



Improved debt management in UGANDA

“Special thanks go to the UNCTAD team for initiating the idea of a virtual training and facilitating the first of this kind; an action which clearly demonstrates that even amidst Covid 19 challenges, there is still a silver lining as we continue to explore new ways of doing business. It is for this reason that I am expressing my deep gratitude to the UNCTAD for its continued support to Debt management.”

JENNIFER MUHURUZI, Director Treasury Services and Assets management

DEBT MANAGEMENT CONTEXT

The Ministry of Finance, of Planning and Economic Development (MoF) of Uganda has been using DMFAS since the mid 1980’s.

Following a fire hazard at the Ministry’s locations in the early 1990’s, the DMFAS installation was rebuilt at the Central Bank (CB) and by the end of the 1990’s the DMFAS installation was also set up again at the MoF. Since then, both institutions, working in close collaboration, have been using DMFAS and have benefited from successive technical assistance provided by the DMFAS Programme. Today Uganda stands out as a country in the subregion with strong debt management capacities, following international best practices, and successfully managed to contain national debt levels, despite the challenging international context.

IMPACT OF DMFAS’ TECHNICAL ASSISTANCE

The DMFAS Programme accompanied Uganda’s progress in adapting best practices in debt management through the implementation of several technical assistance projects.

Uganda started reporting to the World Bank Quarterly External Debt Statistics as early as 2007, and shortly after submitted data to the Quarterly Public Sector Debt Statistics database. It has since been a regular reporter. The MoF is also regularly publishing debt statistical bulletins, debt portfolio reviews as well as medium term debt strategies.

These achievements show that Uganda’s debt management rests on strong capacities which help the country to sustainably fund its development agenda.

“Domestic and foreign debt and guarantees are complete, accurate and updated monthly. There are comprehensive management and statistical reports, which are produced quarterly and cover debt service, stock and operations.”
PEFA 2017

IN THE MID 1980’s

TODAY

GOVERNANCE

Debt management functions distributed among various departments within the MoF and CB

Installation of DMFAS 5.3 and 6

Debt management functions consolidated and close coordination with the Central Bank

DEBT DATABASE

Several non-consolidated debt databases

Functional training and data validation

Single consolidated debt database at the MoF; back-up at the National disaster recovery site together with other PFM systems

REPORTING

Reporting mostly done for domestic purposes

DMFAS debt statistics workshops

Regularly submits debt statistics to international debt databases

ANALYSIS

Was mostly limited to selecting among multilateral creditors

DMFAS debt portfolio analysis workshops

Regular analysis of domestic and international capital markets to select optimal funding sources

INTEGRATION

DMFAS was a stand-alone system

Integration support

DMFAS is currently being integrated as part of the public financial management system