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Comparative Analysis of Budget Releases and Expenditure Efficiency Across Uganda's Foreign Missions

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Abstract

Foreign missions play a strategic role in advancing Uganda's diplomatic relations, promoting trade and investment, protecting national interests, and delivering consular services abroad. Efficient management of public resources allocated to these missions is therefore essential for achieving Uganda's foreign policy objectives. Despite ongoing public financial management reforms, limited empirical evidence exists regarding regional differences in budget releases and expenditure efficiency across Uganda's foreign missions. This study examined regional variations in budget releases, budget absorption rates and unspent budget balances among Uganda's foreign missions in East Africa, the rest of Africa and regions outside Africa. Specifically, the study compared budget releases across the three regions, examined differences in budget releases, budget absorption rates and unspent balances between missions located in Africa and those outside Africa. A quantitative cross-sectional research design was adopted using secondary data extracted from the Government of Uganda's FY 2024/25 Semi-Annual Budget Performance Report. Descriptive statistics were used to summarise the data, while one-way Analysis of Variance (ANOVA) and independent-samples t-tests were conducted at a 5% level of significance to test for regional differences. The findings revealed that in terms of unspent budget balances, foreign missions in East Africa recorded the highest mean unspent budget balance at UGX 0.407 billion, followed by missions outside Africa at UGX 0.369 billion, while missions in the rest of Africa recorded the lowest mean unspent budget balance at UGX 0.066 billion.

Keywords: Budget releases; expenditure efficiency; budget absorption; foreign missions; public financial management; Uganda; budget performance.

1.0 Background

Foreign missions play a critical role in promoting diplomatic relations, international cooperation, trade, tourism, investment, and the protection of national interests abroad (Pásztor, 2021; Shrestha, 2021). Governments allocate substantial public resources to embassies, high commissions, and permanent missions to facilitate the implementation of foreign policy objectives and the delivery of diplomatic and consular services (Lequesne, 2019; Rana, 2016). In Uganda, ongoing public financial management (PFM) reforms and program-based budgeting initiatives have increasingly emphasized efficient utilization of public resources, accountability, and results-oriented expenditure management as mechanisms for improving service delivery and budget performance (MoFPED, 2025). Despite these reforms, variations in budget releases, expenditure absorption, and unspent balances continue to exist across government institutions, including foreign missions operating in different geographical and economic environments (MoFPED, 2022). Uganda's foreign missions located in East Africa, the rest of Africa, and regions outside Africa operate under varying operational costs, diplomatic priorities, and administrative conditions that may influence budget allocation and expenditure efficiency. Missions outside Africa, for instance, may incur relatively higher operational expenditures related to accommodation, staffing, transport, and diplomatic engagements compared to missions within Africa. Existing evidence further suggests that weaknesses in budget execution, expenditure management, and institutional implementation capacity continue to affect public expenditure efficiency in Uganda's public sector. However, limited empirical evidence exists on regional differences in budget releases and expenditure performance among Uganda's foreign missions. Therefore, this study seeks to compare budget releases, budget absorption rates, and unspent budget balances across Uganda's foreign missions in East Africa, the rest of Africa, and regions outside Africa using evidence from the FY 2024/25 Semi-Annual Budget Performance Report.

Foreign missions are important organizations through which countries conduct diplomatic relations, promote international cooperation, protect the interests of their citizens abroad, attract foreign investment, facilitate trade, and strengthen bilateral and multilateral relations (Berridge, 2022). Uganda's foreign missions serve as important instruments for the implementation of the country's foreign policy as articulated by the Ministry of Foreign Affairs. The effectiveness of these projects depends to a large extent on the availability and effective use of funds provided through the investment scheme.

Berridge (2022) argued that budget documents are crucial for public finance management because they determine the actual funds needed to implement relevant government programs and services (Sześciło, 2020). While Parliament may approve an annual appropriation for foreign missions, the timely and appropriate release of such funds is essential for effective and efficient service delivery. Delays or partial delays could affect diplomatic relations, trade extension activities, consular activities, and administrative activities.(Berridge, 2022)..

Financial efficiency refers to how effectively public organizations use the resources allocated to them to achieve their goals and objectives (OECD, 2023). Cost-effectiveness is becoming increasingly important within public sector organizations as governments seek to increase value for money, improve returns, and enhance service delivery amid mounting financial pressures (Bank, 2005). For foreign missions, cost efficiency is particularly important because international operations are carried out in different parts of the world with different economic conditions, exchange rate fluctuations, and exchange rates.

In Uganda, public sector governance reforms have sought to strengthen budgeting, decision-making, and expenditure management across government agencies (GoU, 2024a). However, reports from regulatory agencies such as the Office of the Prime Minister and the Ministry of Finance, Planning and Economic Development have repeatedly highlighted differences in the levels of expenditure, efficiency, and effectiveness of expenditure between public and private sectors (GoU, 2024b). While some missions consistently achieve high levels of budget utilization and program implementation, others experience inadequate funding receipts, delayed projects, or difficulties in using allocated resources efficiently.

These differences raise important questions about the relationship between budget cuts and external financial performance in Uganda. Understanding these differences is essential for identifying factors affecting financial performance and for developing strategies to improve resource utilization and accountability. A comparative analysis can provide greater insight into how different missions manage natural resources, the challenges they face, and best practices that contribute to effective natural resource management.

Therefore, this paper examines budget allocation and external financing in Uganda. Specifically, it compares the level of financial devolution and financial performance within selected sectors, analyzes factors affecting financial efficiency, and identifies policy measures to encourage financial sustainability and value addition in the Ugandan public service. The findings are expected to contribute to broader discussions on public finance management, public information management, and public finance management.

1.1 Overall Objective

To examine regional variations in budget releases, budget absorption, and expenditure efficiency across Uganda's foreign missions.

1.2 Specific Objectives

i. To compare budget releases across Uganda's foreign missions in East Africa, the rest of Africa, and regions outside Africa.
ii. To compare budget releases between Uganda's foreign missions in Africa and those located outside Africa.
iii. To compare budget absorption rates across Uganda's foreign missions in East Africa, the rest of Africa, and regions outside Africa.
iv. To compare budget absorption rates between Uganda's foreign missions in Africa and those located outside Africa.

v. To compare unspent budget balances between Uganda’s foreign missions in Africa and those located outside Africa.

1.3 Alternative Hypotheses

i. Budget releases significantly differ across Uganda’s foreign missions in East Africa, the rest of Africa, and regions outside Africa.
ii. Budget releases significantly differ between Uganda’s foreign missions located in Africa and those located outside Africa.
iii. Budget absorption rates significantly differ across Uganda’s foreign missions in East Africa, the rest of Africa, and regions outside Africa.
iv. Budget absorption rates significantly differ between Uganda’s foreign missions located in Africa and those located outside Africa.
v. Unspent budget balances significantly differ between Uganda’s foreign missions located in Africa and those located outside Africa.

2.0 Literature Review

Budget documents represent the actual funds allocated to government agencies after the budget is approved. In managing public finances, a balanced budget should be useful only if funds are disbursed at the right time and in sufficient amounts to support planned activities. According to (Allen et al., 2013; Hemming et al., 2013), effective budget execution depends on effective financial planning, cash flow management, timely release of funds, and appropriate decision-making processes. Financial efficiency refers to the ability of a government agency to use available financial resources efficiently, effectively, and in accordance with established objectives. The Mandl et al. (2008) note that efficient public expenditure requires strong budgeting systems, performance monitoring, transparency, and accountability. In the context of Uganda’s foreign missions, expenditure efficiency can be assessed by comparing funds released against actual expenditure, absorption rates, outputs achieved, and value for money.

Budget Releases and Public Financial Management

Public financial management provides the legal and institutional framework through which public resources are planned, allocated, released, spent, accounted for, and audited. In Uganda, the Public Finance Management Act provides guidance on budget preparation, execution, expenditure control, reporting, and accountability (GoU, 2015). The Ministry of Finance, Planning and Economic Development is responsible for budget releases based on approved appropriations, cash-flow plans, and government revenue performance. Timely budget releases are important because they enable government entities to implement planned programmes without unnecessary delays. Where releases are late, inadequate, or unpredictable, public institutions may fail to implement activities as planned, accumulate arrears, or spend hurriedly toward the end of the financial year. This affects expenditure efficiency and weakens service delivery (Canton, 2021a; Faso, 2023; Resilience, 2020).

Expenditure Efficiency in Public Institutions

Expenditure efficiency is a major concern in public sector management because governments operate under limited resources. Efficient expenditure means that public funds are used to produce maximum results at minimum cost while maintaining quality and accountability. The European (Mandl et al., 2008) argues that improved efficiency in public spending supports fiscal discipline, improves service delivery, and strengthens public trust. In public institutions, expenditure efficiency is commonly measured through budget absorption rates, value-for-money performance, timely implementation of activities, compliance with financial regulations, and achievement of planned outputs. However, high expenditure alone does not always mean efficiency. A mission may spend most of its released funds but still fail to achieve planned outputs if expenditure is not properly linked to performance.

Budget Releases and Expenditure Performance in Uganda

Uganda has undertaken several public financial management reforms aimed at improving budget credibility, expenditure control, transparency, and accountability. These reforms include programme-based budgeting, integrated financial management systems, cash-flow planning, and stronger audit mechanisms (Gumisiriza & Mukasa, 2022). Despite these reforms, challenges still exist in budget execution, including delayed releases, supplementary expenditures, under-absorption, and accumulation of domestic arrears. The Office of the Auditor General has repeatedly emphasized the importance of effective budget implementation and accountability in government entities. Audit reports on Uganda's missions abroad show that foreign missions are audited separately and are expected to comply with public financial management requirements, including proper expenditure control, financial reporting, and asset management (Kiganda & Kivuna, 2024).

Uganda's Foreign Missions and Budget Utilization

Uganda's foreign missions perform diplomatic, consular, trade promotion, investment promotion, and international cooperation functions. These missions operate in different countries with varying economic conditions, exchange rates, rental costs, staffing needs, and diplomatic obligations. Therefore, expenditure efficiency across missions may differ depending on location, cost of living, mission size, staffing levels, management capacity, and availability of funds. Budget performance reports from the Ministry of Foreign Affairs indicate that Uganda's foreign service faces challenges such as inadequate funding for missions abroad, limited implementation of commercial and economic diplomacy, slow acquisition and maintenance of properties abroad, and accumulation of arrears for international obligations (Kiganda & Kivuna, 2024). These challenges suggest that budget releases and expenditure efficiency should be examined comparatively across missions rather than treating all missions as having similar financial conditions.

Factors Influencing Expenditure Efficiency Across Foreign Missions

Several factors may explain differences in expenditure efficiency among Uganda's foreign missions. First, the timing and adequacy of budget releases affect the ability of missions to implement planned activities. Second, exchange rate fluctuations may increase the cost of operations in some countries. Third, missions located in high-cost cities may spend more on rent, utilities, staff welfare, and diplomatic activities. Fourth, management capacity and internal controls influence whether funds are used efficiently and in line with approved plans (Canton, 2021b). In addition, staffing levels and mission mandates affect expenditure patterns. Larger missions with wider diplomatic, trade, and consular responsibilities may require higher releases and may also have higher expenditure absorption. Smaller missions may have lower budgets but still face fixed costs such as rent, utilities, security, and representation expenses. Therefore, efficiency should not only be judged by the amount spent but also by the relationship between resources used and outputs achieved (Canton, 2021a).

Empirical Literature

Empirical studies on public financial management show that budget credibility and timely execution are essential for improving service delivery. According to Hemming et al. (2013) argue that where budgets are not released as planned, institutions face implementation gaps and weak performance. Similarly, the (Kiganda & Kivuna, 2024) emphasize that expenditure efficiency depends on the connection between budgeting, cash management, procurement, accounting, and audit systems. In Uganda, Gumisiriza and Mukasa (2022) found that public financial management reforms have improved legal and institutional frameworks, but implementation challenges remain. These include weak compliance, limited accountability, and gaps between approved budgets and actual spending. The Office of the Auditor General's reports on missions abroad further show the need for continuous monitoring of expenditure, assets, staffing, and financial controls in Uganda's foreign missions (Note, 2022).

Literature Gap

The reviewed literature shows that budget releases and expenditure efficiency are central to effective public financial management. However, most studies focus on general government institutions, local governments, or broad public sector reforms. Limited attention has been given to comparative analysis of budget releases and expenditure efficiency across Uganda's foreign missions. Yet, these missions operate in different international environments and face unique financial pressures. This study therefore fills this gap by comparing budget release patterns and expenditure efficiency across Uganda's foreign missions. It seeks to establish whether differences in budget releases influence expenditure performance and to identify factors that explain variations in efficiency among missions.

3.0 Methodology

This study adopted a cross-sectional research design with only quantitative approaches using secondary data extracted from the Government of Uganda's FY 2024/25 Semi-Annual Budget Performance Report (GoU, 2024c). The study focused specifically on Uganda's foreign missions, including embassies, high commissions, and permanent missions located in East Africa, the rest of Africa, and regions outside Africa. Data were cleaned, validated, and organized into an SPSS/STATA-compatible dataset (Gutierrez, 2010; Hinton et al., 2014), where only observations related to foreign missions were retained for analysis. Additional variables, including mission region, mission grouping, budget absorption rates, and budget gaps, were generated to support the study objectives. Descriptive statistics, including means and percentages, were used to summarize budget releases, budget absorption rates, and unspent balances across foreign missions. Inferential statistical analyses were conducted at a 5% level of significance, where one-way Analysis of Variance (ANOVA) was used to compare budget releases and absorption rates across missions in East Africa, the rest of Africa, and regions outside Africa, while independent-samples t-tests were used to compare budget releases, absorption rates, and unspent balances between missions located in Africa and those located outside Africa. Data analysis was conducted using Stata and IBM SPSS Statistics.

4.0 Findings

This section presents the descriptive and inferential statistical findings of the study. The findings are organized according to the study objectives and include analyses of budget releases, budget absorption rates, and unspent budget balances across foreign missions located in East Africa, the rest of Africa, and regions outside Africa.

Table 1: Descriptive Statistics of Variables

Region of the Foreign Mission	Number of Foreign Missions	Mean Budget Releases (Billions UGX)	Mean Budget Expenditure (Billions UGX)	Mean Budget Absorption Rate (%)	Mean Unspent Budget (Billions UGX)
East Africa	21	1.479	1.073	75.114	0.407
Rest of Africa	8	1.022	0.955	73	0.066
Outside Africa	76	1.939	1.570	86.279	0.369

Table 1 presents the descriptive statistics for budget releases, budget expenditures, absorption rates, and unspent budget balances across Uganda's foreign missions categorized into East Africa, the rest of Africa, and regions outside Africa. The findings indicate that foreign missions located outside Africa had the highest number of missions (76), followed by East Africa (21) and the rest of Africa (8). Missions located outside Africa also recorded the highest mean budget releases at UGX 1.939 billion and the highest mean budget expenditure at UGX 1.570 billion compared to missions in East Africa and the rest of Africa. This may reflect the relatively higher operational and administrative costs associated with diplomatic missions outside Africa.

Regarding budget absorption rates, foreign missions located outside Africa recorded the highest mean absorption rate of 86.3%, followed by missions in East Africa at 75.1%, while missions in the rest of Africa recorded the lowest absorption rate at 73.0%. These findings suggest that missions located outside Africa were relatively more efficient in utilizing released funds during the reporting period. In terms of unspent budget balances, foreign missions in East Africa recorded the highest mean unspent budget balance at UGX 0.407 billion, followed by missions outside Africa at UGX 0.369 billion, while missions in the rest of Africa recorded the lowest mean unspent budget balance at UGX 0.066 billion.

Implication of findings

The mission's efficiency in utilizing the allocated funds depends on prioritizing a proactive procurement model, focusing on cost optimization to avoid unproductive spending, and adopting activity-based budgeting to align objectives and goals with the actualization of cash outflows. This concurs with(Malbon et al., 2022),(Matsoso et al., 2021) who emphasized efficient use and allocation of resources and implemented the approved budget.

4.1 Comparing Budget Releases Across Uganda's Foreign Missions in East Africa, the Rest of Africa, and Regions Outside Africa

This section presents findings on the comparison of budget releases across Uganda's foreign missions located in East Africa, the rest of Africa, and regions outside Africa. To determine whether significant differences existed in budget releases across foreign missions in East Africa, the rest of Africa, and regions outside Africa, a one-way ANOVA was conducted at a 5% level of significance. The findings are presented in Table 2 below.

Table 2: One-Way ANOVA Results for Budget Releases Across Uganda's Foreign Missions in East Africa, the Rest of Africa, and Regions Outside Africa

```
. oneway released_bn mission_region
```

Analysis of Variance

Source	SS	df	MS	F	Prob > F
Between groups	8.41281595	2	4.20640798	0.44	0.6461
Within groups	978.012737	102	9.58836016		
Total	986.425553	104	9.48486108		

The one-way ANOVA results indicate that there was no statistically significant difference in budget releases across Uganda's foreign missions located in East Africa, the rest of Africa, and regions outside Africa (F=0.44, P=0.6461). This implies that Uganda's government may allocate budget releases to foreign missions under relatively similar funding and budgetary frameworks regardless of geographical location. The findings further suggest that differences in operational environments and regional cost structures may not have been sufficiently large to produce statistically significant disparities in released funds across mission regions.

This implies that the government should allocate sufficient funds to meet operational costs and projected capital expenditures, to be released in phases after utilization and accountability are established. This aligns with(Mahdalena et al., 2021) who emphasized prioritizing costs in the budgeting process to achieve the intended goals and objectives.

4.2 Comparing Budget Releases Between Uganda's Foreign Missions Located in Africa and Those Located Outside Africa

This section presents findings on the comparison of budget releases between Uganda's foreign missions located in Africa and those located outside Africa. Examining differences in budget releases between these mission categories is important in understanding whether geographical location significantly influences government funding allocation to foreign missions. To determine whether significant differences existed in budget releases between Uganda’s foreign missions located in Africa and those located outside Africa, an independent/two sample t-test was conducted at a 5% level of significance. The findings are presented in Table 3 below.

Table 3: Independent Sample t-Test Results for Budget Releases Between Uganda’s Foreign Missions Located in Africa and Those Located Outside Africa

```
. ttest released_bn, by(mission_group)

Two-sample t test with equal variances
```

Group	Obs	Mean	Std. Err.	Std. Dev.	[95% Conf.	Interval]
African	29	1.353034	.4493496	2.419822	.4325835	2.273486
Outside	76	1.938684	.3781931	3.297011	1.185285	2.692083
combined	105	1.776933	.3005528	3.07975	1.180926	2.372941
diff		-.5856497	.6729948		-1.920376	.7490768

```
    diff = mean(African) - mean(Outside)                      t =  -0.8702
Ho: diff = 0                                  degrees of freedom =      103

    Ha: diff < 0                 Ha: diff != 0                 Ha: diff > 0
 Pr(T < t) = 0.1931         Pr(|T| > |t|) = 0.3862          Pr(T > t) = 0.8069
```

The independent sample t-test results reveal that there was no statistically significant difference in budget releases between Uganda’s foreign missions located in Africa and those located outside Africa (Mean Difference=0.586 Billions, P=0.3862). The results show that although foreign missions located outside Africa generally received relatively higher budget releases, the observed differences were not substantial enough to indicate statistically significant disparities in government funding allocation between the two mission categories. This may imply that Uganda’s government applies relatively balanced budget allocation frameworks across foreign missions regardless of geographical location.

This may imply that Uganda’s government applies relatively balanced budget allocation frameworks across foreign missions, regardless of location, using historical and fair-value assessment methods to determine operating costs and capital expenditures.

4.3 Comparing Budget Absorption Rates Across Uganda’s Foreign Missions in East Africa, the Rest of Africa, and Regions Outside Africa

Efficient utilization of released funds is essential for foreign missions to effectively implement diplomatic activities, provide consular services, and support Uganda’s international relations agenda. This area presents findings on the comparison of budget absorption rates across Uganda’s foreign missions located in East Africa, the rest of Africa, and regions outside Africa. Variations in absorption rates across foreign mission regions may arise due to differences in implementation capacity, operational demands, administrative efficiency, procurement processes, and the economic conditions of host countries. Missions located outside Africa, for example, may experience different operational and financial management environments compared to missions within Africa, which may influence their ability to utilize released funds effectively. Examining differences in budget absorption rates across foreign mission regions is important in understanding whether geographical location significantly affects expenditure efficiency among Uganda's foreign missions. To findout whether significant differences existed in budget absorption rates across foreign missions in East Africa, the rest of Africa, and regions outside Africa, a one-way ANOVA was conducted at a 5% level of significance. The findings are presented in Table 4 below.

Table 4: One-Way ANOVA Results for Budget Absorption Rates Across Uganda's Foreign Missions in East Africa, the Rest of Africa, and Regions Outside Africa

```
. oneway absorption_rate mission_region
```

Source	Analysis of Variance SS	df	MS	F	Prob > F
Between groups	2922.86454	2	1461.43227	0.96	0.3849
Within groups	154654.952	102	1516.22502		
Total	157577.817	104	1515.17131		

The findings in Table 4 show that budget absorption rates did not significantly vary across Uganda's foreign missions located in East Africa, the rest of Africa, and regions outside Africa ($F=0.96$, $P=0.3849$). The results imply that Uganda's foreign missions generally demonstrated comparable levels of budget utilization efficiency regardless of their geographical location. This implies that missions across different regions were able to absorb and utilize released funds at relatively similar rates during the FY 2024/25 reporting period. Despite differences in economic environments, operational costs, and diplomatic demands across regions, the expenditure performance of foreign missions remained relatively stable. The findings further indicate that regional location alone may not be a major determinant of budget absorption performance among Uganda's foreign missions. Instead, mission-specific administrative practices, internal financial management systems, and institutional implementation capacity may play a more important role in influencing expenditure absorption.

4.4 Comparing Budget Absorption Rates Between Uganda's Foreign Missions Located in Africa and Those Located Outside Africa

Comparing budget absorption rates between foreign missions located in Africa and those outside Africa is important in assessing whether geographical location influences expenditure efficiency and financial utilization performance. To establish whether statistically significant differences existed in budget absorption rates between the two categories of foreign missions, an independent sample t-test was conducted at a 5% level of significance. The findings are presented in Table 5 below.

Table 5: Independent Sample t-Test Results for Budget Absorption Rates Between Uganda's Foreign Missions Located in Africa and Those Located Outside Africa

```
. ttest absorption_rate , by(mission_group)

Two-sample t test with equal variances
```

Group	Obs	Mean	Std. Err.	Std. Dev.	[95% Conf.	Interval]
African	29	74.53103	6.5585	35.3186	61.09656	87.96551
Outside	76	86.27895	4.583601	39.9589	77.14795	95.40995
combined	105	83.03429	3.798711	38.9252	75.5013	90.56727
diff		-11.74791	8.458406		-28.52317	5.02734

```
    diff = mean(African) - mean(Outside)                          t =  -1.3889
Ho: diff = 0                                     degrees of freedom =      103

    Ha: diff < 0                 Ha: diff != 0                 Ha: diff > 0
 Pr(T < t) = 0.0839         Pr(|T| > |t|) = 0.1679          Pr(T > t) = 0.9161
```

The independent sample t-test results presented in Table 5 indicate that there was no statistically significant difference in budget absorption rates between Uganda's foreign missions located in Africa and those located outside Africa (Mean Diff=11.7%, P=0.1679). Although missions located outside Africa demonstrated relatively higher expenditure absorption, the findings suggest that the variation in budget utilization efficiency between the two mission groups was not strong enough to establish statistically significant differences. This implies that Uganda's foreign missions, regardless of geographical location, generally operated under relatively comparable expenditure execution and financial management conditions during the FY 2024/25. The findings further indicate that factors other than geographical location, such as internal administrative capacity, financial planning practices, and mission-specific operational demands, may have had a greater influence on expenditure absorption performance among foreign missions.

4.5 Comparing Unspent Budget Balances Between Uganda's Foreign Missions Located in Africa and Those Located Outside Africa

This section presents findings on differences in unspent budget balances between Uganda's foreign missions located in Africa and those located outside Africa. Unspent budget balances indicate the portion of released funds that remained unutilized during the reporting period and provide insights into expenditure execution efficiency among foreign missions. To determine whether significant differences existed in unspent budget balances between the two mission categories, an independent sample t-test was conducted at a 5% level of significance. The findings are presented in Table 6 below.

Table 6: Independent Sample t-Test Results for Unspent Budget Balances Between Uganda's Foreign Missions Located in Africa and Those Located Outside Africa

```
. ttest unspent_bn , by(mission_group)

Two-sample t test with equal variances
------------------------------------------------------------------------------
   Group |     Obs        Mean    Std. Err.   Std. Dev.   [95% Conf. Interval]
---------+--------------------------------------------------------------------
 African |      29    .3208966    .2468534    1.329346   -.1847597    .8265528
 Outside |      76    .3717237    .1267051     1.10459    .1193141    .6241333
---------+--------------------------------------------------------------------
combined |     105    .3576857     .113649    1.164555    .1323156    .5830559
---------+--------------------------------------------------------------------
    diff |           -.0508271    .2553662               -.5572859    .4556316
------------------------------------------------------------------------------
    diff = mean(African) - mean(Outside)                          t =  -0.1990
Ho: diff = 0                                     degrees of freedom =      103

    Ha: diff < 0                 Ha: diff != 0                 Ha: diff > 0
 Pr(T < t) = 0.4213         Pr(|T| > |t|) = 0.8426          Pr(T > t) = 0.5787
```

The independent sample t-test results presented in Table 6 reveal that there was no statistically significant difference in unspent budget balances between Uganda's foreign missions located in Africa and those located outside Africa ($t = -0.1990$, Mean Diff=0.05 Billion, $p = 0.8426$). The findings show that the level of unutilized funds among Uganda's foreign missions was relatively comparable regardless of geographical location during the FY 2024/25. This implies that foreign missions both within and outside Africa experienced similar expenditure execution patterns and budget utilization challenges. The absence of statistically significant differences further indicates that regional location alone may not substantially influence the level of unspent funds among foreign missions. Instead, factors such as internal financial planning, administrative efficiency, procurement processes, and implementation capacity may have played a more important role in determining unspent budget balances across individual missions.

5.0 Conclusions

This study examined regional variations in budget releases, budget absorption rates, and unspent budget balances across Uganda's foreign missions during the FY 2024/25. The findings revealed some observable differences in mean budget releases, expenditure absorption rates, and unspent budget balances across foreign missions located in East Africa, the rest of Africa, and regions outside Africa. However, the inferential statistical analyses showed that these differences were not statistically significant at the 5% level of significance. Foreign missions located outside Africa generally recorded relatively higher mean budget releases and absorption rates compared to missions within Africa, although the differences were statistically insignificant. In general, the study concludes that Uganda's foreign missions operated under relatively similar budget execution and expenditure management conditions regardless of geographical location, suggesting that factors such as institutional financial management practices, administrative capacity, and operational efficiency may have a greater influence on budget utilization performance than regional location alone.

6.0 Recommendations

The Ministry of Foreign Affairs should periodically review the operational financing needs of Uganda's foreign missions to ensure that budget allocations adequately reflect regional differences in diplomatic responsibilities, economic conditions, and operational costs across host countries. Uganda's foreign missions should strengthen expenditure planning and activity scheduling to ensure timely utilization of released funds and reduce the accumulation of unspent budget balances during the financial year. Government should establish region-specific expenditure monitoring mechanisms for foreign missions to improve accountability and identify mission-level challenges affecting budget utilization performance.

Foreign missions with relatively lower absorption rates should be supported through targeted technical and administrative assistance aimed at improving budget execution and financial reporting processes. The Ministry of Finance, Planning and Economic Development should enhance performance-based budgeting approaches for foreign missions by linking future budget allocations to expenditure efficiency and budget absorption performance. The government should focus on prioritizing a proactive procurement model, focusing on cost optimization to avoid unproductive spending, and adopting activity-based budgeting to align objectives and goals with the actualization of cash outflows. The government should allocate sufficient funds to meet operational costs and projected capital expenditures, to be released in phases after utilization and accountability are established. The government should apply historical and fair-value assessment methods to determine operating costs and capital expenditures, and relatively balanced budget allocation frameworks across foreign missions, regardless of location.

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