UGANDA DEBT NETWORK

Democratic Governance Facility

AFRICA'S RISING DEBT: IS IT TIME FOR A MULTI-PRONGED APPROACH?

A CASE OF UGANDA

MAY 2019

1.0 INTRODUCTION

Financing for development has become a critical issue globally. In particular, Africa stands out in the predicament of development financing through debt/ borrowing (domestic and external). Almost 40% of countries in Sub-Saharan Africa (SSA) are in a danger of slipping into a major debt crisis. Eighteen of the African countries that are at high risk of debt distress has almost doubled since the year 2013 while 8[1] of these countries are already in debt distress. (World Bank 2018). According to the Brookings Report: *Is SSA countries facing another systematic sovereign debt crisis? April 3rd 2019,* the total debt and external debt for the SSA countries is estimated at US$160 billion and US$90 billion respectively.

Despite the high economic growth in the East African region, public debt still remains one of the main economic policy challenges facing most governments. The regional total debt stock showed an incremental trend from 2006 to 2014, where the stock was at $34. 854billion in 2006 and increased to $68.338billion in 2014. This rising trend unsustainable and has huge potential to plunge the region into economic crisis.

According to Bank of Uganda (BOU) State of the Economy Report, March 2019, Uganda's debt has grown to UGX 44, 394.2 billion (US$ 11.266 billion) as at the end of January, 2019 (up from Shs 41.3 trillion [US10.0976 billion] previous quarter) which is about 42% of Uganda's GDP. This increment represents a growth of 4.5% relative to June 2018 and is attributed mainly to a 12.3% increase in public domestic debt. Public external debt maintained a dominant share of 64.8% of the total public debt. Economic growth is expected to pick up to about 6.3% in FY 2019/20 and to 6.5 to 7% in the medium term supported by the accommodative monetary policy stance, multiplier effects of public infrastructure development, improved agricultural performance and the pickup in private sector credit. From the above analysis, Uganda is no exception when it comes to public financing through borrowing both domestically and externally.

Government of Uganda has the basic infrastructure for prudent management of public resources including debt resources as guided by key policy, legal and institutional regimes such as; a) The Public Financial Management Reform Strategy 2018 b) Public Finance Management Act 2015 (as amended) c) The Public Private Partnership Act (2015) d) Public Debt Management Framework 2013 (with a revised policy in offing) e) Annual Medium Term Debt Management f) Debt and Cash Management Department at Ministry of Finance. However, debt dynamics in Uganda have been susceptible to fiscal slippages, subdued economic growth, exchange rate vulnerabilities and tighter debt financing requirements considering the changing debt architecture. These are exacerbated by limitation of effective global economic governance mechanisms to better support debt financing by both borrowers and lenders for sustainable development.

This paper therefore highlights reforms to deal directly with debt vulnerabilities; build its capacity to responsible borrowing and enhancing transparency for borrowed resources in order to mitigate falling into the debt distress category. These reforms focus on strengthening strategies for boosting economic growth and macroeconomic management – both fiscal and monetary policies –to ensure Uganda's debt sustainability.

1. This includes Chad, Mozambique, Republic of Congo, Sao Tome, South Sudan, The Gambia and Zimbabwe.

2.0 UGANDA'S DEBT AFTER 20 YEARS OF MULTILATERAL DEBT INTITIATIVES: AN ANALYSIS OF TRENDS AND THEIR DRIVERS

2.1 How Uganda's sovereign debt and debt servicing increased over the years

a) ***Uganda's rising debt since the first debt relief in the year 1997:*** By1970, Uganda had a total external debt stock of US$151.7million[2] which continued rising and by 1980 Uganda's Public Debt was $732.7million. The country recorded an average growth of debt stock of 13.4% within the decade[3]. Within this period, debt contracted was largely through official sources at both multilateral and bilateral institutions. Multilateral institutions accounted for about 57.7% of the debt contracted, while the Paris Club share amounted to 4.9%, non-Paris Club and commercial creditors' contribution was at 27.6% and 9.8%, respectively. By the end of 1992 Uganda's total external debt was US$2.6billion with over 60% outstanding to multilaterals and debt service to multilaterals alone (in 1991/92) was 31%.[4] By this time, the debt situation needed a substantial debt servicing reduction strategy to enable Uganda fulfill her debt obligations as it was rated a highly indebted poor country eligible for debt relief.

b) **The Era of Debt Relief Initiatives:** While Uganda has been a beneficiary of several debt relief initiatives in the past, she has continuously relied on external borrowing for deficit financing. Uganda was the first beneficiary from the Highly Indebted Poor Countries (HIPC) Initiative in 1997. During Pre-HIPC (1996/97), external debt stock was $3.7Billion but received debt relief worth $347Million of which 79% was due from multilateral creditors. Total relief under the enhanced HIPC Initiative was worth nearly $700 million, equivalent to 38% of total NPV debt outstanding at the end of June 1999. This was expected to translate into debt service relief over time of about $1.3 billion and was in addition to the $650 million ($347 million in NPV terms) of relief provided in April 1998 under the original HIPC Initiative. Total debt service relief under the original and enhanced HIPC frameworks would yield approximately $2 billion.

In 2006, the Multi-Lateral Debt Relief Initiative (MDRI) provided 100% debt cancellation reducing Uganda's debt stock to $1.6bn. However, by end of June 2010, Uganda's external debt exposure had increased to $4.3bn[5] and had increased to $6.7bn by end of April 2014[6]. According to the Auditor General (Report, 2018), by Dec 2018, Uganda's debt to GDP ratio reached 41% and by January 2019, Uganda's Debt had increased to US$ 11.266 billion representing about 42% of GDP which is considered below the IMF risky threshold of 50%. This is however unfavourable when debt payment is compared to national revenue collected which is the highest in the East African region at 54%. Yet, the Ministry of Finance (DSA Report, 2017) expects the debt to GDP ratio to rise to 47.8% in FY 2020/21 which is only slightly below the limit of 50%. The IMF's report (Jan. 2017) on the 7th Policy Support Instrument noted that vulnerabilities to debt distress have increased and the trend is likely to push the country into another debt trap if the current position is not addressed.

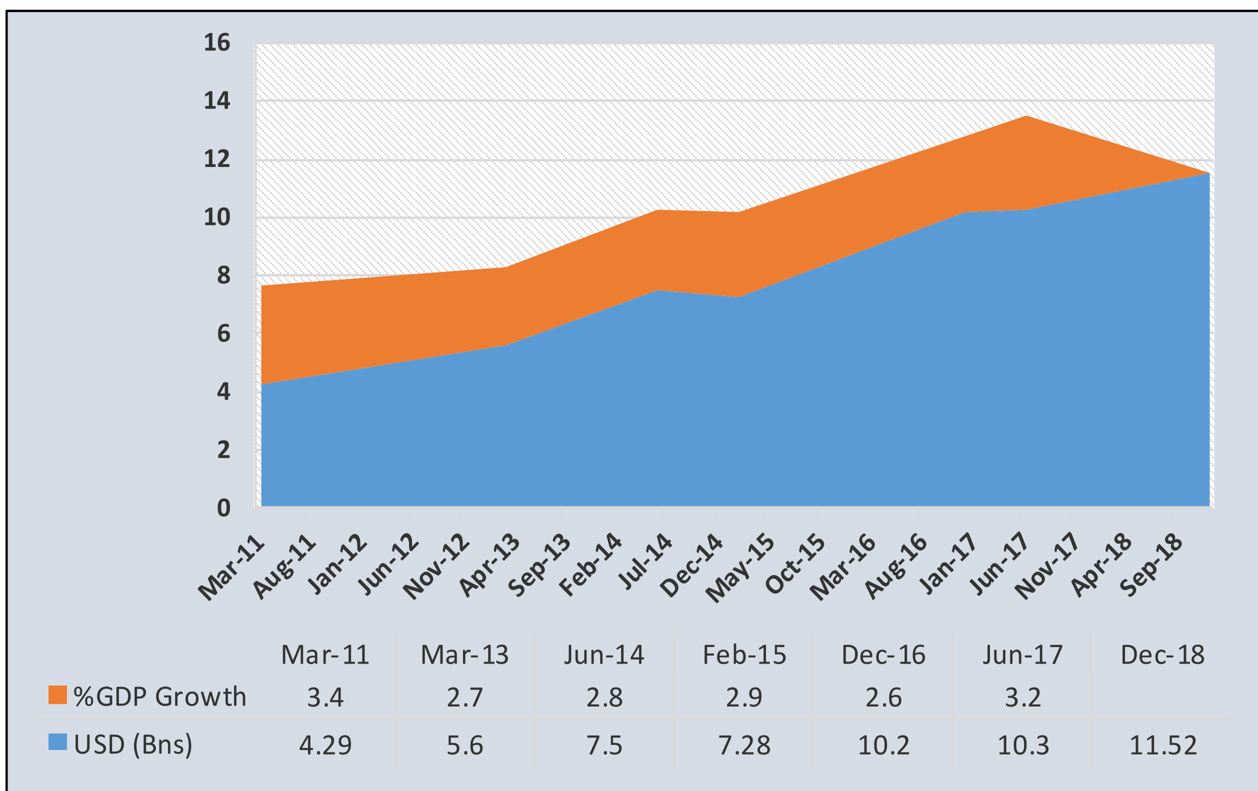
c) ***NDP financing strategy:*** Government borrowing is expected to increase to finance infrastructure development with regard to the priorities identified in the National Development Plan (NDP). The debt implications from the financing strategy for NDP I & NDP II are quite significant given the magnitude of the planned deficit and respective investments in the infrastructure. The fiscal strategy of the NDP II was expected to widen the budget deficit to nearly 9% of GDP for three years from 2015/16 before it would reduce to about 7% in 2018/19. The deficit is largely driven by the need to address the infrastructure deficit and consolidating human capital development.

2. Bigsten A. and Kayizzi-Mugerwa S. 1999. Is Uganda an Emerging Economy? A report for the OECD project "Emerging Africa", pg11.
3. African Economic Research Consortium. Growth and foreign debt: The Ugandan experience; November 1997, Pg 3.
4. Ibid
5. Uganda Debt Network. Issues Paper on Uganda's Debt Status: June 2002/2003 – June2011/2012, 2013, pg 2.
6. MoFPED. Background to the Budget FY 2014/15, pg 62.

d) *<u>Growing stock of Uganda's debt, its servicing and the changing debt composition</u>:* Uganda's past debt portfolio was more sustainable when the country was still committed to acquiring concessional debt although evidence shows that the debt is still highly sensitive to non-concessional debt. Uganda recorded a government debt equivalent to 38.6% of the country's Gross Domestic Product in 2017. One needs to note that public debt to GDP in Uganda averaged 43.04 % from 1997 until 2017, reaching an all-time high of 71.50% in 2003 and a record low of 19.20% in 2009. In January 2019, Government Debt to GDP however shot up to 42% of GDP and is expected to continue increasing in medium and long term due to the Global Development Agenda (GBA) requirements and implementation of the National Development Plan II. (https://tradingeconomics.com/uganda/government-debt-to-gdp). Uganda is increasingly making a significant shift from traditional creditors e.g. Paris Club creditors etc. to new bilateral creditors such as China, India and states in the Middle East (BRICS). The traditional lenders such as IMF/World Bank and AfDB have also reduced the grant component of their development support on the basis that Uganda is no longer a HIPC country.

Uganda's debt structure is constantly changing as more domestic, short-term and non-concessional debt is dominating the debt portfolio. The current structure shows that total public debt service as at 31st December 2018 was 84%, moreover on non-concessional domestic debt (MoPFED Report, 2019). Prudent debt management for sustainability demands that interest rates are far below the real economic growth rate. Uganda has had an average growth rate of less than 6% over the last decade, yet the interest rate on its debt profile gets higher by the year, given the increase in domestic debt. This calls for Government's concern about debt structure in terms of what portion of the debt portfolio constitutes concessional and non-concessional loan given the costs attached to each.

Uganda's Debt Vs GDP Annual Growth Rate (%): 2011 - 2017



	Mar-11	Mar-13	Jun-14	Feb-15	Dec-16	Jun-17	Dec-18
%GDP Growth	3.4	2.7	2.8	2.9	2.6	3.2	
USD (Bns)	4.29	5.6	7.5	7.28	10.2	10.3	11.52

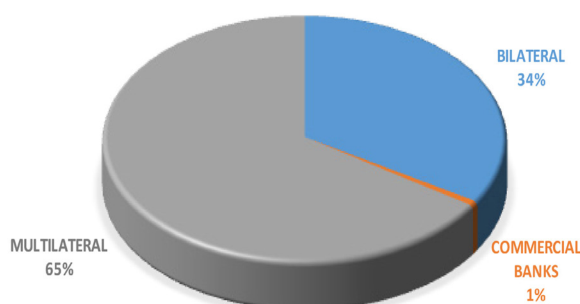
Source: Compilation from various Government Reports.

Also refer to: https://data.worldbank.org/indicator/ny.gdp.mktp.kd.zg

2.2 The changing composition of public debt and the emerging issues:

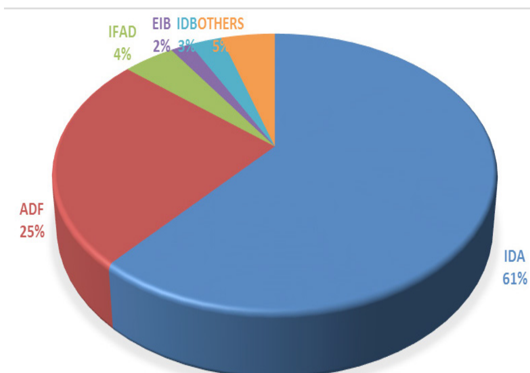
This section provides a breakdown of Uganda's debt composition with regard to declining share of the multilateral concessional debt Vs the share of commercial loans which include, a) Stock of Debt Composition by Creditor Category, b) External debt stock composition of Multilateral Creditors, and c) Bilateral creditors Composition.

i) ***Stock of Debt Composition by Creditor Category:*** According to the Auditor General (Report, Dec 2015), Multilateral creditors contributed 84% of loan amount while Bilateral creditors contributed only 16%. However, this has since changed in that Multilateral creditors contribute 65%; bilateral creditors hold 34% and Commercial banks, 1% of the debt stock (MoFPED, 2019) where commercial banks share is dominated by PTA & Standard Chartered Bank (MoFPED, 2019) as noted below.



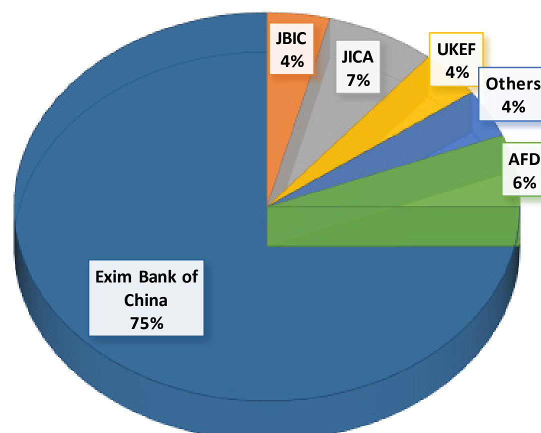
Source: MoFPED, 2019

ii) ***External debt stock composition of Multilateral Creditors*** - IDA and AfDF account for a combined total of 86 percent of the current debt stock. The other multilateral creditors are IDB, EIB and IFAD



Source: MoFPED, 2019

iii) ***Bilateral creditors Composition:*** The biggest proportion of the current stock is from China (75 percent) while AFD (France), UKEF (UK), Japan and others account for the 25 percent. The high stock of debt from China is largely due to the financing for Karuma & Isimba Hydro Power projects.



Source: MoFPED, 2019

2.3 Major drivers for Uganda's debt build up

The Global Development Agenda is creating both pressure and rhetoric to mobilise billions of dollars in financing resources and long term ambitious national development strategies to move from low income to middle income status. Uganda seems to be on straight path to fall into this pressure and rhetoric. Borrowing remains one of the few options to support national development strategies, given her low growth in tax base and consequently tax revenues as well as low equity investment inflows.

While the Government of Uganda has consistently reported that the debt portfolio is sustainably below the requisite IMF/World Bank thresholds, domestic borrowing is also increasingly taking a big share of the debt stock. This is reportedly because the Government is focused on addressing the infrastructural constraints in order to increase economic efficiency and reduce the cost of doing business pursuant to the Global Development Agenda (GDA) and the NDP II. Much of Uganda's foreign debt is nominally

borrowed to develop infrastructure – roads, railways, dams, transmission lines, airports etc. The rest of the debt goes to financing the transport and energy infrastructure that could have a potential to give the economy future productivity gains. It is worth noting here that a significant amount of borrowed resources is lost to corruption. According to the Afro-barometor report, March 2016, it is estimated that $2.6 trillion is stolen annually through corruption in Uganda. This is more than 5% of the global GDP which is about $80 trillion. Some specific contributing factors to Uganda's debt build up include;

a) ***The prospects of oil production have of late also increased the appetite for borrowing for infrastructure development*** with the hope that revenues generated from oil will help the country to pay back the loans. For example, the following loans have so far been secured: Kabaale International Airport (Hoima) - EUR 264 million (UGX 1.1 trillion) - United Kingdom Export Finance; Oil refinery project - USD 4billion - Albertine Graben Refinery Consortium and and Government of Uganda; Uganda-Tanzania oil pipeline - USD 3.5 billion - Stanbic Bank USD 2.5 billion and Shareholder's equity - USD 1 billion; 700km of Oil roads worth a total cost of UGX 3.2 trillion (USD 909.8 million), 97 km worth UGX 504 billion has been provided so far by Ms China Railway Seventh Group Co. Ltd, additional funding expected from Exim Bank and UK Export Finance. In addition, the ambitious standard gauge railway project worth US$ 12.8 billion (UGX 45 trillion) is in the pipeline the Exim Bank of China being courted to provide the financing of the project. In addition, the Government expects to borrow US$ 500 million (UGX 1.9 trillion) for the construction of Kampala – Malaba light rail project.

b) ***Rising rate of non-concessional borrowing bilaterally from the Eastern Block (BRICS).*** There is an increasing tendency from Government to borrow from the East as opposed to the traditional western lenders (IMF, World Bank). This seems to propel Government's appetite to borrow since the Eastern bloc lenders are willing and quicker to avail credit as and when needed. Uganda's debt architecture has changed registering less Grants but more loans increasing on non-concessional terms, especially with Chinese loans. Traditional sources of credit are shrinking and new options with harder terms are emerging, such as new bilateral lenders, major ones being Brazil, China, Japan and India. The new bilateral lenders are attractive because they provide relatively larger amounts of financing without policy and other related conditionality. While 65% of loans are from multilateral creditors, 34% from bilateral creditors and 1% from commercial banks, loans from China on non-concessional terms comprised of 75% on bilateral arrangement (MoFPED, 2019).

c) ***Unfavourable Conditions Attached to Loans:*** Some non-concessional loans come with unfavourable and stringent conditions as cited in the Auditor General's report 2018 including; waiver of sovereign immunity by Government over all its properties and itself from enforcement of any form of judgment, adoption of foreign laws in any proceedings to enforce agreements, and requiring government to pay all legal fees and insurance premiums on behalf of the creditor. These conditionalities work against the Uganda Government and are costly in the event that loan repayment as required is challenged.

d) ***Cost of Interest payments (domestic and external):*** Uganda's expenditure on interest payments has been increasing for the past four years. Interest payments for FY 2017/18 is reported to have amounted to UGX 2.34trillion, representing 17% of total revenue collections, above the limit set in Public Debt Management Framework 2013 of 15% (AG Report, 2018). Yet, according to the Budget Framework Paper (BFP) for FY 2019/20, Government projects to spend UShs 2.9trillion (11.4%) on interest payments taking 1st priority on domestic revenue. Although interest payments is ranked 2nd in the current FY 2018/2019 (10%), after Works and transport, and Energy and Mineral development (moreover, heavily financed with externally borrowed resources), it makes the 1st call on domestic revenue hence first priority on government expenditure as projected in FY 2019/20. This will consume a huge chunk of national resources thereby cheating other service delivery efforts.

e) ***Foreign Currency Exchange Risks:*** Uganda's current external debt stock is largely from Multilateral Creditors, and denominated mainly in SDR (43%) and USD (33%). To fit in the development financing and cooperation arena, other currencies have increasingly become prominent like the EUR (10%), GBP (2%), JPY (6%), CNY (3%) among others. However, 66.5% of the total government debt portfolio is exposed to foreign exchange rate risk due to the depreciation of Uganda shilling against the USD. This impacts negatively on the national budget in terms of rise in external debt service payments.

f) ***Front-loading of debt obligations on the basis of revenue from extractives.*** The discovery of oil, gas and other extractives has raised Uganda's appetite to contract debt which has increased its future financial obligations. A significant number of oil-development related projects (especially in the energy and roads sectors) are being financed on a reimbursement basis (recoverable costs) while decisions on other infrastructure projects is also related to future oil revenues. The fiscal strategy guiding debt acquisition, utilization and management that improved infrastructure will lead to competitiveness and future revenue from extractives – notably oil – will increase ability to service the debt is based on assumption. For instance, the NDP II projected a widening budget deficit to nearly 9% of GDP for three years from FY 2015/16 before it reduced to about 7% in FY 2018/19. But, this deficit is largely driven by the need to address the infrastructure deficit whose achievement seems to be lagging behind and could greatly undermine oil-related debt sustainability.

According to the Auditor General, by Dec 2018, Uganda's debt to GDP ratio reached 41%. While the Ministry of Finance (DSA Report, 2017) expected the debt to GDP ratio to rise to 47.8% in FY 2020/21, the IMF warns this is expected to grow to 50.7% in the FY 2021/22 due to increased borrowing for infrastructure projects (IMF Report, 2019) and that vulnerabilities to debt distress against sustainability have increased. This trend will push the country into another debt trap even if Government seems comfortable with the current position

3.0 FUNDAMENTALS WORKING FOR AND AGAINST EFFECTIVE DEBT MANAGEMENT IN UGANDA

3.1 Strides made towards effective debt management:

Uganda has to be more pro-active in the application of strategy for debt management in order to prevent returning to conditions of debt un-sustainability. National budget needs have consistently and increasingly become competitive requiring reliable fiscal instruments to contribute to the success of debt management. However, in an effort to improve the management of public borrowed resources, Government has made tremendous strides in establishing key policy, legal and institutional regimes as follows;

A) **Debt Policy Documents**

1. Public Debt Management Framework 2013 (under review by Min. of Finance)
2. Annual Medium Term Debt Management Strategies
3. Guidelines for Loan/Grant Negotiations in Government (July 2018)
4. Cabinet Adequacy Checklist for Borrowing and Loan Approvals (2018)
5. Public Financial Management Reform Strategy 2018
6. Cash Management Policy (under formulation by MoFPED).

B) **Legal frameworks**

1. The Constitution of the Republic of Uganda, 1995 (as amended) - Article 159 authorizes the Government of Uganda to borrow from any source provided such borrowing is expressly approved by Parliament.
2. Public Finance Management Act (2015, as amended)
3. Public Private Partnership Act (2015)

C) **Institutional Arrangement**

1. Establishment of a Directorate of Debt and Cash Policy within the Ministry of Finance 2014.The debt management functions are split into the Front Office, Middle Office and Back office.
2. Establishment of a functional project appraisal and Evaluation Unit within the Ministry of Finance.

3.2 Shortcomings to ensure Effective Debt Management

To a certain extent, Uganda has made efforts to adhere to the policy guidelines for the effective implementation of debt management provisions in the Public Debt Management Framework and internationally acceptable guidelines. But several existing gaps affect effective debt management as follows;

1. **Debt – Asset Mismatch:** The ability of planned and actual investments to generate a return within the required time is critical in assessing future debt sustainability. To gain debt sustainability over time, the economy should grow at a rate higher than interest rate of the debt. The acquisition of short-term debt to finance long-term investments (mainly roads and energy projects) will result in a debt-asset mismatch problem since the debt will mature before sufficient returns are realized from the investments in infrastructure. Uganda needs to grow at average of 8% per annum to maintain debt-to-GDP ratio of less than 35% in the medium term and such growth should be backed by a strong rise in business investment and exports.[7] None of these conditions is being fulfilled in light of growth rates of 5% and the recent recurrent depreciation of the shilling related to decline in exports.

2. **Increasing Vulnerabilities to debt management:** There is increasing exposure to volatility associated with international capital flows, foreign currency-denominated loans, an increasing stock of debt, high cost of borrowing and the short term nature of domestic borrowing, which are major risks to Uganda's debt portfolio management (CABRI, 2016). In addition, the link between cash management and debt management is limited. The functionality of a cash management frame in alignment with the borrowing framework enhances channeling the proceeds of borrowing in a timely and appropriate manner. Cash management links expenditure with revenue inflows and borrowing activities to ensure that enough cash is available throughout the Fiscal Year and that no cash will lie underutilized in the system[8]. This is still a challenge as Uganda is still in the process of formulating a Cash Management Policy to facilitate the implementation of a robust cash and debt management to ensure debt sustainability.

3. **Inadequate document assessment of project documents to establish economic and financial rate of return:** Loan financing decisions involve an assessment on the economic returns to a project. According to Uganda's 7th Economic Update of the World Bank report (April, 2016), there is concern that Uganda's public investments are falling short of generating the desired economic return. The report noted that every dollar invested in Uganda's infrastructure yielded less than a dollar (i.e. only 0.8) worth of economic activity. The effective functionality of the project appraisal and evaluation department in the MoFPED is still limited. For instance, in FY 2013/14, of the 35 sampled loans, only two (2) loan proposals had been technically evaluated and analysed by MoFPED Debt Management Unit (DMU).[9] Again in 2014, loans worth USD 817 million which were secured on non-concessional terms since June 2013, had no backing assessment of the economic and financial rate of return as required by the Public Debt Management Framework (PDMF) 2013. Hence the analytical picture of economic returns to the country gets impaired in the event that the loan doesn't perform as required.

4. **Poor loan absorption:** Part of Uganda's debt portfolio has for long been characterized by non-performance resulting from poor project

7. Uganda Debt Network. Debt Dynamics and Management Challenges in Uganda, Oct 2015, pg 4
8. CABRI. Workshop Report on "Strengthening Uganda's Public Debt Management Capabilities, September 2016.
9. Office of the Auditor General (2015), Report on the Value for Money Audit, FY 2013/14

management, procurement challenges, inadequate monitoring and poor financial management among others.[10] Although this has improved according to the Auditor General (Report 2018), compared to the previous financial, some loans still have absorption levels as low as 10%.[11] Low absorption rates of project loans culminates into increased project costs due to delayed implementation reflecting ineffectiveness which continues to adversely affect the economy. While Infrastructural projects is driving Government borrowing, the benefits may not be commensurate to the credit level. This is affecting the ability to have sustainable investments to boost economic development expected raise revenue out turns that contribute to debt repayment.

5. **Increased rates of borrowing alongside steady economic growth rate.** Uganda has registered promising levels of economic growth, despite her rising levels of public debt. Gross Domestic Product (GDP) grew by 5.7%, 2.3% and 4.4% in 2015, 2016 and 2017 respectively.[12] As of December 2018, growth had recovered and was expected to trend above 6% in the medium term. Growth was estimated to have accelerated to 6.1 percent in FY2017/18, from 3.9% in FY2016/17 driven mostly by services and a rebound in agriculture from the previous year's drought. The services sector is estimated to have grown by 7.7%, while industry and agriculture grew at 6.3% and 3.7%, respectively.[13] In FY 2018/19, economic growth is expected to pick up to about 6.3% in FY 2018/19 and to 6.5% to 7% in the medium term supported by among other factors, the multiplier effects of public infrastructure development, which have benefited the most from external revenues especially debt.[14] However, over the same period, public debt stock grew to shs. 44,349.2 billion as at end January, 2019 representing an increase of 4.5% relative to June 2018. This was attributed mainly to a 12.3% increase in public domestic debt. Public external debt maintained a dominant share of 64.8% of the total public debt. While GDP growth has averaged 4.6% from 2015 to 2018, the growth rate of debt is quite higher requiring effective management.

6. *Adherence to standard thresholds:* Most of the public domestic debt risk indicators were within the Public Debt Management Framework (PDMF), 2013 with the exception of the stock of government securities to the stock of private sector credit, which stood at 106% above the set threshold of 75%. As at January 2019, the risk indicators improved relative to June 2018, with the exception of the percent maturing in one year and the ratio of the stock of government securities to the stock of private sector credit. The total budget value for the current FY 2018/19 was UGX 32.7 trillion which is 13% up on FY17/18. Domestic revenue is expected to fund 64% of the total budget, down from 67% budgeted in the prior year. The planned deficit represented UGX 7,428 billion (6.6% of projected GDP), to be funded by increased domestic borrowing of UGX 1,785 billion along with external borrowing.[15]

7. **Weak Parliamentary oversight on loan contractual process and limited capacity to scrutinize complex Government loans.** Article 159 of the Constitution of Uganda gives Government the authority to borrow from any source, only as authorized by or under an Act of Parliament. It further states that the terms and conditions of the loan shall be laid before Parliament and shall not come into operation unless they have been approved by a resolution of Parliament. The President is also mandated, at such times as Parliament may determine, to present to Parliament such information concerning any loan as is necessary to show; extent of the total indebtedness by way of principal and accumulated interest, the provision made for servicing or repayment of the loan, and the utilization and performance of the loan. However, there are severally constrained to effect their responsibility. The

10. The Report on Public Debt (2015, p.34) and the Auditor General's reports FY 2009/2010 to date
11. For instance, a) the Uganda Support to Municipal Infrastructure Development (USMID) project with over UGX 95bn (95%) still on the various accounts of Municipal Councils by close of the financial year, despite various incomplete and abandoned works due to non-payment to Contractors; b) Mbarara-Nkenda and Tororo-Lira transmission line has delayed for almost 8 years resulting into cancellation of the loan by the funder with an undisbursed loan amount of USD 6.5m.
12. https://www.indexmundi.com/uganda/gdp_real_growth_rate.html
13. BoU State of the Economy, December 2018
14. BoU State of the Economy, March 2019
15. https://www.pwc.com/ug/en/assets/pdf/budget-bulletin-18-2019-ug.pdf

PFMA 2015 section 36 (5) emphasizes that Parliament analyses the economic implications and budget proposals, approves acquisition of external financing and monitors utilization. There is evidence that loan contractual procedures are overlooked which portrays limited level of transparency in dissemination of key information about loan-supported projects to various stakeholders (Refer to Appendix 1). In spite of the legal framework in place, MP's also face a challenge of limited capacity to fully analyze and understand complex loans and the stipulations enshrined therewith. Majority are not equipped with the economic and financial knowledge required to carry out in depth analyses on loans, in order to determine whether the loans are a cost or benefit to the country (Refer to Appendix 1).

8. **Loan approvals based on inadequate project readiness on designs, resettlement cost, action plan, and environmental impact assessment as well as guaranteed budgetary provisions for Government counterpart funding (if required).** In Uganda, most projects enter the investment phase before they are ready for implementation, with funding approvals that lack proper evidence of project readiness, majority of which is loan financing. Projects then require additional time for preparation through processes such as planning and drawing designs, with these processes being conducted after resources have been allocated or when disbursements are ready to begin. Rather than start off with projects that are ready to execute, the investment phase in Uganda begins with the preparation of a full feasibility study and the drawing of designs, after which procurement, fabrication, construction, and other processes commence. Thus, Uganda's investment phase starts off on a default of a longer project life span than would be the case under a more efficient system. For example, the Karuma dam project had been budgeted to start implementation every year since 2012, but significant progress in construction was only visible starting in FY 2014/15.[16] The dam's construction costs are mainly funded from external financing in form of loans, with the China Exim Bank committing to fund 85 percent of the project costs, and Government of Uganda to fund the remaining 15 percent. In some instances, implementing agencies face challenges related to inadequate funding, particularly counterpart funding for externally funded projects, acquisition of right of way, and poor quality of designs. These inevitably lead to a failure to deliver projects on time and on budget, which in turn translates to lower than expected returns on public investments, or delayed returns, that then limit the extent to which debt can be repaid yet contract terms stipulate for interest payments to be made effective anticipated commencement of a project, hence increasing the debt burden on the country.

9. *Ineffective functional project appraisal and evaluation department in the MoFPED. The unit is under establishment and its capacity is still limited.* As of 2017, the Ministry of Finance, Planning and Economic Development, initiated institutional reforms aimed at strengthening the independent review process by establishing a new department responsible for project appraisal and public partnership (Public Private Partnership Unit). The aim of the department is to formulate standards and criteria for project appraisals, which will be designed to ensure that any project that is submitted for public financing meets the minimum standards. While the initiative to have the department at the Ministry is a step in the right direction, capacity in terms of qualified human resource is still limited with continued dependence on external consultants, many of whom are from lending bodies (IMF, World Bank) presenting conflict of interests. The Ministry also has set in place Guidelines for Loans and Grants Negotiations, but upon scrutiny, Uganda is still falling behind on adherence to the guidelines before undertaking a loan.

16. http://documents.worldbank.org/curated/en/859951467989540438/pdf/106178-REPLACEMENT-Uganda-Economic-Update.pdf

3.3 Uganda's rate on the CPIA

The Country Policy and Institutional Assessment (CPIA) framework considers sustainability of a country's debt against pre-determined thresholds, referenced to the country's institutional strength and quality of policies assessed under the CPIA framework. The current external debt sustainability thresholds under the draft PDMF (2018) applicable for Uganda (which is that for countries assessed to be "high-performers") are:

i) PV of debt to GDP (PV/GDP) – 50%.

ii) PV of debt to-exports of goods and services (PV/XGS) – 200%.

iii) PV of debt-to-domestic budget revenue excluding grants (PV/DBR) – 300%.

iv) Total debt service-to-exports of goods and services (TDS/XGS) – 25%.

v) Total debt service-to-domestic budget revenue (TDS/ DBR – 35%).

These are the thresholds within which Government borrowing should not fall above for debt sustainability to prevail.

3.4 Technical assistance in effective debt management

Uganda has received technical assistance from several stakeholders to improve on debt management through advisory services, policy formulation and Continental or regional comparative studies from which lessons can be drawn to improve debt management. These stakeholders include; United Nations Agencies like UNDP, UNCTADE, the World Bank Group, and the African Development Fund, the IMF (Revised IMF Guidelines for Public Debt Management - 1st April 2014 and conducts periodic DSAs for Uganda), Ministry of Finance, and Bank of Uganda (periodically provides public debt status to guide public debt management), Auditor General among others. While these institutions provide recommendations to prudent debt management, there is little evidence on compliance as is evidenced by the trend of rising debt which is not commensurate with measures established to address future debt crisis.

4.0 CHALLENGES OF TRANSPARENCY AND ACCOUNTABILITY

Public Financial Management to ensure transparency and accountability in Uganda improved with the establishment of laws, regulations and institutional frameworks some of which include; the Constitution of 1995, Public Financial Management Act (PFMA) 2015 as amended, Local Government Act 1997, Public Procurement and Disposal of Assets (PPDA) Act, 2014 as amended among others. Improved planning and budgeting in alignment with Government policies; reporting at Ministries Departments and Agencies, and Local Government levels; and enhanced oversight of generation and utilization of public funds and resources[17] are some of the achievements registered. Despite these accomplishments, the functions of the existing frameworks have not been fully maximized to translate into benefiting communities in terms of effective service delivery. In this regard, a few challenges still affect the promotion of transparency and responsible borrowing in Uganda which include;

1. **Charter of Fiscal Responsibility:** Projected debt path in successive budgets have been revised upwards since the beginning of the infrastructure scaling up drive with the debt targets being adopted in its Charter for Fiscal Responsibility. However, there is limited effective fiscal anchor to frameworks eg in 2013, debt was targeted to peak at 31% of GDP, in 2016 at 44% of GDP, and currently debt is projected to peak at 49½% in FY21/22 (IMF, Feb 2019).[18] At the same time, capital investments have constantly been lower than planned which undermines the principal of responsible borrowing. While an operational debt ceiling of 50% of GDP exists and is expected to guide in determining the annual budget deficit and defining a binding expenditure envelope for projected debt, there

17. Audits and scrutiny by Parliament although limited action has been taken on findings
18. IMF. Staff Concluding Statement of the 2019 Article IV Mission, February 14, 2019

is attempting thinking that the borrowing is high and this limit could be reached sooner than later. Already, the IMF's report (Jan. 2017) on the 7th Policy Support Instrument noted that vulnerabilities to debt distress have increased.

2. ***Periodic publication of reports on Debt:*** Government periodically publishes reports on debt which is useful for reconciliation and performing systematic internal consistency checks as a means of strengthening fiscal transparency on debt related projects. These are helpful to provide assurance that the government is not engaged in off-budget spending and guides stakeholder analyses on any debt related projects.

3. **Limited Citizens' Participation:** As a strategy for transparency, the national budget calendar provides for a platform for public consultation on fiscal and sector policy issues. Budget priorities are deliberated on between different government stakeholders at the national and local government which are conducted during the strategic budget phase prior to the publication of the National Budget Framework Paper (NBFP) which contains debt related information. While CSOs generally engage in these scheduled budgeting processes, positive feedback on issues raised in the interest of the public including debt acquisition is usually not forthcoming. In addition, the "know your budget" website and *Citizen's Budget* support public participation and transparency, and allows the public to scrutinize budget allocations. These platforms however are not effective as access is limited to a small section of the population which undermines citizens' participation.

4. **Loans signed before Parliamentary approvals:** Parliament is responsible for approving new loans that government intends to acquire in a given year, as provided for in Article 159 (2) of the constitutions of Uganda 1995 (as amended). But, the modality for acquisition appears opaque to the citizens and Members of Parliament in many loan cases (refer to table below). There have been instances of insufficient evidence that Parliament approved certain loans within the required legal frameworks and based on feasibility. Such Loans signed prior to Parliamentary approval have tended to experience cost overruns and attendant poor performance issues. This risks issues of credibility, accountability and performance outcomes. Some loans signed before Parliamentary approval many times exhibit delays in loan effectiveness. Reasons for delayed approvals range from; timing for borrowing especially nearing the election period or recess, amount of work and time Parliament spends scrutinising the loans, assessment of economic viability, among others[19]. This remains a cost to citizens in terms of loan repayment when outright expected performance falls short.

4.1 Information sharing across Borrowers, Lenders and Beneficiaries

The government produces various reports on debt for reference by stakeholders eg Auditor General Reports on Utilisation of Debt resources, Semi-Annual Debt Statistical Bulletin by the Ministry of Finance which provides information on debt issuance (flow) and the debt level (stock), Debt Sustainability Reports by Ministry of Finance and IMF, Annual Reports by Bank of Uganda, Reports on Public-Private Partnerships (PPP) projects under various sectors, Project Performance reports, Annual report on Public Debt, Guarantees, Other Financial Liabilities And Grants to Parliament by the Ministry of Finance among others. The first National Debt Conference is underway at the end of 2019.

4.2 Building Fiscal Resilience to Debt Vulnerability Shocks

(a) Fiscal trends; Uganda has a history of high fiscal deficits and debt burden, which was in part eased by debt relief in the 2000s. Since 1992 Uganda's fiscal policy entailed very strict budgetary discipline, given the dismal level of revenue at 7.5% of GDP. The growing fiscal deficit has largely been driven by less than anticipated revenue generation over the last decade. The average fiscal deficit between 2006/07 and 2015/16 was at 6.3% of GDP, owing largely to low levels of revenue that averaged at 12.8% of GDP.

19. i) Office of the Auditor General. Follow up Audit Report on the utilization of external Public Debt, Dec 2015, page 26-27
ii) Ibid, Page 25-26

Uganda's total expenditure for FY 2015/16 was at 22.1% of GDP compared to Tanzania's 23%, Rwanda 29% and Kenya 30.6%. Uganda's overall deficit as a share of GDP for FY 2015/16 budget is highest in the region at 7% compared to 6.5% in Kenya, 4.2% in Tanzania from (4%), and 4.6% in Rwanda from (5.9%), which indicates low revenue collections in comparison to its regional counterparts. Fiscal policy has remained mainly expenditure driven with domestic revenues continuing to lag, resulting in a widening financing gap. World Bank indicates that in the 10 year period to 2017, the total value of Government expenditure increased from 15% of GDP to more than 20%, during which the tax to GDP ratio grew by an average annual rate of 0.2 percentage points only.[20] The value of collected revenues increased from 10 to 13.8 percent of GDP over the same period.

(b) **Need for implementation of Tax policy recommendations;** Uganda's tax revenue system has been negatively affected by the use of policy discretion, including tax exceptions. The World Bank indicates that Uganda loses as much as 4% of its revenue in tax exemptions, 2.5% of which is lost under value-added tax, which is Uganda's most important source of revenue.[21] Some of the recommended reforms include the taxation of the agriculture sector. Exemptions in the sector should be calculated through income thresholds so that large farmers who are producing cash crops or breeding cattle are included in the tax base. An optimal income of Shs150 million has been suggested.

(c) **Limited participation of local governments in revenue mobilization:** There is also need for increased participation of local governments in the mobilization of taxes, especially from the informal sector. Figures from the Uganda Bureau of Statistics show that informal activities account for 45% of Uganda's GDP. However, the informal sector transacts in cash which is difficult to tax, is immobile, and hard to reach. A closer relationship between local governments and government agencies like the Uganda Registration Services Bureau and URA would help in the identification of actors within the sector to enable taxation, therefore raising revenues. Establishment of a tax expenditure governance framework to manage tax exemptions should also be put in place. The framework would identify fiscal rules around tax expenditures, subject new exemptions, and evaluate the current exemptions to mitigate losses through ad-hoc tax exemptions.

(d) **The management of Contingent liabilities.**[22] The Public Debt Management Framework (PDMF) 2013 recognises contingent liabilities arising from PPP arrangements/contracts and Implicit Public Debt (IPD)[23] which contribute to the estimation of the total liability exposure of Government. The recognition of domestic debt liabilities in Uganda has previously been limited to Treasury bills and bonds, operational arrears and government guarantees. Moreover, the PDMF 2013 was deficient of the standards on the management of contingent liabilities which has been incorporated in the draft PDMF for the period 2018 – 2023 which is in the offing by the MoFPED. This is intended to ensure prudent management of direct and contingent liabilities arising from such contracts/arrangement. Contingent liabilities is expected to be recorded, monitored and analysed to determine the current and future budgetary implications, and to provide an early warning system of any future pressures (Draft PDMF2018). Compliance to set standards will be crucial to achieve desired results.

20. https://openknowledge.worldbank.org/bitstream/handle/10986/29916/126184-WP-PUBLIC-FinalReportUgandaEconomicUpdate.pdf?sequence=1&isAllowed=y
21. World Bank: FINANCING GROWTH AND DEVELOPMENT: Options for raising more domestic revenues, Uganda Economic Update, 11th Edition, May 2018.
22. A contingent Liability is: (a) A possibility that arises from past events and whose existence will be confirmed only by the outcome of one or more uncertain future events not wholly within the control of the entity; (b) A present obligation that arises from past events, but does not meet the criteria for recognition as a provision. This is either because an outflow of economic benefit is not probable, or (more rarely) because it is not possible to make a reliable estimate of the obligation.
23. The scope of IPD is limited to the pension accrued rights under Uganda's unfunded public service defined benefit scheme as described in the Pension Act (CAP 281- laws of Uganda).

5.0 UDN's INTERVENTIONS ON DEBT IN UGANDA

5.1 Major successes and challenges in tackling the debt question

UDN's has reaped several success stories through its advocacy journey on debt acquisition and prudent debt management for the benefit of all Uganda. Some of the entry points that have facilitated such engagements to influence debt policy include; Development Partners/creditors (eg World Bank, ADB, IMF, Donor Economic Group in Uganda), European Union, Parliamentary Committees (National Economy, Public Accounts, Finance and Budget Committees); Cabinet Secretariat, Ministry of Finance, Bank of Uganda, selected Working Groups of Sectors, and media.

At the National level;

A) Uganda Debt Network (UDN) was formed in 1996 as an ad hoc coalition of Organisations and Individuals to campaign for debt relief for Uganda under the Highly Indebted Poor Countries (HIPCs) Initiative of the World Bank and IMF. UDN mobilized Civil Society and spearheaded the Jubilee 2000 Uganda campaign for debt cancellation making Uganda the first country to benefit from debt relief initiative. It is from this effort that UDN derives its name. *As a result, Government committed its self to spending the resources saved from the HIPC Initiative in social sector priority areas which included Education (UPE), Health (PHC), Agriculture, Roads, Water and Sanitation. UDN further mobilised citizens to monitor the effective utilization of these debt relief resources for quality service provision.*

B) Participation in the Formulation of the Poverty Eradication Action Plan (PEAP): Government developed the PEAP in 1997 which was a condition for spending saved resources from debt relief. UDN was very instrumental in developing this national strategy and led civil society consultation processes that saw inputs from representatives of poor people in the draft PEAP. For about a decade, the PEAP was an operational framework which guided national planning on poverty eradication as its implementation was financed with debt relief resources. It was revised in 2001, 2004 and progressed into the first, of six National Development Plans (NDP) in 2010 adopted by Government as a national implementation strategy.

C) Monitoring Debt Relief Resources: Since 1997, UDN continued to mobilize communities to monitor the utilization of the Poverty Action Fund from debt relief savings and other public resources for effective utilisation. This is through advocacy for pro-poor budgeting policies and anti-corruption grass root campaign to ensure public accountability and transparency at Local Governments and Central Government levels.

D) UDN is recognised as a CSO within the Ministry of Finance and has always held consultative position on debt policy formulation processes. UDN has participated in policy formulation process towards improving debt management

- i) Review of two Debt strategies (Review of Uganda's Debt Strategy 2007 and review of the Public Debt Management Framework (PDMF) FY 2013 – 2018 which is under completion by MoFPED).
- ii) Guidelines for Loan Scrutiny and Approval Process adopted in Cabinet's Adequacy Checklist for Borrowing and Loan Approvals.
- iii) Cash Management Policy (A 2018 draft is available).
- iv) Public Financial Management (PFM) Reform Strategy July 2018/19 - June 2022/23 by MoFPED
- v) Guidelines for loan/Grant negotiations in Government.

E) UDN has so far spearheaded two CSO Open Dialogue Engagements on Public Debt with the Ministry of Finance (in 2018) through "Q" and "A" Sessions. The ministry appreciated the initiative and has since endorsed and adopted to host the sessions bi-annually as a means to disseminate debt information for informed debate among citizens. A 3rd Debt session is currently in the offing awaiting confirmation (in June 2019). While the Ministry has been receptive of the initiative, responses are generic and do not tackle real critical debt management issues (One of the reports is available with Ministry responses). *This has prompted the Ministry to organise a National Debt Dialogue which will take*

place at the end of 2019 where all relevant stakeholders will be invited to participate. Preparations are underway for Dec, 2019.

F) Media Campaigns - UDN has collaborated with other CSOs to hold press conferences and media talk shows on the Debt subject. However, debt is a complex subject which requires citizens' commitment to engage in it.

G) Profiling the debt question in Uganda through various publications, reviews and position papers and debt performance assessment reports.

At the Regional levels

a) Collaboration with AFODAD on launching the African Borrowing Charter at Parliamentary Committees (National Economy – Approves loans and PAC – monitors loan utilization) on the 16th May 2019. The objective was for government to adopt the provisions of the Borrowing Charter to inform loan contraction processes.

b) UDN in collaboration with AFRODAD hosted a Regional Conference on Debt in East Africa (28th – 29th September 2017) under the theme: *Addressing Core Challenges arising from the Management of Public Debt at Regional level.* Participants were drawn from eleven countries[24], which included, CSOs across East African member countries, representation from EAC – regional body secretariat, representative from EAC legislative parliament, Uganda government officials (MoFPED), media, academia, Development Partners and MPs. *This culminated into the formation of a Regional Forum on Debt in Eastern Africa, a body that was expected to jointly[25] advocate for prudent debt management in the region. Progress was stalled due to financial constraints.*

At the global level

Rationale: UDN in collaboration with the Centre for International Governance (CIGI) organized a conference on African Perspectives on Sovereign Debt Restructuring from 6th – 8 August 2014 at the Lake Victoria Serena Resort in Uganda. The main ideas for discussion in the conference were laid out in a high-level paper that positions African perspectives on sovereign debt restructuring within the global development agenda to inform existing international debates. The conference was attended by a high profile group of 58 delegates from Cameroon, Ghana, Liberia, Zambia, Zimbabwe and Uganda the host country as well as the CIGI team from Canada. The conference was concluded with a message that Finance technocrats will have to position themselves to be able to give the political class advice on debt management and macro-economic issues without any hindrance, and Countries to avoid getting entangled in polarized politics that undermine the safeguards put in place to ensure prudent debt and fiscal management. As a result, UDN has been invited to participate in global consultations on the subject of sovereign debt restructuring eg Eurodad International conference on, "*Watching the wave unfurl: how can we turn institutional anxiety over new debt crises into genuine policy reform?" held in Kjublijana, Slovenia from 3rd to 4th June 2019, and to the IMF/WB Annual meeting in October* 18th – 20th, 2019 Washington, D.C

5.2 UDN advocacy challenges in tackling the debt question

1) UDN periodically shares proposals for improved debt management with Government but experiences sdelayed feedback and action on their adoption hence delaying policy implementation.
2) Accessing debt and Aid related information from some MDAs and donor community especially on on-going projects which are not performing thus delays to completion of debt performance analyses to inform UDN advocacy.
3) Inconsistencies / lack of reconciliation of debt portfolio in Government reports to make effective analyses for advocacy. UDN however, is vigilant on quoting specific reports as evidence to facilitate making an advocacy case.

24. From Kenya, Zimbabwe, Tanzania, South Sudan, Rwanda, D'jibouti, Somalia, Burundi, Eritrea, Ethiopia and Uganda
Kenya Debt Relief Network (KENDREN); Tanzania Coalition on Debt and Development (TCDD); Reality of Aid-Nairobi; African Forum and Network on Debt and Development (AFRODAD)
25. Ibid

6.0 POLICY RECOMMENDATIONS

i) Maintaining and promoting prudent and macroeconomic principles to curb and manage raising debt servicing costs.

ii) Promoting economic diversification and expand revenue generation to reduce the effect of commodity price shocks on fiscal stability. Government can only collect as much revenue based on citizens' economic ability which enables them to pay their taxes, while having enough disposable income to afford the indirect taxes as well. According to UBOS, poverty levels in Uganda have reversed from 21% in 2013 to 27% in 2016 signifying inability to afford a relative quality of life as well as paying tax. To this end, not many citizens are able to own businesses hence hampering the growth of domestic investment expected to create employment opportunities and contribute to economic development, with economic diversification in terms of products and services. The situation is worsened by the fact that there is limited space for financing the domestic sector due to overcrowding by Government's domestic borrowing which competes with private sector investment efforts. Government must take deliberate steps to ease up on domestic borrowing to allow for credit support to local entrepreneurs, who in turn promote employment opportunities, economic empowerment and hence contributing to the domestic resource pool.

iii) Developing and deepening domestic debt markets to curtail the dependence on external loans and avoid exchange rate risks, while carefully managing the debt structure.

iv) Exploring other domestic financing options, eg PPPs, expanding tax base through efficient tax collections and using various debt instruments. PPPs are project undertakings whereby the public sector and private players combine efforts and resources to deliver a given product, especially public goods. Already Uganda has in place a PPP Unit, PPP Committee and PPP Regulations 2019 have been put in place by the Unit. The PPP Guidelines are being put in place and are already in draft form, with a fully accessible web portal for the public to access information on pending and implemented projects. (https://www.pppunit.go.ug/).

v) The tax base of Uganda still requires further widening through tax initiatives such as curbing Illicit Financial Flows (IFFs) which cost Uganda almost UGX 2 trillion (approx. USD 866 milllion) annually. Uganda's digital sector is also experiencing a gradual rise with many companies operating digitally for instance SafeBoda, Jumia, etc and this presents potential for taxation since it is not clear how much this sector has been subjected to tax. In addition, the informal sector should be drawn into the tax bracket through denying them operating licenses until evidence of payment of the required taxes are presented.

vi) Explore any capacity gaps and seek for capacity building and technical assistance offered for example by MDBs to develop sound management systems.

7.0 CONCLUSION

Development financing to ensure economic justice for all is a fundamental aspect to pursue for any Government. While it is clear that creditors will always present juicy and available money to African leaders because they are in the business of making money, these countries need to be prepared with appropriate policies and feasible projects. In the process of resource mobilisation for development, it's worth noting that politicians sometimes put their countries at risk requiring the finance technocrats to continuously engage with them for better informed decisions. Secondly, it's highly probable that a country running a large fiscal deficit and huge balance of payment deficit will also register high inflation and a high debt ratio. The debt sustainability index is a good measure for countries to devise means for generating revenue to repay debts. To this end, Uganda needs to consider the implication of a growing level of domestic debt vis-à-vis an underdeveloped financial sector.

Generally, although the role of non-state actors and MDAs is important in the ethics of debt management, its worth noting that their capacity both in terms of technical skill and organizational strength to influence the way debt is managed. There is need for Government, Parliament and CSOs to enhance their technical capacity to negotiate favourable terms with private lenders. Civil society and oversight bodies like Parliaments also need to keep up to speed with the dynamics of debt so that countries are not constantly left debt distress.

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Appendix 1. Loans signed before Parliamentary Approval, sample of 2008 - 2012

Creditor	Project	Date of signature	Date of parliamentary approval	No. of days before Parliament approval	Expected Closure date
ADB	NELSAP	13.05.2009	24.09.2009	134	
ADB	Mbarara Nkenda & Tororo Lira power Line	13.05.2009	24.09.2009	134	
ADF	Water supply and Sanitation project	11.01.2012	18.05.2012	128	
BADEA	Urban Markets and Marketing Development of the Agricultural Products project Lot II	16.07.2009	22.12.2009	159	
ADF	Water supply and sanitation	11/01/2012		128	31/12/2016
BADEA	Nakaseke technical institute	28/06/2011		312	
BADEA	Rural electrification project	22/07/2010		279	31/12/2014
IDA	EA Agricultural productivity	29/09/2010		211	30/06/2015
IDB	Mulago Neonatal Unit	04/04/2012		149	30/06/2016
BADEA	Construction of technical institute at Nakaseke	28.06.2011	18.05.2012	325	
BADEA	Rural Electrification project	22.07.2010	27.04.2011	279	
EXIM Bank of China	KCC Road Unit and sanitary Equipment	23.02.2009	19.05.2010	450	
IDA	Transport Sector Development project	02.03.2010	23.03.2010	21	
IDA	East African Agricultural Productivity Project	02.03.2010	29.09.2010	211	
IDA	Uganda Public Service Performance Enhancement Project	15.09.2008	15.10.2008	30	
IDB	Development of Specialized Maternal & Neonatal Health Unit in Mulago - Mulago III	04.04.2012	31.08.2012	149	

Source: Auditor General (Dec, 2015)[25]

26. Follow up Audit Report on the utilisation of external Public Debt- Office of the Auditor General (OAG), December 2015, Page 25, 26 and 27