2) The Minister shall, at least once every three months, after the end of each calendar year or at the request of the Parliament, submit to Parliament a report on the performance of its functions.”; and

(c) by repealing subsection (3).

**12. Repeal of section 6 of principal Act**

Section 6 of the principal Act is repealed.

**13. Repeal of section 7 of principal Act**

Section 7 of the principal Act is repealed.

**14. Repeal of section 8 of principal Act**

Section 8 of the principal Act is repealed.

**15. Repeal of section 9 of principal Act**

Section 9 of the principal Act is repealed.

**16. Repeal of section 10 of principal Act**

Section 10 of the principal Act is repealed.

**17. Repeal of Part IV of principal Act**

Part IV (sections 11, 12, 13, 14,15) of the principal Act is repealed.

**18. Amendment of section 16 of principal Act**

Section 16 of the principal Act is amended—

- (a) in subsection (2), by substituting for “Board”, the word “Ministry”;
- (b) in subsection (3), by repealing the words “on the recommendation of the Board”;
- (c) in subsection (4), by substituting for “Board”, the word “Ministry”;
- (d) in subsection (5), by substituting “Board”, the word “Ministry”; and
- (e) in subsection (6), by substituting for “Board”, the word “Ministry”.

**19. Amendment of section 18 of principal Act**

Section 18 of the principal Act is amended—

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- (a) in subsection (1) by substituting for “Board” the word “Ministry”;
- (b) in subsection (2) by substituting for “Board” the word “Ministry”;
- (c) in subsection (3) by repealing the words “by the Board and approved”;
- (d) in subsection (4) by repealing the words “on the recommendation of the Board”;
- (e) in subsection (5) by substituting for “Board” the word “Ministry”;
- (f) in subsection (6) by substituting for “Board” the word “Ministry” wherever it appears;
- (g) in subsection (7) by substituting for “Board” the word “Ministry”;
- (h) in subsection (8) by substituting for “Board” the word “Ministry”; and
- (i) in subsection (9) by substituting for “Board” the word “Ministry”.

**20. Amendment of section 20 of principal Act**

Section 20 of the principal Act is amended—

- (a) in subsection (2) by substituting for “Board” the word “Ministry”;
- (b) in subsection (3) by substituting for “Board” the word “Minister”; and
- (c) in subsection (4) by substituting for “Board” the word “Minister”.

**21. Amendment of section 21 of principal Act**

Section 21 of the principal Act is amended—

- (a) in subsection (1) by substituting for “Board” the word “Minister”;
- (b) in subsection (2) by substituting for “Board” the word “Ministry”;
- (c) in subsection (3) by substituting for “Board” the word “Ministry” wherever it appears;
- (d) in subsection (4) by substituting for “Board” the word “Ministry” wherever it appears; and
- (e) in subsection (5) by substituting for “Board” the word “Ministry”.

**23. Amendment of section 22 of principal Act**

Section 22 of the principal Act is amended by substituting for “Board” the word “Ministry” wherever it appears.

**24. Amendment of section 23 of principal Act**

Section 23 of the principal Act is amended by substituting for “Board” the word “Ministry” wherever it appears.

**25. Amendment of section 24 of principal Act**

Section 24 of the principal Act is amended by substituting for “Board” the word “Ministry” wherever it appears.

**26. Amendment of section 25 of principal Act**

Section 25 of the principal Act is amended by substituting for “Board” the word “Ministry” wherever it appears.

**27. Amendment of section 26 of principal Act**

Section 26 of the principal Act is amended by substituting for “Board” the word “Ministry” wherever it appears.

**28. Amendment of section 27 of principal Act**

Section 27 of the principal Act is amended by substituting for “Board” the word “Ministry”.

**29. Amendment of section 29 of principal Act**

Section 29 of the principal Act is amended—

(a) in subsection (2)—

(i) in paragraph (b) by substituting for “Board” the word “Government”;

(ii) in paragraph (e) by substituting for “Board” the word “Ministry”;

(iii) in paragraph (f) by substituting for “Board” the word “Ministry”; and

(b) in subsection (3) by substituting for “Board” the word “Ministry”.

**30. Amendment of section 30 of principal Act**

Section 30 of the principal Act is amended in subsection (1) by substituting for “Board” the word “Ministry”.

**31. Repeal of section 31 of principal Act**

Section 31 of the principal Act is repealed.

**32. Repeal of section 32 of principal Act**

Section 32 of the principal Act is repealed.

**33. Repeal of section 33 of principal Act**

Section 33 of the principal Act is repealed.

**34. Repeal of section 34 of principal Act**

Section 34 of the principal Act is repealed.

**35. Repeal of section 35 of principal Act**  
Section 35 of the principal Act is repealed.

**36. Repeal of section 36 of principal Act**  
Section 36 of the principal Act is repealed.

**37. Repeal of section 37 of principal Act**  
Section 37 of the principal Act is repealed.

**38. Amendment of section 38 of principal Act**  
Section 38 of the principal Act is amended by substituting for “Board” the word “Ministry” wherever it appears.

**39. Amendment of section 40 of principal Act**  
Section 40 of the principal Act is amended in subsection (1) by substituting for “Board” the word “Ministry”.

**40. Amendment of section 41 of principal Act**  
Section 41 of the principal Act is amended—

- (a) in subsection (1) by repealing the words “on the recommendation of the Board.”;
- (b) in subsection (2)(e) by substituting for “Board” the word “Ministry”; and
- (c) in subsection (2)(g) by substituting for “Board” the word “Ministry”.

**41. Repeal of Schedules 2 and 3 to principal Act**  
Schedules 2 and 3 of the principal Act are repealed.

**42. Amendment of Schedule 4 to principal Act**  
Schedules 4 to the principal Act is amended by substituting for “Board” the word “Ministry” wherever it appears.

**43. Savings**

(1) All scholarships offered by the Board immediately before the commencement of this Act shall be taken to have been offered by the Ministry and shall be continued under the Ministry.

(2) All movable and immovable property, assets, rights, obligations, and liabilities of the Scheme which immediately before the commencement of this Act vested in the Higher Education Students Financing Board shall vest in the Ministry responsible for education.

(3) All pending applications for scholarships shall be continued under the Ministry.

(4) The board members and staff of the Higher Education Students Financing Board shall be paid their terminal benefits in accordance with the terms and conditions of their service.

(5) Compensation is not payable to any member of the board of the Higher Education Students Financing Board for loss of office resulting from the dissolution of the Higher Education Students Financing Board.

(6) The staff of the Higher Education Students Financing Board may be redeployed to serve in the public service subject to availability of positions.

(7) Any proceedings commenced by or against the property, assets, rights, obligations, and liabilities may be continued by or against the Attorney General.

(8) The terms and conditions including the rights and obligations under a scholarship 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.