

CSBAG BUDGET NEWS



CSOs on Alert as Government Issues Budget Execution Guidelines for FY 2025/2026



PSST Ramadhan Ggoobi speaking at a presser event. (July 11, 2025) Photo MoFPEDU.

As Uganda embarks on implementing its **UGX 72.3 trillion** budget for the FY 2025/26, Ministry of Finance, Planning and Economic Development has issued the Budget Execution Circular (**BEC**) a key policy guideline that sets the parameter on how funds will be managed and utilized across government sectors. This marks a critical moment for Civil Society Organizations (CSOs) as they monitor the implementation process but also champion accountability for key sectors.

Issued by Permanent Secretary Ramathan Ggoobi on July 11th, 2025, the circular emphasizes prudent fiscal discipline, with a strong focus on clearing domestic arrears amounting to **UGX 1.4 trillion**. In a stern directive, Ggoobi warned that accounting officers who accumulate new arrears will face serious sanctions including the non-renewal of contracts. This move, while applauded by fiscal reform advocates, places a renewed responsibility on oversight actors, including CSOs, to track public expenditure in real-time.

The budget-aligned with National Development Plan IV and the Tenfold Growth Strategy reflects the government's optimism in achieving **6.4%** economic growth through sectors such as agro-industrialization, tourism, and mineral development.

However, critical voices from within civil society, including CSBAG, have raised concerns about persistent underfinancing of key sectors like agriculture and tourism which are essential for inclusive economic transformation.

According to the CSBAG Executive Director Julius Mukunda the country needs to prioritize the youth that are over **70%** according Uganda Bureau of Statistics (UBOS).

We need to think about alternative skilling opportunities and the innovation capacity these sectors can provide. We also need to look at the survival of the youth who can be great beneficiaries of these sectors with better funding and implementation strategies in place. These sectors that are underfunded do not leave a good trajectory for our young people," Mukunda said

Additionally, one of the most consequential directives in the BEC is the mandatory use of Uganda shillings for all government transactions, a shift aimed at curbing forex instability and aligning spending with national appropriations.

Additionally, Finance Committees within MDAs are required to meet regularly to agree on quarterly priorities and ensure funds are aligned to sectoral goals process where Civil Society Organizations (CSOs) play a crucial watchdog role.

The other significant allocations include **UGX 5.69 trillion** for Works and Transport and **UGX 3.73 trillion** for Defense, reflecting national priorities in infrastructure and security. While these are strategic allocations, civil society actors argue that greater balance is needed to fund social sectors and green growth initiatives.

As the Quarter One expenditure limits are set to be announced next week. CSOs are being called upon to stay vigilant to monitor the execution of the budget allocations. These will greatly determine whether Uganda's development agenda is truly inclusive and sustainable.

CSBAG EVENTS

Event: Annual General Meeting

Convener: CSBAG

Date: 1st August 2025

Venue: CSBAG Offices



#REFLECTIONMEETING

CSBAG staff and its partners during its biannual planning and reflection meeting to reflect on the progress for the next half of the year. These sessions encourage learning, accountability and teamwork for the organization.

This year's budget starts with the implementation of the National Development Plan IV & the Tenfold Growth Strategy which shows our commitment to the implementation of the fiscal consolidation agenda. Additionally, next week, the quarter one expenditure limits for the FY 2025/2026 will be communicated.

(PSST Ramadhan Ggoobi Ministry of Finance, Planning and Economic Development)

SOURCE: MOFPEDU