

Uganda's 2025/26 budget opportunities and challenges ahead



From Left up: Dr. Arthur Bainomugisha, Francis Shanty Odokorach, Country Director Oxfam Uganda, ED ACODE, Julius Mukunda, ED CSBAG and an official from UDLS. From Right Down: Leonard Ahimbisibwe the DCAO Isingiro, Benson Turamye, ED PPDA, Mamtaz Ismail, Manager of Stakeholder Engagement OAG, Hannington Ashaba, Director Budget MoFPED, and an official from UDLS after the awarding session during the CSO post budget dialogue FY 2025/26 ON 18/06/2025 (Photo: CSBAG)

“Allocating resources is only one side of the equation,” Mukunda noted. “Ensuring those resources reach the intended communities is another. We continue to see limited funding to local governments, which are at the frontline of service delivery.”

The national budget for Uganda’s 2025/26 financial year, totaling UGX 72.376 trillion, has drawn a complex mix of praise and concern at the annual Civil Society Post-Budget Dialogue. Civil society leaders, government officials, development partners, and tax experts gathered in Kampala to assess the budget’s potential to drive equitable development while flagging persistent gaps in service delivery and public accountability.

Julius Mukunda, Executive Director of the Civil Society Budget Advocacy Group (CSBAG), opened the dialogue with an insightful, data-driven presentation.

He acknowledged the government’s efforts to invest in human capital and productive sectors but raised critical questions about whether the budget would genuinely improve the lives of ordinary Ugandans

Mukunda underscored the contradiction between ambitious national programs and under-resourced implementers. With only 8.3% of the budget allocated to local governments, he warned that many of the initiatives risk failing before they begin. He further cited the government’s low absorption capacity noting over UGX 1.4 trillion in unspent funds last year as a sign that Uganda’s development challenges are no longer about money alone, but about execution, efficiency, and political will.

In defense of the budget, Mr. Hannington Ashaba, Director of Budget at the Ministry of Finance, Planning and Economic Development (MoFPED), speaking on behalf of the Permanent Secretary/Secretary to the Treasury, argued that the budget is carefully aligned with Uganda’s long-term economic vision. Anchored on the theme of "Full Monetization of the Economy," Ashaba said the fiscal plan is designed to shift households from subsistence to commercial productivity through agro-industrialization, digital transformation, and market access.

Ashaba acknowledged the concerns raised by civil society but emphasized the need for a mindset shift in implementation. "Execution discipline is key. We must do things differently, prioritize coordination, civic order, and ensure implementation is efficient and accountable," he said. He reaffirmed that the government remains committed to inclusive growth and has laid out strategic investments in youth employment, infrastructure, skilling, and agricultural value chains.

From Oxfam in Uganda, Sophie Nampewo Njuba, Finance for Development Coordinator, gave a more cautionary outlook. While she praised the budget’s sizable investments in health and education, she warned that real change would depend on addressing gaps in service delivery. "This budget is a mixed bag for citizens," she said. "There’s potential but drug stockouts and teacher shortages undermine its promises. We need more than numbers on paper; we need results in communities."

Nampewo echoed Mukunda’s call for deeper citizen involvement in public finance management and insisted that transparency and accountability be prioritized at every level.

Tax policy also featured in the dialogue, with Robert Mbaziira, Senior Manager in Business Tax Advisory at Ernst & Young Uganda, applauding the government’s approach to revenue generation. Instead of introducing new taxes, the government is broadening the tax base by linking the National Identification Number to tax registration and encouraging compliance among small and informal businesses.

Mbaziira praised tax exemptions for small enterprises and agricultural producers but warned that public trust remains low. "Even with fair tax policy, compliance depends on whether taxpayers feel their money is being used responsibly. Without accountability, tax morale stays low," he said.

Beyond policy debate, the dialogue celebrated public institutions through the CSBAG Service Excellence Awards 2025, recognizing innovation and service delivery.

Isingiro District Local Government was awarded Outstanding Service Delivery at the Local Government Level for scoring 93% in the 2023 Office of the Prime Minister’s service delivery assessment. The district, known for its agricultural productivity and refugee integration, has demonstrated strong local leadership and community engagement.

The Office of the Auditor General (OAG) received recognition for innovations like the Citizens’ Feedback Platform and Audit Recommendation Tracker, which have empowered citizens to hold public institutions accountable. Over 700 citizens have used the tools since 2024.

The Public Procurement and Disposal of Public Assets Authority (PPDA) was similarly lauded for its Contract Monitoring System, which enables communities to track public procurement projects and report irregularities hence bringing transparency to a critical area of government spending.

The Ministry of Finance was awarded for promoting budget transparency and citizen participation, with Uganda ranked first in Africa on the Open Budget Index 2024. Initiatives like the Citizen’s Budget Guide, budget hotlines, and local consultations have strengthened public awareness of fiscal matters.

Lastly, the Uganda Driver Licensing System was honored for Excellence in Public Service, following reforms that have drastically reduced processing time and improved service efficiency since 2020.

As the dialogue closed, Julius Mukunda’s call to action lingered: "We must be honest with ourselves. We have the resources. Now we need the discipline, the integrity, and the courage to make those resources work for the people."