



THE REPUBLIC OF UGANDA

**QUARTERLY DEBT STATISTICAL BULLETIN AND PUBLIC DEBT
PORTFOLIO ANALYSIS**

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Directorate of Debt and Cash Policy

MINISTRY OF FINANCE PLANNING AND ECONOMIC DEVELOPMENT

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FOREWORD

Government of Uganda under the auspices of Ministry of Finance, Planning and Economic Development prepares and publishes the Quarterly Debt Statistical Bulletin (DSB) in compliance with Public Debt and other Financial Liabilities Management Framework (PDMF) 2018.

The Debt Statistical Bulletin is a useful instrument for checking consistency and accuracy of debt data. The bulletin is also an important channel of dissemination of Public Debt Statistics, enhancing Transparency and Accountability for Debt Management Policy and Operations.

It is therefore with great pleasure that I recommend its use by investors in Government Debt Instruments, Development Partners (DPs) and the General Public when in need of Government of Uganda key Debt Statistics.

For God and My Country

A handwritten signature in blue ink, consisting of stylized, overlapping loops and a long horizontal stroke extending to the right.

Ramathan Ggoobi

PERMANENT SECRETARY/SECRETARY TO THE TREASURY

PREFACE

This bulletin is the 24th in a series of publications of the Debt Statistical Bulletins since 2014 and contains statistics up to the period ending March 2021.

Objectives of the DSB are as follows:

- a) To provide accurate, comprehensive, consistent, reliable, timely and internationally comparable debt statistics.
- b) To provide the debt status of the country, enhance policy-making, transparency, accountability and effective debt management for sustainable economic growth.
- c) To disseminate debt statistics i.e., parameters of external and domestic debt to policymakers, the general public, government officials, international organizations, investors in debt securities and other stakeholders for research and informed decision making.

This bulletin will enable more informed and effective policy formulation as well as decision making by Government and our stakeholders. It will serve as Government's instrument for promoting financial accountability and transparency in the public sector to create more public debt awareness among internal and external stakeholders, both in Uganda and beyond our borders.

A copy of this is available on the Ministry of Finance, Planning and Economic Development website www.finance.go.ug. We invite all readers to give their valuable feedback mailed to DPI@finance.go.ug to facilitate improvements of future editions of the bulletin.



Maris Wanyera

ACTING DIRECTOR, DEBT AND CASH POLICY

LIST OF ACRONYMS

ADF	African Development Fund
AFD	French Development Agency
ATM	Average Time to Maturity
ATR	Average Time to Refixing
BC	Bilateral Creditor
BOU	Bank of Uganda
DD	Domestic Debt
DDCP	Directorate of Debt and Cash Policy
DeMPA	Debt Management and Performance Assessment
DMFAS	Debt Management and Financial Analysis System
DOD	Debt Disbursed and Outstanding (Debt Stock)
DPID	Debt Policy and Issuance Department
EBUs	Extra Budgetary Units
FV	Face Value
GDP	Gross Domestic Product
IDA	International Development Assistance
IDB	Islamic Development Bank
MC	Multilateral Creditor
MEPD	Macro-Economic Policy Department
MoFPED	Ministry of Finance, Planning and Economic Development
PB	Private Banks
PPAs	Power Purchase Agreements
PTA	Preferential Trade Area
SOEs	State Owned Enterprises
UDBL	Uganda Development Bank Ltd
UEDCL	Uganda Electricity Distribution Company Ltd
UEGCL	Uganda Electricity Generation Company Ltd
US	United States

CURRENCIES

AED	United Arab Emirates Dirham
AFU	African Unit of Accounting
CHF	Swiss Franc
CNY	Chinese Yuan Renminbi
DKK	Danish Krone
EUR	Euro
GBP	British Pound Sterling
IDI	Islamic Dinar
JPY	Japanese Yen
KRW	Korea (South) Won
KWD	Kuwait Dinar
NOK	Norwegian Krone
SAR	Saudi Arabia Riyal
SDR	Special Drawing Rights
SEK	Swedish Krone
UGX	Uganda Shillings
USD	United States Dollar

PART 1: GENERAL INFORMATION

Management of public debt has significant implications for the Government's budget and balance sheet. To achieve positive outcomes from public debt management, it is important to record debt statistics and analyse it in a timely and consistent manner with a wide scope as indicated below,

a) Scope:

- i) Central Government external debt
- ii) Central Government Domestic debt
- iii) Central Government Contingent liabilities
- iv) Total Central Government debt portfolio analysis

b) Data Source and Conversion of Debt Data to the Functional Currency:

Much of the external debt data specified in this bulletin is from the Debt Management and Financial Analysis System (DMFAS). The System is used to record all new Government loans, disbursements, debt service, loan guarantees and on-lent loans. The data is recorded as and when the transactions happen and are reconciled between the Bank of Uganda and MOFPED to ensure accurate recording and therefore credible statistics.

Despite different loans being contracted in different currencies, the data is converted into a common currency, usually the US dollar or Ugandan Shillings as follows:

- i) To convert stock figures into US dollars or Ugandan Shillings, the end period exchange rate is used; and,
- ii) To convert flow figures into US dollars or Ugandan Shillings, the day's exchange rate as at the day of the transaction is used.

c) Exchange Rates:

The exchange rates used for compiling debt data are obtained from the BoU (Daily Transaction Exchange Rates).

PART 2: MACROECONOMIC OVERVIEW

Table 1: Key Macroeconomic Indicators

	Sep-20	Dec-20	Mar-21
Headline	4.50	3.56	3.84
Core	6.20	5.88	5.46
Exchange rate (Shs/ US \$)			
End of Period	3,715.52	3,650.07	3,663.93
Period Average	3,695.09	3,666.54	3,672.74
Reserves			
Gross foreign exchange reserves (US \$ millions)	3,963.70	3,848.07	3,616.60
Gross foreign exchange reserves (months of imports)	4.40	4.40	4.10
Fiscal Statistics (Billion Shs)			
Revenue	4,501.73	5,646.18	4,552.91
Expenditure	5,583.27	8,296.00	8,111.26
Deficit	(1,081.54)	(2,649.82)	(3,558.34)
Total Debt Stock (Billions US \$)	16.55	17.97	18.14
External Debt Stock (US \$ Billions)	11.21	11.67	11.59
Domestic Debt Stock (US \$ Billions)	5.35	6.30	6.54
Total Debt Stock (Shs Trillions)	61,506.97	65,576.28	66,446.01
External Debt Stock (Shs Billions)	41,638.02	42,610.38	42,478.30
Domestic Debt Stock (Shs Billions)	19,868.95	22,965.90	23,967.71
Quarterly Gross Domestic Product (GDP)			
GDP (Billion Shs)	38,718.84	38,912.87	38,932.26
GDP (Billions US \$)	10.48	10.61	10.60
Interest Rates (%)			
Central Bank Rate	7.00	7.00	7.00
Lending Rate	19.90	17.47	18.67
Time Deposit Rate	9.20	9.48	9.60
91-Day Treasury Bill (TB)	8.00	7.80	7.90
182- Day TB	9.70	10.00	10.80
364- Day TB	12.10	12.90	12.60
2 Year Treasury Bond	13.80	14.60	16.00
3 Year	15.00	15.50	14.90
5 Year	15.40	14.90	16.60
10 Year	14.50	16.20	16.10
15 Year	14.20	15.50	16.50
20 Year		17.50	17.40

Source: MoFPED and BOU

Table 2: Public Debt Cost and Risk Indicators

		Sep-20			Dec-20			Mar-21		
Risk Indicators		External	Domestic	Total	External	Domestic	Total	External	Domestic	Total
Nominal debt as % GDP		29.99	14.31	44.30	30.69	16.54	47.23	28.65	16.16	44.81
PV as % of GDP		20.60	14.31	34.91	21.16	19.93	41.10	19.88	16.16	36.05
Cost of debt	<i>Interest payment as % GDP</i>	0.57	1.95	2.52	0.56	2.26	2.82	0.52	2.19	2.71
	<i>Weighted Av. IR (%)</i>	1.90	13.60	5.68	1.81	13.66	5.96	1.80	13.57	6.05
Refinancing risk	<i>ATM (years)</i>	13.04	4.53	10.59	12.68	3.10	10.12	12.16	5.73	9.84
	<i>Debt maturing in 1yr (% of total)</i>	2.42	33.42	11.35	2.37	41.10	12.74	3.20	25.74	11.33
	<i>Debt maturing in 1yr (% of GDP)</i>	0.85	4.78	5.64	0.86	5.42	6.27	0.92	4.16	5.08
Interest rate risk	<i>ATR (years)</i>	12.30	4.53	10.06	11.84	3.10	9.50	11.33	5.53	9.24
	<i>Debt refixing in 1yr (% of total)</i>	16.54	33.42	21.40	18.81	41.10	24.77	20.09	37.79	26.47
	<i>Fixed rate debt (% of total)</i>	84.81	100.00	89.18	82.93	100.00	87.50	82.07	100.00	88.54
FX risk	<i>FX debt (% of total debt)</i>			67.70			69.95			63.93
	<i>ST FX debt (% of reserves)</i>			7.90			8.34			10.26

Source: MoFPED, DPID

PART 3: EXTERNAL DEBT STATISTICS

Table 3 a: External Debt Stock by Creditor Type, Billion USD

Creditor Type	Sep-20		Dec-20		Mar-21	
	Stock	%	Stock	%	Stock	%
Bilateral Creditors (BC)	3.32	29.64	3.44	29.49	3.47	29.90
Non Paris Club	2.57	22.92	2.65	22.73	2.66	22.90
Paris Club	0.75	6.73	0.79	6.76	0.81	7.00
Multilateral Creditors (MC)	7.05	62.91	7.35	62.93	7.27	62.73
Major Multilaterals 1	5.51	49.17	5.73	49.12	5.65	48.76
Other Multilaterals	1.54	13.74	1.61	13.81	1.62	13.97
Private Bank (PB)	0.83	7.45	0.89	7.58	0.85	7.36
Other Financial Institutions	0.83	7.45	0.89	7.58	0.85	7.36
Grand Total	11.21	100.00	11.67	100.00	11.59	100.00

Source: MoFPED, DPI

Table 3b: External Debt Stock by Concessional Type

Concessionality	Debt stock by Concessionality			Share of Debt stock by Concessionality		
	Sep-20	Dec-20	Mar-21	Sep-20	Dec-20	Mar-21
Concessional	7.14	6.99	6.95	63.70%	59.87%	59.92%
Semi concessional	1.82	2.46	2.41	16.23%	21.06%	20.82%
Non Concessional	2.25	2.23	2.23	20.08%	19.08%	19.26%
Total debt stock	11.21	11.67	11.59	100.00%	100.00%	100.00%

Source: MoFPED, DPI

¹ The major multilaterals include International Development Association (IDA) and African Development Fund (AfDF).

Table 3c: Central Government External Debt Outstanding and Transaction by Creditor Type, Billion USD

Creditor Type	Disbursement in Q2, FY 2020/21	Principal operations in Q2, FY 2020/21	Exchange rate variation/other adjustment	Total outstanding debt stock as at 31.12.2020	Disbursement in Q3, FY 2020/21	Principal operations in Q3, FY 2020/21	Exchange rate variation/other adjustment	Total outstanding debt stock as at 31.03.2021
Bilateral Creditors (BC)	0.02	0.01	0.11	3.44	0.03	0.08	0.07	3.47
Non Paris Club	0.00	0.01	0.09	2.65	0.02	0.01	(0.01)	2.66
Paris Club	0.02	0.00	0.01	0.79	0.01	0.07	0.08	0.81
Multilateral Creditors (MC)	0.15	0.03	0.17	7.35	0.06	0.02	(0.11)	7.27
Major Multilaterals 1	0.09	0.01	0.14	5.73	0.03	0.02	(0.10)	5.65
Other Multilaterals	0.06	0.01	0.03	1.61	0.03	0.00	(0.01)	1.62
Private Bank (PB)	0.02	0.00	0.04	0.89	-	0.00	(0.03)	0.85
Other Financial Institutions	0.02	0.00	0.04	0.89	-	0.00	(0.03)	0.85
Grand Total	0.19	0.04	0.32	11.67	0.09	0.10	(0.07)	11.59

Source: MoFPED, DPID

Table 4a: SDR Undecomposed, External Debt Stock Currency Composition Billion USD

	Sep-20		Dec-20		Mar-21	
	Stock	%	Stock	%	Stock	%
USD	3.41	30.41	3.56	30.46	3.71	32.02
EUR	1.80	16.10	1.91	16.33	1.89	16.30
JPY	0.45	4.00	0.45	3.84	0.42	3.63
Others 1	0.33	2.95	0.34	2.92	0.22	1.86
SDR	4.87	43.47	5.06	43.38	4.99	43.07
CNY	0.34	3.06	0.36	3.07	0.36	3.12
Grand Total	11.21	100.00	11.67	100.00	11.59	100.00

Source: MoFPED, DPID

Table 4b²: SDR Decomposed External Debt Stock Currency Composition Billion USD

	Sep-20		Dec-20		Mar-21	
	Stock	%	Stock	%	Stock	%
USD	3.54	49.28	5.67	48.56	5.80	49.99
EUR	1.69	23.50	3.47	29.75	3.43	29.62
JPY	0.70	9.79	0.87	7.46	0.84	7.22
Others 1	0.61	8.51	0.75	6.43	0.62	5.34
CNY	0.64	8.93	0.91	7.80	0.91	7.83
Total	7.18	100.00	11.67	100.00	11.59	100.00

Source: MoFPED, DPI

² Other currencies include United Arab Emirates dirham (AED), Korean won (KRW), Iraqi Dinar (IQD), Saudi riyal (SAR), British pound sterling (GBP), Islamic Dinar (IDI).

Table 5: External Debt Portfolio Currencies and end month Exchange Rates

Currency	UGX/Currency			Currency/USD		
	Sep-20	Dec-20	Mar-21	Sep-20	Dec-20	Mar-21
United Arab Emirates Dirham (AED)	1,017.05	997.90	1,002.49	3.67	3.67	3.67
African Unit of Account (AFU)	5,257.29	5,279.21	5,217.41	0.71	0.69	0.71
Swiss Franc (CHF)	4,028.23	4,143.13	3,922.35	0.93	0.88	0.94
China Yuan (CNY)	548.50	561.32	560.43	6.81	6.53	6.57
Danish Krone (DKK)	584.24	603.26	582.49	6.39	6.08	6.32
Euro (EUR)	4,350.00	4,487.55	4,331.61	0.86	0.82	0.85
Pound Sterling (GBP)	4,797.46	4,945.93	5,071.34	0.78	0.74	0.73
Islamic Dinar (IDI)	5,257.29	5,279.21	5,217.41	0.71	0.69	0.71
Japanese Yen (JPY)	35.37	35.38	33.55	105.63	103.61	109.77
Korea (South) Won (KRW)	3.19	3.35	3.24	1,169.44	1,092.97	1,135.11
Kuwait Dinar (KWD)	12,190.50	12,041.49	12,177.32	0.31	0.30	0.30
Norwegian Krone (NOK)	392.83	425.27	430.28	9.51	8.62	8.56
Saudi Arabia Riyal (SAR)	996.02	976.74	981.82	3.75	3.75	3.75
Special Drawing Rights (SDR)	5,257.29	5,279.21	5,217.41	0.71	0.69	0.71
Swedish Krone (SEK)	411.48	446.85	422.98	9.08	8.20	8.71
Uganda Shillings (UGX)	1.00	1.00	1.00	3,735.78	3,665.43	3,682.30

Source: MoFPED, DPID

Table 6 : External Debt Stock by Interest Rate Type, Billion USD

Interest Rate Type	Sep-20		Dec-20		Mar-21	
	Stock	%	Stock	%	Stock	%
Fixed Interest Debt	8.47	75.57	8.72	74.71	8.63	74.44
Bilateral	2.38	21.25	2.41	20.64	2.41	20.76
Multilateral	6.09	54.32	6.31	54.07	6.22	53.68
Private Bank	-	-	-	-	-	-
Variable Interest Debt	1.92	17.13	2.07	17.77	2.08	17.93
Bilateral	0.94	8.39	1.03	8.85	1.06	9.14
Multilateral	0.14	1.29	0.16	1.33	0.17	1.43
Private Bank	0.83	7.45	0.89	7.58	0.85	7.36
No Interest Rate	0.82	7.30	0.88	7.52	0.88	7.63
Bilateral	-	-	-	-	-	-
Multilateral	0.82	7.30	0.88	7.52	0.88	7.63
Private Bank	-	-	-	-	-	-
Total	11.21	100.00	11.67	100.00	11.59	100.00

Source: MoFPED, DPID

Table 7: Actual External Debt Service, Million USD

	July - September 2020					October - December 2020					January - March 2021				
	Principal	Interest	Fees	Total	%	Principal	Interest	Fees	Total	%	Principal	Interest	Fees	Total	%
Bilaterals	45.81	35.50	4.08	85.39	66.94	10.90	2.20	0.53	13.63	20.72	80.43	33.69	4.69	118.81	71.66
Paris Club	4.79	1.19	0.79	6.77	5.31	10.66	1.96	0.00	12.62	19.18	6.85	1.41	2.91	11.17	6.74
Non Paris Club	41.02	34.31	3.29	78.62	61.64	0.24	0.24	0.53	1.01	1.53	73.59	32.27	1.78	107.64	64.92
Multilaterals	19.12	12.54	0.42	32.09	25.15	28.19	10.70	1.10	39.99	60.77	21.52	15.81	0.60	37.93	22.88
Major	14.63	10.95	0.13	25.72	20.16	14.14	7.82	0.66	22.62	34.37	16.60	14.14	0.35	31.09	18.75
Other	4.49	1.59	0.29	6.37	4.99	14.05	2.88	0.44	17.37	26.40	4.92	1.67	0.26	6.84	4.13
Private Banks	0.00	8.84	1.23	10.08	7.90	4.04	8.10	0.04	12.18	18.51	0.00	8.79	0.26	9.05	5.46
Other financial institutions	0.00	8.84	1.23	10.08	7.90	4.04	8.10	0.04	12.18	18.51	0.00	8.79	0.26	9.05	5.46
Grand Total	64.93	56.88	5.74	127.55	100.00	43.13	21.00	1.67	65.80	100.00	101.95	58.28	5.56	165.79	100.00

Source: MoFPED, DPID

Table 8: External Undisbursed Debt, Billion USD

	Sep-20		Dec-20		Mar-21	
	Undisbursed	%	Undisbursed	%	Undisbursed	%
Bilateral	2.09	44.28	2.06	45.29	2.02	43.91
Non Paris Club	0.94	19.79	0.88	19.20	0.83	18.04
Paris Club	1.16	24.48	1.19	26.09	1.19	25.87
Multilateral	2.57	54.38	2.44	53.61	2.53	55.00
Major Creditors	1.63	34.43	1.55	33.93	1.67	36.30
Other Multilaterals	0.94	19.95	0.90	19.68	0.86	18.70
Private Bank	0.06	1.34	0.05	1.10	0.05	1.09
	0.06	1.34	0.05	1.10	0.05	1.09
Total	4.73	100.00	4.56	100.00	4.60	100.00

Source: MoFPED, DPID

Table 9 : Gross Public and Private External Debt Position (Million USD)

	Mar-20	Jun-20	Sep-20
General Government	9,522.14	10,466.09	11,363.98
Short-term	-	-	6.63
Currency and deposits	-	-	-
Debt securities	-	-	6.63
Loans	-	-	-
Trade credit and advances	-	-	-
Other debt liabilities 1	-	-	-
Long-term	9,522.14	10,466.09	11,357.35
Special drawing rights (allocations) 2	-	-	-
Currency and deposits	-	-	-
Debt securities	286.95	305.83	329.49
Loans	9,235.19	10,160.25	11,027.86
Trade credit and advances	-	-	-
Other debt liabilities 1	-	-	-
Central Bank	237.19	583.35	594.98
Short-term	-	-	-
Currency and deposits	-	-	-
Debt securities	-	-	-
Loans	-	-	-
Long-term	237.19	583.35	594.98
Special drawing rights (allocations)2	237.19	238.78	243.54
Currency and deposits	-	-	-
Debt securities	-	-	-
Loans	-	344.57	351.44
Deposit-Taking Corporations, except the Central Bank	540.00	568.07	669.19
Short-term	166.08	173.33	181.87
Currency and deposits	166.08	173.33	181.87
Debt securities	-	-	-
Long-term	373.92	394.74	487.32
Currency and deposits	-	-	-
Debt securities	-	-	-
Loans	373.92	394.74	487.32
Other Sectors	1,353.01	1,371.52	1,477.99
Short-term	819.99	836.09	871.76
Loans	729.00	743.77	778.77
Trade credit and advances	90.99	92.33	93.00
Other debt liabilities 1	-	-	-
Long-term	533.01	535.42	606.23
Loans	533.01	535.42	606.23
Direct Investment: Intercompany Lending	3,301.23	3,319.70	3,367.19
Debt liabilities of direct investment enterprises to direct investors	3,301.23	3,319.70	3,367.19
Debt liabilities of direct investors to direct investment enterprises	-	-	-
Debt liabilities to fellow enterprises	-	-	-
	-	-	-
Gross External Debt Position	14,953.57	16,308.73	17,473.34

Source: BOU

PART 4: CONTINGENT LIABILITIES

Table 10: Guaranteed Debt Stock as at End-March 2021⁵

Beneficiary	Creditor	Sector	Year signed	Guaranteed Amount (USD)	Tenure	Disbursed & Outstanding (USD)		Government Exposure March 2021 (USD)	Performance
						Dec-20	Mar-21		
Islamic University in Uganda	Islamic Development Bank (IDB)	Education	2004	4,302,676	25	2,223,673	2,223,673	112,182	Servicing on-schedule.
Islamic University in Uganda	Islamic Development Bank (IDB)	Education	2010	983,888	20	718,990	718,990	23,432	Servicing on-schedule.
Islamic University in Uganda	Islamic Development Bank (IDB)	Education	2018	13,790,000		160,000	160,000	-	Delayed disbursements due to Covid 19
Uganda Development Bank Limited	BADEA (Private Sector Development)	Financial	2017	6,000,000	10	4,874,900	4,499,900	-	Servicing on-schedule
Uganda Development Bank Limited	Islamic Development Bank (IDB)	Financial	2017	10,000,000	8	2,378,757	2,141,779.84	-	Servicing on-schedule
Uganda Development Bank Limited	African Development Bank	Financial	2019	15,000,000	10	15,000,000	15,000,000	-	On-schedule
Uganda Development Bank Limited	Exim India	Financial	2019	5,000,000	7	3,052,857	3,052,857	-	Servicing on-schedule..
TOTAL				55,076,564		28,409,178	27,797,199.84	135,614	

Source: MoFPED, DPID

- 1) *Other liabilities comprise of insurance, pension and standardised guarantee scheme and other accounts payable.*
- 2) *SDR allocation should be reported as long-term external debt liabilities.*
- 3) *The end March position will be reported in the next Debt Statistical Bulletin publication.*

⁵ *Data on Contingent Liabilities is reported on an annual basis*

Table 11⁶: Non-Guaranteed Debt and Other Liabilities of SOEs and EBUs, UGX Trillions

Amount in UGX Trillions	Financial Years	
	Jun-19	Jun-20
Domestic Borrowing	2.15	0.09
External Borrowing	0.07	0.61
Other debt (including lease contracts and	0.01	1.96
GoU On-Lent	6.81	7.42
Total outstanding debt excluding GoU	2.23	2.65
Total debt including GoU on-lent loans	9.04	10.07
Debt ratio (Total debt/total assets)	26.13%	46.54%
Liabilities from grants and GoU	2.19	3.24

Source: MoFPED, DPID

⁶ The Non-Guaranteed Debt and Other Liabilities of SOEs and EBUs is reported on an annual basis - This analysis is conducted on 93% of total entities and does not include those such as UTL, due to an unavailability of information.

PART 5: DOMESTIC DEBT STATISTICS

Table 12: Domestic Debt Stock at Original Maturity, Billion Shillings

Instruments Maturity period	Sep-20				Dec-20				Mar-21			
	Cost	Nominal Face Value		% Cost	Cost	Nominal Face Value		% Cost	Cost	Nominal Face Value		% Cost
91	119.5	120.7	122.0	0.6%	105.12	106.1	107.09	0.5%	77.45	78.2	78.94	0.3%
182	415.1	424.9	436.3	2.1%	468.54	479.8	491.22	2.0%	416.54	426.8	437.31	1.7%
364	4,453.2	4,719.9	5,005.8	22.4%	4,975.16	5,280.0	5,605.57	21.7%	4,898.26	5,183.6	5,511.63	20.4%
Total Bills	4,987.8	5,265.6	5,564.2	25.1%	5,548.8	5,866.0	6,203.9	24.2%	5,392.2	5,688.7	6,027.9	22.5%
2	1,160.0	1,479.7	1,220.5	5.8%	1,376.1	1,720.5	1,450.8	6.0%	823.8	1,306.6	864.9	3.4%
3	1,373.6	1,509.7	1,385.2	6.9%	1,596.3	1,727.0	1,605.4	7.0%	1,710.7	2,164.7	1,754.7	7.1%
5	4,057.8	3,691.0	4,083.8	20.4%	4,441.8	4,128.0	4,444.6	19.3%	4,437.8	3,984.0	4,435.4	18.5%
10	4,886.8	5,222.1	4,838.7	24.6%	5,495.3	5,914.8	5,445.6	23.9%	6,321.1	6,717.2	6,178.9	26.4%
15	3,403.0	3,516.0	3,448.0	17.1%	3,881.4	4,081.5	3,929.4	16.9%	4,247.6	4,751.6	4,332.0	17.7%
20					626.2	636.4	624.5	2.7%	1,034.5	1,035.7	1,017.7	4.3%
Total Bonds	14,881.1	15,418.4	14,976.1	74.9%	17,417.1	18,208.2	17,500.4	75.8%	18,575.5	19,959.8	18,583.6	77.5%
Total Stock	19,869.0	20,684.0	20,540.3	100.0%	22,965.9	24,074.2	23,704.3	100.0%	23,967.7	25,648.5	24,611.4	100.0%

Source: MoFPED, DPID

Table 13: Stock of Government Securities at Cost by Holder, Billion Shillings

Holder Category	Sep-20		Dec-20		Mar-21	
	Cost	% Cost	Cost	% Cost	Cost	% Cost
Banks	3,986.4	79.9%	4,643.6	83.7%	4,375.1	18.3%
Pension & Provident Funds	204.0	4.1%	171.0	3.1%	128.4	0.5%
Offshore	22.1	0.4%	29.5	0.5%	139.9	0.6%
Bank of Uganda	2.4	0.0%	0.7	0.0%	-	0.0%
Insurance companies	137.1	2.7%	132.9	2.4%	126.6	0.5%
Other financial institutions	254.7	5.1%	159.5	2.9%	187.0	0.8%
Retail	138.2	2.8%	145.1	2.6%	155.2	0.6%
Other	242.9	4.9%	266.5	4.8%	280.0	1.2%
Total Bills	4,987.8	100.0%	5,548.8	100.0%	5,392.2	22.5%
Banks	3,873.6	26.0%	5,011.0	28.8%	5,230.0	21.8%
Pension & Provident Funds	7,423.6	49.9%	7,929.8	45.5%	8,491.8	35.4%
Offshore	1,216.5	8.2%	1,686.5	9.7%	1,848.3	7.7%
Bank of Uganda	488.0	3.3%	489.7	2.8%	489.8	2.0%
Insurance companies	296.6	2.0%	330.1	1.9%	355.5	1.5%
Other financial institutions	1,177.6	7.9%	1,413.5	8.1%	1,443.9	6.0%
Retail	294.8	2.0%	406.3	2.3%	540.8	2.3%
Other	110.5	0.7%	150.2	0.9%	175.3	0.7%
Total Bonds	14,881.1	100.0%	17,417.1	100.0%	18,575.5	77.5%
Total Stock	19,869.0		22,965.9		23,967.7	

Source: BOU

Table 14: Domestic Debt Service, Billion Shillings

Instruments	Jul-Sep 2020				Oct-Dec 2020				Jan-Mar 2021			
	Discount	Coupon	Redemption	Total	Discount	Coupon	Redemption	Total	Discount	Coupon	Redemption	Total
91	1.1	-	51.1	52.2	2.47	-	119.55	122.0	1.73	-	93.63	95.4
182	8.5	-	157.3	165.8	9.51	-	175.76	185.3	11.72	-	239.31	251.0
364	125.5	-	1,090.4	1,215.9	108.92	-	929.54	1,038.5	170.61	-	1,291.86	1,462.5
Total Bills	135.1	-	1,298.8	1,433.9	120.9	-	1,224.9	1,345.8	184.1	-	1,624.8	1,808.9
2	-	51.3	-	51.3	-	22.41	-	22.4	-	4.95	90.0	95.0
3	-	21.9	220.0	241.9	-	69.34	-	69.3	-	25.03	80.0	105.0
5	-	182.1	388.9	571.0	-	100.86	-	100.9	-	130.11	180.0	310.1
10	-	262.1	80.0	342.1	-	114.50	-	114.5	60.3	306.54	874.3	1,241.1
15	-	172.2	-	172.2	-	68.53	-	68.5	-	292.92	-	292.9
20	-	-	-	-	-	-	-	-	-	-	-	-
Total Bonds	-	689.6	688.9	1,378.5	-	375.64	-	375.6	60.3	759.5	1,224.3	2,044.1
Total	135.1	689.6	1,987.6	2,812.4	120.9	375.6	1,224.9	1,721.4	244.4	759.5	2,849.1	3,853.0

*Source: MoFPED, DPID***Table 15: Domestic Debt Gross Issuances, Billion Shillings**

Instruments	Jul-Sep 2020				Oct-Dec 2020				Jan-Mar 2021			
	Cost Value	Face Value	Discount	% Cost	Cost Value	Face Value	Discount	% Cost	Cost Value	Face Value	Discount	% Cost
91	119.5	122.0	2.4656	3.3%	105.12	107.09	2.0	2.4%	65.95	67.19	1.2	1.7%
182	266.7	279.8	13.1	7.3%	229.24	240.19	11.0	5.3%	187.30	197.11	9.8	4.8%
364	1,444.3	1,618.7	174.4	39.7%	1,451.49	1,638.20	186.7	33.6%	1,214.96	1,368.54	153.6	31.3%
Total Bills	1,830.5	2,020.5	190.0	50.3%	1,785.9	1,985.5	199.6	41.3%	1,468.2	1,632.8	164.6	37.8%
2	0.0	0.0	-	0.0%	141.08	150.00	8.9	3.3%	332.49	347.04	14.5	8.6%
3	291.8	297.1	5.3	8.0%	222.75	220.21	- 2.5	5.2%	309.98	309.29	- 0.7	8.0%
5	407.0	372.5	- 34.5	11.2%	232.07	220.00	- 12.1	5.4%	96.08	90.77	- 5.3	2.5%
10	836.2	745.6	- 90.6	23.0%	702.11	701.93	- 0.2	16.2%	905.88	824.90	- 81.0	23.3%
15	270.2	270.0	- 0.2	7.4%	611.76	607.63	- 4.1	14.2%	366.21	402.54	36.3	9.4%
20	-	-	-	0.0%	626.21	624.50	- 1.7	14.5%	408.26	393.20	- 15.1	10.5%
Total Bonds	1,805.2	1,685.2	- 120.0	49.7%	2,536.0	2,524.3	- 11.7	58.7%	2,418.9	2,367.7	- 51.2	62.2%
Total Issuance	3,635.7	3,705.7	70.0	100.0%	4,321.8	4,509.7	187.9	100.0%	3,887.1	4,000.6	113.5	100.0%

*Source: MoFPED, DPID***Table 16: Domestic Debt Financing, Billion Shillings**

	Jul-Sep 2020	Oct-Dec 2020	Jan-Mar 2021
Fiscal Financing	1,166.41	3,096.99	1,038.05
BoU Recapitalisation	481.7	-	-
Redemptions	1,987.6	1,224.86	2,849.07
Total Issuance	3,635.7	4,321.8	3,887.1

Source: MoFPED, DPID

Table 17: Central Government Domestic Debt by Interest Rate (End Period/Quarterly Average Primary Market Yields)

	Quarterly Average			End Period		
	Sep-20	Dec-20	Mar-21	Sep-20	Dec-20	Mar-21
91 Days	8.6	7.8	7.9	8.0	8.8	7.2
Treasury I 182 Days	10.1	10.0	10.8	9.7	11.2	10.3
364 Days	12.1	12.9	12.6	12.1	14.0	11.6
2 Years	13.8	14.6	16.0	13.8	14.6	16.0
3 Years	15.1	15.5	14.9	15.0	15.5	14.0
Treasury I 5 Years	15.4	14.9	16.6	15.4	14.9	16.6
10 Years	14.5	16.2	16.1	14.5	16.5	16.0
15 Years	14.2	15.5	16.5	14.2	16.3	16.5
20 Years		17.5	17.4		17.5	17.0

Source: MoFPED, DPID

PART 6: PUBLIC DEBT PORTFOLIO ANALYSIS

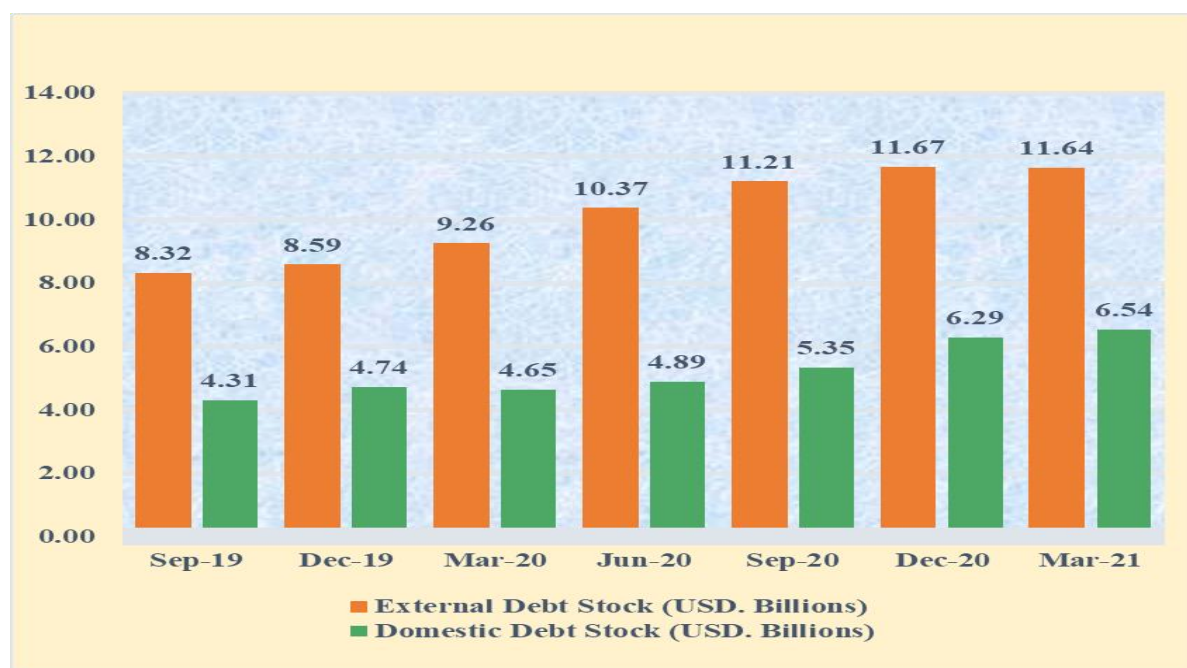
6.1 TOTAL PUBLIC DEBT

Total public debt stock increased to USD 18.14 Billion as at March 2021 from USD 17.96 Billion as at end December 2020 out of which domestic constituted 36.1% (USD 6.54 billion/UGX 23.97 trillion) and external debt 63.9% (USD 11.59 Billion/UGX 42.48 trillion). This increase in debt stock is due to increases in domestic debt issuances during the quarter.

As at end March 2021, the nominal value of public debt as a percentage of GDP stood at 44.8%. This was a decline from 47.2% recorded at the end December 2021. Of the 44.8%, 16.2% accounted for domestic debt to GDP while 28.6% was because of external debt. Decrease in the debt to GDP ratio is mainly attributed to a reduction in external debt stock as a result of a decrease in loan disbursements of USD 93.19 million which is less than the principal payments of USD 101.95 million made in the period of January to March 2021. This is in comparison to the disbursements and principal payments in the period October to December 2020 which were USD 190.66 million and USD43.13 million respectively.

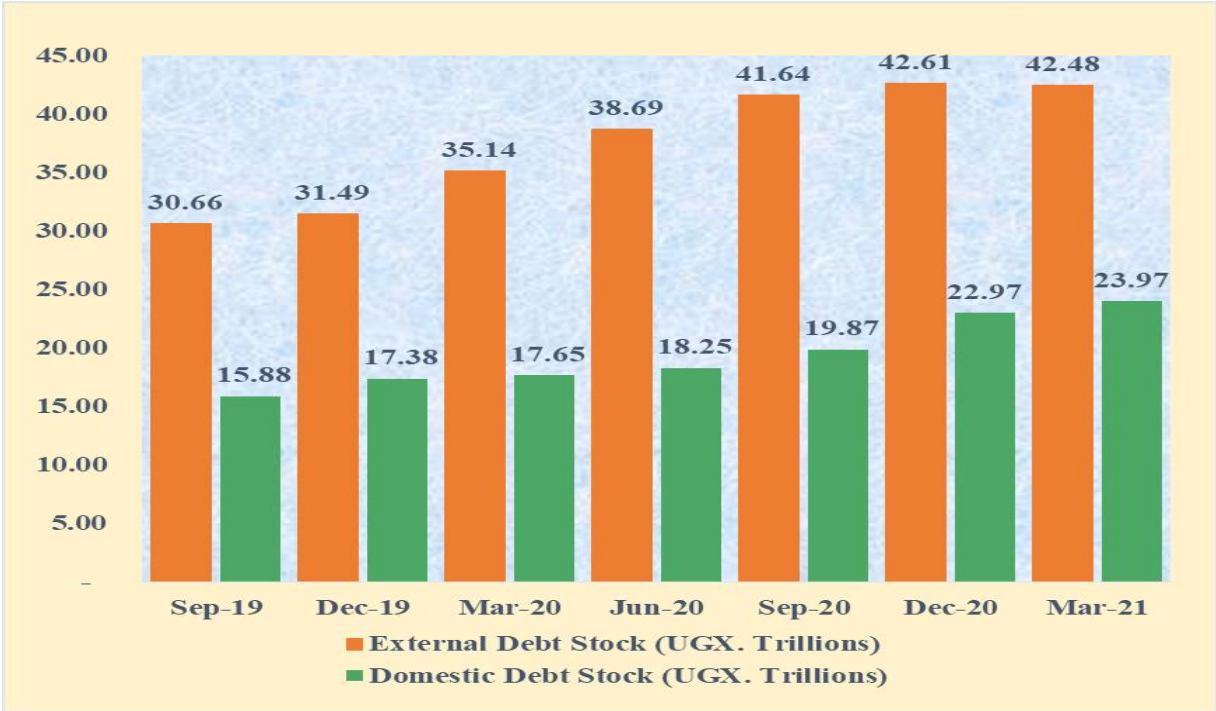
The reduction in external debt stock in this period is also due to the appreciation of the Uganda Shilling compared to the US dollar. Figures 1a and 1b show the trends of public debt stock from September 2019 to March 2021 in UGX and USD.

Figure 1a: Public debt stock, USD Billion (September 2019-March 2021).



Source: DPI (MoFPED)

Figure 1b: Public debt stock, UGX Trillion (September 2019-March 2021).



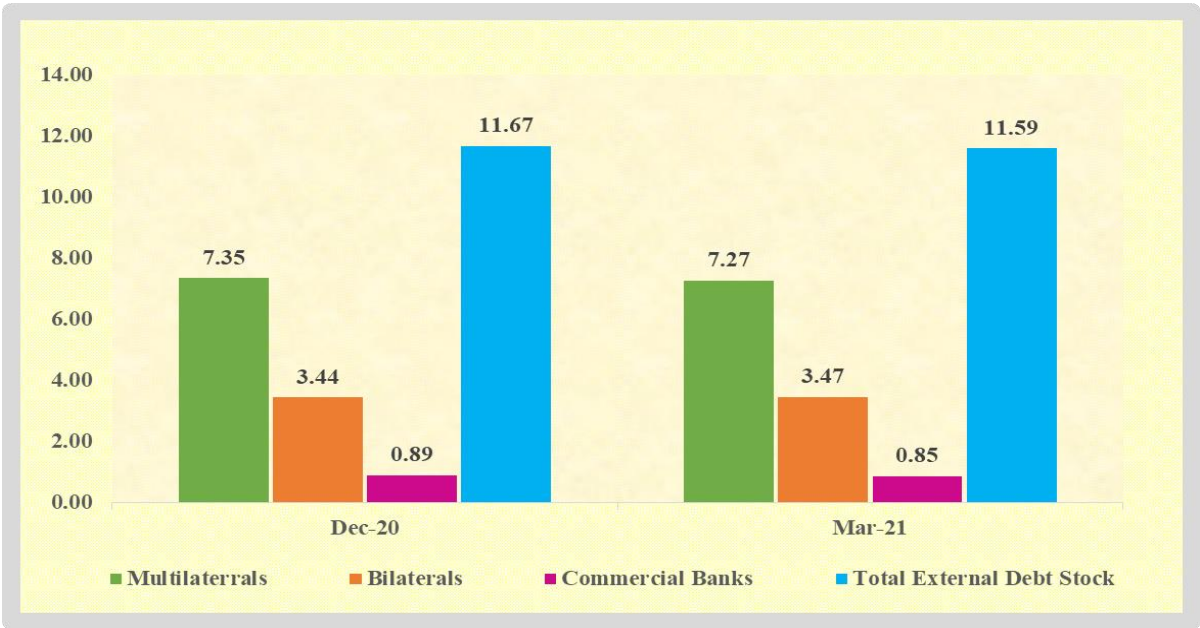
Source: DPI (MoFPED)

6.2 EXTERNAL DEBT

6.2a. External debt stock disbursed and outstanding

The period January to March 2021 saw a decrease in external debt stock to USD 11.59 Billion from USD 11.67 Billion in December 2020. The ratio of nominal value and the present value of external debt stock to GDP stood at 28.6% and 19.9% respectively in March 2021. The external debt stock in quarter three (January to March 2021), as compared to quarter two (October to December 2020) is illustrated in figure 2.

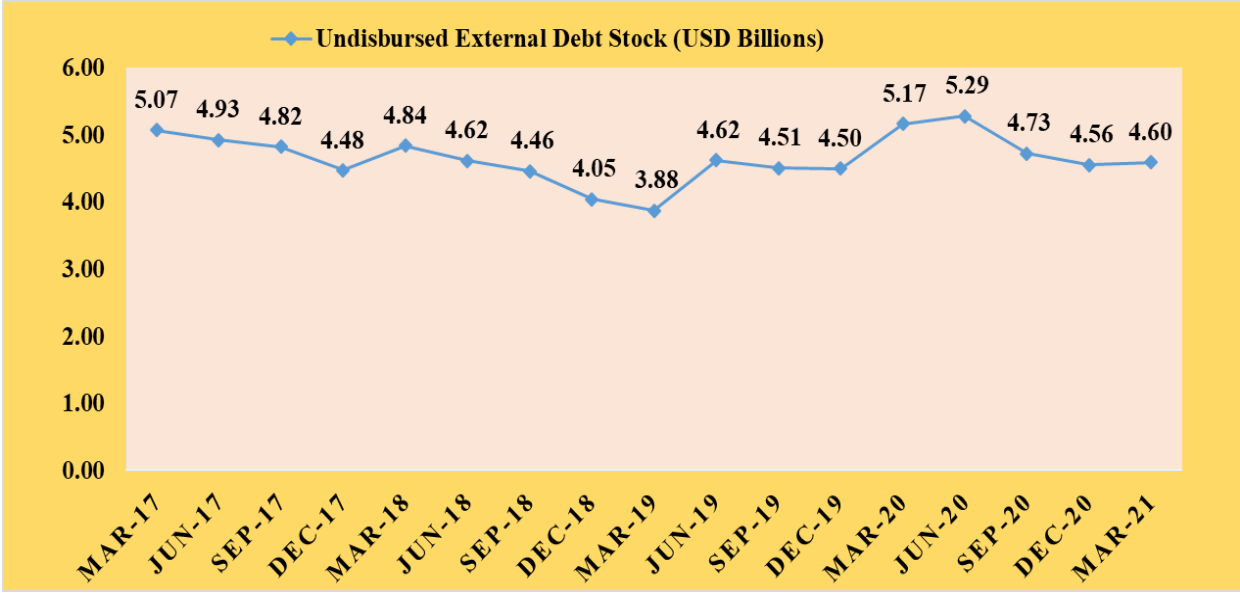
Figure 2: External Debt stock in USD Billions as at end December 2020 and March 2021



Source: DPI, MoFPED

Undisbursed amount increased marginally from USD 4.56 Billion as at December 2020 to USD 4.60 Billion as at March 2021 due to the new commitments of USD 598 million from International Development Association (IDA) for the following projects; North Eastern Road Corridor, Integrated Water Management Development Project and Additional Finance for the Uganda Support to Municipal Infrastructure Development Program. The undisbursed debt from multilateral creditors increased from USD 2.44 billion in December 2020 to USD 2.53 billion in March 2021 while undisbursed debt from bilateral creditors reduced from USD 2.06 billion to USD 2.02 billion during the same period. The major reason for increase in undisbursed debt from multilateral creditors was due to the new loans like the Irrigation for Climate Resistance Project worth USD 172.4 million under World Bank. Figure 3 shows the trend of undisbursed debt over the past 4 years.

Figure 3: Trend of Undisbursed External Debt in USD Billion (March 2017 - March 2021)



Source: MoFPED, DPI

6.2b. Creditor Composition

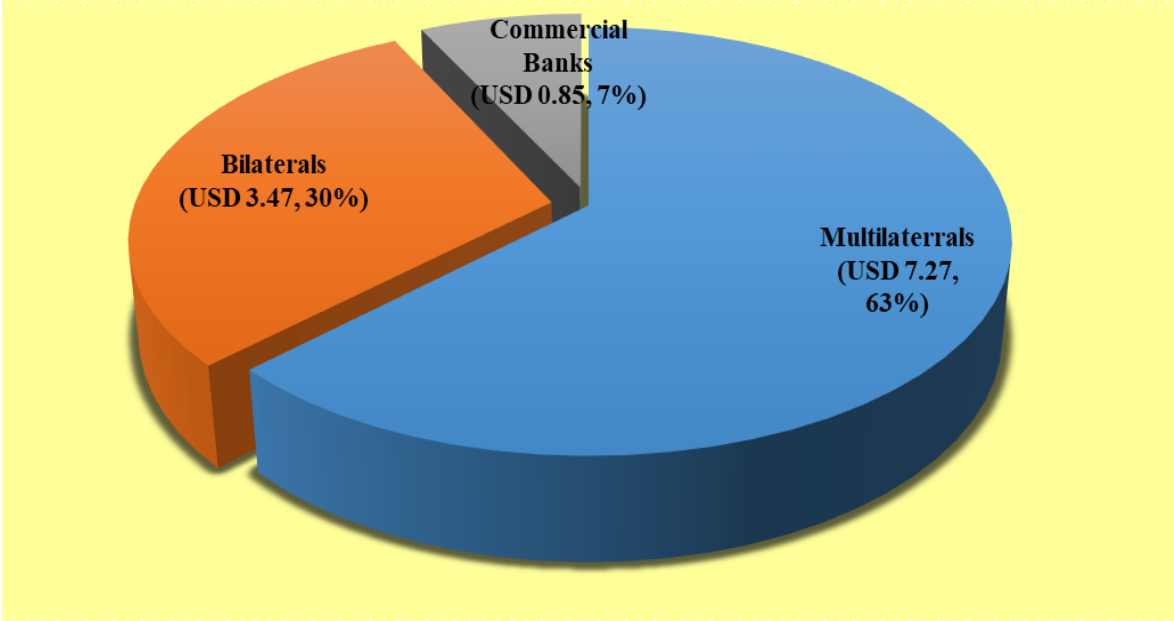
The largest share of Uganda’s external debt stock has continued to be constituted by multilateral creditors with 62.7% (USD 7.27 billion) whereas bilateral creditors accounted for 29.9% (USD 3.47 billion), and Private Banks contributed 7.4% (USD 0.85 billion) at the end of March 2021. Multilateral debt is dominated by International Development Association (58.1%/USD 7.3 billion) and African Development Fund (19.6%/USD 1.4 billion), bilateral debt is dominated by the Exim Bank of China (73.2%/USD 2.5 billion) and Japan (8.5%/USD 0.3 billion) whereas the debt from private banks is dominated by Trade and Development Bank (41.3%/USD 0.4 billion).

The share of multilateral debt stock decreased in the external debt portfolio to 62.7% (USD 7.72 billion) in March 2021 from 62.9% (USD 7.35 billion) in December 2020 while that of bilateral debt stock increased slightly from 29.5%(USD 4.44 billion) to 30.0% (USD 3.47 billion) in the same period. At the same time, the share of private creditors reduced from 7.5% (USD 0.89 billion) in December 2020 to 7.4% (USD 0.85 billion) in March 2021.

Additionally, the share of concessional debt increased slightly from 59.9 % in December 2020 to 60% in March 2021 while semi-concessional debt as a percentage of total external debt reduced slightly from 21.1% to 20.8% in the same period. The increase in the share of Concessional financing is due to disbursement of loans from concessional financiers like IMF

and World Bank. The share of non-concessional debt increased slightly from 19.1% to 19.3% in the period December 2020 to March 2021 due to disbursement of non-concessional financing from TDB for budget support.

Figure 4: External Debt stock by creditor composition (%), March 2021



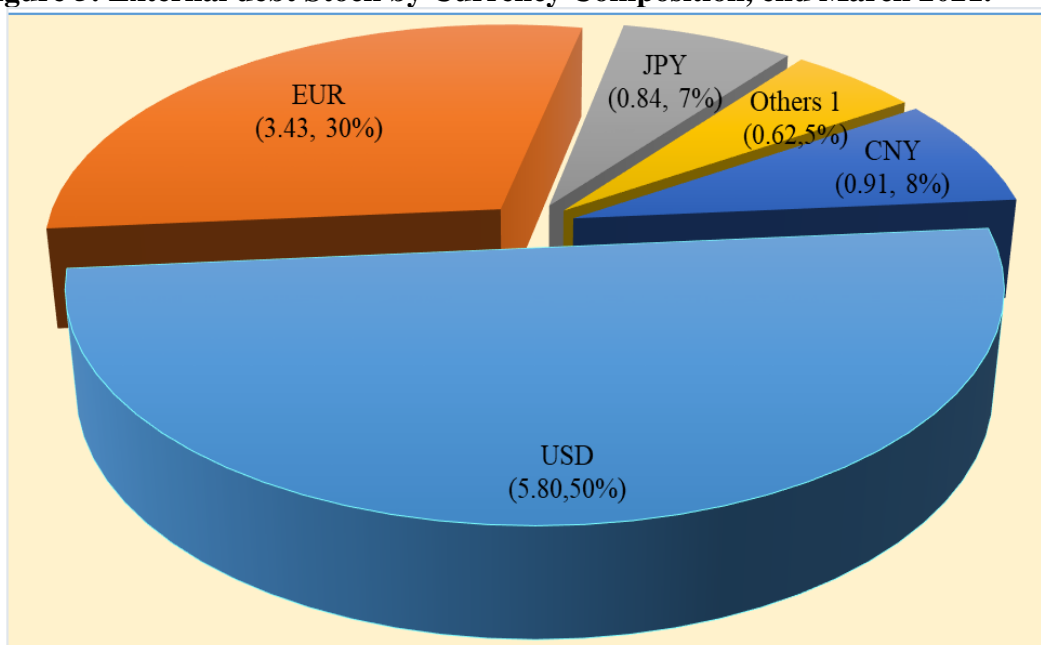
Source: DPI, MoFPED

6.2c. Currency Composition.

Central government external debt is dominated by four currencies; the USD, EUR, JPY, and CNY. This is illustrated in figure 5 that follows.

In the period ending March 2021, the share of USD denominated debt in the external debt portfolio increased by 1.43 percentage points from 48.56% (USD 5.67 Billion) in December 2020 to 49.99% (USD 5.80 Billion) as at end March 2021. On the other hand, the share of debt denominated in Euros decreased from 29.75% (USD 3.47 Billion) in December 2020 to 29.62% (USD 3.43 Billion) by end March 2021. The currency composition of 5.34%/USD 0.62Billion (others) is AED, KRW, IQD, SAR, GBP and IDI and it decreased from 6.43%/USD0.75Billion.

Figure 5: External debt Stock by Currency Composition, end March 2021.

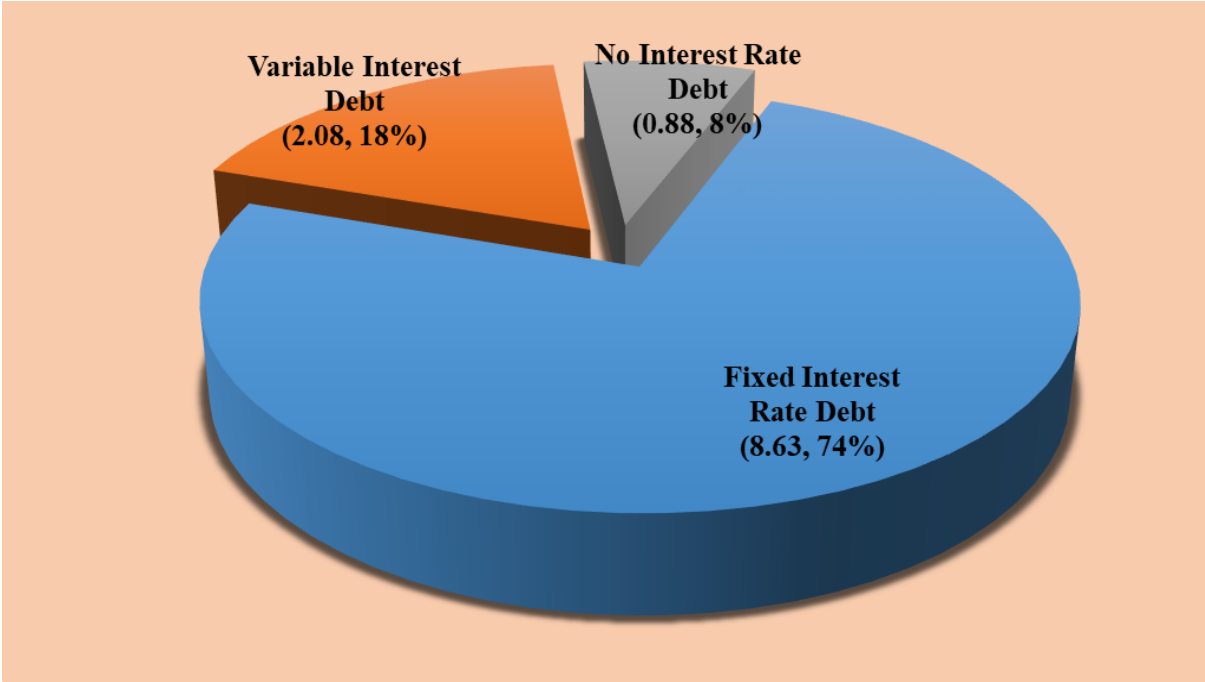


Source: MoFPED, DPID

6.2d. Interest rate type

As at end March 2021, about 74.4% (USD 8.63 Billion) of Uganda's debt stock had been contracted at fixed interest rates whereas variable interest rates and no-interest rates constituted 17.9% (USD 2.08 Billion) and 7.6% (USD 0.88 Billion) respectively. The largest stock of the variable-rate debt from Bilateral creditors is from China (USD 797.4 Million) and UKEF (USD 262.7 Million) while the variable-rate debt from Multilateral creditors is from AfDB (USD 165.2 Million). The no interest rate debt is mainly from International Monetary Fund (IMF) (USD 511.5 Million) and Islamic Development Bank (IDB) (USD 373.3 Million). The stock of variable rate debt has been increasing and the trend is expected to continue following a gradual shift from concessional to non-concessional and commercial loans for both project and budget support. The external debt stock by interest rate type is demonstrated in figure 6.

Figure 6: External Debt Stock by Interest Rate Type, end March 2021

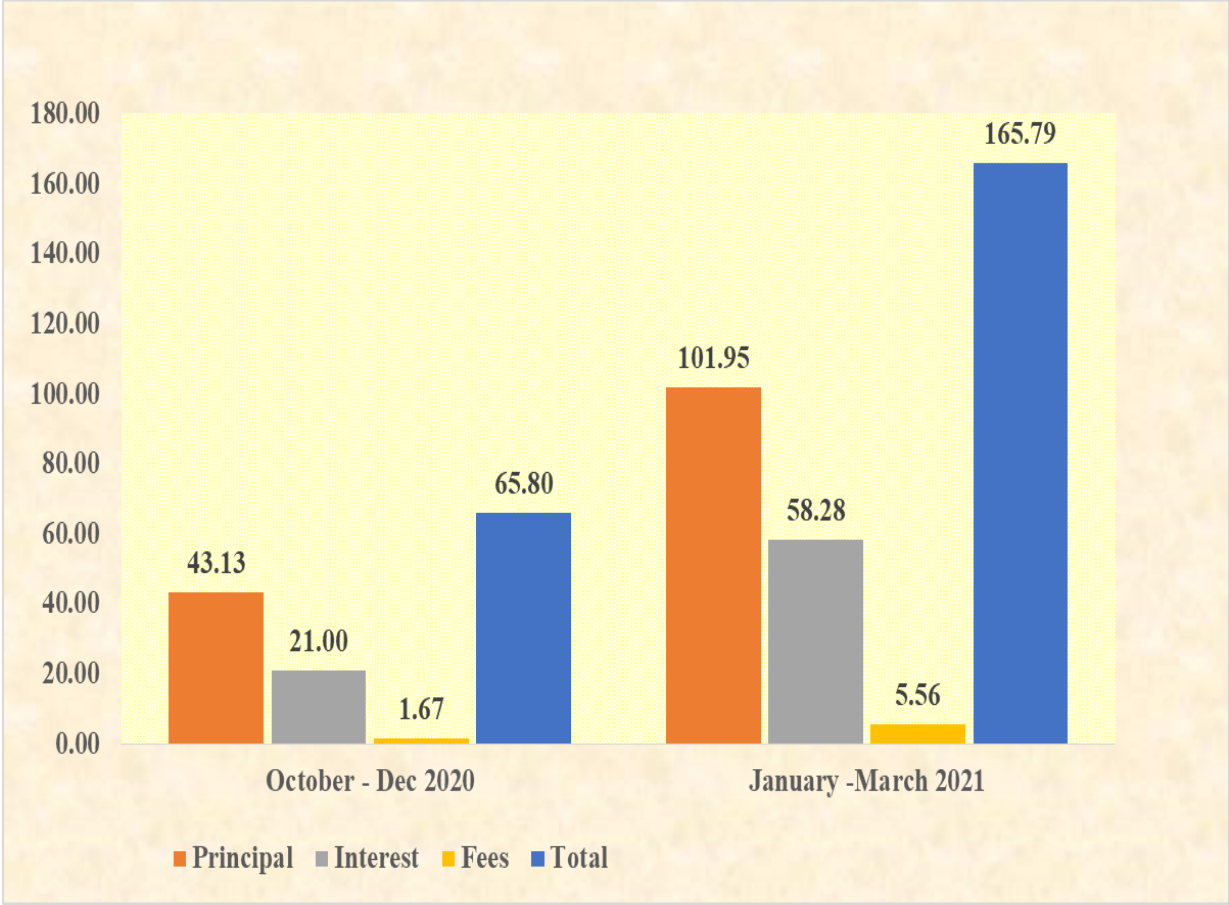


Source: MoFPED, DPID

6.2e. External debt service

In quarter three (end March 2021), the external debt service increased to USD 165.79 Million from USD 65.8 Million in Quarter two (end December 2020). Total debt service by Government of Uganda from July 2020 to March 2021 is USD 359.15 Million. Figure 7 shows the external debt service in Quarter 2 and 3 of FY 2020/21.

Figure 7: External Debt Service in USD Million, Oct-Dec 2020 and Jan – Mar 2021



Source: MoFPED, DPID

From January to March 2021, principal payments amounting to USD 101.95 million were made which were higher than the amounts made from October to December 2020 at USD 43.13 Million. Interest payments increased from USD 21.00 Million in October - December 2020 to USD 58.28 Million in the period January- March 2021. This increase was majorly due to increased interest and principal payments in quarter three made to China Exim Bank amounting to USD 106.59 Million for flagship projects like Karuma Hydropower dam and Isimba hydropower project among others.

6.3 DOMESTIC DEBT

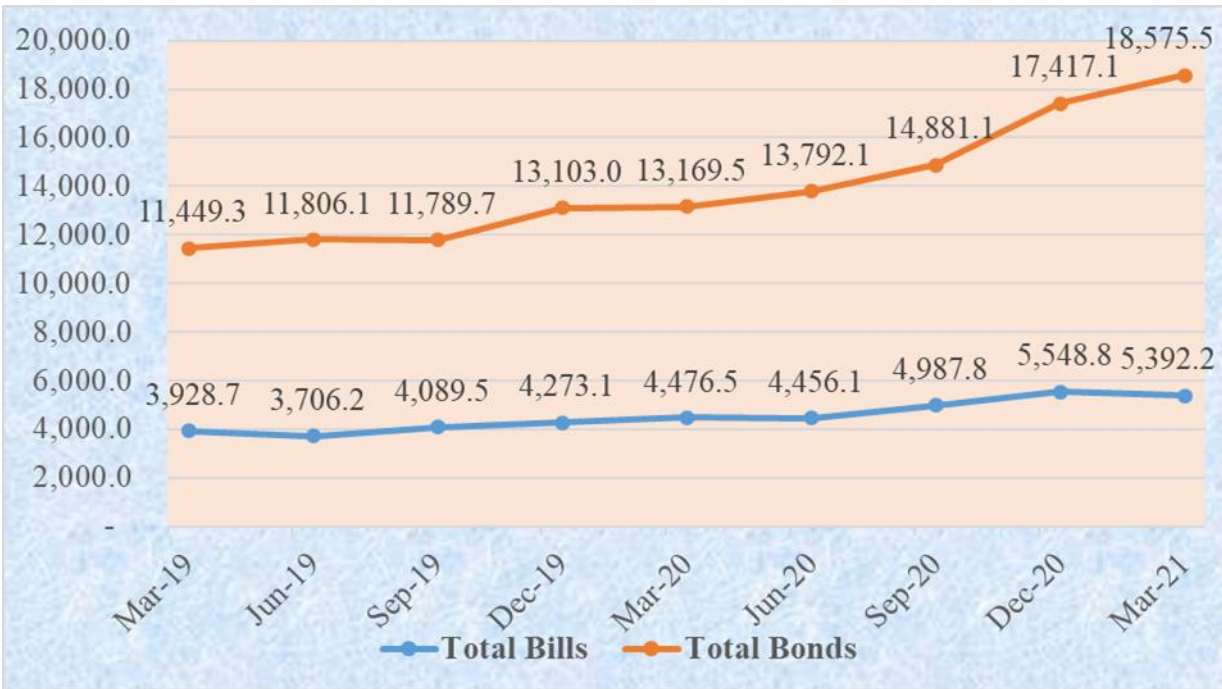
6.3a. Domestic Debt Stock Outstanding

The total domestic debt stock increased from UGX 22,965.9 billion in December 2020 to UGX23,967.7 billion at cost in March 2021; with T-bills and T-bonds amounting to UGX 5,392.2 billion and UGX 18,575.5 billion respectively. The outstanding T-bills reduced from 24.2% to 22.5% while T-bonds increased from 75.8 % to 77.5% of the total domestic stock.as comparedto quarter two.

The issuance of more T-bonds than T-bills in the period under review was informed by the medium-term objective of lengthening the maturity profile and hence reducing the refinancingrisk in the domestic debt portfolio.

The overall increase in the stock of domestic debt from UGX 22,965.9 billion in December 2020 to UGX23,967.7 billion at cost in March 2021 is attributed to the upward revision of the FY2020/21 Net Domestic Financing (NDF). The NDF target was reviewed to address Government’s additional funding requirements resulting from the disruptions of Covid-19. The trend of Domestic debt stock is illustrated in Figure 8.

Figure 8: Trend of Domestic Debt stock, Billion UGX (March 2019-March 2021)



Source: MoFPED, DPI

6.3b. Domestic Debt Issuances

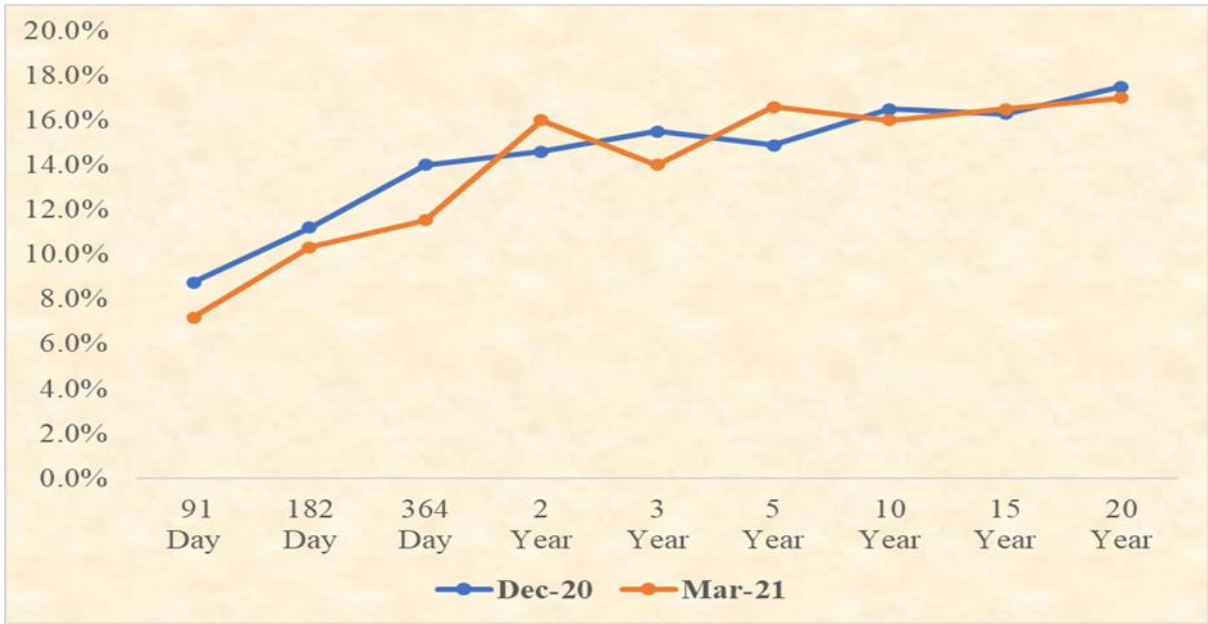
Domestic debt total issuances reduced from UGX 4,321 billion in quarter two to UGX 3,887.1 billion in quarter three. Out of the total issuance of UGX 3,887.1 billion during the period ending March 2021; UGX 1,038.1 billion was issued for fiscal financing and UGX 2,849 billion was issued for redemptions.

It should be noted that the bulk of these redemptions (UGX 1,024 billion at face value) was concentrated in a 10-year T-Bond instrument first issued in 2010, reopened several times and matured in January 2021. Further, a Bond switch auction was conducted to offset part of the high maturity of this T-bond which resulted in UGX 496.96 billion at face value being exchanged for other T-bond instruments.

6.3c. Domestic debt Quarterly Average Primary Market Yields

Overall, there was a downward shift in the yield curve from the period of December 2020 to March 2021. The reduction in yields can be attributed to the high level of liquidity in the financial system coupled with reduced private sector credit uptake, arising as an effect of slow business activity due to the Covid-19 pandemic. This increased the demand for Treasury Securities by investors hence a reduction on yields as shown in Figure 9.

Figure 9: Trend of Quarterly Average Primary Market Yields for December 2020 to March 2021

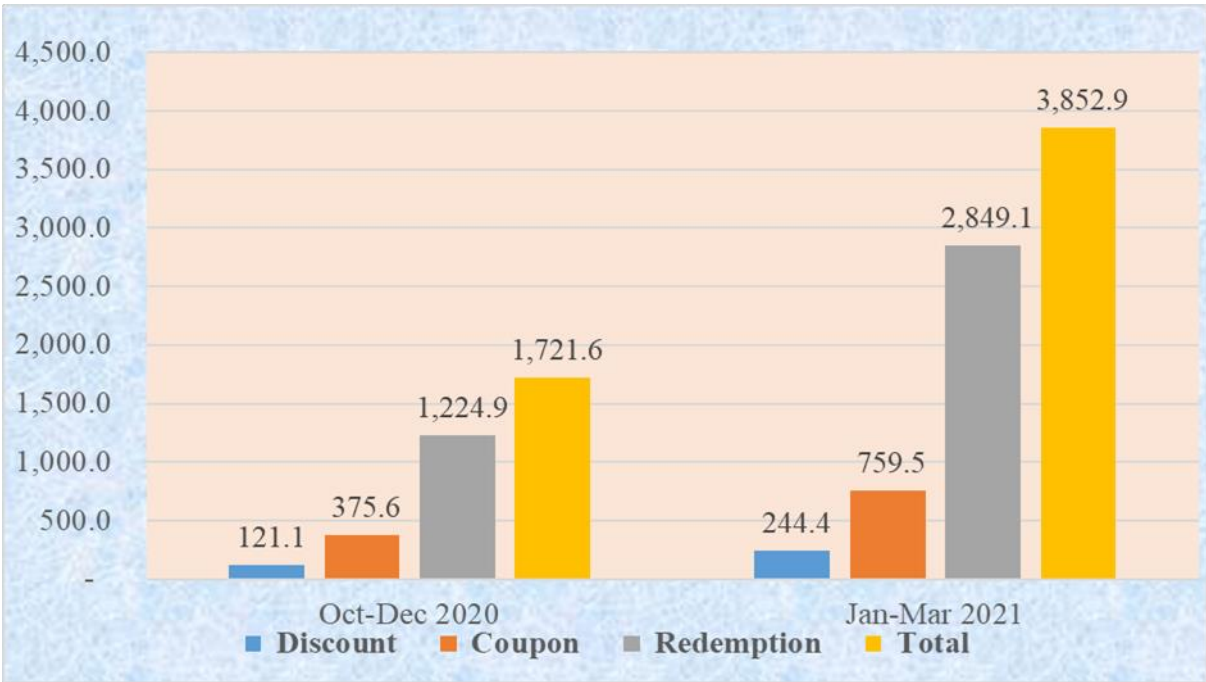


Source: DPI, MoFPED

6.3d. Domestic Debt Service

Compared to end of Quarter two of FY 2020/21, total domestic debt service composed of discount, coupon and redemptions more than doubled in Q3. The quarter January to March 2021 saw discount cost on treasury instruments increase by 102% to UGX 244.4 billion, the semi-annual coupon payments on Treasury Bonds more than doubled to UGX 759.5 billion and the redemptions also increased by 133% to UGX 2,849.1 billion. The increment in debt service can be attributed to high maturities especially arising from reopening of Treasury Bonds which matured in January 2021. The trend of Domestic debt service is depicted in Figure 10.

Figure 10: Domestic Debt Service, UGX Billion.



Source: MoFPED, DPID

6.3e. Holders of Government Securities

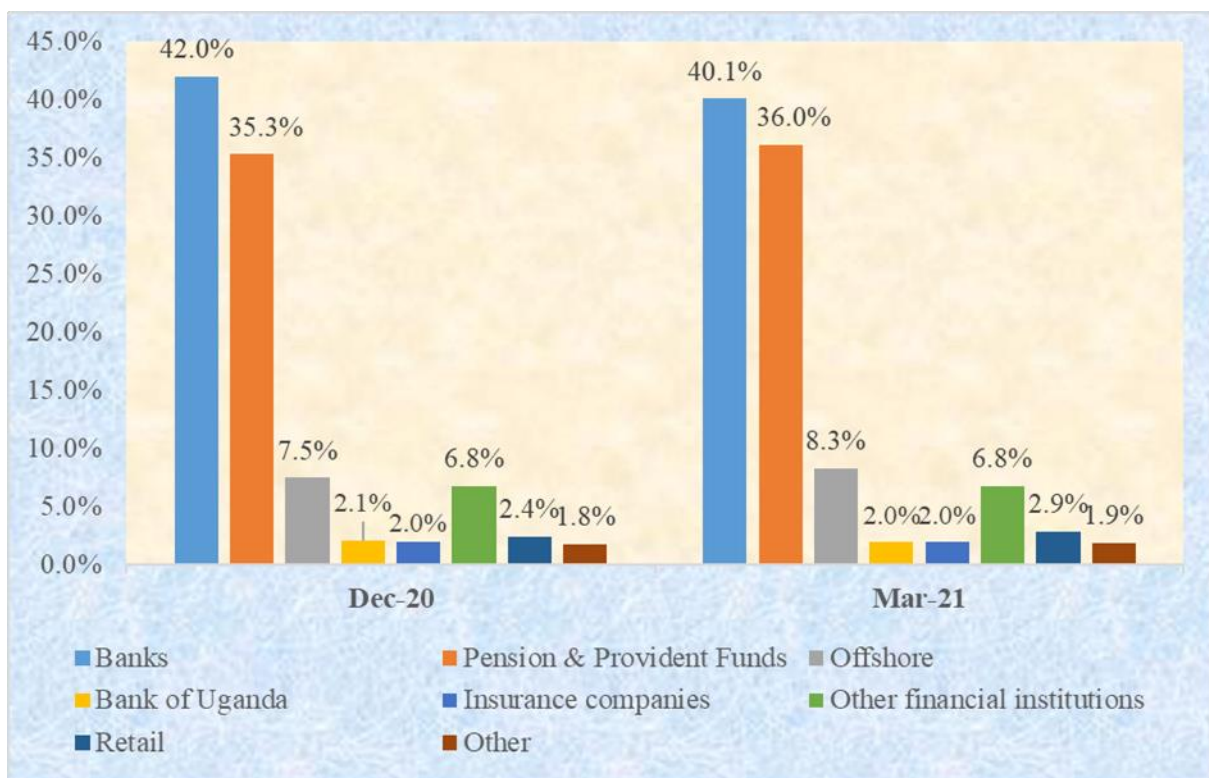
Commercial banks continue to hold the biggest share of investments in Government Securities as at end March 2021. However, their holding reduced from 42.0% to 40.1% during the period under review. This was majorly on account of an increase in other players’ shareholding majorly the pensions and provident funds from 35.3% to 36.0% and offshore investors from

7.5% to 8.3%. This increase in holding is attributed to higher appetite for longer dated tenors (10 year and above) by this category of investors.

The share of other financial institutions (Microfinance Deposit-taking institutions, Credit Institutions, Savings and Credit Cooperative Associations-SACCO and other Microfinance institutions), slightly increased from 1.8% in December 2020 to 1.9% in March 2021.

Holders of Government securities are demonstrated in the Figure 11.

Figure 11: Holders of Government securities at cost for December 2020 and March 2021



Source: BoU

6.4 CONTINGENT LIABILITIES

6.4a. GoU Loan Guarantees

As at end of March 2021, there were 7 Active guarantees to two entities, Uganda Development Bank Limited (UDBL) and Islamic University in Uganda (IUIU) amounting to USD 55 million. Of this, Islamic University in Uganda was holding 11% (USD 3.1 Million) and Uganda Development Bank, a public financial corporation holding 89% (USD 24.7 Million) of total disbursed and outstanding stock.

Islamic Development Bank (IDB) held the largest share of the guaranteed amount of USD 29.1 Million, followed by Africa Development Bank (ADB) with USD 15 Million, The Arab Bank for Economic Development in Africa (BADEA) with USD 6 Million and the lowest was EXIM Bank with USD 5 Million. Total amount guaranteed as at March 2021 amounted to USD 55.1 Million.

The stock of guaranteed debt as at March 2021 amounted to USD 27.8 Million indicating a decrease of 2.1% from USD 28.4 Million as at December 2020. The reduction was due to loan repayments done on the already disbursed amounts.

Nominal publicly guaranteed debt to GDP stood at 0.1% as at end March 2021 while the outstanding debt service amounted to USD 0.135 Million as at end March 2021. This is the amount the government is required to pay to the lenders in case of any event of default, and is currently at 0.0148% of GDP. This indicates a low impact on Government finances in case of default in debt service by these entities as at end March 2021.

The current portfolio of guaranteed loans consists of long maturity periods ranging from 7 to 25 years with a weighted average maturity of 8 years, this indicates a low annual exposure of Government in case of default as debt service is distributed across a longer maturity.

6.4b. Disbursed and outstanding debt of SoEs and EBUs

As at end June 2020⁷, the stock of debt (direct domestic and external borrowing plus on-lent) of public entities amounted to UGX 10,069 billion (USD 2.8 billion), indicating an 11.4 percent increase from UGX 9,038 billion (USD 2.4 billion) as at end of June 2019. The increase was mainly attributed to a significant increase of other debt / domestic borrowing due to the COVID-19 pandemic, as well as increase in the number of entities included in the June 2020 analysis. However, the total debt to assets ratio increased to 46.54% owing to the increase in external borrowing, on-lending and other debt which includes lease contracts and overdrafts.

⁷ *Data on Contingent Liabilities is collected, analyzed and reported at the end of each financial year.*

6.5 COST AND RISK OF THE EXISTING DEBT PORTFOLIO.

The overall cost and risk exposure of the country's existing public debt portfolio (external and domestic debt) is significantly influenced by interest rates, repayment periods and currency denominations. Table 18 provides details about the cost and risk of the existing debt as at end March 2021.

Table 18: Cost and Risk indicators of Existing Debt as at end March 2021⁸.

		Sep-20			Dec-20			Mar-21		
Risk Indicators		External	Domestic	Total	External	Domestic	Total	External	Domestic	Total
Nominal debt as % GDP		29.99	14.31	44.30	30.69	16.54	47.23	28.65	16.16	44.81
PV as % of GDP		20.60	14.31	34.91	21.16	19.93	41.10	19.88	16.16	36.05
Cost of debt	Interest payment as % GDP	0.57	1.95	2.52	0.56	2.26	2.82	0.52	2.19	2.71
	Weighted Av. IR (%)	1.90	13.60	5.68	1.81	13.66	5.96	1.80	13.57	6.05
Refinancing risk	ATM (years)	13.04	4.53	10.59	12.68	3.10	10.12	12.16	5.73	9.84
	Debt maturing in 1yr (% of total)	2.42	33.42	11.35	2.37	41.10	12.74	3.20	25.74	11.33
	Debt maturing in 1yr (% of GDP)	0.85	4.78	5.64	0.86	5.42	6.27	0.92	4.16	5.08
Interest rate risk	ATR (years)	12.30	4.53	10.06	11.84	3.10	9.50	11.33	5.53	9.24
	Debt refixing in 1yr (% of total)	16.54	33.42	21.40	18.81	41.10	24.77	20.09	37.79	26.47
	Fixed rate debt (% of total)	84.81	100.00	89.18	82.93	100.00	87.50	82.07	100.00	88.54
FX risk	FX debt (% of total debt)			67.70			69.95			63.93
	ST FX debt (% of reserves)			7.90			8.34			10.26

Source: MoFPED, DPID

6.5a. Refinancing and Rollover Risks

The weighted average time to maturity of all the principal payments in the external debt portfolio (ATM) is 12.2 years and 5.7 years for domestic debt. The weighted time to maturity of all principal payments of the overall existing debt portfolio (external and domestic debt) is 9.8 years and is attributed mainly to the increased commercial debt with shorter maturity in the external debt portfolio. The average time to maturity for external debt stock has been decreasing over time due to the contraction of external loans, mostly commercial with shorter maturities.

Domestic debt maturing in one year is 25.7% (USD 1.68 billion) of the total domestic debt. This is an improvement from December 2020 where domestic debt maturing in one year as a percentage of total was 41.1% (USD 2.58 billion) and is attributed to the deliberate efforts to issue longer dated instruments in the recent years. External debt maturing in one year as a percentage of the total as at end March 2021 has gone up to 3.2% (USD 0.37 billion) from

⁸ The fixed interest rate debt in the cost and risk table is the total of fixed rate debt and no interest rate debt.

2.4% (USD 0.28 billion) as at end December 2020. This is because of the maturity of recently contracted short-term loans from Commercial banks.

6.5b. Interest rate risk

As at end March 2021, a bigger proportion of Uganda's external debt stock (74.4%) equivalent to USD8.63 billion has fixed interest rates. On average, it will take 9.2 years for all the principal payments in the total debt portfolio to be subjected to a new interest rate. For external debt, it will take on average 11.3 years for all the principal payments to be subjected to a new interest rate while for domestic debt 5.5 years. As a result, the total average time to re-fixing of interest rates has reduced from 9.5 years in December 2020 to 9.2 years in March 2021. The increase in exposure to external interest rate risks is attributed to increased disbursement of variable rate loans during quarter three of FY 2020/21.

Uganda's exposure to risk associated with interest rates for the entire public debt portfolio is still low given the time it takes on average to re-fix the interest rates for the aggregate public debt stock (domestic and external). This is majorly attributed to the greater share of concessional loans in the external debt portfolio. The exposure to interest rate risk of the domestic debt portfolio has reduced as evidenced by the increase in average time to re-fixing from 3.1 years in December 2020 to 5.5 years in March 2021 as a result of deliberate efforts to issue longer dated instruments taken in recent years.

6.5c. Exchange rate risk

As at end March 2021, a greater share of Uganda's public debt (63.9%/USD 11.59 Billion) was denominated in foreign currency, Of this, USD denominated debt stock accounted for 31.9% (USD 5.8 Billion) of the total public debt which is 4.1 percentage points lower than the share of local currency-denominated debt (36%/USD 6.5 Billion)) in the total debt. The remaining 32.1% (USD 5.8 Billion) is denominated in other foreign currencies like the Chinese Yuan, Japanese Yen, Euros, British Pound, and others. Uganda is highly exposed to risks associated with exchange rate shocks as seen from this analysis.

In addition, short term foreign currency debt as a share of reserves increased from 8.34 to 10.26 in Q3 on account of the reduction in the acquisition of external debt with shorter grace and maturity profiles.

PART VII: GLOSSARY OF DEBT AND RELATED TERMS

Agency	An agency in a <i>creditor economy</i> that provides insurance, guarantees, or loans for the export of goods and services
Amortization	The repayment of the principal amount of a loan spread out over a period of time.
Amortization Schedule	The schedule for the repayment of principal and payment of interest on an on-going basis.
Arrears	Amounts that are both unpaid and past the due date for payment
Average time to Maturity	This is a measurement of the weighted time to maturity of all the principal payments in the portfolio. (See maturity)
Average time to Refixing	This is a measure of the average time until all the principal payments in the debt portfolio become subject to a new interest rate.
Bills	These are securities (usually short term) that give holders the unconditional rights to receive stated fixed sums on a specified date.
Bilateral Creditor	A type of creditor in the context of external debt. Official Bilateral creditors include governments and their agencies, autonomous public bodies, or official export credit agencies.
Borrower (the debtor)	The organization or the entity defined as such in the loan contract which usually is responsible for servicing the debt.
Bonds	These are long term securities (usually 2 years and above) that give holders the unconditional rights to receive stated fixed sums on a specified date.
Bullet Repayment	The repayment of principal in a single payment at the maturity of the debt.
Commercial Interest Reference Rates (CIRR)	A set of currency-specific interest rates for major OECD countries.
Commitment:	An obligation to furnish the resource of a given amount under specified financial terms and conditions.
Commitment Charge (fee)	Charge or fee made for holding available the undisbursed balance of a loan commitment.

Concessional Loans	These are loans extended on terms substantially more generous than market loans. Concessionality is achieved either through interest rates below those available on the market or by longer <i>grace periods</i> , or a combination of these. Concessional loans typically have long grace periods.
Contingent Liability	A possible obligation that arises from past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of an entity.
Credit	An amount for which there is a specific obligation of repayment.
Creditor	The organization or entity that provides money or resources and to whom payment is owed under the terms of a loan agreement. It's an entity with a financial claim on another entity.
Creditor Country	The country in which the creditor resides.
Currency of denomination	The unit of account in which amounts of indebtedness are expressed in the general/loan agreement.
Currency of Reporting	The unit of account in which amounts are reported either to the compiling agency and/or to an international agency compiling debt statistics.
Currency of Settlement	The currency of settlement is determined by the currency in which the values of the flows and positions are settled. It is important for international liquidity and the measurement of potential foreign exchange drains. The currency of settlement may be different from the currency of denomination. Using a currency of settlement that is different from the currency of denomination simply means that a currency conversion is involved each time a settlement occurs.
Debt	All Liabilities that are debt instruments
Debt Conversion	The exchange of debt for a non-debt liability, such as equity, or for counterpart funds can be used to finance a particular project or policy.
Debt Default	Failure to meet a debt obligation payment, either <i>principal</i> or <i>interest</i> .

Debt Disbursed and outstanding

The amount that has been disbursed from a loan commitment but has not yet been repaid or forgiven.

Debt Instrument(s)

These are financial claims that require payments of interest and or/principal by the debtor to the creditor at a date or dates in the future.

Debt Prepayment

This consist of a repurchase, or early payment, of debt at conditions that are agreed between the debtor and the creditor

Debt Refinancing

Debt refinancing involves the replacement of an existing debt instrument or instruments including any arrears with a new debt instrument or instruments.

Debt Service

Refers to payments in respect of both *principal* and *interest*. Actual debt service is the set of payments actually made to satisfy a debt obligation, including principal, interest, and any late payment fees. Scheduled debt service is the set of payments, including principal and interest, which is required to be made through the life of the debt.

Debt-Service (-to-Exports) Ratio

The ratio of debt service (*interest* and *principal* payments due) during a year, expressed as a percentage of exports (typically of goods and services) for that year. Forward-looking debt-service ratios require some forecast of export. This ratio is considered to be a key indicator of an economy's debt burden.

Debtor Economy

The economy in which the debtor resides.

Deep Discount Bond

These are long term securities that require periodic coupon payments during the life of the instrument but the amount is substantially below the market rate of interest at issuance.

Disbursed Loans

The amount that has been disbursed from a loan but has not yet been repaid or forgiven.

Domestic Currency

Domestic currency is that which is legal tender in the economy and issued by the monetary authority for that economy, i.e., either that of an individual economy or, in a currency union, to which the economy belongs. All other currencies are foreign currencies.

Domestic Debt	Debt liabilities owed by residents to residents of the same economy
Export Credit	A loan extended to finance a specific purchase of goods services from within the <i>creditor economy</i> . Export credits extended by the supplier of goods— such as when the importer of goods and services is allowed to defer payment—are known as <i>supplier's credits</i> ; export credits extended by a financial institution, or an <i>export credit agency</i> in the exporting economy are known as <i>buyer's credits</i>
External Debt	At any given time, is the outstanding amount of that actual current, and not contingent, liabilities that require payment(s) of <i>interest</i> and/or <i>principal</i> by the <i>debtor</i> at some point(s) in the future and that are owed to non-residents by residents of an economy.
Face Value	Face value is the undiscounted amount of principal to be paid to the holder at maturity (e.g., the redemption amount of a bond).
Foreign Currency	Foreign currency is a currency other than the domestic currency (See domestic currency)
Foreign Debt	Same as External Debt
Fixed Interest Rate	A rate of interest that is defined in absolute terms at the time of the loan agreement.
Grace Period	The grace period for <i>principal</i> is the period from the date of signature of the loan or the issue of the financial instrument to the first repayment of principal.
Grant Element	The measure of concessionality of a loan, calculated as the difference between the face value of the loan and the sum of the discounted future <i>debt service</i> payments to be made by the borrower expressed as a percentage of the face value of the loan.
Gross Domestic Product (GDP)	Essentially, the sum of the gross value added of all resident producer units plus that part (possibly the total) of taxes on products, less subsidies products, that is not included in the valuation of output.

Institutional Unit	An institutional unit is defined in the <i>2008 SNA</i> as “an economic entity that is capable, in its own right, of owning assets, incurring liabilities and engaging in economic activities and in transactions with other entities”
Interest	This is a form of investment income that is receivable by the owner of financial assets for putting such assets and other resources at the disposal of another institutional unit.
International Bank for Reconstruction and Development (IBRD)	
	The International Bank for Reconstruction and Development (IBRD) was set up as an intergovernmental financial institution in 1946 as a result of the Bretton Woods Accord. It is the original agency of the <i>World Bank Group</i> and is commonly referred to as the World Bank (see also <i>World Bank Group</i>).
International Development Association (IDA)	
	IDA, established in 1960, is the concessional lending arm of the <i>World Bank Group</i> . IDA provides low- income developing countries (economies) with long- term loans on highly concessional terms: typically, a ten-year grace period, a 40-year repayment period, and only a small servicing charge.
International Monetary Fund (IMF)	
	Following the Bretton Woods Accords and established in 1945, the IMF is a cooperative intergovernmental monetary and financial institution with 187-member countries. Its main purpose is to promote international monetary cooperation so to facilitate the growth of international trade and economic activity more generally. The IMF provides financial resources to enable its members to correct payments imbalances without resorting to trade and payment restrictions.
Issue Price	It is the price at which the investors buy the debt securities when first issued.
Line of Credit	An agreement that creates a facility under which one unit can borrow credit from another up to a specified ceiling usually over a specified period of time. Lines of credit provide a guarantee that funds will be available, but no financial asset/liability exists until funds are actually advanced.

Loan A financial instrument that is created when a creditor lends funds directly to a debtor and receives a non-negotiable document as evidence of the asset

London Interbank Offered Rate (LIBOR)

LIBOR is a reference rate for the international banking markets and is commonly the basis on which lending margins is fixed. Thus, an original loan agreement or a *rescheduling agreement* may set the *interest* rate to the borrower at six-month dollar LIBOR plus 1.5 percent, with semi-annual adjustments for changes in the LIBOR rate.

Maturity (Defined and Undefined)

Defined maturity refers to a finite time (fixed) period at the end of which the financial instrument will cease to exist and the principal is repaid with interest. Undefined maturity refers to the absence of a contractual maturity. Undefined maturity deposits include demand deposits, checking interest accounts, savings accounts, and money market accounts. Other examples of undefined maturity debt instruments are perpetual bonds.

Multilateral Creditors

These creditors are multilateral financial institutions such as the IMF and the World Bank, as well as other multilateral development banks.

Net Present Value (NPV) of Debt

The nominal amount outstanding minus the sum of all future *debt-service* obligations (*interest* and *principal*) on existing debt discounted at an interest rate different from the contracted rate.

Nominal Value

The nominal value of a *debt instrument* is the amount that at any moment in time the *debtor* owes to the *creditor* at that moment; this value is typically established by reference to the terms of a contract the debtor and creditor. The nominal value of a debt instrument the value of the debt at creation, and any subsequent economic flows, such as transactions (e.g., repayment of *principal*), valuation changes

Official Creditor

Official creditors are international organizations, governments and government agencies including official monetary institutions.

Official Development Assistance (ODA):

Flows of official financing administered with the promotion of the economic development and welfare of developing countries as the main objective, and which are concessional in character with a grant element of at least 25 percent (using a fixed 10 percent rate of discount).

Official Development Assistance (ODA) Loans

Loans with a maturity of over one-year meeting criteria set out in the definition of ODA, provided by governments or official agencies and for which repayment is required in convertible currencies or in kind.

Original Maturity

The period of time from when the financial asset/liability was created to its final maturity date.

Paris Club Paris Club

An informal group of creditor governments that has met regularly in Paris since 1956 to provide debt treatment to countries experiencing payment difficulties; the French treasury provides the secretariat. Creditors reschedule a debtor country's public debts as part of the international support provided to an economy that is experiencing debt-servicing difficulties

Present Value (PV)

The present value (PV) is the discounted sum of all future *debt service* at a given rate of *interest*. If the rate of interest is the contractual rate of the debt, by construction, the *present value* equals the *nominal value*, whereas if the rate of interest is the market interest rate, then the present value equals the market value of the debt.

Present Value of Debt-to-Exports Ratio (PV/X)

Present value (PV) of debt as a percentage of exports (usually of goods and services) (X). In the context of the Paris Club and *HIPC Initiative*, sometimes present value is mis described as *net present value* (NPV).

Principal

the provision of economic value by the *creditor*, or the creation of debt creation of debt liabilities through other means, establishes a principal liability for the debtor, which, until extinguished, may change in value over time. For *debt instruments* alone, for the use of the principal, *interest* can, and usually does, accrue on the principal amount, increasing its value.

Principal Outstanding

The amount of principal disbursed and not repaid.

Principal Repayment The payments which are made against the *drawn* and outstanding amount of the loan

Private Creditors These are neither governments nor public sector agencies. Private financial institutions, and manufacturers, exporters and other suppliers of goods that have a financial claim.

Public Sector: The public sector includes the general government, monetary authorities, and those entities in the banking and other sectors that are public corporations.

Public Sector Debt Total public sector debt consists of all debt liabilities of resident public sector units to other residents and non-residents.

Public Sector External Debt

Total public sector external debt consists of all debt liabilities of resident public sector units to non-residents.

Public Debt The debt obligation of the public sector.

Public External Debt The external debt obligation of the public sector.

Publicly Guaranteed Debt

The external obligation of a private debtor that is guaranteed for repayment by a public entity.

Quarterly External Debt Statistics (QEDS)

The Quarterly External Debt Statistics (QEDS) database, jointly developed by the World Bank and the International Monetary Fund brings together detailed external debt data of Countries that Subscribe to the IMF's Special Data Dissemination Standard (SDDS) and of countries that participate in the IMF's General Data Dissemination System (GDDS).

Redemption Price It is the amount to be paid by the issuer to the holder at maturity.

Remaining (Residual) Maturity

The period of time until debt payments fall due. In the *Guide*, it is recommended that short-term remaining maturity of outstanding *external debt* be measured by adding the value of outstanding short-term external debt (original maturity) to the

value of outstanding long-term external debt (original maturity) due to be paid in one year or less. These data include all arrears.

Short-Term Debt	Debt that has maturity of one year or less. Maturity can be defined either on an original or remaining basis (see also <i>Original Maturity</i> and <i>Remaining Maturity</i>).
Spread (Margin):	A percentage to be added to some defined base interest rate, such as LIBOR, to determine the rate of interest to be used for a loan.
Sovereign Debt	Sovereign debt is often used by financial markets and fiscal analysts as debt that has been contracted by the national government. Unlike grouping of the public sector, which is based on institutional units, “sovereign” is defined on a functional basis. Normally “sovereign issuer” of debt is the government (usually national or federal) that de facto exercises primary authority over a recognized jurisdiction whose debt are being considered. Consequently, sovereign debt is debt that has been legally contracted by the national government.
Stock of Debt	The amount outstanding as of a moment of time.
Stock Figures	The value of financial assets and liabilities outstanding at a particular point in time.
Supplier’s Credit	A financing arrangement under which an exporter extends credit to the buyer.
Treasury Bills	Negotiable securities issued by the government. In general, these are short term obligations issued with maturity of one year or less. They are traded on a discount bases.
Treasury Bonds	Longer Term Securities compared to Treasury Bills. Usually more than a year
Undisbursed	Funds committed by the creditor but not yet drawn by the borrower.
Yield-to-Maturity	The yield-to-maturity rate is the rate at which the present value of future interest and principal payments, i.e., all future cash flows from the bond, equals the price of the bond.