CENTER for ECONOMIC and SOCIAL RIGHTS

ISER Facilitating Social Justice
INITIATIVE FOR SOCIAL AND ECONOMIC RIGHTS

Uganda's Debt and the Right to Education

How rising debt servicing is crowding out basic education financing and undermining the right to education

1. Executive Summary / Key Messages

Uganda's expanding public debt is placing increasing pressure on fiscal space, with serious consequences for education financing. While education budgets have increased in nominal terms over the years, these gains have not translated into sustained improvements in real or per-capita spending.

At the same time, debt servicing has grown rapidly and now significantly outweighs education spending. This fiscal imbalance is constraining the government's ability to adequately fund schools, teachers, and learning materials.

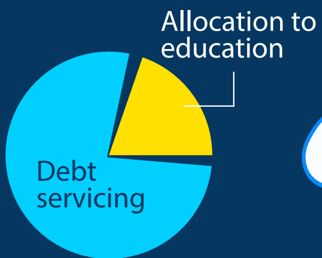
Key messages:

- Education allocations have increased nominally, but real and per-capita spending remains low and volatile.
- Debt servicing now consumes resources at a scale far exceeding education investment.
- Per-child spending reveals deeper underinvestment when accounting for out-of-school populations.
- Current trends signal a risk of retrogression in the realization of the right to education.

2. Problem Snapshot

Uganda's debt trajectory has accelerated in recent years, with rising debt service obligations consuming an increasing share of the national budget.

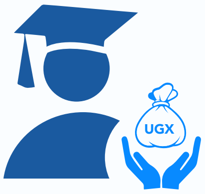
In FY2025/26, debt servicing reached UGX 26.44 trillion (USD 7.12 billion), compared to UGX 5.57 trillion (USD 1.50 billion) allocated to education. This means that debt servicing was nearly 4.7 times larger than total education spending.



UGX
FY2025/26 Debt servicing
UGX 26.44 trillion

UGX 5.57 trillion
Allocated to education

Despite the introduction and expansion of Universal Primary Education (UPE) and Universal Secondary Education (USE), the sector remains underfunded. Schools face shortages of instructional materials, classrooms, teachers, infrastructure gaps, and inadequate operational funding



Critically, the capitation grant[1] remains at **UGX 20,000 (USD 5.38) per learner per year**, far below the recommended **UGX 63,000–59,000 (USD 16.95–15.88)**. This funding gap has led to government grant-aided schools charging non-tuition fees[2]. Notably, considering that Uganda operates a cash budget, there is no guarantee that the full paltry UGX 20,000 is allocated to schools.

Capitation grant
UGX 20,000
Per learner per year

Far below the recommended
UGX 63,000 - 59,000

Advocacy insight:

The government currently provides less than one-third of the minimum recommended funding per primary school learner in public school. Closing this gap alone would require hundreds of billions of shillings annually—yet this amount is a fraction of what is spent on debt servicing.

3. The Evidence: Debt and the Education Crisis

3.1 The Fiscal Divergence

Uganda’s fiscal trajectory shows a widening gap between debt servicing and education investment.
In FY2025/26, debt service **(UGX 26.44 trillion [USD 7.12 billion])** was nearly **4.7 times larger** than the total education allocation **(UGX 5.57 trillion [USD 1.50 billion])**.

Debt servicing has more than doubled since FY2020/21, while education spending has grown more slowly and inconsistently.

Financial Year	Education Nominal (UGX)	Education Nominal (USD)	Debt Service (UGX)	Debt Service (USD)
2020/21	3,700,181,459,959	995,834,242	12,764,632,641,368	3,434,613,562
2021/22	3,281,583,113,317	883,176,371	14,871,743,682,376	4,003,322,909
2022/23	1,885,749,002,243	507,513,874	14,864,514,417,471	4,001,377,706
2023/24	4,189,156,475,490	1,127,432,670	16,990,643,705,185	4,572,977,864
2024/25	4,847,089,175,383	1,304,502,881	24,686,836,065,704	6,643,862,739
2025/26	5,568,010,020,119	1,498,525,166	26,439,114,825,319	7,116,368,262

[1] In Uganda's education sector, a capitation grant is a per-learner funding mechanism where the central government allocates financial resources directly to public schools implementing Universal Primary Education (UPE) and Universal Secondary Education (USE). Calculated based on total student enrolment, these grants are strictly intended to cover non-wage operational costs—such as instructional materials, school utilities, maintenance, administration, and co-curricular activities—and do not cover teacher salaries or capital development.

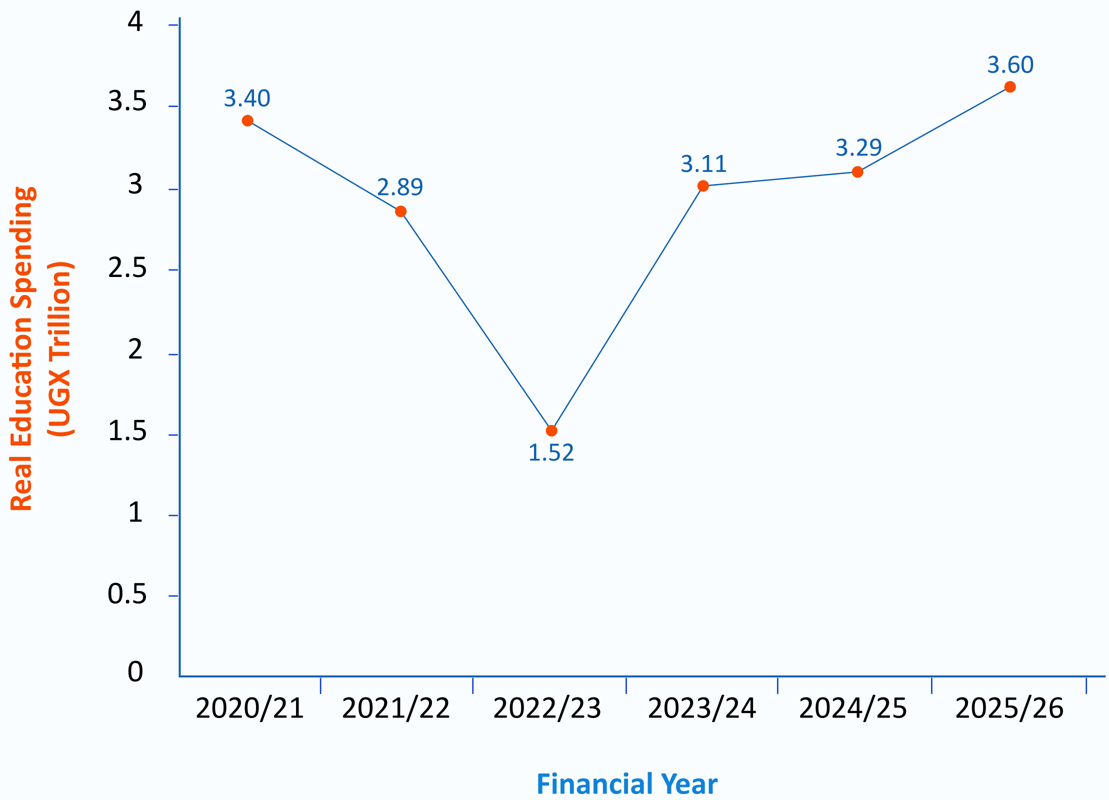
[2] Initiative for Social and Economic Rights (ISER), “Unpacking Uganda's 2024–25 Budget: ISER's Insights on Public Services Funding,” Report, September 2024, p.8.

3.2 Budget Trends and Regressivity Test

Real Spending Trends

Real education spending declined sharply in FY2022/23 before recovering in subsequent years. By FY2025/26, real spending reached **UGX 3.60 trillion (USD 0.97 billion)**—only modestly above FY2020/21 levels.

Financial Year	Real Education Spending (UGX)	Real Education Spending (USD)
2020/21	3.40 trillion	0.91 billion
2021/22	2.89 trillion	0.78 billion
2022/23	1.52 trillion	0.41 billion
2023/24	3.11 trillion	0.84 billion
2024/25	3.29 trillion	0.89 billion
2025/26	3.60 trillion	0.97 billion



Real Spending per Enrolled Learner

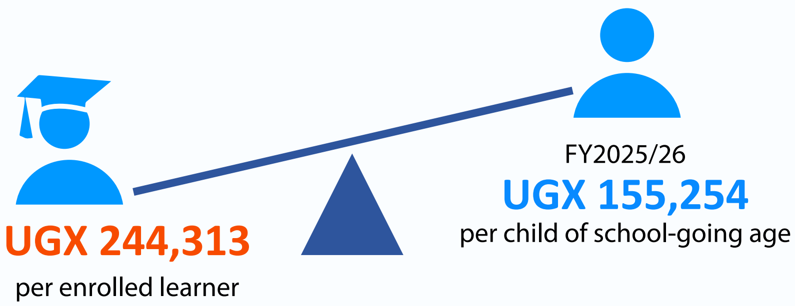
Real per-learner spending fell dramatically in FY2022/23 and has since recovered. However, the increase remains modest relative to need:

Financial Year	Spending per Enrolled Learner (UGX)	USD Equivalent
2020/21	230,446	62.03
2021/22	196,427	52.86
2022/23	103,064	27.74
2023/24	210,789	56.72
2024/25	223,584	60.16
2025/26	244,313	65.77

Real Spending per Child of School Age

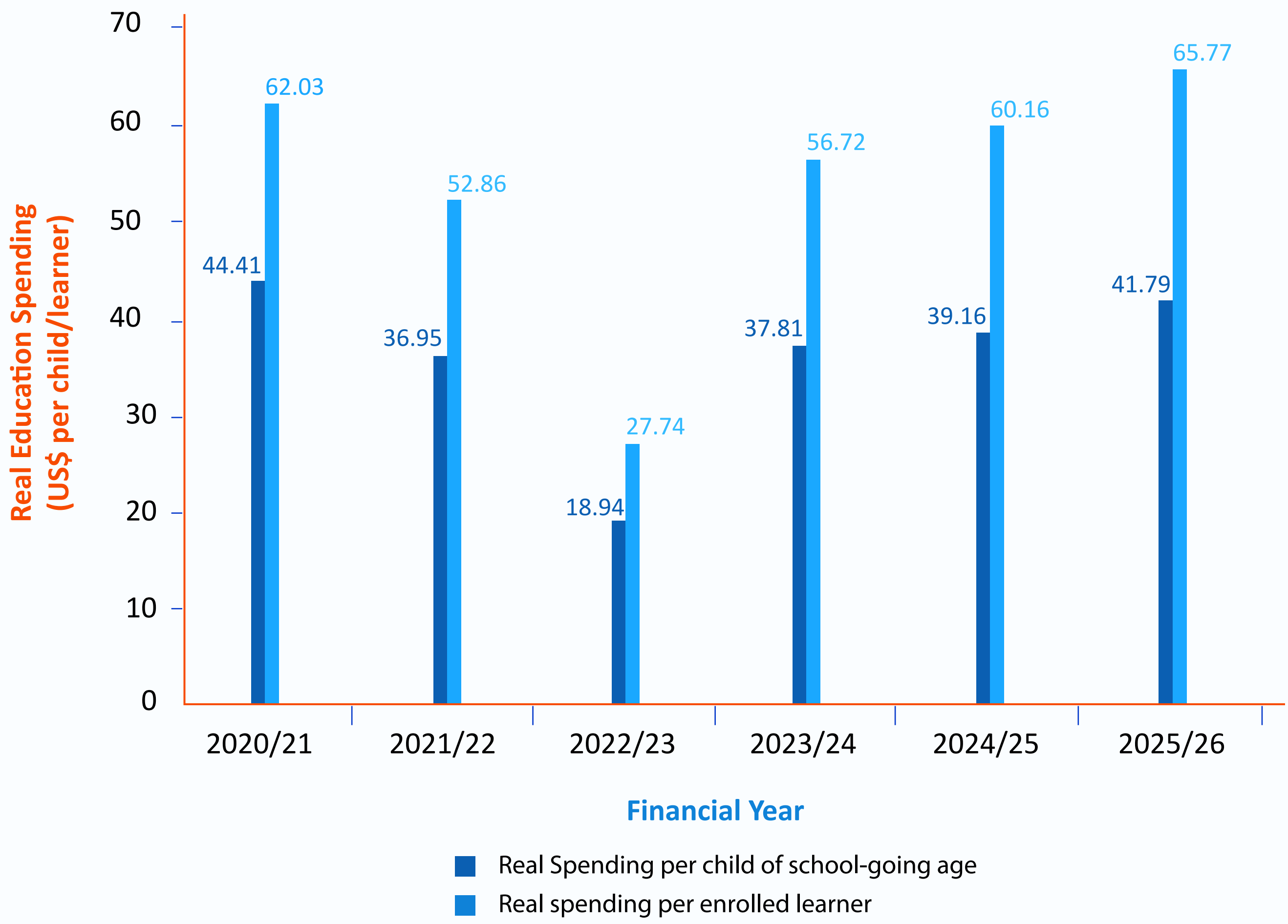
When assessed against the full population aged 5–24, spending levels are significantly lower:

- FY2025/26: **UGX 155,254 (USD 41.79)** per child
- Compared to **UGX 244,313 (USD 65.77)** per enrolled learner



This gap highlights the scale of underinvestment when accounting for children who are out of school.

Education Spending per School-Age Child and per Enrolled Learner



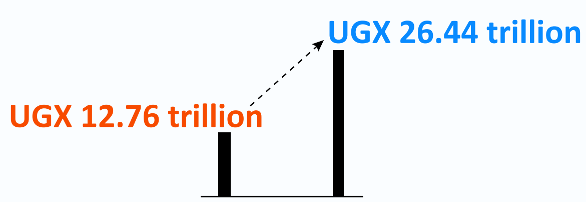
Human Rights Interpretation: Is the Budget Regressive?

The evidence shows that:

- Real spending growth is limited and uneven.
- Per-capita gains are fragile and insufficient.
- Population growth continues to outpace funding increases.
- Spending per child remains low relative to need.

While there has been partial recovery, the overall trend does not demonstrate sustained progressive realization. Instead, it indicates **stagnation and a risk of retrogression** in the right to education.

At the same time, debt service has surged from **UGX 12.76 trillion (USD 3.43 billion)** to **UGX 26.44 trillion (USD 7.12 billion)**, intensifying fiscal pressure.



Debt service surge

3.3 Service Delivery Gaps

Underfunding has translated into systemic education challenges. While programs like Universal Primary Education (1997) and Universal Secondary Education (2007) have boosted enrolment, the sector continues to face challenges such as underfunding, inadequate infrastructure, and high dropout rates. The growing burden of debt servicing threatens to worsen these issues.

In primary schools, out of 111,101 primary school teachers on the approved structure, 85,073 (77%) teachers are posted, reflecting a staffing gap of 26,028 (23%) teachers. Additionally, while the Ministry of Education and Sports standard stipulates a teacher to pupil ratio of 1:53, the Auditor General[3] has noted that the average ratio in primary schools inspected was at 1:75.

Additionally, the Auditor General noted that 37 seed secondary schools under a World Bank-funded program (UGIFT) still face gaps in essential infrastructure, including classrooms, teacher accommodations, laboratories, libraries, and playgrounds.

These deficiencies inevitably impact the overall performance of these schools, compromising the right to quality education as guaranteed under both national and international human rights frameworks. A shortage of teachers in key subjects undermines learning outcomes, while inadequate infrastructure affects both teaching and learning.

4. The Lens: Human Rights and Gender Analysis

Education is a fundamental human right and a key driver of equality. However, debt-related fiscal constraints disproportionately affect women and girls.

Girls face higher dropout rates due to cost barriers, teenage pregnancy, and lack of menstrual facilities. The 2024 Census[4] reveals that 5.2% of females compared to 6.4% of males completed post-secondary education and above, indicating that more boys finish post-secondary education than girls. Lower completion rates translate into reduced economic opportunities and reinforce gender inequality.

Women are more likely to be in vulnerable employment and informal work, often as a result of limited educational attainment. Underfunding in education, therefore, has long-term consequences for gender equality, labor participation, and poverty reduction.

Failure to adequately fund education shifts costs to households, where gender norms often disadvantage girls. This creates intergenerational cycles of inequality.

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[3] Office of the Auditor General (OAG), "Annual Report of the Auditor General to Parliament for the Audit Year Ended 31st December 2024," Government of Uganda, December 2024, p.279.

[4] Uganda Bureau of Statistics (UBOS), "National Population and Housing Census 2024 – Final Report – Volume I (Main)," Government of Uganda, December 2024, p.42.

5. Policy Recommendations

- Increase Education Financing: Substantially raise allocations to meet minimum funding requirements and improve per-learner spending.
- Protect Education from Debt Pressures: Adopt fiscal safeguards to prevent excessive diversion of resources to debt servicing.
- Strengthen Rights-Based Budgeting: Ensure budgets account for inflation, population growth, and minimum obligations.
- Close the Capitation Grant Gap: Increase grants to recommended levels and eliminate informal school fees.
- Align Infrastructure with Service Delivery: Ensure that school construction is matched with staffing and operational resources.
- Advance Gender-Responsive Policies: Invest in interventions that keep girls in school and reduce gender disparities.
- Pursue Debt Reform: Engage in debt restructuring and advocate for debt cancellation to restore fiscal space.

6. Conclusion

Uganda's rising debt burden is increasingly constraining its ability to finance education. While access has expanded, funding levels remain insufficient to ensure quality and equity.

The current trajectory risks undermining the progressive realization of the right to education. Rebalancing fiscal priorities and strengthening investment in education is both a development necessity and a human rights obligation.

Methodological Note:

Nominal sector allocations have been computed based on data from the respective years' approved budget estimates.

Nominal allocations to education have been deflated with their sector CPI indices sourced from UBOS (base year 2016/2017).

Per capita allocations have been calculated using census figures from the latest 2024 National Housing and Population Census.

All conversions use a fixed rate of 1 USD = USh3,715.66 (March 2026).

This is a joint publication of the Initiative for Social and Economic Rights (ISER) and the Center for Economic and Social Rights (CESR)

Initiative for Social and Economic Rights (ISER)

ISER is a Ugandan not-for-profit human rights organization founded in 2012 and based in Kampala. It works to promote the effective understanding, monitoring, implementation, and realization of economic and social rights in Uganda and beyond.

Center for Economic and Social Rights (CESR)

CESR is an international non-governmental organization and registered nonprofit based in New York, United States. It advances economic and social rights and works for more just and equitable social and economic systems.

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