PRE-ELECTION ECONOMIC AND FISCAL UPDATE

DECEMBER 2025

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PRE-ELECTION ECONOMIC AND FISCAL UPDATE

MINISTRY OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

December 2025

Statement of Economic and Fiscal Policy

The Ugandan domestic economy has exhibited immense resilience amidst rampant uncertainties facing the global economy from trade wars to other geopolitical tensions. Economic growth in Uganda was robust at 6.3 percent in FY 2024/25, underpinned by continued macroeconomic stability due to effective coordination between fiscal and monetary policy. Inflation remains within the five percent policy target, the exchange rate stable with a bias towards appreciation, and export earnings from coffee and a growing base of industrial products reaching new highs. These outcomes signal that recent Government measures to promote exports and raise productivity are beginning to deliver tangible results.

The strength of the domestic economy has also been characterized by a conducive investment climate, which has reinforced confidence among both foreign and local investors. Foreign Direct Investment (FDI) has continued to rise, reaching USD 2.98 billion in FY 2024/25, largely driven by developments in the oil and gas sector. Remittances from the Ugandan diaspora have also increased to USD 1.57 billion in FY 2024/25. Together, these represent the highest levels of FDI and remittances ever recorded in a single financial year. Additionally, tourism receipts have also continued to recover from the slump caused by the Covid pandemic, reaching USD 1.57 billion in FY2024/25. This improved external position has helped restore foreign exchange reserves to healthy levels. By September 2025, reserve cover excluding oil project related imports had strengthened to 3.7 months of future imports, up from 2.3 months in September 2024.

On the socio-economic transformation front, which has been a major priority over the last five years, noteworthy progress has been achieved. The Parish Development Model (PDM) was successfully rolled out and its impact is increasingly visible. The share of households operating in the subsistence economy had declined to 33.1 percent by the end of FY 2023/24. Poverty levels also fell to 16.1 percent in FY 2023/24, down from 20.3 percent in FY 2019/20. These gains provide a strong foundation for further progress.

FY 2025/26, despite being an election year, is pivotal for advancing our economic transformation agenda. It marks the first year of implementing the fourth National Development Plan (NDP IV) alongside the ten-fold growth strategy. Under this strategy, we will pursue targeted interventions aimed at expanding the economy from USD 61.99 billion to more than USD 500 billion over the next fifteen years. The major focus areas will be agro-industrialization, tourism development, mineral development including oil & gas, and science, technology & innovation including creative arts, supported by investments in key enablers such as infrastructure, security, and human capital development.

Therefore, as the country enters the election period, Government will continue taking deliberate efforts aimed at preserving a stable macroeconomic environment to ensure that the economy remains on a strong growth trajectory. With stability preserved, economic growth is projected at 6.6 percent in FY 2025/26 and is expected to continue strengthening to over 7 percent over the medium term.

Regarding the general elections scheduled for January 2026, the role of the Ministry is to ensure that adequate resources are provided to facilitate the entire process. I am pleased to report that since the start of financial year 2023/24, the Ministry of Finance has allocated and released a total of Shs 1,116.72 billion to the various agencies responsible for implementing the electoral roadmap. We remain committed to further supporting the process to ensure smooth delivery of the general elections.

Finally, as required by Section 18 (2)(b) of the Public Finance Management Act Cap. 171, I want to assure the public that the contents of this economic and fiscal update are based on all policy decisions and other circumstances with economic and fiscal implications.

Ramathan Ggoobi

PERMANENT SECRETARY/SECRETARY TO TREASURY

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Introduction

The Public Finance Management Act Cap. 171 requires that the Minister publishes a pre-election economic and fiscal update not earlier than four months before the polling day for a general election.

This update has been written in accordance with this requirement, and its contents are based on;

(i) all the policy decisions with economic and fiscal implications that the Government made before the day on which the contents of the economic and fiscal updates were finalized; and

(ii) all the other circumstances with economic and fiscal implications which the Ministry was aware of on the day on which the contents of the economic and fiscal updates were finalized.

The rest of this update/report is structured in four sections. Section 2 gives a summary of recent domestic and international economic developments. Section 3 discusses Government's fiscal operations for the period July – September 2025 and gives projections for the remaining part of the financial year. Section 4 provides details on election roadmap spending so far.

Economic Performance

Economic Growth

2.1 The global economic environment has been challenging, characterized by uncertainty emanating from rising geopolitical tensions, disruptions in global commodity supply chains, and renewed protectionist measures such as tariff increases by the United States, which have weighed down advanced and emerging economies particularly in Europe and Asia.

2.2 Global growth is therefore projected to moderate from 3.5 percent in 2023 to 3.3 percent in 2024, with a further slowdown to 3.2 percent in 2025 and 3.1 percent in 2026.

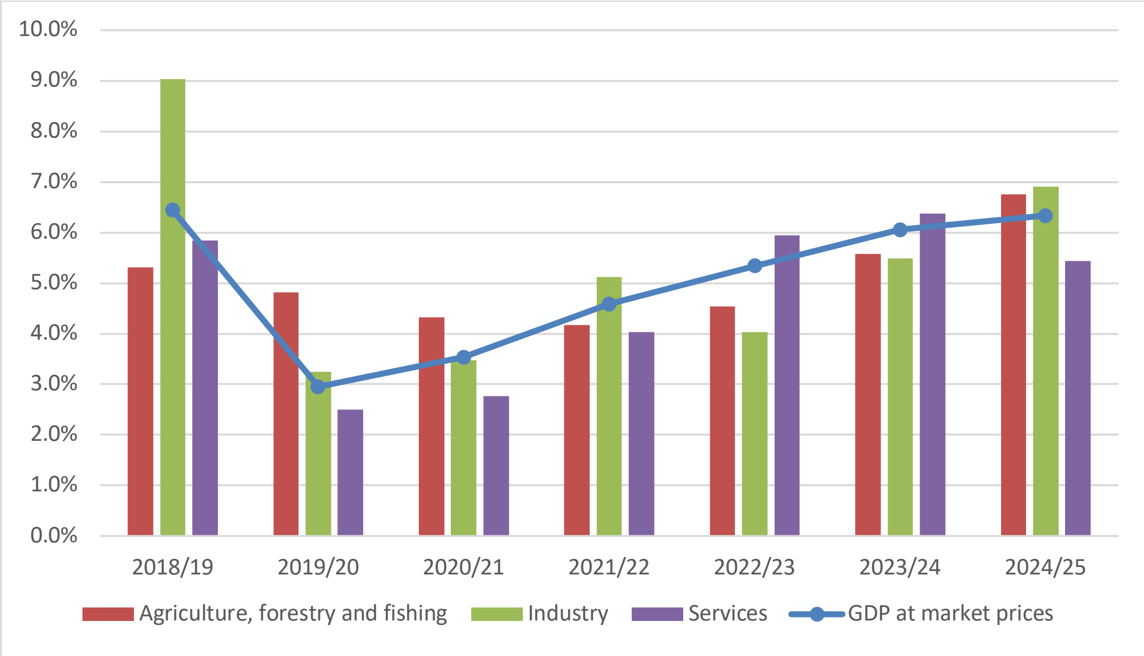
2.3 However, closer to home, the Sub-Saharan Africa is expected to see a gradual pickup, with growth rising to 4.4 percent in 2026 from a modest 4.1 percent in both 2024 and 2025. This improvement is supported by strengthening intra-regional trade, infrastructure development, and improved investment conditions. For Uganda, these regional dynamics present opportunities to deepen market access, particularly within the East African Community, reinforcing the country's export growth, industrialisation agenda, and overall economic prospects for this financial year FY2025/26 and the medium term.

2.4 Therefore, despite the global economic uncertainties, the Ugandan domestic economy has registered resilience, with real GDP growth rising to 6.3 percent in FY 2024/25 from 6.1 percent and 5.3 percent in FY 2023/24 and FY2022/23, mainly driven by stronger aggregate demand, higher investments, and robust export performance across agriculture, industry, and services. This momentum reflects the impact of stable macroeconomic conditions, ongoing developments in the oil and gas sector and favorable weather conditions.

2.5 Sustained growth has been further supported by targeted government interventions aimed at boosting production, productivity, and private sector development. Key among these are the Parish Development Model (Shs 1,064 billion disbursed in FY 2024/25), EMYOOGA (Shs 100 billion in FY 2024/25), and capitalization of the Uganda Development Bank (Shs 80.6 billion in FY 2024/25) to expand affordable credit for manufacturing, etc.

2.6 As a result, sectoral growth was broad-based, with industry leading overall economic performance. The industry sector grew by 6.9 percent in FY 2024/25, up from 5.5 percent in the previous year, reflecting strong momentum in both manufacturing and construction. Agriculture, forestry, and fishing also registered strong growth of 6.8 percent, up from 5.6 percent in FY 2023/24 while the services sector expanded by 5.4 percent, moderating from 6.4 percent in FY 2023/24, yet remaining a key contributor to economic activity. This is shown in figure 1 below;

Figure 1 : Real GDP Growth Rate (FY2019/20 – FY2024/25



Source: Uganda Bureau of Statistics

2.7 On the demand side, during FY2024/25, aggregate demand grew by 10.5 percent, investments by 7.2 percent, and export receipts by 36 percent, reflecting broad-based growth and stronger domestic and external economic activity.

2.8 In per capita terms, the GDP/GNI per capita continued to improve. In FY2024/25, GDP per capita increased to USD 1,306 from USD 1,159 in FY2023/24. Similarly, GNI per capita improved from USD 1,131 in FY2023/24 to USD 1,278 in FY2024/25.

2.9 We expect to maintain this momentum going forward. In FY2025/26, the domestic economy is projected to expand by 6.6 percent in real terms, and register above 7 percent growth in the medium term. This will mainly be driven by;

i. Expansion in oil and gas sector activities, with first oil production expected in FY 2026/27, creating significant linkages with manufacturing, construction, transport, real estate, tourism, financial services, and agriculture sectors.

ii. Continued investment in infrastructure development including roads, railways, highways, bridges, industrial parks, and affordable electricity, facilitating increased industrial and manufacturing activity.

iii. Strengthened agricultural and agro-processing output, supported by the ongoing Parish Development Model, increased access to irrigation equipment, machinery and extension services among others. Government is also working to expand access to well established markets within the region and around the globe.

iv. Growth in the services sector through increased investment in tourism infrastructure, development of tourist sites, and attraction of international meetings, conferences, and sporting events like the AFCON tournament and others.

v. Growth in exports supported by deepening of regional economic integration through joining additional African trade blocs and increasing productivity in the export sector. This is aimed at diversifying Uganda's export base and broadening market access.

vi. Enhanced investments driven by sustained inflows of foreign direct investment (FDI) and remittances.

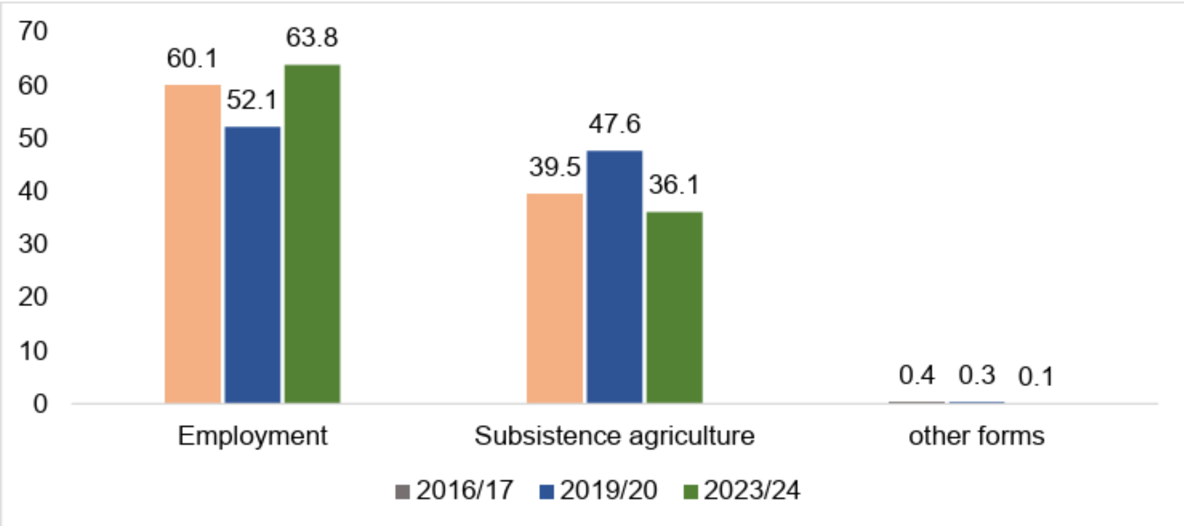
2.10 Indeed, the high frequency indicators of economic activity point to a steady improvement in the level of economic activity since the start of the financial year. In the first quarter of FY 2025/26, the Purchasing Managers Index (PMI) averaged 53.6, above the 50-mark threshold signaling strong private sector demand, output and employment. Similarly, the Composite Index of Economic Activity (CIEA) maintained an upward trajectory, averaging 179.4 compared to 169.4 in the corresponding period of the previous year, indicating improved economic performance.

2.11 The Business Tendency Index (BTI) stood, which measures sentiments of investors and other businesspeople about doing business in the Ugandan economy, stood at 58.4 in Q1 FY2025/26. This is higher than the threshold of 50, showing high optimism that various players have in the prevailing business conditions.

Employment

2.12 According to the Uganda National Household Survey (UNHS) Report for 2023/2024 released by UBOS in July 2025, majority of the working population in Uganda were in employment (63.8 percent) followed by subsistence agriculture (36.1%) with 0.1 percent in unpaid apprenticeship or volunteers. This is an improvement compared to the previous UNHS report (2019/20) when the working population in employment were 52.1 percent and those in subsistence agriculture were 47.6 percent as shown in figure 2. This improvement is expected to continue given the ongoing government interventions and programs like Emyooga, Parish Development Model (PDM), etc.

Figure 2 : Trends in forms of work for the Working population



**Other forms of work include volunteers, unpaid trainees and other forms of work and "missing".*

Source: Uganda Bureau of Statistics

Inflation

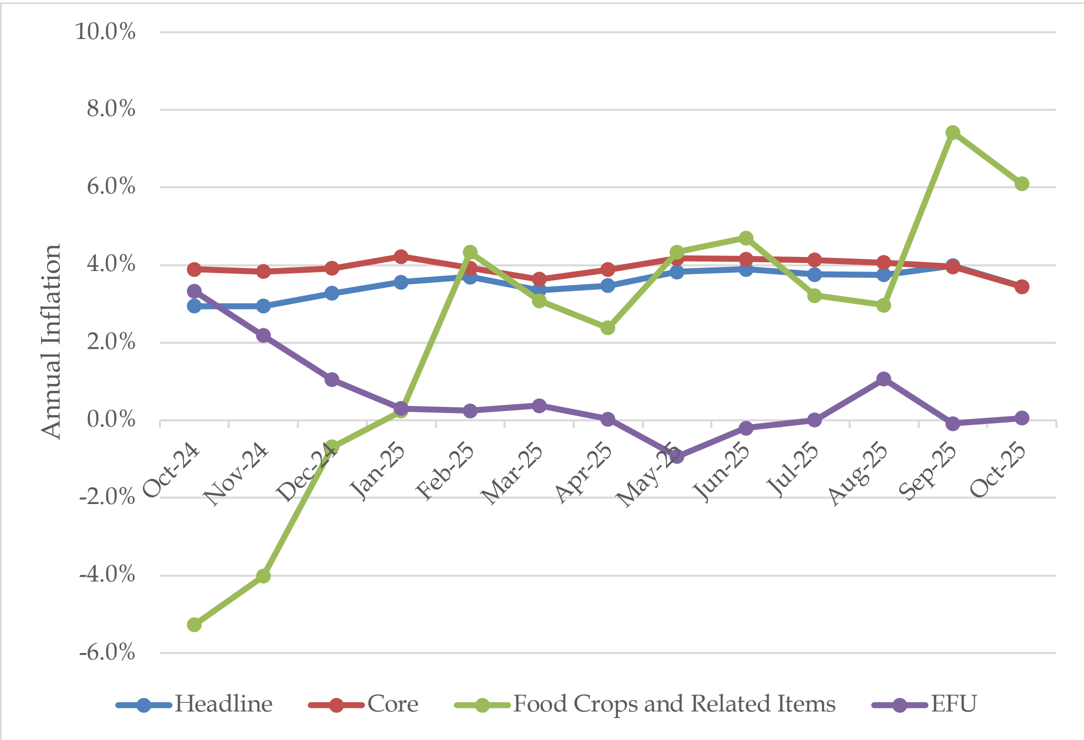
2.13 Annual headline and core inflation recorded averages of 3.5 percent and 3.9 percent respectively in FY2024/25. Since the beginning of FY2025/26, inflationary pressures have continued to be subdued, with inflation remaining below the 5 percent policy target for core inflation, mainly on account of a prudent monetary policy supported by favorable weather which resulted in good harvests and a steady food supply.

2.14 For the period July – October 2025, annual headline inflation has averaged at 3.7 percent while annual core inflation averaged at 3.9 percent. In October alone, both annual headline and core inflation were recorded at 3.4 percent.

2.15 Annual Energy Fuel and Utilities (EFU) inflation which averaged 1.8 percent in FY2024/25 has dissipated to an average of 0.3 percent in the period July – October 2025. This is mainly on account of declining global oil prices as well as the effectiveness of routing all petroleum imports through the Uganda National Oil Company (UNOC) which has resulted in relative price stability for liquid fuels.

2.16 On the other hand, food crops and related items inflation which had averaged 0.5 percent in FY2024/25 has registered some elevated pressures, averaging at 4.9 percent over the period July – October 2025. This is partly due to high demand from the neighbouring countries.

Figure 3 : Inflation for October 2024 – October 2025



Source: Uganda Bureau of Statistics

Exchange Rates

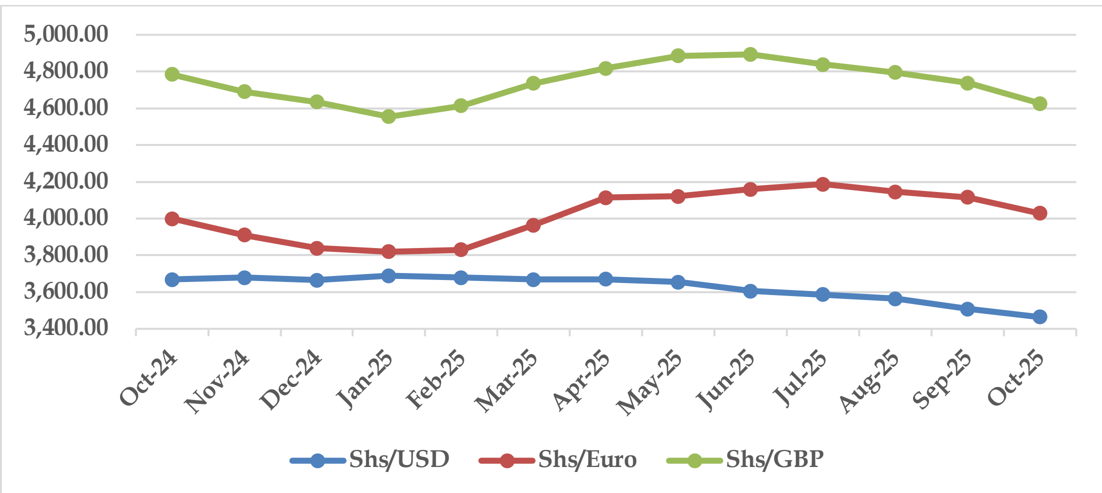
2.17 In FY2025/26, the Uganda Shilling has continued to strengthen against the United States Dollar, sustaining the appreciation momentum observed throughout the previous financial year. Since the start of this financial year, the shilling has appreciated on average by 1.0 percent every month against the US Dollar. Between June and October 2025, the shilling appreciated by 3.9 percent, having traded at an average midrate of Shs 3,463.9/USD in October 2025 compared to Shs 3,605.8/USD in June 2025.

2.18 The continued strengthening of the Shilling against the US Dollar and other major currencies is attributed to increased inflows of foreign exchange from exports especially coffee, remittances, tourism receipts and foreign direct investments especially into the oil sector, and portfolio investments in government securities market.

2.19 Due to the enhanced foreign exchange inflows, the Central Bank has been able to accumulate foreign exchange reserves to desirable levels. At the end of September 2025, the country's foreign exchange reserves were USD 4.98 billion which is equivalent to 3.7 months of imports. This is a significant improvement from the 2.3 months of imports in September 2024.

Figure 4 shows the exchange rate of the Shilling against major currencies since the start of 2025.

Figure 4 : Exchange Rate against Major Currencies



Source: Bank of Uganda

Interest Rates

2.20 Bank of Uganda has maintained the Central Bank Rate at 9.75 percent since October 2024. This rate is deemed adequate to keep Core inflation within Bank of Uganda's medium-term target of 5 percent, while supporting economic growth and socio-economic transformation.

2.21 Weighted average lending rates for Shilling denominated credit for the period July – September 2025 were recorded at 18.85 percent, which is slightly higher than the average of 18.16 percent recorded for the whole of FY2024/25. The higher lending rates are partly attributed to the increase in the yield curve in the government securities market. Lending rates also remain relatively high mainly because of structural rigidities in the financial sector, such as inadequate long-term financing due to mismatches between assets and liabilities.

2.22 The weighted average lending rates for foreign currency denominated credit, on the other hand, have registered a slight decline in the first quarter of FY2025/26 (July – September 2025) to 8.28 percent compared to the 8.59 percent recorded over FY2024/25.

Private Sector Credit

2.23 In the first quarter of FY2025/26, loans worth Shs 5,743.84 billion were approved for disbursement to the private sector by lending institutions. This led to a growth of 1.6 percent in the stock of outstanding private sector credit over the quarter.

2.24 On a year-on-year basis, the stock of private sector credit grew by 9.4 percent from Shs 22,209.11 billion in September 2024 to Shs 24,287.42 billion in September 2025. This growth was supported by prudent monetary policy and improved financial conditions (e.g wider access, Financial technology-FINTECHs, etc) improving levels of economic activity and declining non-performing loans pointing to reduced credit risk in the economy.

2.25 The average ratio of non-performing loans (NPLs) to total gross loans declined to 3.68 percent in June 2025, from 4.13 percent and 4.95 percent in March 2025 and June 2024, respectively. This notable improvement reflects the positive effects of stronger economic activity, which enhanced the capacity of businesses and households to meet their debt obligations.

Merchandise imports and exports

2.26 For the whole of FY2024/25, Uganda registered a narrowing trade deficit with the rest of the world. The trade deficit narrowed by 3.6 percent in FY 2024/25, improving to USD 4,672.36 million from USD 4,847.18 million in FY 2023/24. This improvement was driven by a rise in export earnings, which more than offset the increase in the import bill. Export of goods and services rose by US$ 3,164.93 million, while imports increased by US$ 2,990.12 million.

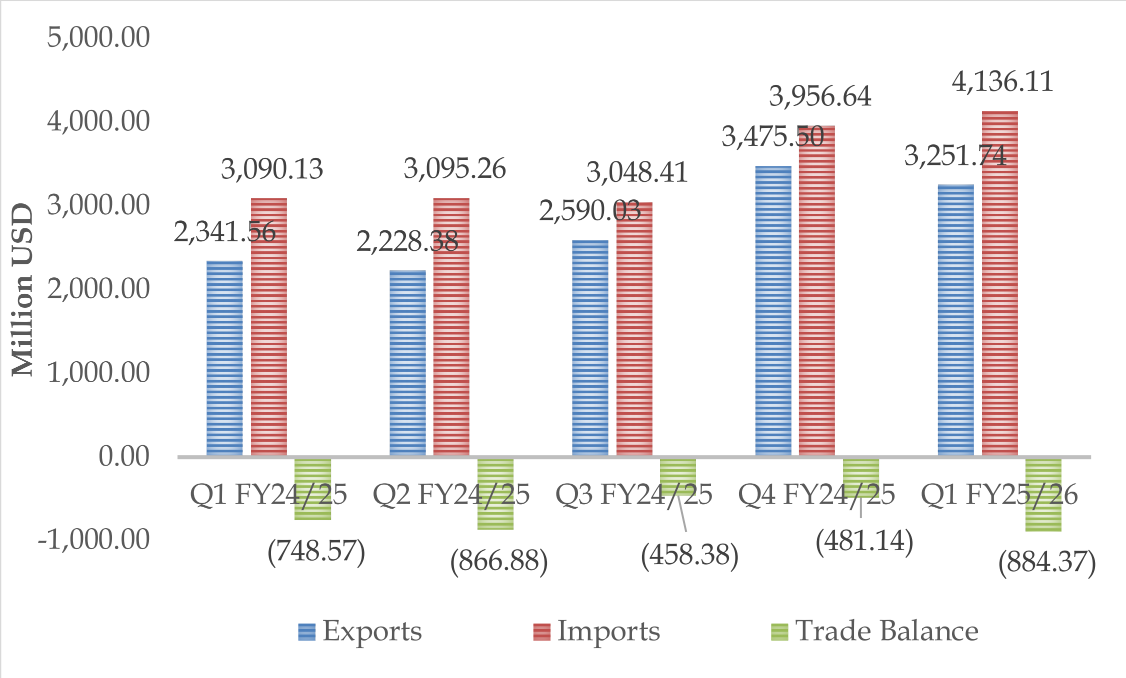
2.27 However, comparing the first quarter of FY2025/26 with the same period of the previous year, the trade deficit widened as the investments required in the oil and gas sector to ensure first oil meant that there was a higher growth in imports than in exports.

2.28 The merchandise trade balance with the rest of the world widened by 18.1 percent between Q1 FY2025/26 and Q1 FY2024/25. The trade deficit for the first quarter of FY2025/26 amounted to USD 884.37 million, up from USD 748.57 million recorded in the same period of FY2024/25. This was on account of a higher increase in the value of imports which more than offset the increase in export earnings during the period.

2.29 Merchandise export receipts amounted to USD 3,251.74 million in Q1 FY2025/26. This represents a USD 910.18 million (38.9 percent) growth from the USD 2,341.56 million recorded in Q1 FY2024/25. This growth was mainly attributed to increased volume of coffee, gold, fish, base metals, sugar, and beans. Informal Cross-Border Trade (ICBT) continues to play a key role in advancing Uganda's exports to the region. In Q1 FY2025/26, industrial products worth USD 113.17 million was exported through ICBT.

2.30 On the other hand, the merchandise import bill increased by USD 1,045.98 million (33.8 percent) from USD 3,090.13 million in Q1 FY2024/25 to USD 4,136.11 million in Q1 FY2025/26. This growth was mainly driven by private sector imports reflecting rising domestic investment and demand for production inputs. Growth was primarily driven by increased imports of mineral products, base metals and their products, machinery equipment, vehicles and accessories, as well as vegetable, animal, beverage, fats & oils products, and chemical & related products. Figure 5 shows performance of exports, imports and the trade balance by quarter.

Figure 5 : Exports, Imports and Trade Balance



Source: Bank of Uganda

Foreign Direct Investment (FDI)

2.31 Foreign Direct Investment (FDI) inflows rose to USD 2,977.14 million in FY 2024/25, up from US$ 2,442.89 million the previous year, and more than double the FY 2020/21 level (US$ 922.23 million). This is largely attributed to the ongoing investments in the oil and gas sector, the manufacturing sector and infrastructure development.

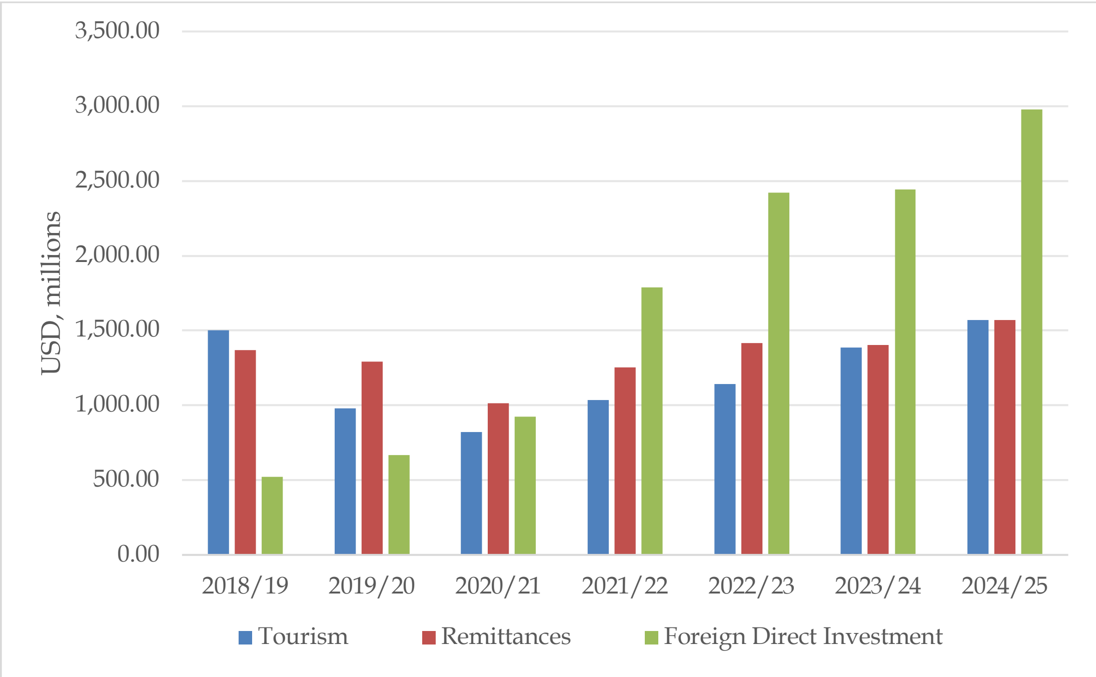
Remittances

2.32 Similarly, the level of remittance flows from the Ugandan diaspora continue increasing, growing by 11.8 percent in FY 2024/25 to reach USD 1,568.91 million, up from USD 1,403.11 million in FY 2023/24. This increase has been aided by the developments in digital space that have increased convenience and efficiency.

Tourism Receipts

2.33 Uganda's earnings from tourism reached a record high in FY2024/25, surpassing pre-covid levels. Tourism inflows increased by 13.5 percent to US$ 1,571.96 million in FY 2024/25, from US$ 1,384.99 million in FY 2023/24. The improvement in tourism earnings is mainly on account of strategic marketing efforts, improved partnerships, and continued investments in tourism infrastructure and conservation.

Figure 6: Remittances, Foreign Direct Investment (FDI) and Tourism Receipts



Fiscal performance

3.0 Preliminary data shows that Government operations in the first quarter of FY2025/26 resulted in a net borrowing (fiscal deficit) of Shs 4,159.41 billion. This deficit is 29.8 percent higher than what was programmed for this period at the start of the financial year. This was due to a combination of domestic revenue shortfalls, lower than projected grants inflows, and higher than planned expenditure, especially on acquisition of non-financial assets.

Figure 7 : Fiscal operations in Q1 FY2025/26

QUARTER ONE FY2025/26	Budget	Outturn	Performance	Deviation
Revenue (Including Grants)	**8,590.02**	**7,752.73**	**90.3%**	**- 837.29**
Domestic Revenues	**7,937.55**	**7,545.29**	**95.1%**	**- 392.26**
Taxes	7,208.61	6,996.94	97.1%	- 211.67
Other revenue	728.94	548.35	75.2%	- 180.59
Grants	**652.47**	**207.44**	**31.8%**	**- 445.03**
Budget support	-	-	0.0%	-
Project grants	652.47	207.44	31.8%	- 445.03
Expense	**10,503.01**	**10,461.02**	**99.6%**	**- 41.99**
Compensation of employees	1,215.84	1,226.08	100.8%	10.24
Wages and salaries	850.09	850.34	100.0%	0.25
Allowances	165.81	171.83	103.6%	6.02
Other employee Costs	199.94	203.90	102.0%	3.97
Purchase of goods and services	1,928.01	1,937.14	100.5%	9.13
Interest	3,708.68	3,350.62	90.3%	- 358.07
o/w: domestic	3,173.05	2,996.16	94.4%	- 176.89
o/w: foreign	535.64	354.46	66.2%	- 181.18
Subsidies	-	2.50		2.50
Grants	2,917.05	3,105.49	106.5%	188.44
Social benefits	219.72	225.26	102.5%	5.54
Other expense	513.71	604.89	117.7%	91.18
Clearance of Arreas	-	9.05		9.05
Gross operating balance	**- 1,913.00**	**- 2,708.29**	**141.6%**	**- 795.29**
Net operating balance	- 1,913.00	- 2,708.29	141.6%	- 795.29
TRANSACTIONS IN NONFINANCIAL ASSETS:				
Net Acquisition of Nonfinancial Assets	**1,290.46**	**1,451.13**	**112.5%**	**160.67**
Fixed assets	1,264.52	1,438.42	113.8%	173.89
Nonproduced assets	25.93	12.71	49.0%	- 13.22
Net borrowing (Fiscal Deficit)	**- 3,203.45**	**- 4,159.41**	**129.8%**	**- 955.96**
TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES (FINANCING):				
Net acquisition of financial assets	**-**	**397.62**	**0.0%**	**397.62**
Domestic	**-**	**397.62**	**0.0%**	**397.62**
Foreign	**-**	**-**	**0.0%**	**-**
Net incurrence of liabilities	**3,203.45**	**5,160.73**	**161.1%**	**1,957.28**
Domestic	**2,355.93**	**4,094.80**	**173.8%**	**1,738.87**
Foreign	847.52	1,065.94		218.41
Errors and Ommissions	**-**	**603.70**		**603.70**

Source: Ministry of Finance, Planning and Economic Development

Revenue

3.1 Total domestic revenue collections in Q1 FY2025/26 amounted to Shs 7,545.29 billion against a target of Shs 7,937.55 billion, resulting in a shortfall of Shs 392.26 billion. Both tax revenue and non-tax revenue performed below target by 2.9 percent and 24.8 percent respectively.

3.2 Tax revenue collected in the first quarter of FY2025/26 was Shs 6,996.94 billion which was short of the target for the period by Shs 211.69 billion. This shortall was registered under indirect domestic taxes (consumption taxes) and taxes on international trade transactions (customs). Direct domestic taxes (income taxes), on the other hand, performed above the target of Shs 2,338.65 billion for the quarter by 12.2 percent, with corporate tax, withholding tax and tax on interest on treasury bills and bonds all registering surpluses.

3.3 The biggest shortfall was registered under taxes on international trade transactions (customs). Collections under this category were Shs 2,822.65 billion against a target of Shs 3,025.35 billion, posting a performance of 93.30 percent and a deficit of UGX 202.70 billion. In spite of this shortfall, there was a modest growth of 5.95 percent registered compared to the same period last year.

3.4 The shortfall in customs collections was due to lower than targeted growth in fuel import volumes as well as some other key dutiable and excisable imports such as woven fabrics, beet sugar, vehicles, Polymers of Ethylene, footwear, articles of plastics, etc. Additionally, there was a decline in import of some Vatable goods like hot-rolled iron, woven fabrics, gas, liquid or electricity Supply, personal motor cars and mixtures of odoriferous Substances among others.

3.5 Indirect domestic tax collections also registered a shortfall of Shs 87.70 billion in Q1 FY2025/26, with collections having amounted to Shs 1,951.47 billion against a target of Shs 2,039.17 billion. Both Value Added Tax (VAT) and Excise duty were below their respective targets. Shortfalls notwithstanding, indirect domestic taxes grew by 14.4 percent when compared to Q1 FY2024/25.

3.6 The shortfalls in VAT were mainly on account of growth in zero-rated sales (exports), especially sugar and spirits, growth in local exempt sales, high input costs, and growth in deemed sales for electricity and oil & gas. Local excise duty collections, on the hand, were affected mainly by Proliferation of illicit commodities, especially spirits.

3.7 Similarly, non-tax revenue registered a Shs 180.59 billion shortfall, with Shs 548.35 billion having been realised against the target for the quarter of Shs 728.94 billion. This was partly attributed to lower collections from administrative fees and licenses, especially in the immigration, transport, and energy sectors, coupled with reduced receipts from court fines and traffic penalties.

Expenditure

3.8 Total Government expenditure (expenses and acquisition of non-financial assets) in Q1 FY2025/26 amounted to Shs 11,912.14 billion against a programmed amount of Shs 11,793.47 billion, implying a performance rate of 101.0 percent.

3.9 Expenses alone were Shs 10,461.02 billion against a plan for the quarter of Shs 10,503.01 billion. This implies a performance of 99.6 percent mainly on account of interest payments. All other expense categories were slightly above their respective plans for the period.

3.10 During the quarter, Government spent Shs 1,451.13 billion on acquisition of non-financial assets. This was 12.5 percent higher than initially planned as Government intensified implementation of domestically financed development projects.

3.11 The major expenditure drivers in Q1 FY2025/26 and the rest of the financial year are mainly related to supporting economic growth and socioeconomic transformation through the ten-fold growth strategy which is anchored on agro-industrialization, tourism, mineral development, and science and technology innovation (ATMS) to accelerate growth.

3.12 The growth enhancing expenditures in the first quarter of FY2025/26 included, among others, the following;

i) Shs 215.28 billion released for agro-industrialisation, especially for research and other development projects.

ii) Shs 139.13 billion released for science, technology and innovations including ICT and creatives.

iii) Shs 26 billion released for mineral based industrial development, including oil and gas.

iv) Shs 20.5 billion was also released for financing tourism sector development interventions, including branding, marketing promotion and standards enforcement.

v) Infrastructure which was allocated Shs 1,645.08 billion to finance ongoing road works, implement rural electrification and other power transmission projects, among others.

3.13 In addition, more funds were required to finance other enablers that ensure there are sufficient conditions to support activities that bring economic growth. These included human capital development which was allocated a total of Shs 1,359.75 billion, Security and others.

Overall deficit and Financing

3.14 The overall deficit (net borrowing) emanating out of Government operations for the first quarter of FY2025/26 amounted to Shs 4,159.41 billion. This deficit was financed through domestic and external borrowing. On a net basis (netting off external debt amortization), Shs 1,065.94 billion was sourced from external development partners. Total disbursements were Shs 2,059.12 billion while amortization of maturing external debt was Shs 993.18 billion.

3.15 The bigger part of the fiscal deficit was financed through borrowing from the domestic financial markets. During the quarter, Shs 4,094.80 billion was sourced from both the bank and non-bank financial sector within the country.

Election Related Spending

4.0 Total funds required by the various Ministries, Departments and Agencies (MDAs) involved in preparation and conduct of the 2026 general elections for the whole electoral roadmap is Shs 1,238.75 billion. The biggest share of this amount (Shs 838.71 billion) was a requirement by the Electoral Commission (EC).

4.1 Preparations for the 2026 general elections started in FY 2023/24. As such, Shs 76.12 billion was budgeted and released for election related activities that financial year. Similarly, Shs 312.40 billion and Shs 728.20 billion was budgeted for election activities in FY2024/25 and FY2025/26 respectively.

4.2 Therefore, the total amount that has been appropriated for election related activities so far is Shs 1,116.72 billion. Furthermore, the entirety of this amount has been released to the various agencies to ensure smooth and timely preparations and execution of the elections.

4.3 As of November 2025, Shs 838.16 billion had been spent on elections related activities and processes. Of this amount, Shs 606.59 billion was spent by the Electoral Commission. Table 2 below shows the details of the financing of the electoral process as of November 2025.

Table 1 : Election Financing as of November 2025 (Billion Shillings)

Ministry, Department and Agency (MDA)	Total Requirement	Budget FY 2023/24	Budget FY 2024/25	Budget FY 2025/26	Total Funding to date	Total Releases to date	Total expenditure to date
Electoral Commission	838.710	76.121	312.401	450.187	**838.709**	**838.709**	**606.588**
Uganda Police Force	360.034	0.00	0.00	263.031	**263.031**	**263.031**	**222.828**
Uganda Prisons Service	40.007	0.00	0.00	14.979	**14.979**	**14.979**	**8.745**
Grand Total	**1,238.751**	**76.121**	**312.401**	**728.197**	**1,116.719**	**1,116.719**	**838.161**

Source: Ministry of Finance, Planning and Economic Development

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