



MINISTRY OF PUBLIC SERVICE

VOTE 005

STATEMENT ON RATIONALIZATION OF GOVERNMENT AGENCIES

By

Hon. WILSON MURULI MUKASA  
Minister of Public Service

On 11<sup>th</sup> August 2021

# **MINISTRY OF PUBLIC SERVICE**

## **PROGRESS REPORT ON IMPLEMENTATION OF RATIONALISATION OF GOVERNMENT AGENCIES AND PUBLIC EXPENDITURE**

### **1.0 INTRODUCTION**

Rt. Honourable Speaker, Cabinet on the 22<sup>nd</sup> of February 2021, under Minute No. 43 (CT 2021); took a decision to merge, mainstream and rationalize Government Agencies, Commissions, Authorities and Public Expenditure; to facilitate efficient and effective service delivery. In order to effectively implement this decision, Cabinet approved an Implementation Roadmap (IR) for the implementation process, to be spread over a period of two (2) years - (i.e. FY 2021/22 - 2022/23). As of today, the Implementation process has covered one (1) Month and ten (10) Days.

Rt. Honourable Speaker, I wish to inform this August House that, the main objective of the reform is to eliminate structural and functional duplications and overlaps, wasteful expenditures and realize resultant short term and long-term savings, in line with the approved implementation roadmap.

Implementation of the recommendations on Rationalization of Agencies and Public Expenditure (RAPEX) is in line with Chapter 20 Objective 2 of the Third National Development Plan (NDP III 2020/21-2024/25), which underpins streamlining government architecture for efficient and effective service delivery, to align with new program planning, budgeting and implementation.

Out of one hundred and fifty-Seven (157) Government Agencies which were reviewed under the Rationalisation of Government Agencies and Public Expenditure Exercise of 2018, a decision was taken to merge, mainstream and transfer the functions of seventy-seven (77) Agencies and eighty (80) to be retained. Since then, eight (8) of the Institutions have been fully privatized, bringing the number of institutions to be merged, mainstreamed and transferred to sixty nine (69) (*Refer to Annex I*)

### **2.0 PROBLEM STATEMENT**

2.1 Rt. Honorable Speaker, I wish to state that the high growth rate of Government Agencies in Uganda has continued to create jurisdictional ambiguities; drain the National Treasury at the expense of effective service delivery; overstretch the capacity of Government to sustain Agencies; cause salary disparities between Agency employees and traditional civil servants; leading to wastage of resources, which would otherwise be committed to

## MINISTRY OF PUBLIC SERVICE

### **PROGRESS REPORT ON IMPLEMENTATION OF RATIONALISATION OF GOVERNMENT AGENCIES AND PUBLIC EXPENDITURE**

- providing other critical Public Services (i.e., health, education and infrastructure development).
- 2.2 A situational analysis of Government Agencies in Uganda established that some Agencies were created without clear justification, others had their mandates overtaken by events, while others were pseudo-Government Projects which operated in a similar manner as Agencies.
- 2.3 Rt. Honorable Speaker, whereas the 1995 Constitution of Uganda (as amended in 2005), provides for a definite number of Agencies (Commissions, Authorities, Boards, Local Councils and other statutory bodies), I wish to inform the House that a multitude of Public Agencies were later created by Statutes, Acts of Parliament, Executive Orders and Administrative arrangements.
- 2.4 Rt. Honorable Speaker, it is against this background, **H.E. the President** in his letter dated 17<sup>th</sup> July 2017 raised a number of concerns on the several mushrooming Agencies and demanded for clear practical recommendations to rationalize Public Institutions to ensure efficiency of Government.

### **3.0 PROGRESS ON IMPLEMENTATION OF RECOMMENDATIONS ON RATIONALISATION OF AGENCIES AND PUBLIC EXPENDITURE**

#### **3.1 ACHIVEMENTS**

Rt. Honourable Speaker, I wish to report to this August House on the main achievements, as follows:

- (i) The Cabinet Sub-committee, the Inter-ministerial Technical Committee and Secretariat to drive the implementation process have already been constituted, and operational;
- (ii) Preliminary documents to be used as reference points for the implementation process, have already been prepared and approved. e.g. The Action Log/Plan, Work plan and budget, Stakeholders' Engagement Plan, The Communications Strategy, the Implementation Guidelines, Issues Log, Change Management Strategy and Report on the Effects of Rationalization on Local Governments.
- (iii) Institutional Review and Re-organization for some Institutions without legal impediments has already commenced. The Team is fast tracking the review and re-organization of Office of the Prime Minister, Ministry of Education

## MINISTRY OF PUBLIC SERVICE

### **PROGRESS REPORT ON IMPLEMENTATION OF RATIONALISATION OF GOVERNMENT AGENCIES AND PUBLIC EXPENDITURE**

- and Sports and the eleven (11) Agencies under the Education and Sports Sector, Amnesty Commission (AC) and Rural Electrification Agency (REA); whose legal framework has expired;
- (iv) Stakeholder Engagement meetings have been undertaken for sixty-eight (68) Institutions and eighteen (18) Sector Ministries. (*Details at Annex 2*).

### **3.2 COMMENCEMENT OF THE FOLLOWING REVIEWS IS UNDERWAY**

Rt. Honourable Spcaker, allow me to report on areas where implementation has commenced, and is on schedule:

- (i) Review of legal and Policy framework for the affected Institutions;
- (ii) Systems Review and Business Process Re-engineering;
- (iii) Implementation of approved structures, validation of staff to be re-employed and compensation of boarded-off staff;
- (iv) Undertaking Job Evaluation and harmonization of salary structure across the Service; Review Governance structures for the affected Institutions; and
- (v) Development of an Administrative Reform Model for the Public Service for the next ten (10) years.

### **4.0 IMPLEMENTATION PLAN**

Rt. Hon. Speaker, I wish to take this August House through the Implementation plan, as follows:

- 4.1 Phase One (2021/2022) will focus on a comprehensive review of eighteen (18) Government Ministries and seventy-seven (77) Agencies, which are affected by the merger, mainstreaming and transfer of functions. This is on-going.
- 4.2 Phase Two (2022/2023) will focus on the remaining six (6) Government Offices and Ministries and eighty (80) Agencies which were recommended for retention; but require institutional review and restructuring, to enable them adequately respond to the current service delivery demands.
- 4.3 Both phases I and II will be implemented with a view of:
  - (a) Achieving full implementation of Cabinet recommendations on the rationalization of Government Agencies and Public Expenditure (RAPEX);

# MINISTRY OF PUBLIC SERVICE

## PROGRESS REPORT ON IMPLEMENTATION OF RATIONALISATION OF GOVERNMENT AGENCIES AND PUBLIC EXPENDITURE

- (b) Creating lean and efficient structures of Government; and
- (c) Undertaking Job Evaluation (JE) aimed at harmonizing pay across the service.

### 5.3 CHALLENGES AND RISKS OF IMPLEMENTING THE REFORM

Rt. Honourable Speaker, I wish to state that there are anticipated challenges and risks to the implementation of this reform. These include:

- (i) The legal and policy framework within which the affected institutions operate and the likely implications on the implementation of Rationalization;
- (ii) National obligations, international protocols, running contracts and agreements between Government of Uganda and other Countries, which may have diplomatic and Legal implications;
- (iii) Challenges associated with management and transfer of assets and liabilities of the affected Agencies;
- (iv) Loss of jobs and redundancies arising out of the implementation of the Reform.

Rt. Honourable Speaker, the planned mitigation measures by the implementation Team are:

- (i) The composition of the implementation Team is robust enough to include expertise from human resources management, legal, labour laws and relations, institutional reviews, diplomatic relations, defence, finance and local government; among others; to provide technical relevant technical support and advice in these areas;
- (ii) There is a plan to appoint affected staff in vacant positions across the service and also pay gratuities to those who will not get a chance to be fixed anywhere; and
- (iii) The exercise will also focus on harmonizing pay across the service to address issues of pay disparities.

I wish to Submit,



Wilson Muruli Mukasa  
Minister of Public Service