

# CSBAG BUDGET NEWS



## CSOs Call for Caution as Parliament considers Govt's UGX 1.4T request



The Parliament of Uganda during a plenary session. SOURCE (The Daily Monitor)

The House Committee on National Economy is this week expected to deliver before Parliament its verdict on the government's latest requests to borrow over **UGX 1.4T** to partially fund the FY2025/26 National Budget.

The requests tabled last week on Wednesday when Parliament reconvened are scheduled to enable government construct and equip Mbale and Arua Oncology centres; fund the construction of the Busega-Mpigi Expressway; and to boost livestock farming in Uganda.

Specifically, the said loan requests include the **US\$99.56M (Approx UGX352B)** from the International Fund for Agricultural Development (IFAD) that government will use to bankroll the proposed Resilient Livestock Value Chain Project (RELIV)

The 2nd tranche comprises of the E9.4M (Approx UGX38B) loan to be secured from the UniCredit Bank Austria for the construction and equipping of Mbale Oncology Centre and **US\$36.5M (Approx UGX 129B)** from Islamic Development Bank (ISDB) for the construction of Arua Oncology Centre and Radiotherapy equipment for the Mbale Oncology Centre.

After these loans were tabled on Wednesday, 3rd September last week, Speaker Anita Among referred to them to the Committee on National Economy. Consequently, State Minister of Finance in charge of General Duties, Mr. Henry Musasizi together with officials from Ministry of Agriculture on Thursday, 4th September defended the loans as they interfaced with the committee.

"There is no loan that is coming within this period which is not aligned to the budget. We are bringing these loans to finance the budget. So, there is nothing that should bias us," Mr. Musasizi told the MPs on the committee on National Economy.

When asked why the said loan requests appears to be rushed, Mr. Musasizi said, "Why you see loans coming now, you know that we missed June, July and August. So, all work which should have been done in that period is coming now. I know November we shall be away and December, we are likely to see more work coming around January."

### CSOs Call for Caution

The ED of the Civil Society Budget Advocacy Group (CSBAG) Julius Mukunda says that whereas a portion of the said loan requests are justifiable, he says there is need to ensure the said funds are put to their intended and proper use.

"The government's aim to borrow **UGX 1.4T** for the above items is justifiable because it will fund investments that have long-term benefits, to improve health outcomes, save economic time, and increase agricultural productivity," Mr. Mukunda said.

He added "For instance, the Mbale and Arua Oncology centres will serve the regions of West Nile and Eastern Uganda with specialized care to cancer patients: reducing the time travel burden, offering comprehensive cancer care services in the two regions from detection to treatment. Medical experts early this year told Daily Monitor that around 3,000 develop cancer every year in Uganda.

On the other hand he cautioned that "the big red flag is cost discipline," with the specific attention placed on "the Busega-Mpigi Expressway which tells a sobering story."

This is because, he says, "originally budgeted at **UGX 500B**, it ballooned to **UGX 1.2T** and now more money is being sought. The road has already overshot both its timeframe and its budget, yet no clear accountability has been given."

He goes on to state that "this raises a stark question: What type of road is this that costs as much as multiple regional highways combined? If such overruns repeat with the oncology centres, Uganda risks paying far beyond international benchmarks for basic facilities."

While referencing government authenticated records, Mr Mukunda said "the gravity of wastage is compounded by the Office of the Auditor General's 2024 Report, which shows that out of **UGX 43.25T** borrowed, only **UGX 26.84T** has actually been spent."

He added "The remainder sits idle as "unabsorbed loans," yet still attracts commitment charges and interest payments. In effect, Ugandans are paying for money that delivers no service."

### What next?

As Parliament reconvenes on Tuesday with expectations that the House will process the said loan requests, the Civil Society fraternity has advised proper and deeper scrutiny is undertaken before approving the said loan requests.

The CSBAG overseer Mr. Mukunda advised that government lessens on what could appear to be excessive reliance on borrowing to fund the National Budget.

"Instead of piling on new loans, government can cut non-productive expenditures such as oversized administrative budgets, luxury convoys, and inflated workshops to redirect resources into these priority sectors," Mr. Mukunda said.

The citizenry will this week and in the coming days zoom-in on the proceedings of Parliament as it processes the aforementioned loan requests.

## CSBAG EVENTS

**Event:** Local Government Budget Consultations (LGBC)

**Convenor:** Ministry of Finance, Planning and Economic Development

**Date:** 15th September 2025 to 3rd October 2025

**Venue:** 11 regions including: Lira, Jinja, Mbale, Masaka, Hoima, Fort portal, Mbarara, Kabale, Arua, Gulu and Central Region

**Event:** National Consultative Meeting on FFD4 Commitments and Dissemination of Uganda GPEDC Report

**Convenor:** Action Aid Uganda

**Date:** 11th September 2025

**Venue:** Sheraton Hotel Kampala



### #PARTICIPATORYAUDITING

In Adjumani, fruitful discussions with some PBCs revealed encouraging progress. They are already tracking changes in health facilities since the first monitoring. For example, Ara Health Centre II has received 2 additional staff, raising the number from 1 to 3, while Arinyapi Health Centre has gained a new midwife, increasing staff from 1 to 2. Communities are also showing keen interest in reading and questioning how Health Centre budgets are being implemented.

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SOURCE: CSBAG

