Equal Opportunities Commission

THE REPUBLIC OF UGANDA

ASSESSMENT REPORT

GENDER AND EQUITY COMPLIANCE ASSESSMENT FOR THE **NATIONAL BUDGET FRAMEWOK PAPER (NBFP)** FOR FY 2025/26

THEME

Gender and Equity Planning and Budgeting for Full Monetisation of Uganda's Economy through Commercial Agriculture, Industrialisation, Expanding and Broadening Services, Digital Transformation and Market Access

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About the Equal Opportunities Commission

Vision

A just and fair society wherein all persons have equal opportunity to participate and benefit in all spheres of political, economic, social and cultural life.

Mission

To give effect to the State's mandate to eliminate discrimination and marginalisation against any individual or groups of persons through taking affirmative action to redress imbalances and promote equal opportunities for all in all spheres of life.

Mandate of the Commission

The Commission is a constitutional body established by the Equal Opportunities Commission Act, No. 2 of 2007 (EOC Act)"to give effect to the State's constitutional mandate to eliminate discrimination and inequalities against any individual or group of persons on the ground of sex, age, race, colour, ethnic origin, tribe, birth, creed or religion, health status, social or economic standing, political opinion or disability, and take affirmative action in favour of groups marginalised on the basis of gender, age, disability or any other reason created by history, tradition or custom for the purpose of redressing imbalances which exist against them; and to provide for other related matters".

Functions of the Equal Opportunities Commission

The functions of the Commission are spelt out under section 14 of the EOC Act, 2007. In brief these are: to monitor, evaluate and ensure that policies, laws, plans, programmes, activities, practices, traditions, cultures, usage and customs of organs of State at all levels, statutory bodies and agencies, public bodies and authorities, private businesses and enterprises, non-governmental organisations, and social and cultural communities, are compliant with equal opportunities for all and affirmative action taken in favour of groups marginalised.

Foreword by the Chairperson EOC

In accordance with the EOC Mandate under sections 9(6)(a) and (b), 13(11)(e)(i) and (ii), and 13(15)(g)(i) and (ii) of the Public Finance Management Act (Cap 171), as well as Section 4.21 of the 2017 Treasury Instructions on consultation with the EOC regarding the Gender and Equity Certificate, the Commission presents the Assessment Report on the compliance of the National Budget Framework Paper (NBFP) and Budget Estimates with gender and equity requirements for FY 205/26.

The Commission assessed several key areas with implications for gender and equity and the realisation of equal opportunities in Uganda. These areas include the National Budget Strategy for FY 2025/26, the macroeconomic outlook, and the medium-term macroeconomic forecast, focusing on factors such as GDP growth, inflation, employment and unemployment rates, exchange rates, and interest rates on domestic borrowing.

Additionally, the Commission reviewed the Medium-Term Fiscal Framework, priority development targets, and the flow of financial investments in the annual budget. It also examined policy measures regarding national debt and external borrowing, strategies to reduce the debt burden, tax policy initiatives, and budget allocations to local governments, all in relation to their impact on gender, equity, and equal opportunities.

This report outlines the government's proposed economic, fiscal, and monetary measures, identifying gaps that affect the vulnerable population's access to, benefit from, and participation in development, as well as the goal of ensuring balanced regional development. It concludes with recommendations for improvement to address these issues and promote more inclusive and equitable development.

This year's assessment was challenging due to delays in accessing soft copies of the detailed budgets from the Ministry of Finance, Planning, and Economic Development (MoFPED). These documents are essential for effectively assessing gender and equity measures and their budget allocations.

I recommend implementing the suggestions in this report to improve equity in national planning and resource allocation.

For God and My Country

Safia Nalule Juuko, Chairperson, Equal Opportunities Commission

Acknowledgement

This is the 11th Assessment Report on Compliance of the National and Programme Budget Framework Papers with Gender and Equity requirements since commencement of the Public Finance Management Act, on 6th March, 2015.

The assessment is covering the 1st year of the 4th National Development Plan (NDPIV). The Commission is happy to present the overall responsiveness of macro-economic outlook, fiscal and monetary policies as well as the resource allocations towards addressing Uganda's daunting regional development imbalances, gender and equity gaps amongst the population by facilitating them to access, benefit and participate in development programmes.

Preparation of this report is a statutory requirement and was supported by a number of stakeholders that the Commission wishes to thank.

First, the Commission acknowledges the support of the Government of Uganda and its continued commitment to achieving inclusive growth and development using Gender and Equity Responsive Planning and Budgeting as a strategic approach. The compilation and production of this report has been funded by the Government of the Republic of Uganda.

Secondly, I extend appreciation to the Parliament of Uganda, the Standing Committee on Equal Opportunities, the Committee on Gender, Labour and Social Development, the Parliamentary Committee of Finance, Planning and Economic Development, UWOPA, the Ministries of Gender, Labour and Social Development and Finance, Planning and Economic Development as well as the National Task Force on Gender and Equity for their continued technical and financial support to the Commission in the implementation of the Gender and Equity provisions of the Public Finance Management Act (PFMA Cap 171).

Finally, the entire Commission highly appreciates Hon Safia Nalule Juuko the overseer of the Compliance and Enforcement Department and staff of the Commission, whose dedication was very important for the successful completion of this National NBFP Assessment Report.

Dr. Shaft Nasser Mukwaya
Secretary to the Commission

Executive Summary

This Assessment Report, mandated by the Public Finance Management Act (PFMA Cap 171), evaluates the National Budget Framework Paper (NBFP) to determine its compliance with addressing development imbalances. These imbalances pertain to disparities across sub-regions and demographic segments, including women, men, children, youth, older persons, and persons with disabilities, under the umbrella of gender and equity. The findings will inform the issuance of a Certificate of Compliance, ensuring the budget framework aligns with equitable development goals.

The analysis in the report centres on the broad economic outlook, as outlined in schedule III of the PFMA, with a focus on its implications for vulnerable and marginalised groups and underdeveloped regions. Key areas of evaluation include:

Economic Development Strategy: Alignment of overall and annual budget strategies with equitable growth goals. assessment of key priority investments.

Economic Indicators: Review of GDP growth rate, inflation, public debt, unemployment, exchange rate, and tax policy.

Analysis of budget allocations to local governments: Critical service delivery points, especially for vulnerable populations who are reliant on public essential services such as education, health, agriculture, among others.

The report concludes that both the Economic Growth Strategy and the Budget Strategy are designed to address gender, equity, and regional development needs. The National Development Plan IV prioritises employment, wealth creation, and increasing household income. The goal is to grow the economy from $53 billion to $500 billion by 2040, with an annual growth target of 8% in the medium term, and a shift to double-digit growth driven by commercial oil and gas production. This approach underscores a commitment to improving gender and equity outcomes in the country's development.

On the macroeconomic outlook, the economy continued to perform fairly well on some of key variables that have a direct bearing on the vulnerable people and regional balance. Inflation was contained at 3.5%, well within the NDPIII target of 4.99% and the shilling gained by 1.1% while the rest of the East African Community states like Tanzania depreciated up to 1.2%. There was a GDP growth rate of 6% and interest rate was lowered to 17.89% from 18.86% for the year ending June 2024. Tax policy was progressive, with a focus on the improvements in tax administration to reduce leakages and manage the public contract through improved service provision.

> The goal is to grow the economy from $53 billion to $500 billion by 2040, with an annual growth target of 8% in the medium term, and a shift to double-digit growth driven by commercial oil and gas production.

Debt to GDP ratio was recorded at 47.9%, with an increase in debt servicing to revenue to 40.3% in FY 2024/25 from 27.7% in FY 2021/22.

Relatedly, there was a substantial budget allocation to local governments. A total of Ugshs 23.1 billion allocated towards implementation of the PDM 70.1 billion for boosting smallholders farmers to commercialise, ugshs 4.29 billion allocated to LGs for Climate resilience among other inclusive interventions.

On the other hand, the report shows that the FY 2025/26 overall budget was reduced from the previous year's budget of 72 trillion to 57.4 trillion. This coupled with the debt servicing, this constrains the resources available for service delivery. Indeed, this is evidenced by the substantial reduction in the budget allocation to critical programmes such as agro-industrialisation, mineral development, sustainable development of petroleum resources, manufacturing, tourism development, private sector development human capital development innovation and technology development. This is a misalignment of the resources in relation to the priorities of government, particularly the accelerator actions under the agro-industrialisation, tourism development, mineral-based industrial development including oil and gas, and science technology and innovation including ICT (the Knowledge Economy) (ATMS). This will likely jeopardise the realisation of the development goals.

Unemployment rate increased from 2.83% to 3.339%, with more young people staying unemployed which makes it difficult for them to meet basic needs, decline in the quality of life and unable to meaningfully contribute to GDP.

The Commission acknowledges improvements in economic performance indicators but emphasizes that the quality of life for vulnerable populations remains low. Several challenges hinder progress towards inclusive socio-economic transformation, including; structural barriers such as persistent negative cultural norms, patriarchy, and the effects of neo-liberal market economic paradigms. Unequal Access:

Limited access to productive resources such as land, financial services, technology (including internet infrastructure), and information, insufficient public sector investment in both social and economic services.

There are still glaring gender and equity Challenges including high unemployment and poverty levels, high school dropout rates, particularly among vulnerable groups, gender-based violence, including high teenage pregnancy rates and other forms of violence, malnutrition and pronounced regional imbalances.

The Commission highlights that addressing these issues is critical for achieving economic development goals and fostering inclusive social transformation.

In conclusion, the National Budget Framework Paper (NBFP) for FY 2025/26 achieved a 61% score in gender and equity compliance, surpassing the 50% pass mark. Based on this performance, the Commission recommends the issuance of a Certificate of Compliance, affirming the NBFP's alignment with gender and equity requirements. This certification underscores the framework's commitment to addressing development imbalances and promoting inclusive socio-economic growth.

In conclusion, the National Budget Framework Paper (NBFP) for FY 2025/26 achieved a 61% score in gender and equity compliance, surpassing the 50% pass mark.

Chapter One

General Introduction

1.1. Introduction

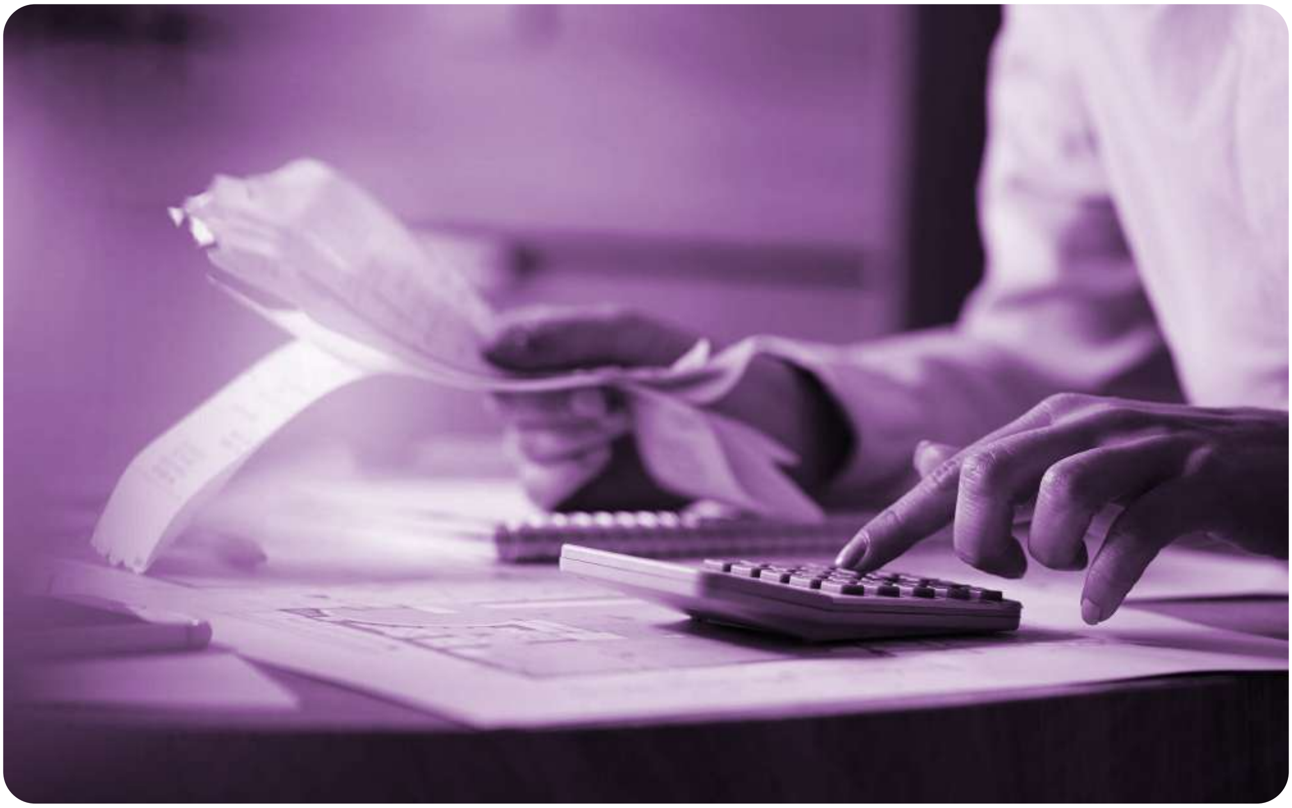
This is a gender and equity Compliance Assessment Report for the National Budget Framework Paper / Budget estimates for FY 2025/26. The report is produced in accordance with Sections 9 (6) (a) and (b); 13(11) e (i) and (ii); and 13 (15) g (i) and (ii) of the Public Finance Management Act (Cap 171), the EOC Act, Cap 7, sections 14 and 4 of the 2017 Treasury Instructions.

The Equal Opportunities Commission is responsible for assessing Budget Framework Papers (BFPs) for gender and equity responsiveness and advising the Minister of Finance, Planning, and Economic Development on issuing a Certificate of Compliance. This certificate is required for Parliament's approval of budget appropriations. It confirms that the NBFP includes measures and allocations to address the needs of women, men, persons with disabilities, youth, older persons, and other marginalised groups, while also promoting regional development balance.

Gender and equity budgeting is vital for transforming Uganda's vision of a fair, just, and equitable society into practical programmes. This approach aligns with Uganda's social transformation agenda, as outlined in key legal and policy frameworks, such as the 1995 Constitution (particularly the National Objectives and Directive Principles of State Policy VI, VII, and XV) and the NRM Manifesto 2021-2026. These documents assert that achieving prosperity for all can only be realised through gender-sensitive planning and budgeting.

Gender and equity planning and budgeting foster inclusive community development, allowing all individuals to contribute to the GDP. This approach not only reduces social and economic burdens but also ensures that vulnerable populations receive necessary social welfare for their survival and growth.

Gender and equity planning and budgeting foster inclusive community development, allowing all individuals to contribute to the GDP.



The National NBFP Gender and Equity assessment report evaluates the Government's efforts to promote inclusive development, ensuring the participation of vulnerable and marginalised groups, including people with disabilities, children, youth, and older persons. It also addresses the structural and social norms that perpetuate gender inequalities. The report further highlights welfare interventions that act as safety nets for the disadvantaged, helping to prevent further social and economic exclusion.

1.2. Purpose of the Assessment

To advise the Minister of Finance on the Compliance of the National Budget Framework Papers with gender and equity requirements as a basis for Issuance of the Certificate of Compliance with Gender and Equity, which is a prerequisite for laying the budget before Parliament.

1.3. Specific Objectives

i) To establish the level of compliance of the National Budget Framework Paper/Budget estimates with Gender and Equity requirements for the FY 2025/2026 in line with the EOC Act, Cap 7, sections 14 and 4 of the Treasury Instruction 2017.

ii) Analyse the performance trends on the national economic outlook and their implication on the vulnerable and marginalised people.

iii) Analyse in line with national budget and its strategy the light the specific measures to cater for marginalised groups of people.

iv) Identify emerging issues limiting realisation of equal opportunities in the national budget and its strategy.

1.4. Scope and Methodology

The National NBFP assessment focused on the broad economic outlook in accordance with schedule III of the Public Finance Management Act, Cap 171 highlighting their implication to the vulnerable people's access to, benefit from and participation in development programmes and on balanced regional development concerns. In addition, the Commission assessed the budget allocation to local governments and the implication of the funding level to service delivery as well as highlighting the key gender and equity interventions.

Time scope

This assessment report analyses past performance for the Financial Year 2023/24—2024/25 and future performance for ensuing Year 2025/2026, with a focus on gender and equity commitments to promote equal opportunities for all.

The assessment scope covers the following areas:

i) Medium-Term Macroeconomic Forecast

The average and year end gross domestic product, the rate of inflation (average and year-end); the rate of employment and unemployment; the average and year end exchange rate, the interest rates on domestic borrowing.

ii) Medium-Term Fiscal Framework

This covers the statement of the targets of government responsiveness of the Medium-Term Fiscal Framework objectives to the needs of the most vulnerable

iii) Statement of the Resource for the Annual Budget for the FY 2025/26

The floor of the investments of government in the financial year and how responsive the investments of government in the financial year with gender and equity requirements, clearly showing the funds to address gender and equity requirements per programme in the ensuing Financial Year. In addition, an assessment of the rate of improvement of financing by programmes in respect to international commitments that address gender and equity requirements especially in agriculture, health and education.

iv) Statement of the Policy Measures

This area will assess the debt burden, the rate of improvement in the debt burden, commitment towards reducing the debt burden, the tax policy initiatives/reforms. These are important because of the ramification to the most vulnerable people.

v) Budget Allocation to Local Government

The budget allocation to local governments and priority interventions were analysed, highlighting the need to strengthen decentralisation as a principle for empowering citizens and providing services closer to communities. In Uganda, local governments are crucial for delivering essential social and economic services such as education, health, agriculture extension services, and social protection. These services are vital and directly benefit the majority of people among whom are the vulnerable and marginalised.

1.5. Methodology

The assessment utilised document reviews and feedback from various stakeholder engagements to gather insights on equal opportunities, resource allocation, and implementation. Key consultations included Members of Parliament, relevant parliamentary committees, local government representatives, and special interest groups such as youth, women, ethnic minorities, persons with disabilities, and older persons. These engagements provided valuable information to inform the analysis.

Chapter Two

Policy, Legal and Institution Arrangement For Gender and Equity Budgeting in Uganda

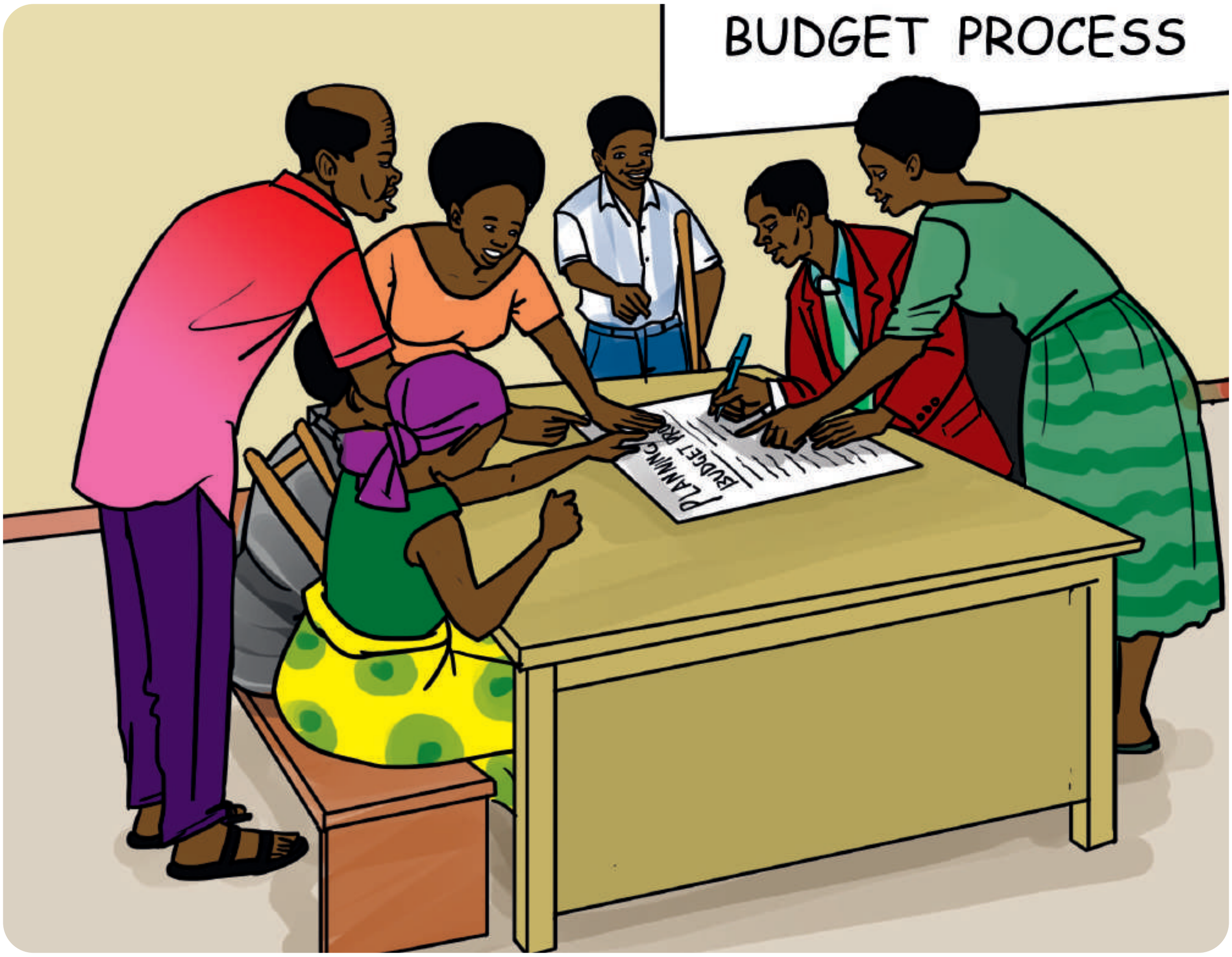
2.1. Evolution of Gender and Equity Budgeting in Uganda

Gender-responsive budgeting (GRB) was initiated in Africa in the immediate aftermath of the Beijing Conference. South Africa became the first country globally and in Africa to pioneer the Commonwealth Secretariat Pilot programme aimed at gender mainstreaming in Finance Ministries. Uganda was the second country in Africa to embrace GRB (Burns, 2017).

The initial approach to GRB started with a review of selected ministries and local government budgets ex-post annually and 'Issues Papers' produced for advocacy purposes, mainly targeting Parliamentary Committees during debates of Sector Budget Framework Papers and Local Government Councils. Selected ministries and local government budgets were reviewed ex-post annually to assess who benefitted from the budget allocations (women, men, boys, or girls). The initiative focused solely on gender inequalities. Although the initiative helped raise awareness within the government about the differential benefits and impacts of public spending, it did not yield much to transform budget allocations to address gender inequalities. This was mainly attributable to the limited influence CSOs had over the budget process. Further, the analysis was carried out after the budgets were approved (ex-post), which meant that change could only be expected in subsequent financial years.

Responding to calls from interest groups for deepened inclusivity of the national budget, the Ministry of Finance, Planning and Economic Development, working with the Ministry of Gender, Labour and Social Development, adopted GEB as part of the official budget process in 2003 (Kakande, 2018) providing an overarching approach for addressing a wide range of inequalities through the national budget process. The imbalances included gender, age, disability, geographic and other socio-economic categories of the population considered poor and vulnerable, evidenced by data from national household surveys and other sources.

Since the financial year 2004/5, the Ministry of Finance has consistently issued gender and equity budgeting guidelines alongside the Budget Call Circular (MFPED, 2012). The tool guides Ministries, Departments and Agencies (MDAs) and Local Governments (LG) to address gender and equity issues through the planning and budgeting process. The GEB



approach is ex-ante and focuses on gender and regional inequalities and exclusion of poor and vulnerable groups, including children, youth, PWDs and Older Persons.

2.2. Legal Provisions of Gender and Equity Planning and Budgeting

The Public Finance Management Act (PFMA Cap 171) has specific provisions on gender and equity in planning and budgeting; Sections 9 (1), (6,(a), (b) and 13 (15) (g) (i) and (ii) of the PFMA requires all MDAs and Local Governments to address gender and equity issues in their Budget Framework Papers (BFPs) and Ministerial Policy Statements (MPS) by specifying measures and allocating budgets to address the different needs of women and men, people with disabilities, older persons, youth and other marginalised groups.

Under this Act, the Equal Opportunities Commission is mandated to assess BFPs and MPS for gender and equity budgeting responsiveness and advise the Minister of Finance, Planning and Economic Development (MoFPED) on the Issuance of Certificate of Compliance to complying institutions as a requirement for budget appropriation by parliament.

Chapter Three

Findings of the Assessment

3.1. Introduction

This section below presents the key findings on the performance of the key economic indicators and their implication on equal opportunities, gender vulnerability, discrimination and marginalisation. The assessment areas/indicators are Economic Growth Strategy, Financing the Economic Strategy, the Gross Domestic Product (GDP), inflation, employment, interest rate on domestic borrowing, key government investment areas /statement of targets, debt burden and Local Government funding.

3.2. Government's Economic Growth Strategy for FY 2025/26

The FY 2025/26 will be the first year of implementing the 4th National Development Plan (NDPIV). The goal of the Plan, is to "*Achieve higher household incomes and employment for sustainable socio-economic transformation*". This goal is to be achieved under the theme "*Sustainable Industrialisation for Inclusive Growth, Employment, and Wealth Creation*".

The Budget Strategy for the next financial year is therefore based on the principles of the Tenfold Growth Strategy, the gains, lessons learnt and opportunities from NDPIII as well as NDPIV strategic socio-economic transformation strategy. This strategy underscores employment, wealth creation, and higher household incomes by prioritising key enablers for accelerated growth, direction and the NRM manifesto (2021/2026).

The budget strategy is guided by the overall Ten-fold Economic Growth Strategy under the NDPIV, of shifting the economic growth rate to a higher trajectory averaging over 8% per annum in the medium term and double-digit growth rates at the on-set of commercial production of oil and gas, to expand the size of the economy ten-fold from the current US$ 53 billion to US$ 500 billion by 2040.

> The goal of the Plan, is to "Achieve higher household incomes and employment for sustainable socio-economic transformation".

The achievement of this goal will be supported by continued interventions aimed at the full monetisation of Uganda's economy aimed at transforming the 39% households in subsistence economy to the money economy. Government will prioritise the ATMS anchor sectors to unlock their economic growth potential as follows:

i) Agro-industrialisation and light manufacturing: The target is to generate annual export earnings of US$ 20 billion by FY 2039/40.

ii) Tourism development: The target is to generate annual export earnings of US$50 billion.

iii) Mineral-based industrial development including oil and gas. The target is to generate annual export earnings of US$ 25 billion.

Science, Technology and Innovation (STI) including Creative Industry and ICT. This is a multiplier anchor programme with a huge economy wide growth.

3.2.1. Implication of the Budget Strategy to Gender and Equity Inclusion

The overall budget strategy is highly gender and equity responsive in the following ways:

i) **Targeting 39% of Ugandans that are still outside of the money economy** is a gender and equity responsive intervention, because this is will address the major challenges that bring about the exclusion, such as lack of capital, unemployment, lack of skills, poor business infrastructure like roads, energy, water, and ICT penetration all of which are the priority under the ATMs.

ii) **Providing capital for investment** through pillar III of the PDM and Emyooga, GROW and Invite projects, UDB and UDC support, among others. These will benefit the women, youth, the rural poor uneducated youth, persons with disabilities and older persons, leading to increased household incomes and better quality of life ultimately contributing to the GDP

iii) **Employment creation through support to the private sector** to drive growth and create jobs, increase production, productivity and value addition in agriculture, minerals, oil & gas, tourism and ICT is a pro – gender and equity focus, particularly in Agro-industrialisation. It focuses on fully commercialising and formalising farming, as well as undertaking strategic value addition for export. It is a positive deliberate effort in addressing the challenges of youth, rural poor women, who have been hitherto participating in agriculture but at subsistence level.

iv) **Focusing on Human Capital Development along the entire lifecycle** will enhance the productivity and social wellbeing of the population for increased productivity competitiveness and better quality of life. Developing Knowledge, skills, and heath contributes to poverty reduction in the long run.

v) **Building and maintaining strategic sustainable infrastructure** in transport, housing, energy, water, industry, and ICT. For example, access to clean water at a household level, decent housing for all, promoting green and inclusive cities and urban areas and achieving universal energy access, digital inclusion and citizen participation are among their core gender and equity outcomes both nationally and globally.

vi) **Strengthening the role of the State** is another key area that the budget strategy will focus on through good governance and security. The budget strategy will focus on building strong regulatory and institutional frameworks to support a market economy, creating an enabling legal environment for citizens to participate in the market, protect and promote human rights, including the right to social security, managing public finances and combating corruption, among others. These are fundamental elements that promote inclusion and access to equal opportunities for all including the vulnerable and marginalised groups such as women, girls, boys, persons with disabilities, ethnic minorities and areas that are under developed.

3.3. Financing the Economic Strategy

The annual budget will be financed by the total resource inflow: domestic revenues, petroleum fund, budget support, net domestic borrowing, BOU repayment, project support (external financing), domestic refinancing (roll-over) and local revenue for Local Governments.

3.3.1. Financing Trend

The total budget for Uganda's 2025/26 financial year is projected at 57.71 trillion shillings, which is a 20.4% decrease from the previous year's 72.137 trillion shillings.

The funds will be mobilised from domestic revenue (58%), petroleum fund (1%) budget support (1%) domestic borrowing (7%), external financing (22%), domestic re-financing -roll over (12%) and local revenue for local governments (1%). The reduction in the overall budget is of concern to the Commission.

Table 3.1 shows the total budget and the revenue sources.

Table 3.1. National Budget FY 2025/26 (Trillions)

S/N	Source	FY 2024/25 Final Estimates	25- Sept FY 2025/26	%	Variance
(1)	(2)	(3)	(4)		(5)
1	Domestic Revenues	31,981.9	33,181.9	58%	1,200.0
2	Petroleum Fund	115.4	500.0	1%	384.6
3	Budget Support	1,393.7	29.9	0.1%	(1,363.7)
4	Net Domestic Borrowing	8,968.0	4,011.3	7%	(4,956.7)
5	BOU repayment	7,778.5	-		(7,778.5)
6	Project Support (External Financing)	9,583.5	12,812.2	22%	3,228.7
7	Domestic Refinancing (Roll-over)	12,021.7	6,611.6	12%	(5,410.1)
8	Local Revenue for Local Governments	293.9	293.9	1%	-
	Total Resource Inflows (1+2+3+4+5+6+7+8)	**72,136.5**	**57,440.8**		**(14,695.7)**
9	External Debt Repayments (Amortization)	(3,149.2)	(4,031.7)		(882.5)
10	Project Support (External Financing)	(9,583.5)	(12,812.2)		(3,228.7)
11	Domestic Refinancing	(12,021.7)	(6,611.6)		5,410.1
12	Domestic Arrears	(200.0)	(200.0)		-
13	Appropriation in Aid (AIA) - Local Revenue	(293.9)	(293.9)		-
14	GOU MTEF: Resource Envelope Less External Debt Repayments, Project Support, Domestic Refinancing, Arrears and AIA	46,888.2	33,491.4		(13,396.8)
15	Interest Payments	(9,606.0)	(9,244.8)		361.2
16	Domestic Debt Payment (BoU)	(9,100.0)	-		9,100.0
17	GOU Discretional Resources (MTEF less Interest Payments and Payment to BOU)	28,182.2	24,246.6		(3,935.6)

Source: MoFPED; Figure 1: National Budget - Sources of Revenue- FY 2025/26

Table 3.2. Discretionary Budget Allocation to Development Programmes FY 2025/26

S/N	Discretionary Budget Allocation Programmes	Amount	%
1	Governance & Security	7,371.5	30.40%
2	Human Capital Development	7,250.4	29.90%
3	Development Plan Implementation	2,143.9	8.84%
4	Private Sector Dev't	1,571.2	6.48%
5	Integrated Transport Infrastructure & Services	1,460.2	6.02%
6	Regional Dev't	1,265.6	5.22%
7	Legislation, Oversight & Representation	833.5	3.44%
8	Agro-Industrialization	640.9	2.64%
9	Administration of Justice	409.4	1.69%
10	Sustainable Dev't of Petroleum Resources	260.8	1.08%
11	Climate Change, Natural Resource, Environment & Water Management	241.7	1.00%
12	Public Sector Transformation	199.6	0.82%
13	Tourism Dev't	176.0	0.73%
14	Innovation, Technology Dev't & Transfer	168.0	0.69%
15	Digital Transformation	63.8	0.26%
16	Manufacturing	55.6	0.23%
17	Sustainable Energy Dev't	47.0	0.19%
18	Community Mobilization & Mindset Change	36.8	0.15%
19	Mineral Development	25.6	0.11%
20	Sustainable Urbanization & Housing	25.3	0.10%
	SUB TOTAL	**24,246.7**	**100.00%**

Source: 1st BCC, MoFPED 2025/6: Figure 2: Trend in programme budget allocations in billions UGX

3.3.2. Implication of the Reduction of the National Budget on Service Delivery

This budget was reduced by 14.43 trillion from the preceding FY 2024/25 which was at 72.134 trillion to the current Ugshs 57.71 trillion. There is a significant reduction in the discretionary budget that is allocated to the development programmes by Ughs 3.935 trillion (From 28.182 trillion to 24.247 trillion). This corresponding reduction is of concern to the general public because it will constrain the provision of essential services such as education health, security, agriculture among others.

The Table 3.3 shows that there is overall reduction in the budget allocated to programmes, that have a fundamental bearing on the vulnerable and marginalised population such a agro-industrialisation by Ugshs 422.7 billion, Human Capital Development by Ugshs 821.70 billion, community mobilisation and mindset change by Ugshs 36.26 billion, Administration of Justice by Ugshs 72 billion. The following are the implications.

Inability to Realise the NDP IV Growth Strategy and Targets

It is worth noting that this overall reduction of the budget has negative implication towards to the realisation of the NDPIV economic strategy and targets particularly expanding the economy from the current USD 50 billion to USD 500 billion by 2040 through the Tenfold Strategy, with a goal of *full Monetisation and Formalisation of the Economy, focusing on* four growth areas: agro-industrialisation, tourism development, mineral-based industrial development including oil and gas, and Science Technology and Innovation including ICT (the Knowledge Economy) (ATMS).

Reduction of Budgets to Key Development Programmes from FY 2024/25

Table 3.3. Budget allocations to development programme in billions (including external support)

S/N		FY 2024/25	FY 2025/26	Variance
	Programme Allocations			
1	Agro-Industrialisation	1,878.27	1,455.62	-422.65
2	Mineral Development	41.55	25.55	-16.00
3	Sustainable Development of Petroleum Resources	920.86	655	-265.86
4	Manufacturing	288.67	217.15	-71.52
5	Tourism Development	289.6	175.98	-113.62
6	Climate Change, Natural Resource, Environment & Water Management	744.83	1,327.32	582.49
7	Private Sector Development	2,023.32	1,904.69	-118.63
8	Sustainable Energy Development	982.56	1,257.03	274.47
9	Integrated Transport Infrastructure & Services	4,989.36	6,354.02	1,364.66
10	Sustainable Urbanization & Housing	649.42	1,139.01	489.59
11	Digital Transformation	245.89	292.63	46.74
12	Human Capital Development	10,216.27	9,394.57	(821.70)
13	Innovation, Technology Development & Transfer	346.91	168.01	(178.90)
14	Public Sector Transformation	192.61	199.61	7.00
15	Community Mobilisation & Mindset Change	73.01	36.75	(36.26)
16	Governance & Security	9,102.49	7,634.07	(1,468.42)
17	Regional Development	1,524.28	1,435.06	(89.22)
18	Development Plan Implementation	1,795.92	2,143.87	347.95
19	Administration of Justice	481.39	409.39	(72.00)
20	Legislation, Oversight & Representation	978.56	833.53	(145.03)
	Sub Total	**37,765.77**	**37,058.86**	**(706.91**

Source: MoFPED

There is a corresponding deduction of the budget on key development programmes like agro industrialisation while the budget strategy prioritises the first phase accelerator actions of the ten-fold growth strategy which include investment in agro-industrialisation, tourism development, minerals industrial development, oil and gas, science, technology, innovation and knowledge economy and sustaining peace and security, macroeconomic stability as well as strengthening governance and public sector efficiency.

The substantial budget reduction in agro-industrialisation programme, development program will not only hamper the realisation of the NDPIV Growth Strategy its targets right from the on-set such as the ability of the lifting the 39% of the population from subsistence to a money economy but will in addition, negatively impact the vulnerable people's capacity to afford basic needs, such as food, education, social protection, housing, medical care, and employment.

3.4. Medium-Term Macroeconomic Forecast

3.4.1. The Average and Year End Gross Domestic Product

Uganda's economy grew at the rate of 6% from 5.2 in FY 2022/23 following the recovery measures against the global shocks like COVID 19.

In addition, the size of the economy grew from 183 trillion (USD 48.8 billion) to Ugshs 202.13 trillion (USD 53.2 billion) in FY 2023/24. In the same vein, according to the budget speech made in March 2024, Uganda met the requirement and graduated from the least developed countries (LDCs) to the category of low human development to a medium human development.

Table 3.4. GDP Performance in FY 2023/24

		Baseline	Actual	Actual	Target	Actual
Outcome	**Indicator**	**2017/18**	**2020/21**	**2021/22**	**2022/23**	**2024/25**
Sustainable economic growth and stability	GDP Growth rate	6.2	3	4.6	5.2	6%

Source: MoFPED 1st BCC 2025/26

3.4.2. Implication of GDP Growth Rate to the Equal Opportunities, Gender and Equity Situation

The GDP growth rate is within target in terms of aggregate national income related to goods and services. However, there is no data on the contribution of the sub regional contribution to GDP Performance, which makes assessment of the sub regional economic performance difficult. GDP itself being about the aggregate income is extremely misleading because it does not consider welfare of the people. Issues of regional balance, participation of the citizens and the vulnerable groups is not considered. It is no wonder that the inventor of the GDP confirmed that it is not a good measure of success, because it does not consider the quality of life of the people, the distribution of the benefits as well as the social and economic costs such as environmental degradation, human rights violations among others. This is evidenced from the persistent gender and equity disparities such as high levels of poverty, regional imbalance, teenage pregnancy, school dropout among others.

3.4.3. The Rate of Inflation (Average and Year-End Inflation)

Inflation has been contained at 3.5% in August 2024 from the peak of 10.7% in October 2022. This is well within the NDPIII target at 4.99% (2025/26). The shilling has remained stable and in July 2024, it appreciated against the USD by 1.1%. This was good performance compared to all the East African partner states like Tanzania that depreciated down to 1.2%.

3.4.4. Low Inflation and its Implication to the Vulnerable

Low inflation is favourable for the vulnerable grouping because they maintain their purchasing power and can therefore acquire the planned goods and services. In addition, low inflation encourages investment especially for the small and micro enterprises, to effectively participate in production.

3.4.5.The Rate of Employment and Unemployment

According to the Uganda labourforce survey 2024, Uganda's unemployment rate is 3.39%. This is a decline from the 2023's at 2.83% representing a total of 0.67 million people unemployed against a total labour force of 19.68 million. The employment rate is projected to be 81.45%.

3.4.6. Strategies for Creating Employment in FY 2025/26

The government commits to create employment, targeting a total of 672594 jobs in FY 2025/26. This will be achieved by investing in priority areas that translate into the expansion of the economic output. The key priority areas include; expanding the industrial base, ensuring productivity gains across all sectors; diversifying economic activities to generate job opportunities; and expanding household investment opportunities through the PDM, Emyooga and GROW programmes to enhance wealth creation starting at a household level. In addition, there is a focus on boosting the private sector particularly ensuring a higher survival rate of new business start- ups and growth of existing ones. Table 3.5 shows the job creation projection in FY 2025/26.

Table 3.5. Job Creation Projections for FY 2025/26

Employment Industry FY 2025/26	Projected number of Jobs	%
Agriculture, Forestry & Fishing	208,409	31%
Industry	137,116	20%
Mining	12,049	
Manufacturing	51,482	
Electricity & Water	938	
Construction	72,648	
Services	327,068	49%
Trade and Repairs	168,230	
Transport & Storage	22,489	
Accommodation & Food Service Activities	16,330	
Information & Communication	2,202	
Financial and Insurance Activities	2,252	
Real Estate Activities	953	
Professional, Scientific & Technical Activities	8,055	
Education	37,480	
Human Health & Social Work Activities	8,585	
Arts, Entertainment & Recreation	3,426	
Other Services	57,064	
Overall Total	**672,594**	**100**

Figure 3: Employment Industry projection FY 2025/26
Source: NPA, 2024

3.4.7. Implication of the Unemployment Rate and Strategies for Job creation on Equal opportunities

The Commission notes that overall, the unemployment rate worsened over the two-year period from 2.8% in 2023 to 3.39% 2024. This is devastating especially for young people who have qualified from tertiary institutions and universities. The lack of employable skills and lack of affordable credit are partly responsible for this unemployment rate.

3.4.8. The Interest Rates on Domestic Borrowing

The interest rates were stable with the central bank lending rate at 17.89% for the year ending June 2024, from 18.56% average recorded in 2022/23. The lower interest rate was on account of reduction in risk averseness of the commercial banks due to the improving economic conditions in the economy.

The Net Domestic Borrowing will be reduced by Shs. 4.96 trillion from Shs. 8.97 trillion to Shs. 4.01 trillion (50%) from the previous year, due to the need to reduce domestic borrowing and sustain private sector credit consistent with the guiding principles of the Fiscal Consolidation agenda. Otherwise, public sector borrowing risks crowding out the private sector.

3.4.9. Implication of the Low Interest Rate and Reduced Domestic Borrowing to Equal Opportunities, Gender and Equity Situation

The low interest rate and reduced domestic borrowing can have both positive and negative implications for equal opportunities, gender and equity. On the positive side, lower interest rates can make credit more accessible to businesses, including those owned by women or marginalised groups, promoting economic inclusion and growth. Reduced domestic borrowing may also lead to fiscal stability, allowing for more sustainable government spending in critical areas such as healthcare and education, which can benefit vulnerable populations, particularly women. If fiscal resources are managed effectively, this could support long-term inclusive development.

However, the reduction in domestic borrowing also carries risks, particularly as this is seen in reduction in public sector investment in social services budgets. Women and marginalised communities, who rely heavily on public services like healthcare, education, and social protection, could be disproportionately affected by these reductions. Additionally, while private sector growth may be stimulated, smaller or gender-focused businesses may struggle to access credit, exacerbating existing inequalities. Ultimately, without careful prioritisation, fiscal consolidation could deepen gender disparities and limit opportunities for vulnerable groups.

3.5. Medium-Term Fiscal Framework

3.5.1. The Government's Statement of the Targets

Major Investments

The Government's statement of the targets under the Medium-Term Fiscal Framework are pro people with a focus on the vulnerable population. Overall budget strategy and policy direction for the FY 2025/26 budget is focusing on accelerator actions for the realisation of the NDPIV targets key among which are the following :

i) Full monetisation of the economy aimed at transforming the 39% of Ugandans in subsistence economy to a money economy

ii) Prioritising the first phase accelerator action of the tenfold growth strategy anchored on four key growth areas underpinned by the full monetisation and formalisation of the economy through Agroindustrialisation and light manufacturing, Tourism development, mineral based industrial development including oil and gas, Science, technology and innovation, including creative Arts and ICT.

iii) There government has provided Ugshs 280.890 billion to specific affirmative action programmes funded under the social development sector, for empowerment and promoting financial inclusion of women, youth, persons with disabilities, among others. This is a commitment towards improving the gender and equity outcomes. This Table 3.6 shows the funding to these programmes.

Table 3.6. Summary of Funding to Affirmative Action Programmers in billions

Priority Area	FY 2025/26		
	Required FY 2025/26	Draft Budget FY 2025/26	GAP
Special Grant for PWDs	16.6	8	8.6
Food and Non-Food Items for Rehabilitation Centers	0.5	0.125	0.375
Social Assistance Grant for Empowerment	121.22	100.16	21.06
Enterprise Grant for Older Persons	5	2.95	2.05
Joint UWEP/YLP	34.145	27	7.145
GROW	205	141.914	63.086
Food and Non-Food Items to Remand Homes and Reception centers	1.3	0.64	0.66
Street Children interventions	0.5	0	0.5
Skilling of Out of School Youth at Ministry Centers	0.12	0.065	0.055
Scholarships for Vulnerable Children	0.06	0.036	0.024
PDM- Component	1	0	1
Total	**385.445**	**280.89**	**104.555**

Source: MoGLSD Draft Budget 2024

3.5.2. Implication of the Government's Statement of the Targets on Equal Opportunities, Gender and Equity Situation

The Commission notes that the government's Medium-Term Fiscal Framework is pro-people and incorporates interventions aimed at addressing the needs of vulnerable populations. Key strategies focus on reducing poverty, creating jobs, increasing GDP, fostering innovation, and improving the debt-to-GDP ratio. These priorities explicitly address gender and equity issues, particularly those affecting women, youth, and regions with significant socio-economic imbalances.

For the FY 2025/26 budget, the Commission highlights commitments that are highly gender and equity responsive. These include:

i) **Implementation of the Parish Development Model's 3rd pillar**, emphasizing programs like Emyooga, INVITE, GROW, and UDC, which target the 39% of the population still in subsistence. These initiatives aim to create employment and foster economic inclusion.

ii) **Agro-industrialisation**, focusing on commercialising farming, strategic value addition for exports, and formalising the agricultural sector. This strategy is expected to generate employment for youth, raise household incomes, improve food security, reduce gender-based violence, enhance social protection, and uplift the living conditions of vulnerable groups, including women, children, older persons, and persons with disabilities.

iii) **The Commission emphasizes that the budget allocation to Affirmative Action** programmes reflects the government's commitment to empowering vulnerable and special interest groups. By enhancing access to financial services, these programmes aim to support economic activities and address the lack of affordable capital, a key barrier for marginalised populations. This initiative is crucial for fostering inclusion and reducing inequalities.

3.6. Uganda's Public Debt Analysis

According to the 1st Budget Call Circular (BCC) for FY 2024/25, Uganda's public debt rose from Ugshs 78,833 billion (USD 21 billion) in June 2022 to Ugshs 86,782 billion (USD 23.6 billion) in June 2023, comprising both external and domestic debt.

The nominal debt-to-GDP ratio is projected to increase from 46.9% in FY 2022/23 to 49.2% in FY 2023/24, while the present value (PV) of debt-to-GDP ratio is expected to rise from 36.7% to 39.4%. Despite these increases, Uganda's debt remains below the benchmarks of 55% and the 50% threshold set by the Public Debt Management Framework and EAMU Protocol, respectively.

Table 3.7. Domestic Arrears

Indicator	Baseline	Actual	Actual	Target	Actual	Projection
FY Year	2017/18	2020/21	2021/22	2022/23	2022/23	2023/24
Nominal Debt to GDP Ratio	41.5	46.8	48.6	45.29	46.2	49.2
PV of Debt to GDP	55 (LIC DSF)		39.5		36.7	39.4

Source: MoFPED

3.6.1. Debt to GDP Ratio / Debt Burden

Uganda's debt-to-GDP ratio rose from 41% in FY 2019/20 to 47.9% in FY 2023/24, with the debt servicing-to-revenue ratio increasing to 40.3% in FY 2024/25. In FY 2025/26, external debt repayments are set to increase by Ugshs 882.5 billion, from Ugshs 3.15 trillion to Ugshs 4.03 trillion, highlighting debt sustainability challenges and its drain on funding important social and economic services disproportionately affecting vulnerable populations. It also hinders balanced regional development as more revenue is diverted to debt servicing rather than supporting socio-economic priorities.

3.6.2. Domestic Arrears

The total stock of domestic arrears is estimated at Ugshs. 2.9 trillion in FY2021/22. This high figure increases the debt burden and also slows the realisation of the development targets due to limited fiscal space.

3.6.3. Debt Management Strategies

Domestic Arrears Management Strategy

The Present Value (PV) of debt to GDP is projected to remain below its associated benchmark of 55% in a bid to manage the debt and reduce the debt to GDP ratio even further. A Domestic Arrears Management Strategy was developed to strengthen the fiscal discipline and financial management, by undertaking phased clearance of domestic arrears and reduce accumulation of domestic arrears.

Tax Reforms

To further improve the revenue-to-GDP ratio,Government is committed to continuous tax reforms aimed at broadening tax base to raise more revenues and controlled expenditures hence limiting the expansion of fiscal deficits. There is a grand plan to increase the tax register and enforce compliance and improvements in tax administration and increase non-tax revenues from the current 1% of GDP.

There are also efforts towards innovative financing sources such as climate financing, Islamic financing, and diaspora bonds to increase the domestic revenues.

Strengthening Fiscal Consolidation

This has improved on the efficiency of tax collection through several key interventions, leading to higher local revenue from local governments and the non tax revenue contribution to up to 1% of the GDP.

3.6.4. Implication of the Debt on Equal Opportunities, Gender and Equity Situation

While the debt to GDP ratio of 49.2% is within the IMF's recommended threshold of 50% for low-income countries, it is still very high because government will continue to use significant amounts of money for debt repayment. This will reduce the allocation of the budget for provision of critical services like health, education, justice and agriculture among others.

3.6.5. Government Reliance on Domestic Borrowing to Finance

The Budget, he government's heavy reliance on domestic borrowing risks crowding out private investment and increasing the national debt burden due to short-term high-interest loans. This limits funds for essential public services, impacting vulnerable populations.

To mitigate this, the government has reduced domestic borrowing by 50%, from Ugshs 8.97 trillion to Ugshs 4.01 trillion, aiming to improve fiscal discipline and provide more room for private sector growth.

3.7. Budget Allocation to Local Governments

The central government provides a range of conditional, unconditional and equalisation grants disbursed by the Ministry of Finance through the relevant ministries. However, the funding have remained low at 13.7% well below the NDPIII target of 22.05%, (NDPIII-Midterm Review, 2023).

This is exacerbated by an ever-increasing tendency towards recentralisation. Despite the fact that Uganda adopted a decentralisation policy as a major governance shift to involve the people in the way they were governed i.e. they were involved in decision-making, identifying their own problems, setting priorities, planning their implementation and monitoring, ensuring better utilisation of resources both financial and human; ensuring value for money through participation, transparency and accountability and sensitization. (Local Governments Act Cap 243)1997).

Table 3.8. Budget Allocations to LGs

	Purpose	Amount Allocated	Percentage
1	Total Grants	5,096,859,442,256	50.00%
2	Total Wage Grants	3,351,814,968,349	32.88%
3	Total Non-Wage Recurrent Grants	1,396,697,927,908	13.70%
4	Total development grant	348,346,545,999	3.42%
	Total	**10,193,718,884,512**	**100.00%**

Source: MOFPED 1st BCC 2025/26

Table 3.8 show s that out of the total amount 10.2 trillion allocated to LGs, about 46.58% is for wages while 53.42% is budget available for direct service delivery and development. This ratio is not good to allow for appropriate level of service delivery towards key services such as education and agriculture.

3.7.1. Key Gender and Equity Interventions at the Local Government Level

i) **Micro Irrigation Schemes**. The Government has allocated, Ugshs 70.103,975,823 to boost smallholders farmers cultivating a minimum of 2.5 acres to purchase irrigation equipment through a matching grant scheme, in which the cost of the equipment is co-financed by the farmer and the government. It is expected to benefit mainly smallholder farmers interested to transition from mainly subsistence to commercial agriculture. The farmer receives complimentary services such as extension support in irrigated agriculture.

ii) **Parish Development Model.** The Government through the FY 2025/26 has allocated a total of Ugshs 23,097,144,497 to facilitate the implementation of the Parish development Model at the local government level. It is worth recognising that the PDM is one the key turnaround strategies to enhance service delivery and alleviate poverty at the grassroots targeting the 39% of households in subsistence economy to commercial production.

iii) **Special Needs Education.** A total of Ugshs 924,817,317 of the Local Government budget has been allocated to special needs education in the districts that host the special needs institutions to support students with special needs. The schools will use this funding to provide additional teaching time, teacher aides, or professional development for teachers. However, the funding to some of the district is extremely low. For example, Masindi has been allocated Ugshs 87,943,887, Jinja City Ugshs 30,425,031 while Busia, Hoima and Kabale are averaging Ugshs 2.2 million shillings for the entire year.

iv) **Climate Resilient Funding.** Affirmative Action Performance Based Climate Resilient Grants worth Ugshs **42,948,00,000** were allocated to support investments that promote climate resilience. The benefiting district are in Table 3.9.

Table 3.9. Table Showing the Performance Based Climate Resilient Grants for FY 2025/26

	District	Amount
1	Kasese	841,980,824
2	Nebbi	463843296.3
3	Zombo	349,442,039
4	Nwoya	691,268,513
5	Nabilatuk	495,790,833
6	Nakapipirit	549,351,350
7	Kitgum	458,229,191
8	Bulambuli	444,893,953
	Total	**4,294,800,000**

Source: MOFPED – 1st BCC

v) **Water and Sanitation Services.** A total of Ugshs 26.6 billion has been allocated to boost and expand both rural water and sanitation services; and urban water support services. The Ministry of Water and Environment will construct piped water supply and sewerage systems in rural growth centers, small towns, and large towns. This will lead to improvements in the conditions of the community especially women and girls who are most burdened by water scarcity.

3.7.2. Emerging Issues that affect realisation of Equal Opportunities in Uganda

The Commission raises concerns about the persistently low quality of life despite the fair performance of the Budget Framework Papers, as reflected in key gender and equity indicators. High poverty levels at 20.3%, severe regional disparities (income poverty in the Northern Region at 67.7% and Busoga at 14%), unemployment at 3.3%, teenage pregnancy (28% in rural areas, 21% in urban areas), child marriage (10% of girls married before age 15 and 40% before age 18), and child labour (affecting 47% of children aged 7–17) remain significant gender and equity challenges.

These challenges are exacerbated by inadequate funding for the Community Mobilisation Programme, which reduces public awareness of development initiatives, as well as shrinking fiscal space and insufficient budget allocations to local governments, which are critical for delivering essential services. Furthermore, the partial implementation of the Parish Development Model, limited regional-specific reporting, and restricted digital access impede efforts to promote inclusion, achieve development goals, and address gender and equity disparities.

Chapter Four

Conclusion and Recommendations

The NBFP scored 61%, therefore the Commission recommends the Issuance of a Certificate of Compliance with gender and equity requirements. This was based on the analysis of the key Macroeconomic performance indicators that have a direct bearing on the realisation of equal opportunities for the marginalised people and regions. **(See Annex 1)**.

Recommendations

i) Align the national budget allocation to programmes with the National growth strategy especially focusing on the ATMS. There is a significant reduction in the allocation to key programmes like agro-industrialisation, human capital development, community mobilisation and mindset change. Many of the earmarked accelerator actions particularly those targeting the 39% of the population directly fall under the agro-industrialisation programme.

ii) Increase funding to community mobilisation programme because this will support the mobilisation of the 39% of the population that tis outside the money economy to appreciate the participation in various development programmes. This category has a potential to contribute significantly to the development targets such as increase in GDP, job creation through the vertical and horizontal value addition to support production of high-value multi-input products like nutritional foods, baby foods, etc, that use several products like milk, eggs, maize, vegetables and fruits, among others.

iii) Increase funding to Local Governments, in order attain Uganda's economic growth targets and realise the social economic transformation as stipulated in the NDPIV, particularly uplifting the 39% of the population from subsistence to a money economy, and the NRM manifesto, SDGs commitments, etc.

The NBFP scored 61%, therefore the Commission recommends the Issuance of a Certificate of Compliance with gender and equity requirements.

There is an urgent need to address the broad range of distortions in the implementation of the decentralisation so as to strengthen local government's capacity to deliver the key economic and social transformational programmes. The ND III Set funding target to 30% was not realised.

iv) Focus resources towards addressing regional balanced development. Consider Implementing the regional based planning to address the regional development peculiarities and allocate funds accordingly. For example, regions such as Acholi, Karamoja, and Bukedi are lagging due to civil conflicts, insecurity, historical injustices, and infrastructural gaps in social services such as education and health.

The Ministry of Finance, through the Digital Transformation Programme, should expedite the implementation of the National Backbone Infrastructure (NBI) to enhance nationwide service delivery. This will improve access to internet services such as e-government and e-commerce, benefiting vulnerable populations by improving their livelihoods and access to vital information.

Annexes

Annex 1: National Budget Framework Paper Gender & Equity Compliance Assessment Findings for FY 2025/26

NBFP Section	NBFP Sub Section	Performance Area	Scoring Checklist	Maxim	Scoring Points	Remarks	Assessed Score
1.0 Medium-Term Macroeconomic Forecast	1.1 The Average and year end gross Domestic product	Uganda's Domestic Product Disaggregated by Region.	Absolute GDP performance disaggregated by region. Regional contribution towards National GDP	3	If there is improvement in the National GDP and within the NDP III target score 0.4, if the National GDP remained Constant or declined score 0. For each of the 13 sub regions that records improvement score 0.2 and 0 for each sub region were GDP remained constant or declined.	*The GDP Growth rate for FY 2024/25 was 6.0% below the NDPIII Target of 7%. However, this is an improvement from the previous 4.1%* There is no data on sub regional GDP Performance, which makes assessment of the sub regional economic performance difficult yet the national average is extremely misleading	***0/3***
	1.2 The rate of inflation (average and year-end);	ii. Effect of inflation rate on the purchasing power of the marginalised	The level of inflation for the previous Financial Year is single digit and within the NDP III annual Target	3	*If the level of inflation is within the NDP III target[1] score 3 otherwise score 0*	*Inflation has been contained at o 3.5% in August 2024* This low inflation is good for the vulnerable grouping because they maintain their purchasing power and can therefore acquire the planned goods and services. In addition, low inflation encourages investment especially for the small and micro enterprises, and effectively participate in production.	***3/3***
	1.3 The rate of employment and unemployment;	iii. Reflection of employment and unemployment rate among the four regions of the country, youth, women, persons with disabilities and between rural and urban areas.	**Reduction in unemployment** rate among the youth, the different sub regions, among women and Persons with Disabilities	3	*If the level of Overall National Unemployment reduced and within the NDP III target score 1 otherwise score 0* *If the level of Youth Unemployment reduced and within the NDP III target score 1 otherwise score 0* *If the level of Women, PWDs Unemployment reduced and within the NDP III target score 1 otherwise score 0*	*According to the Uganda labor force survey 2024, Uganda's unemployment rate is 3.39% (which is a decline from the 2023, which was at 2.83% representing a total of 0.67 million people unemployed against a total labour force of 19.68 m the employment rate is projected to be 81.45%.*	***0/3***
	1.4 The average and year end exchange rate;	The average and year end exchange rate	The level of Uganda Shilling depreciation or appreciation against the USD for the previous Financial Year within the NDP III annual Target	**3**	*If* Uganda Shilling depreciation or appreciation against the USD for the previous Financial Year is within the NDP III annual Target *score 3,* otherwise score 0	*The shilling appreciated 1.1% compared to other EA states who suffered depreciation of up to 1.2%*	
	1.5 The interest rates on domestic borrowing;	The NBFP highlights interest rate for domestic borrowing against the ability of the vulnerable to afford the lending rates	Affordability of the lending rates/ interest rates by the vulnerable	**3**	**-***If* there is a reduction in the lending rates/interest rates score 3 Otherwise score 0	*The interest rates were stable, the central bank lending rate was lowered to 17.89% for the year ending June 2024, from 18.56% average recorded in 2022/23. The lower interest rate was on account of reduction in risk aversiveness of the Commercial banks due to the improving economic conditions in the economy.*	***3/3***

1 2020/21: 5.49%, 2021/22: 6.08%, 2022/23: 5.66%, 2023/24: 5.29%, 2024/25: 50.0%

NBFP Section	NBFP Sub Section	Performance Area	Scoring Checklist	Maxim	Scoring Points	Remarks	Assessed Score
2. 0 Medium-Term Fiscal Framework	2.1 Statement of the targets of Government for the variables which are the subject of a fiscal objective under paragraph 1 of Schedule 2.	Responsiveness of the Medium-Term Fiscal Framework objectives to the needs of the most vulnerable	statement of at least two targets/ medium term Fiscal Framework objectives are responsive to gender and equity requirements	**5**	*If three of the statement of* the targets/objectives are Gender and Equity responsive ***score 5*** *If* statement of at least two targets/medium term Fiscal Framework objectives are responsive to gender and equity requirements score 3 *If* statement of at least one targets/medium term Fiscal Framework objective is responsive to gender and equity requirements score 1 *otherwise* ***0***	*The Commission rated the Government's Medium-Term Fiscal Framework objectives and targets as Gender and Equity responsive, this is because the overall strategic policy direction for the FY 2025/26 budget is focusing on key areas that target the ordinary vulnerable citizens, the direction is as follows:* *I. The Commission identified the following commitments for the FY 2025/26 budget as highly gender and equity responsive The effective implementation of the 3rd pillar of the Parish Development Model particular the Emyoga, Invite, Grow and UDC among others. These are highly inclusive because they target the 39% of the people who are still subsistence and create employment.* *ii. Agro industrialisation with fully commercialising and formalising farming and undertaking strategic value addition for export. This will create employment for youth, raise household incomes, improve food security, reduced gender based violence, (GBV), increased social protection of the vulnerable and overall improvement in the living conditions of the vulnerable people. Including women, children, youth, older persons, persons with disabilities among others.*	***3/5***
3.0 Statement of the resource for the annual budget for the next **financial year**	the floor of the investments of Government in the financial year	Responsiveness of the floor of the investments of Government in the financial year with gender and equity requirements	There explicit programmes with respect to programme clearly highlighting funds to address gender and equity requirements in the ensuing Financial Year The rate of improvement of financing by programme is in respect to international commitments that address gender and equity requirements i.e In April 2001, the African Union countries met and pledged to set a target of allocating at least 15% of their annual budget to improve the health sub programme and urged donor countries to scale up support. Allocation towards agriculture is in accordance with the Maputo declaration of 2003 and the CAADP aim to increase annual national budgetary allocations for agriculture to at least 10% and to ensure a growth of the agricultural output of at least 6% annually.	**65**	If the budget focus for the FY is gender and equity responsive ***score 1*** *otherwise 0* *Under each programme score 1 for each programme inclined on addressing gender and equity requirements with clearly highlighted funds (maximum three major sub programmes per programme)* If the rate of improvement of financing of the Agriculture Sub Programme is in respect to the Maputo protocol ***score 3.5*** *otherwise 0* If the rate of improvement of financing of the health sub programme is in respect to the Maputo protocol ***score 3.5*** *otherwise 0*	*There is commitment to target 39% of the population into the money economy through programmes such as PDM, EMYOGA, Glow. With a total of 280 billion allocated to affirmative action programmes these will ensure access to credit but also offer social protection of the vulnerable people* *Focus on ATMs that are crucial in job creation, food security, and increasing incomes*	***37***

NBFP Section	NBFP Sub Section	Performance Area	Scoring Checklist	Maxim	Scoring Points	Remarks	Assessed Score
4.0 Statement of the policy measures	4.0 Statement of the policy measures	The rate of improvement in the debt Burden	commitment to improving and reducing the debt Burden	15	If the National NBFP demonstrates commitment to improve and reduce the debt burden ***score 5*** *otherwise 0*	The nominal debt to GDP Ratio was 46.9% 2022/23, though this is projected to increase to 49.2% in 2023/24 this good performance is due to government's commitment to fiscal discipline	5
		The tax policy initiatives/reforms not imposing a heavy impact on the most vulnerable	**Tax policy initiatives/reforms** not imposing a heavy impact on the most vulnerable		**If tax policy initiatives/ reforms** are not imposing a heavy impact on the most vulnerable ***score 10*** *otherwise 0*	The tax policy is gender and equity responsive; it provides for expansion of the tax base, fiscal consolidation and improvement in tax administration to reduce linkages Fiscal consolidation and reducing informalities in business to expand the tax register among others	10
				100			**61%**

Annex 2: List of Programmes and respective scores FY 2024/25 – 2025/26

S/N	Programme	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26
1	Development Plan Implementation	73%	61.00%	69%	72%
2	Legislation, Oversight and Representation	69%	60.00%	69%	70%
3	Human Capital Development	80%	61.00%	71%	70%
4	Tourism Development	63%	60.00%	64%	66%
5	Administration of Justice	70%	50.00%	62%	65%
6	Integrated Transport and Infrastructure Services	68%	54.00%	64%	65%
7	Public Sector Transformation	70%	53.00%	64%	65%
8	Private Sector Development	61%	51.00%	61%	64%
9	Regional Development	65%	31.00%	50%	62%
10	Governance and Security	68%	56.00%	60%	62%
11	Natural resources, Environment, Climate Change, Land and Water Management.	75%	55.00%	60%	60%
12	Digital Transformation	67%	60.00%	-	59%
13	Innovation, Technology Development and Transfer	69%	52.00%	55%	59%
14	Sustainable Energy Development	54%	53.00%	56%	58%
15	Manufacturing	68%	26.00%	50%	55%
16	Sustainable Extractives Industry Development				50%
17	Agro-Industrialization	69%	56.00%	60%	40%
18	Sustainable Urbanization and Housing	65%	61.00%	55%	20%
	Average	**67.60%**	**54.35%**	**57.60%**	**59%**

Source: EOC, Compliance &Enforcement Department

Equal Opportunities Commission

FOR GOD AND MY COUNTRY
THE REPUBLIC OF UGANDA

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