

<b>Attachment II. Table 1. Summary of Reporting Requirements</b>			
<b>Reporting institution</b>	<b>Report/Table</b>	<b>Submission Frequency</b>	<b>Submission Lag</b>
II. Ministry of Finance	Summary of central government accounts. Revenues shall be recorded on a cash basis. Expenditures shall be recorded when checks are issued, except for domestic and external debt-service payments <sup>5</sup> , cash transfers to districts, and externally funded development expenditures. Expenditures on domestic interest will be recorded on an accrual basis and external debt service will be recorded on a commitment basis (i.e., when payment is due).	Monthly	4 weeks
	Summary of the stock of unpaid bills by government entities contained in the central government votes as reported by the Accountant General and signed by the PS/ST.	Quarterly	6 weeks
	Summary of the stock of arrears by government entities contained in the central government votes as reported by the Accountant General and signed by the PS/ST.	Annual	3 months
	Summary of contingent liabilities of the central government and the Bank of Uganda. For the purpose of the program, contingent liabilities include all borrowings by statutory bodies, government guarantees, claims against the government in court cases that are pending, or court awards that the government has appealed.	Quarterly	6 weeks
	Detailed monthly central government account of disbursed budget support and project grants and loans (less change in the stock of project accounts held at the BoU and commercial banks), HIPC support, and external debt service due and paid.	Quarterly	4 weeks
	Detailed central government account of disbursed donor project support grants and loans.	Monthly	6 weeks
	Statement on new external loans contracted or guaranteed by the central government and the Bank of Uganda during the period according to loan agreements.	Quarterly	6 weeks
	Updated national accounts statistics (real and nominal) according to UBOS and medium-term projections.	Quarterly	12 weeks

<sup>5</sup> The budget records domestic interest payments on cash-basis while for program purposes this entry will be reported on an accrual basis.



# UGANDA

## SECOND REVIEW UNDER THE POLICY SUPPORT INSTRUMENT AND REQUEST FOR MODIFICATION OF ASSESSMENT CRITERIA—INFORMATIONAL ANNEX

June 16, 2014

Prepared By

The African Department  
(In Consultation with other departments)

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## FUND RELATIONS

**Membership Status:** Joined: September 27, 1963;

Article VIII

<b>General Resources Account:</b>	<b>SDR Million</b>	<b>%Quota</b>
<u>Quota</u>	180.50	100.00
<u>Fund holdings of currency (Exchange Rate)</u>	180.51	100.00
<u>Reserve Tranche Position</u>	0.00	0.00
<b>SDR Department:</b>	<b>SDR Million</b>	<b>%Allocation</b>
<u>Net cumulative allocation</u>	173.06	100.00
<u>Holdings</u>	139.17	80.41
<b><u>Outstanding Purchases and Loans:</u></b>	<b>SDR Million</b>	<b>%Quota</b>
ECF Arrangements	1.80	1.00

### **Latest Financial Arrangements:**

<u>Type</u>	<u>Date of Arrangement</u>	<u>Expiration Date</u>	<u>Amount Approved (SDR Million)</u>	<u>Amount Drawn (SDR Million)</u>
ECF <sup>1/</sup>	Sep 13, 2002	Jan 31, 2006	13.50	13.50
ECF <sup>1/</sup>	Nov 10, 1997	Mar 31, 2001	100.43	100.43
ECF <sup>1/</sup>	Sep 06, 1994	Nov 09, 1997	120.51	120.51

<sup>1/</sup> Formerly PRGF.

### **Projected Payments to Fund <sup>2/</sup>**

**(SDR Million; based on existing use of resources and present holdings of SDRs):**

	<u>Forthcoming</u>				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2016</u>	<u>2017</u>
Principal	0.60	1.00	0.20		
Charges/Interest	0.03	0.05	0.05	0.05	0.05
<b>Total</b>	<u>0.63</u>	<u>1.05</u>	<u>0.25</u>	<u>0.05</u>	<u>0.05</u>

<sup>2/</sup> When a member has overdue financial obligations outstanding for more than three months, the amount of such arrears will be shown in this section.

**Implementation of HIPC Initiative:**

	Original	Enhanced	
	<u>Framework</u>	<u>Framework</u>	<u>Total</u>
I. Commitment of HIPC assistance			
Decision point date	Apr 1997	Feb 2000	
Assistance committed			
by all creditors (US\$ Million) <sup>1/</sup>	347.00	656.00	
Of which: IMF assistance (US\$ million)	68.90	91.00	
(SDR equivalent in millions)	51.51	68.10	
Completion point date	Apr 1998	May 2000	
II. Disbursement of IMF assistance (SDR Million)			
Assistance disbursed to the member	51.51	68.10	119.61
Interim assistance	--	8.20	8.20
Completion point balance	51.51	59.90	111.41
Additional disbursement of interest income <sup>2/</sup>	--	2.06	2.06
<b>Total disbursements</b>	51.51	70.16	121.67

<sup>1/</sup> Assistance committed under the original framework is expressed in net present value (NPV) terms at the completion point, and assistance committed under the enhanced framework is expressed in NPV terms at the decision point. Hence these two amounts cannot be added.

<sup>2/</sup> Under the enhanced framework, an additional disbursement is made at the completion point corresponding to interest income earned on the amount committed at the decision point but not disbursed during the interim period.

**Implementation of Multilateral Debt Relief Initiative (MDRI):**

I. MDRI-eligible debt (SDR Million) <sup>1/</sup>	87.73
Financed by: MDRI Trust	75.85
Remaining HIPC resources	11.88

## II. Debt Relief by Facility (SDR Million)

	<u>Eligible Debt</u>		
<u>Delivery Date</u>	<u>GRA</u>	<u>PRGT</u>	<u>Total</u>
January 2006	N/A	87.73	87.73

<sup>1/</sup> The MDRI provides 100 percent debt relief to eligible member countries that qualified for the assistance. Grant assistance from the MDRI Trust and HIPC resources provide debt relief to cover the full stock of debt owed to the Fund as of end-2004 that remains outstanding at the time the member qualifies for such debt relief.

**Implementation of Post-Catastrophe Debt Relief (PCDR):** Not Applicable**Decision point**

Point at which the IMF and the World Bank determine whether a country qualifies for assistance under the HIPC Initiative and decide on the amount of assistance to be committed.

**Interim assistance**

Amount disbursed to a country during the period between decision and completion points, up to 20 percent annually and 60 percent in total of the assistance committed at the decision point (or 25 percent and 75 percent, respectively, in exceptional circumstances).

**Completion point**

Point at which a country receives the remaining balance of its assistance committed at the decision point, together with an additional disbursement of interest income as defined in footnote 2 above. The timing of the completion point is linked to the implementation of pre-agreed key structural reforms (i.e., floating completion point).

**Safeguards Assessments:**

Under the Fund's safeguards policy, assessments with respect to the PSI are voluntary. An update assessment of the Bank of Uganda (BOU) was completed on April 10, 2007 and concluded that the BOU had strengthened its safeguards framework since the 2003 assessment. The main developments included implementation of International Financial Reporting Standards, publication of financial statements, establishment of an audit committee, and strengthening of the internal audit function. Staff made recommendations to address remaining vulnerabilities in the legal and internal control areas.

**Exchange Rate Arrangement:**

The official exchange rate is determined on the interbank market for foreign exchange. Uganda's de jure exchange rate arrangement is free floating, and its de facto is floating. As of end-March, 2014 the official exchange rate was US\$ 2549.55 per U.S. dollar. The exchange system is free of restrictions on the making of payments and transfers for current international transactions.

**Article IV Consultation:**

The Executive Board concluded the last Article IV consultation on June 28, 2013. The next Article IV consultation with Uganda will be held in accordance with the decision on consultation cycles adopted September 28, 2010, as amended.

**Technical Assistance:**

In the first half of 2014, Uganda has continued to receive extensive technical assistances from both IMF and AFRITAC East (regional technical assistance center).<sup>1</sup> FAD provided TA missions on PFM Bill reform and VAT gap estimate, followed by AFRITAC East missions focusing on financial regulation, financial asset reporting, and forecasting capacity building. The latter is a follow-up mission of output budget tools provided in 2013. Missions to draft PFM Bill regulations and on oil resource management and tax policies are planned for this fiscal year.

MCM and AFRITAC East have been providing a series of missions focusing on financial stability since the beginning of 2014, covering a wide range of areas including insurance company supervision, mobile payment regulation, payment system and oversight policy. A joint MCM/LEG follow-up mission on amendments to the BoU Act is planned for this fiscal year.

AFRITAC East provided a mission for harmonizing monetary data in a currency union. Backstopped by STA, technical assistance on CPI rebase was also provided. Missions on revenue administration, public financial management, financial sector regulation and supervision, monetary policy operations and economic and financial statistics (including a mission to rebase the national accounts) are planned for this fiscal year.

**Residential Representative**

The Fund has maintained a resident representative in Uganda since July 1982. Currently, the Senior Resident Representative, Ms. Ana Lucía Coronel, is also Mission Chief for Uganda.

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<sup>1</sup> For a description of technical assistance provided prior to June 2013, see the staff report for Uganda: 2013 Article IV Consultation and Sixth Review Under the Policy Support Instrument (IMF Country Report No. 13/215). Also, refer to the staff report for Uganda First Review Under the Policy Support Instrument (IMF Country Report No. 13/375) for the details of technical assistance for the second half of 2013.

## JOINT WORLD BANK-FUND WORK PROGRAM

(June 2014–June 2015)

Title	Products	Provisional timing of missions (if relevant)	Expected delivery date
1. World Bank Work Program	<p>The current IDA portfolio consists of 16 operations with net commitments of US\$1.96 billion, and 4 regional projects with net commitments of US\$94 million. Over 60% of the portfolio is financing transport and energy infrastructure investments, whereas other key sectors of support include agriculture, water, urban development, education, health, and private sector competitiveness. Recently approved projects include the Albertine Region Sustainable Development Project, Second Kampala Infrastructure and Institutional Development Project, and the North-eastern Corridor Road Asset Over 60% of the portfolio is financing infrastructure investments Management.</p>		
	<p>The Bank suspended PRSCs in 2013, but has remained open to negotiating new modalities and approaches to delivering budget support. In addition, a development policy loan (DPL) is under consideration to support pension reforms.</p>		
	<p>Public Investment Management (with support with DFID trust fund).</p>		<p>Project became effective in July 2013 and is expected to have delivered some outputs by June 2014</p>

Title	Products	Provisional timing of missions (if relevant)	Expected delivery date
	Economic Update series (FY14) Edition 3 - Special focus – decentralization Edition 4 - Special focus – pension reform		December 2013 May 2014
	Country Economic Memorandum (FY14) focusing on Uganda’s sources of growth accounting for the linkages of the new natural resources economy.	Concept note: November 2013	June 2014
	First review of the PSI	October 2013	December 2013
2. Fund Work Program	Second review of the PSI	May 2014	June 2014
	TA priorities: <ul style="list-style-type: none"> <li>• VAT gap analysis;</li> <li>• Extractive Industries and general tax policy;</li> <li>• PFM reform implementation</li> <li>• Monetary policy and transition to inflation targeting; Review of the BoU Act, Review of MoU between Bank of Uganda and the MoFPED, BoU recapitalization, foreign exchange intervention in the context of inflation targeting, refining macroeconomic forecasting model.</li> </ul> Enhancing macroeconomic statistics, including national accounts, BoP data, and GFS.	January 2014 TBD TBD February 2014	TBD TBD TBD TBD
3. Joint Work Program	<ul style="list-style-type: none"> <li>• Joint DSA update</li> </ul>	May 2014	June 2014