

About the biggest budget in Uganda's history

In recent times, the Ministry of Finance delivered two pieces of news simultaneously; and they require equal attention. The first: Uganda's economy will grow by 10.4 percent in FY2026/2027. Our GDP will gallop from Shs251.4 trillion to Shs290.3 trillion. The national wallet hits approximately \$76.7 billion. Parliament has passed the largest Budget in Uganda's history, Shs84.3 trillion, up from Shs72.4 trillion last year. Finance State Minister Henry Musasizi described it as a Budget anchored on "full monetisation of the economy through commercial agriculture, industrialisation, expanding social services, digital transformation and market access." It is, in short, a glorious time to be a press release at Finance House.

The second piece of news buried somewhat deeper in the same documents: before that Shs84.3 trillion reaches a single nurse, teacher, or entrepreneur, Shs58.5 trillion of it is already spoken for. Debt servicing swallows Shs33.6 trillion, nearly 40 percent of the entire Budget. Wages and salaries consume Shs14.1 trillion. Administrative expenses absorb Shs8.2 trillion. Classified expenditure, the category whose contents we are not invited to discuss, takes another Shs2.6 trillion. Four-line items. Seventy percent of the Budget.

Now, a word about this Budget's unusual biography. It was born small and grew quickly. After the January 2026 elections, the draft estimates stood at Shs69.3 trillion. By February, the Finance ministry's second Budget call circular had inflated it to Shs78.2 trillion.

Uganda's public debt has risen to approximately 116.2 trillion, a debt-to-GDP ratio that has crossed the 50 percent legal threshold set by Uganda's own Charter for Fiscal Responsibility. The Bank of Uganda may be watching this with the expression of a doctor whose patient just ordered the third pork chop after receiving the cholesterol re-

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Budget



sults.

So where does the remaining 30 percent go? Here, finally, is where the Budget becomes interesting, and where the 10.4 percent growth story must prove its credentials. Human capital development covering health, education, and social protection receives the single largest programme allocation at Shs13.5 trillion and includes a phased 25 percent salary enhancement for teachers. This is genuine progress and deserves acknowledgment without embarrassment. The ATMS growth pillars; Agro-Industrialisation (Shs2.2 trillion), Tourism (Shs571.5 billion), Minerals and Oil (Shs435.5 billion), and Science, Technology and Innovation (Shs1.1 trillion) are funded, if modestly. Infrastructure receives Shs10.8 trillion. Security gets Shs10.2 trillion. The mango tree is larger. The question is whether the fruit reaches the ground.

Because the structural problems that 40 years of growth have not yet resolved remain stubbornly in place. Uganda's doctor-to-patient ratio is approximately 1:25,000, against a WHO recommendation of 1:1,000. Out-of-pocket health spending accounts for 50 percent of all health expenditure, meaning that serious illness in Uganda remains, for most families, a financial emergency wearing a medical disguise. The

National Health Insurance Scheme exists as legislation and as intention, two categories that are not the same as a functioning system.

In education, the 2025 government-World Bank report concluded that meeting Uganda's own quality goals by 2040 requires a 440 percent Budget increase and 360,000 new teachers. Today's pupil-to-teacher ratio is 1:61. There are 54 school inspectors for more than 12,000 schools, one per 222 schools. Each school can mathematically expect a supervisory visit roughly once every four years, by which time the leaking classroom roof may have achieved heritage status.

The teacher salary enhancement in this Budget is welcome, but teachers are also leaving the profession at a rate that outpaces hiring. Between January and December 2025, the teachers' union lost 535 members to death, retirement, and financial frustration. A 25 percent phased enhancement is a step, not a solution, in a sector that needs 440 percent more investment to simply keep pace.

In a nutshell, this is Uganda's biggest Budget ever, paired with its biggest debt bill ever, projecting its highest growth rate in years, financed partly by its most aggressive borrowing plan yet. A 10.4 percent growth rate is like a wedding invitation promising the most magnificent feast Uganda has ever seen. That part may well be true. The question is whether you are seated at the table or standing outside the gate while 70 percent of the food is used to pay the caterer's previous debts, the security guard's salary, and a classified line item nobody can explain. Until the Auditor General stops writing the same report every year and someone reads it, keep your calculator ready. And your scepticism as always well-oiled.

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