INTERNATIONAL MONETARY FUND

UGANDA

TECHNICAL ASSISTANCE REPORT—REPORT ON GOVERNMENT FINANCE STATISTICS

October 2017

This Technical Assistance report on Uganda was prepared by a staff team of the International Monetary Fund. It is based on the information available at the time it was completed on March 2016.

INTERNATIONAL MONETARY FUND

Statistics Department

UGANDA

REPORT ON GOVERNMENT FINANCE STATISTICS TECHNICAL ASSISTANCE MISSION
(March 7–18, 2016)

Prepared by Clément Ncuti and Brooks Robinson

May 2016

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ACRONYMS

AFE	East AFRITAC
AGD	Accountant General Department
BoU	Bank of Uganda
BCG	Budgetary central government
COFOG	Classifications of the Functions of Government
DARC	Department of Assistance and Regional Cooperation
DQIWP	Data quality improvement work program
EAC	East African Community
EBU	Extrabudgetary units
FY	Financial year
GFS	Government finance statistics
GFSM 1986	*Government Finance Statistics Manual 1986*
GFSM 2001	*Government Finance Statistics Manual 2001*
GFSM 2014	*Government Finance Statistics Manual 2014*
GOU	Government of Uganda
IFMS	Integrated Financial Management and Information System
IMF	International Monetary Fund
LG	Local government
MEPD	Macroeconomic Policy Department
MoFPED	Ministry of Finance, Planning, and Economic Development
NAFA	Net acquisition of financial assets
NANFA	Net acquisition of nonfinancial assets
NIL	Net incurrence of liabilities
NSSF	National Social Security Fund
PSDS	Public sector debt statistics
PSI	Policy Support Instrument
STA	Statistics Department
TPD	Tax Policy Department
TA	Technical assistance
TWG	Technical working group
UCF	Uganda Consolidated Fund
URA	Uganda Revenue Authority

I. EXECUTIVE SUMMARY

In response to a request from Ugandan authorities and in consultation with the International Monetary Fund's (IMF's) African Department, Brooks Robinson, Regional Government Finance Statistics (GFS) Advisor for the IMF's East Africa Regional Technical Assistance Center (AFRITAC, AFE), and Clément Ncuti (an IMF GFS Expert) conducted a GFS technical assistance (TA) mission to Kampala, Uganda during March 7-18, 2016. The mission was part of AFE's collaboration program with the East African Community (EAC) Secretariat, and supported efforts to align compilation and dissemination of GFS and public sector debt statistics (PSDS) with international standards. The mission's main objectives were to assist authorities in the compilation and dissemination of annual and high-frequency GFS for financial years (FYs) 2013/14 and 2014/15.

A November 2015 TA visit to Uganda revealed that authorities were well advanced in the compilation of preliminary general government finance statistics for FY 2013/14; **although source data collection methods (manual retrieval and transcription of data from hard-copy annual audited financial reports) appeared to be too resource intensive and time consuming.** As noted, the mission anticipated assisting authorities in finalizing revised and new general government finance statistics for FYs 2013/14 and 2014/15, respectively. However, the mission found that authorities encountered challenges in completing collection of FY 2014/15 source data in advance of the mission, and requested that the mission focus on finalizing GFS for FY 2013/14 and on compiling historical general government finance statistics for FYs 2006/07 - 2012/13. The mission also found that, like other EAC partner states, Uganda faces several other challenges in fulfilling its fiscal and debt data development (*Government Finance Statistics Manual 2014* (*GFSM 2014*) implementation) plan.

During the course of the mission, the following key recommendations evolved:

- Promulgate widely the Public Sector Institutional Table that has been developed, because it can help ensure consistency across all of the nation's macroeconomic statistics.

- Automate the collection of source data for extrabudgetary units and local governments first by using data collection templates, and second by incorporating these institutional units into the Integrated Financial Management and Information System.

- Disseminate to the IMF the new general government finance statistics that were nearly finalized for FY 2013/14 during the mission; and FY 2014/15 general government finance statistics should be disseminated as soon as they are available.

- For high-frequency Statements of Operations, measure the period-by-period difference between tax collections and related remittances to the Uganda Consolidated Fund, and the difference between accrual basis above-the-line *Expenditure* and cash basis below-

the-line *Net financing* (i.e., the float) in order to identify potential reasons for sizeable swings in the *Statistical discrepancy*.

- Provide historical data on the stock of *Arrears* and related repayments to enable an assessment of progress on reducing and clearing *Arrears*.

The mission team transmits its warm appreciation to authorities for the hospitality and cooperation extended during the mission, which contributed significantly to the mission's success.

II. INTRODUCTION

1.   In response to a request from Ugandan authorities and in consultation with the International Monetary Fund's (IMF's) African Department, Brooks Robinson, Regional Government Finance Statistics (GFS) Advisor for the IMF's East Africa Regional Technical Assistance Center (AFRITAC, AFE), and Clément Ncuti (an IMF GFS Expert) conducted a GFS technical assistance (TA) mission to Kampala, Uganda during March 7-18, 2016.[1] The mission was part of AFE's collaboration program with the East African Community (EAC) Secretariat, and supported efforts to align compilation and dissemination of GFS and public sector debt statistics (PSDS) with international guidelines. The mission's main objectives were to assist authorities in the compilation and dissemination of annual and high-frequency GFS for financial years (FYs) 2013/14 and 2014/15.

2.   A November 2015 TA visit to Uganda revealed that authorities were well advanced in the compilation of preliminary general government finance statistics for FY 2013/14; although source data collection methods (manual retrieval and transcription of data from hard-copy annual audited financial reports (AAFRs)) appeared to be too resource intensive and time consuming. As noted, the mission anticipated assisting authorities in finalizing revised and new general government finance statistics for FYs 2013/14 and 2014/15, respectively. However, the mission found that authorities encountered challenges in completing the FY 2014/15 statistics in advance of the mission, and requested that the mission focus on finalizing GFS for FY 2013/14 and on preparing historical general government finance statistics for FYs 2006/07 - 2012/13.

3.   Besides the compilation and dissemination of annual general government finance statistics, the mission's main tasks were:

- Assist authorities in compiling and disseminating high-frequency GFS.

- Assist authorities in planning to automate source data collection.

- Engage authorities on issues of concern with the IMF's African Department: e.g., large swings in the *Statistical discrepancy* that are associated with high-frequency GFS; and *Arrears*.

- Assist authorities in finalizing and beginning to implement a GFS data quality improvement work program (DQIWP).

- Assess the status of Uganda's fiscal and debt data development (*Government Finance Statistics Manual 2014* (*GFSM 2014*) implementation) plan.

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[1] Appendix I provides a list of officials met during the mission.

- Fulfill authorities' requests for TA.

4.   The remainder of this report unfolds as follows. Section III highlights the Government of Uganda's (GOU's) institutional structure. Section IV discusses automating GFS source data collection. Section V concerns compilation of general government finance statistics. Section VI covers the compilation of high-frequency GFS estimates for budgetary central government (BCG). Sections VII and VIII consider concerns raised by the IMF's African Department: Large swings in the *Statistical discrepancy* and *Arrears*. Section IX discusses efforts to motivate a GFS DQIWP in Uganda. Section X concerns the status of Uganda's *GFSM 2014* implementation plan. Section XI outlines GFS TA and training opportunities for Ugandan authorities during FY 2016/17. Section XII is the conclusion. Germane, yet secondary, documents are provided in the appendix.

III. THE GOVERNMENT OF UGANDA INSTITUTIONAL STRUCTURE

5.   The GOU is comprised of 523 institutional units (Table 1) via the following subsectors of the public sector: BCG and extrabudgetary units (EBUs) constitute central government; central government combines with local governments (LGs) to comprise the general government subsector; and financial and nonfinancial public corporations make up the public corporate sector. Uganda's National Social Security Fund (NSSF) is classified as a provident fund and as a financial public corporation; therefore, the nation has no social security funds subsector. Uganda, like other nations within the EAC, has no state governments.

Table 1. Government of Uganda Institutional Structure

Sectors and Subsectors	Number of Institutional Units	Percentage of Units Covered
Public Sector	523	96%
General Government	491	95%
Central Government	185	88%
Budgetary Central Government (BCG)	122	100%
Extrabudgetary Units (EBUs)	63	63%
Social Security Funds (SSFs)	0	NA
Local Governments	306	100%
Public Corporations	32	100%
Nonfinancial Public Corporations (NFPCs)	25	100%
Financial Public Corporations (FPCs)	7	100%
Source: Mission Team.		

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6.   Uganda's Public Sector Institutional Table was reviewed during a July 2014 GFS TA mission.[2] The table, when promulgated widely, can help ensure that all of the nation's macroeconomic statistics are consistent. Previous mission teams have advised authorities to promulgate the table widely, but, to date, this has not been done. Therefore, the recommendation is repeated here.

Recommendation:

- *Authorities should conduct annual maintenance of, and promulgate widely, Uganda's Public Sector Institutional Table because it can help ensure consistency across all of the nation's macroeconomic statistics.*

IV. AUTOMATING DATA COLLECTION FOR EBUS AND LOCAL GOVERNMENTS

7.   As noted earlier, an important initial objective of the TA mission was to assist authorities in finalizing general government finance statistics (Statement of Operations) for FY 2014/15. However, authorities were unable to complete the compilation of these statistics prior to the mission. One of the key reasons for the delay in compiling these statistics was the methodology that is employed currently to collect data for EBUs and LGs: i.e., paper copies of the AAFRs for these institutional units are collected, and the Ministry of Finance, Planning, and Economic Development's (MoFPED's) staff transcribes fiscal statistics from these reports into a GFS database for the compilation process. As Table 1 reflects, there are 63 EBUs and 306 LGs, which makes this data collection process labor intensive and time consuming. Note, however, that unlike data for EBUs and LGs, source data for the BCG are obtained in automated fashion from MoFPED's departments, the Integrated Finance Management and Information System (IFMS), and the Bank of Uganda (BoU).

8.   Other EAC nations have sought to solve the timeliness problem that is associated with collecting source data for annual general government finance statistics. Specifically, Kenya and Tanzania have developed templates to collect annual data for all general government institutional units or for institutional units in subsectors for which data collection has not been automated. In fact, Kenya has gone beyond annual data collection via templates, and is now planning to collect quarterly GFS source data using this method.

9.   Ugandan authorities indicated that they are interested in using templates to collect source data for general government finance statistics. They were motivated to make this consideration in line with the African Department's request for high frequency data as part of

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[2] See Appendix II in Rocha and Robinson (September 2014) "Report on the Government Finance Statistics Technical Assistance Mission to Uganda" (pp. 22-33).

the monitoring of the Policy Support Instrument (PSI) arrangement that Uganda has with the IMF.

10.   In March of 2015, Uganda's Parliament passed a new Public Finance Management (PFM) Act that provides for the type and frequency of budget reports. Provisions for reporting that are reflected in the Act require that every three months accounting officers should prepare and submit to the Secretary of the Treasury an expenditure commitment report (article 16 and 21). Furthermore, accounting officers are required to prepare and submit half-year financial statements to the Accountant General not later than February 15 of each financial year, and annual accounts two months after the end of each financial year (articles 49 and 50).

11.   With the new reporting requirements providing authority to the Accountant General to request entities to report on a quarterly, bi-annual and annual basis, and the need to start using templates to collect high-frequency source data, the PFM Act provides an unprecedented opportunity for the Ugandan authorities to push ahead with the use of templates for data collection.

12.   In order to ensure timeliness in the compilation of general government finance statistics, the mission urges authorities to move forward with their plans to collect data first via data collection templates, and second by planning to incorporate EBUs and LGs institutional units into IFMS. While employing the data collection template method, we advise authorities to consider: (1) collecting data from the entire population via templates; or (2) using stratified sample surveys to collect data via templates on a high-frequency basis.

Recommendation:

- *Authorities should automate the collection of source data for EBUs and LGs first by using data collection templates (annually and on a high-frequency basis), and second by ultimately incorporating these institutional units into the IFMS.*

V. COMPILATION OF ANNUAL GENERAL GOVERNMENT FINANCE STATISTICS

13.   As noted above, authorities did not complete the compilation of general government finance statistics for FY 2014/15 prior to the mission; therefore, the mission could not take up the review and validation of these statistics. However, the mission team provided guidance to authorities on compiling a general government finance statistics dataset for FY 2013/14 in a *GFSM 2014* Statement of Operations framework, and reviewed compilation performed on historical general government finance statistics spanning FYs 2006/07 - 2012/13. The mission also assisted in the development of a brief source data inventory statement (Appendix II) that documents the source data that are required to compile general government finance statistics. Authorities are expected to compile general government finance statistics for FY 2014/15 in the near-term, and promised to disseminate the dataset to

the IMF. The mission reviewed FY 2014/15 annual and monthly GFS for BCG as these statistics were compiled prior to the mission.

Table 2. Source Data for FY 2013/14 General Government Finance Statistics[1]

Account Categories	Budgetary Central Government (BCG)	Central Government Extra-budgetary Units	Local (County) Governments
Revenue	TPD, AGD, MDA's AIA, DARC, BOU	AAFRs	AAFRs
Expense	IFMS, DMD, BD, DARC, BOU	AAFRs	AAFRs
Net acquisition of nonfinancial assets	IFMS, AGD, BD, DARC, BOU	AAFRs	AAFRs
Net acquisition of financial assets	BoU, AGD	AAFRs	AAFRs
Net incurrence of liabilities	BoU, DARC, DMD	AAFRs	AAFRs

Source: Mission team.
[1] The full forms for the acronyms in this table are: AAFR—Annual Audited Financial Reports (tabulated by the Ministry of Finance, Planning and Economic Development (MoFPED)); AGD—Accountant General's Department within MoFPED; AIA—Appropriations in Aid; BD—Budget Directorate within MoFPED; BoU–Bank of Uganda; DARC—Department of Development Assistance and Regional Coordination within MoFPED; DMD—Debt Management Department within MoFPED; IFMS–Integrated Financial Management and Information System; MDA's—Ministries, Departments and Agencies; and TPD—Tax Policy Department within MoFPED.

14.   For BCG, Table 2 shows that tax *Revenue* data were from MoFPED's Tax Policy Department (TPD). Nontax *Revenue* (excluding *Grants*) data were from TPD, the Accountant General's Department (AGD), and ministries, departments, and agencies' (MDA's) appropriation in aid (AIA) statements. *Grants Revenue* was from a reconciliation between the Bank of Uganda (BoU) and MoFPED's Department of Assistance and Regional Cooperation (DARC). *Expenses* data were from IFMS; MoFPED's Debt Management Department (DMD, *Interest*); legacy releases from MoFPED's Budget Directorate (BD, *Grants* to other levels of government); and proportions of *Grants* (development project related *Revenue*) and Loans (development project related *Incurrence of Liabilities)* reconciled between the BoU and DARC that are deemed to be *Expense* items. Data on domestically financed *Net acquisition of nonfinancial assets* (*NANFA*) were from IFMS, MoFPED's AGD (disposal of *NANFA*), and legacy releases from BD deemed to be *NANFA* items. Data on externally financed *NANFA* were from a reconciliation between BoU and MoFPED's DARC (proportions of external development project *Grants* and *Loans* that are deemed to be nonfinancial assets). *Net Acquisition of Financial Assets* (*NAFA*) data were from the BoU's Depository Corporations Survey (DCS) and from the AGD. Domestic *Net incurrence of liabilities* (*NIL*) data were from the BoU's DCS—validated by MoFPED's DMD data. Data on foreign *NIL* were from MoFPED's DMD and DARC—reconciled with BoU data. Source data for EBUs and LGs were obtained from AAFR tabulations.

15.   A few adjustments were made to source data when compiling the general government finance dataset. The following sections describe the specific methodology used during the compilation process.

A. BCG

16.   Data on BCG tax and nontax *Revenue* from TPD were obtained from the Uganda Revenue Authority (URA) and reclassified into tax and other revenue categories by MoFPED's Macroeconomic Policy Department (MEPD) staff. *Grants Revenue* data were obtained from a reconciliation between the BoU and MoFPED's DARC and were not adjusted. *Revenue* data reflect a cash basis of recording.

17.   All BCG *Expense* data were from IFMS, except for *Interest* data, which were from the DMD, and for *Grants* to other levels of government data, which were from BD's legacy releases. BCG *Expense* data were reported with no adjustment, with the exception of expenses financed by external capital grants and loans. Spending on development projects financed from external capital grants and loans of a recurrent nature are apportioned into corresponding *Expense* items using ratios that the authorities develop each year from budget projections. All IFMS *Expense* data reflect an accrual basis of recording.

18.   BCG data on domestically financed *NANFA* were mainly from IFMS and were reported with no adjustment. Data on *NANFA* financed from external capital grants and loans were obtained as a proportion of total inflows of external capital grants and loans that are apportioned to *NANFA* based on annual budget projections.

19.   No adjustments were made to BCG *NAFA* and *NIL* data, other than exchange rate conversions of selected items.

B. EBUs and Local Governments

20.   As reflected in Table 2, all source data for the major economic classifications for EBUs and LGs were obtained from AAFR tabulations, and are compiled into GFS without adjustments.

C. Results for FY 2013/14

21.   Appendix III presents provisional results of the general government finance statistics compilation for FY 2013/14. These statistics remain provisional until Uganda's Statistical Committee formally validates the institutional table for FY 2013/14 and confers concerning certain reclassifications that were recommended by the mission, e.g.:

•   Determine the appropriate sectoral classification of certain institutional units (e.g., the Uganda Revenue Authority (URA) and embassies).

- Reclassify BCG transfers to international organizations representing membership dues as *Use of goods and services*.

- Reclassify BoU recapitalization from *NAFA Loans* to investment in equity (*Equity and investment fund shares*).[3]

- Reclassify misclassified *Grants Expense* within EBUs and Local Governments' as other expense.

22.   Provisional results for FY 2013/14 show that general government *Revenue* amounted to USH 9,682.7 billion, while *Expense* amounted to USH 9,178.5 billion, leading to a *Net operating surplus* of USH 504.2 billion. *NANFA* was USH 3,233.2 billion, thereby producing a *Net borrowing* position of USH (2,729) billion. *Net financing* was USH (2,556.1) billion, being derived from *NAFA* of USH (4,406.5) billion and *NIL* of USH (1,805.4) billion. Consequently, the *Statistical discrepancy* was USH 172.9 billion.

D. Statement of Sources and Uses of Cash

23.   The mission provided guidance on the compilation of a general government Statement of Sources and Uses of Cash for FY 2013/14. The mission noted that while all GFS data on EBUs and LGs were on a cash basis, it was not the case for the BCG. BCG data reported in the general government Statement of Operations include a mix of cash and accrual data. All expense and domestically financed *NANFA* statistics drawn from IFMS are on an accrual basis. However, *Revenue* and *Expense* not drawn from IFMS (legacy releases, and apportioned expenses financed from external capital grants and loans), *NANFA* financed by external capital Grants and Loans, *NAFA*, and *NIL* are all on a cash basis.

24.   The mission could not assist in the completion of the compilation of a general government Statement of Sources and Uses of Cash owing to a lack of accurate and comprehensive cash basis data. For the compilation of a statement of Sources and Uses of cash, the mission urged authorities to begin collecting expenditure data on a cash basis from IFMS and crosschecking those data with data on outflows from the Uganda Consolidated Fund's (UCF).

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[3] The mission team advised authorities that, given the circumstances surrounding the recapitalization of the BOU and the guidance provided in Box 6.3 (page 134) of the *GFSM 2014*, the two reasonable choices for classifying the recapitalization transaction were: as a *Capital transfer* within *Other expense* or as investment in equity. Authorities concluded that the latter was the most fitting classification.

Recommendations:

- *Authorities should validate the FY 2013/14 general government finance statistics and disseminate them to the IMF's Statistics Department.*

- *Authorities should finalize compilation of the FY 2014/15 general government finance statistics and disseminate them to the Statistics Department as soon as they are finalized.*

- *Authorities should compile general government Statements of Sources and Uses of Cash for FYs 2013/14 and FY 2014/15 and disseminate them to the Statistics Department as soon as they are finalized.*

VI. HIGH-FREQUENCY GENERAL GOVERNMENT FINANCE STATISTICS FOR BCG

25.   One of the mission's objectives was to assist authorities in compiling and disseminating high-frequency GFS. Uganda has been submitting high-frequency GFS for BCG to the IMF's African Department for some time. There are no high-frequency source data (as of yet) for EBUs and LGs. High-frequency data for BCG for FY 2013/14 and FY 2014/15 were available during the mission and were posted on the MoFPED website. The mission assessed the quality of these data and raised concerns similar to those of the African Department about large month-to-month swings in the *Statistical discrepancy*.

26.   Other than the just-mentioned large swings in the *Statistical discrepancies*, the monthly data seemed to be of good quality—averaging to annual values for both of the financial years that were reviewed. The mission investigated reasons for large swings in the *Statistical discrepancies* and the findings are reported in the next section.

Recommendation:

- *Authorities should disseminate to the IMF's Statistics and African Departments the high frequency GFS BCG data as soon as they are compiled.*

VII. STATISTICAL DISCREPANCY SWINGS

27.   Leading up to this GFS TA mission, the African Department communicated its concerns about large swings in the *Statistical discrepancy* (errors and omission) for Uganda's high-frequency (monthly) GFS for BCG (Statement of Operations). An important objective of the mission was to attempt to identify the substantive causes of these large swings.

28.   The mission identified three elements that could potentially be contributing to swings in the *Statistical discrepancy* in high-frequency GFS data and investigated them. (i) Tax *Revenue*; (ii) quarterly spending on *Grants* that are consistently high in the first month of the

quarter; and (iii) IFMS *Expense* and *NANFA* categories that are recorded on an accrual basis while the remainder of the Statement of Operations is recorded on a cash basis.

29.   First, *Taxes* (*Revenue*) reported in the monthly Statement of Operations reflect amounts collected as reported by taxpayers through their declarations. The mission noted that there could be a timing mismatch when *Revenue* is reported as collected, and when the *Revenue* is remitted to the UCF at the BoU. A particular case of when the mismatch could be most pronounced is when *Revenue* payment deadlines fall on the last day of a month. Amounts paid by taxpayers at URA's revenue collection points (mainly commercial banks) on the last day of the month would be remitted to the UCF only after 48 hours.[4] While the revenue collection is recorded in the Statement of Operations in that month, the corresponding entry in the form of a change in BCG's *Currency and deposits* at the BoU would be recorded the following month. Similarly, amounts not collected through commercial banks but rather through URA's offices on the last day of the month, which are not remitted to the UCF the same day, would be recorded as *Revenue* in the Statement of Operations in that month, but only reflected as a change in *Currency and deposits* the following month.

30.   Second, the mission noted that there was consistently high *Grants Expense* during the first month of every quarter. Investigating this issue further showed that there were strong negative correlation (-.73) between *Grant Expenses* and *Net Lending/Borrowing (NL/B)* and a positive correlation (.52) between *NL/B* and the *Statistical discrepancy*. *Grants* to other levels of governments (EBUs and LGs) are usually recorded in IFMS at the beginning of each quarter, thereby explaining the large *Grants Expense* in the first month of each quarter. While IFMS transactions reflect a commitment, they do not translate into actual payment during the same month. With such inconclusive results, the mission investigated this timing mismatch on a more general basis.

31.   Third, IFMS *Expenditure* recorded in BCG Statement of Operations for any month is on an accrual basis. *Expenditure* represents commitments through IFMS for the supply of goods and services, and for the acquisition of nonfinancial assets that may not have necessarily been paid for during the same month the commitment is made and recorded in IFMS. While *Expenditure* from IFMS is recorded on an accrual basis, *Revenue* and *Net Financing* items are recorded on a cash basis in the Statement of Operations. The mismatch in the timing of recording *Expenditure* and the corresponding effective cash payment—if not taken into account through adjustment of transactions recorded in any month for the float (i.e., the difference between expenditure commitments (accrual) and payments (cash))—can lead to a *Statistical discrepancy*. The mission suggested two approaches for determining the value of the float during the month. One approach would entail extracting *Expenditure* data

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[4] By agreement and law, commercial banks are allowed to retain tax collections for operational purposes for 48 hours before remitting these collections to the UCF at the BoU.

from IFMS on a cash basis and comparing those data with IFMS *Expenditure* data on a commitment basis to determine the float. The alternative approach would be to compare data from the BoU on actual spending during the month with IFMS accrual-based *Expenditure* data to determine the float. The monthly Statement of Operations could, therefore, record the float as a financing item to equilibrate above-the-line transactions on *Expenditure* with below-the-line financing (namely *Other accounts payable*). Using IFMS commitment (accrual) and payments (cash) data, the mission computed the float for the months of FYs 2013/14 and FY 2014/15. However, a strong correlation between the float and the *Statistical discrepancy* could not be established.

32.   Therefore, the mission concluded that, while it may not be possible to establish a high statistical correlation between any one of the elements examined and the *Statistical discrepancy*, in combination, these elements, and potentially other factors contribute to the *Statistical discrepancy* and its large swings.

Recommendations:

- *Authorities should keep track of revenue collections in transit and in vaults and make adjustments to the monthly Statement of Operations to match Revenue transactions above the line with the change in Currency and deposits below the line.*

- *Authorities should develop estimates of the float (i.e. the difference between expenditure commitments (accrual) and payments (cash)) and make adjustments to the monthly Statement of Operations to match above-the-line Expenditure transactions with below-the-line financing.*

VIII. ARREARS

33.   In addition to concern about swings in the Statistical discrepancy, the African Department also expressed concerns about recent growth in Uganda's *Arrears*. The mission pledged to explore this topic. The mission sought to clarify:

- How does Uganda define *Arrears?*

- How are *Arrears* measured?

- Why are Uganda's *Arrears* increasing?

- How does Uganda plan to halt the increase in, and reduce, *Arrears*?

34.   According to authorities, transactions that are commenced during an accounting period (a financial year) for which goods or services are delivered to GOU institutional units, but for which payment is not made, constitute an "unpaid bill." However, if "unpaid bills"

remain unpaid after the close of financial year, then they become *Arrears*.[5] Also, *Arrears* arise primarily from two other sources: (i) unfavorable judicial rulings for which no provisions have been made; and (ii) unpaid pension payments.

35.   Although information on the stock of *Arrears* is only available on MoFPED's Internet website for the year ending June 30, 2015, the ministry provided a preliminary comparison of *Arrears* for FYs 2013/14 and 2014/15. [6] Table 3 reveals that there were 115 reporting units (Ministries, Agencies, Referral Hospitals, and Embassies/Missions). For FY 2013/14, USH 1,232 billion in *Arrears* was reported, while the value was USH 1,208 billion for FY 2014/15. In other words, the stock of *Arrears* declined over the period by about USH 124 billion. Importantly, of the 115 units reporting, only 31 units reflected an increase in their stock of *Arrears* from FY 2013/14 to FY 2014/15. Notably, this is an annual analysis, while the African Department appeared to be concerned about quarterly increases in *Arrears*. The mission was unable to conduct an analysis of quarterly *Arrears* data.

Table 3. Comparison of Arrears for FYs 2013/14 and 2014/15

Reporting Categories	Number Reporting	In Ugandan Shillings		
		FY 2013/14	FY 2014/15	Difference
Ministries	23	695,310,065,538	738,922,608,346	43,612,542,808
Agencies	41	522,981,487,196	363,066,419,473	(159,915,067,723)
Referral Hospitals	16	12,439,231,581	3,818,090,233	(8,621,141,348)
Embassies/Missions	35	1,448,227,555	2,683,173,768	1,234,946,213
TOTAL	115	1,232,179,011,870	1,108,490,291,820	(123,688,720,050)
Source: MoFPED and Mission Team.				

36.   Authorities indicated that efforts are made each year to obtain records from MDAs concerning the stock of *Arrears*. The expectation is that, except for judicial rulings that are adverse to the GOU and that are linked to past events, there should be no increase in historical *Arrear* values. However, for reasons already mentioned, *Arrears* for the most recent year can arise. To reduce the stock of *Arrears*, the GOU sets aside funds in the budget each year to pay down *Arrears*.

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[5] It is worth mentioning that Uganda's accounting treatment of *Arrears* is inconsistent with international standards. Given Uganda's modified cash accounting system, it does not have a well-functioning *Other accounts payable* account. Therefore, accounting for *Arrears* appears to occur outside of the system (IFMS), and payments of *Arrears* are recorded as an *Expense*, not as a reduction of *Other accounts payable*.

[6] Annual datasets for FYs 2013/14 - 2014/15 that were provided by MoFPED, but which were inconsistent with the data provided in the comparison just cited, reflected nine categories of *Arrears*: Utilities, rent, employee costs, other recurrent, court awards, compensation, contributions to international organizations, development, and taxes and other deductions.

Recommendation:

- *GOU should improve its accounting treatment of Arrears as Other accounts payable, and treat payment of Arrears as a transaction (reduction) in Other accounts payable.*

IX. DATA QUALITY IMPROVEMENT WORK PROGRAM

37.   During an AFE – EAC Secretariat jointly-sponsored Regional GFS Workshop in November 2015 in Gisenyi, Rwanda, Ugandan representatives developed a DQIWP.[7] The mission team made efforts to motivate the evolution of the DQIWP. For example, during one of the mission's working sessions, a Uganda Bureau of Statistics staffer, who had attended the just-mentioned workshop, presented the DQIWP. However, Uganda's GFS Technical Working Group (TWG) has not finalized the DQIWP, and efforts have not begun to implement it—these are efforts about which there was agreement during the November workshop. Authorities indicate that they have plans to fulfill the agreement.

38.   The mission team made a concerted effort to emphasize Dimensions 2 (Methodological Soundness) and 3 (Accuracy and Reliability) of the DQIWP during the mission, and identified significant room for improvement.[8] However, authorities must become convinced that there are considerable advantages to implementing the DQIWP and to reaping the associated benefits.

Recommendation:

- *Uganda's GFS TWG should finalize and begin implementation of the DQIWP.*

X. STATUS OF UGANDA'S GFSM 2014 IMPLEMENTATION PLAN

39.   As already noted, an important objective of the mission was to assess the status of Uganda's *GFSM 2014* implementation plan. Appendix IV provides an update on the status of the plan as of March 2016. Seven of the 15 plan components are completed, eight remain "in progress," and the target dates have been breached for three of the components. Two of these breaches can be resolved by disseminating already compiled GFS. The mission

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[7] The DQIWP is available from the authors of this report upon request. The DQIWP's design is consistent with the Data Quality Assessment Framework for Government Finance Statistics and Public Sector Debt Statistics.

[8] For example, the mission team encouraged the working group to develop a brief methodology statement for the compilation of general government finance statistics (Appendix II). As a result, certain inaccuracies were identified in initially reported sources of data. Also, the mission team continuously urged compilers to validate source data and GFS using available secondary data sources.

recommends that the GFS TWG consult and reschedule a target date for providing Uganda's fiscal year Budget in a *GFSM 2014* framework.

40.　　In addition to the implementation plan's status, it is important to assess the status of recommendations that have been formulated as part of recent TA mission reports and other documents associated with TA missions/visits. Appendix V provides an update on the status of these recommendations. Notably, 10 of the 16 recommendations reflect an "In progress" status.

Recommendation:

- *The GFS TWG should monitor the GFSM 2014 implementation plan and outstanding recommendations more closely, and develop a systematic plan for meeting plan target dates and for fulfilling recommendations.*

XI. UGANDA'S TA AND TRAINING REQUIREMENTS

41.　　Uganda's GFS and PSDS compilers do not appear to require any TA or training in the near term other than that already planned (Table 4). An exception may be that, as Uganda undertakes automation of its GFS source data collection, data providers (respondents) may require certain training to complete data collection forms accurately. However, the mission team believes that current GFS compilers are sufficiently trained, and should be able to conduct this training on their own behalf. Otherwise, the mission team urges authorities to ensure that all relevant compilers be permitted to participate in the TA and training opportunities that are cited in Table 4.

Table 4. Uganda GFS TA and Training Opportunities through FY 2016/17

Type	Start date	End date	Location
Technical mission	7-March-16	18-March-16	Kampala
Regional workshop	11-April-16	22-April-16	Addis Ababa
Regional workshop	11-July-16	15-July-16	Zanzibar
Regional workshop	29-August-16	2-September-16	Kenya
Technical visit	14-November-16	25-November-16	Kampala
Regional workshop	28-November-16	2-December-16	Uganda
Technical mission	17-April-17	28-April-17	Kampala
Source: Mission Team.			

XII. CONCLUSION

42.　　This report recounts mission findings and accomplishments. The fact that FY 2014/15 general government finance statistics could not be compiled during the mission was disappointing to the mission team, but the near complete compilation of the FY 2013/14 general government finance statistics was satisfying. In addition, the complete review and analysis of historical general government finance statistics for FYs 2006/7 through 2012/13 and of monthly BCG GFS for FY 2013/14 was a favorable outcome. Nevertheless, the

mission team identified important challenges that Ugandan GFS compilers should meet head on.

43.   A key challenge is automation of GFS source data collection, especially for EBUs and LGs. In fact, the compilation of general government finance statistics for FY 2014/15 was delayed mainly because of the labor-intensive and time-consuming manual processing procedures that are currently in place to compile GFS for EBUs and LGs. The mission team discussed this challenge with authorities and urged automation of the source data collection process first by data collection through electronic templates, and second by incorporating institutional units in these general government subsectors into IFMS.

44.   Given that Uganda is behind the curve on meeting the data collection automation challenge (compared with Kenya and Tanzania), the mission team recommends that Uganda redouble its efforts to fulfill this aspect of its *GFSM 2014* implementation plan. However, the mission team has no doubt that Uganda's GFS compilers are equal to the challenges that lie ahead. At the same time, the mission team is concerned that there appears to be a buildup of TA mission recommendations that are not being resolved—something that the mission team adds to by providing 11 new recommendations in this report, which are repeated in their entirety in Box 1.

Box 1. TA Report Recommendations

- Conduct annual maintenance of, and promulgate widely, Uganda's Public Sector Institutional Table because it can help ensure consistency across all of the nation's macroeconomic statistics.
- Automate the collection of source data for EBUs and LGs first by using data collection templates (annually and on a high-frequency basis), and second by ultimately incorporating these institutional units into the IFMS.
- Authorities should validate the FY 2013/14 general government finance statistics and disseminate them to the IMF's Statistics Department.
- Authorities should finalize compilation of the FY 2014/15 general government finance statistics and disseminate them to the Statistics Department as soon as they are finalized.

Box 1. TA Report Recommendations (Cont'd)

- Authorities should compile general government Statements of Sources and Uses of Cash for FYs 2013/14 and FY 2014/15 and disseminate them to the Statistics Department as soon as they are finalized.
- Authorities should disseminate to the IMF's Statistics and African Departments the high frequency GFS BCG data as soon as they are compiled.
- Authorities should keep track of revenue collections in transit and in vaults and make adjustments to the monthly Statement of Operations to match *Revenue* transactions above the line with the change in *Currency and deposits* below the line.
- Authorities should develop estimates of the float (i.e. the difference between expenditure commitments (accrual) and payments (cash)) and make adjustments to the monthly Statement of Operations to match above-the-line *Expenditure* transactions with below-the-line financing.
- GOU should improve its accounting treatment of Arrears as *Other accounts payable*, and treat payment of Arrears as a transaction (reduction) in Other accounts payable.
- Uganda's GFS TWG should finalize and begin implementation of the DQIWP.
- The GFS TWG should monitor the *GFSM 2014* implementation plan and outstanding recommendations more closely, and develop a systematic plan for meeting plan target dates and for fulfilling recommendations.

Appendix I. List of Officials Met during the Mission

No.	Names	Agencies	Departments	E-mail addresses
1	Patrick OCAILAP	MoFPED		patrick.ocailp@finance.go.ug
2	Dr. Albert MUSISI	MoFPED	MEPD	albert.musisi@finance.go.ug
3	Charles MATOVU	MoFPED	MEPD	charles.matovu@finance.go.ug
4	Obadia TURINAWE	MoFPED	MEPD	obadia.turinawe@finance.go.ug
5	Victor MUKASA	MoFPED	MEPD	victor.mukasa@finance.go.ug
6	Elaine MUHWEZI	MoFPED	MEPD	elaine.abomwesigwa@finance.go.ug
7	Caroline NAMUKWAYA	MoFPED	MEPD	caroline.namukwaya@finance.go.ug
8	Anne NANZIRI	MoFPED	MEPD	anne.nanziri@finance.go.ug
9	Davis VUNINGOMA	MoFPED	MEPD	davis.vuningoma@finance.go.ug
10	Jonah ATUHA	MoFPED	MEPD	jonah.atuha@finance.go.ug
11	Esther AGUTI	MoFPED	MEPD	esther.aguti@finance.go.ug
12	Rosette NAKAVUMA	MoFPED	MEPD	rosette.nakavuma@finance.go.ug
13	Francis AHIMBISIBWE	MoFPED	MEPD	francis.ahimbisibwe@finance.go.ug
14	Annet KAJUMBA	MoFPED	FSD	annet.kajumba@finance.go.ug
15	Mark KASENGE	MoFPED	AGD	mark.kasenge@finance.go.ug
16	Isaac ARINAITWE	MoFPED	TPD	isaac.arinaitwe@finance.go.ug
17	Tito OKELLO	MoFPED	PAD	tito.okello@finance.go.ug
18	Gideon GARIYO	MoFPED	PAD	gideon.gariyo@finance.go.ug
19	Geoffrey SSEGAMWENGE	MoFPED	PAD	geoffrey.ssegamwenge@finance.go.ug
20	Muhammad MUKISA	MoFPED	EDPRD	muhammad.mukisa@finance.go.ug
21	Donald MBUGA	MoFPED	EDPRD	donald.mbuga@finance.go.ug
22	Audrey KEMIGISHA	UBOS	DMES	audrey.kemigisha@ubos.org
23	Junda NUWAMANYA	UBOS	DMES	junda.kemigisha@ubos.org
24	Grace TINYIONDI	BoU	Statistics	gainomugisha@bou.or.ug
25	Michael TUKACUNGURWA	BoU	Statistics	mtukacungurwa@bou.or.ug

Acronyms:
AGD – Accountant General Department
BoU – Bank of Uganda
DMES – Department of Macroeconomic Statistics
EDPRD – Economic Development Policy and Research
FSD – Financial Service Department
MEPD – Macroeconomic Policy Department
MoFPED – Ministry of Finance, Planning, and Economic Development
PAD – Public Administration Department
TPD – Tax Policy Department
UBOS – Uganda Bureau of Statistics

Appendix II. Brief Methodology Statement: Compiling GFS for General Government

The following brief methodology statement provides high-level information concerning the methods used to compile government finance statistics (GFS) for the general government sector. It includes details for compiling GFS for the following general government subsectors: budgetary central government (BCG), extrabudgetary units (EBUs), and local governments (LGs). Uganda has no social security funds and no state governments.

BCG

The following are the sources of data for BCG by major economic classifications:

- *Revenue*:
  - Ministry of Finance, Planning and Economic Development's (MoFPED's) Tax Policy Department (TPD) (*Taxes* and *Nontaxes*);
  - Accountant General Department (AGD) (*Nontaxes*);
  - Reconciliation between The Bank of Uganda (BoU) and MoFPED's Department of Development Assistance and Regional Cooperation (DARC) (*Grants*);
  - Selected Ministries, Departments, and Agencies (MDAs) (Appropriations in Aid (AIA), aka *Incidental sales by nonmarket establishments*).

- *Expense*:
  - Integrated Financial Management and Information System (IFMS) (all categories of *Expense*)
  - Legacy releases from MoFPED's Budget Directorate (*Grants*);
  - MoFPED's Debt Management Department (DMD) (*Interest*)
  - Reconciliation between BoU and MoFPED's DARC (proportions of external project *Grants* and *Loans* that are deemed to be *Expense* items).

- *Net Acquisition of Nonfinancial Assets* (*NANFA*):
  - Domestic: IFMS (all *NANFA* categories);
    Legacy releases from MoFPED's Budget Directorate (*NANFA* categories);
    MoFPED's AGD (Disposals of nonfinancial assets).
  - External: Reconciliation between BoU and MoFPED's DARC (proportions of external project *Grants* and *Loans* that are deemed to be nonfinancial assets).

- *Net Acquisition of Financial Assets* (*NAFA*):
  - Domestic: BoU's Depository Corporation Survey (DCS) (*Currency and deposits*, *Debt securities*, *Loans*, etc.);
    AGD (selected financial assets);
  - External: Uganda's BCG has no external financial assets at this time.

- *Net Incurrence of liabilities* (*NIL*):
  - Domestic: BoU's DCS (*Debt securities*, *Loans*, etc.);
    MoFPED's DMD (validation source)
  - External: DMD (*Loans*, etc.)
    BOU (validation source)
    DARC (*Loans*).

The following adjustments to source data are undertaken when compiling GFS for BCG. For *Revenue*, certain reclassifications of MoFPED's TPD data on *Taxes* and *Nontaxes* are incorporated. For *Expense*, no adjustments are made to IFMS source data; however values from the BoU and MoFPED reconciliation are added (the proportion of external inflows (project *Grants* and *Loans*) that are deemed to be *Expense* items). For *NANFA*, *NAFA*, and *NIL*, there are no adjustments to source data. For certain categories in the Statement of Operations, exchange rate conversions are required. Finally, in compiling the Statement of Operations, data from certain sources are used to compare with primary source data for quality assurance purposes.

EBUs

Source data for all the major economic classifications are from annual audited financial reports (AAFRs; *Revenue*, *Expense*, *NANFA*, *NAFA* and *NIL*). AAFRs are obtained from MoFPED or directly from EBUs. Each of the reports is assigned to a Macroeconomic Policy Department (MEPD) officer, who transcribes all relevant Income Statement and Balance Sheet data into a GFS Database. Data for the new period are added as a new column in the GFS Database. A summary sheet within the GFS Database aggregates the GFS for EBUs for the new period. For quality assurance purposes, certain categories (e.g., *Grants*) are cross-checked with other data sources.

LGs

The data sources and processes used to compile GFS for LGs are the same as those used for EBUs.

Preparing General Government Finance Statistics

Statements of operations that are compiled for BCG, EBUs, and LGs are incorporated into a General Government Database. First, central government (BCG and EBUs) GFS are compiled through consolidation. Consolidation is executed by identifying and eliminating corresponding *Revenue* and *Expense* flows for *Grants* between BCGs and EBUs. Second, central government is consolidated with LGs to produce general government GFS. This consolidation is completed by identifying and eliminating *Revenue* and *Expense* flows for *Grants* between central government and LGs.

Appendix III. Uganda's FY 2013/14 Consolidated General Government Finance Statistics

(billion USH)	Central Government			Total Central Government	Local Government	Consolidation	Total General Government
	BCG	EBUs	Consolidation				
1. Revenue	**8,870.4**	**1,040.0**	**(501.9)**	**9,408.5**	**2,245.2**	**(1,971.0)**	**9,682.7**
Taxes	8,031.0			8,031.0	31.5		8,062.5
Social contributions	0.0			0.0	0.0		0.0
Grants	702.5	539.7	(501.9)	740.2	2,164.3	(1,971.0)	933.6
Other revenue	136.9	500.3		637.2	49.4		686.6
2. Expenses	**8,582.9**	**1,026.3**	**(501.9)**	**9,107.3**	**2,042.1**	**(1,971.0)**	**9,178.5**
Compensation of employees	1,516.3	395.5		1,911.8	1,129.0		3,040.8
Use of goods and services	2,159.7	470.7		2,630.3	489.4		3,119.7
Consumption of fixed capital		62.5		62.5	3.1		65.7
Interest	970.1	0.0		970.2	0.1		970.3
Subsidies	35.7			35.7			35.7
Grants	3,257.4	33.3	(501.9)	2,788.7	404.9	(1,971.0)	1,222.6
Social benefits	228.7			228.7	3.2		232.0
Other expense	415.0	64.2		479.2	12.4		491.6
3. Net operating balance (1-2)	**287.5**	**13.7**	**0.0**	**301.2**	**203.0**	**0.0**	**504.2**
4. Net acquisition of nonfinancial assets	**3,059.9**	**23.1**		**3,083.0**	**150.3**		**3,233.2**
5. Net lending (+) /borrowing (-) (3-4)	**(2,772.4)**	**(9.3)**	**0.0**	**(2,781.8)**	**52.8**	**0.0**	**(2,729.0)**

Appendix III. Uganda's FY 2013/14 Consolidated General Government Finance Statistics—Cont'd

(billion USH)	Central Government				Local Government	Consolidation	Total General Government
	BCG	EBUs	Consolidation	Total Central Government			
1. Net lending (+)/borrowing (-)	**(2,772.4)**	**(9.3)**	**0.0**	**(2,781.8)**	**52.8**	**0.0**	**(2,729.0)**
2. STATISTICAL DISCREPANCY (3-1)	**274.9**	**(60.4)**	**0.0**	**214.5**	**(41.6)**	**0.0**	**172.9**
3. Net Financing (4-5)	**(2,497.6)**	**(69.7)**	**0.0**	**(2,567.3)**	**11.2**	**0.0**	**(2,556.1)**
4. Net acquisition of financial assets	**(4,433.9)**	**(21.5)**	**0.0**	**(4,455.4)**	**48.9**	**0.0**	**(4,406.5)**
Monetary gold and SDRs				0.0			0.0
Currency and deposits	(4,453.3)	(22.1)		(4,475.4)			(4,475.4)
Debt securities		0.6		0.6			0.6
Loans	19.4	(7.4)		12.0			12.0
Equity and investment fund shares		(2.1)		(2.1)			(2.1)
Insurance, pensions, and standardized guarantee schemes				0.0			0.0
Financial derivatives and employee stock options				0.0			0.0
Other accounts receivable		9.5		9.5			9.5
5. Net incurrence of liabilities	**(1,936.3)**	**48.2**	**0.0**	**(1,888.1)**	**37.7**	**0.0**	**(1,850.4)**
SDRs				0.0			0.0
Currency and deposits		(2.1)		(2.1)			(2.1)
Debt securities	(2,880.4)	0.0		(2,880.4)			(2,880.4)
Loans	886.9	(1.1)		885.8			885.8
Equity and investment fund shares		0.0		0.0			0.0
Insurance, pensions, and standardized guarantee schemes				0.0			0.0
Financial derivatives and employee stock options				0.0			0.0
Other accounts payable	57.1	51.5		108.6			108.6

Appendix IV. Status of Uganda's *GFSM 2014* Implementation Plan as of March 2016

Project Objectives

Objective	Verifiable Indicators	Target Date	Assumptions
To compile and publish monthly, quarterly and annual general government finance statics according to *GFSM 2014*.	Dissemination of monthly, quarterly and annual GFS to the public, the EAC Secretariat, and publication in the *IFS* and *GFSY*.	2017	Assumes commitment to replace the current *GFSM 1986* tables with *GFSM 2014* tables in all internal and external fiscal tables, including budget statements, an adequately resourced GFS team, and that the necessary technical support is available on a timely basis.

Project Objectives

Outputs	Verifiable Indicators	Target Date	Implementation Status as of March 2016
1. Conduct regular GFS Technical Working Group (TWG) meetings/workshops.	Minutes and training material from committee meetings and workshops.	September 2014	Completed. The TWG is established and meets periodically to discuss progress on the implementation plan, identify and address technical issues, integrate GFS across the nation's macroeconomic framework, and external GFS dissemination.
2. Define and maintain an institutional structure of the government (or public sector) consistent with GFSM 2001/14 guidelines.	Finalized general government sector institutional table and tentative comprehensive lists of public corporations, with specified procedures to make future changes as needed.	December 2014	Completed. A Public Sector Institutional Table that was developed by authorities was reviewed during a July 2014 GFS TA mission. The table is updated annually to reflect ongoing public finance management (PFM) reforms and the economic reality of the units (births, deaths, and reclassifications).
3. Link country's chart of account (COA) classifications to the corresponding *GFSM 2014* economic classifications.	Verified derivation tables linking national COA classifications and the corresponding *GFSM 2001* classifications.	December 2014	Completed. The current COA classifications have been mapped to the corresponding *GFSM 2001* classifications. The July 2014 TA mission highlighted recommendations to align the national COA with GFSM 2014.
4. Link country's COA classifications with the corresponding *GFSM 2014* functional (Classification of the Functions of Government [COFOG]) classifications.	Verified bridge tables that link the national COA classifications and the corresponding COFOG classifications.	December 2014	Completed. The July 2014 GFS TA mission suggested improvements to the existing draft COFOG mapping, which was completed.

Outputs	Verifiable Indicators	Target Date	Implementation Status as of March 2016
5. Full roll-out of an integrated financial management system (IFMS) for budget execution or electronic interfacing for timely and comprehensive *GFSM 2014* compliant reporting with sufficient frequency: • Budgetary central government (BDG) • Extrabudgetary units (EBUs) • Local governments (LGs)	Integrated financial reporting or reporting relationship is established (via memorandum of understanding or reporting instructions) with the relevant entities or ministries.	June 2016 for Local Government and the Extra-Budgetary units.	In progress. All central government votes are included on IFMS apart from tertiary institutions and 9 referral hospitals. 71 local governments are currently in IFMS, as well as 8 donor projects. Authorities provided no definitive plans concerning completion of the IFMS rollout.
6. Incorporate the COA-GFS bridge table into IFMS and automate report compilation.	Production of GFS reports directly from the source data in IFMS.	June 2015	Completed. A COA-GFS bridge table exists on, and automated reports are produced from, IFMS.
7. Reflect the updated GFS economic and functional classification tables in budget tables.	Presentation of *GFSM 2014* and COFOG tables and related analysis in annual budget.	2015/2016 Budget June 2015	In progress. Authorities are attempting to incorporate *GFSM 2014* presentations of the Budget during the FY 2016/17 budget cycle.
8. Disseminate *GFSM 2014*- compliant BCG data for FY2009 thru FY 2012/13.	Disseminate Statements of Sources and Uses of Cash, Statements of Operations, and of COFOG data.	December 2014	Completed. GFS for BCG for FYs 2009-to 2015 have been disseminated to the IMF's STA in the form of Statements of Operation.
9. Disseminate *GFSM 2014*- compliant central government data (BCG and EBUs) for FY 2014.	Disseminate Statements of Sources and Uses of Cash, Statements of Operations, and of COFOG data.	December 2015	In progress. Preliminary central government GFS were compiled for FY 2013/14 during November 2015 in the form of Statements of Operation; they have not been disseminated to the IMF's STA.
10. Disseminate *GFSM 2014*- compliant LG data for FY 2014.	Disseminate Statements of Sources and Uses of Cash, Statements of Operations, and of COFOG data.	December 2015	In progress. Preliminary LG GFS were compiled for FY 2013/14 during November 2015 in the form of Statements of Operation; they have not been disseminated to the IMF's STA.
11. Expand coverage of GFS (flows) to include all general government units.	General government finance statistics (flows) compiled disseminated.	June 2016 on a cash basis and June 2017 including modified cash data	In progress. Preliminary general government GFS were compiled for FY 2013/14 during November 2015 in the form of Statements of Operation; they have not been disseminated to the IMF's STA.
12. Include stocks of financial assets and liabilities in the GFS for BCG. • At nominal value • At market value	Timely dissemination of quarterly GFS for BCG, including stocks of financial assets and liabilities (Financial Balance Sheet).	June 2016 at nominal value and June 2017 at market value	In progress. Currently, monthly financial assets and liabilities flows for BCG are disseminated on a cost and face value basis. Related stock data are not yet disseminated with the GFS.

Outputs	Verifiable Indicators	Target Date	Implementation Status as of March 2016
13. Include stocks of financial assets and liabilities in the GFS of EBUs and LGs . • At nominal value • At market value	Timely dissemination of quarterly GFS for central government and LGs including stocks of financial assets and liabilities (Financial Balance Sheet).	June 2016 at nominal value and June 2017 at market value	In progress. Annual financial assets and liabilities flows for EBUs and LGs have been compiled but not disseminated for FY 2013/14. Plans are underway to collect, compile, and disseminate quarterly GFS for these institutional units, including flows and stocks of financial assets and liabilities.
14. Develop procedures for collecting debt data from public corporations	Reporting relationship is established (via MOUs or reporting instructions) with the relevant entities or ministries.	June 2016	In progress. The Bank of Uganda (BoU) disseminates data on the debt of financial public corporations. Efforts are underway to collect, compile, and disseminate debt data on nonfinancial public corporations.
15. Compile and disseminate public debt statistics of the public sector.	Quarterly public sector debt statistics compiled and disseminated.	December 2016	Completed. External debt statistics are compiled by MoFPED and domestic debt statistics are compiled by the BoU based on nominal values. Instrument coverage includes: *Special Drawing Rights, Currency and deposits, Debt securities, and Loans.*

Appendix V. Status of Recommendations from a July 2014 TA Report and a November 2015 TA Visits

No.	Recommendations	Status as of March 2016
1	Update, approve, and promulgate Public Sector Institutions Table	In progress: A meeting with the Statistics Committee will be conducted and the institutional table will be updated for FY 2014/15. Authorities must determine the modalities for updating and promulgating the table going forward.
2	Expand GFS BCG coverage to be consistent with institutions table	Completed. GFS for BCG now cover the 122 units identified by Uganda's Public Sector Institutional Table.
3	Include financial balance sheet data with *International Financial Statistics* (*IFS*) and *Government Finance Statistics Yearbook* (*GFSY*) submission	Completed. Uganda now compiles and disseminates to the IMF financial balance sheet data. Work continues as authorities seek to ensure that the financial balance sheet data reconciles within the fully integrated *GFSM 2014* framework.
4	Automate processing of Local Government (LG) GFS data collection	In progress. This applies to extrabudgetary units (EBUs) as well. Plans are developing to automate data collection, and they are likely to evolve in two steps. First, a data collection template may be used to collect GFS data from LGs (and potentially EBUs). Second, LGs will be incorporated into the Integrated Financial Management and Information System (IFMS). Currently, 71 District Governments are reporting in IFMS. Authorities indicated no definitive plans for a full IFMS rollout.
5	Use the new Public Finance Bill to institute regular and high-frequency fiscal reporting by EBUs	In progress. Authorities reported that the Public Finance Management (PFM) Act does not include provisions for high-frequency data collection beyond bi-annual. However, MoFPED's Permanent Secretary has the authority (PFM Acts says the Accountant General has the authority) to request reporting by institutional units.
6	Include EBU data in GFS submissions to the IMF (*IFS* and *GFSY*)	In progress. This will be achieved with the next submission of Uganda's general government finance statistics.
7	Include data on *Currency and deposits* and *Insurance, pensions, and standardized guarantee schemes* in public sector debt statistics	In progress. A BoU representative reported that *Currency and deposits* are now being reported in Uganda's Public Sector Debt Statistics (PSDS). Inclusion of *Insurance, pensions, and standardized guarantee schemes* data is planned as a future improvement.
8	Begin collecting data on public corporations' debt	In progress. The BoU is planning to begin collecting debt data on nonfinancial public corporations. Debt data for financial public corporations are already available—with certain gaps.
9	Correct misclassifications in GFS BCG data that were identified during the July 2014 TA mission (see page 14 of TA Report)	Completed. These corrections were made when compiling general government finance statistics for FY 2013/14, and will continue going forward.

No.	Recommendations	Status as of March 2016
10	Develop a database of recent projects and programs that can be classified successfully into a *GFSM 2014* Classifications of the Functions of Government (COFOG) framework	This effort is not required. Uganda's COFOG estimates are consistent with the GFSM 2001 and 2014. New programs that appear in the Budget are mapped to appropriate functions.
11	Increase collaboration between MOFPED and UBOS GFS compilers	This effort should be undertaken by the Uganda's GFS Technical Working Group (TWG).
12	Undertake efforts to expand further EBU coverage	See item 2 above.
13	Undertake efforts to reduce *Statistical discrepancies* for EBUs and Local Government; detail for Local Government Net financing should be provided.	In progress. The March 2016 TA mission undertook an analysis of the statistical discrepancy and made recommendations. See the part VII of this TA Report.
14	Produce a *GFSM 2014* Statement of Sources and Uses of Cash	In progress. The mission discussed with authorities' methods for preparing Statements of Sources and Uses of Cash with authorities (see part V.D of this TA Report). Authorities should use these methods to produce the statements and disseminate them as part of their data submissions to the IMF.
15	GFS TWG should finalize and implement a data quality improvement work program (DQIWP).	In progress. See part IX of this TA Report.
16	Authorities should collaborate with the EAC in developing an information campaign in Uganda to alert the public to the adoption of a new government finance statistics standard, and the measures that are being implemented to ensure transparency and full disclosure of government fiscal operations	In progress. The mission discussed with authorities plans to organize and conduct a public event during November of 2016 at which authorities would sensitize the public to the new GFS framework and present new datasets.