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BY ARTHUR ARNOLD WADERO

Uganda's budget formulation process ahead of the start of the financial year (FY) 2026/2027 appears to be running out of runway after the electioneering period, and a 60 percent attrition rate of the January polls contrived to create a perfect storm.

The process typically kicks off in December, which this time round brought with it the peak of the 2026 General Election. This translated into significantly less time being devoted to discussions of the National Budget Framework Paper (NBFP).

Compound matters, most of the lawmakers who did the heavy lifting during budget formulation processes in the 11th Parliament did not win their re-election bids.

"The unfortunate thing is that this framework, we are supposed to look at it [during] the whole of January [and] give it serious scrutiny but we never had that because of elections," Mr Ibrahim Ssemujju, the Kira Municipality lawmaker, who doubles as the Shadow Finance minister, told *Sunday Monitor*, adding, "When we came back, some people had lost morale as a result of losing elections but the rest of us continued working."

Mr Julius Mukunda, the executive director of Civil Society Budget Advocacy Group (CSBAG), admitted that next FY's "budget will not have as much scrutiny as the other years." The implications of this, he added, cannot be understated.

Mr Robert Mbazira, the associate director of business tax advisory at Ernst & Young, agreed. He described the formulation stage as "critical", adding that he anticipated that there will be many supplementary budgets next FY because of the perfect storm that the budgeting process has run into.

"It is highly likely that this budget is going to be approved by maybe the demoralised MPs and the risk is that we might have so many empty seats while this budget is being discussed and approved," Mr Mbazira said.

"My only issue then would be more around the tax amendments that would be proposed. We are yet to hear more about the proposals, but remember that

Election aftermath deflates new FY budgeting process



Finance minister Matia Kasajja (centre) carries a symbolic briefcase containing the National Budget at Kololo ceremonial grounds on June 5, 2023. PHOTO/FILE

has an impact on the investment climate. That is what most people would look forward to, especially from the investment space," he added.

Dr Fred Muhumuza, the director of the Makerere University Business School (MUBS) Economic Forum, agreed that the country is dealing with a less than ideal situation. He, however, is not entirely convinced that a panic button should be hit.

"The budget framework paper is supposed to be with Members of Parliament by the end of the year [...] So it is given to them before they go for Christmas. Of course we know they may not [have been] reading because they [were] busy with elections," the academic noted.

"If any of them [MPs] do turn up, it is his personal decision [...] But many of them as we know, Hon Ssemujju himself will tell you [that] the quality of input of his colleagues is sometimes not so significant as to make things change," he added.

Dr Muhumuza told *Sunday Monitor* that whereas it is important for legisla-

Additional 71 percent of companies have not yet performed a thorough assessment to see how environmental is-

Most businesses are eager for guidance on how to improve. The report found that 88 percent of companies

crucial for building trust and creating value for stakeholders," he added.

Issue.
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tors to commit sufficient time to process the budget, there is hardly much that they can alter.

"It is not much of what is new; it is what they have been doing. A lot of budget [items] are already ring-fenced in stone. [For example], interest payment is not for Parliament to debate. It is for [their] information. Salaries and wages are not for debate. It is for information," he said.

There are three major phases the NBFP

undergoes before it can be approved and implemented. These include budget preparation that runs from August to November; budget approval handled between December until May; and then budget execution done starting in June.

The most critical stage that requires thorough scrutiny by lawmakers and the input of the public is the budget approval phase. It starts when the Finance ministry tables the NBFP in the House before the close of December.

The common practice has been that it is tabled before Christmas, thereby allowing legislators sufficient time to digest the contents of the draft budget. Comprehensive discussions on the same are held the following month, in January. This is then followed by House committees reviewing the draft budget in consultation with stakeholders.

Recommendations are then made before the budget is handed over to the Finance ministry. Thereafter, the ministry issues the second budget call circular. This is then followed by the tabling of Ministerial Policy Statements and an-

nual budgets that get debated in Parliament by the whole House. After Parliament passes the National Budget jointly with the Tax Bills that define the tax regime of that FY, it is after this stage that the implementation stage kicks off.

Implications

The budget for FY2026/2027 works to about Shs72 trillion. Mr Mukunda said technically speaking, the actual figure is "like only Shs40 trillion because when you remove things like debt [repayment charges], the budget becomes far less."

Dr Muhumuza told *Sunday Monitor* that "the impact and input of the budget in Parliament can only change about five percent." He added, in a matter-of-fact manner, that "the rest of the 95 percent can't be changed."

He however believes that some of the lawmakers in the 11th Parliament that lost in the January elections "possibly have lost interest in that process."

Mr Mbazira, however, argues that the likelihood of minimal scrutiny from lawmakers cannot be downplayed, not least because it—to a great extent—accounts for persistent supplementary budgets that later crop up in the course of the FY.

"The ripple effect is that we see supplementary budgets coming up [...], indicating that it [budgeting process] was not rightly done. We got it wrong from the start," Mr Mbazira said.

Mr Hamson Denis Obua, who is tasked with whipping lawmakers from the ruling National Resistance Movement (NRM) party, said in an interview that the NBFP is being prioritised.

"I wish to appeal to them that whenever called upon as members of the NRM Parliamentary caucus of the 11th Parliament, please make sure we come such that we execute the responsibilities bestowed upon us by the party, by the constitution of Uganda and by the people," Mr Obua, who himself was not re-elected to the House, said.

"We were elected for a period of five years that ends in May 2026. Let us rise up to the occasion, turn up in big numbers whenever called upon to execute our duties," he added.

The tenure of the lawmakers in the 11th Parliament will expire in May.