



GUIDELINES FOR COMPILING MULTI-YEAR COMMITMENTS



MOFPED #DoingMore
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Acronyms

AFE	IMF AFRITAC East
AO	Accounting Officer
DC	Development Committee
FAD	Fiscal Affairs Department
FA	Financing Agreement
FY	Financial Year
GOU	Government of Uganda
IBP	Integrated Project Data Bank
MDA	Ministries, Departments, and Agencies
MoFPED	Ministry of Finance, Planning and Economic Development
MTEF	Medium-Term Expenditure Framework
MYC	Multi-year Commitments
MYCS	Multi-year Commitment Statements
NDP	National Development Plan
PAP	Projects Analysis and Public Investment Department
PBS	Program Budgeting System
PFM	Public Financial Management
PFMA	Public Finance Management Act
PIM	Public Investment Management
PIP	Public Investment Plan
RAP	Resettlement Action Plan

Foreword

Ministry of Finance, Planning and Economic Development is required to present a statement of multi-year commitments to be made by Government in the subsequent financial year and a report on their performance as stipulated under sections 13 (10) c and 23 (4) of the Public Finance Management Act (2015) respectively.

Based on the submission of the statement, Parliament authorises multi-year commitments through approval of the Annual Budget. This aims to guarantee that commitments will be properly backed up by a budget appropriation in future years and helps determine available fiscal space in order to decide if new commitments can be authorized.

The recent Public Investment Management Assessment undertaken by the International Monetary Fund (IMF) in June, 2022 scored multiyear budgeting, the protection of budgeting for investment and the availability of funding for investment as low in effectiveness. This to a large extent reflects the challenges in accurately recording multi-year project commitments report due to the over reliance of manual processes, numeric inconsistencies and disconnects between Information Technology systems.

The challenges in recording of multi-year commitments by Ministries, Departments and Agencies (MDAs) necessitated the development of Multi-year commitment guidelines. These guidelines provide guidance to MDAs managing projects financed by Government to improve the collection and recording of data on multi-year financing commitments of projects.

I therefore urge all stakeholders in the respective Ministries, Departments and Agencies with ongoing projects to utilize these guidelines to accurately record their respective Multi-Year Commitments to improve efficient project implementation and achievement of the desired results.

For God and My Country.



Ramathan Ggoobi
Permanent Secretary/Secretary to Treasury

1 | Introduction

These guidelines aim to guide MDAs and all institution managing projects financed through Uganda's national budget in completing the multi-year commitment template issued by the Ministry of Finance, Planning and Economic Development (MoFPED). The template enables MDAs to improve the collection and recording of data on multi-year financing commitments of projects. This will inform, with greater accuracy, the determination of budget allocations for on-going projects over the years and decisions about affordability of new investments within a constrained development budget. Protecting allocations to ongoing projects and controlling new investments based on affordability will also improve the management of projects.

1.1 Background

Accurate recording and reporting of project multi-year commitments has been a major concern of MoFPED for a long time. Article 13(10)(c) of the Public Finance Management Act of 2015 (PFMA) sets out a legal requirement for the Minister of Finance, Planning and Economic Development to present, each year along with the annual budget, a statement of multi-year commitment projections upon which, authorisation is granted by Parliament to Accounting Officers to enter into multi-year contracts within their MTEF ceilings. The MoFPED has complied with this requirement by providing annually to Parliament a Multi-year commitment Statement (MYCS). However, this report has had credibility issues arising primarily from the use of MYC data of questionable quality. The PFMA, in its 2016 regulations (see clause 19(1)), also raises a second key legal requirements that has been difficult to fulfil. The regulations require Accounting Officers implementing projects for more than one financial year to demonstrate to the Minister (MoFPED) that the financial commitments for implementing the project are within the Medium Term Expenditure Framework. This has not been possible.

Not reporting accurately on multi-year commitments has had several implications for project implementation. First, the issue of rising project arrears, where MDAs have been unable to pay timely, obligations under the contracts they sign, is linked in part to the absence of reliable

information on future financing requirements of projects. Decisions related to allocation of budgets for on-going projects have been undermined without such information. Secondly, without knowing accurately financial flows for on-going projects, it has been almost impossible to determine how much room exists within the future development budget ceilings to accommodate new project investments. Consequently, the development budget has consistently been over-committed further increasing inefficiencies in its management

Some of the major consequences of over-commitment of the development budget include;

- (i) Inefficient project delivery:** in the absence of sufficient budget provision to cover project spending requirements, MDA have routinely spread development budget thinly leading to excessive supplementary requests and resulting in significant delays to project execution.

- (ii) Delays to externally financed projects:** MDAs have often not properly assessed and consequently not been able to secure sufficient provisions to fully fund the counterpart obligations (such as for RAP / land acquisition) under externally financed projects over a multiyear period.
This has quite often resulted in significant delays in execution of these projects leading to slow absorption of funds borrowed and consequently higher cost of external debt.

Using the template under these guidelines properly will enable the collection of information needed to inform the decisions required to address these issues and to improve management of the development projects.

1.2 For whom are these guidelines intended?

Users of these guidelines include

- Managers of investment projects financed through the National Budget, MDA planning units of the MDAs and all MDA officials involved with collection and reporting on MYC under projects;

- PAP staff and Desk Officers at the MoFPED involved with verification and validation of data collected on multi-year financing requirements of projects in the PIP. The guidelines should also establish a common basis and interpretation of data and concepts relating to recording and tracking of MYC
- Programme Secretariats – involved with development budget allocations to MDAs and clearing of new project investments will also appreciate the concepts used and the process for determination of available fiscal space for new projects
- Other users involved with Uganda’s public investment programme will appreciate the standards to be followed in the collection and recording of data on multi-year financing requirements of projects.

1.3 Who has custody over these guidelines?

The Permanent Secretary / Secretary to the Treasury shall have the sole custody over these guidelines and will, through the Project Analysis and Public Investment Department (PAP), be responsible for modifying, amending and issuing them. Users or any other party wishing to make revisions to these guidelines shall forward their request in writing to the Commissioner, PAP who shall review and consider the appropriateness of the intended changes. In all cases a revised manual bearing amendments shall be issued as appropriate.

2 | Key Terms and Concepts

2.1 Important Concepts

Fiscal Space and affordability and why it is important for MDAs

The Government operates a resource – constrained budget. That means, for fiscal stability and sustainability, the expenditure budget in the current year and in medium term, **MUST** be affordable. Annual expenditure estimates must fit within an affordable resource envelope. To ensure this, MoFPED imposes a development budget expenditure ceiling for each programme which is cascaded down to votes within each programme, and within which project allocation can be made. MoFPED also uses a medium-term expenditure framework (MTEF) giving indicative ceilings for future (5) years so that MDAs are aware about the resources available for future project implementation. It is within the development budget ceilings allocated to a vote that the MDA is expected to allocate funding to projects including those under implementation and to new planned projects. The rules of allocation are clear;

- (i) On-going projects have the first call on resources (see Clause 19(2) of the Public Finance Regulations 2016) as is also emphasised in the FY2023/24 Budgets Call Circular i.e. “to avoid accumulation of arrears Accounting Officers should ensure that all multi-year contracts take the first call on available resources.
- (ii) New projects may enter the PIP where there is sufficient fiscal space (resource balance after allocation to on-going projects within the ceiling allocated) - see Clause 19(3) of the Public Finance Regulations 2016

Each Accounting Officer has a significant role to play in improving the management and effectiveness of the development budget under their Vote. Knowledge of the level of project commitments is important as it determines the resources available to accommodate new projects within a resource ceiling provided to a vote. Arrears crowd out the resources that would otherwise be available to implement projects and are particularly a risk as they can grow significantly with interest payments and penalties. By properly recording, and presenting MYCs, budget allocations may significantly reduce and possibly wipe out arrears.

The template provides the Accounting Officer with visibility over project multi-year commitments. Accuracy in recording MYC data in the template is crucial in assisting the Accounting Officer and each programme in making decisions about allocating their development budget.

2.2 Important Key Terms

- a. **Commitments** are agreements by MDA Accounting Officers to make payment (s) to another party in exchange for that party supplying goods and services or fulfilling other agreed conditions. Commitments can be for specific works, goods and services and arise when a formal action is taken by an MDA, e.g., issuance of a purchase order or signing of a contract;
- b. **A multiyear commitment (MYC):** arises where a stream of payments resulting from commitments extending over multiple years. Contractual cash flows, arrears and agreed government contributions to GOU an externally financed projects are all recognised as commitments – see figure below.



- c. **Counter-part Obligations:** are Specific explicit GOU obligations that have to be undertaken, usually as part of agreements signed by the Government with other external financing parties, in order for externally financed funding to be disbursed. Examples of these are acquisition of right-of-way, land for infrastructure projects or provisions for compensation of resettlement of project affected persons (RAP)
- d. **Arrears:** these are approved payments (certificates) for goods or services delivered from past years that have not been paid to date. Only arrears verified by the Accountant General are to be captured in the template for the purpose of MYC data.

- e. **Contractual Commitments:** these are financing commitments resulting from contracts or purchase orders (LPO) signed by MDAs and providers (suppliers, contractors, consultants) for the purpose of supplying goods, services, or works under a project.

- f. **Non-contractual Commitments:** Project expenditures or commitments which are not contractual but resulting from (i) incidental expenses related to projects, (ii) project recurrent commitments such as monitoring and supervision costs, (iii) statutory commitments deriving from agreements, law and policies affecting project implementation and (iv) social contracts by government associated with the implementation of the contract

- g. **Public Investment Plan (PIP)** is defined in the PIMS Manual as a central registry that provides an overview of all investment profiles for Central Government Votes with development funding (either GoU and or External Financing). A project for which data is collected under these guidelines **MUST** exist within the PIP. Conversely, MDAs **MUST** provide MYC data for all projects found in the PIP.

3 Completing the Multi-year Project Commitment Template

3.1 The Template

The template is Excel based presenting 3 main sheets. The first sheet (carrying the label “Definitions”) lists definitions of data sets to guide the user in capturing data in the template. The second sheet “MDAMYC” is the main sheet to be used for capturing data in multiple rows against columns of attributes based on key data sets against which data is to be recorded. The third sheet “SUMMARY” obtains its data form the main template (MDAMYC) and provides a summary overview of the MYC data captured. Additional supplemental sheets are added - “Pending Commitments” and “Working Sheet MYC” to be used to provide information to supplement MYC data in MDAMYC

3.2 Key Data sets used in recording MYC

The main template (MDAMYC) uses the multiple attributes to capture key data sets related to MYC. These are defined in the “Definitions” sheet in the Template but are discussed here in detail as well;

Key Data Element	Explanation / Justification
Project Name including code	Each Project MUST have a project Name and will be defined uniquely by a Project Code issued by the MoFPED. For a project to be considered for data collection under these guidelines, it must be identifiable within the Public Investment Plan (PIP) for the period under consideration.
Programme Code and Programme Name	20 Programmes are defined under the NDP III. These provide the basis for planning and budget. Each project must be uniquely identified with a NDP III programme to which it contributes. Budget allocations to the project will fall within the ceilings allocated to the programme to which it belongs

Key Data Element	Explanation / Justification
Funding Source	A project may have more than one source of financing. It is common to have a project financed by GoU and another external source usually a Development Partner. Where a project has more than one source of financing, MYC data must be collected for each source separately.
Vote code and Vote Name	Each Project is administered and managed under a Vote. Under the NDP III Structure, each project has to be mapped to and budgeted for under its implementing department ¹ . Just like in the case of a programme, budget allocation to a project falls within the vote ceiling under which it is administered.
Start and End date	The start and end dates are important in aligning the MYC data for the project to the right period of reporting. The Start date is the date where project was first admitted into the PIP. The project End Date is the date of completion the project approved by DC. Both dates are provided in the PIP. If project got official extension, then the revised end date of the project is used. The reporting period should be within the start and end dates for MYC data to be relevant.
Project Status	<p>Project status is used in analysis such as in prioritising allocation within a resource constrained budget based on the criticality of stage of project implementation. There are 4 ways in which project status is graded;</p> <p>(a) Under Implementation where a project is committed by contract (other than contracts for studies)</p> <p>(b) Under Defects Liability Period; a project which has completed civil works or construction but the contractor is required to rectify any defects that may arise in a given period.</p>

Key Data Element	Explanation / Justification
	<p>(c) Under Procurement; a project is in the procurement cycle and following the procurement to acquire a provider for given goods and services before implementation.</p>
Classification	<p>Proper project classification is important as it assists the analysis and in decisions on budget allocations. A project is classified in 4 ways;</p> <p>(a) Exploratory studies and acquisition of Natural Resource Data; this is a project aimed at quantifying the underground natural resources in specific areas through undertaking of electromagnetic, geological, geochemical and geophysical studies</p> <p>(b) Infrastructure Project is a capital investment aimed at the acquisition or rehabilitation of fixed capital assets based on ratios in the DC guidelines</p> <p>(c) Retooling Project; is a project through which MDAs improve their working environment through acquisition of fixed assets needed to support staff in executing the delivery of services</p> <p>(d) Social Project is a project that is aimed at improving the welfare of citizens or result into creation of intangible assets.</p>

Key Data Element	Explanation / Justification
Project cost	This is estimated cost for implementing a project including project management costs as approved by the DC. Project cost is used in validating the MYC data that is entered in the template. Where a project is financed by more than one funding sources, the project cost should be disaggregated by each funding source
Arrears	Arrears constitute a primary component of the MYC data (see 2(d)). Only Arrears verified by the Accountant General are used in this template
Counterpart funding requirement	This relates to funding required to be specific obligations for GoU in the implementation of a project – see also 2(c).
Contractual Commitment	Future payments arising out of commitment entered into with suppliers / providers (see 2.2(e), are a major component of the MYC data.
Non-contractual Commitment	Non-contractual commitments (see 2.2(f)) form major part of the MYC data
Cumulative Expenditure	This refers to the cumulative disbursements made under the project for the period up to the end of the immediate past Financial Year (FY-1). This does not include project disbursements in the current financial year (FY0)

3.3 Important Principles in completing the Template

Data quality is key as it will make the MYC data re-usable and dependable in the allocation and management of the development budget. Therefore, the following principles will be observed by MDAs at all times when recording data in the template

- a. **Accuracy and Reliability** of MYC data; data must be recorded from sources that are accurate and authentic. MDA will make every effort to quote known sources of this data in the templates.

For the sake of consistency, sources of data sets between years should be the same

- b. Realism:** recording MYC data for future years involves significant forecasting. Realism is key. MDAs should make every effort to provide evidence to support future planned project expenditures. Updated Contract implementation plans paying attention to the capacity to deliver projects are a useful source.
- c. Consistency** will be required in recording data sets between years. Sharp variations in data sets such as between successive years should be explainable. MDAs will also be expected to ensure consistency in the interpretation of data sets between years and in application of different terms and concepts related the template
- d. Completeness;** first, all MDA projects listed in the PIP and which will remain active during any part of the planning period (F1, .. FY6), must be included in the template. In addition, for each project entry, all mandatory attributes in each row must be completed. This includes providing in full data on project definition, classification, project cost, implementation date, etc. Gaps in information undermine the usefulness of the MYC data and should be filled before the template is shared with MoFPED.

3.4 Steps to be followed in Recording MYC

Step 1: Select / define the vote relevant for capturing data in the template.

Each Template may be used for capturing MYC data for projects under only one vote. Conversely, MYC data for all projects listed in the PIP covering the planning period under each vote MUST be captured only in one template. This is important to avoid double recording of projects across different templates

In Cell B2, select the vote code from a Drop-Down list. The corresponding vote name will be displayed in Cell C2 as in the figure below:

MULTI-YEAR COMMITMENT TEMPLATE		Uganda National Roads Authority (UNRA)		
Enter Vote Code ->		1. Definition		
Project Code and Name	Programme Code and Name	Funding Source	Start Date dd/mm/yyyy	End Date dd/mm/yyyy
0265: Atiak-Moyo-Afoji	09: Intergrated Transport Infrastructure and Services	GoU Funded	01/07/2003	30/06/2024
0265: Atiak-Moyo-Afoji	09: Intergrated Transport Infrastructure and Services	External Financing	01/07/2003	30/06/2024

Step 2: Capturing description (definition) data

Description data is the base data defining each project. In the template, description data includes the Project Code, Project Name, Programme Code, Programme Name, Funding Source, project start date, project end date and project status and should be captured as below.

The Project Code and Project Name will be selected from projects in the PIP under the Vote through a drop-down menu. A new project without a Project Code or one not captured in the PIP will not appear in the drop-down menu. Similarly, a project implemented through another MDA will not show in the drop-down menu. In selecting the project name, it is important to confirm that the project has not been downgraded or exited from the PIP by the DC.

For a project that may have exited but with outstanding obligations such as unpaid certificates or arrears, the MDA will bring this matter to the attention of PAP and DC in accordance with the DC guidelines.

The Programme Code and Name are selected from a list of 20 NDP III programmes through a drop-down menu. Each project is mapped onto one programme only. Where a project serves more than one programme, the matter should be brought to the attention of the MoFPED so that specific project codes are assigned to each component to enable the mapping (of each component) uniquely to each programme.

Where multiple entries of the same project are captured for example in the case of different funding sources, care must be taken to ensure the programme entry remains the same.

The Funding Source will be selected from a list of sources of funding relevant to the Project through a drop-down menu. Where a project has more than one funding source, other description data, such as project name, programme name, etc., **MUST** be repeated in full for each source as in the figure below.

Project Code and Name	Programme Code and Name	Funding Source	Start Date dd/mm/yyyy	End Date dd/mm/yyyy
0265: Atiak-Moyo-Afoji	09: Intergrated Transport Infrastructure and Services	GoU Funded	01/07/2003	30/06/2024
0265: Atiak-Moyo-Afoji	09: Intergrated Transport Infrastructure and Services	External Financing	01/07/2003	30/06/2024

The Project START and END dates will be pre-filled– see figure above. Start and End dates are approved by the DC and may be found in the PIP or other key approved project documents such as project agreement with or implementation plan, Care is to be exercised to ensure;

- (i) The project start date does not come after the end date
- (ii) The project start date does not come after the final year for the period for which the MYC are being recorded
- (iii) The project end date does not come before the start of the planning period for which the MYC are being recorded

Should the dates used by the MDA in projects documents differ from the PIP dates, such as following revisions of dates, the MDA should bring this matter to the attention of the PAP and the DC to have these corrected in the PIP.

The Project STATUS (see also definitions in Section 3.1) will be captured from a list of options in a drop-down menu below;

- **Under procurement;** where formal execution of the project still awaits procurement of relevant project inputs

- **Under implementation** where execution of the project is on-going, and
- **Under Defects Liability Period**, where formal execution is completed but closure of the project awaits completion of the defects liability period.

Step 3: Recording the Project Classification

Classification categorises a project according to whether they are (i) Infrastructure, (ii) Retooling, (iii) Social, or (iv) Exploratory Studies. These classifications are interpreted in Section 3.2

Project Code and Name	Project Status	Project Classification	Total amount
0265: Atiak-Moyo-Afoji	Under Implementation	Business Process	
0265: Atiak-Moyo-Afoji	Under Implementation	Retooling Project	

The project classification is picked through a drop down menu.

Step 4: Recording the Project cost

The project cost is entered manually picking it from the DC approved project documents or signed agreements. This must be consistent the project value as stated in the PIP. The value **MUST** be entered in UGX. Where the project is financed from more than one source, the project cost must be different for each source as shown in the table below

H5 : 300000

1	MULTI-YEAR COMMITMENT TEMPLATE				
2	Enter Vote Code ->				
3	113				
4	Project Code and Name	Programme Code and Name	Funding Source	Total approved cost of the project by DC (Value in UGX)	Approved Budget FY 2
5	0265: Atiak-Moyo-Afoji	09: Intergrated Transport Infrastructure and Services	GoU Funded	UGX 300,000.00	
6	0265: Atiak-Moyo-Afoji	09: Intergrated Transport Infrastructure and Services	External Financing	UGX 150,000.00	
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					

Definitions MDAMYC Summary

Classification is used to categorise project are per one of the following classes;

Step 5: Recoding Recording the Approved Budget

The approved budget reflects the appropriation allocated to finance the project activities in the current financial year (FY0). It will cover all project costs including contractual commitments, non-contractual commitments, arrears agreed to be paid as well as counterpart funding obligations in the year. In using the template, the assumption is that the approved will be disbursed in accordance with the project work plan in the FY0. Therefore, its reduces the overall balance of the project cost available for future commitments (FT1,..,FY6)

The Approved Budget for the project is to be obtained from the PIP and entered automatically for each source of financing. Where the template does not allow, it may be entered manually as illustrated in the figure below. In this latter case the MDA is to furnish the source of this entry as evidence at the time of submitting to MoFPED.

MULTI-YEAR COMMITMENT TEMPLATE				
Enter Vote Code -> 122				
1. Definition			4. Approved Budget FY 22-23	
Project Code and Name	Programme Code and Name	Funding Source	Approved budget FY 22/23	Ver
0265: Atiak-Moyo-Afoji	09: Intergrated Transport Infrastructure and Services	GoU Funded	UGX	75,000,000.00
0265: Atiak-Moyo-Afoji	09: Intergrated Transport Infrastructure and Services	External Financing	UGX	1,800,000,000.00

Step 6: Recoding Commitment estimates for next Financial Year

The MYC statement is forward looking and therefore is used to estimate commitments for the next FY (Year 1) and in the medium term (FY2, .., FY6). Year 1 estimates include arears carried over from previous years, counterpart funding commitments for donor financed projects, contractual commitments and non-contractual commitments during the year.

MULTI-YEAR COMMITMENT TEMPLATE				
Enter Vote Code ->				
5. Commitment estimates for next financial year (FY23-24)				
Project Code and Name	Verified Arrears	Counterpart Funding requirements	Cash Required for Contractual Commitments (value next FY)	Non contractual commitments
0265: Atiak-Moyo-Afoji		UGX	100.00	
0265: Atiak-Moyo-Afoji				

Arrears estimates are the VERIFIED (by the Office of the Accountant General) arrears from past years till end of immediate past financial year (FY-1). These are generally restricted to the Gou Component.

Counter-part funding commitments are relevant only for Externally Financed project as the GOU contribution to fulfil the specific conditions (such land acquisition for infrastructure projects) indicated in the financing agreement in order for external financing to be disbursed. This will be equal to the amount that GoU should provide for the project each year to fulfil the GoU obligation in the Financing Agreement (FA).

Contractual commitments are derived for each contract entered into by the MDA under the project. For each contract, contractual commitments will be derived from the schedule of payments falling within the year based on the contract implementation plan. It is important that that the schedule of payments in the contract implementation plan is updated based on the pace of executing the contract. Contractual commitments under each contract are to be aggregated to form the figure for each project. Users may also make use of a supplementation sheet (see section 3.5) provided as part of the template to ease the computation of these aggregate amounts

Non-contractual commitments are also to be recorded for each contract. They arise from commitments made by the Government to facilitate the implementation of a contract - such as acquiring land for infrastructure development, and compensation or resettlement of project affected persons under the RAP. An aggregate value of the non- contractual is the one recorded for the project under this section.

Step 7: Commitment funding required on a multiyear basis

This section enables the recording of commitments for multiple-years; up to 5 years after the financial year following the current i.e. FY2, FY3, FY4, FY5 and FY6 – see figure below. Figures captured here each year will include the sum of contractual obligations, non-contractual obligations, and counter funding obligations. These components should be computed in the same way as in Step 4 above. The supplemental sheet – “Working Sheet MYC” - see also section 3.5, may be used on the computations of these commitments

Step 8: Cumulative Expenditure

This column is used to record cumulative project expenditure from project commencement till the immediate past Financial Year (FY-1). Separate figures should be inserted for each funding source.

3.5 Supplemental Information

This section includes provisions in the template that may be used to provide supplemental information (optional) which may ease the recording of MYC data or which may be useful in assessing and analysing the full MYC obligations by an MDA.

Capturing MYC at contract level

MYC Data in the main template (MDAMYC) is captured at project level. This may prove cumbersome where a project includes several contracts as tracking each of these contracts is likely to involve significant overhead. A supplemental sheet “Working Sheet MYC” below is introduced to allow MDAs to record MYC at contract level which can then be aggregated and captured in the main template.

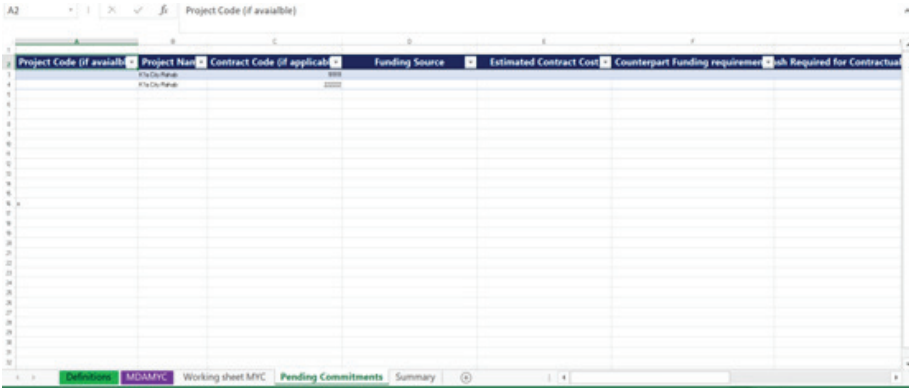
Project Name	Contract Code	Funding Source	Start Date dd/mm/yyyy	End Date dd/mm/yyyy	Approved Contract Value	Verified Arrears	Counterpart Funding requirements
K'u City Rahab	1111111						
K'u City Rahab	222222						

The key data elements to be completed in the Supplemental table are listed in the box

- | | |
|-----------------------------------|--------------------------------|
| 1. Project Code | 2. FY1 Contractual Commitments |
| 3. Project Name | 4. FY1 sum |
| 5. Contract Code | 6. FY2 Commitments |
| 7. Funding Source | 8. FY3 Commitments |
| 9. Start Date | 10. FY4 Commitments |
| 11. End Date | 12. FY5 Commitments |
| 13. Approved Contract Sum | 14. FY6 Commitments |
| 15. Verified Arrears (up to FY-1) | 16. Total Commitments |
| 17. FY1 Counterpart Funding | 18. Check |

Keeping track of pipeline contracts

A new sheet is added to enable the MDA to key track of contracts in the pipeline which are not yet signed but are likely to be actualised in FY1 or during the planning period (F2, .., F6). Knowledge of these pipeline commitments will increase the understanding by both the MDA and MOFPED of the level of likely additional commitments over the planning period and to make a determination of the budget provisions that may need to be added to cover these commitments. The sheet below is added to assist MDAs to capture these pipeline comments;



The key data sets to be completed for this purpose are listed in the table here below

1. Project Code (if available)	8. FY1 Total Commitments
2. Project Name	9. FY2 Commitments
3. Contract Code (if applicable)	10. FY3 Commitments
4. Funding Source	11. FY4 Commitments
5. Estimated Contract Cost	12. FY5 Commitments
6. FY1 Estimated Counterpart Funding	13. FY6 Commitments
7. FY 1 Contractual Commitments	14. Check

3.6 Validation of data

This section enables the MDA to validate the information captured in the template prior to submitting to MOPFPED. The template includes provision for validating in 2 steps;

STEP 1: Comparison of Total Commitments with the project cost

The templates provides 2 columns to assist the user in validating of the data that is entered;

- Total Project Commitments is the sum of commitments estimated in the first year (FY1) and commitments projects over the 4 future years (FY2, to FY6) – see Step 5 above;

- The Column marked “Check” is used to compare the “Total Project Commitment” with the Project Cost. The column will signal “RED” where the sum of the total commitments, the approved budget for the current year (FY0) and the cumulative expenditure exceeds the project cost. The MDA should ensure no cell is “RED” or include the justification in case of the RED colour.

Project Code and Name	Total Project Commitments	Check
1308: Development and Improvement of Special Needs Education (SNE)	UGX 12,433,410,000,000.00	UGX 12,386,110,000,000.00
1432: OFID Funded Vocational Project Phase II	UGX 9,217,953,000,000.00	UGX 9,157,640,000,000.00
1491: African Centers of Excellence II	UGX 30,770,000,000.00	UGX (9,030,000,000.00)
1540: Development of Secondary Education Phase II	UGX 96,854,000,000.00	UGX 13,854,000,000.00
1665: Uganda Secondary Education Expansion Project	UGX 315,576,871,120.00	UGX (377,923,128,880.00)
1601: Retooling of Ministry of Education and Sports	UGX 17,630,000,000.00	UGX (8,970,000,000.00)
1432: OFID Funded Vocational Project Phase II	UGX 19,941,225,149.00	UGX (728,774,851.00)
1665: Uganda Secondary Education Expansion Project	UGX 15,851,604,390.00	UGX (78,528,395,610.00)
	UGX -	UGX -

It is possible that Check cell entry will reflect “RED” not because of an error in MYC data entries but because of changes in project value such as a resulting from additional funding approved for the project which may not have recorded in the PIP. In such cases, the MDA will take the responsibility to bring this matter to the attention of PAP and DC to enable it be addressed in the PIP

Step 2: Summary MYC projections

Using the sheet labelled “SUMMARY”, the MDA is able to view and validate summary analysis resulting from the MYC captured in the main template “MDAMYC” in four areas

(i) Summary MYC data projections

The template aggregates MYC data by each of the sources of financing to provide to the MDA an overview of the level of funding projected to cover commitments over the planning period as in the table below.

(ii) Total GOU commitments – arrears and Counterpart funding

The template equally enabled the MDA to have a view of the aggregate funding required to cover counter-part financing obligations as well as arrears as shown in the figure below

(iii) Pending Commitments

Pending commitments are computed as the aggregate of the pipeline contracts listed in the sheet “Pending Commitment”. Where there are entries in this template, the gross total to funding requirements for MYC will likely increase – see figure below. This part of the summary allows the MDA and MOFPED to assess affordability of new contract the MDA is likely to enter into over the planning period.

	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28	FY28-29
Firm MYC in Ush. Bn.						
GoU Funded	685,000,000	47,200,000,000				
External Financing	-	18,000,000,000				
Grand Total	685,000,000	65,200,000,000				
Arrears and Counterpart funding FY23/24 in Ush. bn.						
External Financing						
GoU Funded	200,000,000	1				
Grand Total	200,000,000	1				
Pending Commitments						
GoU Funded	1,350,000,000	780,000,000				
External Financing						
GROSS TOTAL						
GoU Funded	2,035,000,000	47,980,000,000	-	-	-	-
External Financing	0	0	0	0	0	0

3.7 Steps in submitting completed templates

MDAs will take the following steps in submitting filled templates to the MoFPED

Step 1: Ensure that all data is captured

The Officer assigned to fill the template will inspect and ensure that all

- (i) All projects in PIP for which the MDAs is responsible, and which will be active over the planning period, have been included in the template
- (ii) All mandatory columns for which data is to be captured under each project, are filled; i.e. no blank cells in mandatory columns
- (iii) All cells in Column V labelled “Check” for all the captured project entries are “GREEN” and none is “RED”
- (iv) The Summary PIVOT table is refreshed and the information it presents is consistent with the expectations from the data captured

Step 2: Assemble all support information for verification of MYC data entries

The Officer responsible for completing the template will put together all documents evidencing the data captured in the template. This should include but not limited to

- Copies / extract of the PIP
- Copies / extracts of signed contracts or orders
- Relevant document to evidence verified arrears,
- Etc.

Step 3: Submit to MoFPED

The competed MYC template will be submitted in two forms

- (i) In a hard form including a formal letter signed by the Accounting and submitting printed copies of summary analysis forms from the template.
- (ii) In soft form – by email including a scanned submission letter by the Accounting Officer, the Excel filled template and copies of support documents.

4 | Processing and Using MYC data

This section is intended to provide to MDAs an overall understanding of the importance of the MYC data collection exercise and its impact on other activities related to budget management. The immediate uses of the MYC data is clarified together with timelines important in executing this exercise.

4.1 Use of MYC data provides by MDAs

Project MYC data provided by MDA is useful to meet administrative, process and legal requirements as illustrated here below;

- (i) Legal: the PFMA (2015) - Sections 13(10)(c) , requires the Minister / MoFPED to lay before Parliament annually a statement on multi-year commitment projections. These projections cover all projects implemented through the National Budget. MoFPED has complied with this requirement (see Annex 2 for copy of template of MYC statements used) over the years however, reliability of project MYC data has affected the integrity of past MYC statements. Data form the MDA MYC templates will improve the quality of the MYC statements.
- (ii) Process / Administrative: MYC data is used in the budget process, in making decision about budget allocations to on-going projects and in assessing available fiscal space for new projects.
- (iii) Administrative: MYC data can also be very useful for MDA internal management decisions. Knowledge about current and future commitments will encourage more prudence in the management of MDA budgets.

4.2 Times to be observed when collecting MYC data

In order to fulfil the demand in (4.1) above, the collection of the MYC data needs to be synchronised with other processes, most notably the budget preparation process, which are relevant to the demands above. Delays in providing data will not serve the purpose intended for example for annual budgeting. The table below lists the key activities in integrating the MYC data process with the national data process.

Date	Activity
30th August	DC meeting to update the PIP project list and project commitments to inform the first BCC
15th September	MoFPED issues the 1st Budget Call Circular including (i) indicative programme level MTEF ceilings (see also note below) for the development budget, (ii) instructions to MDAs to provide MYC data for use in the budget process and reporting and (iii) a budget process calendar to guide all activities of the budget process
30th October	MDAs return filled MYC templates, which have passed all the quality control checklist that formed part of the guidelines
30th November	Budget Desk Officers receive, review and complete validation and verification of MDA MYC filled templates data and approve or reject accordingly.
30th December	PAP / MoFPED completes the analysis and consolidation of MYC data derived from templates provided by MDAs.
15th January	MYC numbers are included in revised MTEF ceilings
28th February	PAP completes drafting of the MYC statements. Internal MoFPED discussion at Top Management are also completed within this period.
Early March	Presentation and discussions at the DC with MDAs on the consolidated MYCS, flagging any outstanding issues to be corrected prior to publication
15th March	Presentation of the MYC statements alongside the Annual Budget to Cabinet, then to Parliament.

Note: Going forward, in order to maintain a level of consistency, indicative MTEF ceilings for Programme Development Budget communicated in the first Budget Call Circular (BCC1), need to be based either on the projections (FY2, ... FY6) provided by MDAs in the previous year MYC covering the current planning period (now becoming FY1, and FY2, ... FY5) particularly as credibility of these projections improve. This will require MDAs to pay attention to the reliability of FY2,, FY6 numbers. ,

ANNEXES

Annex 1: Format for formal submission of the MYCT

[MDA Address]

[Date]

Title of letter:

Submission of multiyear commitment estimates for [budget year] and the medium term

Paragraph 1: Reference to the submission requirement in the Budget Call Circular and legal requirements in the PFMA.

[In response to the request in the BCC dated [XXX] and the legal requirements in section 23 of the PFMA (2015) and section 19 of the PFMAR (2016), please find below (in Table 1) a Vote level summary of the multiyear commitments estimates for Vote XXX].

Paragraph 2: Statement of MYC estimation.

It is estimated that signed contractual commitments are [XX bn]. in FY23-34. [Enter a brief explanation for the main drivers e.g., GoU or external and the major projects]. These are planned to grow/reduce by [enter percentage changes over the period] as depicted in Table 1:

Table 1: Multiyear commitment estimates FY23-24 to FY28-29 (UGX Billion)

	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28	FY28-29
External Financing	2,433.7	1,076.4	202.1	14.2		
GoU Funded	844.7	404.2	71.9	7.0		
Grand Total	3,278.4	1,480.5	273.9	21.2		

[Note: this table should be inserted from the summary template in the MYCT]

Paragraph 3: Estimated counterpart financing and arrears requirements for FY23-24 (UGX Billion)

Table 2: Arrears and counterpart funding requirements FY23-24

Counterpart funding	Arrears
50.4	67.4

[Note: this table should be inserted from the summary template in the MYCT]

[Note: this table should be inserted from the summary template in the MYCT]

	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28	FY28-29
GoU funded						
External financing						

[Note: this table should be inserted from the summary template in the MYCT]

For the forthcoming budget year, counterpart funding requirements are estimated at [XX Bn]. On account of [enter the reason for counterpart funding]. This will be phased over the medium term with [XX Bn. For FY25-26 and XX for XX].

The stock of arrears [defined as XXXX] is estimated at XX Bn. These are largely on account of unpaid certificates for [enter the projects that are driving the stock].

Pending commitments are estimated at XX Bn. For FY23-24. These are driven primarily by the following projects, which are at a late stage of procurement and are likely to receive budget financing next financial year.

Paragraph 4: Submission of supporting documents.

The detailed project level information that aggregates to Tables 1 and 2 have been provided in soft copy format to the C/PAP through the E-mail PAP@finance.go.ug using the Excel template provided as part of the Budget Call Circular. This includes detailed working calculations at the contract level including contract codes.

Signature PS

CC: all relevant parties

Ministry of Finance, Planning & Economic Development
Plot 2/12 Apollo Kaggwa Road
P . O . Box 8147, Kampala

