

# KEY TAKEAWAYS FROM UGANDA'S 2024-25 NATIONAL BUDGET

## Total Budget:

The total budget for FY 2024-25 is a staggering US\$ 72.1 trillion, marking a significant increase of US\$ 14.1 trillion from the initial proposal of US\$ 58 trillion. Just 14 hours before approving the budget, Parliament received an addendum from the Ministry of Finance that increased the budget by over 25 percent. According to the Public Finance Management Act (2015), Parliament had until May 31st to approve the budget along with the tabled revisions. It is unclear why Parliament chose to review the corrigenda and approve the budget by May 17th, shortly after the corrigenda had been tabled.

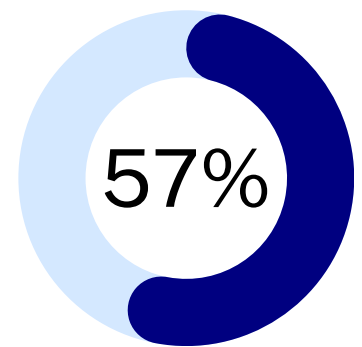
## Debt Repayment and Financing:

Debt repayment and financing account for the largest portion of the budget, comprising **over half (57 percent)**, totaling a staggering **US\$ 41.7 trillion**. Debt repayment will exceed anticipated domestic revenue, which is expected to be US\$ 32.3 trillion, by **1.3 times**. This indicates that the entire revenue collection will be allocated to debt payments.

With a debt repayment budget of **US\$ 41.7 trillion**, the government intends to **spend US\$ 114 billion every day on debt repayment—an expense which surpasses the combined budget for health, education, and social protection**.

The budget includes US\$ 3.1 trillion for external debt repayment, US\$ 9.5 trillion for interest payments, US\$ 19.8 trillion for domestic debt refinancing, US\$ 9.1 trillion for domestic debt payments to the Bank of Uganda, and US\$ 200 billion for the payment of domestic arrears.

Debt payments as a share of the US\$ 72 trillion budget

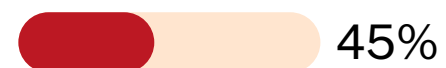


## Budget Surplus or Deficit:

The government expects to collect **US\$ 32.3 trillion** in domestic resources to finance its US\$ 72 trillion budget, which represents an increase of **US\$ 2.3 trillion (7.7 percent)** from 2023/24. This leaves a deficit of **US\$ 39.7 trillion**. In percentage terms, the deficit accounts for **55 percent** of the proposed budget, implying that only **45 percent** of the budget will be financed through domestic resources.

The deficit will be financed through US\$ 8.9 trillion borrowed domestically, including from the Bank of Uganda; US\$ 19.8 trillion borrowed to payoff maturing domestic debt; and US\$ 10.9 trillion resources received from external sources in the form of loans and grants.

Share of the Budget that is financed through domestic resources



### ACKNOWLEDGEMENT

This factsheet was developed by Ausi Kibowa @ISER and benefitted immensely from feedback by Allana Kembabazi @ ISER.

### REFERENCES

To learn more, please read our detailed report on the 2024-25 budget at: <https://iser-uganda.org/>



## Allocations to Selected Sectors:

The education sector will receive **UShs 5.85 trillion**, constituting **8%** of the total budget, reflecting a **5.2% increase** from last year's UShs 5.56 trillion.



The health sector will receive **UShs 3.0 trillion**, making up **4.1%** of the total budget. The Ministry of Health receives the largest share of this budget, amounting to UShs 1.3 trillion—**over 10 times** the allocation for cancer services (UShs 113 billion) under the Uganda Cancer Institute.



Social protection interventions will receive **UShs 172 billion**, amounting to **0.2%** of the total budget, with no increase from last year. The allocation to social protection is **just about half (57%) of what has been allocated to special meals and drinks** (UShs 300 billion)



The mineral sector is the least funded in the budget, receiving **UShs 32 billion**, which is **0.04%** of the total budget.



Local governments are expected to receive **UShs 6.8 trillion**, representing **9.5%** of the entire budget.



## Public Services:

**Health Spending Breakdown:** Of the UShs 2.7 trillion allocated to the health sector, **UShs 725.1 billion** will go to the National Medical Stores for the procurement and distribution of medicines and medical supplies, amounting to a per-person spending of **UShs 17,436** on medicines in the 2024-25 financial year.



**Spending on Primary-level education:** The budget allocates just **UShs 20,000** per student at the primary level for public schools.



**Support for the elderly:** Of the UShs 172 billion allocated to social protection interventions, **UShs 121 billion** will go to social assistance grants for the elderly. An additional **UShs 5 billion** will be allocated to enterprise grants for the elderly. With 1.52 million people aged 60 and above in the total population, the allocation for elderly support amounts to a per-person spending of **UShs 6,907** each month.



## Wasteful Expenditures:

**Identified Wasteful Expenditures:** **UShs 2.27 trillion** is identified as wasteful expenditure, which includes specific examples like special meals and drinks (300 Bn); welfare and entertainment (137 Bn); travel abroad (114 Bn); official ceremonies and state functions (36 Bn); Beddings, Clothing, Footwear and related Services (134 Bn) among others



This constitutes **3.1%** of the total budget, highlighting areas where spending could be optimized or redirected to funding public services.

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