

CSBAG BUDGET NEWS



Parliament Approves UGX 84.4 Trillion Budget Amid Debt Servicing Storm



State Minister of Finance Henry Musasizi and Speaker of Parliament Anita Among during enactment of Appropriation Bill. Source (Parliament)

Parliament of Uganda has officially approved the national budget for the Financial Year 2026/27, totaling **UGX 84.391 trillion**. The approval, passed during a plenary session chaired by Speaker Anita Among on April 24, 2026, finalizes weeks of intense negotiations and last-minute corrections to the fiscal blueprint.

While government touts this as a launchpad towards a USD 500 billion economy by 2040, a Civil Society Organizations (CSO) verification of the figures reveals a troubling reality: **40% of the budget will be consumed by debt servicing**, leaving minimal room for transformative development.

CSO analysis confirms that the final figure of **UGX 84.391 trillion** marks a significant increase from previous estimates.

Just months ago, the Budget Framework Paper had projected a resource envelope of **UGX 69.399 trillion**. The figure was later revised to **UGX 78.2 trillion** in February before settling at the current record high.

Just days before the vote, the Ministry of Finance issued a *corrigendum* (a last-minute correction) adding **UGX 97 billion** to address "budgeting errors".

This volatile revision process raises red flags regarding the accuracy of macro-fiscal forecasting.

The Ministry of Finance tables the budget with a focus on "Development Plan Implementation" (Shs 35.7 trillion) and "Human Capital Development" (Shs 13.5 trillion) as seen in Table 13 [cite:table at end].

However, a deeper CSO analysis of the expenditure framework exposes a system under severe strain.

The table analysis breaks down the "Hidden Budget"—expenditures that are mandatory and non-negotiable, versus the actual discretionary funds available for services like roads, health, and education. According to figures sourced from the budget framework, at least

EXPENDITURE CATEGORY	ALLOCATION (UGX)	CSO VERDICT
Debt Servicing	33.600 Trillion	Critical Risk
Wages & Allowances	14.111 Trillion	Fixed Cost
Staff Expenses (Admin)	8.221 Trillion	Overhead
Classified Expenditure	2.622 Trillion	Opaque
Remaining for Debate	~25.8 Trillion	Shrinking Space

69.4% of the entire national budget is already pre-committed to recurrent expenditures and debt repayment.

This leaves the government with a fiscal space of less than **31%** to run the entire country, pay for salaries, security, and maintain infrastructure.

The **UGX 33.6 Trillion** allocated to debt servicing. This represents a massive increase from the Shs 27.5 trillion spent in the current financial year and is the largest single line item in the budget.

Shadow Finance Minister Ibrahim Ssemujju Nganda presented a minority report warning that "most government borrowing now comes from domestic sources," which crowds out private sector credit and hurts businesses.

As CSOs, we find that the government is spending roughly **UGX 331** of every **UGX 1,000** collected in revenue just to pay interest on loans. This is not sustainable.

To restore fiscal credibility and free up resources for development, CSOs urge Parliament and the Executive to urgently legislate a binding debt service-to-revenue cap (**e.g., 20%**), release sufficient funds to clear the verified **UGX 8.4 trillion** domestic arrears, and mandate full public disclosure of the **UGX 2.6 trillion** classified expenditure.

CSBAG IN THE MEDIA



#EDUCATIONFINANCING

CSBAG attended the launch of the Nairobi Charter on Transformative Education Financing – a multi-country research effort designed to evaluate the actual cost of achieving quality education

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SOURCE: Ministry of Finance, Planning and Economic Development Estimates FY2026/27