



# UGANDA

## TECHNICAL ASSISTANCE REPORT—REPORT ON THE MONETARY AND FINANCIAL STATISTICS MISSION

September 2017

This technical assistance report on Uganda was prepared by a staff team of the International Monetary Fund. It is based on the information available at the time it was completed in June 2016.

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# **INTERNATIONAL MONETARY FUND**

Statistics Department



## **UGANDA**

**TECHNICAL ASSISTANCE REPORT ON THE MONETARY AND FINANCIAL  
STATISTICS MISSION  
(April 4–15, 2016)**

**Prepared by Edgar Ayales and Cormac Sullivan**

**June 2016**

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### LIST OF ACRONYMS

BOU	Bank of Uganda
BSA	Balance sheet approach
CBS	Central Bank Survey
CMA	Capital Markets Authority
DCS	Depository Corporation Survey
DSBB	IMF's Dissemination Standards Bulletin Board
EAC	East African Community
e-GDDS	IMF's Enhanced General Data Dissemination System
FOREX	Foreign exchange
FSI	Financial soundness indicator
GDDS	General Data Dissemination System
<i>IFS</i>	<i>International Financial Statistics</i>
IMD	Integrated Monetary Database
IRA	Insurance Regulatory Authority of Uganda
MDI	Microfinance deposit-taking institution
MFS	Monetary and financial statistics
<i>MFSM</i>	<i>Monetary and Financial Statistics Manual</i>
MSDDD	Monetary Statistics and Data Dissemination Division, Statistics Department, Bank of Uganda
NDTMFI	Non deposit-taking microfinance institution
NSDP	National Summary Data Page
NSSF	National Social Security Fund
ODC	Other depository corporation
OFC	Other financial corporation
SACCO	Savings and credit cooperative
SD	Statistics Department, Bank of Uganda
SDDS	IMF's Special Data Dissemination Standard
SRF	Standardized report form
STA	IMF's Statistics Department
UDB	Uganda Development Bank
URBRA	Uganda Retirement Benefits Regulatory Authority
USE	Uganda Securities Exchange
U Sh	Ugandan shilling

## EXECUTIVE SUMMARY

In response to the request from the Bank of Uganda (BOU), a monetary and financial statistics (MFS) mission from the IMF's Statistics Department (STA) visited Kampala during April 4–15, 2016. The mission team comprised Mr. Edgar Ayales, MFS expert, and Mr. Cormac Sullivan, Information Management Assistant in the STA's Statistical Information Management Division. The mission was conducted in the context of the Japan Administered Account for Selected IMF Activities: *Project for the Financing of Technical Assistance Activities Supporting Preparations for Monetary Union in the Monetary Policy and Statistical Areas in the East African Community (EAC)*.

The main objectives of the mission were to work with the relevant staff at the BOU to (1) compile the sectoral balance sheet of other financial corporations (OFCs) using the IMF's Standardized Report Form (SRF-4SR); (2) expand the coverage of the other depository corporations (ODCs) in the SRF-2SR to include savings and credit cooperatives (SACCOs); (3) follow up on the progress in compiling intra-EAC positions; and (4) review MFS data currently submitted to STA (including interest rates and monetary aggregates).

The mission reviewed the mappings of source data for SACCOs to the SRF-2SR, as well as source data for insurance companies, the National Social Security Fund (NSSF) and private pension schemes, non-deposit taking microfinance corporations (NDTMFIs), the Uganda Development Bank (UDB), and foreign exchange (FOREX) bureaus to the SRF 4SR, and ensured that the mappings are in line with the recommendations in the IMF's *Monetary and Financial Statistics Manual and Compilation Guide*. The mission also reviewed background data for investment funds.

The source data were generally sufficient for mapping, once various clarifications were provided in bilateral meetings with the Uganda Retirement Benefits Regulatory Authority (URBRA), the Insurance Regulatory Authority, the umbrella institution for SACCOs, and the UDB. The mappings were agreed with the regulatory authority for each subsector and staff of the BOU's Statistics Department (SD). In addition, the mission met with the compilers of monetary aggregates and interest rate data (5SR and 6SR, respectively). The mission recommended improvements to the coverage of 6SR, including the inclusion of government bond yields and stock exchange data.

At the request of the authorities, the mission provided half-day training to 65 representatives of the ODCs who are responsible for the compilation and submission of 2SR data to the BOU. The mission also made presentations to staff of the SD and Research and Policy Directorate on currency union statistics and balance sheet analysis to assess debt vulnerabilities. The training and presentations were well received by the participants.

In the context of the EAC's initiative to establish a currency union, the mission reviewed and made recommendations to improve the report form used by the BOU to compile data for

intra-EAC positions for the central bank (1SR) and ODCs (2SR). Data are currently compiled but not yet transmitted to the EAC Secretariat. The mission also reviewed the form developed by the EAC Secretariat to be completed by each EAC partner state, identifying intra/EAC positions, which are needed for compiling union-wide monetary data.

The mission discussed with BOU officials the compilation and reporting of the expanded SRF-2SR, including SACCOs and SRF-4SR for OFCs, to the IMF for surveillance purposes and for publishing in the IMF's *International Financial Statistics (IFS)*. The mission recommended that the BOU report the expanded SRF-2SR and the SRF-4SR to STA for publication in *IFS* as described below.

The benchmarks selected for evaluating the effectiveness of technical assistance are to (1) submit to the IMF data using the 4SR for the National Social Security Fund, Uganda Development Bank, foreign exchange bureaus, and non-deposit-taking microfinance institutions (by June 30, 2016); (2) submit to the IMF data using the 4SR for insurance companies, private pension schemes, and investment funds (by December 31, 2016); and (3) compile a record of intra-EAC positions for the central bank and other depository corporations (ODCs) (by June 30, 2016).

The BOU gave its consent to the distribution of the report to IMF staff and Executive Directors.

### **ACTION PLAN**

The mission's recommendations are aimed at improving (1) the collection and compilation of MFS based on the IMF's *Monetary and Financial Statistics Manual (MFSM)*; (2) the reporting of the SRF-2SR for ODCs, SRF-4SR for OFCs, 5SR for monetary aggregates, and 6SR for interest rates to the STA for publication in *IFS* and to the IMF's African Department for surveillance purposes; and (3) the collection of data on intra-EAC positions with the objective of compiling consolidated regional monetary aggregates. The compilation of monetary statistics and the expansion of its institutional coverage based on the *MFSM* will improve data quality and usefulness for policy analysis.

The mission discussed with the BOU counterparts a work plan, described in the following project framework summary. BOU management and staff were of the view that the BOU could expand the reporting of ODC data in the SRF-2SR for ODCs by June 30, 2016. They also believed that they could compile and report a comprehensive SRF-4SR by December 30, 2016. The BOU will start reporting revised 5SR and 6SR data by April 30, 2016. The BOU could also start compiling intra-EAC positions immediately using the report form and procedures discussed with the mission. Submission of these data to the EAC will be done after a formal request from the EAC Secretariat.



## PROJECT FRAMEWORK SUMMARY

Country **Uganda**

Project Description **Technical Assistance in Monetary and Financial Statistics**

### PROJECT OBJECTIVES

Description	Verifiable Indicators	Assumptions
Expand the institutional coverage of monetary statistics for the ODCs and develop practices for compiling data for the OFC sector in accordance with the <i>MFSM</i> .	Monetary statistics for ODCs expanded and data for OFCs are compiled based on the <i>MFSM</i> .	The relevant financial corporations are willing and able to provide suitable source data.

### PROJECT OUTPUTS

	DQAF	Priority	Outputs	Verifiable Indicators	Completion Date	Assumptions/ Implementation Status
1	5.1.1.	High	Review and begin using the spreadsheets developed with the assistance of STA missions to compile the SRF- 2SR for SACCOs beginning with December 2014 data. Increase the frequency of data collection, so that the timeliness matches the periodicity (quarterly).	The MSDDD compiles the SRF-2SR for SACCOs and incorporate the data in the SRF-2SR for the ODCs sector beginning with December 2015 data. Timeliness of data matches their frequency (quarterly).	06/30/2016	Source data reviewed and mapping verified. The BOU already compiles data for SACCOs in the 2SR format. Efforts are being made to improve the timeliness of data.
2	5.1.1.	High	Review and begin using the spreadsheets developed with the assistance of STA missions to compile the SRF-4SR for the NSSF, UDB, FOREX bureaus, and NDTMFIs, beginning with December 2014 data.	The MSDDD compiles the SRF-4SR for the NSSF, UDB, FOREX bureaus, and NDTMFI, with data from December 2014.	06/30/2016	Source data were reviewed and mapping procedures verified for the NSSF, UDB, FOREX bureaus, and NDTMFIs. The BOU has already made arrangements with all OFCs for the reporting of data on the 4SR format.
3	5.1.1.	High	Review and begin using the spreadsheets developed with the assistance of STA missions to compile the SRF-4SR for insurance companies, private pension schemes, and investment funds, beginning with December 2014 data. The	The MSDDD compiles the SRF-4SR for insurance companies, private pension schemes, and investment funds, beginning with December 2014 data.	06/30/2016	Source data were reviewed and mapping procedures verified for the insurance companies, and private pension schemes. Background data for the investment funds were reviewed and draft report form for the

	DQAF	Priority	Outputs	Verifiable Indicators	Completion Date	Assumptions/ Implementation Status
			SD and CMA collaborate in developing a unified report form for the four existing funds.			investment funds was developed.
4	5.1.1.	High	Submit to STA the expanded SRF-2SR, including SACCOs beginning with June 2014 data.	The MSDDD reports to STA the expanded SRF-2SR for publication in <i>IFS</i> .	06/30/2016	The BOU is prepared to begin regular reporting of the expanded 2SR by June 30, 2016. Procedures have been established to ensure that from that point, the submissions will be done on a regular and timely basis.
5	5.1.1.	High	Submit to STA the SRF-4SR for the NSSF, UDB, FOREX bureaus, and NDTMFIs, for eventual publication in <i>IFS</i> .	The MSDDD submits to STA the SRF-4SR for the NSSF, UDB, FOREX bureaus, and NDTMFIs readily available for publication in <i>IFS</i> .	06/30/2016	The BOU will submit OFC data using the 4SRF for the NSSF, UDB, FOREX bureaus, and NDTMFIs by June 30, 2016. <b>(Benchmark action)</b>
6	5.5.5.	High	Submit to STA the SRF-4SR for insurance companies, private pension schemes, and investment funds.	The MSDDD submits to STA the SRF-4SR for insurance companies, private pension schemes, and investment funds.	12/31/2016	The BOU will submit OFC data using the 4SRF for insurance companies, private pension schemes, and investment funds by December 31, 2016. <b>(Benchmark action)</b>
7	5.1.1.	High	Compile intra-EAC positions from BOU and ODCs. The BOU links their monthly receipt of data on intra-EAC positions to the files provided by the mission. This will allow them to compile data on both national and EAC-wide residency criteria	The MSDDD designs, tests and adopts the form developed with the assistance of the mission.	06/30/2016	The report form was reviewed and agreed upon. The BOU already started collecting the data. A plan is being developed to collect intra EAC positions from OFCs. <b>(Benchmark action)</b>
8	5.1.1.	Medium	Develop a work plan for collecting intra-EAC data from OFCs.	The MSDDD develops a plan to compile OFC data specifying the intra-EAC positions.	12/31/2016	The mission discussed the main elements for the new report form. The MSDDD is the process of developing the form.
9	5.1.1.	High	Report data for BOU and ODCs to the EAC Secretariat on the form	The SD submits the form regularly to the EAC Secretariat,	12/31/2016	Data for ODCs are already compiled and data for the BOU will be

	DQAF	Priority	Outputs	Verifiable Indicators	Completion Date	Assumptions/ Implementation Status
			provided by the EAC Secretariat.	specifying intra-EAC positions.		compiled by June 30, 2016. However, the data will be submitted only after the EAC Secretariat makes a formal request.
10	5.1.1.	High	Review and expand the data and metadata on interest rates reported in 6SR, including regular reporting of the all-share index. Streamlined procedures are adopted to ensure that the data and metadata are maintained updated.	The MSDDD submits to STA a revised and expanded 6SR and regular procedures are adopted to ensure the regular updating of data and metadata on interest rates.	30/06/2016	The expanded 6SR (including an all-share index) will be submitted to the IMF by April 30, 2016. The data will be submitted monthly with a lag of one month after the end of the reference period. Procedures are being adopted to ensure the regular updating of data and metadata.
11	5.1.1.	High	Review the data and metadata on monetary aggregates reported in report form 5SR.	The MSDDD submits to STA a revised report form 5SR.	06/30/2016	Data and metadata were revised and the new 5SR will be transmitted to the IMF on a regular basis beginning April 30, 2016.
12	5.1.1.	High	Stop reporting M2A in the 5SR, as no institutions issue certificates of deposit and therefore there is no difference with M2.	The MSDDD reports revised monetary aggregates to STA.	06/30/2016	Revised form 5SR will be transmitted to STA by June 30, 2016.
13	3.2.1.	High	The MSDDD should review the central bank balance sheet periodically and invest time in determining how to minimize the need for monthly ad-hoc mapping of new accounts.	Procedures are established to review periodically the creation of new accounts in the balance sheet.	6/30/2016	Resources are dedicated to establish quality verification controls to ensure the adequacy of source data for the compilation of the analytical accounts of the BOU.
14	0.2.1.	High	Given the increase work load in the SD, the mission recommends that the BOU proceed to fill the two existing vacancies in the OFC unit.	The two vacancies in the OFC Unit of the SD are filled.	6/30/2016	Administrative decisions need to be made to increase the staffing of the OFC unit.

	DQAF	Priority	Outputs	Verifiable Indicators	Completion Date	Assumptions/ Implementation Status
15	5.1.1.	High	Adopt improvements suggested by the mission in the presentation of data and metadata in the <i>Statistical Abstract</i> .	Improvements are reflected in the <i>Statistical Abstract</i> .	12/31/2016	The Data Dissemination Unit within the MSDDD is willing and ready to adopt the mission recommendations.
16	5.1.1.	High	Update the data and metadata posted on the DSBB and strengthen the inter-institutional coordinating mechanism to ensure that this is done on a regular basis.	Data and metadata on the DSBB are updated.	6/30/2016	BOU to coordinate with the National Bureau of Statistics to establish an effective coordinating mechanism for updating Uganda's information on the DSBB.

## I. INTRODUCTION

1. A monetary and financial statistics (MFS) mission from the IMF's Statistics Department (STA) visited Kampala during April 4–15, 2016. The mission was conducted in the context of the Japan Administered Account for Selected IMF Activities: *Project for the Financing of Technical Assistance Activities Supporting Preparations for Monetary Union in the Monetary Policy and Statistical Areas in the East African Community (EAC)*. The mission was undertaken with strong support from the IMF's African Department (AFR). The main objectives of this mission were to work with the relevant staff at the BOU to (i) expand the coverage of the other depository corporations (ODCs) in the IMF's Standard Report Form (SRF)-2SR to include savings and other credit cooperatives (SACCOs); (ii) compile the sectoral balance sheet of other financial corporations (OFCs) using SRF-4SR; (iii) follow up on the progress in compiling intra-East African Community (EAC) positions; and (iv) review MFS data currently submitted to STA (including interest rates and monetary aggregates), all in accordance with the methodology set out in the IMF's *Monetary and Financial Statistics Manual (MFSM)*.

2. This report documents the mission's findings and recommendations, which were discussed with BOU staff. In particular, it covers the mission's work with BOU staff on reviewing the institutional coverage, developing new expanded reporting forms, and reviewing and mapping source data for SACCOs and OFCs to the SRFs 2SR and 4SR, respectively. The mission also met with regulatory authorities for insurance corporations and pension funds to discuss implementation of the new reporting forms.

3. The mission would like to express its deep appreciation to BOU's management and staff for their full support and close cooperation with the mission during its stay in Kampala. The BOU staff's collaboration contributed significantly to the achievement of the mission's objectives. The list of officials met by the mission is presented in Appendix I.

## II. IMPLEMENTATION OF PREVIOUS MISSIONS' RECOMMENDATIONS

4. STA fielded two Enhanced Data Dissemination Initiative missions to Uganda during February 28–March 11, 2011, and March 26–April 6, 2012, to assist in developing MFS following the recommendations of the *MFSM* (Appendix II). Those missions helped BOU authorities to begin mapping and reporting source data for the central bank and ODCs to the SRFs 1SR and 2SR, respectively. The SRFs 1SR and the 2SR are now regularly reported with data going back to 2001. The SRF 2SR reflects the new reporting system that was developed several years ago.

5. A third MFS mission from STA in January 2015 proposed expanding the coverage of the SRF-2SR and initiating compiling and reporting SRF-4SR for the OFC sector. Two benchmark actions were to produce and disseminate an expanded depository corporation survey (DCS) that would include credit institutions and deposit-taking microfinance organizations, and this DCS is now being produced. The benchmark that a methodology

paper to document data sources and methods for compiling monetary statistics be produced was also met and the paper has been disseminated along with a note on changes in compilation of monetary statistics provided to users.

6. Other recommendations included expanding the DCS to include SACCOs. These data have been collected as of September 2011, and they are now incorporated into the SRF-2SR. The expanded 2SR will be submitted to the IMF by June 30, 2016. The recommendation to compile data for the SRF-4SR for OFCs is at an advanced stage of implementation. The BOU will submit OFC data using the 4SRF format in two stages: (i) data for the National Social Security Fund (NSSF), Uganda Development Bank (UDB), foreign exchange (FOREX) bureaus and non-deposit taking microfinance corporations (NDTMFIs) will be reported by June 30, 2016; and (ii) data for the rest of the OFC sector (insurance companies, private pension schemes, and investment funds) will be submitted to the IMF by December 31, 2016.

7. In the context of the decision to establish a currency union in the EAC region, the mission also reviewed (i) the report form that the BOU will use to compile data from the BOU and ODCs specifying intra EAC positions; and (ii) the report form that the EAC Secretariat will use to collect data from member countries in order to produce consolidated monetary aggregates for the union. Data are being collected but have not yet been submitted to the EAC Secretariat.

### III. COLLECTION AND COMPILATION OF MONETARY STATISTICS FOR OTHER DEPOSITORY CORPORATIONS

8. The financial sector in Uganda has assets equal to 60.3 percent of GDP as of end-June 2015, as shown in Table 1 below. The BOU holds total assets equivalent to 19.2 percent of GDP; depository corporation assets equaled 30 percent of GDP; and the OFC sector holds assets equivalent to 10.4 percent of GDP, of which insurance corporations and pension funds accounted for 9.4 percent (the NSSF accounted for 7.5 percent), and other financial intermediaries accounted for 1 percent.

**Table 1. Uganda: Size and Composition of Financial Sector**

Subsector / Institutions	% of GDP	% of Financial System	% of Subsector	Total Assets (UG Bn)
<b>BOU</b>	<b>19.18%</b>	<b>31.82%</b>	<b>100.00%</b>	<b>14,304</b>
<b>ODCs</b>	<b>30.74%</b>	<b>51.00%</b>	<b>100.00%</b>	<b>22,923</b>
Commerical Banks	29.07%	48.22%	94.55%	21,673
Credit Institutions	0.49%	0.81%	1.59%	365
MDIs	0.48%	0.80%	1.57%	360
SACCOs	0.70%	1.17%	2.29%	525
<b>OFCs</b>	<b>10.35%</b>	<b>17.17%</b>	<b>100.00%</b>	<b>7,719</b>
NSSF	7.51%	12.46%	72.55%	5,600
Forex	0.11%	0.19%	1.10%	85
NDTMFIs	0.46%	0.77%	4.46%	344
UDB	0.23%	0.38%	2.20%	170
Investment Funds	0.01%	0.01%	0.06%	5
Insurance	1.23%	2.04%	11.85%	915
Pension	0.80%	1.33%	7.77%	600
<b>Total</b>	<b>60.28%</b>	<b>100.00%</b>	<b>N/A</b>	<b>44,946</b>

### A. Bank of Uganda

9. Monetary statistics are collected, compiled, and disseminated by the BOU's Statistics Department (SD) under the terms and conditions set out in the Bank of Uganda Act, 2000. The BOU is authorized by law to request necessary information and gather statistical information from commercial banks, credit institutions, microfinance deposit-taking institutions (MDIs) and FOREX bureaus, and to publish statistical information. The SD's Monetary Statistics and Data Dissemination Division (MSDDD) is responsible for (i) research on the statistical methodology, data collection, verification, processing and compilation of MFS; (ii) dissemination of monetary and financial, balance of payments, government debt, and some real sector indices; and (iii) maintaining harmonization with international standards and the Official Statistical Program.

10. The mission reviewed the central bank balance sheet and procedures for compiling and disseminating statistics and was generally satisfied. Some small issues were identified and relevant changes were introduced during the mission. These include the following:

- In 2013-M4, the bank changed its system for compiling the BOU balance sheet, introducing some fluctuations in the data. The mission reviewed these accounts and was satisfied that the changes represented an improvement in data quality.
- The mission suggested that BOU attempt to populate the memorandum items section.
- ***Recommendation:** The mission recommended that the MSDDD continue to periodically review the central bank balance sheet and invest time in determining how to minimize the need for monthly ad-hoc mapping of new accounts.*

### B. Other Depository Corporations

11. At end-2014, the ODC sector in Uganda consisted of 25 commercial banks, 4 credit institutions, 4 MDIs, and about 3,000 SACCOs. Currently, the data compiled and reported on the SRF-2SR cover all of these institutions with the exception of the SACCOs.

12. The mission reviewed the balance sheet and compilation procedures for the commercial banks, credit institutions, and microfinance deposit-taking institution MDIs. There were no issues with mapping or data quality for these sectors. The mission suggested that the BOU attempt to populate the memorandum items section.

#### **Savings and credit cooperatives**

13. SACCOs provide small loans to households. Loans for small agricultural investments, personal use, and homebuilding purposes constitute 80 percent of their lending. Their activities are financed by a combination of deposits from households and funds contributed by owners.

14. Communication between the BOU and SACCOs is facilitated by the Uganda Cooperative Savings and Credit Union, which is an association of SACCOs. A regulatory regime is being developed by the government of Uganda in consultation with other stakeholders, including the BOU, at least for the larger SACCOs. The SACCOs recognize the potential benefits of standardization and oversight, including the possibility of more customers and better access to financing. There is currently no deposit insurance, but a main objective of the new regulatory regime is to introduce it, perhaps by expanding the existing deposit insurance for banks.

15. The BOU began the regular collection of their data using the report forms devised by the previous mission and has been able to create accounts beginning in 2011-M9. The mission reviewed the mapping used and validated the data that has been collected. Therefore, the mission endorsed the inclusion of SACCOs' data in the reporting on ODCs. In addition, the mission made recommendations for improving the accuracy, timeliness, and coverage of reporting on the subsector. These are outlined below.

16. The BOU collects data from about 176 SACCOs, which constitute 71 percent of the sector. These data are extrapolated to provide representative accounts for the sector. This approach was taken as the remaining institutions are very small, geographically remote, and unable to be able to meet the reporting burden. It was agreed at the EAC level that each partner state would agree to report data based upon on a representative sample of at least 70 percent of the deposits included in the broad money of the subsector.

17. The reported data was of high quality; however, the mission was keen to ensure that the assumption regarding the relative size of the sampled data was regularly verified. The mission recommended that the BOU make an annual attempt to estimate the size of the subsector, so that the coefficient representing the relative size of the reporting institutions can be adjusted.

18. The mission expressed some concern that data were only collected from SACCOs twice a year, resulting in a long lag between submission periods. The mission recommended that the BOU investigate the possibility of increasing the resources allocated to funding the survey of SACCOs, so that the timeliness matches the periodicity (quarterly). In the interim, the mission recommended that the BOU carry forward data from the most recent survey and revise upon the receipt of final data.

- **Recommendation:** *The mission recommended that the MSDDD begin disseminating a revised 2SR to include data for SACCOs immediately. In addition, the mission recommended that the MSDDD increase the frequency of data collection, so that the timeliness matches the periodicity (quarterly).*



#### IV. COLLECTION AND COMPILATION OF MONETARY STATISTICS FOR OTHER FINANCIAL CORPORATIONS

19. The OFCs sector in Uganda comprises the NSSF, 130 private pension funds, 29 insurance companies and 1 reinsurance company, 246 FOREX bureaus, over 180 NDTMFIs, the UDB, and 4 investment funds.

20. The mission determined that a 4SR should be available for publication by June 30, 2016, containing the following sectors:

- NSSF
- FOREX bureaus
- NDTMFIs
- UDB

21. A comprehensive 4SR should be available for publication by December 31, 2016, including the following additional sectors:

- Investment funds
- Insurance companies
- Private pension funds

##### A. National Social Security Fund

22. The OFCs sector in Uganda is dominated by the NSSF, which accounts for 85 percent to 90 percent of total assets in the sector. The NSSF is a publicly owned investment company that collects contributions from households. The mission reviewed the data collected by the BOU and confirmed the finding of the 2015 mission regarding the fact that the data were of publishable quality.

23. Data were available from 2011-M12 and reported with a lag of one month. The data were generally of good quality. The mission made some recommendations to align with *MSFM* recommendations, including reporting fixed assets on a gross basis and moving accumulated depreciation to the account on the liabilities side that exists for that purpose. The mission clarified that general provisions represented small payables and were better classified as other accounts payable rather than other provisions. Similarly, the mission reviewed 'provisions for bad debts' and determined that this account contained more than conventional loan provisions. The BOU was advised to request a breakdown of these between normal accounting provisions and reserves established to cover an ongoing legal dispute relating to a bad loan, in this case relating to a nonfinancial investment. The mission also mapped all accounts, including accounts where there are currently no data, as these accounts may show transactions in future. This mapping has been provided to the authorities.

24. As the NSSF is such a large part of the OFCs sector, the mission considered the confidentiality implications of publication of the data in the 4SR. The recommendation of the

2015 mission was to wait until compilation of the pension fund and insurance companies' data. However, given the introduction of data from the UDB, FOREX bureaus, and NDTMFIs, the mission recommends that the 4SR be published upon receipt of data from these sectors. This is expected by June 30, 2016.

25. **Recommendation:** *The mission recommended that the MSDDD include data for the NSSF in the 4SR for the OFC sector and submits it to the IMF by June 30, 2016.*

### **B. Private Pension Funds**

26. The Ugandan financial system comprises 131 pension funds. Their total assets account for 680 billion Ugandan shilling (U Sh). The sector is regulated by the Ugandan Retirement Benefits Regulatory Authority (URBRA), which was established in 2014.

27. At the time of the mission (April 2016), only two of the 54 surveyed institutions had submitted their year-end returns for 2015 to the regulator. A number of issues were identified that prevented effective reporting, including limited capacity in the smaller institutions, weak supporting infrastructure (e.g., auditors trained to certify pension funds), and the relative infancy of both the regulator and the sector more broadly.

28. The URBRA currently receives the majority of its data through the filing of paper reports and hard copies of annual financial statements. The mission recommended that the BOU work with the regulator to establish an electronic directory of contacts for each institution, and encouraged the regular reporting of electronic data. It is envisaged that this would increase the capacity of the URBRA and facilitate greater responsiveness from reporting institutions.

29. Several entities developed their own pension schemes before the establishment of a regulator. These schemes have therefore been included in the reports of their parent company. This is the case for the BOU, commercial banks, and insurance companies that operate several of the largest private pension funds in the country. The mission recommended that the BOU contact the relevant agencies and work with them to separate the reporting of the positions of their pension funds.

30. The mission recommended that the URBRA and BOU coordinate a strategy for using quarterly returns on investment and membership to populate the majority of the form on a regular basis. It was suggested that the remaining accounts could be estimated based on the weight of these positions in the BOU pension fund (which constitutes 39 percent of the sector).

31. The mission emphasized the need for a simple report form given the limited capacity of the regulator at this time. This should not impair the compilation of MFS as the balance sheets of Ugandan pension funds are relatively straightforward. They invest in just four

products (government securities, fixed deposits with ODCs, shares, and nonfinancial investments) and their liabilities are largely the contributions of their members.

32. **Recommendation:** *The mission recommended that the MSDDD include data for private pension funds in the 4SR for the OFC sector and report it to the IMF by December 31, 2016. The MSDDD should work with the depository corporations and other financial corporations that operate pension funds to separate the positions of the pension funds from their balance sheets. Also, the MSDDD should coordinate with URBRA the estimation of quarterly positions of pension funds based on the quarterly returns on investments membership information.*

### C. Insurance Companies

33. The Ugandan insurance industry has 29 companies, operating a range of life (8) and non-life (21) packages. Since the passing of the Insurance Act in 2011, insurance companies have become a significant component of the OFCs sector.

34. The mission met with an insurance company to review their balance sheet, discuss the challenges they face regarding regular reporting, and discuss the problems of harmonizing insurance and MFS terminology in report forms.

35. In addition, the mission met with the Insurance Regulatory Authority (IRA), which has agreed to oversee the distribution of the Call Report Form. The mission worked with the BOU and the IRA to gain agreement on a report form that could be used for statistical compilation and implemented without placing too great a burden on the reporters. Following several rounds of consultations, the parties reached agreement on the report form. The IRA agreed to send it to all insurance companies before end-April 2016, to be completed and returned. This first round of data collection would then be followed by training by BOU for all compilers by July 2016, based upon the *MFSM* and tailored to the issues encountered. Regular reporting is envisaged to follow from this, with regular reporting of quarterly data for 2016-M6. The mission provided mappings for both life and non-life insurance companies to the 4SR, to facilitate reporting.

36. The IRA advised that it may prove difficult to obtain a sectoral breakdown for insurance technical reserves as insurers typically record their policies according to the class of policy (fire, car, theft etc.) rather than by sector. The mission advised that in the short term, a workable estimate of the breakdown should be compiled. In addition, the mission recommended that the BOU provide assistance to the reporting institutions, so that this breakdown will be available in the medium term.

37. While reviewing the balance sheets of insurance companies, the mission observed that several institutions were reporting the positions of affiliated pension funds. This was done as the pension regulator (URBRA) has not been active in requiring regular reporting and the law requiring the separate reporting of the insurance and pension business was only

recently enacted. The mission recommended that, given the weakness in the URBRA's capacity for data collection and the potential disruption caused by imposing separate reporting at this time, the pension business be reported to the IRA for the short term. As these are both components of the OFCs sector, this should not affect the compilation of the 4SR.

38. The IRA and the URBRA will coordinate a strategy to correct the reporting of these institutions. In addition, the mission recommended that the BOU monitor closely the reporting to avoid any possibility of double counting. In addition, the mission recommended that the BOU ensure that the pension fund of the BOU and the ODCs sector were not being included in regular reporting of the 1SR and 2SR.

39. **Recommendation:** *The mission recommended that the MSDDD include data for insurance companies in the 4SR for the OFC sector and report it to the IMF by December 31, 2016.*

#### **D. Non-Deposit Taking Microfinance Institutions**

40. The NDTMFI subsector provides loans, primarily to households. The size of these loans varies from U Sh80,000–100,000,000 with an average of U Sh3,500,000. Households use these loans for a variety of purposes, including the funding of education, healthcare, and other routine investments. There are currently over 180 NDTMFIs operating in Uganda, though the industry is dominated by a small number of large institutions.

41. The mission met with the chief executive officer of the largest NDTMFI (representing roughly 25 percent of the assets of the subsector) in order to get clarification on the nature of the industry and the perceived advantages and costs associated with reporting MFS data to the BOU.

42. Data are currently produced on a quarterly basis. However, some NDTMFIs provide data on a monthly basis, in order to report to their parent organization. The data are reported twice annually, covering two quarters per submission. This lag stems from capacity issues at the BOU, which has to cover the additional burden of funding, compiling, and disseminating quarterly NDTMFI and SACCO surveys. It is recommended that the BOU invest time in increasing capacity such that it can undertake regular quarterly reporting. Data are produced with a 30-45 day lag from the end of the (later) reference period.

43. **Recommendation:**

- *Given the increased work load in the SD, the mission recommended that the BOU proceed to fill the two existing vacancies in the OFC unit.*

44. The mission posed several questions, based on the reported data, and was able to clarify elements of the NDTMFIs business model and verify several components of the data. The mission observed that, while the largest NDTMFI follows accrual accounting, several institutions are recording transactions on a cash basis. This differential reporting is

problematic for the comparability of statistics and it was recommended that the BOU provide support for the larger institutions in the subsector to move to accrual accounting.

45. In addition, there was no breakdown of the category ‘other borrowings’. It is believed that these accounts represent a large number of small loans made by commercial banks to the NDTMFIs. This account has therefore been classified under loans from ODCs. It is recommended that the BOU work to identify this account more precisely.

46. **Recommendation:** *The mission recommended that the MSDDD include data for NDTMFIs in the 4SR for the OFC sector and report it to the IMF by June 30, 2016.*

### **E. Investment Funds and Unit Trusts**

47. In 2004, the Ugandan government permitted the establishment of investment funds and unit trusts (money market funds). Currently, the sector is relatively small. There are four funds in operation and their total assets are U Sh5 billion. It was also observed that the sector includes small money market funds.

48. Given the continuing liberalization of the financial sector, it is expected that these funds will constitute a greater proportion of the OFC sector in the future. As such, the mission recommended that the BOU and Uganda’s Capital Markets Authority (CMA) work together to establish a common reporting framework for these institutions.

49. Given the limited investment options permitted in Uganda, the current balance sheets of these institutions are relatively simple. Therefore, in the short term, it will be sufficient to obtain from these funds a small report form containing the relevant accounts.

50. However, Uganda has been undergoing a sustained drive for financial liberalization, which is likely to continue, and the regional integration effort with the EAC is likely to accelerate this trend. It is likely that the size and balance sheet of investment funds will expand in the medium term.

51. In addition, MFS methodology requires the separate reporting of money-market funds, as these institutions are contributors to broad money as part of the ODCs sector. Therefore, the BOU and CMA should support separate reporting of the financial position of money market and non-money market funds.

52. **Recommendation:** *The mission recommended that the SD of the BOU and CMA work together to develop a report form for the four existing institutions. The mission also recommended that data for investment funds be included in a 4SR for the OFC sector and reported to the IMF by December 31, 2016.*

#### **F. Uganda Development Bank**

53. The UDB holds total assets of U Sh150 billion. The mission met with the institution to establish a regular reporting practice. As the balance sheet of the development bank is relatively straight forward, the major issue was establishing the sectoral breakdown of its loan portfolio and agreeing on a schedule for regular transmission of data to the BOU for inclusion in the 4SR.

54. The mission designed a provisional report based upon the statement of financial position reported in the UDB's annual report, with several additional schedules to provide the breakdowns needed for SRF compilation. The mission met with representatives of the institution and it was agreed that the UDB would work with the BOU to report these data on a quarterly basis. The UDB agreed to provide quarterly data three weeks after the reference period.

55. The mission agreed with the authorities that historical data would begin in 2012M-12. It was not possible to obtain data before this point, owing to a major restructuring of the UDB's operations and records.

56. The mission agreed on a finalized report form which minimized the workload for the UDB. In addition, the mission created a mapping file for the regular inclusion of this data in the 4SR. This mapping has been provided to the authorities. The mission worked with the UDB to review the quality of the previous year's data and was satisfied that the data would be of sufficient quality for inclusion in the 4SR.

57. **Recommendation:** *The mission recommended that the MSDDD include data for the UDB in the 4SR for the OFC sector and report it to the IMF by June 30, 2016.*

#### **G. Foreign Exchange Bureaus**

58. The Ugandan economy has 246 FOREX bureaus, which hold assets of around U Sh100 billion. In addition to providing an auxiliary financial service, these institutions also provide small amounts of financing to their clients and can act as savings vehicles for their owners. Therefore, they are engaging in financial intermediation and should be considered as part of the OFC sector.

59. The mission reviewed the data collected by the BOU. The balance sheets of this sector are very simple, containing only 17 accounts. These were mapped and a full 4SR was produced. Unfortunately, the data reported comprised one account for all prepayments on the asset side and all payables on the liabilities side. The mission assumed that prepaid insurance

to the NSSF was the major source of prepayments on the asset side and that the other payables were predominantly to private businesses in return for services. It was recommended that the BOU verify these assumptions.

60. Data on FOREX bureaus are collected quarterly and available with only a short lag as the sector is regulated by the BOU. The mission created a mapping file for the regular inclusion of this data in the 4SR, which has been provided to the authorities.

61. **Recommendation:** *The mission recommended that the MSDDD include data for FOREX bureaus in the 4SR for the OFC sector and report it to the IMF by June 30, 2016.*

## V. MONETARY AGGREGATES, INTEREST RATES, AND STOCK EXCHANGE INDEX

### A. Monetary Aggregates

62. The mission reviewed the compilation of monetary aggregates by the BOU. The procedures for compilation were judged to be very good and the BOU now compiles M1, M2, and M3 in line with the definitions agreed at the EAC level.

63. **Recommendation:**

- *The mission recommended revising and updating the data and metadata on monetary aggregates reported in report form 5SR. In particular, the mission recommended that the MSDDD stop reporting M2A in the 5SR, as no institutions issue certificates of deposit and therefore there is no difference with M2.*

### B. Interest Rates

64. The mission reviewed the reporting of interest rates by the BOU. The mission recommended that several rates be added to support the surveillance work of the IMF's African Department. These rates are all currently compiled by the BOU and are published in their *Statistical Abstract*. Appendix VII shows the expanded interest rate table. The expansion of coverage included the following:

- Breakdowns of rates on time deposits by maturity, as these are a major investment vehicle in the country.
- The inclusion of demand deposit rates.
- The inclusion of the overnight interbank rate.
- The inclusion of foreign currency rates.
- A breakdown of lending rates by sector.
- The revision of rates on T-bills such that annualized yield is reported instead of the rediscount rate.
- Changing the representative T-bill rate from 91 days to 364 days as the country issues 15 times as many bills in the latter category.

- The inclusion of government bond yields. This includes the publication of a representative rate in *IFS*.

65. **Recommendation:** *The mission recommended the SD to review and expand the data and metadata on interest rates reported in 6SR, including regular reporting of the all-share index. The mission also recommended that streamlined procedures be adopted to ensure that the data and metadata are updated regularly.*

### C. Stock Exchange Index

66. The Uganda Securities Exchange (USE) is the principal stock exchange of Uganda. It was founded in June 1997. The USE is operated under the jurisdiction of Uganda's CMA, which in turn reports to the BOU.

67. The USE opened to trading in January 1998. At the time, the USE had just one listing, a bond issued by the East African Development Bank. Trading was limited to only a handful of trades per week. Currently, the USE trades 13 listed local and East African companies. The exchange is a member of the African Securities Exchanges Association. The USE operates in close association with the Dar es Salaam Stock Exchange in Tanzania, the Rwanda Stock Exchange, and the Nairobi Securities Exchange in Kenya. There are plans to integrate the four exchanges to form a single East African bourse.

68. The mission recommended that an all-share index be included in regular reporting of form 6SR. The mission was able to obtain historical data from the point of the USE's inception.

69. **Recommendation:** *The mission recommended that the SD establish regular reporting of the all-share index in report form 6SR.*

### VI. INTRA-EAC POSITIONS

70. Uganda is a partner state of the EAC and signed the 2013 Protocol toward the establishment of the EAC monetary union. As a part of this effort, Uganda is committed to harmonizing its macroeconomic statistics, including its MFS, with those of the other EAC members.

71. The mission reviewed the data that had been collected by the BOU on positions within the EAC. A bridge table was provided that was able to provide a representative balance sheet of the Ugandan financial sector under the EAC residency criterion. In addition, the mission provided a tool that allowed EAC-residency criteria sectoral balance sheets to be created from the draft EAC reporting form.

72. Some small issues were identified such as the lack of an option for a central bank to hold claims on another resident central bank on the 1SR, the lack of ability to classify EAC-wide institutions (the EAC Development Bank and the future EAC Central Bank) under



the existing report form, and the importance of arranging the data into a simpler, time series format.

73. It appears that there have been some challenges in moving forward with the EAC agenda due to the lack of centralized coordination from the EAC Secretariat and the proliferation of report forms from different partner states.

- **Recommendation:** *The mission recommended that the MSDDD (i) link their monthly receipt of data on intra-EAC positions to the files provided, which will allow the compilation of data on both national and EAC-wide residency criteria, and (ii) report the data to the EAC Secretariat in the format they provide. The mission also recommended that the MSDDD develop a work plan for collecting intra-EAC data from OFCs.*

## VII. DATA REPORTING TO THE IMF

74. The BOU reports the SRF-1SR for the central bank, the SRF-2SR for ODCs, the SRF-5SR for monetary aggregates, the SRF-6SR for interest rates, and data on exchange rates for publication in *IFS* on a monthly basis.

75. The mission discussed with BOU officials the importance of OFC data for surveillance purposes and publication in *IFS*. As mentioned earlier, the mission reviewed the spreadsheets electronically linking the SRFs 2SR and 4SR to SACCO and OFC source data via bridge tables.

76. This tool can now be used to compile and report the expanded SRF-2SR, including SACCOs and the SRF 4SR for OFCs to STA for publication in *IFS*. BOU compilers should now be able to submit the expanded SRF-2SR to the IMF by June 30, 2016 and a SRF-4SR containing data for the NSSF, UDB and FOREX bureaus by June 30, 2016. A comprehensive SRF-4SR including the remaining OFCs (private pension schemes, insurance companies, and investment funds) will be submitted to the IMF by December 31, 2016.

77. The BOU will start reporting revised monetary aggregates and expanded interest rates, including a stock exchange index, in SRFs 5SR and 6SR by June 30, 2016.

78. **Recommendation:** *The mission recommended that the MSDDD submit the following:*

- a. *The expanded SRF-2SR including SACCOs and the SRF 4SR for the NSSF, NDTMFIs, and FOREX bureaus by end-June 2016 to STA for publication in the IFS. The expanded SRF-2SR should cover commercial banks, credit institutions, MDIs, and SACCOs beginning with June 2014 data; and*
- b. *The SRF-4SR for the OFC sector as a whole including the NSSF, other pension funds, insurance corporations, NDTMFIs, and FOREX bureaus beginning with June 2014 should be submitted to STA by end-December 2016.*

## VIII. DATA DISSEMINATION

79. At the request of the authorities, the mission undertook a review of the policy and practices for the dissemination of financial sector data, focusing on three areas: the BOU *Statistical Abstract*, the status of Uganda in the GDDS, and efforts to be made for the financial data to be compliant with the IMF's Special Data Dissemination Standard (SDDS) requirements. The mission worked closely with the head of the MSDDD. These are the mission's main findings and recommendations:

### Comments on the BOU's *Statistical Abstract*

80. The Research and Policy Directorate of the BOU publishes an *annual Statistical Abstract*, which contains data and metadata on MFS (for depository corporations, interest rates, and various financial indicators), external sector statistics (balance of payments and international investment position) and government debt statistics. Data in the *Statistical Abstract* are consistent with data disseminated on the website of the BOU.

81. While the *Statistical Abstract* meets, to a large extent, the needs of domestic users for these types of data, there is room for improvement, both in the metadata and in the presentation of these data. An effort should be made to enhance the metadata, for example, by adding the descriptions of some institutional units and financial transactions referred to in the publication, such as MDIs, credit institutions, and financial cards among others, which are not defined in the *Statistical Abstract*. The metadata should explain the difference between stock and flow data for the different datasets, and each table should specify the type of data. The list of acronyms also should be comprehensive, and contact information for each dataset should be provided in case users need clarification or more detailed information.

- **Recommendation:** *The mission recommended that the MSDDD adopt the suggested improvements in the presentation of data and metadata in the Statistical Abstract.*

### Uganda's participation in the IMF's GDDS

82. Uganda joined the GDDS in May 2000. However, the latest data posted on the National Summary Data Page (NSDP) refers to 2010–11 for the real sector, 2009–10 for the fiscal sector, and 2009–11 for the financial and external sectors. The metadata for the data compiled by the BOU was updated a little over a year ago, but the metadata for other sector has not been updated since it was first posted on the IMF's Dissemination Standards Bulletin Board (DSBB). There has been a breakdown in communication between the national GDDS coordinator from the Uganda Bureau of Statistics and the coordinators from other data-producing agencies (BOU and Ministry of Finance). Inter-institutional coordinating mechanisms should be strengthened to ensure that Uganda's data and metadata in the GDDS are updated regularly. The NSDP, which links the metadata with the databases maintained by the agencies compiling official statistics, provides quick access to a single comprehensive source of economic and financial data consistent with the data categories and components

described in the subscriber's metadata. The links found in Uganda's NSDP are not operational.

- **Recommendation:** *The mission recommended updating the data and metadata posted on the DSBB and strengthening the inter-institutional coordinating mechanism to ensure that this is done on a regular basis.*

### **Compliance of Uganda's MFS with the SDDS**

83. At request of the authorities, the mission reviewed Uganda's financial data to assess the extent to which the data, metadata, and other elements (access by the public, as well as integrity and quality of the data) are in compliance with SDDS requirements.

84. The BOU compiles all data categories and components required by the SDDS for the financial sector, and they are disseminated with the prescribed coverage, periodicity, and timeliness, on a readily accessible page on the national website (not on the DSBB), as follows (periodicity and timeliness are expressed in parentheses):

- Depository Corporations Survey (monthly, 1 month)
  - Foreign assets and foreign liabilities
  - Claims on government (net)
  - Claims on other sectors
  - Broad money
  - Other items (net)
- Central Bank Survey (monthly, 2 weeks)
  - Foreign assets and foreign liabilities
  - Claims on government (net)
  - Claims on other sectors
  - Monetary base
  - Other items (net)
- Interest rates (daily, 1 day)
- Short- and long-term government securities rate
- Policy oriented rate
- Stock price index (daily, 1 day)

85. The BOU has an internal advance release calendar for all prescribed data categories of the financial sector, which is disseminated on the BOU webpage but not on the DSBB. The calendar<sup>1</sup> provides the periodicity and timeliness of each data category and announces the release of one advanced observation, while the Advanced Release Calendar in the SDDS requires the disclosure of data for the current and the following three months. The BOU's financial data are released to all interested parties simultaneously, there is no prior access to

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<sup>1</sup> This calendar is available at <https://www.bou.or.ug/bou-downloads/research/RevisionsPolicyReleaseCalendar/BANK-OF-UGANDA-STATISTICS-RELEASE-CALENDAR.pdf>.

the data by government officials, and the data are disseminated without official commentaries.

86. The BOU provides comprehensive metadata for each prescribed category of the financial sector on the website of the BOU and the DSBB, and the SD certifies the quality of the metadata annually and updates the metadata regularly when changes occur. The BOU follows a revisions policy, which is posted on the BOU website but not on the DSBB.<sup>2</sup>

87. For MFS, the BOU already disseminates comprehensive documentation on methodology and sources, provides statistical cross-checks and assurances of reasonableness, and documents and disseminates deviations from internationally accepted methodologies on its website and on the DSBB.

88. It is important to mention that the overall requirements to become a SDDS subscriber also depend on the readiness of data for other macroeconomic sectors.

## **IX. TRAINING AND TECHNICAL ASSISTANCE**

89. The MSDDD is responsible for compiling monetary statistics and the dissemination of all BOU statistics. As of April 2016, the MFS section has five staff who are assigned to work on MFS and other MFS-related work, all of whom have participated in training courses on monetary statistics that were conducted by STA. The head of the MFS section worked closely with the mission.

90. In addition to the development of practices for data collection and compilation discussed above, relevant BOU officials were familiarized with the spreadsheets and data mappings produced by the mission. Staff capacity is adequate. BOU staff are able to use the spreadsheets to compile monetary statistics for OFCs without further technical support and the mission is of the view that BOU already has adequate capacity.

91. However, given the expanded mandate of the MFS section to compile comprehensive data for the OFC sector and intra-EAC positions from depository corporations, resources should be strengthened, at least by filling the two existing vacancies in the OFC unit.

### **Training seminar for staff of the ODCs**

92. In response to the authorities' request, the mission provided a half-day training seminar to depository corporations' staff in charge of completing the report forms to submit data to the BOU for the compilation of MFS. The lectures focused on the main elements the methodology recommended in the *MFSM*, including the sectorization of economic sectors, the classification of financial assets, and valuation and other accounting conventions. The

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<sup>2</sup> The revisions policy is available at <https://www.bou.or.ug/bou/bou-downloads/research/RevisionsPolicyReleaseCalendar/Revisions-policy-for-official-statistics.pdf>.

presentation also covered the main uses of data (e.g., monetary policy, financial programming, and balance sheet analysis) and the importance of data quality for compiling sound statistics to support policy design and monitoring.

93. This presentation was done during a one-day annual seminar conducted by the BOU for over 60 data compilers from banks and other depository corporations. The presentation was well received by the participants.

#### **Seminar on regional and currency union statistics**

94. Following the review of the report forms for compiling intra-EAC positions from ODCs and OFCs, the authorities suggested a presentation on regional and currency union statistics to the staff of the SD on the steps needed to compile region-wide consolidated monetary aggregates. In this context, the mission made a presentation on the main elements of currency union statistics, including (i) importance and advantages of a currency union; (ii) examples of ongoing (European Currency Union, Eastern Caribbean Currency Union, Central Bank of West African States, Bank of Central African States) and planned (Central African Monetary Area, Gulf Cooperation Council, etc.) currency unions and processes for harmonizing MFS; (iii) specific tasks for setting up a currency union; (iv) statistical infrastructure and data needed to support monetary policy in a currency union; and (v) convergence criteria.

#### **Seminar on the balance sheet approach (BSA) to assess debt vulnerabilities**

95. At the request of the authorities, the mission also made a presentation on the BSA to the staff of the Research and Policy Directorate. The presentation covered the main elements of the initiative, including (i) importance of the SRF for standardization of MFS; (ii) main features of the SRFs; (iii) sources of data for the BSA matrix beyond MFS; (iv) importance of BSA analysis and policy implications; (v) compilation of the BSA matrix; and (vi) uses of the BSA to assess debt vulnerabilities across different sectors of the economy.

96. The presentations on the BSA and currency union statistics were attended by staff of the SD and representatives of other departments within the Research and Policy Directorate.

97. The BOU authorities expressed interest in receiving further collaboration from the IMF's Statistics Department in three areas: (i) assess the procedures for collecting, compiling, and transmitting to the IMF comprehensive data on the OFC sector by end-December 2016; (ii) assist the authorities in their efforts to develop analytical tools to support financial analysis, such as the balance sheet matrix to assess debt vulnerabilities; and (iii) support the authorities' efforts toward the compilation of statistics in the context of the EAC-wide currency union, both at the national and regional levels.

## **Appendix I. List of Officials Met by the Mission**

### **Bank of Uganda**

Mr. Kenneth Egesa	Director, Statistics Department
Mr. Kezekia Kizito	Assistant Director
Mr. Alex Ochan	Head of MFS Team
Ms. Nicole Ntungire	ODC Unit
Ms. Solome Kampi	OFC Unit
Mr. Pascal Owor	NBFI Desk
Mr. James Ssebatta	CB Desk

### **Insurance Regulatory Authority of Uganda (IRA)**

Mr. Bernerd D. Obel	Assistant Director of Operations
Mr. Ivan Kilameri	Actuarial Officer
Mr. Edward Kasato	Manager Financial Analysis

### **Uganda Retirement Benefits Regulatory Authority (URBRA)**

Daysi Linda Nakabooza	Manager Licensing
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### **Uganda Co-operative Savings and Credit Union (SACCO Association)**

Mr. Silver Ndiroramukama	Chief Executive Officer
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### **National Social Security Fund (NSSF)**

Ms. Patricia Ayota	Chief Financial Officer
Mr. Alex Rumanjjka	Strategy Manager
Mr. Allan Munabi	Strategy Department
Mr. William Kayundo	Budget Manager

### **Letshego (NDTMFI)**

Geoffrey Kitakule	Chief Executive Officer
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### **Uganda Development Bank (UDB)**

Mr. Abibi Francis Odongo	Bank Economist
Mr. Martin Lukwago	Treasurer

### **Life Insurance Company (ICEA)**

Emmanuel Lubwa Mwaka	Senior Accountant
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## Appendix II. Status of Implementation of the Previous Mission's Recommendations

### PROJECT OBJECTIVES 1.0

Description	Verifiable Indicators	S <sup>2</sup>	Assumptions/Risk
Adoption of internationally accepted methodologies and best practices as recommended by the IMF's <i>MFSM</i> in data compilation of MFS. Establishment of an Integrated Monetary Database (IMD) that meets the needs of all users on monetary data.	<p>1. SRF are produced for the central bank, ODCs, and OFCs.</p> <p>2. Surveys are produced and disseminated for the central bank, ODCs, depository corporations, OFCs, and financial corporations.</p>	3	BOU reports a complete SRF 1SR and an SRF 2SR that covers most of the ODC sector. The addition of SACCOs reporting will make ODC reporting nearly complete. The work in progress on the SRF 4SR is expected to lead to good coverage of most of the OFC sector in Uganda.

### PROJECT OUTCOMES

P <sup>1</sup>	Outcomes Description	Verifiable Indicators	Completion Date	S <sup>2</sup>	Comments on Achievements
H	SRF 1SR for the central bank is completed.	Form 1SR is produced on a regular basis and is used for reporting to the IMF.	06/30/2008	4	Data are regularly reported.
H	A central bank survey (CBS) is established based on the Form 1SR.	Central bank survey is produced and disseminated.	06/30/2011	4	The CBS is now generated regularly from the 1SR data.
H	SRF 2SR for ODCs is completed.	Form 2SR is produced on a regular basis and is used for reporting monetary data to the IMF.	09/30/2008 for historical data; 02/28/2010 for data based on the new reporting system.	4	2SR data for the period December 2001 to the present have been reported.  2SR based on new reporting system is regularly produced and reported to the IMF.
H	The ODC survey will be expanded to include credit institutions and MDIs. <b>Benchmark action.</b>	Expanded ODC survey is produced.	07/31/2012	4	The ODCS is now produced including credit institutions and MDIs.
	A DCS is established based on Forms 1SR and 2SR. <b>Benchmark action.</b>	DCS is produced and disseminated.	09/30/2008 07/31/2012	4	Completion Date: 9/30/2008 for historical data; 7/31/2012 for data based on new reporting system.  A DCS is now generated using 1SR and 2SR data.
H	Methodology paper to document data sources and methods for	Methodology paper is produced.	07/31/2012	4	Methodology paper was disseminated and note on changes in compilation of

P <sup>1</sup>	Outcomes Description	Verifiable Indicators	Completion Date	S <sup>2</sup>	Comments on Achievements
	compiling monetary statistics. <b>Benchmark action.</b>				monetary statistics provided to users.
H	Harmonized monetary statistics for all EAC member countries.	All member countries produce monetary statistics using SRFs.	No date yet determined.	2	The BOU is already collecting data specifying intra-EAC positions, but will be submitted when the EAC Secretariat has developed the mechanisms for collecting and compiling data from all partner states. The EAC has developed a report form for central banks, but data are not being collected.
H	DCS is expanded at an appropriate periodicity to incorporate SACCOs.	Expanded DCS is produced and disseminated.	After 2014; June 2016	3	Quarterly data collection for a sample of 176 SACCOs was initiated using Call Report Form 2SR and will be submitted to the IMF by June 30, 2016.
M	SRF 4SR for other financial corporations is completed.	Form 4SR is produced on a regular basis and is used for reporting monetary data to the IMF.	12/31/2011; June 2016	3	4SR based data for the NSSF, UDB, NDTMFIs, and FOREX bureaus will be submitted to the IMF by June 30, 2016. Data for insurance corporations, private pension funds and investment funds will be submitted to the IMF by December 30, 2016.
H	Develop a full IMD for Uganda.	IMD is operational.	12/31/2011	4	IMD is operational and updated on a regular basis.

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**P<sup>1</sup> – Priority Scale**

H - High M - Medium

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**S<sup>2</sup> - Achievement Scale**

4 - Fully Achieved 3 - Largely Achieved 2 - Partially Achieved