CENTER for ECONOMIC and SOCIAL RIGHTS

ISER
Facilitating Social Justice
INITIATIVE FOR SOCIAL AND ECONOMIC RIGHTS

Uganda's Public Debt and Human Rights

How rising debt is constraining fiscal space and undermining economic and social rights

1. Executive Summary / Key Messages

Uganda's public debt has grown rapidly over the past decade, transforming from a manageable development financing tool into a major constraint on fiscal space. While borrowing has supported infrastructure and economic expansion, the rising cost of servicing this debt is increasingly crowding out investment in critical social sectors.

Debt servicing now absorbs a large and growing share of public resources, outpacing spending on health, education, social protection, and climate action. This trend raises serious concerns about the State's ability to meet its obligations on the progressive realization of economic and social rights.

Key messages:

- Uganda's public debt stock and servicing costs have risen sharply in recent years.
- Debt servicing has surged, consuming an ever-larger share of the budget and domestic revenue.
- Fiscal pressures are translating into underinvestment in rights-critical services.
- Current trends risk retrogression in the realization of economic and social rights.

2. The Debt Profile: What Uganda Owes and to Whom

Uganda's total public debt has increased significantly, reaching approximately **USD 34.2 billion[1] (UGX 119.4 trillion)** by September 2025, up from about USD 26.56 billion[2] in December 2024. Over the last five years, public debt increased by roughly 66.8%[3], reflecting a sustained expansion in borrowing. This has tightened fiscal space and made the State more dependent on debt to finance its development agenda.

UGX

Uganda's total public debt by September 2025

UGX 119.4 trillion

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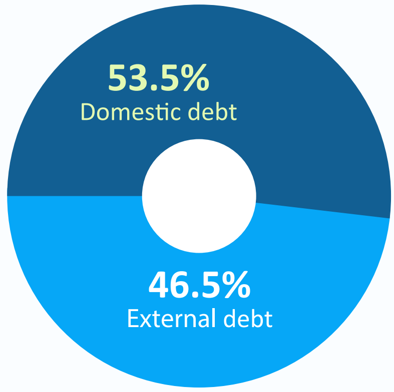
[1] Ministry of Finance, Planning and Economic Development (MoFPED), "Debt Statistical Bulletin and Public Debt Portfolio Analysis: September 2025 (Issue No. 42)," Government of Uganda, September 2025, p.16.

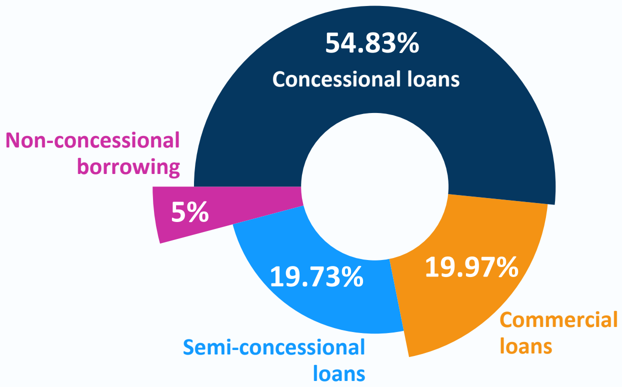
[2] Ministry of Finance, Planning and Economic Development (MoFPED), "Quarterly Debt Statistical Bulletin and Public Debt Portfolio Analysis: September 2024," Government of Uganda, September 2024, p. [Insert Page].

[3] Office of the Auditor General (OAG), "Annual Report of the Auditor General to Parliament for the Audit Year Ended 31st December 2025," Government of Uganda, January 2026.

Uganda's nominal **debt-to-GDP ratio** rose to **52.4%** by September 2025[4], compared to 48.3% in September 2024, exceeding the Charter of Fiscal Responsibility target of 49.3%. This matters because it signals that debt is growing faster than the economy's capacity to service it.

The debt portfolio is now increasingly dominated by domestic borrowing. By September 2025, domestic debt accounted for **53.5%** of the total debt stock, while external debt accounted for **46.5%**. Domestic debt stood at **USD 18.3 billion (UGX 63.9 trillion)**, while external debt stood at **USD 15.89 billion (UGX 55.4 trillion)**. Domestic financing has become more prominent in the debt mix, but it also carries higher interest and refinancing risks, which increases the cost of servicing debt over time[5].





External debt is distributed across multilateral, bilateral, and commercial creditors. Concessional loans remain the largest share at 54.83% (USD 8.71 billion), but commercial loans now account for 19.97% of external debt, a notable shift toward more expensive and less flexible financing. Semi-concessional loans account for 19.73%, while non-concessional borrowing stands at 5.46%. The growing share of commercial borrowing matters because it comes with stricter repayment terms, higher interest rates, shorter maturities, and greater pressure on public finances[6].

Uganda's external debt portfolio also reflects changing risk exposure in interest structure. Fixed-rate debt accounts for **63.81%** of external debt, while variable-rate debt has risen to **20.51%**, up from 18% in 2024. Interest-free debt accounts for **15.69%**. The weighted average interest rate on total debt rose to **8.9%** as of September 2025. While external debt remains relatively cheaper at an average of **2.4%**, domestic debt carries a much higher weighted interest rate of **14.5%**, pushing up the overall cost of borrowing[7].

The maturity profile provides some short-term breathing space but does not eliminate the long-term burden. By September 2025, the average time to maturity of Uganda's external debt stood at **8.4 years**. That means the country has, on average, less than a decade to repay many of its external obligations, while continuing to face exchange-rate and refinancing risk.

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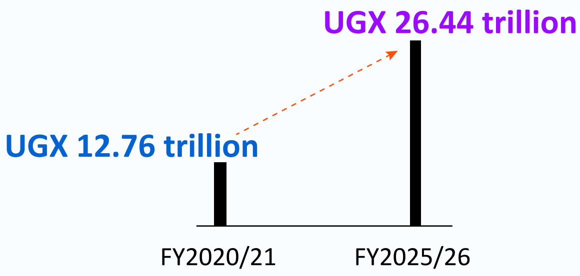
[4] Ministry of Finance, Planning and Economic Development (MoFPED), "Debt Statistical Bulletin and Public Debt Portfolio Analysis: September 2025 (Issue No. 42)," Government of Uganda, September 2025, p.3.
[5] MoFPED, "Debt Statistical Bulletin: September 2025," p.2.
[6] MoFPED, "Debt Statistical Bulletin: September 2025," p.4.
[7] MoFPED, "Debt Statistical Bulletin: September 2025," p.8.

3. The Fiscal Pressure Point: Debt Servicing and Crowding Out

The most immediate impact of rising debt is the growing cost of debt servicing. Uganda's debt service obligations have increased sharply, rising from **UGX 12.76 trillion (USD 3.43 billion)** in FY2020/21 to **UGX 26.44 trillion (USD 7.12 billion)** in FY2025/26.



Debt service

This is not only a high fiscal burden; it is also a sign of how much public space debt is now consuming. Every increase in debt service reduces the government's room to finance hospitals, schools, social protection programmes, and climate adaptation measures. In practical terms, more money is being committed to paying past debt than to meeting current public needs.

Uganda also loses resources through delayed loan absorption. According to the Auditor General, the government paid about **UGX 73 billion** in commitment fees in FY2023/24 because borrowed funds were not absorbed on time. Over the past six financial years, these idle-loan charges accumulated to nearly **UGX 469.8 billion**. These costs are a strong indicator of inefficiency in public investment management: the State is paying for money it has not yet used, while social sectors remain underfunded.

Government paid
UGX 73 billion
in commitment
fees in FY2023/24

Idle-loan Charges
UGX 469.8 billion

Together, these dynamics highlight how the cost of debt is not only rising but also constraining the effectiveness of public spending.

4. Human Rights Budget Analysis: The Great Divergence

The central human rights concern is the widening gap between debt servicing and spending on essential social sectors. In FY2025/26, Uganda allocated UGX 26.44 trillion (USD 7.1 billion) to debt servicing, compared with much smaller allocations to the sectors that are essential for the realization of rights.

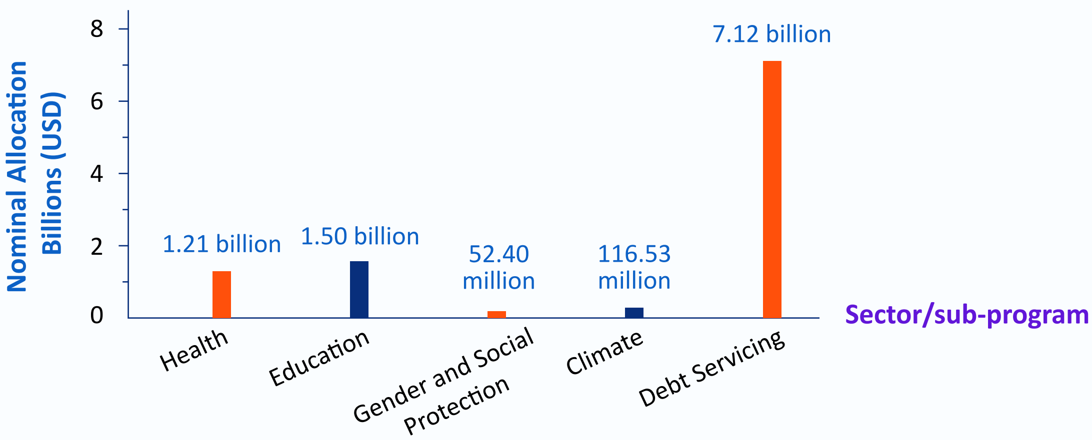


Table: **Nominal Allocations to debt service vs key sectors in FY2025/26**

Sector/sub-program	Nominal Allocation (UGX)	Nominal Allocation (USD)	% of total FY 2025/26 National Budget
Health	4,506,516,392,243	1.21 billion	6.2
Education	5,568,010,020,119	1.50 billion	7.7
Gender and Social Protection	194,790,178,596	52.40 million	0.3
Climate	433,037,664,368	116.53 million	0.6
Debt Servicing	26,439,114,825,319	7.12 billion	36.5

Together, these social sectors received far less than debt servicing. The budget allocation to debt servicing alone was almost **2.5 times larger than total spending for these sectors**, and it consumed **36% of the budget** compared with about **14.8% combined for these sectors**. This is the clearest illustration of Uganda's fiscal divergence: creditor obligations are being prioritized over the State's core duties to protect and progressively realize the rights to health, education, social security, and an adequate standard of living.

From a human rights perspective, the issue is not simply that debt exists. The issue is whether debt is being managed in a way that preserves the State's capacity to use its maximum available resources for rights-realizing public spending. When debt service expands faster than social investment, and when that expansion is coupled with inflation, population growth, and unmet service demand, the result is retrogression in practice.

The divergence is visible across the sector briefs. Health spending has not kept pace with population needs, education spending remains inadequate relative to enrolment and school-age population, social protection coverage is very limited, and climate spending is far below the level needed to address Uganda's vulnerability. The debt burden is therefore not an isolated macro-fiscal matter; it is the underlying constraint shaping outcomes across the public sector.

5. Gendered Impacts of the Debt Burden

The impacts of rising debt and constrained public spending are deeply gendered. As more resources are directed toward debt servicing, the burden of filling service gaps shifts to households, where women and girls carry the greatest share of unpaid care and survival work.

Reduced funding for health means women spend more time and money seeking care for children, older relatives, and themselves. Underfunded education systems increase hidden household costs and make girls more likely to be withdrawn from school or pushed toward early marriage as a coping strategy. Weak social protection systems leave older women, women in informal work, and women without secure income especially exposed. Climate shocks, meanwhile, intensify unpaid care burdens and undermine rural livelihoods, where women are heavily represented.

Uganda's fiscal choices therefore have gendered consequences that are not incidental but structural. When the State underfunds essential services and prioritizes debt repayments, women absorb the cost through unpaid labour, income loss, reduced opportunities, and increased vulnerability. Debt management is therefore also a gender justice issue.

6. Policy Recommendations

- Strengthen Debt Management and Transparency: Improve oversight, transparency, and accountability in borrowing and debt management.
- Prioritize Concessional Financing: Reduce reliance on expensive and short-term borrowing.
- Improve Loan Absorption Capacity: Enhance project implementation to avoid costly commitment fees.
- Adopt Rights-Based Fiscal Policy: Ensure that budgeting decisions prioritize the progressive realization of economic and social rights.
- Protect Social Sector Spending: Introduce safeguards to prevent crowding out of essential services.
- Strengthen Domestic Resource Mobilization: Enhance revenue collection in a progressive and equitable manner.

7. Conclusion

Uganda's public debt crisis is increasingly a human rights crisis. The rising stock of debt, the growing cost of servicing it, and the inefficiencies in debt absorption are now constraining the State's ability to invest in the services and systems that people rely on every day.

The pattern is clear: debt servicing is absorbing a growing share of the budget and domestic revenue, while social sectors remain underfunded and vulnerable populations continue to bear the costs. Without a deliberate shift toward rights-based debt management, Uganda risks deepening inequality, weakening service delivery, and undermining the progressive realization of economic and social rights.

Rebalancing fiscal priorities is not only sound economic policy; it is a constitutional and human rights imperative.

Methodological Note:

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

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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