

## Finance cautions local governments on development plans as it releases UGX 18.4 trillion for Quarter 2



Patrick Ocailap, the Deputy Secretary to the Treasury, at the press briefing of the 2<sup>nd</sup> Quarter Expenditure Releases FY2025/26 at the Ministry of Finance offices on 14<sup>th</sup> October 2025. Source (MOFPED)

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The Civil Society Budget Advocacy Group (CSBAG) has welcomed the release of **UGX 18.43T** for the 2nd Quarter of the **FY2025/26**, bringing cumulative government releases to **UGX 38.61T (53.4%)** of the approved national budget. The release was announced by the Deputy Secretary to the Treasury, Patrick Ocailap, who represented the Permanent Secretary to the Treasury during a press briefing on Tuesday, 14 October 2025.

According to Mr. Ocailap, the Ugandan economy continues to show resilience despite a challenging global environment marked by geopolitical tensions and tight financial conditions. Economic growth rose from **6.3%** in FY2024/25 and is projected to reach **7%** in FY2025/26. The economy’s nominal size expanded to **UGX 227.88T**, driven largely by the Parish Development Model (PDM) and sustained recovery in aggregate demand.

As part of the 2nd Quarter releases, the government allocated **UGX 554B** to the PDM to ensure that 50% of its approved budget is disbursed, alongside continued implementation of the Tenfold Growth Strategy focusing on the Agro-Industrialization, Tourism, Minerals, and Oil and Gas sectors (ATMs) and key enablers. The Deputy Secretary Treasury also directed Accounting Officers to ensure timely payment of salaries, pensions, and service providers, avoid domestic arrears, and execute contracts in Uganda shillings only.

### CSOs Commend Progress but Demand Stronger Accountability

In response to the briefing, CSBAG Economist Pascal Muhangi, representing the Executive Director, commended the Ministry of Finance for continued efforts toward budget transparency and timely releases. He also recognized the Ministry’s engagement with Local Governments during the FY2026/27 Budget Strategy consultations, which enabled dialogue on improving service delivery.

However, CSOs raised concerns regarding the slow approval of Local Government Development Plans (LGDPs) under the NDP IV framework. As of September 2025, only **14%** of Local Governments had approved plans, meaning that **86%** are implementing activities outside approved frameworks, creating risks of misaligned spending. CSBAG also noted slow progress in Physical Development Planning, with only **15%** of expected plans approved nationwide, undermining spatial and strategic alignment with the National Physical Development Plan (NPDP).

On asset management, Pascal Muhangi, representing CSBAG Uganda, commended the Office of the Accountant General for reforms in the Integrated Financial Management System (IFMS) that have strengthened asset reporting. However, he cited the Auditor General’s findings that “Asset Valuation Committees lack the necessary competence to make reliable estimates,” urging the Accountant General to follow through on the validation and valuation processes to enhance transparency and accountability in government asset management.

Muhangi also raised concern over the ongoing teachers’ strike, noting that it continues to affect education service delivery across the country. He called upon the government to “urgently intervene to resolve the impasse and enable classes to resume.”

Jane Nalunga, the Executive Director of Southern and Eastern Africa Trade, Information and Negotiations Institute (SEATINI) Uganda, emphasized that “It is imperative for Local Governments to have their NDP IV-aligned plans in place to ensure that resources released are consistent with national priorities and deliver value for money.”

Civil Society further highlighted persistent fiscal indiscipline among some Accounting Officers who continue to request wage and pension shortfalls after budget approval. CSBAG urged the Ministry of Finance to enforce stricter financial discipline to prevent domestic arrears and promote efficient use of public resources.

### CSOs Reaffirm Commitment to Inclusive and Accountable Budgeting

CSBAG and SEATINI reaffirmed their commitment to promoting inclusive and prudent public financial management (PFM) and ensuring that budget resources deliver tangible results for citizens. “As civil society, we remain steadfast in championing responsible budgeting, transparency, and accountability to ensure that public funds serve Ugandans effectively,” said Pascal Muhangi.