

VOTE: 130 Treasury Operations

Quarter 4

V1: Summary of Issues in Budget Execution

Table V1.1: Overview of Vote Expenditures (US\$ Billion)

	Approved Budget	Revised Budget	Released by End Q4	Spent by End Q4	% Budget Released	% Budget Spent	% Releases Spent
Recurrent	Wage	0.000	0.000	0.000	0.0 %	0.0 %	0.0 %
	Non-Wage	15,174.174	53,130.634	16,268.053	107.0 %	89.5 %	83.5 %
Dev.	GoU	0.000	0.000	0.000	0.0 %	0.0 %	0.0 %
	Ext Fin.	0.000	0.000	0.000	0.0 %	0.0 %	0.0 %
GoU Total		15,174.174	53,130.634	16,268.053	107.2 %	89.5 %	83.5 %
Total GoU+Ext Fin (MTEF)		15,174.174	53,130.634	16,268.053	107.2 %	89.5 %	83.5 %
Arrears		213.373	1,957.763	301.763	140.0 %	140.0 %	100.0 %
Total Budget		15,387.547	55,088.397	16,569.816	107.7 %	90.2 %	83.8 %
A.I.A Total		0.000	0.000	0.000	0.0 %	0.0 %	0.0 %
Grand Total		15,387.547	55,088.397	16,569.816	107.7 %	90.2 %	83.8 %
Total Vote Budget Excluding Arrears		15,174.174	53,130.634	16,268.053	107.2 %	89.5 %	83.5 %

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Table V1.2: Releases and Expenditure by Programme and Sub-SubProgramme*

<i>Billion Uganda Shillings</i>	Approved Budget	Revised Budget	Released by End Q4	Spent by End Q4	% Budget Released	% Budget Spent	%Releases Spent
Programme:18 Development Plan Implementation	15,387.547	55,088.397	16,569.816	13,887.144	107.7 %	90.2 %	83.8%
Sub SubProgramme:01 Treasury Operations	15,387.547	55,088.397	16,569.816	13,887.144	107.7 %	90.2 %	83.8%
Total for the Vote	15,387.547	55,088.397	16,569.816	13,887.144	107.7 %	90.2 %	83.8 %

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Table V1.3: High Unspent Balances and Over-Expenditure in the Approved Budget (Ushs Bn)

<i>(i) Major unspent balances</i>		
Departments , Projects		
Sub SubProgramme:01 Treasury Operations		
Sub Programme: 02 Resource Mobilization and Budgeting		
	Bn Shs	Department : 001 Administration
Reason: Cashflow constraints experienced during the quarter		
<i>Items</i>		
1,819.448	UShs	352884 Securities Redemption Budgeting
Reason: Cashflow constraints experienced during the quarter		
140.762	UShs	242001 Interest on Treasury bills
Reason:		
32.687	UShs	242003 Other
Reason:		
7.023	UShs	244002 Commitment fees
Reason:		
Improved absorption of donor funds by development projects		
<i>(ii) Expenditures in excess of the original approved budget</i>		
Sub SubProgramme:01 Treasury Operations -02 Resource Mobilization and Budgeting		
532.211	Bn Shs	Department : 001 Administration
Reason: Obtained additional funds through a supplementary budget		
<i>Items</i>		
407.069	UShs	242002 Interest on Treasury Bonds
Reason: Obtained additional funds through a supplementary budget Obtained additional funds through a supplementary budget		
12.138	UShs	244002 Commitment fees
Reason:		
113.004	UShs	242003 Other
Reason: Obtained additional funds through a supplementary budget Obtained additional funds through a supplementary budget		

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V2: Performance Highlights

Table V2.1: PIAP outputs and output Indicators

Programme:18 Development Plan Implementation			
SubProgramme:02 Resource Mobilization and Budgeting			
Sub SubProgramme:01 Treasury Operations			
Department:001 Administration			
Budget Output: 560050 Debt Service Payments			
PIAP Output: 18010102 Integrated debt management strengthened			
Programme Intervention: 180101 Align government borrowing with NDP priorities			
PIAP Output Indicators	Indicator Measure	Planned 2022/23	Actuals By END Q 4
An updated debt management system in place	Percentage	100%	99%
Integrated debt management strategy developed	Number	100%	1
Budget Output: 560051 Contingencies Fund Management			
PIAP Output: 18010102 Integrated debt management strengthened			
Programme Intervention: 180101 Align government borrowing with NDP priorities			
PIAP Output Indicators	Indicator Measure	Planned 2022/23	Actuals By END Q 4
An updated debt management system in place	Percentage	100%	99%
Integrated debt management strategy developed	Number	Yes	1
Budget Output: 560052 Claims Payments			
PIAP Output: 18010102 Integrated debt management strengthened			
Programme Intervention: 180101 Align government borrowing with NDP priorities			
PIAP Output Indicators	Indicator Measure	Planned 2022/23	Actuals By END Q 4
An updated debt management system in place	Percentage	100%	99%
Integrated debt management strategy developed	Number	Yes	1

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Performance highlights for the Quarter

Loans and grants disbursements for the period amounted to UGX 6.067Tn and UGX 1.009Tn respectively. 43% of the loan disbursements were from multilateral creditors, 12% was from bilateral creditors and 45% from commercial banks

During the period, three (3) new loan agreements were contracted amounting to UGX 516Bn to finance development projects
The department processed 1,250 loan withdraw applications for various projects amounting to UGX 4.707Tn

Processed payment of external debt principal obligations due amounting to UGX 2,624bn out of which 23% was due to Multilateral creditors, 24% to Commercial Banks and 53% to Bilateral creditors. • Interest payments amounted to UGX 751Bn while commitment fees paid amounted to UGX 112Bn

New issuances for domestic debt amounted to UGX 10.285Tn at cost, out of which UGX 5.516Tn relates to T-Bills and UGX 4.769Tn to T-Bonds.

Processed domestic debt re-imbursements to Bank of Uganda (BoU) amounting to UGX 9.770Tn. Included in this figure is UGX 3.088Tn that remained outstanding from the previous FY 2021/2022.

Prepared and submitted annual and interim Financial Statements for Treasury Operations Vote 130 and the Contingencies Fund for the FY ended June 30, 2022 and as at December 31, 2022 respectively.

Reviewed and processed European Union (EU) loan and grant disbursement invoices within two weeks of receipt.

Effected the release of UGX 50.589bn from the Contingencies fund to the Office of the Prime Minister as Government intervention towards households at risk of food insecurity, and relocation of persons at risk of landslides in Mt. Elgon sub-region.

Variances and Challenges

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1 Budget adjustments on key items during appropriation distorts budget efficiency through unnecessary requests for budget revisions during execution.

Some creditors take long to confirm disbursements (Saudi Fund, BADEA and IDB). This affects timely update of the loan ledgers

Ever Increasing cost of borrowing arising from a shift from concessional borrowing to market based loans which are costly in terms of interest and arrangement fees. Continued efforts are underway to analyze and negotiate for cheap financing options available.

Low absorption of funds by some projects due to multiple issues such as Procurement delays and Resettlement / compensation of Project Affected Persons. MoFPED setup a committee to review the loan portfolio and problematic projects were recommended for restructuring or cancellation.

The budget for redemptions depends on a number of factors which affect the actual outturn and may result into budget revisions. These include; at the time of budgeting the current financial year will not have ended and the tenures not sealed, the issuance calendar for the next financial year is not approved so tenures are not certain, any adjustment upwards in domestic financing target affects the budget, yields on the market and investor preferences cause variations in the issuance calendar and subsequently the projected budget.

Interest rates and exchange rates fluctuations.

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V3: Details of Releases and Expenditure

Table V3.1: GoU Releases and Expenditure by Budget Output*

<i>Billion Uganda Shillings</i>	Approved Budget	Revised Budget	Released by End Q4	Spent by End Q4	% GoU Budget Released	% GoU Budget Spent	% GoU Releases Spent
Programme:18 Development Plan Implementation	15,387.547	55,088.397	16,569.816	13,887.144	107.7 %	90.2 %	83.8 %
Sub SubProgramme:01 Treasury Operations	15,387.547	55,088.397	16,569.816	13,887.144	107.7 %	90.2 %	83.8 %
560050 Debt Service Payments	15,005.479	52,961.939	16,099.358	13,416.799	107.3 %	89.4 %	83.3 %
560051 Contingencies Fund Management	62.068	62.068	62.068	62.068	100.0 %	100.0 %	100.0 %
560052 Claims Payments	320.000	2,064.389	408.389	408.276	127.6 %	127.6 %	100.0 %
Total for the Vote	15,387.547	55,088.397	16,569.816	13,887.144	107.7 %	90.2 %	83.8 %

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Table V3.2: GoU Expenditure by Item 2022/23 GoU Expenditure by Item

<i>Billion Uganda Shillings</i>	Approved Budget	Revised Budget	Released by End Q4	Spent by End Q4	% GoU Budget Released	% GoU Budget Spent	% GoU Releases Spent
241001 Loan interest	871.443	871.443	820.133	810.608	94.1 %	93.0 %	98.8 %
242001 Interest on Treasury bills	583.537	583.537	568.330	427.568	97.4 %	73.3 %	75.2 %
242002 Interest on Treasury Bonds	2,989.328	40,753.944	4,056.210	3,396.396	135.7 %	113.6 %	83.7 %
242003 Other	0.000	145.691	145.691	113.004	0.0 %	0.0 %	77.6 %
244001 Listing Fees	1.380	1.380	1.380	1.325	100.0 %	96.0 %	96.0 %
244002 Commitment fees	2.546	48.699	21.707	14.684	852.6 %	576.8 %	67.6 %
244003 Debt Management fees	137.039	137.039	65.700	53.492	47.9 %	39.0 %	81.4 %
263404 Contingency Transfers	62.068	62.068	62.068	62.068	100.0 %	100.0 %	100.0 %
282105 Court Awards	106.627	106.627	106.627	106.560	100.0 %	99.9 %	99.9 %
352883 External Debt Budgeting	2,412.207	2,412.207	2,412.207	2,411.168	100.0 %	100.0 %	100.0 %
352884 Securities Redemption Budgeting	8,008.000	8,008.000	8,008.000	6,188.552	100.0 %	77.3 %	77.3 %
352899 Other Domestic Arrears Budgeting	213.373	1,957.763	301.763	301.717	141.4 %	141.4 %	100.0 %
Total for the Vote	15,387.547	55,088.397	16,569.816	13,887.144	107.7 %	90.2 %	83.8 %

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Table V3.3: Releases and Expenditure by Department and Project*

<i>Billion Uganda Shillings</i>	Approved Budget	Revised Budget	Released by End Q4	Spent by End Q4	% GoU Budget Released	% GoU Budget Spent	% GoU Releases Spent
Programme:18 Development Plan Implementation	15,387.547	55,088.397	16,569.816	13,887.144	107.68 %	90.25 %	83.81 %
Sub SubProgramme:01 Treasury Operations	15,387.547	55,088.397	16,569.816	13,887.144	107.68 %	90.25 %	83.8 %
<i>Departments</i>							
001 Administration	15,387.547	55,088.397	16,569.816	13,887.144	107.7 %	90.2 %	83.8 %
<i>Development Projects</i>							
N/A							
Total for the Vote	15,387.547	55,088.397	16,569.816	13,887.144	107.7 %	90.2 %	83.8 %

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Table V3.4: External Financing Releases and Expenditure by Sub-SubProgramme and Project

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Quarter 4: Outputs and Expenditure in the Quarter

Outputs Planned in Quarter	Actual Outputs Achieved in Quarter	Reasons for Variation in performance
Programme:18 Development Plan Implementation		
SubProgramme:02 Resource Mobilization and Budgeting		
Sub SubProgramme:01 Treasury Operations		
Departments		
Department:001 Administration		
Budget Output:560050 Debt Service Payments		
PIAP Output: 18010102 Integrated debt management strengthened		
Programme Intervention: 180101 Align government borrowing with NDP priorities		
DMFAS updated with new external loans and grants information, disbursements and repayment confirmations.	Maintained loans and grants agreements contracted during the period amounting to UGX 516bn to finance development projects Updated the DMFAS with loans and grants disbursements for the period	NA
Project disbursement requests and withdraw applications for external loans and grants processed within three days of receipt.	The department processed 329 loan withdraw applications for various projects during the quarter	NA
Bills for principal, Interest, commissions and any other amounts due on external loans obtained and reconciled before payment.	Processed payment of external debt principal obligations, interest, commitment fees and other debt obligations due for the quarter	NA
DMFAS Updated with new issuances of domestic debt, Treasury bills and Bond Costs and Principal repayments of maturing domestic debt securities	Updated DMFAS with new issuances for domestic debt, redemptions, coupon and discount payments for the quarter	NA
Bank of Uganda re-imburement claims reconciled	Processed domestic debt re-imburements to Bank of Uganda	Re-imburements to Bank of Uganda amounting to Ugx 4.474tn remained outstanding at year end due to cash-flow constraints
Debt service forecasts and projections prepared for cashflow committee, inclusion in the Budget Framework Paper, Policy statement and National Budget.	prepared and submitted debt service forecasts for Q1 of FY 2023/24 to the Cash Flow Committee. Finalized Treasury Operations Vote 130 Budget estimates for FY 2023/24	NA

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Outputs Planned in Quarter		Actual Outputs Achieved in Quarter	Reasons for Variation in performance
PIAP Output: 18010102 Integrated debt management strengthened			
Programme Intervention: 180101 Align government borrowing with NDP priorities			
Invoices for Domestic debt reimbursements to Bank of Uganda created on the IFMS and their payment made	Processed domestic debt re-imbursements to Bank of Uganda (BoU)	Re-imbursements to Bank of Uganda amounting to Ugx 4.474tn remained outstanding at year end due to cash-flow constraints	
Contingencies Fund Budgeted for in accordance with the provisions of the law	Undertook Financial Monitoring in Donor Financed Projects	NA	
DMFAS/IFMS integration supported and developed Debt Backoffice operations manual developed	Development of forms in R12 was finalised.	Development of operations Manual was deferred due to overlapping activities	
Expenditures incurred in the Quarter to deliver outputs			US\$ Thousand
Item			Spent
241001 Loan interest			163,950,384.292
242001 Interest on Treasury bills			9,731,425.858
242002 Interest on Treasury Bonds			37,842,860.756
242003 Other			3,856,082.007
244001 Listing Fees			480,000.000
244002 Commitment fees			1,944,033.361
244003 Debt Management fees			12,091,585.116
352883 External Debt Budgeting			252,628,469.665
352884 Securities Redemption Budgeting			206,006,790.519
Total For Budget Output			688,531,631.574
Wage Recurrent			0.000
Non Wage Recurrent			688,531,631.574
Arrears			0.000
AIA			0.000
Budget Output:560051 Contingencies Fund Management			
PIAP Output: 18010102 Integrated debt management strengthened			
Programme Intervention: 180101 Align government borrowing with NDP priorities			
Contingencies Fund Budgeted for in accordance with the provisions of the law		N/A	

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Outputs Planned in Quarter	Actual Outputs Achieved in Quarter	Reasons for Variation in performance
PIAP Output: 18010102 Integrated debt management strengthened		
Programme Intervention: 180101 Align government borrowing with NDP priorities		
Contingencies Fund replenished and transfers made to respond to emergencies	Released Ugx 10bn to the Office of the Prime Minister as Government intervention towards relocation of persons at risk of landslides in Mt.Elgon sub region.	Ugx 11.479bn remained unutilized at the end of the Financial Year and was subsequently swept to the UCF in accordance with the PFMA (2015) as amended
Expenditures incurred in the Quarter to deliver outputs		
Item		Spent
263404 Contingency Transfers		12,068,387.000
Total For Budget Output		12,068,387.000
Wage Recurrent		0.000
Non Wage Recurrent		12,068,387.000
Arrears		0.000
AIA		0.000
Budget Output:560052 Claims Payments		
PIAP Output: 18010102 Integrated debt management strengthened		
Programme Intervention: 180101 Align government borrowing with NDP priorities		
Payment of Verified compensations and claims against government made	NA	NA
Expenditures incurred in the Quarter to deliver outputs		
Item		Spent
282105 Court Awards		900,000.000
352899 Other Domestic Arrears Budgeting		14,294,599.400
Total For Budget Output		15,194,599.400
Wage Recurrent		0.000
Non Wage Recurrent		900,000.000
Arrears		14,294,599.400
AIA		0.000
Total For Department		715,794,617.974
Wage Recurrent		0.000
Non Wage Recurrent		701,500,018.574

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Outputs Planned in Quarter	Actual Outputs Achieved in Quarter	Reasons for Variation in performance
	Arrears	14,294,599.400
	AIA	0.000
Development Projects		
N/A		
	GRAND TOTAL	715,794,617.974
	Wage Recurrent	0.000
	Non Wage Recurrent	701,500,018.574
	GoU Development	0.000
	External Financing	0.000
	Arrears	14,294,599.400
	AIA	0.000

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Quarter 4: Cumulative Outputs and Expenditure by End of Quarter

Annual Planned Outputs		Cumulative Outputs Achieved by End of Quarter	
Programme:18 Development Plan Implementation			
SubProgramme:02 Resource Mobilization and Budgeting			
Sub SubProgramme:01 Treasury Operations			
Departments			
Department:001 Administration			
Budget Output:560050 Debt Service Payments			
PIAP Output: 18010102 Integrated debt management strengthened			
Programme Intervention: 180101 Align government borrowing with NDP priorities			
DMFAS updated with new external loans and grants information, disbursements and repayment confirmations.		Maintained three (3) new loan agreements contracted during the period amounting to UGX 516bn to finance development projects	
		Updated the DMFAS with loans and grants disbursements for the period amounting to UGX 6,067bn and UGX 1,009bn respectively. 43% of the loan disbursements were from multilateral creditors, 12% was from bilateral creditors and 45% from commercial banks	
Project disbursement requests and withdraw applications for external loans and grants processed within three days of receipt.		The department processed 1250 loan withdraw applications for various projects amounting to UGX 4.707tn. Withdraw applications worth USD 67.4m (Approximately UGX 245.902bn) were pending clearance by China Exim Bank by the end of the Financial Year	
Bills for principal, Interest, commissions and any other amounts due on external loans obtained and reconciled before payment.		Processed payment of external debt principal obligations due amounting to UGX 2,624bn, nterest payments amounted to UGX 751bn while commitment fees paid amounted to UGX 112bn.	
Invoices for reconciled amounts due on external loans created on the IFMS for straight through processing			
DMFAS Updated with new issuances of domestic debt, Treasury bills and Bond Costs and Principal repayments of maturing domestic debt securities		Updated DMFAS with new issuances for domestic debt amounting to UGX 10.285tn at cost (UGX 5.516tn relates to T-Bills and UGX 4.769tn to T-Bonds).	
		Updated DMFAS with redemptions amounting to UGX 5.983tn and coupon and discount payments of UGX 3.786tn.	
Bank of Uganda re-imburement claims reconciled		Processed domestic debt re-imburements to Bank of Uganda (BoU) amounting to UGX 9,770tn. Included in this figure is UGX 3.088tn that remained outstanding from the previous FY 2021/2022.	
Invoices for Domestic debt reimbursements to Bank of Uganda created on the IFMS and their payment made			

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Annual Planned Outputs	Cumulative Outputs Achieved by End of Quarter
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PIAP Output: 18010102 Integrated debt management strengthened

Programme Intervention: 180101 Align government borrowing with NDP priorities

Debt service forecasts and projections prepared for cashflow committee, inclusion in the Budget Framework Paper, Policy statement and National Budget.	prepared and submitted quarterly debt service forecasts by Sept 30th 2022, Dec 31st 2022 and March 31st 2023 for the Cash Flow Committee, and inclusion in the Budget Framework Paper (BFP) and Policy Statement. Finalized Treasury Operations Vote 130 Budget estimates for FY 2023/24
Interim and Annual Financial Statements prepared and submitted to the Accountant General and Auditor General for Consolidation and Audit respectively in accordance with the provisions of the PFMA (2015) as amended.	Processed domestic debt re-imbursements to Bank of Uganda (BoU) amounting to UGX 9,770tn. Included in this figure is UGX 3.088tn that remained outstanding from the previous FY 2021/2022.
Financial Monitoring of Donor Financed Projects undertaken	Undertook Financial Monitoring in Donor Financed Projects
DMFAS/IFMS integration supported and developed	System Migration from release 11i to Release 12 was completed. Development of forms in R12 was finalised. Embarking on next steps in FY 2023/24
Debt Backoffice operations manual developed	

Cumulative Expenditures made by the End of the Quarter to Deliver Cumulative Outputs	US\$ Thousand
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Item	Spent
241001 Loan interest	810,607,991.875
242001 Interest on Treasury bills	427,568,338.974
242002 Interest on Treasury Bonds	3,396,396,432.512
242003 Other	113,003,809.145
244001 Listing Fees	1,325,000.000
244002 Commitment fees	14,683,852.946
244003 Debt Management fees	53,492,431.418
352883 External Debt Budgeting	2,411,168,464.129
352884 Securities Redemption Budgeting	6,188,552,446.746
Total For Budget Output	13,416,798,767.745
Wage Recurrent	0.000
Non Wage Recurrent	13,416,798,767.745
Arrears	0.000
AIA	0.000

Budget Output:560051 Contingencies Fund Management

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Annual Planned Outputs		Cumulative Outputs Achieved by End of Quarter
PIAP Output: 18010102 Integrated debt management strengthened		
Programme Intervention: 180101 Align government borrowing with NDP priorities		
Contingencies Fund Budgeted for in accordance with the provisions of the law	UGX 62.068bn was appropriated towards the Contingencies Fund.	
Contingencies Fund replenished and transfers made to respond to emergencies	UGX 62.068bn was appropriated towards the Contingencies Fund. During the period, Ugx 50.589bn was released to the Office of the Prime Minister to respond to disasters.	
Cumulative Expenditures made by the End of the Quarter to Deliver Cumulative Outputs		UShs Thousand
Item	Spent	
263404 Contingency Transfers	62,068,387.000	
Total For Budget Output	62,068,387.000	
Wage Recurrent	0.000	
Non Wage Recurrent	62,068,387.000	
Arrears	0.000	
AIA	0.000	
Budget Output:560052 Claims Payments		
PIAP Output: 18010102 Integrated debt management strengthened		
Programme Intervention: 180101 Align government borrowing with NDP priorities		
Obtain and Reconcile claims	All Verified claims were paid as budgeted.	
process payment of verified claims		
Cumulative Expenditures made by the End of the Quarter to Deliver Cumulative Outputs		UShs Thousand
Item	Spent	
282105 Court Awards	106,559,753.459	
352899 Other Domestic Arrears Budgeting	301,716,707.315	
Total For Budget Output	408,276,460.774	
Wage Recurrent	0.000	
Non Wage Recurrent	106,559,753.459	
Arrears	301,716,707.315	
AIA	0.000	
Total For Department	13,887,143,615.519	

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Annual Planned Outputs		Cumulative Outputs Achieved by End of Quarter	
	Wage Recurrent		0.000
	Non Wage Recurrent	13,585,426,908.204	
	Arrears	301,716,707.315	
	<i>AIA</i>		0.000
<i>Development Projects</i>			
N/A			
	GRAND TOTAL	13,887,143,615.519	
	Wage Recurrent		0.000
	Non Wage Recurrent	13,585,426,908.204	
	GoU Development		0.000
	External Financing		0.000
	Arrears	301,716,707.315	
	<i>AIA</i>		0.000

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V4: NTR Collections, Off Budget Expenditure and Vote Cross Cutting Issues

Table 4.1: NTR Collections (Billions)

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Table 4.2: Off-Budget Expenditure By Department and Project

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Table 4.3: Vote Crosscutting Issues

i) Gender and Equity

ii) HIV/AIDS

iii) Environment

iv) Covid