

CSBAG BUDGET NEWS



CSOs call for Transparency, Efficiency in FY2025/26 Budget Execution



Some of the Accounting Officers during the meeting on Budget Execution Guidelines for FY2025/26 at Speke Resort Munyonyo. Source (MOFPEDU)

Ministry of Finance, Planning and Economic Development (MoFPED) has urged Accounting Officers across government to prioritize accountability and transparency as they implement the FY 2025/26 budget. This call came during a high-level meeting on August 6 at Speke Resort, Munyonyo, which brought together Accounting Officers from Central Government, Local Governments, Missions Abroad, Regional Referral Hospitals, and Public Universities.

The Budget Execution Circular (BEC) for FY 2025/26 serves as the official annual directive from Uganda's Ministry of Finance, Planning and Economic Development to guide Accounting Officers across government institutions on the disciplined and transparent implementation of the national budget.

It aligns budget execution with Uganda's development plans, notably the Fourth National Development Plan (NDP IV) and the Tenfold Growth Strategy, and is critical for achieving efficient public service delivery.

Some of the key directives include;

1. Strict Adherence to Cash Flow Plan and Expenditure Limits- Accounting Officers must strictly follow the Government's Cash Flow Plan, which sets quarterly expenditure limits based on revenue forecasts, no mid-year requests for additional funding will be considered and contracts must only be signed with confirmed funding and unauthorized commitments expose Officers to personal liability.

2. Effective Financial and Expenditure Management- Quarterly Finance Committee meetings are mandatory immediately after expenditure limits are issued to prioritize spending and allocate funds before warrants are released, supplementary expenditures and virements require online processing through the Programme-Based Budgeting System (PBS), supported by clear work plans and no allocations are allowed after funds have been released.

3.Domestic Arrears Clearance and Prevention- UGX 1.4 trillion is allocated to settle verified domestic arrears

prioritized for suppliers, utilities, statutory payments and contractors. Additionally, strict controls are imposed to prevent new arrears and violators risk contract non-renewal and other sanctions.

4. Remittance of Statutory Deductions- Full compliance with timely remittance of taxes and social security contributions to the Uganda Revenue Authority (URA) and National Social Security Fund (NSSF) is mandatory and procurement and payments must be conducted in UGX wherever possible to protect currency stability.

5.Transparency and Reporting- Accounting Officers must submit quarterly budget performance reports within 30 days after the end of each quarter, following prescribed formats and should be shared with relevant oversight bodies and non-compliance results in penalties, including suspension of access to financial systems.

6.Local Government Transfers and Parish Development Model (PDM) and prevention of budget execution games- Timely transfers to sub-national units must align with approved work plans to ensure smooth delivery of services. Strict monitoring of Parish Development Model activities is enforced, fraud in community loan schemes is prohibited and monthly duty allowances are only payable to eligible parish officials. Ministry analysts will deepen reviews to detect and curb corrupt practices.

The CSBAG ED Julius Mukunda has emphasized that Accounting Officers must ensure funds are equally allocated. Mukunda said, "It is only through accountable execution that the budget can translate into tangible services meeting citizens' needs." He urged consistent monitoring to guidelines to promote efficiency in public spending. CSOs call on all Accounting Officers to uphold the highest standards of financial discipline and ensure timely and impactful public services for Ugandans.

CSBAG IN THE NEWS

OVER HALF RESPONDENTS CITE POVERTY AS TOP CONCERN

UGANDA DECIDES 2026

INCOME INEQUALITY NARROWS SLIGHTLY
The survey reveals a positive trend in income distribution. Uganda's Gini coefficient, a key measure of income inequality, declined from 0.425 in 2019/20 to 0.382 in 2023/24. This shift indicates a gradual movement toward a fairer distribution of income in the central region. The Gini coefficient ranges from 0 to 1, where 0 represents perfect equality and 1 represents perfect inequality. Uganda's declining coefficient suggests that while inequality is shrinking, the country still faces the pressing challenge of eliminating poverty.

POVERTY REDUCTION AT BUDGET'S CORE
Uganda's 2025/26 national budget places poverty reduction at the heart of its economic transformation agenda. With a focus on commercial agriculture, industrialization and expansion of the services sector, the budget seeks to accelerate the full participation of the economy. It marks the final year of implementing the National Development Plan V (NDP V), which promises higher household incomes, full economic participation, and the creation of key drivers of sustainable socio-economic transformation.

Uganda's Gini coefficient by region 2019/20 Vs 2023/24
The Gini coefficient is a statistical measure used to determine the extent of income inequality within a population. It ranges from 0 to 1, where 0 represents perfect equality and 1 represents perfect inequality.

Region	2019/20	2023/24
Central	0.370	0.351
Eastern	0.425	0.384
Western	0.412	0.369
Northern	0.352	0.346
North-Western	0.317	0.327
North-Eastern	0.386	0.348
National	0.425	0.382

EXPERTS' TAKE
Kenneth Asimwe, an economist with the Civil Society Budget Advocacy Group, says while programmes like the Parish Development Model (PDM) are being implemented in the central region, a similar approach is needed in other regions, regardless of population density. Asimwe says, "This means many eligible people in the central region miss out due to the high population pressure."
Dr Aisha Hanyiti, a lecturer in the department of policy and development economics at the Makerere University School of Economics, says crop production in central Uganda is increasingly difficult and unprofitable for farmers trying to make ends meet. She adds that the sector is vulnerable to price fluctuations, for example, when maize prices fall, farmers often incur heavy losses. However, she notes that coffee farmers have recently experienced a boom.
She urges the Government and regulatory bodies to support farmers by helping them access reliable markets with fair prices.



#PARTICIPATORYBUDGETING

This is maternity room at Kosike health center II. The health center started operations last year in December. It has only one delivery bed and one admission bed in same space. The same room is used during the antenatal care. This health center is run by only two staff. Kosike Heath Center II have never received drugs from government because they are not yet corded.

"Already, UGX1.4 trillion has been allocated for this purpose, and the funds will be released in the second quarter of this FY (October - December 2025) after verification by an independent Audit Firm. To curb further accumulation of domestic arrears " said PSST Ramathan Ggoobi during the meeting with Accounting Officers on Budget Execution FY2025/26

SOURCE: MOFPEDU