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Ministry of Finance, Planning &
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Plot 2-12, Apollo Kaggwa Road
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Kampala
Uganda

In any correspondence on
this subject please quote No. **BPD 86/166/03**

THE REPUBLIC OF UGANDA

24th March 2017

Rt. Hon. Ruhakana Rugunda
Prime Minister
Office of the Prime Minister
Kampala

Dear Rt. Hon. Rugunda

FUNCTIONALITY OF THE PROGRAMME BUDGETING SYSTEM (PBS)

1. During the Cabinet Meeting on the Budget held last week and the Meeting of yesterday, a number of colleague Ministers raised issues regarding the functionality of the Programme Budgeting System (PBS) which has impacted on the timely completion of Budget documents for FY2017/18.
2. As you are aware, previously Government adopted Output Oriented Budgeting (OOB) which aimed at improving the linkage between Government's policy objectives, expenditure and Outputs using the Output Budgeting Tool (OBT). While the OBT improved the Budgeting System it had a number of shortcomings:
 - i). Poor security management with no user access control and no delineation of roles and responsibilities.
 - ii). Manual budget consolidation; a time-consuming and inefficient exercise and may therefore lead to errors.
 - iii). Inability to store historical data of more than two financial years making it difficult for users to refer to past performance.
3. Accordingly, we upgraded the OBT to a web based application the Programme Budgeting System (PBS). The PBS has enabled Government to link its Budget resources to results. In addition it will:
 - i). Strengthen the link between financial budgets of MALGs with results;
 - ii). Enhance Security with access restriction based on user profile;
 - iii). Facilitate consolidation of budgets documents and reports by MoFPED;
 - iv). Improve the efficiency in preparation of Budget documents

Mission

To formulate sound economic policies, maximize revenue mobilization, ensure efficient allocation and accountability for public resources so as to achieve the most rapid and sustainable economic growth and development.

4. We embarked on PBS implementation in April 2016 and conducted the following activities before roll out of the System for FY2017/18 Budget Preparation;
 - i). Sensitization of MDAs on Programme Based Budgeting;
 - ii). Training of technical staff for Central and Local Government;
 - iii). Held Technical Meetings with Planners, Financial Officers and Economists for both Central and Local Government;
 - iv). Training of Accounting officers in Central Government and Missions abroad.
5. After a year of positive engagement with MDAs, we have encountered a number of issues during the preparation of the Budget which include;
 - i). Internet and Network instability;
 - ii). Poor remote access to the Servers by the Technical Team off site;
 - iii). PBS functional issues such as; Capturing Procurement Plans for Subventions, Allocation of Arrears to Item Budget, Configuration of the Vote MPS approval process;
 - iv). Internet Challenges within MDAs;
 - v). Computer literacy gaps within MDAs which presents a challenge in navigating the System.
6. In order to counter these challenges,
 - i). This Ministry linked with NITA-U and resolved the challenges pertaining to Internet and Network connectivity;
 - ii). The Consultants have resolved all the functional issues;
 - iii). The MDAs have been requested to devise means to equip their staff with computer literacy skills.

Mission

'To formulate sound economic policies, maximize revenue mobilization, ensure efficient allocation and accountability for public resources so as to achieve the most rapid and sustainable economic growth and development.'

The purpose of this letter is to affirm to you that this Ministry is committed to ensure that the PBS is robust. I also appeal to all Stakeholders to embrace and support this initiative that will transform the Budgeting system to a results basis. In conclusion, I have written to all MDAs to submit their Draft Estimates not later than 27th March 2017.

Matia Kasaija (MP)

MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

cc: All Honorable Ministers
All Permanent Secretaries
Executive Director, NITA-U

Mission

"To formulate sound economic policies, maximize revenue mobilization, ensure efficient allocation and accountability for public resources so as to achieve the most rapid and sustainable economic growth and development"

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THE REPUBLIC OF UGANDA

24th March 2017

All Honorable Ministers

SUBMISSION OF BUDGET ESTIMATES AND WORKPLANS FOR THE FY2017/18

Colleagues, as you are aware, Section 13(3) of the PFM Act 2015 requires my Ministry to present to Parliament by 1st April the Detailed Budget Estimates to facilitate the review, approval and appropriation process by Parliament.

Accordingly, Cabinet approved the final Budget on Wednesday 22nd March 2017 and the Final Budget Call Circular was issued on 07th March, 2017 on the Finalization of Detailed Budget Estimates and Ministerial Policy Statements (MPSs) required all MDA's to submit their respective Budget Estimates for FY 2017/18 not later than Monday 13th March, 2017.

In addition, in a letter dated 20th March 2017 all Accounting Officers were reminded to submit the Budget Estimates not later than **Wednesday 22nd March, 2017** to enable compliance with the above Law

Whereas a number of issues regarding finalization of the Budget Estimates with the online Programme Budgeting System was delaying finalization of estimates, all these issues have been fully resolved and my technical staff endeavored to provide full support to all the affected Votes during this period.

The purpose of this letter therefore, is to request you to prevail over Accounting Officers and Executive Directors of Public Corporations and State Enterprises under your Ministry to urgently submit Budget Estimates for their respective Institutions not later than close of business **Monday 27th March 2017** to enable me present the **Budget Estimates for FY 2017/18 in Parliament on Thursday, 30th March 2017.**

Mafia Kasaija (MP)

MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

cc: Rt. Hon Prime Minister
Head of Public Service/ Secretary to Cabinet
Principle Private Secretary to H.E the President

Mission

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