



# THE ROLE OF THE INTERNATIONAL MONETARY FUND AND ITS ACTIVITIES IN UGANDA

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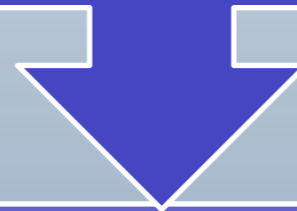


# Outline

The IMF- origins, mandate, and structure



The functions of the IMF



The IMF in Uganda



# The IMF – Origin and Mandate

## Establishment

- Bretton Woods, 1944, in the aftermath of Second World War and Great Depression

## Mandate

- Promote global economic and financial stability
  - Short-term balance of payments support
  - Expansion in trade, employment and income

## Membership

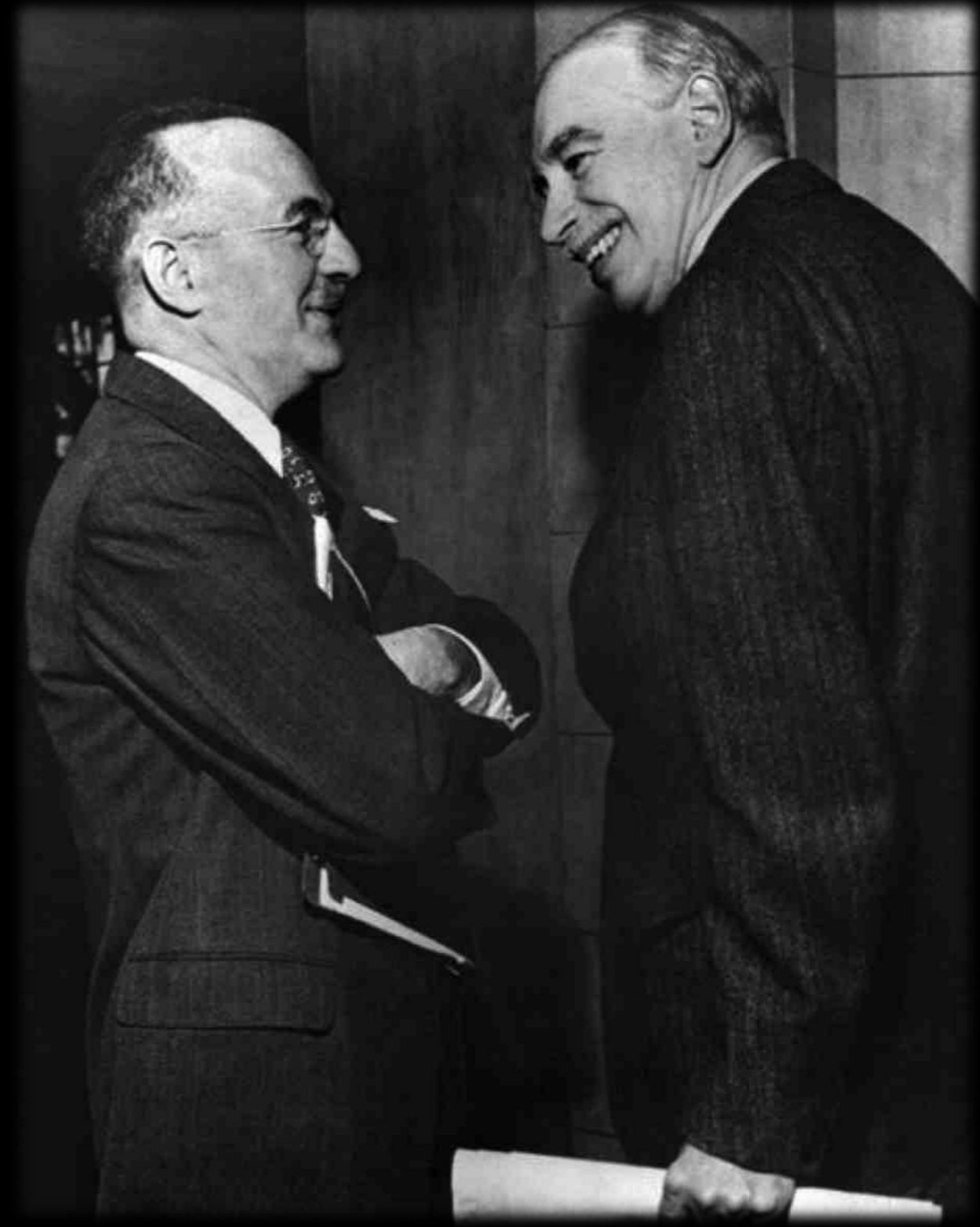
- Near universal (188 countries)

## Quotas

- Represent relative economic size, and determine:
  - Contribution to IMF financing
  - Voting power
  - Access to IMF resources



IMF ROOTS



# IMF FOUNDERS



# The IMF – Structure





# The Functions of the IMF

Surveillance

Lending

Technical Assistance

Information available at: [www.imf.org](http://www.imf.org)



# IMF Surveillance

- ***“Economic Doctor”***
  - Bilateral: Article IV consultations  
Financial sector (FSAP)
  - Regional: Regional Economic Outlook (SSA)
  - Global: World Economic Outlook (WEO)  
Global Financial Stability Report (GFSR)  
Fiscal Monitor







# IMF Lending

- ***“Global Firefighter”***

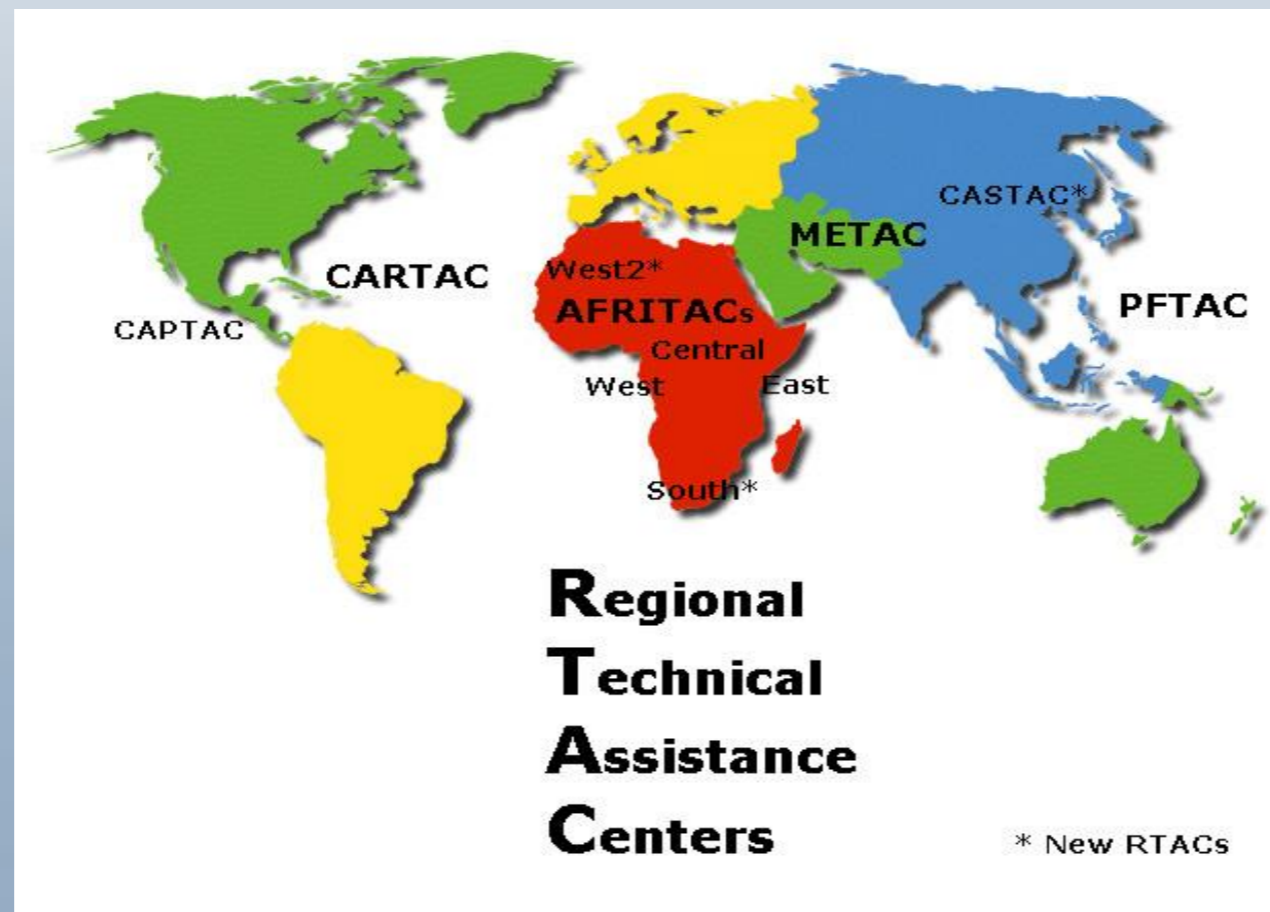
- **Non-Concessional:** Crisis Management  
Crisis Prevention
- **Concessional:** Tailored to Country Needs
- **Conditionality:** Flexible, Focused, Social





# IMF Technical Assistance IMF

- **“Coach”**
  - Strong policies are built on strong policy foundations
  - Regional Technical Assistance Centers





# The IMF in Uganda

## UGANDA — USE OF IMF FACILITIES AND INSTRUMENTS

- ECF: 1994- 1997: SDR 120.5 million
- ECF: 1997- 2001: SDR 100.4 million
- ECF: 2002-2006: SDR 13.5 million
  
- PSI: 2006- 2010 ...
- PSI: 2010- 2013 ...



# Why a Policy Support Instrument?

- Reflects Uganda's transformation into a mature stabilizer
- Provides positive signals ("catalytic role") :
  - Stable external position
  - Policies are well designed
- Provides a platform for coordinated structural adjustment



# Activities of the IMF in Uganda

## SUPPORT MACROECONOMIC STABILITY

- Back the country's goals of broad and inclusive growth; low inflation; and a sustainable external position.
- Accompany economic authorities in maintaining sound monetary and fiscal policies. IMF programs typically monitor monetary aggregates, credit to the government; external non-concessional debt.



# Activities of the IMF in Uganda

## ENCOURAGE STRUCTURAL REFORMS

- Improve institutions and capacity for sustained growth
  - Macroeconomic policy formulation
  - Fiscal issues (PFM; tax policy; revenue administration)
  - Banking supervision; Payments systems
  - Statistical compilation



# Activities of the IMF in Uganda

## PROVISION OF TECHNICAL ASSISTANCE

- Fiscal policy: PFM, Tax policy, Revenue administration (draft Public Finance Act)
- Monetary policy: Institutional capacity of the BoU, Inflation targeting
- Statistics: National accounts methodology and compilation



# Activities of the IMF in Uganda

## REGIONAL TECHNICAL ASSISTANCE

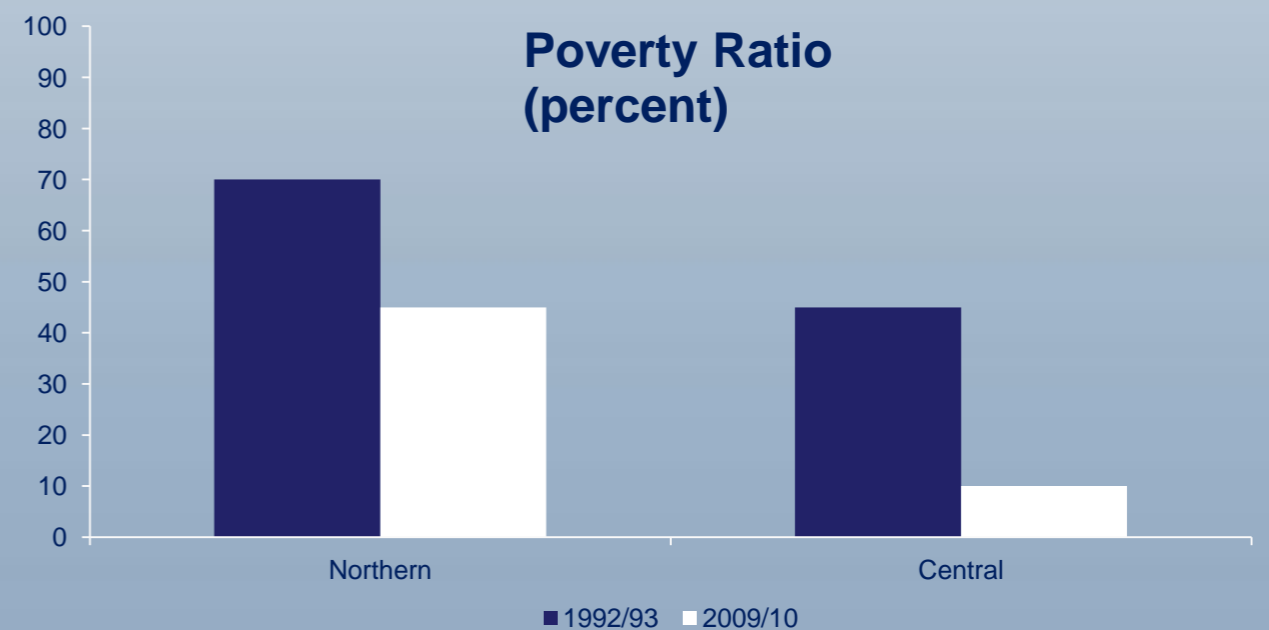
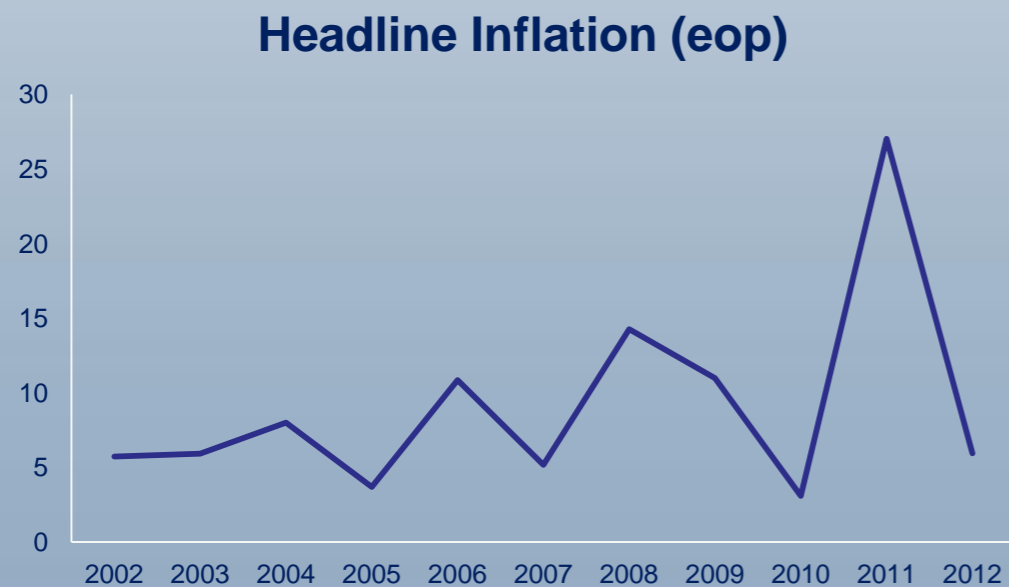
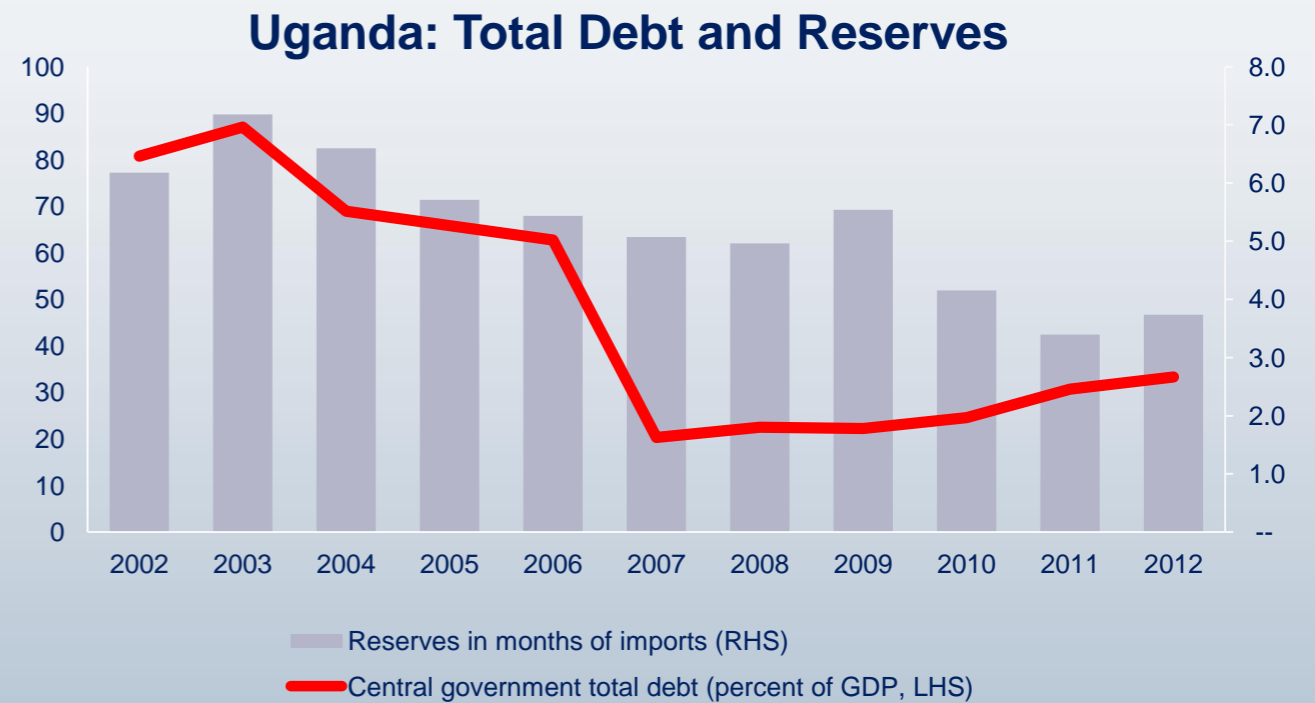
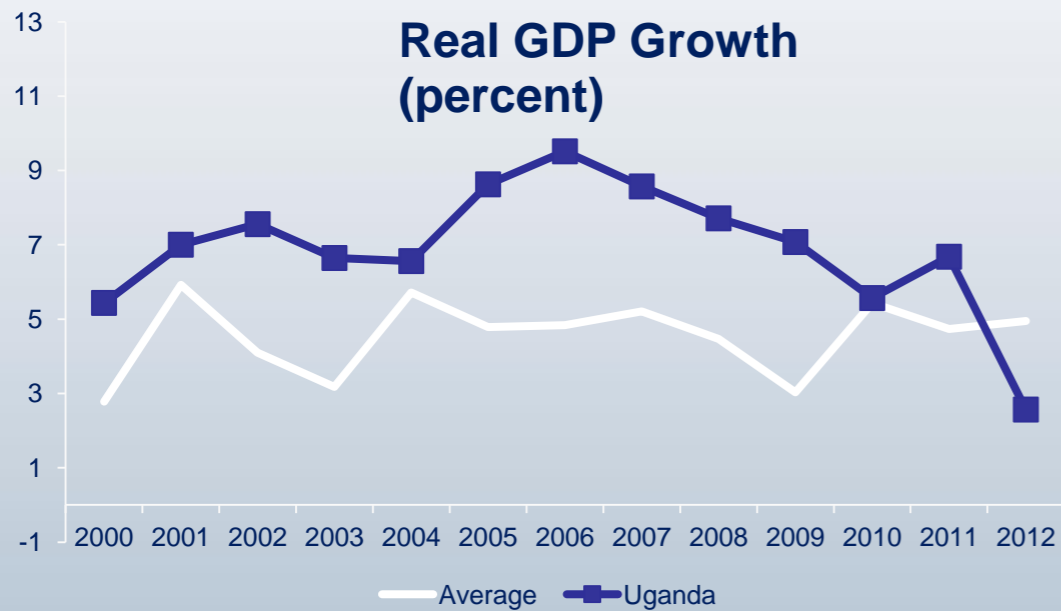
Experts from AFRITAC-EAST continuously visit Uganda







# Performance under the Programs





# The IMF's Mandate...in Practice

- The IMF provides policy advice to country authorities
- Decisions are made by country authorities (government – parliament)



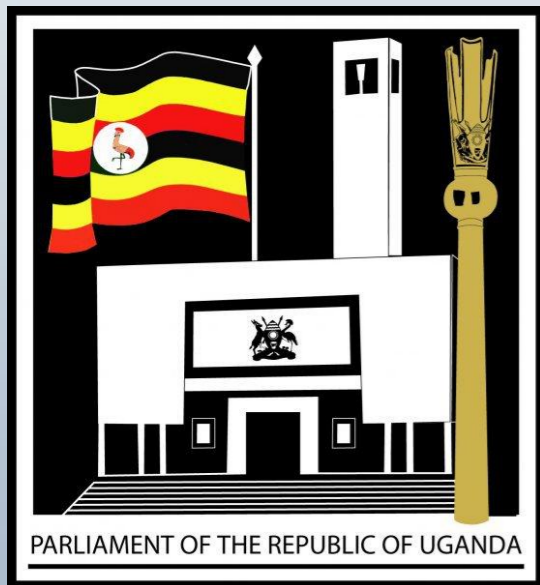
# IMF Day-to-Day Activities in Uganda

- Permanent office in Kampala – mission chief is resident representative
- Continuous interaction with economic authorities, representatives from financial sector, business community, and civil society
- Close dialogue with other bilateral partners
- Engagement with media
- Sharp interest in increasingly engage with legislators

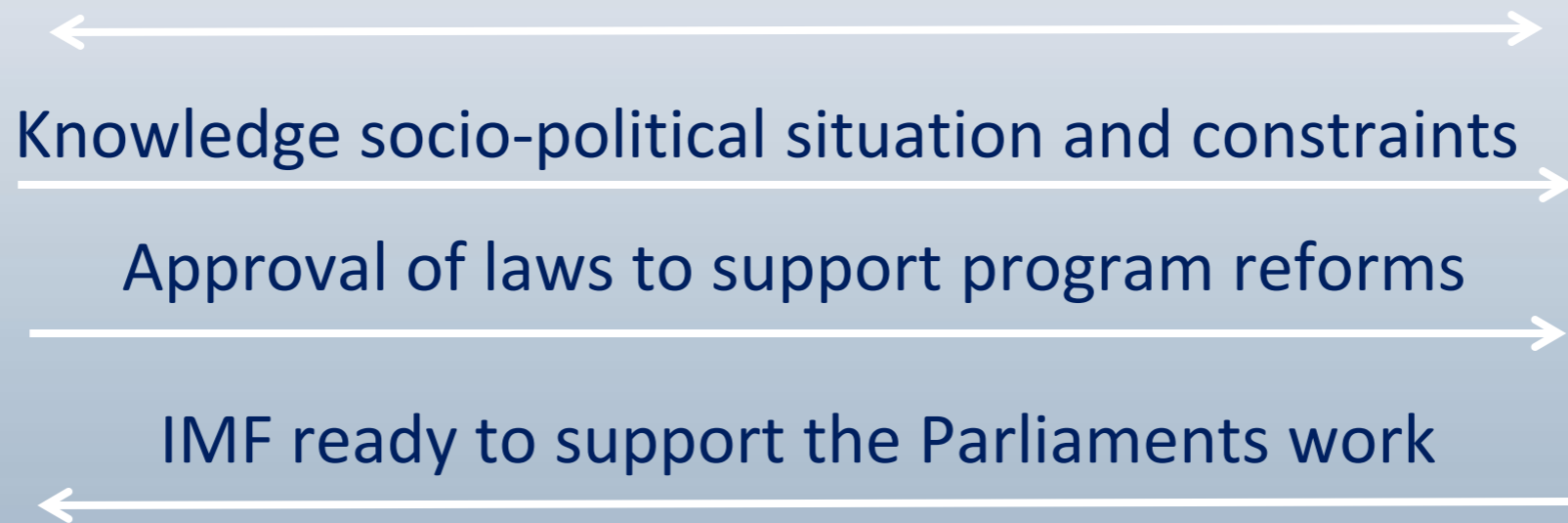


# The IMF and the Parliament of Uganda

Transparency; two way dialogue to understand and explain



Communication on policy priorities





Thank you