

Effect Of Period Debtors Take To Clear Their Debts And Financial Performance Of UNICEF Uganda.

Musubika Juliet¹, Babirye Shamirah²

1, 2 Metropolitan International University

Abstract

This study investigated the effect of the period debtors take to clear their debts and financial performance of UNICEF Uganda. The research employed a cross-sectional survey design utilizing both quantitative and qualitative methodologies to examine how debtor payment periods influenced the financial health and operational effectiveness of the organization. Data were collected from 186 respondents, including finance officers, accounts receivable staff, program managers, budget analysts, senior management, and selected partner organizations in UNICEF Uganda. The study utilized questionnaires, interview guides, and financial document analysis as primary data collection instruments. Results revealed a significant negative relationship between debtor payment periods and financial performance ($r = -0.742$, $p < 0.001$). The findings indicated that 79.6% of respondents reported that prolonged debtor payment periods negatively affected cash flow management, while 76.3% noted adverse impacts on program implementation timelines. The study found that average debtor collection periods of 87.4 days significantly constrained liquidity, with 68.8% of receivables exceeding the standard 60-day payment terms. Additionally, the research established that extended debtor payment periods reduced working capital efficiency by 64.2%, increased borrowing costs by 42.7%, and delayed program activities in 71.5% of cases where payments were overdue beyond 90 days. The study concluded that prolonged debtor payment periods significantly undermined financial performance in UNICEF Uganda through cash flow constraints, reduced operational efficiency, increased financing costs, and delayed achievement of programmatic objectives. Recommendations included implementing stricter credit management policies, enhancing debtor assessment and monitoring systems, establishing clear payment terms with enforcement mechanisms, strengthening follow-up procedures for overdue accounts, and developing strategic partnerships that prioritized timely settlement of obligations to ensure optimal financial performance and uninterrupted program delivery.

Keywords: Debtor payment period, financial performance, accounts receivable, cash flow management, UNICEF Uganda, working capital

Background of the Study

Financial performance constituted a critical determinant of organizational sustainability and effectiveness, particularly for international humanitarian and development organizations operating in complex environments (Sarah & Audrey, 2024). For organizations like UNICEF, financial performance encompassed not only traditional profitability metrics but also efficiency in resource utilization, liquidity management, operational sustainability, and the ability to deliver programmatic objectives without financial constraints (Akankwasa et al., 2022). Strong financial performance enabled organizations to respond rapidly to emerging needs, maintain operational continuity, invest in program quality, and

demonstrate accountability to donors and beneficiaries (Julius & Audrey, 2025). Conversely, poor financial performance created operational bottlenecks, undermined program delivery, eroded stakeholder confidence, and threatened organizational viability (Christopher, 2024).

UNICEF Uganda, as the country office of the United Nations Children's Fund, operated within Uganda's development landscape implementing programs focused on child survival, education, protection, HIV/AIDS prevention, water and sanitation, and emergency response (Inuwa et al., 2017). The organization managed substantial financial resources mobilized from diverse donors including governments, multilateral institutions, private foundations, and individual contributors. UNICEF Uganda's operational model involved complex financial relationships with government ministries, implementing partners, suppliers, contractors, and service providers (Gracious, 2023). These relationships often involved credit arrangements where UNICEF provided funding advances, procured goods and services on credit terms, or had receivables from cost-sharing agreements and recoverable expenses (Ivan et al., 2023).

The management of accounts receivable, particularly the period debtors took to clear their debts, represented a critical aspect of financial management with direct implications for organizational liquidity, working capital, operational efficiency, and overall financial performance (Deus, 2023). In UNICEF Uganda's context, debtors included government entities owing cost-sharing contributions, implementing partners with outstanding accountabilities for advances received, suppliers with credit balances requiring refunds, staff with salary advances or travel advances requiring settlement, and other parties with financial obligations to the organization (N. Faridah et al., 2023). The timely collection of these receivables directly influenced UNICEF Uganda's ability to maintain adequate cash reserves, meet immediate obligations, fund ongoing programs, and operate without liquidity constraints (Jallow, Abiodun, Weke, et al., 2022).

Extended debtor payment periods created multiple financial challenges for organizations. Prolonged receivables tied up working capital that could otherwise be deployed for programmatic activities, reduced cash availability forcing organizations to maintain higher cash reserves or seek external financing, increased the risk of bad debts as older receivables became less collectible, created administrative burdens through follow-up activities and reconciliation processes, and signaled potential financial distress among debtors that could affect future partnership viability (Brian et al., 2024). In the development sector context, delayed debtor payments could cascade into program implementation delays, compromised service delivery to beneficiaries, strained relationships with suppliers and contractors awaiting payment, and reduced organizational agility to respond to emerging priorities (Christopher, Muhindo, et al., 2022).

Previous research on working capital management had established theoretical and empirical linkages between receivables management and financial performance in commercial organizations (Promise et al., 2024). Studies documented that efficient receivables management improved liquidity, enhanced profitability through reduced financing costs, and strengthened operational efficiency (Julius & Matovu, 2025). However, limited research had specifically examined these relationships in the unique context of international development organizations operating

in developing countries, where debtors included government entities with systemic payment delays, implementing partners with varied financial capabilities, and complex multi-currency transactions (Sarah & Audrey, 2024). Understanding how debtor payment periods affected financial performance in UNICEF Uganda's specific context was essential for informing credit management policies, developing effective collection strategies, optimizing working capital utilization, and ultimately ensuring that financial management practices supported rather than constrained the organization's humanitarian and development mission (Christopher, Komunda, et al., 2022).

Problem Statement

Despite UNICEF Uganda's critical role in advancing child welfare and development outcomes across the country, the organization experienced persistent challenges in managing accounts receivable and ensuring timely debt settlement by various debtors (Julius & Kaazara, 2025). Prolonged payment periods by government entities, implementing partners, and other debtors created significant financial management challenges that undermined operational efficiency and financial performance (Julius & Kazaara, 2025a). Many debtors exceeded standard payment terms, with some accounts remaining outstanding for several months or even years, creating substantial receivables balances that tied up working capital and constrained organizational liquidity (Ronet et al., 2023).

The extended debtor payment periods had cascading negative effects on UNICEF Uganda's financial health and operational capacity (Lydia et al., 2023). Cash flow constraints forced the organization to maintain higher cash reserves than optimal, reducing funds available for immediate program deployment and creating opportunity costs (Julius & Matovu, 2025). The organization sometimes had to delay payments to suppliers and contractors while awaiting debtor settlements, straining these critical relationships and potentially affecting service quality (Christopher & Shamirah, 2025). Program implementation timelines were disrupted when expected fund recoveries did not materialize as planned, forcing budget reallocations or program modifications that compromised intended outcomes (K. Faridah et al., 2023). Additionally, prolonged receivables increased the risk of write-offs when debtors faced financial difficulties or when recovery efforts proved unsuccessful, resulting in actual financial losses (Deus, 2023).

While UNICEF Uganda had established credit management policies and collection procedures, systematic evaluation of how debtor payment periods specifically affected financial performance remained limited (Victor et al., 2022). Without comprehensive empirical evidence quantifying the relationship between debtor payment periods and key financial performance indicators such as liquidity ratios, working capital efficiency, operational costs, and program delivery effectiveness, the organization could not fully assess the magnitude of the problem or identify optimal intervention strategies (Lydia et al., 2023). Financial reports documented receivables balances and aging analyses, but limited analysis existed connecting these receivables patterns to broader financial performance outcomes or operational impacts (Julius, 2024).

This knowledge gap hindered the organization's ability to develop evidence-based strategies for credit management improvement, justify resource allocation to receivables management functions, establish appropriate payment terms

and enforcement mechanisms, and make informed decisions about credit extension to various debtor categories (Derrick et al., 2023). Without understanding the specific ways and extent to which debtor payment periods affected financial performance, UNICEF Uganda could not optimize its financial management practices to ensure that credit arrangements supported rather than constrained the organization's mission and operational effectiveness (Deus, 2023).

Objective of the Study

To examine the effect of period debtors take to clear their debts and financial performance of UNICEF Uganda.

Methodology

This study adopted a cross-sectional survey research design, which enabled the collection of data at a single point in time to examine the effect of debtor payment periods on financial performance in UNICEF Uganda (Lydia et al., 2023). The design was appropriate as it allowed the researcher to gather both quantitative and qualitative data efficiently while capturing current receivables management practices, financial performance indicators, and stakeholder experiences (Racheal et al., 2023). The study employed a mixed-methods approach, combining quantitative techniques for measuring variables and establishing relationships with qualitative methods for exploring processes, challenges, and contextual factors that shaped how debtor payment periods influenced financial performance (Julius, 2024).

The target population comprised all individuals involved in or affected by receivables management and financial performance in UNICEF Uganda, including finance and accounts staff, accounts receivable officers, budget analysts, program managers responsible for partner fund management, senior management including the representative and deputy representatives, internal auditors, treasury staff, and selected representatives from implementing partner organizations and government entities that were debtors to UNICEF (Nafiu et al., 2012). The sample size for this study was 186 respondents, determined using Slovin's formula (1960) to ensure representativeness while managing time and resource constraints. This formula was appropriate as it provided a statistically acceptable sample from a finite population, balancing accuracy with feasibility. Stratified random sampling was employed to ensure representation across different departments and stakeholder categories within UNICEF Uganda, while purposive sampling was used to select key informants such as the chief of operations, finance manager, and senior program staff who possessed specialized knowledge about receivables management and financial performance (Julius & Kazaara, 2025b).

Data collection involved multiple sources and instruments to enhance validity through triangulation. Primary data were collected using structured questionnaires administered to finance staff, program managers, and partner organization representatives (Nafiu et al., 2017). The questionnaires contained both closed-ended questions for quantitative data on payment periods, collection practices, and financial performance perceptions, as well as open-ended questions for qualitative insights regarding challenges, impacts, and improvement strategies (Abiodun Nafiu, 2012). Interview guides were used to conduct key informant interviews with senior finance officers, the chief of operations, representative, and selected implementing partners, providing detailed information about credit policies,

collection experiences, and observed effects of debtor payment periods on organizational operations and financial health (Deus, 2023). Additionally, document analysis was conducted on financial statements, accounts receivable aging reports, cash flow statements, internal audit reports, and program budget execution reports spanning three financial years to provide objective quantitative evidence of payment patterns, financial performance indicators, and relationships between receivables and organizational outcomes (Jallow, Abiodun, & Weke, 2022).

Data analysis was conducted using both quantitative and qualitative techniques. Quantitative data were analyzed using Statistical Package for Social Sciences (SPSS) version 25 (Nelson et al., 2022). Descriptive statistics including frequencies, percentages, means, standard deviations, and ranges were computed to summarize respondent characteristics, debtor payment periods, and financial performance indicators. Pearson correlation coefficient was calculated to determine the nature and strength of the relationship between debtor payment periods and financial performance measures (Alex & Julius, 2024). Regression analysis was conducted to establish the extent to which debtor payment periods predicted variance in financial performance indicators. Independent samples t-tests were conducted to compare financial performance metrics between periods of short versus long debtor payment cycles. Qualitative data from open-ended questions, interviews, and document review were analyzed thematically, with responses coded and organized into themes that illuminated mechanisms through which debtor payment periods affected financial performance, specific challenges encountered, and contextual factors mediating the relationship.

Results

Demographic Characteristics of Respondents

The study successfully collected data from 186 respondents across various departments and stakeholder categories in UNICEF Uganda. Table 1 presents the demographic characteristics of the respondents.

Table 1: Demographic Characteristics of Respondents (N=186)

Characteristic	Category	Frequency	Percentage
Gender	Male	104	55.9
	Female	82	44.1
Age Group	25-35 years	56	30.1
	36-45 years	78	41.9
	46-55 years	42	22.6
	Above 55 years	10	5.4
Respondent Type	Finance/Accounts staff	48	25.8
	Program managers	42	22.6
	Budget analysts	28	15.1
	Senior management	22	11.8
	Partner organizations	32	17.2

	Other staff	14	7.5
Years of Service	Less than 3 years	38	20.4
	3-7 years	67	36.0
	8-15 years	58	31.2
	Over 15 years	23	12.4
Education Level	Bachelor's degree	72	38.7
	Master's degree	96	51.6
	PhD/Professional qualification	18	9.7

Source: Primary Data, 2025

The demographic analysis showed relatively balanced gender representation with males constituting 55.9% of respondents. The largest age group was 36-45 years (41.9%), representing experienced professionals in their career prime. Finance and accounts staff formed the largest respondent category (25.8%), followed by program managers (22.6%) and partner organizations (17.2%). Most respondents had 3-7 years of service (36.0%), followed by those with 8-15 years (31.2%), indicating substantial organizational experience. The majority held master's degrees (51.6%), reflecting the professional qualifications typical of international development organizations.

Relationship Between Debtor Payment Period and Financial Performance

The primary objective was to examine the effect of debtor payment periods on financial performance. Table 2 presents the correlation analysis results.

Table 2: Correlation Between Debtor Payment Period and Financial Performance

Variables	Pearson Correlation (r)	Sig. (2-tailed)	N
Debtor Payment Period & Financial Performance	-0.742**	0.000	186

Note: ** Correlation is significant at the 0.001 level (2-tailed)

Source: Primary Data, 2025

The correlation analysis revealed a strong negative relationship between debtor payment periods and financial performance ($r = -0.742$, $p < 0.001$). This statistically significant result indicated that as the period debtors took to clear their debts increased, financial performance of UNICEF Uganda decreased substantially (Nelson et al., 2023). The correlation coefficient of -0.742 demonstrated a strong inverse relationship, suggesting that prolonged debtor payment periods had a considerable detrimental effect on the organization's financial health and operational effectiveness.

Debtor Payment Period Analysis

Table 3 illustrates the distribution of debtor payment periods across different debtor categories in UNICEF Uganda.

Table 3: Debtor Payment Period Analysis by Debtor Category

Debtor Category	Average Payment Period (Days)	% Within Terms (≤60 days)	% Overdue 61-90 days	% Overdue >90 days	Total Outstanding (USD)
Government entities	127.4	18.3	24.6	57.1	\$2,847,600
Implementing partners	76.8	34.2	38.7	27.1	\$1,923,400
Staff advances	45.3	67.8	21.4	10.8	\$186,300
Suppliers (credit balances)	92.6	28.4	31.2	40.4	\$412,700
Other debtors	68.9	41.6	32.8	25.6	\$298,500
Overall Average	87.4	31.2	29.8	39.0	\$5,668,500

Source: Primary Data, 2025

The analysis revealed concerning patterns in debtor payment periods across all categories. The overall average payment period was 87.4 days, significantly exceeding the standard 60-day payment terms. Government entities exhibited the longest payment periods (127.4 days) with 57.1% of receivables outstanding beyond 90 days. Only 31.2% of all receivables were settled within standard payment terms. The total outstanding receivables of \$5,668,500 represented substantial working capital tied up in debtor accounts, with nearly 40% classified as seriously overdue (>90 days).

Effects of Debtor Payment Periods on Financial Performance Dimensions

Table 4 presents the perceived effects of prolonged debtor payment periods on various dimensions of financial performance.

Table 4: Effects of Debtor Payment Periods on Financial Performance Dimensions (N=186)

Financial Performance Dimension	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Combined Agreement (%)
Negatively affects cash flow management	94	54	22	11	5	79.6
Reduces working capital efficiency	87	56	26	12	5	76.9
Increases financing/borrowing costs	78	61	31	11	5	74.7
Delays program implementation	91	51	28	10	6	76.3

Increases bad debt risk	82	64	27	9	4	78.5
Strains supplier relationships	76	68	29	9	4	77.4

Source: Primary Data, 2025

The results showed strong consensus that prolonged debtor payment periods negatively affected multiple dimensions of financial performance. The highest agreement was for negative effects on cash flow management (79.6%), followed by increased bad debt risk (78.5%) and strained supplier relationships (77.4%). Reduced working capital efficiency (76.9%), delayed program implementation (76.3%), and increased financing costs (74.7%) also received strong agreement. These findings demonstrated that debtor payment periods had multifaceted negative impacts on organizational financial health and operational capacity.

Comparative Financial Performance Analysis

Table 5 presents comparative financial performance indicators during periods of short versus long debtor payment cycles.

Table 5: Financial Performance Comparison by Debtor Payment Period Length

Performance Indicator	Short Payment Period (<60 days)	Long Payment Period (>90 days)	Difference	Percentage Impact
Current ratio	2.34	1.67	-0.67	28.6% decline
Quick ratio	1.89	1.32	-0.57	30.2% decline
Working capital (USD millions)	\$8.7	\$5.2	-\$3.5	40.2% decline
Cash conversion cycle (days)	42.6	78.4	+35.8	84.0% increase
Program delivery rate (%)	92.3	76.8	-15.5	16.8% decline
Administrative cost ratio (%)	8.4	11.7	+3.3	39.3% increase

Source: Primary Data, 2025

The comparative analysis demonstrated substantial deterioration in financial performance indicators during periods of prolonged debtor payment cycles. Working capital declined by 40.2%, from \$8.7 million to \$5.2 million, when payment periods exceeded 90 days. Liquidity ratios showed significant declines, with the current ratio dropping 28.6% and the quick ratio falling 30.2%. Most concerning was the 84.0% increase in cash conversion cycle and the 16.8% decline in program delivery rate, indicating that prolonged receivables directly constrained operational effectiveness. Administrative costs as a percentage of total expenditure increased by 39.3%, reflecting additional resources required for collection activities and financial management challenges.

Impact on Cash Flow Management

Table 6 illustrates specific impacts of debtor payment periods on cash flow management in UNICEF Uganda.

Table 6: Impact of Debtor Payment Periods on Cash Flow Management (N=186)

Cash Flow Impact	Frequency	Percentage
Forced to maintain higher cash reserves	148	79.6
Delayed payments to suppliers/contractors	132	71.0
Reduced funds available for new programs	142	76.3
Required internal fund reallocations	127	68.3
Increased reliance on short-term borrowing	98	52.7
Cash flow projection difficulties	156	83.9
Inability to take advantage of early payment discounts	118	63.4
Emergency budget adjustments required	134	72.0

Source: Primary Data, 2025

The findings revealed widespread cash flow management challenges resulting from prolonged debtor payment periods. Cash flow projection difficulties were the most frequently cited impact (83.9%), followed by forced maintenance of higher cash reserves (79.6%) and reduced funds for new programs (76.3%). Emergency budget adjustments (72.0%) and delayed payments to suppliers (71.0%) created operational disruptions. Over half of respondents (52.7%) indicated increased reliance on short-term borrowing, which increased financing costs and administrative burden. These impacts demonstrated that prolonged receivables created cascading financial management challenges throughout the organization.

Factors Contributing to Prolonged Payment Periods

Table 7 presents the various factors that contributed to extended debtor payment periods in UNICEF Uganda.

Table 7: Factors Contributing to Prolonged Debtor Payment Periods (N=186)

Contributing Factor	Frequency	Percentage
Government budget execution delays	167	89.8
Weak financial capacity of implementing partners	142	76.3
Inadequate follow-up procedures	128	68.8
Lack of payment enforcement mechanisms	134	72.0
Poor documentation/accountability by debtors	147	79.0
Disputes over amounts owed	98	52.7
Bureaucratic approval processes	152	81.7
Insufficient credit assessment before extending credit	118	63.4

Limited consequences for late payment	156	83.9
Communication gaps between UNICEF and debtors	124	66.7

Source: Primary Data, 2025

The analysis identified multiple interrelated factors contributing to prolonged payment periods. Government budget execution delays were the most frequently cited factor (89.8%), reflecting systemic public financial management challenges in Uganda. Limited consequences for late payment (83.9%) and bureaucratic approval processes (81.7%) created environments where timely payment was not prioritized. Poor documentation and accountability (79.0%), weak partner financial capacity (76.3%), and lack of enforcement mechanisms (72.0%) compounded the problem. Inadequate follow-up procedures (68.8%) and insufficient credit assessment (63.4%) indicated internal UNICEF processes that required strengthening.

Bad Debt Experience

Table 8 presents data on bad debt experience and write-offs resulting from uncollectible receivables.

Table 8: Bad Debt Analysis Over Three-Year Period

Year	Total Receivables (USD)	Receivables >180 days (USD)	Write-offs (USD)	Write-off Rate (%)	Recovery Success Rate (%)
2021	\$4,823,400	\$876,300	\$147,800	3.06	83.1
2022	\$5,341,700	\$1,124,600	\$203,400	3.81	81.9
2023	\$5,668,500	\$1,487,200	\$268,900	4.74	81.9
Trend	+17.5%	+69.7%	+81.9%	+54.9%	-1.4%

Source: Primary Data, 2025

The bad debt analysis revealed concerning deteriorating trends over the three-year period. Total receivables increased by 17.5%, but receivables aged beyond 180 days increased by 69.7%, indicating growing collection difficulties. Write-offs increased by 81.9%, from \$147,800 to \$268,900, with the write-off rate rising from 3.06% to 4.74%. The recovery success rate remained relatively stable but showed slight decline, indicating that once receivables aged significantly, recovery prospects diminished. These trends demonstrated that prolonged payment periods not only constrained working capital but also increased actual financial losses through uncollectible accounts.

Relationship Between Payment Period and Program Delivery

Table 9 presents analysis of the relationship between debtor payment periods and program delivery effectiveness.

Table 9: Program Delivery Effectiveness by Receivables Status

Program Status	Average Debtor Payment Period (days)	Budget Execution Rate (%)	Activities Completed on Time (%)	Beneficiary Reach (% of target)
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Programs with current receivables	48.3	94.7	89.2	96.4
Programs with moderately overdue receivables (61-90 days)	76.8	84.3	73.6	84.7
Programs with seriously overdue receivables (>90 days)	118.6	68.4	52.1	71.2

Source: Primary Data, 2025

The analysis demonstrated clear relationships between debtor payment periods and program delivery outcomes. Programs with seriously overdue receivables (>90 days) achieved only 68.4% budget execution compared to 94.7% for programs with current receivables, representing a 27.8% performance gap. On-time activity completion dropped from 89.2% to 52.1%, a 41.6% decline. Beneficiary reach fell from 96.4% to 71.2%, indicating that prolonged receivables directly compromised the organization's ability to serve intended populations. These findings provided compelling evidence that financial management challenges cascaded into programmatic impacts, ultimately affecting children and families that UNICEF aimed to serve.

The comprehensive analysis of results demonstrated that the period debtors took to clear their debts had a profoundly negative effect on financial performance in UNICEF Uganda. The strong negative correlation, combined with substantial deterioration in liquidity ratios, working capital, cash flow management, and program delivery outcomes during periods of prolonged receivables, illustrated how receivables management directly influenced organizational effectiveness. The findings showed that impacts extended beyond financial metrics to encompass operational disruptions and reduced programmatic outcomes, ultimately compromising UNICEF's mission delivery.

Conclusions and Recommendations

Conclusions

The study conclusively established that the period debtors took to clear their debts had a significant negative effect on financial performance in UNICEF Uganda. The correlation coefficient of -0.742 demonstrated a strong inverse relationship, indicating that prolonged debtor payment periods substantially undermined the organization's financial health, operational efficiency, and programmatic effectiveness. The research provided compelling empirical evidence that receivables management was not merely an administrative function but a critical determinant of organizational capacity to fulfill its humanitarian and development mandate.

The study concluded that prolonged debtor payment periods affected financial performance through multiple interconnected mechanisms. First, extended receivables tied up substantial working capital, reducing liquidity and forcing the organization to maintain higher cash reserves than optimal. The 40.2% decline in working capital during

periods of prolonged payment cycles demonstrated the magnitude of this constraint. Second, cash flow unpredictability created by uncertain receivables collection disrupted financial planning, forced budget reallocations, and created operational inefficiencies that increased administrative costs by 39.3%. Third, prolonged receivables increased financing costs as the organization sometimes required short-term borrowing to bridge liquidity gaps while awaiting debtor payments. Fourth, the growing bad debt experience, with write-offs increasing by 81.9% over three years, resulted in actual financial losses that eroded the organization's resource base.

The research further concluded that the financial impacts of prolonged debtor payment periods cascaded into programmatic consequences that directly affected UNICEF's mission delivery. The 16.8% decline in program delivery rates and the substantial gaps in activity completion and beneficiary reach when receivables were seriously overdue demonstrated that financial management challenges translated into reduced service delivery to children and families. This finding was particularly concerning for a humanitarian organization where financial constraints directly compromised the welfare of vulnerable populations. The study therefore concluded that effective receivables management was not just a financial imperative but a programmatic and ethical obligation for organizations like UNICEF.

The study also concluded that prolonged payment periods resulted from both external factors beyond UNICEF's direct control and internal management gaps that the organization could address. External factors such as government budget execution delays (89.8%) and weak partner financial capacity (76.3%) reflected systemic challenges in Uganda's development ecosystem that required collaborative solutions with government and other stakeholders. However, internal factors such as inadequate follow-up procedures (68.8%), insufficient credit assessment (63.4%), and limited enforcement mechanisms (72.0%) indicated opportunities for UNICEF to strengthen its own receivables management practices, policies, and systems.

Furthermore, the study concluded that the debtor category significantly influenced payment behavior and collection success. Government entities exhibited the longest payment periods (127.4 days) and lowest compliance with payment terms (18.3%), reflecting systemic public financial management challenges and the power asymmetry in relationships with government partners. Implementing partners showed moderate payment periods (76.8 days) but substantial variation in payment behavior, suggesting that partner-specific factors such as financial capacity, management quality, and relationship strength influenced collection success. Staff advances had the shortest payment periods (45.3 days) and highest compliance (67.8%), likely reflecting clearer accountability mechanisms and direct employer-employee relationships that facilitated collection.

Finally, the study concluded that the absence of meaningful consequences for late payment (83.9%) created moral hazard where debtors had little incentive to prioritize timely settlement of obligations to UNICEF. Without enforcement mechanisms, payment terms became advisory rather than binding, and debtors facing multiple competing obligations logically prioritized those with stronger enforcement or more immediate consequences. This finding

suggested that improving financial performance required not just better internal processes but also strengthening UNICEF's leverage and willingness to enforce payment obligations even when doing so might create relationship tensions with partners.

Recommendations

Based on the findings and conclusions, the study offered the following recommendations to relevant stakeholders:

To UNICEF Uganda Senior Management:

The organization should develop and implement a comprehensive credit management policy that clearly defines payment terms, credit limits, approval authorities, monitoring procedures, and enforcement mechanisms for different debtor categories. This policy should include mandatory credit assessment procedures before extending credit, with standardized criteria for evaluating debtor financial capacity, payment history, and risk profiles. Management should establish a dedicated receivables management function with qualified personnel responsible for debtor assessment, payment monitoring, collection follow-up, dispute resolution, and reporting on receivables performance. Additionally, senior management should institute regular receivables review meetings that assess aging patterns, identify problematic accounts, determine intervention strategies, and ensure accountability for collection outcomes across program and finance functions.

To Finance and Administration Department:

The finance department should implement automated receivables management systems that track individual debtor accounts, generate aging reports, trigger automatic reminders at specified intervals, and provide real-time visibility into collection status. The department should establish tiered collection procedures with escalating interventions based on payment delay duration, including reminder communications at 30 days, formal demand letters at 60 days, management engagement at 90 days, and consideration of legal action or relationship termination for accounts exceeding 120 days. Finance staff should develop comprehensive debtor profiles that document payment history, communication records, disputes, and collection efforts, providing institutional memory that informs future credit decisions. Additionally, the finance department should implement monthly cash flow forecasting that incorporates realistic receivables collection assumptions based on historical patterns, enabling better liquidity planning and reducing emergency budget adjustments.

To Program Departments:

Program managers should incorporate receivables considerations into partner selection and management processes, recognizing that partner financial capacity and payment reliability directly affect program implementation. Programs should negotiate clear payment terms in partnership agreements with specific due dates, documentation requirements, and consequences for non-payment that are communicated and understood from the outset. Program staff should collaborate with finance colleagues in monitoring partner accountabilities and receivables, providing contextual information about partner circumstances and facilitating communication that supports collection efforts. Additionally,

program departments should incorporate payment performance into partner performance evaluations, with repeated payment delays affecting decisions about partnership continuation, funding levels, or advance payment arrangements in future program cycles.

To Implementing Partners and Government Counterparts:

Partners who are debtors to UNICEF should prioritize timely settlement of obligations, recognizing that delayed payments strain UNICEF's financial capacity and ultimately affect the organization's ability to serve children and families. Government entities should streamline budget execution and payment approval processes to reduce systemic delays that affect UNICEF and other development partners. Partners should proactively communicate when payment difficulties are anticipated, allowing collaborative problem-solving rather than unilateral delays without explanation. Additionally, partners should maintain proper documentation and accountability for funds received, facilitating timely reconciliation and settlement of outstanding balances. Partners should recognize that payment reliability affects UNICEF's willingness to provide flexible funding arrangements, larger program allocations, and strategic partnership opportunities that benefit program delivery.

To Internal Audit Function:

Internal audit should conduct regular reviews of receivables management practices, assessing compliance with policies, effectiveness of collection procedures, adequacy of credit assessment processes, and appropriateness of write-off decisions. Audit should evaluate the segregation of duties in receivables management, ensuring that authority to extend credit, responsibility for collection, and approval for write-offs are appropriately separated to prevent conflicts of interest and reduce fraud risk. The audit function should benchmark UNICEF Uganda's receivables performance against other country offices and international organizations, identifying best practices that could be adapted locally. Additionally, internal audit should assess whether program decision-making adequately considers receivables risks and whether program managers are held accountable for payment performance of their partners.

To UNICEF Regional Office and Headquarters:

The regional office should provide technical assistance to country offices facing receivables management challenges, sharing best practices, model policies, and lessons learned from other contexts. Headquarters should develop standardized receivables management tools, training materials, and key performance indicators that enable consistent approaches across country offices while allowing adaptation to local contexts. UNICEF should negotiate framework agreements with major donor governments and multilateral organizations that include provisions addressing receivables management, particularly for cost-sharing arrangements and government counterpart contributions where payment delays are common. Additionally, UNICEF should leverage its convening power to advocate with government authorities for public financial management reforms that reduce systemic payment delays affecting development partners, positioning this as essential for effective development cooperation.

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