CENTER for ECONOMIC and SOCIAL RIGHTS

ISER
Facilitating Social Justice
INITIATIVE FOR SOCIAL AND ECONOMIC RIGHTS

Uganda's Debt and Social Protection

How rising debt servicing is constraining social protection and undermining the rights of vulnerable populations

1. Executive Summary / Key Messages

Uganda's rising public debt is placing severe pressure on fiscal space, with significant consequences for social protection financing. Despite increasing need, public investment in social protection remains extremely low and insufficient to meet the needs of vulnerable populations.

While allocations to gender and social protection have increased in nominal terms, real and per-capita spending remains low and volatile. At the same time, debt servicing has grown rapidly and now dwarfs social protection spending.

Key messages:

- Social protection spending remains below 1% of the national budget.
- Debt servicing exceeds social protection spending by over 100 times.
- Over the years, the value of real per-capita allocations for direct cash transfers has significantly eroded.
- Current trends indicate stagnation and retrogression in social protection.

Data caveat:

The analysis in this brief focuses on the gender and social protection sub-program under the Ministry of Gender, Labour and Social Development. While indicative of broader trends, it does not capture the full scope of social protection spending across government but reflects rather direct income support through the Social Assistance Grant for Empowerment (SAGE) and related administrative costs to the Expanding Social Protection Program Unit.

2. Problem Snapshot

Social protection is essential for reducing poverty, inequality, and vulnerability. However, coverage in Uganda remains extremely limited, with only **3.1% of the population benefiting from at least one social protection program.**

Rising debt and stagnant funding leave vulnerable groups, including older persons, women, and persons with disabilities, increasingly exposed, highlighting the urgent need to protect and expand social protection despite fiscal pressures.

Government interventions have mainly focused on older persons through the Senior Citizens Grant (SAGE), a tax-financed transfer for citizens aged 80 and above. While fully budget-funded, SAGE is not legally guaranteed; provides limited coverage; and transfers have stagnated at UGX 25,000 (USD 6.73) per month for over a decade.

3. The Evidence: Debt and the Social Protection Crisis

3.1 The Fiscal Divergence

The gap between debt servicing and social protection spending has widened dramatically over time.

In FY2025/26, debt service **(UGX 26.44 trillion [USD 7.12 billion])** was **over 135 times larger** than allocations to gender and social protection **(UGX 194.79 billion [USD 52.4 million])**.

Financial Year	Social protection Nominal (billion UGX)	Social protection Nominal (million USD)	Social protection Real (billion UGX)	Social protection Real (million USD)	Debt Service (tillion UGX)	Debt Service (billion USD)
2020/21	74.56	20.06	66.71	17.95	12.76	3.43
2021/22	137.84	37.10	119.23	32.09	14.87	4.00
2022/23	198.68	53.46	157.94	42.51	14.86	4.00
2023/24	173.50	46.68	133.70	35.97	16.99	4.57
2024/25	145.58	39.18	108.44	29.18	24.69	6.64
2025/26	194.79	52.40	141.40	38.05	26.44	7.12

3.2 Budget Trends and Regressivity Test

Real Spending Trends

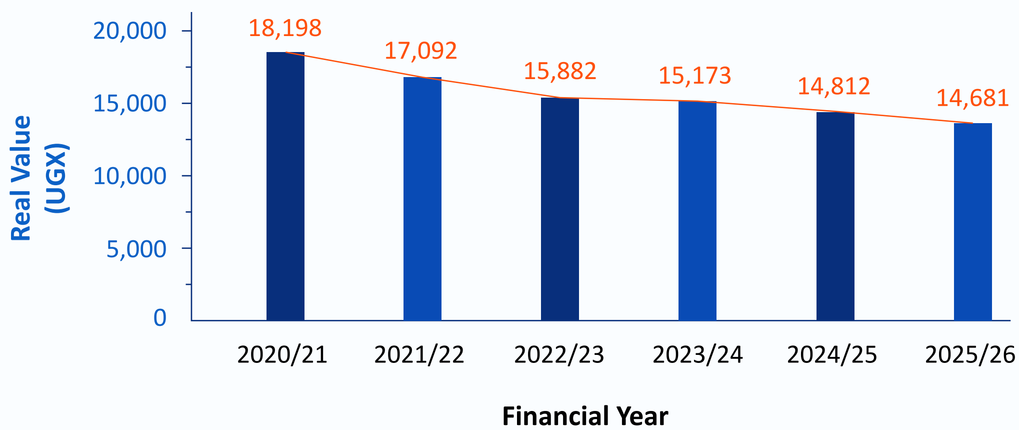
Real allocations increased between FY2020/21 and FY2022/23 before declining and partially recovering. By FY2025/26, real spending remains volatile and below peak levels.

Real Per-Capita Spending

Because the allocations under review are concentrated in direct income support through SAGE, this section uses real per-capita spending as a proxy for the adequacy of support reaching older persons. The key question is therefore not only whether nominal allocations have increased, but whether those increases have been sufficient to preserve the real value of the monthly transfer over time. In other words, even where allocations rise in nominal terms, the relevant human rights test is whether the grant has kept pace with inflation and maintained its purchasing power.

From that perspective, the evidence shows a steady erosion in the value of the transfer itself. The SAGE benefit has remained fixed at UGX 25,000 per month since its introduction. By FY2020/21, the real value of the transfer had already fallen significantly. Since then, it has continued to decline further.

Financial Year	Nominal Monthly Transfer (UGX)	Real Value (UGX)	USD Equivalent (Real)
2020/21	25,000	18,198	4.90
2021/22	25,000	17,092	4.60
2022/23	25,000	15,882	4.27
2023/24	25,000	15,173	4.08
2024/25	25,000	14,812	3.99
2025/26	25,000	14,681	3.95



Human Rights Interpretation: Is the Budget Regressive?

The failure to adjust the SAGE benefit for inflation amounts, in effect, to **a retrogressive measure**. Although nominal allocations have increased at times, the continued decline in the real value of the transfer means that older persons are receiving less effective support over time.

This weakens the adequacy of the benefit, undermines the state's obligation of progressive realization, and raises serious concerns of non-retrogression in the realization of the right to social protection. At the same time, the sharp rise in debt servicing has intensified fiscal pressure, reducing the space available to expand coverage or restore the transfer's real value.

3.3 Service Delivery Gaps

Low and unstable funding translates into severe gaps in social protection delivery:

The SAGE program covers only older persons aged 80 and above, leaving those between 60 and 79 with unstable sources of income—without assistance.

With Uganda's population of older persons growing[1] and with an estimated one million eligible individuals remaining outside the program, the declining investment represents a widening gap between the scope of the challenge and the state's corresponding financial commitment.

Over 80% of Uganda's labor force is informal, having limited access to social protection programs, leaving them highly vulnerable to financial instability, especially during economic downturns.

Cash transfers have only been provided for older persons, leaving out other vulnerable groups such as children living with severe disabilities.

Case study box

The Human Cost of Fiscal Choices – Debt Service vs. Dignity for Older Ugandans

The FY 2024/25 national budget presented a stark fiscal trade-off. As the allocation for public debt servicing rose to UGX 24.69 trillion, consuming over a third of all government expenditure, the budget for the Senior Citizens Grant (SCG), a critical lifeline for vulnerable older persons, was cut from UGX 121 billion (USD 32.56 million) to UGX 100 billion (USD 26.91 million).

This 17% nominal cut is not merely a statistical adjustment; it represents a direct policy choice with immediate human consequences. The reduction left over 100,000 eligible older Ugandans without the essential income they were expecting[2].

[1] Older persons, defined as those aged 60 and above, make up about 5% of Uganda's population, totaling approximately 2.3 million people.

[2] Initiative for Social and Economic Rights (ISER), "Enhancing Social Protection for Older Persons in Uganda: Key Considerations for Uganda's 2025/26 National Budget," Position Paper, January 2025, p.2.

This fiscal squeeze, in essence, meant that onboarding new beneficiaries was suspended, payment cycles for existing recipients were delayed, and community outreach efforts were scaled back. This administrative fraying at the edges is a direct symptom of a budget starved of necessary resources, creating a cascade of uncertainty and hardship for those with no other safety net.

This exemplifies how aggressive debt repayment schedules can crowd out fundamental social investments. When fiscal space contracts, programs like the SCG, which uphold the dignity and rights of a nation's most vulnerable, become casualties. The consequence is not just a statistical reduction in coverage but the deepening of poverty and the erosion of social dignity for an entire generation, undermining the principle of intergenerational equity and the progressive realization of socio-economic rights. This cut to the SCG is a powerful indicator of national priorities, demonstrating that without explicit protection, human rights commitments can be side-lined by fiscal pressures.

4. The Lens: Human Rights and Gender Analysis

Social protection is a core component of socio-economic rights and an important tool for reducing inequality, yet underfunding disproportionately harms women, persons with disabilities, informal workers, and other vulnerable groups.

Women are especially affected because they are more likely to work in low-paid or informal jobs, earn less, and carry a heavier burden of unpaid care. In Uganda, these structural disadvantages are reinforced by unequal access to financial services, employment, and property rights, as well as by early marriage, female genital mutilation, and high levels of violence against women and children.

UN Women reports that in 2018[3], 26.1 percent of women aged 15–49 years experienced physical and/or sexual violence by a current or former intimate partner in the previous 12 months.

Adequate social protection can help mitigate these inequalities, support low-income and unemployed mothers, and improve the welfare of children, including girls. But where funding remains inadequate, the result is not protection but deeper exclusion, weaker resilience, and a greater risk to dignity.

[3] UN Women, "Country Fact Sheet: UN Women Data Hub — Uganda," Global Gender Data Portal, accessed June 2026.

5. Policy Recommendations

- Increase and Ring-Fence Social Protection Financing: Commit to predictable, inflation-adjusted funding and expand coverage.
- Protect Social Spending from Debt Pressures: Adopt fiscal safeguards to ensure social protection is not crowded out.
- Expand Coverage and Adequacy of Transfers: Increase SAGE benefits and broaden eligibility.
- Institutionalize Rights-Based Budgeting: Align fiscal policy with human rights obligations.
- Strengthen Domestic Resource Mobilization: Enhance progressive taxation to fund social protection sustainably.
- Pursue Debt Reform: Engage in restructuring and advocate for debt cancellation to restore fiscal space.

6. Conclusion

Uganda’s rising debt burden is severely constraining its ability to finance social protection. Despite growing need, spending remains low, volatile, and insufficient.

Current trends risk undermining the progressive realization of the right to social protection, leaving vulnerable populations exposed to poverty and economic shocks.

Rebalancing fiscal priorities and protecting social protection spending is essential to ensure dignity, equity, and resilience for all Ugandans.

Methodological Note:

The analysis in this brief focuses on the gender and social protection sub-program under the Ministry of Gender, Labour, and Social Development. While indicative of broader trends, it does not capture the full scope of social protection spending across government.

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

Nominal allocations to social protection have been deflated using the all-items index data 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).

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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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