

## THE REPUBLIC OF UGANDA

# QUARTERLY DEBT STATISTICAL BULLETIN AND PUBLIC DEBT PORTFOLIO ANALYSIS

**DECEMBER 2023** 

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#### **FOREWORD**

The Government of Uganda, under the auspices of the Ministry of Finance, Planning, and Economic Development, is pleased to present the Quarterly Debt Statistical Bulletins (DSB). These bulletins adhere to the rigorous debt reporting standards set forth in the Public Debt Management Framework (PDMF) 2023 as well as the Debt Management Performance Assessment Framework (DeMPA) 2015 established by the World Bank.

Our commitment to transparency and accountability in debt policy, management, and operations is unwavering. Through the dissemination of these publications, we aim to provide relevant stakeholders and the general public with timely and accurate information on Uganda's external, domestic, and guaranteed debt. These bulletins serve as a vital tool for fostering informed decision-making and promoting trust in our financial processes.

By facilitating consistency checks and ensuring data accuracy, these bulletins play a pivotal role in maintaining the integrity of Uganda's debt statistics. We believe that access to comprehensive insights into our debt landscape is essential for all stakeholders involved in debt-related activities.

We invite you to utilize these bulletins as a valuable resource in your endeavors, confident that they will enrich your understanding of Uganda's debt dynamics. Together, let us continue to uphold the principles of transparency, accountability, and responsible fiscal management.

For God and My Country.

Patrick Ocailap

FOR: PERMANENT SECRETARY/SECRETARY TO THE TREASURY

#### PREFACE

We are proud to present the 35th edition of the Government of Uganda's Quarterly Debt Statistical Bulletin for the second quarter of the fiscal year 2023/24. Aligned with global standards, this publication represents our ongoing commitment to providing accurate, comprehensive, and timely debt statistics that are essential for informed decision-making and sustainable economic growth Our Quarterly Debt Statistical Bulletins serve several key objectives:

- a) Providing accurate, comprehensive, consistent, dependable, and internationally comparable debt statistics;
- b) Enhancing policy-making, transparency, accountability, and effective debt management to foster sustainable economic growth;
- c) Disseminating debt statistics to policy makers, the general public , government officials, investors in debt securities, and other stakeholders to support research and informed decision-making.

This bulletin is designed to facilitate informed policy formulation and decisionmaking by the Government and other stakeholders concerning public debt management.

It serves as a crucial tool for promoting financial accountability and transparency within the public sector, with the aim of raising awareness about public debt among stakeholders in Uganda and beyond.

A copy of this bulletin is readily accessible on the Ministry of Finance, Planning, and Economic Development's website at <a href="www.finance.go.ug">www.finance.go.ug</a>. We welcome feedback from all stakeholders which can be directed to the Debt Policy Issuance department on <a href="DebtPolicyIssuance@finance.go.ug">DebtPolicyIssuance@finance.go.ug</a>. Your input is invaluable and will contribute to the continuous improvement of future editions.

We extend our gratitude to all stakeholders for their continued support and engagement in promoting transparency, accountability, and effective debt management in Uganda. Together, we strive to achieve our shared goal of sustainable economic development and prosperity for all.

For God and My Country.

Maris Wanyera

ACTING DIRECTOR, DEBT AND CASH POLICY

#### LIST OF ACRONYMS

ADF African Development Fund
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

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

UEGCL Uganda Electricity Distribution Company Ltd
UEGCL Uganda Electricity Generation Company Ltd

**US** United States

**UTCL** Uganda Telecommunications Corporation Limited

## **CURRENCIES**

AED	United Arab Emirates Dirham
AFU	African Unit of Accounting
CHF	Swiss Franc
CNY	Chinese Yuan
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 on Government's budget and balance sheet. To achieve positive outcomes from prudent public debt management, it is important to record debt statistics and analyse them in a timely and consistent manner in line with a well-defined scope. This 35th publication include the following data:

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

The data source for much of the external debt information provided in this bulletin is the Debt Management and Financial Analysis System (DMFAS). This system is utilized to document various aspects of government loans, including new loans, disbursements, debt service, loan guarantees, on-lent loans, debt securities, and exchange rates.

Exchange rates are updated daily within the DMFAS system, ensuring currency conversions are accurate and up-to-date. Additionally, all debt-related transactions are promptly recorded in the system as they occur. These records are regularly reconciled between the Bank of Uganda and the Ministry of Finance, Planning, and Economic Development (MoFPED) to maintain the integrity and credibility of the statistics presented in the bulletin.

The debt is contracted in various currencies and recorded in the system accordingly. However, for analytical purposes, these amounts are converted into a unified currency, for example;

- 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.

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

化生物 医乳管 医医毛	Jun-23	Sep-23	Dec-23
Inflation			
Headline	6.4	3.3	2.5
Core	5.7	3.2	2.1
Exchange rate (Shs/US \$)			
End of Period	3,667.39	3,757.31	3,782.22
Period Average	3,726.86	3,738.02	3,772.53
Reserves			
Gross foreign exchange reserves (US \$ millions)	4,074.63	3,974.57	3,733.90
Gross foreign exchange reserves (months of imports)	3.4	3.3	3.6
Fiscal Statistics (Billion Shs)			
Revenue (excl grants)	7,695.6	5,985.4	7,189.5
Expenditure	9,398.4	7,101.7	11,103.5
Deficit	(1,702.7)	(1,116.3)	(3,914.0)
Total Debt Stock (Billions US \$)	23.67	23.86	24.69
External Debt Stock (US \$ Billions)	14.24	14.20	14.64
Domestic Debt Stock (US \$ Billions)	9.43	9.66	10.05
Total Debt Stock (Shs Billions)	86,751.59	89,661.21	93,377.80
External Debt Stock (Shs Billions)	52,206.07	53,353.54	55,368.29
Domestic Debt Stock (Shs Billions)	34,545.53	36,307.67	38,009.51
Quarterly Gross Domestic Product (GDP)			
GDP (Billion Shs)	49,191.96	47,595.03	
GDP (Billions US \$)	13.4	12.7	
Interest Rates (%)			
Central Bank Rate	10.0	9.5	9.5
Lending Rate	18.6	18.4	17.5
Time Deposit Rate	10.6	10.4	10.9
91-Day Treasury Bill (TB)	9.3	9.6	10.4
182- Day TB	11.0	12.4	12.4
364- Day TB	12.0	13.0	12.8
2 Year Treasury Bond	13.5	13.6	13.0
3 Year	14.0	13.7	14.0
5 Year	14.8	15.2	14.5
10 Year	15.8	15.0	15.0
15 Year	16.0	16.3	16.0
20 Year	16.3	17.0	16.0
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Source: MoFPED MEPD fiscal statistics and BOU selected Macroeconomic indicators

<sup>&</sup>lt;sup>1</sup> GDP is reported with a quarterly lag

Table 22: Public Debt Cost and Risk Indicators

			Jun-23			Sep-23			Dec-23	
Risk Indicators		External	Domestic	Total	External	Domestic	Total	External	Domestic	Total
Nominal debt as	% GDP	28.3	18.7	47.1	28.9	19.6	48.5	29.6	20.4	49.9
PV as % of GDP		20.9	18.7	39.6	21.1	19.6	40.8	21.5	20.4	41.9
Cost of debt	Interest payment as % GDP	0.7	2.7	3.4	0.7	2.8	3.5	0.7	2.9	3.6
	Weighted Av. IR (%)	2.6	14.3	7.3	2.5	14.2	7.3	2.5	14.2	7.3
Refinancing risk	ATM (years)	10.3	6.8	8.9	10.4	7.0	9.0	10.6	6.4	8.9
	Debt maturing in lyr (% of total)	4.7	23.2	12.1	3.4	26.9	12.9	2.4	26.6	12.2
	Debt maturing in lyr (% of GDP)	1.3	4.3	5.7	1.0	5.3	6.3	0.7	5.4	6.1
Interest rate risk	ATR (years)	9.2	6.8	8.3	9.4	6.7	8.3	9.5	6.4	8.3
	Debt refixing in lyr (% of total)	25.5	23.2	24.6	24.5	28.0	25.9	23.6	26.6	24.8
	Fixed rate debt (% of total)	77.3	100.0	86.3	77.5	100.0	86.6	77.8	100.0	86.9
FX risk	FX debt (% of total debt)			60.2			59.5			59.2
	ST FX debt (% of reserves)			16.5			12.2		224	9.3

### PART 3: EXTERNAL DEBT STATISTICS

Table 33a4: External Debt Stock by Creditor Type, Billion USD

Tubic o u i Bitteriiai Bebt btt			J F - ,			
4433883	Jun-2	23	Sep	-23	Dec-23	
Creditor Type	Stock	%	Stock	%	Stock	%
Bilateral Creditors (BC)	3.50	24.60	3.48	24.52	3.56	24.35
Non Paris Club	2.67	18.75	2.60	18.32	2.62	17.88
Paris Club	0.83	5.85	0.88	6.21	0.95	6.48
Multilateral Creditors (MC)	8.80	61.79	8.85	62.35	9.20	62.85
Major Multilaterals	7.49	52.59	6.09	42.90	7.73	52.77
Other Multilaterals	1.31	9.19	2.76	19.44	1.48	10.08
Private Banks (PB)	1.94	13.61	1.86	13.13	1.87	12.80
Other Financial Institutions	1.94	13.61	1.86	13.13	1.87	12.80
Grand Total	14.24	100.00	14.20	100.00	14.64	100.00

Source: MoFPED, DPID

<sup>2</sup> The GDP numbers used to compute the debt to GDP ratio were cumulative quarterly numbers of end September 2023 published by UBOS.

<sup>&</sup>lt;sup>3</sup> The major multilaterals include International Development Association (IDA), International Monetary Fund (IMF) and African Development Fund (AfDF).

Table 3b: External Debt Stock by Concessionality Type<sup>5</sup>

Concessionality	Debt stoo	ek by Conce	essionality	Share of Debt stock by Concessionality				
	Jun-23	Sep-23	Dec-23	Jun-23	Sep-23	Dec-23		
Concessional	7.42	7.48	7.82	52.16%	52.66%	53.42%		
Semi Concessional	2.92	2.86	2.92	20.50%	20.15%	19.92%		
Non Concessional	0.75	0.78	0.79	5.25%	5.48%	5.43%		
Commercial	3.15	3.08	3.11	22.10%	21.71%	21.23%		
Total debt stock	14.24	14.20	14.64	100.00%	100.00%	100.00%		

Source: MoFPED, DPID

Table 3c: Central Government External Debt Outstanding and Transaction

by Creditor Type, Billion USD6

Creditor Type	Total oustanding debt stock as at 30.09.2023	Disbursement in Q2, FY 2023/24	Principal operations in Q2, FY 2023/24	Exchange rate variation/other adjustment	Total oustanding debt stock as at 31.12.2023
Bilateral Creditors (BC)	3.48	0.07	0.04	0.05	3.56
Non Paris Club	2.60	0.05	0.00	(0.03)	2.62
Paris Club	0.88	0.02	0.04	0.08	0.95
Multilateral Creditors (MC)	8.85	0.12	0.04	0.27	9.20
Major Multilaterals	6.09	0.07	0.02	1.58	7.73
Other Multilaterals	2.76	0.05	0.02	(1.32)	1.48
Private Bank (PB)	1.86	_	0.06	0.07	1.87
Other Financial Institutions	1.86	-	0.06	0.07	1.87
Grand Total	14.20	0.19	0.15	0.39	14.64

 $<sup>^5</sup>$  Concessional loans provide a grant element of greater or equal to 35%, semi-concessional loans provide grant element of greater or equal to 25% and less than 35%, non-concessional loans, greater than 10% and less than 25% and commercial loans less or equal to 10%.

<sup>&</sup>lt;sup>6</sup> Principal operations are the principal payments during the period

Table 4a: SDR Undecomposed, External Debt Stock by Currency

Composition<sup>7</sup> Billion USD

oom pooreror	Jun-	23	Sep-	23	Dec-23		
	Stock	%	Stock	%	Stock	%	
USD	6.92	48.60	6.85	48.26	7.15	48.86	
EUR	4.64	32.59	4.70	33.08	4.72	32.23	
JPY	0.79	5.53	0.82	5.77	0.82	5.59	
Others	0.77	5.41	0.80	5.67	0.79	5.40	
CNY	1.12	7.87	1.02	7.22	1.16	7.92	
Total	14.24	100.00	14.20	100.00	14.64	100.00	

Source: MoFPED, DPID

Table 4b: SDR Decomposed, External Debt Stock by Currency Composition Billion USD

	Jun-	23	Sep-	23	Dec-23		
	Stock	%	Stock	%	Stock	%	
USD	4.22	29.65	4.27	30.07	4.40	30.03	
EUR	2.82	19.79	2.78	19.60	2.86	19.50	
JPY	0.31	2.21	0.30	2.14	0.34	2.30	
Others	0.31	2.16	0.30	2.14	0.32	2.17	
SDR	6.22	43.69	6.19	43.60	6.36	43.42	
CNY	0.36	2.50	0.35	2.46	0.38	2.58	
Grand Total	14.24	100.00	14.20	100.00	14.64	100.00	

<sup>&</sup>lt;sup>7</sup> 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

<b>《</b> 工艺是学生学生基本》	U	GX/Currenc	y	Currency/USD			
Currency	Jun-23	Sep-23	Dec-23	Jun-23	Sep-23	Dec-23	
United Arab Emirates Dirham (AED)	1,003.82	1,028.10	1,035.26	3.67	3.67	3.67	
African Unit of Account (AFU)	4,918.19	4,951.82	5,101.31	0.75	0.76	0.75	
Swiss Franc (CHF)	4,103.65	4,136.05	4,510.87	0.90	0.91	0.84	
China Yuan (CNY)	508.45	517.18	535.92	7.25	7.30	7.09	
Danish Krone (DKK)	538.14	535.97	564.60	6.85	7.05	6.73	
Euro (EUR)	4,007.54	3,996.74	4,208.29	0.92	0.94	0.90	
Pound Sterling (GBP)	4,656.48	4,618.30	4,852.38	0.79	0.82	0.78	
Islamic Dinar (IDI)	4,918.19	4,951.82	5,101.31	0.75	0.76	0.75	
Japanese Yen (JPY)	25.48	25.31	26.90	144.70	149.19	141.37	
Korea (South) Won (KRW)	2.80	2.80	2.94	1,318.46	1,349.89	1,291.25	
Kuwait Dinar (KWD)	11,982.48	12,219.16	12,372.96	0.31	0.31	0.31	
Norwegian Krone (NOK)	342.01	353.66	373.00	10.78	10.68	10.19	
Saudi Arabia Riyal (SAR)	983.10	1,006.88	1,013.95	3.75	3.75	3.75	
Special Drawing Rights (SDR)	4,918.19	4,951.82	5,101.31	0.75	0.76	0.75	
Swedish Krone (SEK)	339.64	346.70	380.74	10.86	10.89	9.99	
Uganda Shillings (UGX)	1.00	1.00	1.00	3,687.13	3,776.21	3,802.21	
		3333					

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

Interest Rate Type	Jun-23		Sep-2	3	Dec-2	3
	Stock	%	Stock	%	Stock	%
Fixed Interest Debt	9.56	67.15	9.08	63.92	9.98	68.18
Bilateral	2.47	17.38	2.46	17.32	2.52	17.22
Multilateral	7.08	49.75	6.62	46.58	7.46	50.93
Private Bank	0.00	0.02	0.00	0.02	0.00	0.02
Variable Interest Debt	3.23	22.72	3.19	22.48	3.21	21.91
Bilateral	1.03	7.22	1.02	7.21	1.04	7.13
Multilateral	0.27	1.91	0.31	2.17	0.29	2.01
Private Bank	1.93	13.59	1.86	13.11	1.87	12.77
No Interest Rate <sup>8</sup>	1.44	10.13	1.93	13.59	1.45	9.91
Bilateral	-	-	-	-	-	-
Multilateral	1.44	10.13	1.93	13.59	1.45	9.91
Private Bank	-	-	-	-	-	
Total	14.24	100.00	14.20	100.00	14.64	100.00

<sup>&</sup>lt;sup>8</sup> No interest rate debt refers to loans that do not charge interest rate but require principal and other fees repayments.

Table 7: Actual External Debt Service, Million USD

	Ju	ly - Sep	temb	er 2023		Oct	ober - D	ecem	ber 202	23
Creditor Type	Principal	Interest	Fees	Total	%	Principal	Interest	Fees	Total	%
Bilaterals	115.63	59.32	0.91	175.86	59.52	38.77	4.70	0.35	43.82	19.96
Paris Club	5.10	1.00	0.44	6.54	2.21	0.88	0.32	0.00	1.20	0.55
Non Paris Club	110.53	58.32	0.47	169.32	57.30	37.89	4.38	0.35	42.62	19.41
Multilaterals	41.81	18.36	1.86	62.03	20.99	42.96	15.56	3.37	61.88	28.18
Major	34.72	14.63	0.45	49.80	16.85	20.87	7.92	0.25	29.03	13.22
Other	7.09	3.73	1.41	12.23	4.14	22.09	7.64	3.12	32.85	14.96
Private Banks	29.01	28.59	0.00	57.60	19.49	64.31	49.49	0.08	113.88	51.86
Other financial institutions	29.01	28.59	0.00	57.60	19.49	64.31	49.49	0.08	113.88	51.86
Grand Total	186.45	106.26	2.77	295.49	100.00	146.04	69.74	3.79	219.58	100.00

Source: MoFPED, DPID

Table 8: External Undisbursed Debt, Billion USD

	Jun-2	3	Sep-23		Dec-2	3
	Undisbursed	%	Undisbursed	%	Undisbursed	%
Bilateral	0.82	26.10	0.74	24.87	0.66	22.25
Non Paris Club	0.38	12.14	0.37	12.39	0.30	10.11
Paris Club	0.44	13.96	0.37	12.48	0.36	12.14
Multilateral	2.29	73.07	2.22	74.28	2.27	76.85
Major Multilaterals Other	1.21	38.51	0.85	28.31	1.19	40.36
Multilaterals	1.08	34.56	1.37	45.97	1.08	36.49
Private Banks	0.03	0.83	0.03	0.85	0.03	0.90
	0.03	0.83	0.03	0.85	0.03	0.90
Total	3.13	100.00	2.99	100.00	2.96	100.00

Table 99: Gross Public and Private Extern					
	Dec-22	Mar-23	Jun-23	Sep-23	
General Government	13,378.19	13,988.33	14,587.95	14,485.54	
Short-term	17.42	7.00	3.93	2.61	
Currency and deposits	-	-	-	-	
Debt securities	17.42	7.00	3.93	2.61	
Loans	- 1	-	-	-	
Trade credit and advances	-	-	-	-	
Other debt liabilities 1	-	-	-	_	
Long-term	13,360.77	13,981.33	14,584.02	14,482.93	
Special drawing rights (allocations) 2	-	-	-	_	
Currency and deposits	_	-	-	-	
Debt securities	633.17	780.06	748.40	883.56	
Loans	12,727.60	13,201.27	13,835.62	13,599.36	
Trade credit and advances	-	-	-	-	
Other debt liabilities 1	_	_	-		
Central Bank	1,023.14	1,034.56	1,025.48	1,008.13	
Short-term					
Currency and deposits	-	-	-	-	
Debt securities	_	_	-		
Loans	-	-	-	_	
Long-term	1,023.14	1,034.56	1,025.48	1,008.13	
Special drawing rights (allocations)2	690.79	698.50	692.37	680.66	
Currency and deposits	-	-	-	2	
Debt securities	_	-	-	-	
Loans	332.35	336.06	333.11	327.48	
Deposit-Taking Corporations, except the Central Bank	570.65	578.71	536.06	583.83	
Short-term	235.50	223.02	213.14	207.17	
Currency and deposits	235.50	223.02	213.14	207.17	
Debt securities	-	-	-		
Long-term	335.15	355.69	322.92	376.66	
Currency and deposits	- 333110	-	-	-	
Debt securities	-	-	-	-	
Loans	335.05	355.69	322.92	376.53	
Other Sectors	2,920.12	3,022.13	3,054.40	1,094.35	
Short-term	1,444.71	1,456.87	1,466.67	215.24	
Loans	1,131.39	1,141.99	1,150.28	110.93	
Trade credit and advances	313.32	314.88	316.39	104.3	
Other debt liabilities 1	313.32	211.00	-	-	
	1,475.41	1,565.26	1,587.74	879.1	
Long-term Loans	1,475.41	1,565.26	1,587.74	879.1	
Direct Investment: Intercompany Lending	3,386.10	3,447.37	3,505.01	2,537.14	
Direct investment, intercompany Lemming	-,				
Debt liabilities of direct investment enterprises to direct investors	3,386.10	3,447.37	3,505.01	2,537.14	
Debt liabilities of direct investment enterprises to direct investment enterprises	-	-		-	
Debt liabilities to fellow enterprises		_	-		
Debt habilities to renow enterprises			THE I		
	21 250 21	22.071.21	22 700 02	10 700 0	
Gross External Debt Position	21,278.21	22,071.24	22,709.03	19,709.00	

Source: BoU

<sup>&</sup>lt;sup>9</sup> This table has been published with a lag of one quarter, it will be updated as the data becomes available. Other liabilities comprise of insurance, pension and standardized guarantee scheme and other accounts payable. SDR allocation should be reported as long-term external debt libilities.

## PART 4: CONTINGENT LIABILITIES

Table 10: Guaranteed Debt Stock as at end December 2023

	A STATE OF THE STA	Algorithm and the second		Guaranteed				rsed & ing (USD)		
No.	Beneficiary	Project	Creditor	Amount (USD)	Tenure (Years)	Undisbursed (USD)	Sep-23	Dec-23	Performance	
1	Islamic University in Uganda	Student's hostel	Islamic Development Bank (IDB)	4,302,676	25	-	1,280,723	1,310,364	Repayment on schedule	
2	Islamic University in Uganda	Student's hostel project additional financing	Islamic Development Bank (IDB)	983,888	20	-	499,613	511,176	Repayment on schedule	
3	Islamic University in Uganda	Constructing faculty of engineering, upgrade the library and purchase ICT equipment	Islamic Development Bank (IDB)	13,790,000	18	10,827,861	2,184,741	2,962,139	Not fully disbursed	
4	Uganda Development Bank Limited	Private sector projects and trade transaction in the Republic of Uganda	The Arab Bank for Economic Development in Africa. (BADEA)	6,000,000	10	-	2,624,900	2,624,900	Repayment on schedule	
5	Uganda Development Bank Limited	Private sector projects and trade transaction in the Republic of Uganda	Islamic Development Bank (IDB)	10,000,000	8	-	1,028,188	843,331	Repayment on schedule	

	The White State	TOTAL	The property of the con-	120,076,564		25,827,861	64,036,448	56,218,154	
12	Uganda Development Bank Limited	Trade finance line for importation of good from Arab countries	The Arab Bank for Economic Development in Africa. (BADEA)	10,000,000	7	-	10,000,000	10,000,000	Fully disbursed
11	Uganda Development Bank Limited	Funding of projects in key growth sectors of Uganda	The Arab Bank for Economic Development in Africa. (BADEA)	10,000,000	7	-	10,000,000	5,000,000	Repayment on schedule
10	Uganda Development Bank Limited	Funds for project Finance (SMEs in key growth sectors)	OPEC Fund for International Development	20,000,000	8	~	20,000,000	18,750,000	Repayment on schedule
9	Uganda Development Bank Limited	Funding for Trade Finance projects	International Islamic Trade Finance Corporation	10,000,000	1	-	3,248,741	1,403,843	Repayment on schedule
8	Uganda Development Bank Limited	Funds for project Finance especially women led projects and youth	European Investment Bank	15,000,000		15,000,000	-		Undisbursed
7	Uganda Development Bank Limited	To finance import of goods and services from India.	Exim India	5,000,000	7	-	2,857,043	2,499,900	Repayment on schedule
6	Uganda Development Bank Limited	On-lending exclusively to eligible projects in various sectors in Uganda Including in priority targeted sectors.	African Development Bank	15,000,000	10	-	10,312,500	10,312,500	Repayment on schedule

Source: DPID, MoFPED

Table 1110: Non-Guaranteed Debt and Other Liabilities of SOEs and EBUs, **UGX** Trillions

	Financial Year	UGX
All in UGX Million	Jun-22	Jun-23
Domestic Borrowing	158,485	224,032
External Borrowing	181,206	304,122
Other debt (including lease contracts and overdrafts)	1,566,245	1,623,489
GoU On-Lent	7,767,721	8,157,378
Liabilities from grants and GoU contributions	1,255,337	1,467,105
Total outstanding debt excluding GoU on- lent loans	1,905,936	2,151,643
Total debt including GoU on-lent loans	9,673,657	10,309,021
Debt ratio (Total debt/total assets11	24.23%	17.61%

 $<sup>^{10}</sup>$  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 UTCL, due to unavailability of information.

<sup>11</sup> This is calculated for those entities with Debt only.

## PART 5: DOMESTIC DEBT STATISTICS

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

Instruments		Jun-2	23			Sep-	23			Dec-	23	
Maturity period	Cost	Nominal	Face Value	% Cost	Cost	Nominal	Face Value	46 Cost	Cost	Nominal	Face Value	96 Cost
91	88.50	89.39	90.66	0.3%	200.50	202.30	205.32	0.6%	64.89	65.73	66.38	0.2%
182	263.59	268.66	278.27	0.8%	654.59	864.33	692.50	1.8%	1,054.50	1,287.36	1,116.81	2.8%
364	4,575.94	4,902.70	5,192.02	13.2%	5,018.56	5,159.84	5,678.49	13.8%	4,999.18	5,070.83	5,625.81	13.2%
Total Bills	4,928.03	5,260.7	5,560.9	14.3%	5,873.65	6,226.5	6,576.3	16.296	6,118.57	6,423.9	6,809.0	16.190
2	2,895.1	2,954.1	2,845.4	8.4%	2,254.0	2,326.5	2,207.9	6.2%	2,301.6	2,335.9	2,252.3	6.1%
3	1,975.1	2,023.6	1,850.9	5.7%	1,327.9	1,306.2	1,215.3	3.7%	1,695.0	1,718.1	1,567.0	4.5%
5	4,382.3	4,918.4	4,246.1	9.3%	3,892.5	4,314.9	3,744.0	10.7%	4,246.2	4,745.2	4,095.5	11.2%
10	8,311.3	8,133.7	7,888.7	24.1%	9,818.3	9,614.9	9,360.0	27.1%	9,655.9	9,559.5	9,243.3	25.4%
15	7,063.8	7,345.0	6,998.9	23.8%	7,350.7	7,653.9	7,277.7	20.3%	7,923.5	8,219.6	7,847.8	20.8%
20	5,018.2	5,127.6	4,728.5	14.5%	5,754.6	5,984.8	5,505.7	15.9%	6,068.6	6,252.5	5,816.9	16.0%
Total Bonds	29,645.77	30,502.3	28,558.6	85.746	30,398.05	31,201.3	29,310.6	83.8%	31,890.94	32,830.8	30,822.8	83.9%
Total Stock	34,573.80	35,763.06	34,119.54	100.096	36,271.71	37,427.76	35,886.87	100.0%	38,009.51	39,254.73	37,631.83	100.096

Source: MoFPED, DPID

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

Shillings

CAI	Holder	Jun-23		Sep-23		Dec-23	%	
S/N	Category	Cost	% Cost	Cost	% Cost	Cost	Cost	
1	Banks	4,350.0	88.3%	5,167.0	88.0%	5,583.1	91.2%	
	Pension & Provident	38.1	0.8%	30.6	0.5%	27.4	0.4%	
2	Funds							
3	Offshore	13.9	0.3%	9.2	0.2%	3.6	0.1%	
4	Bank of Uganda	-	0.0%	-	0.0%	-	0.0%	
5	Insurance companies	120.6	2.4%	96.7	1.6%	92.4	1.5%	
	Other financial	40.6	0.8%	133.5	2.3%	91.6	1.5%	
6	institutions							
7	Retail	111.0	2.3%	118.4	2.0%	110.7	1.8%	
8	Other	253.8	5.2%	318.2	5.4%	209.5	3.4%	
	Total Bills	4,928.034	100.0%	5,873.654	100.0%	6,118.566	100.0%	
1	Banks	8,744.1	29.5%	8,614.0	28.3%	8,815.8	27.6%	
	Pension & Provident	11,192.7	37.8%	11,097.5	36.5%	11,444.4	35.9%	
2	Funds							
3	Offshore	2,800.0	9.4%	3,321.4	10.9%	3,351.2	10.5%	
4	Bank of Uganda	1,038.0	3.5%	1,038.0	3.4%	1,255.3	3.9%	
5	Insurance companies	680.1	2.3%	912.2	3.0%	723.4	2.3%	
	Other financial	2,128.3	7.2%	2,140.2	7.0%	2,821.9	8.8%	
6	institutions							
7	Retail	1,503.8	5.1%	1,600.2	5.3%	1,739.7	5.5%	
8	Other	1,558.8	5.3%	1,674.6	5.5%	1,739.2	5.5%	
	Total Bonds	29,645.77	100.0%	30,398.05	100.0%	31,890.94	100.0%	
1	Total Stock	34,573.8		36,271.7		38,009.5		

Source: BOU

Table 13b: Stock of Government Securities at Face value by Holder, Billion

Shillings

	Holder	Jun-2	3	Sep-2	3	Dec-2	3
S/N			%Face		%Face		%Face
	Category	Face Value	Value	Face Value	Value	Face Value	Value
1	Banks	4,908.6	88.3%	5,785.2	88.0%	6,213.2	91.2%
	Pension & Provident	43.2	0.8%	34.3	0.5%	30.6	0.4%
2	Funds						
3	Offshore	15.5	0.3%	10.3	0.2%	4.1	0.1%
4	Bank of Uganda	-	0.00%	-	0.00%	-	0.00%
5	Insurance companies	135.6	2.4%	108.5	1.6%	103.6	1.5%
	Other financial	52.6	0.9%	160.0	2.4%	105.1	1.5%
6	institutions						
7	Retail	121.2	2.2%	129.2	2.0%	121.0	1.8%
8	Other	284.2	5.1%	348.9	5.3%	231.5	3.4%
	Total Bills	5,560.9	100.0%	6,576.3	100.0%	6,809.0	100.0%
1	Banks	8,423.5	29.5%	8,305.8	28.3%	8,520.6	27.6%
	Pension & Provident	10,929.9	38.3%	10,895.7	37.2%	11,241.5	36.5%
2	Funds						
3	Offshore	2,613.7	9.2%	3,118.6	10.6%	3,151.9	10.2%
4	Bank of Uganda	987.7	3.5%	987.7	3.4%	1,206.5	3.9%
5	Insurance companies	639.6	2.2%	653.5	2.2%	679.5	2.2%
	Other financial	2,121.0	7.4%	2,298.7	7.8%	2,776.7	9.0%
6	institutions						
7	Retail	1,385.3	4.9%	1,478.2	5.0%	1,612.0	5.2%
8	Other	1,457.9	5.1%	1,572.3	5.4%	1,634.1	5.3%
	Total Bonds	28,558.6	100.0%	29,310.6	100.0%	30,822.8	100.0%
	Total Stock	34,119.5		35,886.9		37,631.8	

Source: BOU

Table 14: Domestic Debt Service, Billion Shillings

S/N	Instruments		Apr-J	un 2023			Jul-S	ep 2023		Oct-Dec 2023			
OJIN	Maturity perio	Discount	Coupon	Redemption	Total	Discount	Coupon	Redemption	Total	Discount	Coupon	Redemption	Total
1	91	3.94		171.06	175.0	2.16		146.60	148.8	4.82		200.50	205.3
2	182	15.95	*	386.63	402.6	4.35		324.10	328.4	10.33		180.52	190.9
3	364	110.22		902.70	1,012.9	147.27		1,535.50	1,682.8	228.73		1,544.26	1,773.0
	Total Bills	130.1		1,460.4	1,590.5	153.8		2,006.2	2,160.0	243.9		1,925.3	2,169.2
4	2		67.8	291.0	358.8	2.9	89.3	897.2	989.4		41.5		41.5
5	3		88.0		88.0		65.4		65.4		\$8.0		88.0
6	5		92.4		92.4		162.2	-	162.2		92.4	-	92.4
7	10		249.4	*	249.4		399.3		399.3		249.4		249.4
8	15		340.8		340.8		318.9		318.9		285.9		285.9
9	20	-	307.2		307.2		113.8		113.8		307.2		307.2
	Total Bonds		1,145.7	291.0	1,436.7	2.9	1,148.8	897.2	2,048.9		1,064.5		1,064.5
	Total	130.1	1,145.7	1,751.4	3,027.2	221.8	1,327.0	3,693.9	5,242.7	243.9	1,064.5	1,925.3	3,233.7

Table 15: Domestic Debt Gross Issuances, Billion Shillings

Instruments		Apr-Jun 2	2023		Jul-Sep 2023				Oct-Dec 2023			
Maturity period	Cost Value	Face Value	Discount	% Cost	Cost Value	Face Value	Discount	% Cost	Cost Value	Face Value	Discount	% Cost
91	88.50	90.66	2.16	3.7%	200.50	205.32	4.82	4.7%	64.89	66.38	1.49	1.8%
182	180.52	190.86	10.33	7.5%	474.07	501.64	27.58	11.1%	580.43	615.16	34.73	15.8%
364	902.66	1012.88	110.22	37.3%	1535.46	1726.59	191.12	35.9%	1524.87	1720.30	195.43	41.4%
Total Bills	1,171.7	1,294.4	122.7	48.4%	2,210.0	2,433.6	223.5	51.7%	2,170.2	2,401.8	231.7	58.9%
2	212.95	206.30	-6.64	8.8%	271.36	262.58	-8.78	6.4%	47.66	44.42	-3.23	1.3%
3	318.69	317.03	-1.65	13.2%	211.46	211.00	-0.46	4.9%	367.16	351.68	-15.47	10.0%
5	54.68	53.35	-1.33	2.3%	128.31	130.25	1.94	3.0%	136.39	132.76	-3.64	3.7%
10	134.93	132.09	-2.84	5.6%	428.28	422.21	-6.07	10.0%	73.31	73.55	0.24	2.0%
15	327.83	325.90	-1.93	13.5%	286.93	278.74	-8.19	6.7%	572.80	570.15	-2.64	15.6%
20	202.00	173.18	-28.82	8.3%	736.48	777.15	40.67	17.2%	313.98	311.20	-2.78	8.5%
Total Bonds	1,251.1	1,207.9	- 43.2	51.6%	2,062.8	2,081.9	19.1	48.3%	1,511.3	1,483.8	- 27.5	41.1%
Total Issuance	2,422.76	2,502.24	79.48	100.0%	4,272.83	4,515.48	242.64	100.0%	3,681.49	3,885.62	204.13	100.0%

Source: MoFPED, DPID

Table 16: Domestic Debt Financing, Billion Shillings

	Jun-23	Sep-23	Dec-23
Fiscal Financing	483.32	1,682.35	1,558.24
BoU Recapitalisation	-	-	217.29
Redemptions	1,939.44	2,590.48	2,123.24
Total Issuance	2,422.76	4,272.83	3,898.77

Source: MoFPED, DPID

Table 17: Central Government Domestic Debt by Interest Rate (End

Period/Quarterly Average Primary Market Yields)

	Quarterly Average					End Period		
	Tenor	Mar-23	Jun-23	Sep-23	Mar-23	Jun-23	Sep-23	Dec-23
Treasury Bill Rates	91 Days	10.4	10.2	10.1	10.4	9.3	9.6	9.6
	182 Days	10.6	11.0	11.6	10.5	11.0	12.4	12.4
	364 Days	12.6	12.2	12.5	13.0	12.0	13.0	12.9
Treasury Bond Rates	2 Years	13.5	13.5	13.5	13.5	13.5	13.6	13.0
	3 Years	14.0	14.0	13.6	14.0	14.0	13.7	13.7
	5 Years	15.0	14.8	15.2	15.0	14.8	15.2	14.5
	10 Years	15.2	15.8	15.3	15.0	15.8	15.0	15.1
	15 Years	16.4	16.1	16.1	17.0	16.0	16.3	15.6
	20 Years	16.5	16.5	16.0	16.3	16.3	17.0	15.7

### PART 6: PUBLIC DEBT PORTFOLIO ANALYSIS

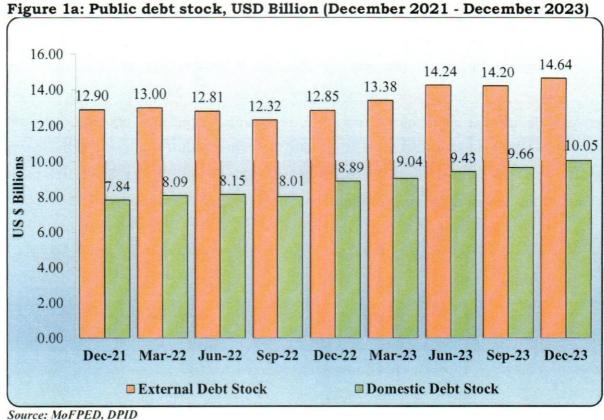
#### 6.1 TOTAL PUBLIC DEBT

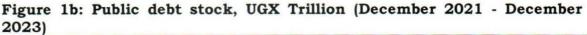
As of end of December 2023, the total public debt stock surged to USD 24.69 billion, up from USD 23.86 billion in September 2023, reflecting a growth of 3.5% in the second quarter alone. On the one hand, external debt constituted a significant portion of this total, representing 59.29%, equivalent to USD 14.64 billion or UGX 55.37 trillion. On the other hand, domestic debt accounted for the remaining 40.71% totalling USD 10.05 billion or UGX 38.01 trillion. This indicates a notable increase in in both external and domestic debt compared to the figures recorded at the end of September 2023, which stood at USD 14.20 billion (UGX 53.35 trillion) and USD 9.66 billion (UGX 36.31 trillion) respectively.

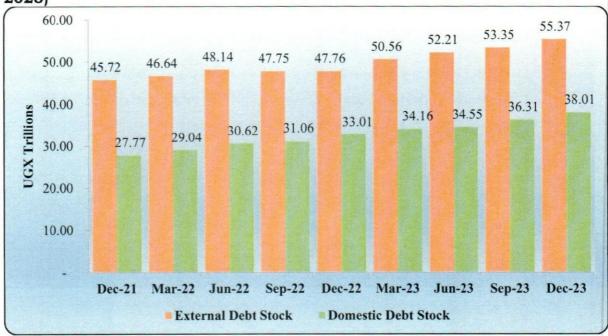
The increase in external debt stock is due to the increased disbursements and exchange rate variations in quarter two while increased domestic debt stock was on account of the need to raise financing for the budget deficit.

During the period under review, the nominal value of public debt as a percentage of GDP stood at 49.9%, reflecting an increase from 48.5% recorded in September 2023. Within this ratio, domestic debt accounted for 20.4% of GDP, while external debt constituted 29.6%. The deterioration in the debt to GDP ratio can be primarily attributed to the utilisation of Gross Domestic Product numbers for end September 2023 as the statistic for December 2023 is yet to be finalised.

Overall, Uganda's Public debt stock has been on an upward trajectory over time. Figures 1a and 1b show the trends of public debt stock from December 2021 to December 2023 in both USD and UGX.







#### 6.2 EXTERNAL DEBT

### 6.2a. External debt stock disbursed and outstanding

External debt stock increased from USD 14.20 Billion as at end September 2023 to USD 14.64 Billion as at end December 2023. The increase in external debt stock was due to higher disbursements of USD 0.19 million and exchange rate variation (Dollar appreciation against other currencies) of USD 0.39 million compared to principal outflows of USD 0.15 million during quarter two.

Similarly, nominal external debt stock as a percentage of GDP increased from 28.9% to 29.6% in the same period. Figure 2 illustrates the comparison of external debt stock in September 2023 and December 2023.

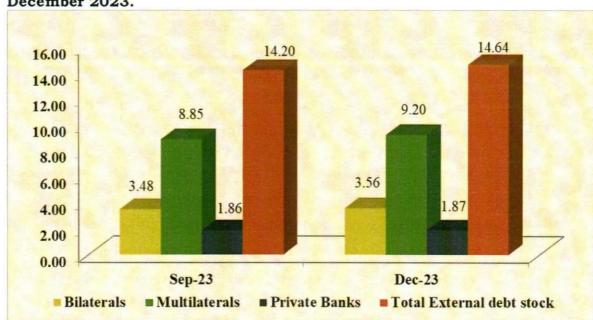


Figure 2: External debt stock in USD Billions as at end September 2023 and December 2023.

Source: MoFPED, DPID

The increased disbursements and reduced principal payments are illustrated in figure 3.

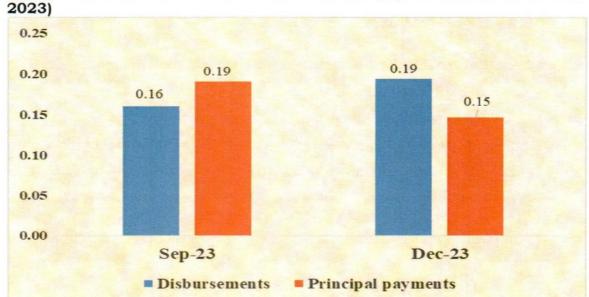


Figure 3: External debt disbursed and Principal payments (Sept 2023 – Dec 2023)

Undisbursed debt slightly reduced from USD 2.99 Billion as at September 2023 to USD 2.96 Billion by end December 2023. Bilateral creditors registered a reduction in the undisbursed amounts from USD 0.74 Billion to USD 0.66 Billion during the quarter. This was on account of the China disbursements for the Oil roads, Karuma Hydropower dam, Institute of Tecnopreneurship, Upgrade and expansion of Entebbe Airport, amounting to USD 49.48 million.

Undisbursed debt from Multilateral creditors slightly increased by USD 0.05 Billion while that from private banks remained unchanged at USD 0.03 Billion. The overall decreasing trend of undisbursed external debt over the quarters is attributed to deliberate efforts by Government to ensure projects' readiness for financing which results into timely project execution and disbursements.

Figure 4 demonstrates trends of undisbursed debt from December 2021 to December 2023.

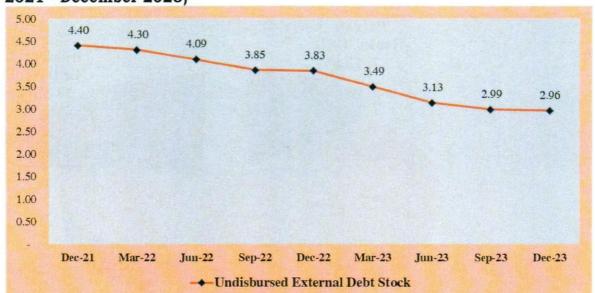


Figure 4: Trend of Undisbursed External Debt in USD Billion (December 2021 - December 2023)

### 6.2b. Creditor Composition

With a holding of 62.85% (USD 9.20 Billion), Multilateral Creditors continue to hold the largest portion of Uganda's external debt stock. The major Multilateral Creditors; International Development Association (IDA), International Monetary Fund (IMF) and African Development Fund (AfDF) hold the largest share of Uganda's external debt stock, equivalent to 52.77% (USD 7.73 Billion) of the external debt portfolio.

Among the other Multilateral Creditors; the African Development Bank (ADB), Islamic Development Bank (IDB) and International Fund for Agriculture (IFAD) held 10.08%, equivalent to USD 1.48 Billion as at end December 2023. Bilateral Creditors categorised into Paris Club and non-Paris Club share 6.48% (USD 0.95 Billion) and 17.88% (USD 2.62 Billion) respectively, while Private Banks held 12.80%, equivalent to USD 1.87 Billion.

The external debt stock by creditor composition as at end December 2023 is illustrated in figure 5.

Private
Banks, USD
1.87, 12.8%

Bilaterals,
USD 3.56,
24.35%

Multilaterals,
USD 9.20,
62.85%

Figure 5: External Debt stock by creditor composition (%) as at December 2023

Bilateral Creditors are dominated by Exim Bank of China and UKEF holding USD 2.51 Billion and USD 0.37 Billion respectively while Private Banks are dominated by Stanbic Bank holding USD 0.79 Billion during the same period.

Notably, the share of Multilateral Creditors out of the total external debt stock has increased from 62.35% as at end September 2023 to 62.85% as at end December 2023 along with reductions in the Bilateral and Private Bank shares from 24.52% and 13.13% to 24.35% and 12.80% respectively.

### 6.2c. Concessionality Type<sup>12</sup>

As illustrated in figure 6, the largest share of Uganda's external debt stock is concessional debt which stood at 53.42% (USD 7.82 Billion) as at end December 2023, having increased from 52.66% in the previous quarter ending September 2023.

<sup>&</sup>lt;sup>12</sup> Concessional loans provide a grant element of greater or equal to 35%, semi-concessional loans provide grant element of greater or equal to 25% and less than 35%, non-concessional loans, greater than 10% and less than 25% and commercial loans less or equal to 10%.

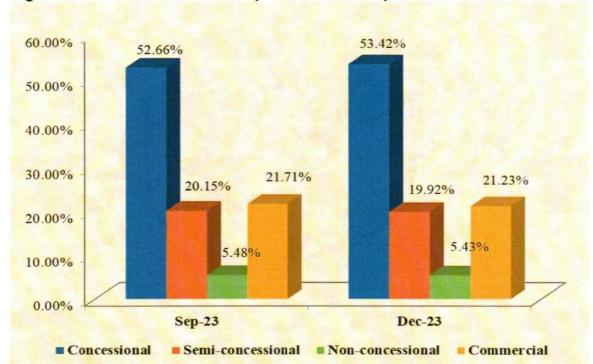


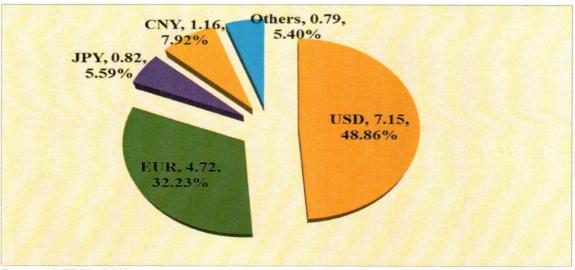
Figure 6: External Debt Stock by Concessionality as at end December 2023

On the other hand, the shares of other categories all registered a reduction. Semi-concessional debt reduced from 20.15% to 19.92%, non-concessional debt from 5.48% to 5.43% and commercial debt from 21.71% to 21.23% in the same period.

### 6.2d. Currency Composition.

The currency composition of Central Government external debt is dominated by four currencies; the USD, EUR, JPY, and CNY. This is illustrated in figure 7.

Figure 7: External Debt Stock by Currency Composition, end December 2023



As at December 2023, the largest share of external debt stock was denominated in USD currency which stood at 48.86% (USD 7.15 Billion), increasing from 48.26% (USD 6.85 Billion) in September 2023. On the other hand, the share of EURO denominated external debt stock reduced from 33.08% (USD 4.70 Billion) to 32.23% (USD 4.72 Billion). Other currencies which included AED, KRW, IQD, SAR, GBP and IDI took up a share of 5.40% while JPY and CYN comprised of 5.59% and 7.92% respectively during the quarter.

### 6.2e. Interest rate type

Fixed interest rates accounted for 68.18% (USD 9.98 Billion), while variable rate debt and no-interest-rate debt constituted 21.91% (USD 3.21 Billion) and 9.91% (USD 1.45 Billion) respectively. Figure 8 provides a visual representation of the external debt stock categorized by interest rate type as of the end of December 2023.

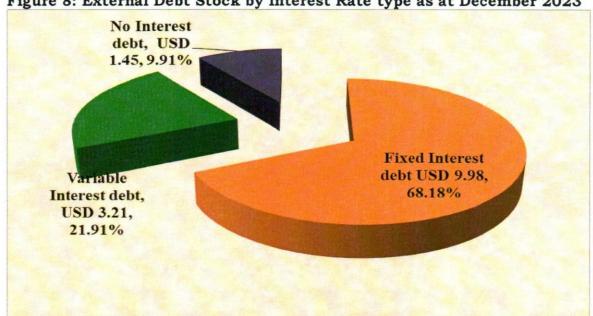


Figure 8: External Debt Stock by Interest Rate type as at December 2023

Source: MoFPED, DPID

Fixed interest rate debt registered an increase in composition of the external debt stock by 4.26% while variable rate debt and no interest rate debt experienced a decline. Variable rate debt reduced from 22.48% (USD 3.19 Billion) to 21.91% (USD 3.21 Billion) during quarter two. The shift is attributed to higher principal repayments in the variable rate debt than the disbursements which led to a reduction in the proportion of variable rate debt. This culminated in an increase in the fixed rate debt proportion.

Among the variable-rate debt from Bilateral creditors, China held the largest stock at USD 961.56 Million, followed by commercial creditors such as Standard Bank (USD 785.83 Million) and Trade Development Bank (USD 392.41 Million). The African Development Bank, under the multilateral creditors' category contributed USD 294.23 Million to the variable-rate debt.

#### 6.2f. External Debt Service

Quarter two of FY2023/24 registered a reduction in total external debt service to USD 219.58 Million from USD 295.49 Million in the previous quarter. This

was on account of less principal repayments falling within the second quarter of the financial year.

300.00 250.00 186.45 200.00 100.00 100.00 50.00

Figure 9: External Debt Service in USD Million, July - September and October - December 2023

Source: MoFPED, DPID

0.00

## As illustrated in figure 9;

July - Sept 2023

■ Principal ■ Interest

 a) Principal payments reduced from USD 186.45 Million in September 2023 to USD 146.04 Million by end December 2023.

Oct - Dec 2023

■ Fees ■ Total

- b) Interest payments reduced from USD 106.26 Million to USD 69.74 Million in the same period.
- Repayments in terms of fees increased from USD 2.77 Million to USD 3.79
   Million.

### 6.3 DOMESTIC DEBT

### 6.3a. Domestic Debt Stock Outstanding

The total domestic debt stock saw a notable increase of 4.8%, equivalent to UGX 1,738 Billion; from September 2023 to December 2023, rising from UGX 36,272.71 Billion to UGX 38,009.51 Billion- at cost. Within this, the T-bill stock reached UGX 6,118.57 Billion while, the T-bond stock amounted to UGX 31,590.94 Billion by December 2023. The increase in domestic debt the stock was primarily driven by the need to raise funds for several purposes: refinance maturing debt, addressing a oportion of the budget deficit, and recapitalise the Central bank.

During the period of assessment, the proportion of T-bills slightly reduced from 16.19% to 16.10% while, T-bonds increased from 83.81% to 83.90%. The increase in stock of T-bonds and reduction in T-bills was in line with the Government's deliberate effort to lengthen the maturity profile of domestic debt aimed at mitigating the refinancing risk.

The stock of Domestic debt stock has been on the increase as illustrated in Figure 10.

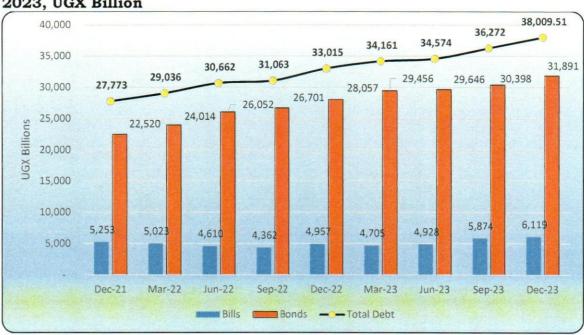


Figure 10: Domestic Debt stock trend from December 2021 to December 2023, UGX Billion

### 6.3b. Domestic Debt Issuances

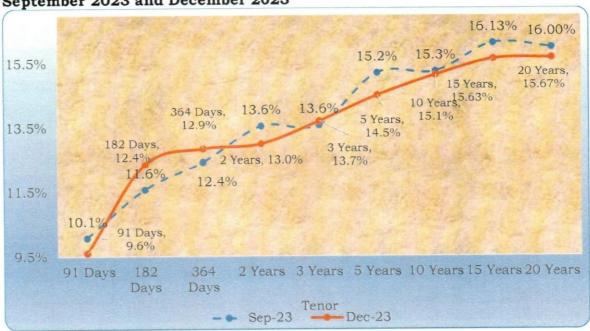
In the quarter two of FY2023/24, the total domestic debt issued at face value was UGX 3,898.77 Billion. Of this, UGX 2,170.19 Billion was issued in T-Bills and UGX 1,728.58 Billion was in T-Bonds (inclusive of UGX 217.29 Billion issued to recapitalise Bank of Uganda).

Of the T-bond issuances, UGX 204.65 Billion was issued in a bond switch/ non cash auction conducted on 18th October 2023. The auction was conducted to further smoothen the redemption profile.

## 6.3c. Domestic debt Quarterly Average Primary Market Yields

In comparison to the yields recorded in the quarter ended September 2023, the yields at end December 2023 generally edged downwards. The reduction in yields was attributed to reduction in inflation and a more accommodative monetary policy stance.

Figure 9 illustrates the general downward shift of the yield curve for Government securities between September and December 2023 illustrated in the figure 11.



#### 6.3d. Domestic Debt Service

Domestic debt service is composed of discount, coupon and redemptions payments on the stock of domestic debt. At the close of December, total domestic debt service reduced from UGX 5,242.7 Billion to UGX 3,233.7 billion compared to end September 2023. Notably, discount cost on treasury instruments rose to UGX 243.9 Billion, coupon payments (made semi-annually) on Treasury Bonds increased to UGX 1,064.5 billion and redemptions also increased to UGX 1,925.3 Billion. The reduction in debt service was attributed to fewer maturities falling due in the quarter.

The trend of Domestic debt service is depicted in Figure 12.



Figure 12: Domestic Debt Service, UGX Billion.

Source: MoFPED, DPID

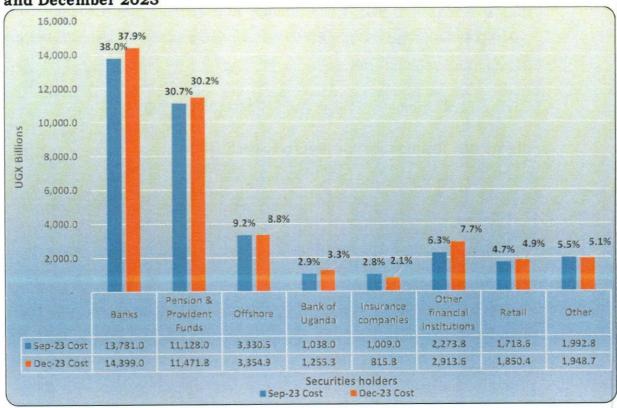
#### 6.3e. Holders of Government Securities

With the exception of Insurance companies, the holdings of all categories on players in the domestic debt increased. As was the case in September 2023, Commercial banks and pension and provident funds held 78.1% of the entire domestic debt portfolio; 37.9% for commercial banks and 30.2% held by pension and provident funds. Other financial institutions demonstrated more appetite

for Government securities with their holding raising by over UGX 600bn to UGX 2,914 billion, up from UGX 2,273 billion in the previous quarter.

A comparative illustration of the holding of Government securities for the period ended September 2023 and December 2023 is depicted in Figure 13.

Figure 13: Holders of Government securities at cost for September 2023 and December 2023



Source: BoU

#### 6.4 CONTINGENT LIABILITIES

#### 6.4a. GoU Loan Guarantees

In December 2023, there were a total of 12 active loan guarantees valued at USD 120.08 million. These guarantees were split between Uganda Development Bank Limited (UDBL), which held 9 loans, and Islamic University in Uganda (IUIU), which had 3 loans.

Among the creditors, the Islamic Development Bank (IDB) led with guarantees worth USD 29.01 million, constituting 22.44% of the total portfolio. The Arab Bank for Economic Development in Africa (BADEA) followed closely with guarantees totalling USD 26 million (21.65%). Guarantees from the African Development Bank (AfDB) and European Investment Bank stood at USD 15 million each, making up 12.49% of the portfolio individually. Additionally, the International Islamic Trade Finance Corporation had a guarantee of USD 10 million (8.33%), while the India EXIM Bank had a guarantee of USD 5 million (4.16%).

At the end of the period under review, the government's gross exposure in terms of disbursed and outstanding guaranteed debt was USD 56 million, indicating an 8.1% decrease from the previous quarter. This reduction was primarily due to loan repayments more than offsetting new disbursements to the institutions.

The nominal value of the guaranteed debt was 0.12% of the GDP by December 2023, notably lower than the 5% threshold outlined in the Charter of Fiscal Responsibility.

The current portfolio of guaranteed loans features extended maturity periods ranging from 7 to 25 years, with an average maturity of 8 years. This elongated timeframe suggests decreased yearly risk for the government in case of default, as the debt service is spread over a more extended period.

# 6.4b. Disbursed and Outstanding debt of State-Owned Entities and Extra Budgetary Units

As of the end of June 2023, the total debt stock of public entities (SOEs and EBUs) stood at UGX 10,309.02 billion (USD 2.811 billion), representing a 6.6% increase from the previous year's figure of UGX 9,673.7 billion (USD 2.64 billion). This uptick can be primarily attributed to disbursements made on newly acquired loans, as well as on existing loans, which more than offset the repayments made during the same period.

Table 18: Non-Guaranteed Debt and Other Liabilities of SOEs and EBUs, Million UGX

	Financial Year / UGX	
All in UGX Million	Jun-22	Jun-23
Domestic Borrowing	158,485	224,032
External Borrowing	181,206	304,122
Other debt (including lease contracts and overdrafts)	1,566,245	1,623,489
GoU On-Lent	7,767,721	8,157,378
Liabilities from grants and GoU contributions	1,255,337	1,467,105
Total outstanding debt excluding GoU on-lent loans	1,905,936	2,151,643
Total debt including GoU on-lent loans	9,673,657	10,309,021
Debt ratio (Total debt/total assets)13	24.23%	17.61%

Source: MoFPED, DPID

#### 6.4c. Stock of GoU on-lent loans

By the end of June 2023, the volume of on-lent loans saw a 5% increase, rising from UGX 7,767.7 billion in June 2022 to UGX 8,157.4 billion. This growth is largely due to new disbursements and accrued interest, which surpassed the repayments made in the reviewed period. A significant portion of these on-lent loans, over 93 percent, was allocated to the Uganda Electricity Generation

<sup>&</sup>lt;sup>13</sup> This is calculated for only entities with debt

Company Limited (UEGCL) and the Uganda Electricity Transmission Company Limited (UETCL). This funding primarily supported the development of key energy generation and transmission projects in Uganda. As of June 2023, the total on-lent loans from the Government of Uganda constituted 79.1% of the SOE's and EBU's total debt stock.

Table 19: Non-Guaranteed Debt and Other Liabilities of Local Governments, Million UGX

All in UGX Millions	June 2022	June 2023
Domestic loans	54.9	16.9
External loans	-	-
On-lending On-lending	-	-
Total outstanding debt including GoU on-lent	54.9	16.9
Current liabilities (including payables)	24,338	29,829
Other debts (including lease contracts and overdrafts)	-	-
Other LG contingent liabilities	8,562	6,492
Capital grants	-	-
Pension liabilities	23,638	12,541
Total (Implicit contingent liabilities)	56,594	48,878

Source: MoFPED, DPID

The level of debt owed by local governments in Uganda registered a reduction from UGX 54.9 million in June 2022 to UGX 16.9 million in June 2023. This reduction in debt, originating from a court case against Mbale City, is on a consistent decline. As of the end of June 2023, the total liabilities of Local Governments, encompassing both current and pension liabilities, stood at UGX 48,878 million. This represents a 14% decrease from the previous fiscal year's UGX 56,594 million. The decrease is mainly attributed to a decline in pension liabilities and other contingent liabilities associated with Local Government. Based on these figures, it is evident that the fiscal risk posed by Local Government debt is significantly lower in comparison to the risks from Guarantees, State-Owned Enterprises, and Extra Budgetary Units.

# 6.5 COST AND RISK OF THE EXISTING DEBT PORTFOLIO

Interest rates, repayment periods, and currency denominations significantly influence the overall cost and risk exposure of the country's current public debt portfolio, which includes both external and domestic debt.

# 6.5a. Refinancing and Rollover Risks

As at December 2023, the weighted average time to maturity of all the principal payments in the external debt portfolio (ATM) is 10.6 years and 6.4 years for domestic debt. The weighted time to maturity of all principal payments of the overall existing debt portfolio (external and domestic debt) is 8.9 years.

In comparison to the period ended September 2023, the weighted time to maturity for Uganda's debt reduced by 0.1 years from 9.0 years. This is largely attributed to increased acquisition of domestic debt which is of shorter maturity periods than External debt. The average time to maturity for external debt stock that was decreasing in the period ended June 2023 and September 2023 picked up to 10.6 years resulting from limited contraction of external debt during the period of assessment.

Domestic debt maturing in one year is 26.6% of the total domestic debt. This is a slight reduction from September 2023 where domestic debt maturing in one year as a percentage of total was 26.09%. This reflected an increased refinancing risk of domestic debt on account of increased redemptions during the quarter. On the other hand, external debt maturing in one year as a percentage of the total as at end December 2023 significantly reduced from 3.4% to 2.4%

#### 6.5b. Interest rate risk

Interest rate risk in December 2023 remained unchanged as the average time to re-fixing for total public debt was 8.3 years. A bigger proportion of Uganda's external debt stock 68.18% (USD 9.98 Billion) had fixed interest rates as at end December 2023. On average, it will take 9.85 years for all the external interest payments to be subjected to a new interest rate which indicates an improvement from 9.4 years registered in September 2023. On the other hand, domestic debt

average time to changing interest rates increased reduced to 6.4 years, down from 6.7 years in the previous period.

Uganda's exposure to risk associated with interest rates for the entire public debt portfolio is still relatively 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 fixed interest rate loans in the external debt portfolio.

# 6.5c. Exchange rate risk

Uganda's exposure to Foreign exchange risks reduced from during the period. This as the share of Short term foreign currency debt as a share of reserves reduced from 12.2% in September to 9.3% in December 2023.

A greater share of Uganda's public debt representing 59.30% (USD 14.64 Billion) was denominated in foreign currency as at December 2023 while 40.70% (USD 10.05 Billion) was in local currency.

#### PART VII: GLOSSARY OF DEBT AND RELATED TERMS

Agency This provides insurance, guarantees, or loans for the

export of goods and services from a creditor economy.

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 ongoing basis.

**Arrears** Amounts that are both unpaid and past the due date

for payment

Average time to Maturity Measurement of the weighted time to

maturity of all the principal payments in the

portfolio. (See maturity)

Average time to Refixing Measure of the average time until all the

principal payments in the debt portfolio become

subject to a new interest rate.

Bills Securities (usually short term) that give holders the

unconditional rights to receive stated fixed sums on a

specified date.

Bilateral Creditor In the context of external debt, these are official

agencies that make loans on behalf of one government

to another government or to public and publicly

guaranteed borrowers in another country. These

include governments and their agencies, autonomous

public bodies or official export credit agencies.

Borrower (debtor)

Organization or entity defined as such in the loan contract which usually is responsible for servicing the debt.

**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 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 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 grace periods, or a combination of these. Concessional loans typically have long grace periods.

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 nation of residence by the lender.

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 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 principal or interest.

# Debt Disbursed and outstanding

The amount that has been transferred to the borrower from a loan commitment but has not yet been repaid or forgiven.

Debt Instrument(s)

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

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 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.

Deep Discount Bond coupon

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

Disbursed Loans

The amount that has been transferred to the borrower from a loan but has not yet been repaid or forgiven.

**Domestic Currency** 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 creditor economy. 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 supplier's credits; export credits extended by a financial institution, or an export credit agency in the exporting economy are known as buyer's credits

External Debt

At any given time, is the outstanding amount of those actual current, and not contingent, liabilities that require payment(s) of interest and/or principal by the debtor at some point(s) in the future and that are owed to non-residents by residents of an economy.

Face Value

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 *principal* 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 *debt service* payments to be made by the borrower expressed as 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 2008 SNA 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 World Bank Group and is commonly referred to as the World Bank (see also World Bank Group).

# International Development Association (IDA)

IDA, established in 1960, is the concessional lending arm of the *World Bank Group*. 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 payments 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 nonnegotiable 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 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 instruments the value of the debt at creation, and any subsequent economic flows, such as transactions (e.g., repayment of *principal*), valuation changes

#### 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.

#### 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. This 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 Original Maturity and Remaining Maturity).

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

Term often used by financial markets and fiscal analysts as debt that has been legally 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.

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.

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 basis.

**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.

