



**MINISTRY OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT  
THE RESOURCE ENHANCEMENT AND ACCOUNTABILITY  
PROGRAMME (REAP)**

**CONTRACTING OF AN INDIVIDUAL CONSULTANT – A SENIOR PFM EXPERT  
FOR DEVELOPING A MEDIUM TERM EXPENDITURE FRAMEWORK (MTEF)  
METHODOLOGY FOR THE GOVERNMENT OF UGANDA**

**MoFPED/REAP/CONS/22-23/00125**

**SPECIFIC TERMS OF REFERENCE**

**1. INTRODUCTION**

These Terms of Reference call for services to be implemented through the Development Plan Implementation (DPI) Programme of Uganda's 3<sup>rd</sup> National Development Plan (NDP III) with financing provided by the European Union (EU) through the Government's Resource Enhancement and Accountability Programme (REAP) under the Ministry of Finance, Planning and Economic Development (MoFPED).

**The Development Plan Implementation (DPI)** is one of the 20 programmes of the NDP III with a mandate to increase efficiency and effectiveness in the implementation of the National Development Plan. It has 6 strategic objectives namely; (i) Strengthening capacity for development planning, (ii) Strengthening budgeting and resource mobilization, (iii) Strengthening capacity for implementation to ensure a focus on results, (iv) Strengthening coordination, monitoring and reporting frameworks and systems, (v) Strengthening the capacity of the national statistics system to generate data for National Development, and (vi) Strengthening the research and evaluation function to better inform planning and plan implementation. By this mandate, DPI has a primary responsibility for improving NDP implementation by ensuring among others efficiency in the management and use of the results and reporting framework. The DPI Secretariat, under the MoFPED, provides administrative and technical coordination of the programme

On the other hand, **REAP** is the Government of Uganda's framework for the implementation of its Public Financial Management (PFM) Reforms Strategy. The REAP is jointly funded by the Government of Uganda and Development partners in multi-donor basket funding arrangement. Its overall objective is to increase resource mobilisation, improve planning and public investment management, and strengthen the quality, effectiveness and efficiency of service delivery accountability. The Programme contributes to the improvements in effectiveness, efficiency and accountable use of public resources at all levels of Government under the NDP III. Specifically, funding for this activity is to be provided by EU

**2. BACKGROUND**

In July 2020, the Government launched its 3<sup>rd</sup> National Development Plan (NDP III). The NDP III introduced programme based approach (PBA), a new mechanism for planning and budgeting which places greater emphasis on a coordinated approach to delivering common results and development

outcomes across Government. Accordingly, this new approach, which replaced the sector wide approach (SWAp) under the NDP II, introduced programmes in place of sectors and caused major changes to the national development results framework that necessitated the upgrade of the Government financial management systems (notably the PBS and IFMS) among others.

The introduction of PBA was motivated by concerns about weak coordination and harmonisation of planning activities of MDAs<sup>1</sup> with national development outcomes and the persistent weak alignment between the NDP and institutional budgets. For example, NPA, using the Certificate of Compliance, gave an unsatisfactory rating 59.7% to 2019/20 budget compliance with the NDP II.

**Box 1: Goals of NDP III Programme Planning Approach**

- i) Focus implementation of the NDPIII programmes on delivery of common results;
- ii) Strengthen alignment of planning and budgeting frameworks to provide a logical framework for anchoring the Program-Based Budgeting System (PBS);
- iii) Enhance synergies across Ministries, Agencies and Local Governments (MALGs) and other actors to reduce a ‘silo’ approach to implementation; and,
- iv) Provide a coordinated framework for implementation, monitoring and reporting for improving delivery of results.

*Source: Guidelines for Transitioning to Programme Planning and Budgeting Approach*

However, the 2022 study commissioned by MoFPED, through the DPI Secretariat established that the main cause for the plan / budget mismatch was not structural alignment of the budget to the plan as assumed by the NDP III but rather the absence of fiscal realism. Uganda’s budget was over-committed and therefore structural alignment of the budget to the NDP would not be sufficient to solve the problem of plan/budget mismatch except by making planning and budgeting more fiscally realistic as well. The key instrument for achieving this is an effective MTEF. The study found Uganda’s MTEF to be weak and not a suitable framework for a realistic budget and for promoting fiscal realism.

The mid-term review of the NDP III, which was concluded in December 2022, also confirmed many of these gaps. To address these gaps, the study recommended to Government to adopt to a more meaningful Medium Term Expenditure Framework, incorporating explicit medium-term projections of baseline expenditure, affordable aggregate expenditure and fiscal space. These recommendation was accepted by the MoFPED.

The DPI Programme, with support from REAP, would like to engage the services of a Senior Technical Expert in the area to support its efforts in strengthening its MTEF to make it more appropriate for generating realistic estimates to guide planning and budgeting. The functions to be carried out by this Consultant are outlined further below.

### 3. OBJECTIVE OF THE ASSIGNMENT

The overarching objective of this assignment is **to strengthen fiscal realism in order to improve alignment of budget allocations to the NDP spending requirements.** The Specific aim of this technical support is to establish capacity for developing reliable estimates of the fiscal space available to guide new spending requirements – to avoid over-commitment of the budget.

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<sup>1</sup> Refer to Guidelines for Transitioning to Programme Planning and Budgeting Approach issued by NPA

#### 4. SCOPE OF THE ASSIGNMENT

The technical support to be provided by the expert will extend to strengthening Institutional capacity for preparation and use of the MTEF to better manage fiscal realism and allocations to new spending requirements under the NDP .

#### 5. TASKS TO BE UNDERTAKEN

The Consultant will carry out the specific functions here below;

- a. Develop a reliable methodology and processes for estimating baseline expenditure, including multi-year commitments for capital projects initiated in the past. Processes should be clarified for (i) the appropriate budget preparation mechanisms to ensure that spending decisions are limited to available fiscal space, (ii) spending reviews to increase available fiscal space, (iii) in-year budget allocation to avoid over-commitment of the budget.
- b. Validate the methodology with the Directorate of Budget, Department of Macro-Economic Policy and the National Planning Authority and test it with MDAs including the application of baseline estimation methodology
- c. Based on this methodology, develop a new Medium Term Expenditure Framework (MTEF), incorporating explicit medium-term projections of baseline expenditure, affordable aggregate expenditure and fiscal space.
- d. Draft a Training module that will be used to train and build understanding of the performance reporting principles and guidelines above. Extend ToT training to selected staff of the Directorate of Budget, Departments of Tax Policy, Debt and Macro-economic policy

#### 6. EXPERTISE REQUIRED

The Consultant will be a senior expert with the following qualifications

##### Education

- An advanced degree in Public finance, Economic Management, Planning or related field from a recognized university.

##### Experience

- a) At least 20 post qualification years of relevant professional experience, including at least 10 in senior positions in an international development role in public finance, planning, and economic management. Specific public sector experiences in Uganda or LDCs of similar conditions is highly desirable.
- b) At least 10 years of proven practical experience in designing, implementing or reviewing medium term expenditure frameworks including in advising on policy related to this area;
- c) Demonstrated experience in designing, implementing or reviewing implementation of national and sector strategies Governments
- d) Demonstrated experience in review and designing of medium term expenditure frameworks incorporating development strategies for national governments.
- e) Conversant with programme based planning approach, national planning framework, government institutional planning, and budgeting and reporting processes

- f) Strong leadership skills
- b) Strong interpersonal and presentation skills with awareness of cultural sensitivities.
- c) The ability to effectively communicate with stakeholders in a public sector context as well as at the highest echelons of authority.
- d) Strong report writing skills, using clear and concise language.

#### Language skills

Excellent written and spoken English.

### 7. DURATION OF THE ASSIGNMENT

It is expected that the assignment will require a level of effort of 50 person days spread over 3 months beginning on August 1st 2023. The Expert will be expected to spend about 45 person days in Uganda.

### 8. DELIVERABLES

The Consultant will be required to provide the following deliverables:

- a) Inception Report: The Inception Report will detail the Consultants' execution plan and will be used by the Consultant to demonstrate his/her understanding of the assignment. It will include an appropriate methodological approach and an indicative work plan
- b) MTEF methodology: a report presenting a methodology for the development of the MTEF appropriate for the government. This report will have been presented and obtained acceptance of the MoFPED
- c) Revised MTEF: a new MTEF for the Government based on the approved MTEF methodology. This MTEF will have been tested and demonstrated to meet all benchmarks for realistic plan and budget for the Government of Uganda.
- d) Capacity building: A report on the training presenting the training materials used and training conducted
- e) Final Report: The Final Report will present the consultants accomplishment over the period of the contract including identifying gaps that remain in implementing and using the MTEF and providing recommendations for future use.

### 9. REPORTING REQUIREMENTS

The Consultant will report to the Coordinator, Secretariat for DPI/PSD Programmes but will work closely with a technical committee comprising the Directorate of Budget, Department of Macroeconomic Policy and the National Planning Authority. The Consultant's outputs will be reviewed and cleared by a Technical Committee - the Development Planning, Research and Statistics (DPRS) Technical Working Group (TWG) under DPI programme, which is chaired by the National Planning Authority (NPA). The consultant will be provided with working space should this be necessary.

<i>No.</i>	<i>Procurement Reference Number</i>	<i>Subject matter of Procurement</i>	<i>Submission deadline</i>
1.	MoFPED/REAP/CONS/22-23/00125	Individual Consultant – A Senior PFM expert for Developing a medium term expenditure framework (MTEF) methodology for the Government of Uganda	Date: 15 <sup>th</sup> August 2023 Time: 1100hrs

Late applications shall be rejected.

(a) Applications must be delivered to:

**The Resource Enhancement and Accountability Programme (REAP)**

**Ministry of Finance, Planning & Economic Development**

**Crested Towers Building, 9 Floor (Tall Tower) Office 9.12**

**UNDER SECRETARY/ACCOUNTING OFFICER**