



## UGANDA

### POST-FINANCING ASSESSMENT DISCUSSIONS—PRESS RELEASE; AND STAFF REPORT

February 2026

In the context of the Post-Financing Assessment Discussions, the following documents have been released and are included in this package:

- A **Press Release**.
- The **Staff Report** prepared by a staff team of the IMF for the Executive Board's consideration on a lapse-of-time basis, following discussions that ended on November 7, 2025, with the officials of Uganda on economic developments and policies. Based on information available at the time of these discussions, the staff report was completed on December 18, 2025.
- A **Debt Sustainability Analysis** prepared by staffs of the World Bank and the IMF.

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## IMF Executive Board Concludes the 2025 Post-Financing Assessment with Uganda

FOR IMMEDIATE RELEASE

- Uganda's post-pandemic economic performance has been robust, supported by broad-based growth and contained inflation. Foreign exchange reserves rose significantly in 2025, reflecting a favorable external environment, including strong coffee exports and portfolio inflows.
- Uganda's capacity to repay the Fund is assessed as adequate, though subject to risks from potential portfolio outflows, commodity price shocks and further delays related to the oil project.
- The authorities recognized the need for fiscal adjustment and reaffirmed their commitment to vigilant monetary policy and exchange rate flexibility, to safeguard macroeconomic stability and repayment capacity.

**Washington DC, January, 23, 2026:** On January, 12, 2026 the Executive Board of the International Monetary Fund (IMF) concluded the Post-Financing Assessment (PFA) with Uganda<sup>1</sup> and considered and endorsed the staff appraisal without a meeting on a lapse-of-time basis.<sup>2</sup> The authorities have consented to the publication of the Staff Report prepared for the PFA discussions.

Uganda has navigated the post-pandemic environment relatively well, though progress in rebuilding durable fiscal space has been limited. Real GDP growth rose to 6.3 percent in FY24/25, inflation stabilized below 4 percent, and the estimated current account deficit narrowed to 6.1 percent of GDP, supported by strong coffee exports. Foreign exchange reserves increased to over three months of import coverage by October 2025, partly reflecting strong portfolio inflows in 2025. However, the overall budget deficit widened to 6 percent of GDP in FY24/25 from 4.7 percent in FY23/24, and public debt reached 52.4 percent of GDP.

Uganda's capacity to repay the IMF is assessed as adequate, though subject to risks. In a downside scenario involving large portfolio outflows, adverse terms-of-trade shocks, and further delays in the oil project, repayment indicators would weaken but remain within adequate levels.

Looking ahead, macroeconomic conditions are expected to remain favorable with an additional boost from oil production, which is projected to start in late 2026. The authorities recognized the need for fiscal adjustment and reaffirmed their commitment to vigilant monetary policy and exchange rate flexibility, to safeguard macroeconomic stability and repayment capacity.

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<sup>1</sup>After the end of an IMF lending program, a country may be subject to a Post Financing Assessment (PFA). It aims to identify risks to a country's medium-term viability and provide early warnings on risks to the IMF's balance sheets. For more details click [here](#).

<sup>2</sup> The Executive Board takes decisions under its lapse-of-time procedure when the Board agrees that a proposal can be considered without convening formal discussions.

## Executive Board Assessment

In concluding the PFA with Uganda, Executive Directors endorsed staff's appraisal, as follows:

Uganda's robust macroeconomic performance continued, supported by strong domestic demand, favorable external conditions, and prudent monetary policy. Real GDP growth accelerated to 6.3 percent in FY2024/25, inflation remained contained, and the current account deficit narrowed significantly. Foreign exchange reserves increased, and investor sentiment improved, reflecting high real returns and Uganda's relative stability in a volatile regional environment. However, fiscal vulnerabilities are on the rise due to elevated overall deficits and a high debt servicing burden. While public debt remains sustainable, it faces risks from domestic financing pressures and weaknesses in the budgetary process.

Staff assesses Uganda's capacity to repay the Fund as adequate under both baseline and downside scenarios. Repayment indicators under the baseline scenario remain below median thresholds for ECF countries. Risks to repayment capacity arise from potential portfolio outflows, commodity price shocks, further delays in oil production, and governance weaknesses. A downside scenario indicates that, even under significant external and domestic shocks, Uganda's repayment position would remain manageable, although policy buffers would come under strain.

Staff recommends a multi-pronged policy approach to safeguard macroeconomic stability and repayment capacity. Fiscal consolidation should be accelerated through durable revenue mobilization and rationalization of current spending. The authorities' updated domestic revenue mobilization strategy rightly focuses on measures to improve tax administration but should also bring forward tax policy measures including rationalization of tax expenditures and strengthening and broadening the tax base. The authorities should prioritize PFM reforms to enhance budget discipline and limit the scope for accommodating frequent in-year spending requests. The implementation of the adopted oil revenue frameworks is important to safeguard oil revenues and preserve fiscal discipline.

Monetary policy should retain its data-driven and forward-looking approach. As inflation risks recede, a gradual easing could support private sector credit growth. Strengthening monetary policy transmission and promoting financial deepening, particularly through FinTech-enabled lending and improvements in credit infrastructure—will be critical to supporting private sector activities and fostering inclusive growth. The recent securitization and repayments of BoU advances reflect progress in limiting central bank financing; adhering to the agreed repayment schedule and limiting BoU advances to the limits stipulated under the PFM Act remains important to fend off risks of fiscal dominance and ensure monetary policy credibility.

Exchange rate flexibility remains essential to absorb external shocks and preserve competitiveness. Rebuilding of FX reserves should continue in a sustainable and durable manner. The pilot gold purchase program offers potential to support FX reserves buildup but must be carefully managed to mitigate financial and operational risks.

The financial sector remains resilient, with improved asset quality and capital buffers. However, rising sovereign-bank linkages warrants close monitoring. Strengthening supervision, risk management, and regulatory framework, especially in the context of expanding FinTech lending, is necessary to safeguard financial stability.

**Table 1. Uganda: Selected Economic and Financial Indicators, FY2023/24-2030/31<sup>1,2</sup>**

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	Act.					Proj.		
(Annual percentage change, unless otherwise indicated)								
<b>Output, prices, and exchange rate</b>								
Real GDP	6.1	6.3	6.2	9.4	6.9	6.7	6.4	5.7
Non-Oil real GDP	6.1	6.3	6.2	6.0	6.0	6.0	6.0	6.0
GDP deflator	5.4	5.2	4.3	4.5	4.6	4.5	4.9	4.7
Headline inflation (period average)	3.2	3.5	3.3	4.5	4.9	5.0	5.0	5.0
Core inflation (period average)	3.0	3.9	3.3	4.2	4.9	5.0	5.0	5.0
Terms of trade ("—" = deterioration)	8.2	11.4	3.3	3.3	2.4	2.9	2.3	2.3
Exchange Rate (Ugandan Shilling/US\$) ("—" = appreciation)	0.7	-2.5	...	...	...	...	...	...
Real effective exchange rate ("—" = depreciation)	3.3	4.6	...	...	...	...	...	...
<b>Money and credit</b>								
Broad money (M3)	8.7	13.3	11.8	14.8	12.3	12.0	12.8	11.3
Credit to non-government sector	9.7	10.3	8.9	10.5	9.1	8.6	9.3	9.3
Bank of Uganda policy rate (percent) <sup>3</sup>	10.3	9.8	9.8	...	...	...	...	...
M3/GDP (percent)	20.4	20.7	20.9	21.0	21.1	21.2	21.4	21.5
NPLs (percent of total loans) <sup>3</sup>	4.9	3.7	...	...	...	...	...	...
<b>Central government budget</b>								
Revenue and grants	14.1	14.7	14.9	16.0	16.5	16.6	16.9	17.0
Of which: grants	0.5	0.6	0.6	0.5	0.4	0.3	0.2	0.2
Of which: oil revenue	0.0	0.1	0.1	1.2	1.7	1.8	2.1	2.1
Expenditure	18.8	20.7	21.5	21.9	21.9	21.6	21.9	21.9
Of which: Current	13.2	15.2	15.8	15.5	15.8	15.8	15.9	16.2
Of which: Capital <sup>4</sup>	5.4	5.2	5.2	5.4	5.6	5.6	5.6	5.6
Overall balance	-4.7	-6.0	-6.6	-5.9	-5.4	-5.0	-5.1	-4.8
Of which: Net domestic borrowing	4.2	5.7	5.0	5.0	4.7	4.3	4.5	4.1
Primary balance	-1.6	-2.3	-2.0	-1.4	-0.6	0.0	0.0	0.6
<b>Public debt</b>								
Public gross debt <sup>5</sup>	50.6	52.4	54.5	54.1	54.3	54.3	54.2	54.3
External <sup>6</sup>	28.1	27.3	27.3	25.8	24.6	23.6	22.6	21.9
Domestic	22.5	25.1	27.1	28.3	29.7	30.6	31.7	32.4
<b>Investment and savings</b>								
Investment	22.4	22.8	23.0	23.7	24.2	24.5	24.9	25.3
Public	5.4	5.2	5.2	5.4	5.6	5.6	5.6	5.6
Private	17.0	17.4	17.8	18.1	18.5	18.9	19.2	19.8
Savings	14.6	16.7	18.9	20.7	21.5	23.0	23.2	23.7
Public	0.5	-0.9	-1.7	-0.5	0.1	0.5	0.5	0.8
Private	14.1	17.6	20.5	21.2	21.4	22.5	22.7	23.0
<b>External sector</b>								
Current account balance	-7.8	-6.1	-4.1	-3.1	-2.7	-1.5	-1.7	-1.5
Current account balance (excluding grants)	-7.8	-6.1	-4.3	-3.3	-2.8	-1.7	-1.8	-1.6
Exports (goods and services)	18.6	21.3	23.2	27.4	27.8	26.1	24.5	23.6
Imports (goods and services)	27.6	28.9	27.9	29.2	28.5	25.6	24.2	23.8
Gross international reserves								
In billions of US\$	3.2	4.3	5.8	7.5	8.0	8.7	8.9	9.2
In months of next year's imports of goods and services	2.2	2.7	3.1	3.8	4.2	4.4	4.2	4.2
<b>Memorandum items:</b>								
GDP at current market prices								
Ush. billion	203,708	227,879	252,221	288,422	322,457	359,757	401,588	444,553
US\$ billion	53.9	61.8	...	...	...	...	...	...
GDP per capita (Nominal US\$)	1,174	1,307	1,412	1,502	1,559	1,645	1,734	1,812
Exchange Rate (Ugandan Shilling/US\$)	3,778.5	3,685.4	...	...	...	...	...	...
Population (million) <sup>7</sup>	45.9	...	...	...	...	...	...	...

Sources: Ugandan authorities and IMF staff estimates and projections.

<sup>1</sup> Fiscal year runs from July 1 to June 30.<sup>2</sup> All figures are based on the 2016/17 rebased GDP.<sup>3</sup> Latest available data. NPLs: June 2025; BoU policy rate: November 2025.<sup>4</sup> Capital expenditures include net lending and investment on hydropower projects and exclude BoU recapitalization.<sup>5</sup> Debt is on a residency basis.<sup>6</sup> External debt includes publicly guaranteed debt.<sup>7</sup> Based on preliminary figures from the 2024 census by the Uganda Bureau of Statistics.



# UGANDA

## POST-FINANCING ASSESSMENT DISCUSSIONS

December 18, 2025

## EXECUTIVE SUMMARY

**Context.** Uganda's post-pandemic economic performance has been robust with broad-based growth, contained inflation, and an improving external position supported by coffee exports and portfolio inflows. Foreign exchange (FX) reserves have also increased significantly in 2025 amid a favorable external environment. Nonetheless, fiscal policy space remains constrained, with rising vulnerabilities associated with widening fiscal deficits and a high debt servicing burden.

**Policies.** Key challenges include creating durable fiscal space through revenue and expenditure reforms, implementing a strong framework for oil revenue management, and maintaining macroeconomic stability amid significant external uncertainties.

- **Fiscal policy.** Mobilizing domestic revenues through tax policy and administrative reforms, rationalizing current expenditures, enforcing budgetary discipline, and improving cash flow controls are priorities. Advancing these reforms will require strong political commitment, particularly to streamline tax expenditures and improve budget preparation and execution. The adoption of a prudent oil revenue management framework is welcome; its steadfast implementation along with clear withdrawal rules would be important with expected oil production starting in late 2026.
- **Monetary policy.** Maintaining a data-driven and forward-looking monetary policy remains appropriate, as does the current tight policy stance to address risks and anchor inflation expectations. As upside risks to inflation recede, a gradual easing could help accelerate private sector credit growth. Enhancing monetary policy transmission and financial deepening, including through FinTech-enabled lending, are priorities. Reducing the government's reliance on central bank financing is crucial to preserving central bank autonomy.
- **Exchange rate policy.** Continued FX reserve accumulation to reach an adequate level of buffers remains important. The BoU's planned domestic gold purchase program should be closely monitored to mitigate risks. The exchange rate should continue to act as a shock absorber, and FX intervention should be limited to addressing disorderly market conditions

## UGANDA

- **Financial sector policies.** The banking sector remains resilient amid improved asset quality, robust liquidity buffers, and strengthened capital positions. However, the deepening sovereign-bank nexus, while not an immediate financial stability concern, calls for a gradual rebalancing of banks' portfolios to reduce vulnerabilities and limit crowding out of private credit.

**Capacity to Repay.** Uganda's capacity to repay the Fund is assessed as adequate under the baseline scenario, with repayments peaking in FY29/30 and remaining below median exposure levels for countries having benefitted from an Extended Credit Facility. Risks to capacity to repay stem from potential portfolio outflows, commodity price shocks, further oil project delays, and governance weaknesses. Under an adverse scenario, repayment indicators would weaken, but FX reserves are projected to remain sufficient.

**Approved By**  
**Papa N'Diaye (AFR)**  
**and Jay Peiris (SPR)**

Discussions were held remotely during October 13-16, 2025, and in Kampala during November 3-7, 2025. The mission team comprised Ms. Rahman (head), Messrs. Qu and Tchaidze (AFR), Ms. Armas (MCM, virtual), Mr. Kiiashko (SPR), Mr. Walker (resident representative) and Ms. Babirye (local economist). Ms. Mwase contributed to the mission's preparatory work. The team met with Mr. Atingi-Ego, Governor of the Bank of Uganda (BoU), Mr. Ggoobi, Permanent Secretary and Secretary to the Treasury, and other senior officials of the government and the BoU. Staff also held discussions with representatives of development partners and the private sector. Mr. Vaval Pierre-Charles and Ms. Ndome-Yandun provided excellent assistance in the preparation of this report.

## CONTENTS

<b>CONTEXT</b>	<b>5</b>
<b>RECENT ECONOMIC DEVELOPMENTS</b>	<b>6</b>
<b>OUTLOOK AND RISKS</b>	<b>8</b>
<b>POLICY DISCUSSIONS</b>	<b>9</b>
A. Fiscal Policy: Create Space through Durable Measures	9
B. Monetary Policy: Ensure Low and Stable Inflation and Financial Deepening	15
C. Exchange Rate Policy: Protect Competitiveness and Build Buffers	19
D. Financial Sector: Safeguard Stability	20
<b>CAPACITY TO REPAY</b>	<b>22</b>
<b>STAFF APPRAISAL</b>	<b>23</b>
<b>BOXES</b>	
1. Illustrative Impact of a Downside Scenario for Uganda	25
2. Strengthening the Budgetary and Medium-Term Expenditure Frameworks	28
3. FinTech-enabled Lending in Uganda	30
4. Uganda's Gold Purchase Program: Strategic Reserve Diversification	31
<b>FIGURES</b>	
1. Real Sector Developments	32
2. External Sector Developments	33
3. Fiscal Developments	34

## UGANDA

4. Monetary Sector Developments	35
5. Financial Sector Developments	36
6. Capacity to Repay Indicators Compared to UCT Arrangements for PRGT Countries, Baseline	37
7. Capacity to Repay Indicators Compared to UCT Arrangements for PRGT Countries, Downside Scenario	38

## TABLES

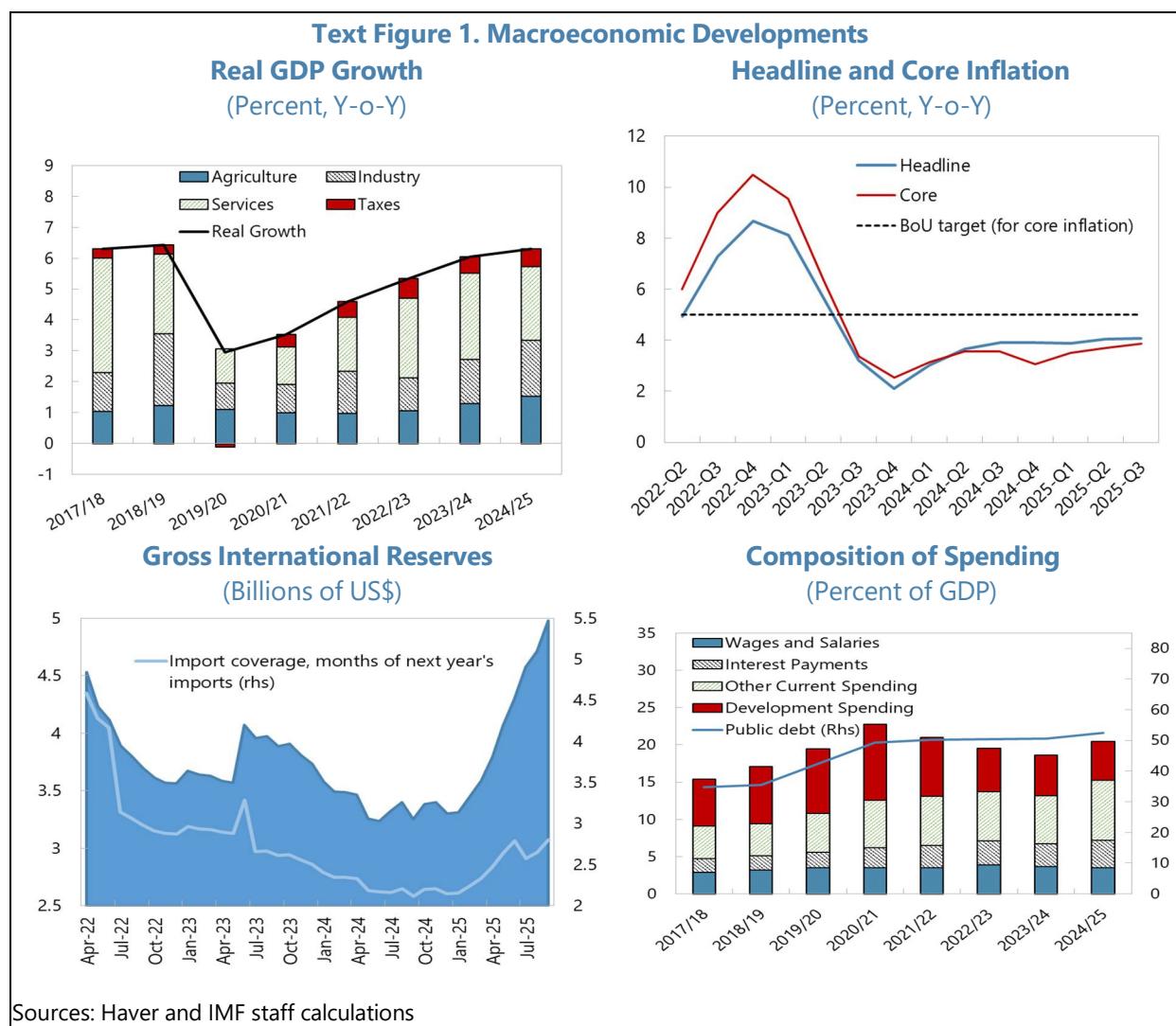
1. Selected Economic and Financial Indicators, FY2023/24-2030/31	39
2b. Fiscal Operations of the Central Government, FY2023/24-2030/31 (Billions of Ugandan Shillings)	40
2b. Fiscal Operations of the Central Government, FY2023/24-2030/31 (Percent of GDP)	41
3. Monetary Accounts, FY2023/24-2030/31	42
4a. Balance of Payments, FY2023/24-2030/31 (Millions of U.S. Dollars, unless otherwise indicated)	43
4b. Balance of Payments, FY2023/24-2030/31	44
5. Banking Sector Indicators, June 2022- June 2025	45
6. Decomposition of Public Debt and Debt Service by Creditor, FY2024/25-2026/27	46
7. Indicators of Capacity to Repay the IMF, FY2024/25-2033/34	47

## ANNEXES

I. Risk Assessment Matrix	48
II. The Uganda National Development Plan (NDP IV)	50
III. External Sector Assessment	53

## CONTEXT

1. **The Ugandan authorities, supported by a three-year arrangement under the IMF Extended Credit Facility (ECF) which expired in June 2024, have navigated the difficult post-pandemic macroeconomic landscape relatively well albeit with limited success in building durable fiscal policy space.** Growth has been strong and broad-based (Text Figure 1). Decisive monetary policy actions by the Bank of Uganda (BoU) and declining food and fuel prices brought inflation down after a spike in 2022. After a sustained decline between 2022 and 2024, foreign exchange (FX) reserves increased sharply in 2025 thanks to stepped-up FX purchases by the BoU which were facilitated by improved exports and capital inflows. However, a deteriorating fiscal position, reflecting limited success in addressing long-standing institutional weaknesses and a sharp increase in current spending in FY2024/25 are creating macroeconomic vulnerabilities and holding back stronger private-sector investment.



**2. General elections are planned for early 2026 in the context of underlying economic and social tensions.** The Presidential, Parliamentary, and local elections are planned to take place during January 12 – February 9. Sources of underlying tensions include poverty, with close to 60 percent of the population earning less than \$3 per day; high youth unemployment, estimated at over 70 percent in some areas; ethnic and regional divisions; and disputes over land and resources. Risks of political unrest and instability cannot be ruled out given instances of reported violence in primary elections in 2025 and experience in previous national elections.

**3. This report assesses emerging risks and Uganda's capacity to repay the IMF and provides policy advice to safeguard repayment capacity.** The IMF provided financial support to Uganda under the 2021–24 ECF arrangement, which expired in June 2024. The Fund-supported program aimed to rebuild fiscal policy space and FX reserves, strengthen governance, and support inclusive growth. The Ugandan authorities have requested a follow-up ECF arrangement for which discussions started in 2025. With outstanding credit to the IMF amounting to USD 1.3 billion (275 percent of quota) at end-FY2024/25—exceeding both the SDR 0.38 billion and 200 percent of quota thresholds—a Post-Financing Assessment (PFA) mission was conducted.

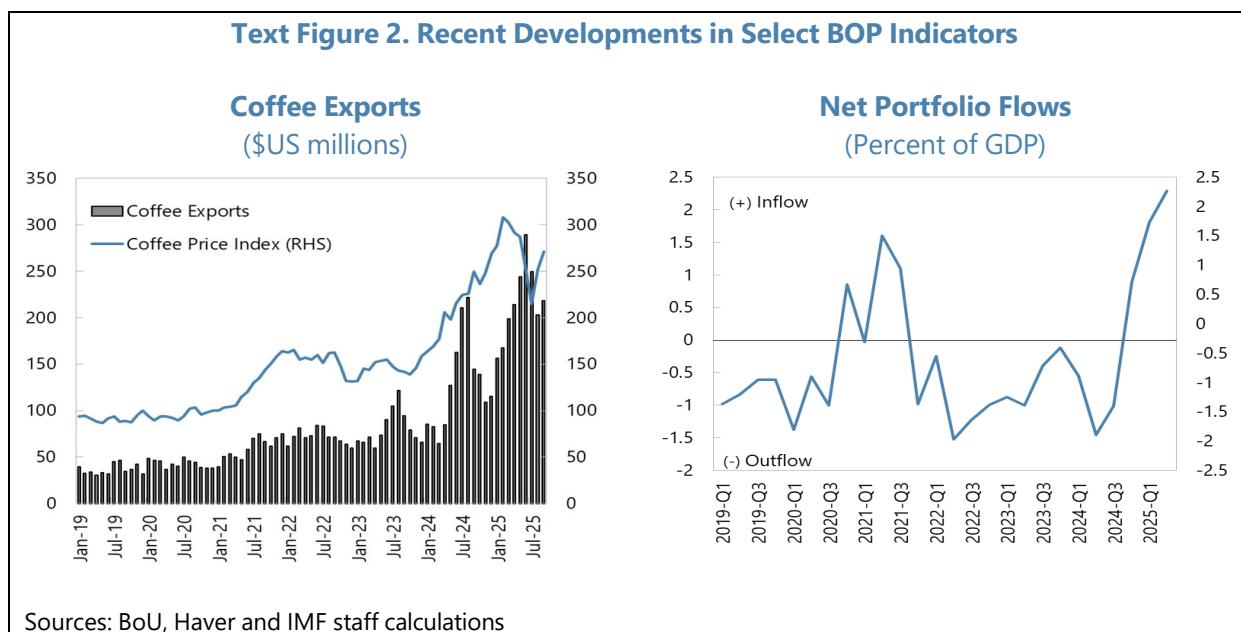
## RECENT ECONOMIC DEVELOPMENTS

**4. Economic activity continues to gain momentum amid fiscal loosening and low inflation.** Real GDP growth in FY24/25 rose to 6.3 percent from 6.1 percent in FY23/24. High-frequency indicators point to sustained expansion (Figure 1). Private sector credit growth remains sluggish at around 10 percent (year-on-year at the end of FY24/25), still well below the average of over 16 percent recorded during 2010-19. Both headline and core inflation have stabilized in recent months, averaging 3.7 and 3.9 percent between July and October 2025, respectively, below the BoU's medium-term target of 5 percent for core inflation. In addition to a tight monetary policy stance, Shilling appreciation, and favorable global food and energy prices have helped contain inflation.

**5. External sector developments have been favorable.** The current account deficit (CAD) is estimated to have narrowed to 6.1 percent of GDP in FY24/25 from 7.8 percent of GDP in FY23/24, reflecting strong coffee exports and lower outflows of reinvested earnings and dividends. The financial account is also estimated to have improved in FY24/25 by some 2 percentage points of GDP, benefiting from strong portfolio inflows which continued in FY25/26 as investors view Uganda favorably due to high real returns on government debt and relative macroeconomic stability compared to regional peers. The positive sentiment supported accumulation of FX reserves which reached USD 5.8 bn (3.1 months of imports coverage) by October 2025 (Text Figures 1 and 2). Meanwhile, nominal and real effective exchange rates appreciated by a cumulative 2.6 and 3.2 percent, respectively during January–September 2025.

**6. The fiscal position worsened in FY24/25** (Text Table 1). The overall budget deficit widened to 6.0 percent of GDP in FY24/25 from 4.7 in FY23/24, driven by higher primary non-wage recurrent spending (1.5 ppts of GDP) and interest payments (0.6 ppts of GDP), which were partly offset by

higher domestic revenues (0.4 ppts of GDP) as the government collected tax arrears (0.2 ppts of GDP). Financing continued to rely heavily on funding in domestic currency, including non-bank funding, which benefited from strong portfolio inflows into domestic bond market (Text Figure 3, Table 1). Public debt, split almost equally between domestic and foreign currency denominations, reached 52.4 percent of GDP in FY24/25 (Figure 3).



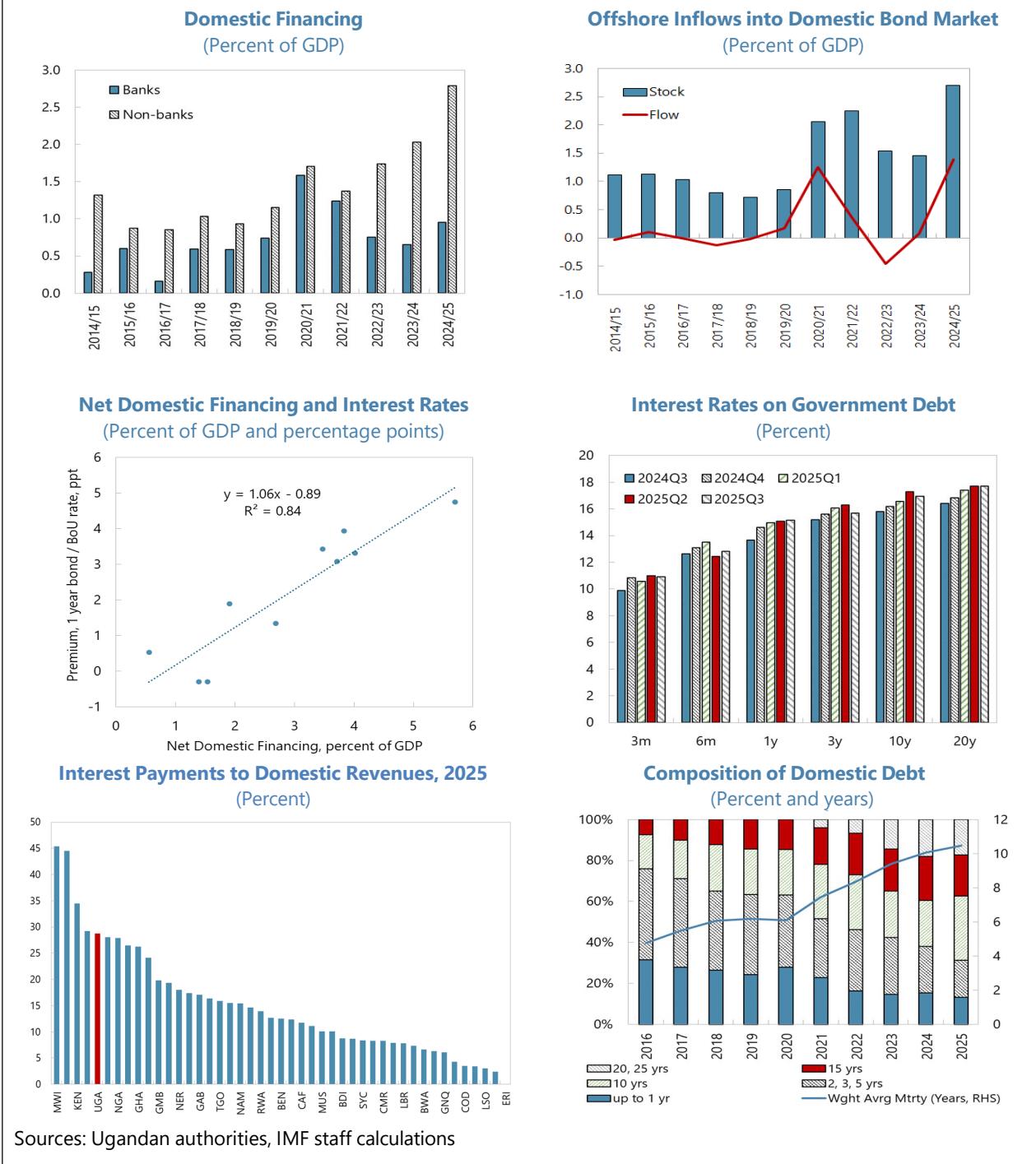
**Text Table 1. The Fiscal Outturn for FY23/24 - FY24/25**  
(percent of GDP)

	2023/24 Act.	2024/25 Act.
<b>Total revenue and grants</b>		
Tax Revenue	14.1	14.7
Non-tax Revenue	12.6	13.0
Oil Revenue	1.0	1.0
Budget and Project Grants	0.0	0.1
<b>Expenditures and net lending</b>		
Wages and salaries	18.8	20.7
Interest payments	3.7	3.5
Other current	3.1	3.7
Development spending	6.5	8.0
Net lending and other spending	5.4	5.2
<b>Overall balance</b>	-4.7	-6.0
External financing (net)	0.5	0.5
Bank of Uganda	0.9	0.4
Banks	1.2	1.1
Non-banks	2.1	4.2
o/w which offshore portfolio flows	0.1	1.4
Errors and Omissions	0.0	-0.2
<i>Memo items:</i>		
Public debt 1/	50.6	52.4
Interest payments to domestic revenues	22.4	26.2

1/ The authorities report a lower number for FY2024/25 (51.0) because they 1) exclude the BoU advances (0.8 percent of GDP as of June 2025) and 2) use cost, rather than nominal, valuation of the outstanding treasury bills and bonds (a difference of 0.5 percent of GDP).

Sources: Ugandan authorities and IMF staff calculations.

### Text Figure 3. Domestic Sources of Budget Financing and Interest Costs



## OUTLOOK AND RISKS

**7. Macroeconomic conditions are expected to remain favorable with an additional boost from oil production anticipated to start in late 2026.** Growth will be supported by strong

domestic activity, ongoing construction and investment in the oil sector, and low inflation. The start of oil production is projected to drive near double-digit growth in FY26/27, alongside lasting improvements in the fiscal and external balances. Headline and core inflation rates are projected at 3.3 percent on average in FY25/26, gradually converging to the BoU's 5 percent medium-term target for core inflation. The CAD is forecast to narrow to 3.1 percent of GDP in FY26/27 and decline further to below 2 percent over the medium term driven by oil sector developments (Table 4b). FX reserves are projected to reach 4.4 months of imports coverage in FY28/29.

**8. The balance of risks is tilted to the downside (Annex I).** External risks include prolonged uncertainties, stemming from escalating trade measures, financial market volatility, and geopolitical tensions, all of which could negatively affect growth, dampen exports, trigger sudden capital outflows, and raise borrowing costs for the sovereign (see Box 1). A decline in international aid could further strain fiscal resources and reduce support for the vulnerable and Uganda's sizable refugee population. Domestically, further erosion of fiscal discipline could lead to higher fiscal deficits and public debt and a deterioration in the quality of public spending. This could exacerbate the crowding out of private sector credit, undermining growth prospects, and increase reliance on monetary financing. Additionally, delays in oil production due to unforeseen logistical, legal, or financial setbacks—would significantly impact medium-term external and fiscal projections. The general elections scheduled for early 2026 are an added source of uncertainty posing risks of a post-election deterioration of security and political instability. On the upside, a prolonged period of low interest rates in advanced countries combined with resumption of World Bank (WB) lending could unlock greater financing, particularly if accompanied by key reforms.

#### ***Authorities' Views***

**9. The authorities are more optimistic about the medium-term growth outlook**, projecting an expansion in the non-oil sector of around 7 percent annually over the medium term, compared to the staff's projection of 6 percent. This optimism reflects stronger spillovers from oil and gas investments and government programs targeting agro-industry, tourism, mineral development, and science and technology innovation, including initiatives under the National Development Plan IV (Annex II). They view lower commodity prices, global supply disruptions, tighter financial conditions, and adverse weather conditions as the main downside risks. They expect core inflation to remain below 5 percent target in the near term, albeit marginally above staff's assessment. The external sector outlook is aligned with staff projections.

## **POLICY DISCUSSIONS**

### **A. Fiscal Policy: Create Space through Durable Measures**

**10. The FY25/26 budget deficit is projected to widen to 6.6 percent of GDP, with large uncertainties surrounding fiscal projections.** The widening is driven by higher interest payments (projected to increase by 0.9 ppt of GDP given expectations of higher interest rates) and allocation for clearance of domestic arrears (0.5 ppt of GDP), while other current spending is likely to remain

elevated relative to its pre-pandemic levels. These projections are subject to both upside and downside risks given the political cycle, possibilities of one-off expenditure in the remainder of FY25/26 based on experiences in recent years, pending finalization of the updated Domestic Revenue Mobilization Strategy (DRMS-2), and difficulty in predicting external donor support. Public debt is projected to rise further to 54.5 percent of GDP.

**11. Without significant reforms on both revenue and expenditure sides, staff project the overall budget deficit to remain around 5 percent of GDP over the medium term** (Text Table 2). Revenues are projected to increase notably on account of oil production starting in FY26/27, but tax revenue gains are projected to be modest pending finalization and implementation of the DRMS-2 and given reluctance to streamline tax expenditures. Over the next ten years, oil production is projected to generate average revenues worth 2 percent of GDP annually, although a large share of this is expected to be saved for future generations (see 115). The authorities have yet to identify measures to reduce other current spending which has increased by some 3 percentage points of GDP relative to pre-pandemic levels (Text Table 2).

**12. Uganda's key fiscal risks relate to potential outflows of portfolio investment and higher borrowing costs.** Offshore inflows into domestic bond market, which are sensitive to yields and exchange rate expectations, were around 1½ percent of GDP in FY24/25 indicating rising dependence on such flows for financing (Text Figure 3). Interest payments are projected to reach almost a third of domestic revenues this year, doubling in the last decade, which could rise further due to downside risks. Such a high interest burden is crowding out much-needed social spending at a time when concessional donor funding is shrinking. Given the increasing reliance on longer-maturity bonds, the high interest costs are likely to persist. The 2024 reform of the public pension system, for which staff does not have pertinent details, is likely to add to fiscal costs in the medium term. While it strengthens the long-term viability of the system by introducing contributions from employees and the government, it is expected to initially result in additional fiscal costs (yet to be estimated) since the scheme continues to operate as a defined benefit one.

**13. Uganda's public debt remains sustainable, with a moderate risk of debt distress (see accompanying Debt Sustainability Analysis, DSA).**<sup>1</sup> The DSA shows that external debt burden indicators and total public debt remain below their respective thresholds and benchmarks throughout the projection horizon, except for a one-off breach of the external debt-service-to-revenue ratio in FY25/26-FY26/27. Given the small magnitude and temporary nature of the breach, ongoing fiscal consolidation efforts, and limited rollover risks, this does not impact the overall debt sustainability assessment. At the same time, stress tests reveal breaches of the thresholds, some of which are persistent. Under a median shock, these indicators would breach these thresholds. Moreover, vulnerabilities arising from heavy reliance on costly domestic financing have intensified

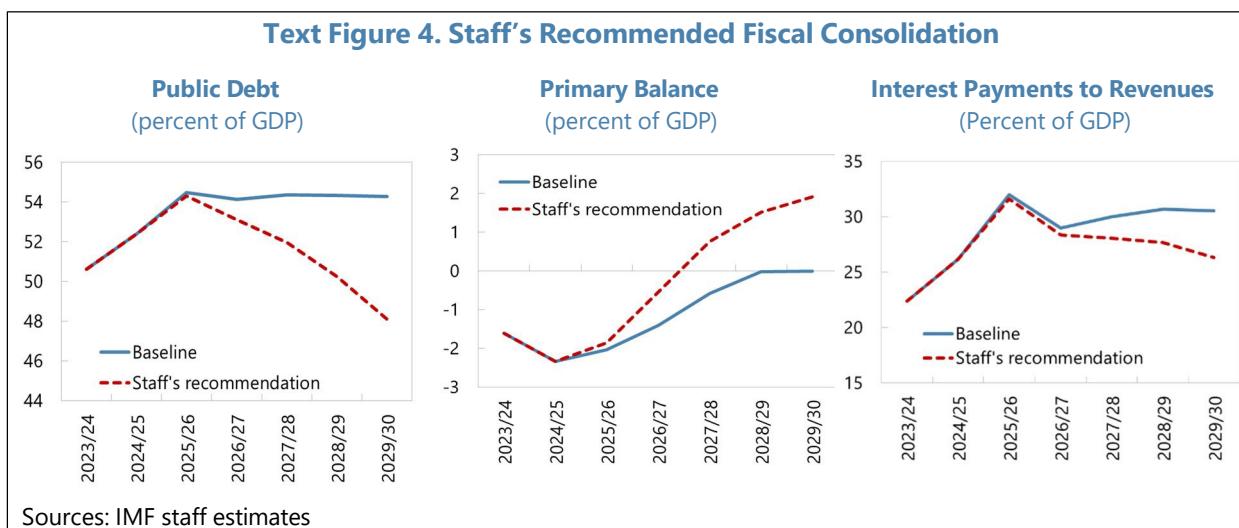
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<sup>1</sup> Uganda has arrears to Nigeria (US\$11.5 million) and Iraq (US\$657), which continue to be deemed away under the revised arrears policy for official creditors, given the existence of a representative Paris Club debt restructuring agreement; the authorities continue to make their best efforts to resolve them. The validity of arrears to Tanzania (US\$58 million) is disputed.

with both domestic debt/GDP and domestic debt service-to-revenue ratios projected to remain well above the medians in LICs throughout the DSA projection horizon.

	2024/25	2025/26	2025/26	2026/27	2027/28	2028/29	2029/30
	Act.	Staff	Auth.	Staff	Staff	Staff	Staff
<b>Total revenue and grants</b>							
Tax Revenue	14.7	14.9	15.8	16.0	16.5	16.6	16.9
Non-tax Revenue	13.0	13.1	13.3	13.2	13.3	13.5	13.6
Oil Revenue	1.0	1.1	1.3	1.0	1.0	1.0	1.0
Budget and Project Grants	0.1	0.1	0.1	1.2	1.7	1.8	2.1
<b>Expenditures and net lending</b>	<b>20.7</b>	<b>21.5</b>	<b>22.8</b>	<b>21.9</b>	<b>21.9</b>	<b>21.6</b>	<b>21.9</b>
Wages and salaries	3.5	3.4	3.4	3.5	3.6	3.6	3.6
Interest payments	3.7	4.6	4.6	4.5	4.8	5.0	5.1
Other current	8.0	7.8	7.3	7.6	7.4	7.2	7.2
Development spending	5.2	5.2	6.9	5.4	5.6	5.6	5.6
Net lending	0.2	0.0	0.0	0.0	0.2	0.2	0.1
Clearance of arrears and other spending	0.1	0.6	0.6	0.6	0.8	0.8	0.4
<b>Overall balance</b>	<b>-6.0</b>	<b>-6.6</b>	<b>-7.0</b>	<b>-5.9</b>	<b>-5.4</b>	<b>-5.0</b>	<b>-5.1</b>
External financing (net)	0.5	1.7	2.7	0.9	0.7	0.7	0.6
Bank of Uganda	0.4	-0.9	-0.9	-0.2	-0.2	-0.2	-0.2
Petroleum Fund	0.0	0.0	0.0	-0.5	-1.0	-1.1	-1.4
Banks	1.1	2.9	2.6	2.9	3.0	2.8	3.0
Non-banks	4.2	2.9	2.6	2.9	3.0	2.8	3.0
Errors and Omissions	-0.2	0.0	0.0	0.0	0.0	0.0	0.0
<i>Memo items:</i>							
Public debt	52.4	54.5	53.7	54.1	54.4	54.3	54.3
Interest payments to domestic revenues	26.2	32.0	30.5	29.0	30.0	30.7	30.5

Sources: Ugandan authorities and IMF staff calculations.



**14. Staff advised sustained fiscal consolidation through durable revenue and expenditure reforms to bring public debt below 50 percent of GDP as envisaged in the current Charter of Fiscal Responsibility.** A combination of a more forceful tax revenue mobilization (an additional 0.3 percentage points of GDP) and reduction in current spending to its pre-pandemic levels (an additional 1.6 percentage points of GDP), could result in additional cumulative fiscal consolidation of around 2 percentage points of GDP in the primary balance by FY29/30 relative to the baseline, bringing public debt to 48 percent of GDP (details below). This would allow for a positive primary

balance by FY27/28 (as opposed to FY30/31 under the baseline) and allow the interest payments to domestic revenue ratio to fall by some 5 percentage points over the medium term.

- **Reinvigorated implementation of DRMS-2.** Uganda continues to exhibit gaps in tax collection relative to its tax potential of about 18 percent of GDP and compared to peers in SSA (Text Figure 5). This shortfall reflects the nature of the current tax regime, characterized by high rates and a narrow base, driven by numerous tax expenditures. The authorities' DRMS-2, expected to be finalized by end-December 2025, is a welcome step. It targets an increase in revenues to 18.3 percent of GDP by FY29/30, with about three quarters of the gains expected from administrative reforms and the remainder from backloaded tax policy measures (Text Table 3). Staff view this target as rather ambitious given weak performance under the previous DRMS and without stronger political commitment. Substantial investment in technical and human capacity is also needed given the envisaged revenue gains from reducing informality. While acknowledging significant room for gains in administrative reforms, staff recommended concurrent tax policy reforms to maximize gains. Tax policy priorities include applying VAT to fuel products (with offsetting reductions in excises which is expected to produce net revenue gains), narrowing the list of raw foodstuffs exempted from the VAT, eliminating tax holidays in favor of expenditure-based incentives, and properly costing the existing tax expenditures, making use of the methodologies recommended by recent FAD capacity development missions.
- **Reduce current spending and improve quality of spending composition.** The fiscal consolidation under the 2021-24 ECF arrangement was mostly achieved through a reduction in capital spending, a strategy that is neither durable nor aligned with the authorities' ambitious growth objectives. At the same time, Uganda faces high spending needs to meet the SDGs and strengthen resilience against climate shocks.<sup>2</sup> As the authorities formalize plans to mitigate the impact on both on-budget and off-budget spending in areas of health and education from recent ODA cuts, staff highlighted the need to reduce recurrent spending which has increased by some 3 percentage points of GDP since the pandemic, notably in terms of provision of goods and services and grants (Text Figure 5). Staff welcomed authorities' request for IMF/WB TA for a social spending diagnostic study to identify reasons for chronic under-execution and put in place measures allowing for appropriate levels of health, education, and social assistance spending.
- **Public Finance Management (PFM) reforms to improve budget preparation, execution, and discipline.** The effectiveness of multi-year budgeting as a tool to guide fiscal planning in Uganda has been limited, undermined by weaknesses in annual budget preparation such as poor integration between the top-down and bottom-up processes, optimistic revenue forecasting, and lack of systematic forecasting of current and capital expenditure estimates (Box 2). These factors, along with PFM legislation that do not clearly specify the scope and process for managing supplementary budgets have negatively impacted budgetary credibility and

<sup>2</sup> [Carapella and others \(2024\)](#) estimate total (public and private) additional annual spending needed to make significant progress towards the sustainable development goals at 18.4 percent of 2030 GDP.

implementation of fiscal targets under the last ECF. Accordingly, staff advocates changes to strengthen the annual budgetary process and insulate it from pressures to increase spending mid-year by taking measures to: (i) enforce the overall spending limit during bottom-up budget preparation; (ii) enhance the process and criteria for managing the supplementary budget process in the PFM legal framework within the bounds of the Constitution; (iii) improve revenue and expenditure forecasting; and (iv) undertake an annual assessment and rationalization of the public investment plan.

**Text Table 3. DRMS-2: The Main Areas of Focus**  
(percent)

Strategy Category	Type	Yield Share	Key Implementation Years	Comments
Digital integration of payment & registration data	Revenue Administration	25	2026/27–2029/30	Major driver of admin efficiency
Taxpayer register expansion via formalization tools	Revenue Administration	15	2025/26–2027/28	Strong short-term boost
Streamlining tax rates & rental tax harmonization	Tax Policy	10	2026/27–2028/29	Effective after legal/policy change
VAT & withholding reforms (exemptions removal)	Tax Policy	10	2027/28–2029/30	Lags implementation, but large yield
E-invoicing (EFRIS) and URA automation	Revenue Administration	35	2025/26–2029/30	Broad year-over-year returns
Illicit finance detection and enforcement reforms	Revenue Administration	5	2025/26–2026/27	Lower yield but high deterrence

Source: The Ugandan authorities.

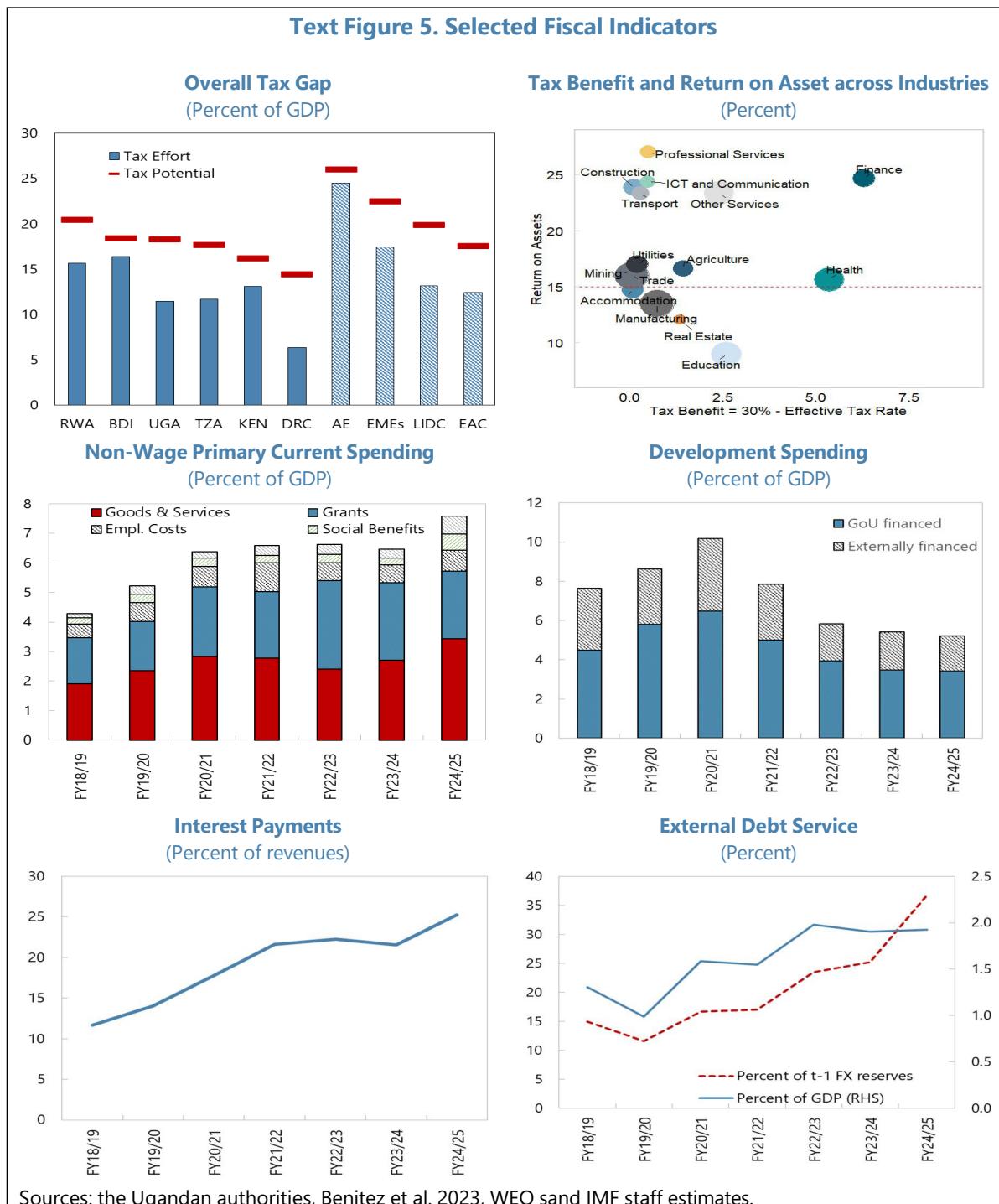
**15. Uganda has a comprehensive oil revenue framework aimed at shielding the budget from oil volatility and promoting intergenerational equity, with some room for operational improvements.** The Charter of Fiscal Responsibility (CFR) caps oil revenue transfers for government's use at 0.8 percent of the previous year's estimated non-oil GDP, with the remainder intended for the Petroleum Revenue Investment Reserve (PRIR, Uganda's sovereign wealth fund) under the PFM Act, 2015. Staff supported this framework and highlighted its steadfast implementation. Staff recommended establishing clear withdrawal rules, which have proven useful for other countries although the use of such rules remains scarce in SSA countries. Any future recalibration of the cap for transfer of oil revenues to the budget in the context of the upcoming FY26/27–FY30/31 CFR should be anchored by considerations to safeguard oil revenues and its prudent use.

#### **Authorities' views**

**16. The authorities acknowledged the need for fiscal adjustment and stressed their intention to proceed with budgetary consolidation, driven by efforts to mobilize revenues and curtail recurrent spending.** They pointed to the unrealized revenue potential in a country with

## UGANDA

a large informal economy and sizeable compliance gaps. With one-off spending items behind them, they expect recurrent spending to decline as a share of GDP. The authorities acknowledged the growing reliance on costly domestic financing as posing risks to their strategy. To mitigate these risks, they intend gradually to reduce dependence on domestic borrowing through fiscal consolidation, stronger engagement with multilateral partners to help secure concessional financing and exploring alternative non-debt-creating financing options such as Public Private Partnerships. While they agreed with the staff's assessment of a weak budgetary process, they saw limited or no benefits from legislative changes to the PFM Act. Instead, they prioritized strengthening technical aspects of the process, such as baseline forecasting and multi-year budgeting, and enhanced monitoring by the MoFPED. As they work on the new CFR, the authorities are reviewing the oil management framework, though they do not envision any changes at this stage.



## B. Monetary Policy: Ensure Low and Stable Inflation and Advance Financial Deepening

17. **The BoU's monetary policy is appropriately tight, given upside risks to inflation.** The real policy rate, currently around 7 percent, remains above the estimated neutral rate of 4.5 percent,

which has helped mitigate external sector pressures and anchor inflation expectations. Following recent improvements in systemic liquidity conditions, the 7-day interbank interest rate, the BoU's operating target, has declined close to the policy rate (Figure 4). Upside risks to inflation consist of domestic demand pressures in the context of a closed output gap and fiscal stimulus, volatility in weather conditions, and continued high global uncertainties, including with regards to commodity prices. The monetary policy stance is expected to shift to neutral as inflation converges towards the BoU's 5 percent medium-term target for core inflation.

**18. Structural issues continue to impair monetary policy transmission, but ongoing reforms seek to improve its effectiveness.** The credit channel remains weak, reflecting impediments such as stringent lending standards and limited creditworthiness information. Empirical evidence suggests that the policy rate has little short-run impact on lending rates.<sup>3</sup> Effectiveness is further hampered by elevated domestic borrowing by the government, which limits passthrough from the policy rate to lending rates (Text Figure 6).

**19. The authorities are implementing measures to support financial deepening, including developing capital markets and strengthening credit infrastructure to reduce information asymmetries.** The operationalization of a BoU platform enabling government securities purchases via mobile money is a welcome step toward improving trading infrastructure and diversifying financing instruments. The BoU is continuing its efforts to deepen the interbank and securities markets further by introducing FX swaps, extending the tenor of BoU Bills, exploring new instruments (e.g. green bonds, diaspora bonds, and sukuk), and operationalizing legal frameworks for close-out-netting under standard global contracts. Regulated financial institutions are also required to use the Credit Reference Bureau to share and verify borrowers' credit histories to reduce information asymmetries and facilitate credit uptake. In parallel, authorities are using digital platforms to enhance access to financial services through partnerships among licensed financial institutions, FinTechs and mobile network operators (Box 3).

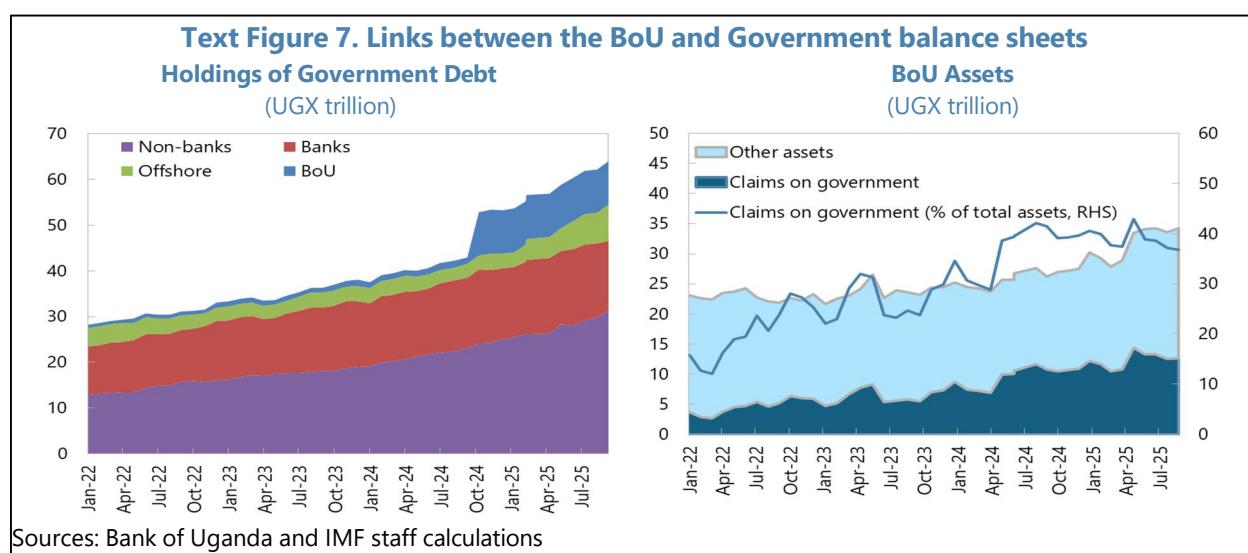
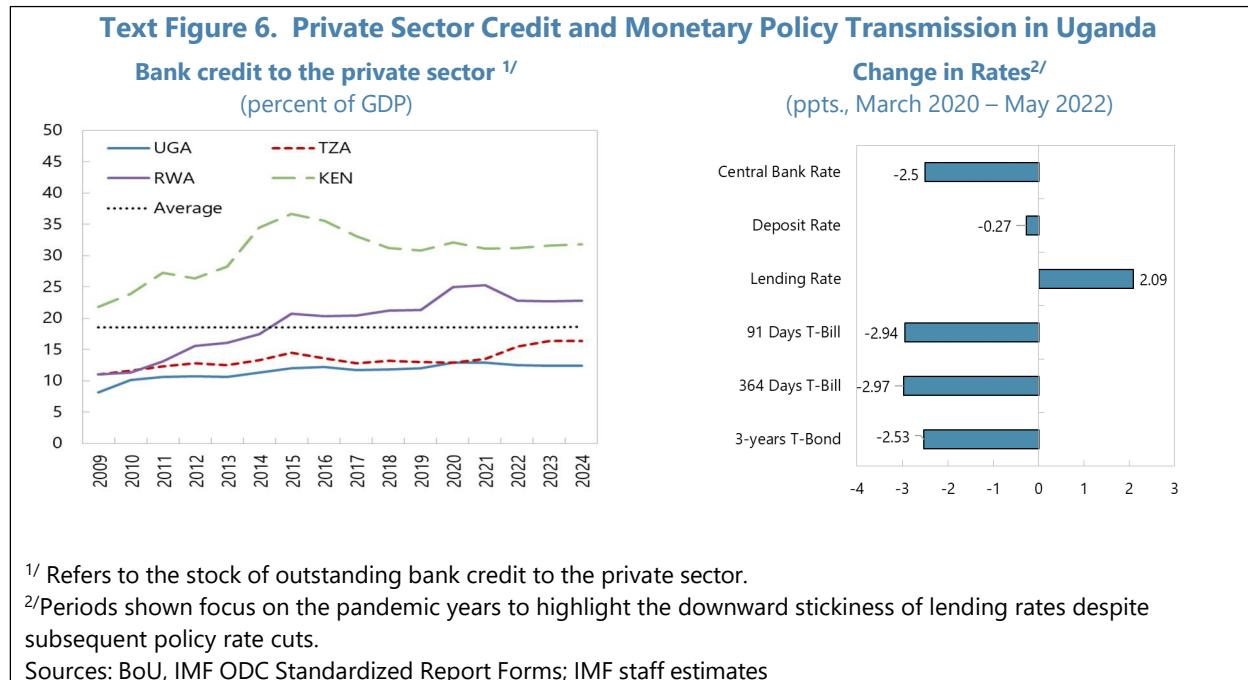
**20. Increased reliance on the BoU financing in recent years for budgetary financing has created risks of fiscal dominance.** The BoU's claims on the government, largely driven by redemptions of government securities, now stand at around 40 percent of total assets (Text Figure 7).<sup>4</sup> Rising dependence on BoU financing, coupled with a growing sovereign-bank nexus (see below), increases risks of fiscal dominance. To address the issue of the BoU's direct financing of the government, the authorities have amended the PFM Act regulations to adopt a comprehensive definition of BoU advances, including the redemption of government securities—a prior action under the fifth review of the 2021–24 ECF—which has established stronger safeguards on BoU's credit to the government. In addition, the authorities demonstrated their commitment to reducing

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<sup>3</sup> See [IMF Country Report Selected Issues 24/291](#).

<sup>4</sup> As the Government's fiscal agent, the BoU pays holders of government securities at maturity and records these payments as advances to the government until reimbursements are received.

reliance on BoU financing by securitizing the outstanding stock of advances in October 2024 under a 10-year amortization schedule.<sup>5</sup>



<sup>5</sup> While the amortization schedule was extended by one year from the original plan, the authorities confirmed that the principal repayment for FY25/26 under the revised schedule has been made. Moreover, by end-August 2025, the government had cleared all BoU advances that were due at the end of the FY24/25, including those arising after the October 2024 securitization.

**21. Staff supported the BoU's data-driven and forward-looking approach and recommended the following measures to strengthen policy transmission and safeguard the BoU's autonomy.**

- As upside risks to inflation recede, a gradual easing of monetary policy accompanying the fiscal consolidation and measures to strengthen transmission would support faster private sector credit growth. The BoU should stand ready to adjust the policy stance if inflation deviates from its 5 percent medium-term target for core inflation.
- Efforts to enhance banks' operational efficiency and strengthen credit infrastructure should be sustained to further reduce information asymmetries and support credit uptake. Mobilizing long-term savings, intensifying financial and digital literacy campaigns, and developing capital markets will be critical for financial deepening in Uganda.<sup>6</sup>
- Engagement with FinTech companies should be stepped up, with clearer licensing guidance and stronger market outreach to bring more Fintech firms under BoU's regulatory ambit. Continued efforts to strengthen consumer protection frameworks would further enhance safeguards for users as financial innovation deepens. Taking advantage of digital platforms through partnerships among licensed financial institutions, FinTechs and mobile network operators could also contribute to supporting financial deepening through payments, digital lending, microinsurance, and investment opportunities.
- Adhering to the repayment schedule agreed between the MoFPED and the BoU and complying with the PFM Act regulation on BoU advances remain critical to reducing risks of fiscal dominance. Continued efforts to address the remaining recommendations from the 2021 Safeguards Assessment (SA) would help further strengthen the BoU's autonomy.

**Authorities' Views**

**22. The authorities emphasized their commitment to maintaining low and stable inflation, consistent with the medium-term target.** They saw the exchange rate channel as the most effective mechanism for transmitting monetary policy. While acknowledging the subdued private credit-to-GDP ratio, they attributed it to banks' stringent lending standards rather than crowding-out effects from government borrowing, though they recognized that heavy government borrowing has weakened the interest rate and credit transmission channels. The BoU intends to continue strengthening policy transmission, through measures such as expanding the coverage of credit reference bureaus, advancing financial and digital literacy programs, and developing capital markets. Although the BoU's exposure to the government has increased, the authorities view the associated risks to autonomy and credibility as low, noting that recent increased reliance on central bank financing largely reflects pandemic-related legacy factors. Most of the recommendations from the 2021 SA have been implemented, and the authorities remain committed to implementing the

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<sup>6</sup> The joint IMF-WB diagnostic assessment of local currency bond markets in Uganda, that took place in November 2025, is a welcome step towards authorities' initiatives to develop capital markets.

remainder. They favor implementing regulatory changes over amending the BoU Act to further reinforce independence.

## C. Exchange Rate Policy: Protect Competitiveness and Build Buffers

**23. Uganda's external position in 2024 is assessed to be moderately weaker than the level implied by fundamentals and desired policies** (Annex III). The 2024 EBA assessment based on the current account model suggests that the REER was overvalued by 6.7 percent. However, this estimate is subject to considerable uncertainties due to volatile imports related to the oil project.<sup>7</sup> Export market shares in key destinations have increased, supported by favorable terms of trade developments (Text Figure 8). Uganda has achieved notable diversification in non-commodity goods exports in recent years, which would further benefit from lowering of non-tariff barriers and improvement in trade logistics.

**24. FX reserves improved significantly over the past year, although they remained below the adequate range to withstand external shocks.** A tight monetary stance, coupled with a remarkable reversal of portfolio flows and favorable terms of trade developments, enabled the BoU to purchase USD 2.2 billion in FY24/25 and over USD 1.3 billion in the first quarter of FY25/26. FX reserves (USD 5.8 billion or 3.1 months of imports as of October 2025) are now close to the Fund's recommended target range of 3.5–4.5 months of import coverage for credit-constrained economies. Over the medium term, FX reserves coverage is projected to reach close to 4.5 months of imports benefiting from improving current account even as FDI slows due to completion of the oil project.

**Text Figure 8. Selected Competitiveness Indicators**



Sources: Bank of Uganda, World Bank (WITS), UN Tourism, and IMF staff calculations.

Notes: AE = Advanced Economies, EMDE = Emerging Markets and Developing Economies. Non-commodity exports are defined as total goods exports excluding primary commodities as per UNCTAD (SITC Rev.3 sections 0–4, 68, 667, and 971).

<sup>7</sup> The current account gap is calculated by adjusting for the temporary impact of large oil project-related imports, while subtracting medium-term maintenance costs. These estimates are provided by the authorities and are subject to large fluctuations.

**25. Staff supported the authorities' intention to further build up FX reserves while preserving exchange rate flexibility but cautioned against expanding FX swap arrangements.**

Continued build-up of FX reserves, taking advantage of favorable market conditions, is key to reach the recommended level of at least 3.5 months of imports in the near term. While FX swaps can provide a temporary buffer, they carry rollover risks and the potential for large haircuts, limiting their desirability<sup>8</sup>. Accordingly, staff advised against expanding the current stock of FX swap. Maintaining two-way exchange rate flexibility remains important to enhance the economy's ability to absorb external shocks and retain competitiveness. FX market intervention should remain limited to addressing disorderly market conditions, given institutional, policy, and communication constraints as well as market development considerations warrant caution in the use of this tool in Uganda.<sup>9</sup>

**26. Effective safeguards should be put in place to accompany the authorities' efforts to boost FX reserves with monetary gold.** The BoU has launched a domestic gold purchase program on a pilot basis to support foreign reserves with monetary gold bought in Ugandan Shillings (Box 4). Sufficient safeguard measures are needed to mitigate associated risks including gold price volatility, liquidity constraints, storage security, and risks related to the traceability and Know Your Customer (KYC) failures. A transparent pricing framework is also needed to ensure cost recovery without creating quasi-fiscal liabilities. The authorities have finalized the operational framework of the program and developed a mechanism to mitigate traceability and KYC risks. They also plan to use appropriate hedging program and to manage price volatility and to use existing practices to guard against liquidity constraints and storage security risks.

***Authorities' Views***

**27. The authorities agreed with staff's assessment and policy recommendations but saw limited risks from the gold purchase program and FX swap arrangements.** They remain open to considering additional FX swap arrangements as a hedge against heightened uncertainty, provided that associated costs are low, and intend to let existing swaps expire once adequate FX reserves buffers have been built up. The authorities agreed that the exchange rate is aligned with macroeconomic fundamentals and reaffirmed their commitment to maintaining exchange rate flexibility, with FX market interventions limited to addressing disorderly market conditions. They highlighted that the operational framework for the domestic gold purchase program prioritizes risk management, and the phased three-year pilot provides adequate opportunities to test safeguards and refine processes before scaling up to a full program.

**D. Financial Sector: Safeguard Stability**

**28. The banking sector remains resilient, and the authorities are proactively monitoring risks.** Asset quality has improved, returning to pre-pandemic levels, and liquidity and capital buffers

<sup>8</sup> Between June and October 2025, the BoU put into effect several cross-currency repo and FX swap arrangements totaling approximately USD 350 million, aimed at replacing the USD 400 million swaps maturing before January 2026. In addition, they are in discussion for an additional FX swap worth USD 360 million.

<sup>9</sup> See [Annex III Foreign Exchange Interventions in the Integrated Policy Framework of IMF Country Report No. 24/290](#).

have strengthened (Table 5). While deposit concentration is not a systemic concern, it warrants continued monitoring, especially for a few smaller credit institutions where corporate deposits are more concentrated. The authorities have already implemented enhanced macroprudential measures and upgraded Liquidity Regulations to enhance banks' resilience to sudden deposit outflows.<sup>10</sup> Frequent and granular deposit reporting, and stress testing are also important to support early risk detection. Operational risks persist, notably from cyber-attacks and fraud amid the growing use of digital services. The cybersecurity guidelines approved in December 2024 would help to enhance monitoring of and response to cyber threats.<sup>11</sup>

**29. The growing sovereign-bank nexus, while not an immediate financial stability risk, calls for a gradual rebalancing of banks' portfolios to reduce vulnerabilities and mitigate crowding out of private credit.** As of March 2025, government securities represented 30.4 percent of banking-sector assets, with exposures particularly high among a few mid-tier banks, where sovereign holdings reach 50–60 percent of their assets. Regionally, Uganda ranked 4<sup>th</sup> among the SSA countries in terms of banks' exposure to government in 2024 (Text Figure 9). A recent stress test showed that all banks remain well-capitalized under an adverse interest rate shock and the recently introduced, more stringent capital requirements will reinforce banks' capital positions.<sup>12</sup> Nonetheless, rising domestic bank financing of government deficit, if continued, is likely to crowd out private sector credit.

#### **Authorities' Views**

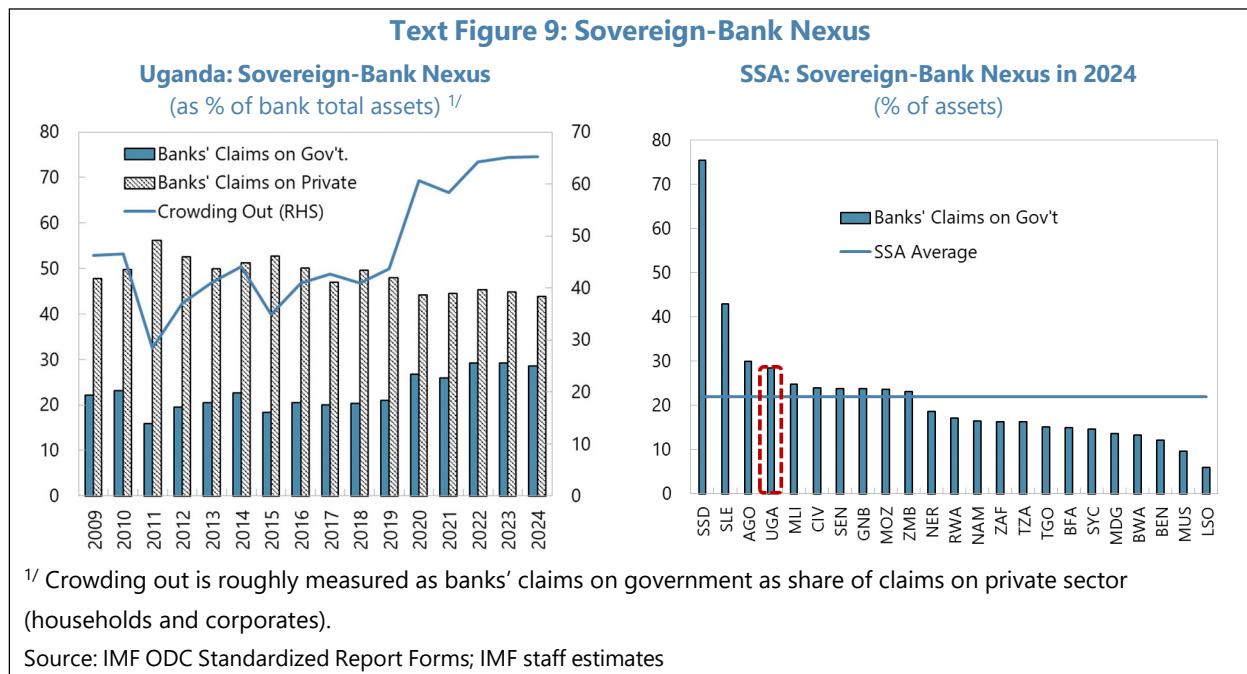
**30. The authorities agreed with staff assessment and emphasized that the sovereign-bank nexus is not an immediate financial stability risk.** They noted that banks' exposure to the government has stabilized over the last four years. Looking ahead, they expect that the start of oil production will reduce reliance on domestic financing and ease pressures on government borrowing. On corporate deposit concentration, the authorities clarified that some small credit institutions face this challenge partly due to their limited access to interbank markets. To address these vulnerabilities, the BoU has taken actions to help strengthen the liquidity buffers and is exploring structured programs or alternative equity facilities to reduce these institutions' dependence on corporate deposit funding.

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<sup>10</sup> In recognition of the increased plausibility of large deposit withdrawals, the assumed outflow rate for demand and savings deposits was increased from 10 to 20 percent under the liquidity coverage ratio framework. Such stricter measure effectively requires banks to maintain more high-quality liquid assets to cover for sudden deposit outflows.

<sup>11</sup> A full scope cyber assessment in BoU's annual supervisory plan and continued cybersecurity training of staff are also crucial in strengthening the management of technology-related risks.

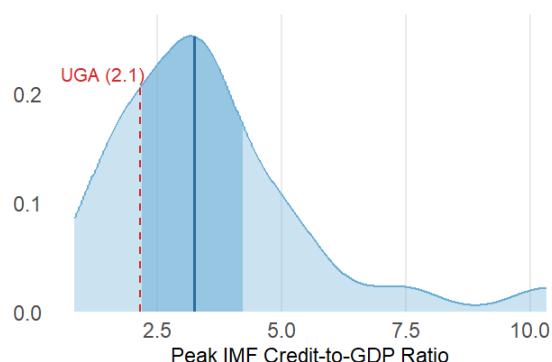
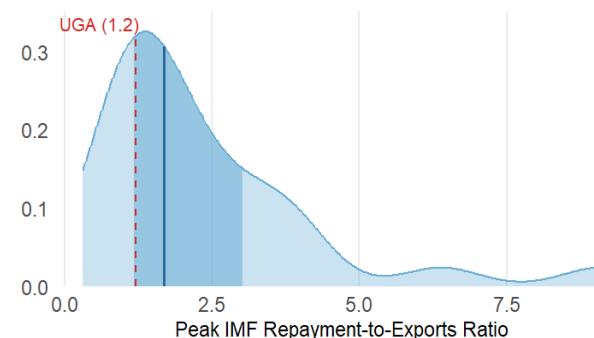
<sup>12</sup> The BoU's increased capital requirements have strengthened banks' capital positions. Per the BoU circular dated July 6, 2023, commercial banks and credit institutions are required to increase their minimum paid-up capital further to UGX 150 billion and UGX 25 billion, respectively, by June 30, 2024. All Tier II banks have complied, while only two Tier 1 banks are expected to complete the requirements by end-2025.



## CAPACITY TO REPAY

**31. Uganda's capacity to repay (CtR) the Fund is adequate under the baseline (no IMF program) scenario.** Outstanding Fund credit, at USD 1,315 million at end FY24/25 (2.1 percent of GDP, 275 percent of quota, and 30.6 percent of gross international reserves) is expected to start declining in December 2025. As a share of GDP, this exposure is below the median level for countries that have benefited from ECF programs (excluding blended programs) since 2015 (Text Figure 10). Repayments are projected to peak in FY29/30 at USD 279 million (1.2 percent of exports and 3.2 percent of GIR), also below the median for ECF programs approved since 2015 (Figure 6). In the absence of a new IMF arrangement, net use of Fund credit is expected to turn negative starting FY25/26.

**32. Uganda's external buffers are assessed to be adequate to safeguard the capacity to repay the Fund, even under a conflation of adverse shocks.** The primary risks to Uganda's CtR stem from potential portfolio outflows, adverse terms-of-trade shocks, and further delays in the oil project. Additional vulnerabilities stem from governance—inadequate enforcement of the anti-corruption framework, continued weaknesses in public financial management, proliferation of tax expenditures without proper cost-benefit considerations, and shortcomings in the regulatory framework—which could weigh on growth, fiscal revenues, and FX reserves adequacy. Under the downside scenario that incorporates these key risks (see ¶8 and Box 1), FX reserves are projected to decline to 2.6 months of imports by end-FY25/26, and further to 2.3 months by end-FY26/27, before recovering as the shocks subside and oil production commences with an additional delay. Even under this severe scenario, outstanding obligations to the Fund would constitute at most 3.6 percent of the GIR in FY26/27, indicating a comfortable repayment position. Outstanding credit would be 25 percent of reserves at that time, dropping to 17 percent the next year (Figure 7).

**Text Figure 10. Uganda: Capacity to Repay Benchmarks of Recently Approved ECF Programs****Distribution of Peak IMF Credit-to-GDP Ratio in Recent ECFs<sup>1</sup>****Distribution of Peak IMF Repayments-to-Exports Ratio in Recent ECFs<sup>1/</sup>**

Source: IMF staff calculations.

1/ Approximated using kernel density for the ECFs approved since 2015 (excluding blended programs). Darker areas indicate the interquartile range, and vertical lines show the median. The calculations are based on calendar years.

**33. The policy response under such a scenario would be multi-pronged.** A flexible exchange rate can serve as a shock absorber, while the authorities need to stand ready to address disorderly conditions in the FX market. Monetary policy should focus on containing inflationary pressures arising from exchange rate movements and an oil price shock. Targeted fiscal support to vulnerable households may be warranted, while formulating a credible medium-term fiscal path will remain critical to sustaining investor confidence. Prompt policy interventions would be essential under such circumstances (Annex I). Uganda's resilience to recent economic shocks, the ability to adjust policies swiftly, and its strong repayment record to creditors including the Fund, suggest that repayment risks to the Fund are contained and manageable.

## STAFF APPRAISAL

**34. Uganda's robust macroeconomic performance continued, supported by strong domestic demand, favorable external conditions, and prudent monetary policy.** Real GDP growth accelerated to 6.3 percent in FY2024/25, inflation remained contained, and the current account deficit narrowed significantly. Foreign exchange reserves increased, and investor sentiment improved, reflecting high real returns and Uganda's relative stability in a volatile regional environment. However, fiscal vulnerabilities are on the rise due to elevated overall deficits and a high debt servicing burden. While public debt remains sustainable, it faces risks from domestic financing pressures and weaknesses in the budgetary process.

**35. Staff assesses Uganda's capacity to repay the Fund as adequate under both baseline and downside scenarios.** Repayment indicators under the baseline scenario remain below median thresholds for ECF countries. Risks to repayment capacity arise from potential portfolio outflows, commodity price shocks, further delays in oil production, and governance weaknesses. A downside scenario indicates that, even under significant external and domestic shocks, Uganda's repayment position would remain manageable, although policy buffers would come under strain.

**36. Staff recommends a multi-pronged policy approach to safeguard macroeconomic stability and repayment capacity.** Fiscal consolidation should be accelerated through durable revenue mobilization and rationalization of current spending. The DRMS-2 rightly focuses on measures to improve tax administration but should also bring forward tax policy measures including rationalization of tax expenditures and strengthening and broadening the tax base. The authorities should prioritize PFM reforms to enhance budget discipline and limit the scope for accommodating frequent in-year spending requests. The implementation of the adopted oil revenue frameworks is important to safeguard oil revenues and preserve fiscal discipline.

**37. Monetary policy should retain its data-driven and forward-looking approach.** As inflation risks recede, a gradual easing could support private sector credit growth. Strengthening monetary policy transmission and promoting financial deepening, particularly through FinTech-enabled lending and improvements in credit infrastructure—will be critical to supporting private sector activities and fostering inclusive growth. The recent securitization and repayments of BoU advances reflect progress in limiting central bank financing; adhering to the agreed repayment schedule and limiting BoU advances to the limits stipulated under the PFM Act remains important to fend off risks of fiscal dominance and ensure monetary policy credibility.

**38. Exchange rate flexibility remains essential to absorb external shocks and preserve competitiveness.** Rebuilding of FX reserves should continue in a sustainable and durable manner. The pilot gold purchase program offers potential to support FX reserves buildup but must be carefully managed to mitigate financial and operational risks.

**39. The financial sector remains resilient, with improved asset quality and capital buffers.** However, rising sovereign-bank linkages warrants close monitoring. Strengthening supervision, risk management, and regulatory framework, especially in the context of expanding FinTech lending, is necessary to safeguard financial stability.

### Box 1. Illustrative Impact of a Downside Scenario for Uganda

**Amid higher uncertainty and tighter financial conditions, Uganda faces significant challenges.** Adverse commodity price movements may keep Uganda's current account deficit elevated, while global macroeconomic policy uncertainty or developments in the regional markets could trigger capital outflows. These shocks could place additional pressure on foreign exchange reserves and lead to exchange rate depreciation and higher inflation. The resulting tightening of financial conditions would increase sovereign and corporate risk premiums. At the same time, elevated government financing needs and increased risk aversion among banks could further constrain private sector credit and deepen the sovereign-bank nexus, potentially reinforcing a negative feedback loop. Uncertainty around the oil production timeline remains high, and any slippage could further complicate the authorities' efforts to rebuild fiscal and external buffers.

**Staff conducted an illustrative sensitivity analysis in a downside scenario.**

- *Assumptions.* One standard deviation increase to oil price is assumed for FY25/26 and FY26/27 relative to the baseline, while the price of coffee, the main export of Uganda, is one standard deviation lower. Portfolio outflows are assumed to increase by one standard deviation. Consistent with the April 2025 WEO (Box 1.1. – Scenario A), borrowing costs are raised by 50 basis points in both years due to higher sovereign and corporate premiums. Finally, oil production and exports are assumed to start one year later compared to the baseline (Table B1.1).
- *Impact.* Under these assumptions, the large increase in real GDP growth is expected to shift from FY26/27 to FY27/28. The CA deficit could deteriorate by 1.1 percent of GDP in FY25/26 relative to the baseline due to higher oil imports and lower coffee exports. The financial account would deteriorate by 0.4 percentage points of GDP in FY25/26 driven by portfolio outflows and FX reserves would fall to 2.6 months of imports coverage, compared to 3.1 in the baseline with about 40 percent of the decline reflecting the delay in the oil projects and the rest distributed broadly equally among shocks to coffee price, oil price, and outflows. In FY26/27, the deviation from the baseline would be accelerated further by oil exports delays and FX reserves could drop to USD 4.4 bn covering 2.3 months of imports. The fiscal impact would be relatively modest (about 1.5 ppt of GDP for the overall deficit in FY26/27), as the effect of higher financing costs on overall interest expenses would be delayed given the relatively small share of short-maturity debt, while a delay in the accrual of oil revenues will be offset by lower development spending and a delay in transfers to the sovereign wealth fund. (Table B1.2).

**Box 1. Illustrative Impact of a Downside Scenario for Uganda (continued)****Box 1. Figure 1. Comparison of the Baseline and Downside Scenarios****Box 1. Table 1. Downside Scenario Assumptions**

	FY24/25	FY25/26	FY26/27	Description
Oil imports:				
Baseline value (mln USD)	1,631	1,522	1,621	
Shock (mln USD)	403	365	365	Oil price increases by one standard deviation in FY25/26 and FY26/27
(% of GDP)	0.6	0.5	0.5	
Coffee exports:				
Baseline value (mln USD)	2,211	2,077	2,048	
Shock (mln USD)	357	352	352	Coffee price decreases by one standard deviation in FY25/26 and FY26/27
(% of GDP)	0.5	0.5	0.5	
Portfolio outflows (net):				
Baseline value (mln USD)	-610	-807	116	
Shock (mln USD)	284	314	314	Portfolio outflows increase by one standard deviation in FY25/26 and FY26/27 (as a percent of GDP)
(% of GDP)	0.4	0.4	0.4	
Sovereign premiums:				
Shock (in basis points)	50	50	Financing costs increase by 50 bps	
Oil exports delay by one year:				
Oil exports	0	0	3,526	Oil exports are delayed by one year as well as related outflows: oil
Oil profit repatriation	0	0	1,306	profit repatriation and PRIR
PRIR outflows	0	0	424	outflows.

Notes: Unless stated otherwise, the shock size for each variable equals one standard deviation computed from FY2015/16–FY2023/24. This corresponds to a +27% shock to oil prices, +0.41% (of GDP) to portfolio outflows, and -17% to coffee prices.

**Box 1. Illustrative Impact of a Downside Scenario for Uganda (concluded)**  
**Box 1. Table 2. Quantification of Downside Scenario**

	Proj FY24/25	Current baseline scenario			Downside scenario		
		FY25/26	FY26/27	FY27/28	FY25/26	FY26/27	FY27/28
<b>Real GDP growth</b>	6.3	6.2	9.4	6.9	6.2	6.0	9.2
<b>CPI Inflation</b>	3.5	3.3	4.5	4.9	3.4	5.2	4.9
<b>Current account</b>	-6.1	-4.1	-3.1	-2.7	-5.2	-6.1	-2.9
o/w oil imports	-2.6	-2.2	-2.1	-2.1	-2.8	-2.7	-2.1
o/w coffee exports	3.6	3.0	2.7	2.5	2.5	2.3	2.6
o/w oil exports	0.0	0.0	4.6	5.8	0.0	0.0	4.4
o/w oil-export profit repatriation	0.0	0.0	1.7	2.4	0.0	0.0	1.6
<b>Financial and capital account balance</b>	-6.7	-5.8	-4.6	-2.8	-5.4	-4.9	-3.5
o/w Portfolio investment (net) (excl PRIR)	-1.0	-1.2	-0.4	-0.3	-0.8	-0.1	-0.4
o/w PRIR	0.0	0.0	0.6	1.0	0.0	0.0	0.4
<b>Gross international reserves</b>							
In US\$ Billions	4.3	5.8	7.5	8.0	4.8	4.4	5.3
In months of next year's imports of goods and services	2.7	3.1	3.8	4.2	2.6	2.3	2.8
<b>Budget Deficit</b>	6.0	6.6	5.9	5.4	6.6	7.4	6.3
<b>Public Debt</b>	52.4	54.5	54.1	54.3	54.7	57.2	57.1

Source: IMF staff estimates.

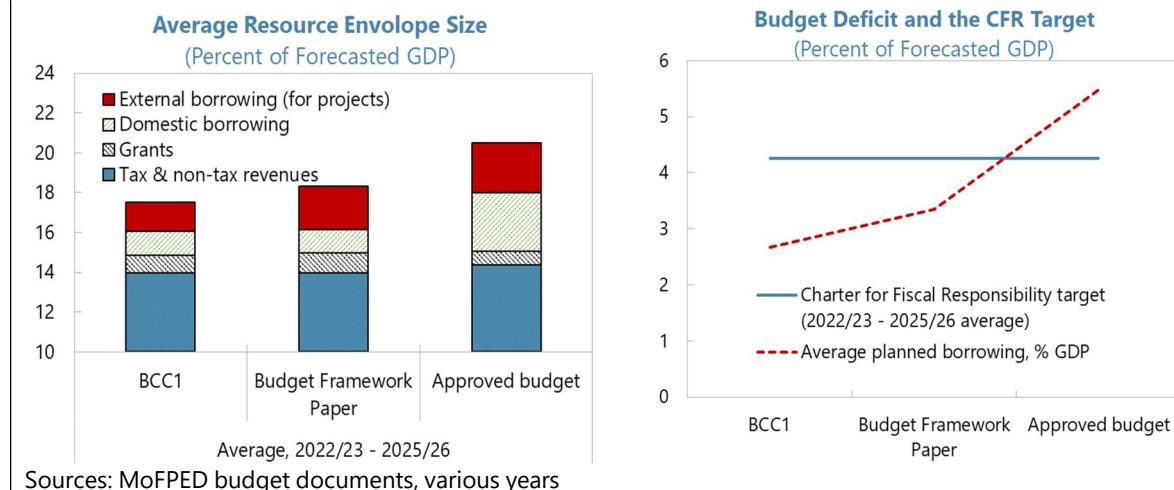
## Box 2. Strengthening the Budgetary and Medium-Term Expenditure Frameworks

**Budgetary processes in Uganda are supported by a number of institutional elements** that include: the MTEF approach adopted in the 1990s; the five-year Charter for Fiscal Responsibility (CFR) adopted at the start of each Parliament that sets out the measurable fiscal objectives and targets; the National Development Plan (NDP) that sets government's medium-term priorities that anchor the budget; and the Public Finance Management Act (PFMA) of 2015 that stipulates the requirement for annual preparation of a Budget Framework Paper that must be consistent with the CFR and the NDP.

**Despite these strong underpinnings, implementation has been weak.** Deviations between approved budgets and fiscal outturns are a common feature; recurrent spending tends to exceed the targets, while development spending tends to fall short. Widespread use of supplementary budgets has become a systematic feature. Cash rationing, reflective of poor cashflow forecasts and budget "gaming" by line ministries, departments, and agencies (MDAs), further undermines credibility of the MTEF while also negatively affecting the borrowing costs.

**While preparation of a budget and an MTEF requires a strong top-down process to set the spending limits, the budget outcomes in Uganda are effectively driven by MDAs' priorities.** The starting point is supposed to be the establishment of a binding ceiling on total expenditures that is informed by the evaluation of available resources—domestic revenues and external financing. That ceiling, in turn, should guide the allocation of funds to specific programs or to MDAs. However, while the initial projections of the resource envelope, prepared by MoFPED's technical staff, are of reasonable quality, these are routinely scaled up during the budgetary process in response to bottom-up expenditure pressures. The revisions to domestic revenues are justified by policy initiatives and planned efficiency gains that often fail to materialize, while the revisions to external financing—by inflated estimates of disbursements for ongoing projects and incorporation of new projects into the already overprogrammed Public Investment Plan (PIP). There is no systematic ex-post examination of the forecast errors.

### Box 1. Figure 1. The Expanding Resource Envelope and its Impact on the Planned Fiscal Deficit



**Among key weaknesses in the budgetary process is the absence of systematic forecasting of baseline expenditures,** which complicates evaluation of fiscal space availability to accommodate new policy priorities. In general, baseline expenditure forecasts should be based on a "no policy change" basis and attempt to estimate the cost for government of providing the same levels of goods and services to citizens

**Box 2. Strengthening the Budgetary and Medium-Term Expenditure Frameworks  
(concluded)**

into the future. Instead, spending forecast has been done based on inconsistent methodologies that include historical trends and zero-based costing.

**Changes to the legal framework have progressively weakened the management of supplementary budgets.** The original PFMA defined the categories of expenditure that could be considered for a supplementary budget and expressly noted that supplementary budgets are to be funded from the Contingencies Fund, allocation of which should be part of the annual budget. The PFMA was subsequently amended, repealing most of the supplementary budget provisions as these were deemed to be inflexible and restrictive. While the references to supplementary budget in the Constitution do not stipulate any specific restrictions, the issue of whether PFM legislation could define the supplementary budget process and requirements without contradicting the Constitution would need to be resolved.

**As a result, the number and size of supplementary budgets in Uganda have significantly increased over time.** Over the past seven years, on average four supplementary budget schedules a year were approved or regularized by Parliament, introducing material changes to the budget. About two thirds of the additional expenditure was recurrent, while additional capital appropriations have often reflected externally financed projects that materialized after the approval of the budget. While some supplementary items are discretionary in nature, others represent unavoidable state obligations, such as wages and pensions, that should have been part of the original budget. Instead, they are omitted (by mistake or deliberately), allowing for other spending priorities to be pushed through as part of the original budget and then are brought in as part of a supplementary allocation.

*Based on a forthcoming FAD TA report "Strengthening Annual Budget Preparation and the Medium-Term Expenditure Framework."*

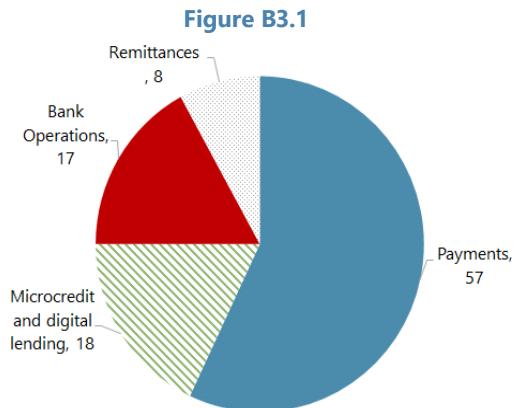
### Box 3. FinTech-enabled Lending in Uganda

#### The FinTech sector in Uganda has grown significantly, enhancing access to financial services.

From digital payments and mobile money to digital lending, these innovations have improved financial inclusion. It began in 1997 with Bankom's (Interswitch) introduction of automated teller machines (ATMs) and gained momentum in 2009 when the Bank of Uganda approved the country's first mobile money service, leading to Mobile Telephone Network (MTN) Uganda's launch with over 11,000 registrations in the first month. Subsequent developments, including the National Information Technology Authority-Uganda Act and Airtel Uganda's entry, further expanded the digital finance landscape in the country.

#### FinTechs in Uganda operate mainly in payments services, followed by digital lending.

At present, there are about 250 FinTechs operating in Uganda, but only about 20 percent is licensed by the BoU. The FinTech payments subsegment leads the FinTech sector at 57 percent, followed by micro-credit and digital lending services at 18 percent, banking at 17 percent, and remittances at 8 percent.



Sources: National Financial Inclusion Strategy

**Digital lending plays a role in enhancing credit access in Uganda, supported by the rapid expansion of mobile infrastructure and broader reach of mobile network operators.** The Uganda Communications Commission reported 38.5 million active mobile subscriptions and 44.2 million mobile money registrations by the second quarter of 2024, highlighting the extensive reach of mobile platforms. This widespread adoption has created a conducive environment for digital lenders to operate and scale their services. Available data indicates a strong upward trend in digital lending activity, with loan disbursements and repayments increasing by 121.7 percent and 139.0 percent year-on-year, respectively, as of December 2024. Digital lending increased from 0.2 percent of GDP in Q4 2021 to 1.9 percent in Q4 2024, still small but growing footprint.

**Empirical analysis shows that mobile money usage intensity, transaction frequency, and adoption have a significant and positive long-run effect on private sector credit in Uganda<sup>1</sup>.** These results are based on an Autoregressive Distributed Lag (ARDL) model, which estimates both short- and long-run effects of digital lending over the period Q1 2009 to Q3 2024. The model uses mobile money usage intensity, transaction frequency, and adoption as proxy indicators, as they capture the infrastructure through which many digital lenders operate. The results are robust across all alternative model specifications, highlighting the growing role of mobile money platforms as channels for digital credit.

**The evolution of digital lending in Uganda highlights the role of technology-driven inclusion and credit access, while also requiring regulator measures to address related risks.** The rapid expansion of digital credit has also exposed consumers to new vulnerabilities, including high interest rates, opaque pricing, abusive debt collection practices, and data privacy concerns. These risks have prompted the development of a regulatory framework such as the Digital Lending Guidelines (2024) to promote responsible lending and protect consumers.

<sup>1</sup> To the extent that mobile money platforms capture FinTech-enabled credit transactions, these indicators serve as a reasonable proxy for empirically analyzing FinTech's role in private sector credit deepening in Uganda.

#### Box 4. Uganda's Gold Purchase Program: Strategic Reserve Diversification <sup>1/</sup>

**The BoU has launched the Domestic Gold Purchase Program (DGPP) to boost foreign reserves with monetary gold while formalizing the artisanal mining sector.** This initiative aligns with similar programs in other SSA countries. The DGPP enforces strict compliance, traceability, and certification to support artisanal miners by reducing dependence on intermediaries. The program was launched as a phased three-year pilot, with an ongoing evaluation of its broader monetary and sectoral impacts.

**The BoU conducts comprehensive due diligence**—including Know Your Customer and Anti-Money Laundering/Combating the Financing of Terrorism checks—to screen licensed gold miners and source

**locally mined, traceable gold** (Figure B3.1). The program collaborates closely with the Uganda Revenue Authority and the Directorate of Geological Survey and Mines to maintain a rigorous chain of custody from the mining pit to vault storage. This process ensures credible lineage and reduces the risk of illicitly commingled gold entering the reserves.

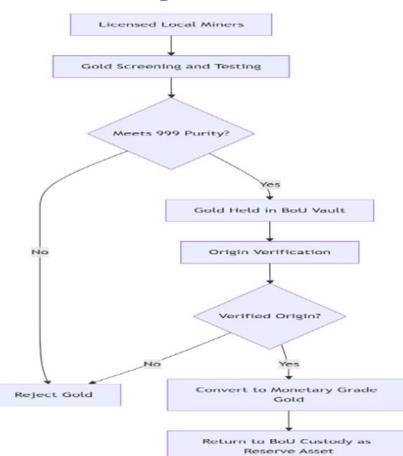
**Gold with a minimum purity of 75% is purchased directly from these licensed miners at or near their mining sites, with payments calibrated according to purity levels.** Once acquired, the gold is securely stored in the BoU Vault while undergoing thorough purity and origin verification. Only after passing stringent traceability checks is the gold sent for refining to achieve the target monetary grade purity of 99.9%. During refining, the gold is carefully segregated to prevent mixing with other refinery stock. The refined gold is then returned to BoU custody and included as part of Uganda's foreign exchange reserves. This multi-step process ensures compliance, traceability, and security in both gold purchase and reserve formation.

**During the pilot phase, BoU is prioritizing the development of a digital gold tracing system to provide verified certification and improve transparency.** The IT department is leading the creation of this platform, while additional operational controls will be introduced iteratively to enhance oversight and efficiency. The pricing mechanism for gold purchases covers refining, transportation, and security costs. It is market-based with adjustments for quantity purchased and purity levels. Importantly, all transactions are conducted exclusively in Ugandan Shillings, supporting seamless integration with the national reserve strategy and reducing reliance on foreign currencies.

**The program faces several risks.** Gold purchases increase liquidity and the monetary base, unless sterilized, which can create inflationary pressures and complicate monetary policy. To manage these risks, the BoU plans to cap purchases at 3 tons, aligning the program with price and financial stability objectives. Gold price volatility, especially when prices are high, can affect reserve valuation and adequacy. Accumulating non-monetary gold exposes the BoU's balance sheet to financial risks, and quasi-fiscal risks may arise if purchases exceed cost recovery, effectively subsidizing local refineries. The BoU plans to mitigate these through currency hedging and a three-month holding period to smooth cash flows and stabilize valuations. However, such measures carry financial, operational, and reputational risks, with interim fluctuations potentially impacting reported balance sheets. Additional challenges include maintaining gold quality to meet international standards, as multiple refining steps risk non-compliance with London Good Delivery standards, which could reduce liquidity and market value.

1/ Prepared by Nkunde Mwase.

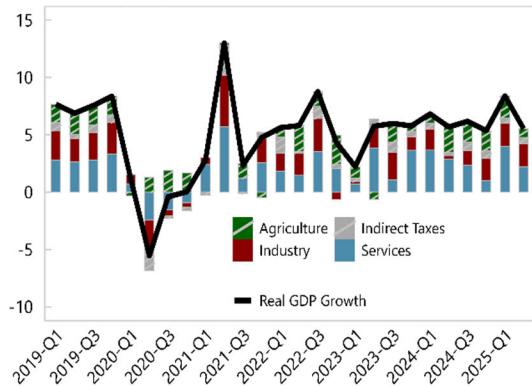
Figure B4.1



### Figure 1. Real Sector Developments

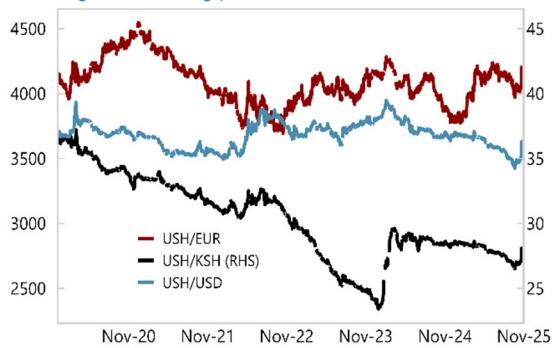
Strong growth momentum continues and remains broad-based.

#### Contribution to Real GDP growth (Percent, y-o-y)



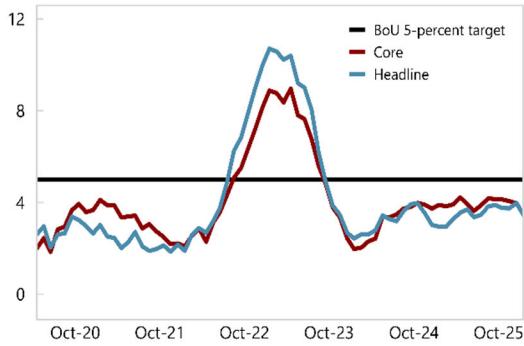
The Shilling remained strong in recent months, as shown by its performance against major currencies.

#### Nominal Exchange Rate (Ugandan Shilling per FX)



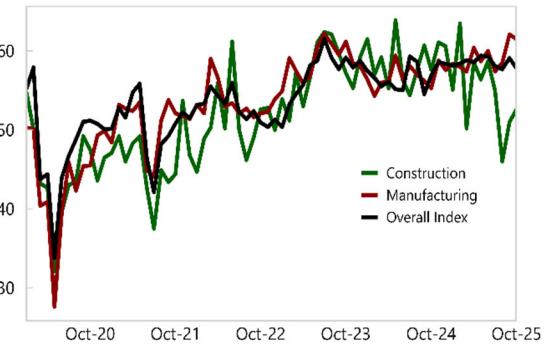
Both core and headline inflation have stabilized...

#### Headline and Core Inflation (Percent, y-o-y)



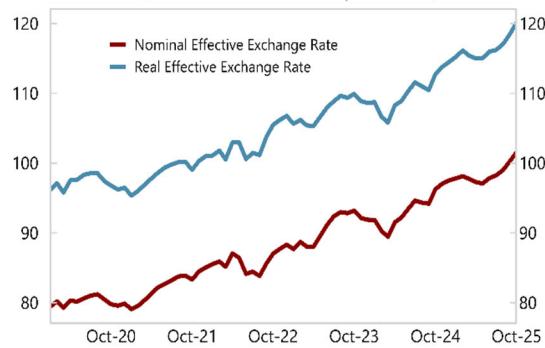
Business perceptions and other leading indicators continue to show robust economic activity.

#### Business Tendency Indicators (Index)



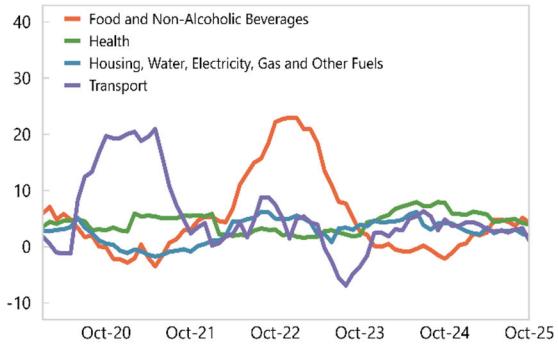
The effective exchange rates have also appreciated.

#### Effective Exchange Rate (2010=100, decrease indicates depreciation)



...as food price inflation shows signs of recovery, and transport and energy price inflation moderated.

#### Inflation by Component (Percent, y-o-y)

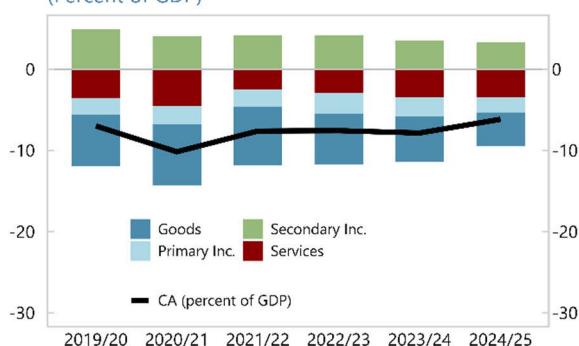


Sources: Bank of Uganda and IMF staff estimates and projections.

## Figure 2. External Sector Developments

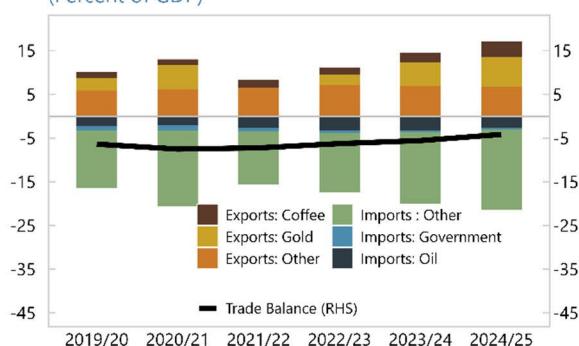
The current account deficit is estimated to have narrowed in FY24/25 but remains elevated.

### Contribution to Current Account (Percent of GDP)



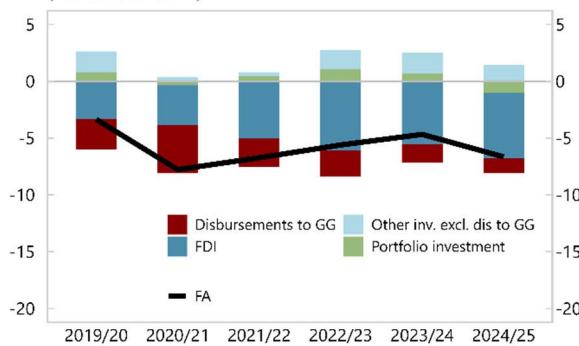
Trade balance improved in FY24/25 despite an increase in other imports, owing to higher gold and coffee exports.

### Contributions to Trade Balance (Percent of GDP)



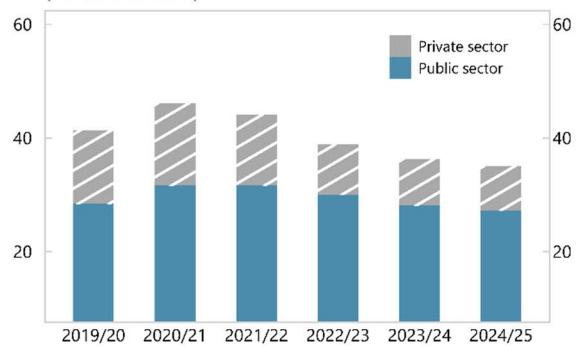
Capital inflows rose relative to FY23/24, led by other investments. Oil-related FDI remains the main source.

### Contributions to Financial Account (Percent of GDP)



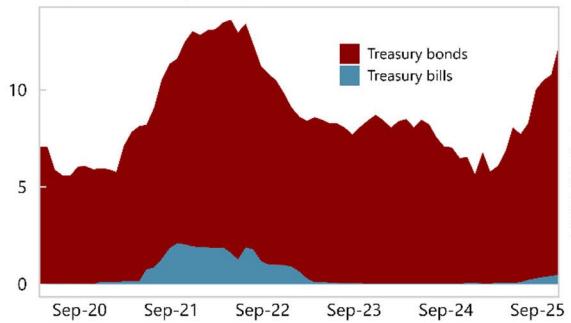
External debt has continued its decline as a share of GDP.

### External Debt (Percent of GDP)



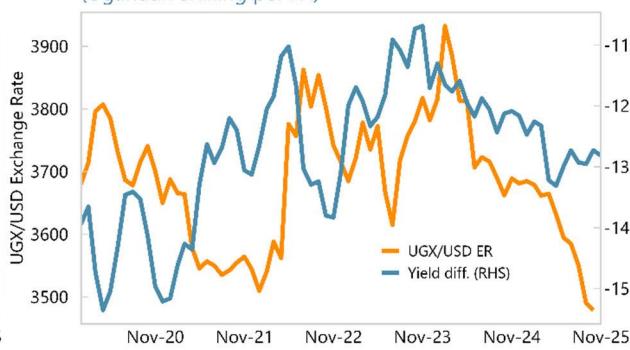
Foreign portfolio inflows are on an upward trend, following a prolonged period of decline...

### Government Securities Held by Offshore Investors (Share of total, percent)



...driven by favorable investor sentiment and higher returns.

### Nominal Exchange Rate (Ugandan Shilling per FX)

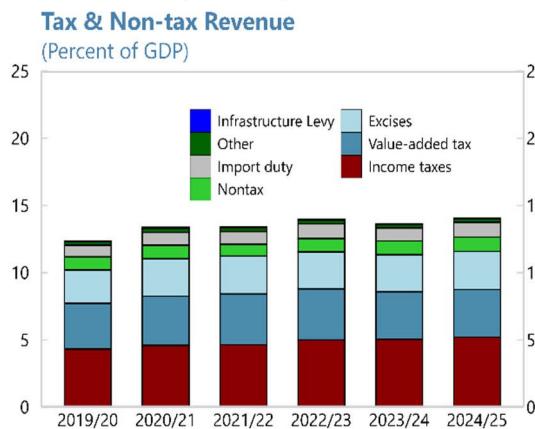


Sources: Bank of Uganda and IMF staff estimates and projections.

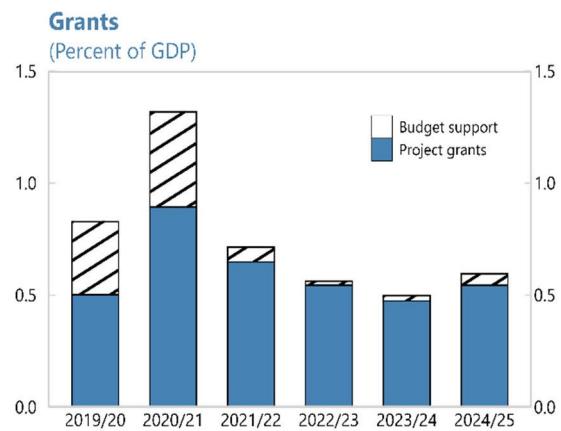
Notes: Yield diff. = US-UGA 10-year treasury yield differential.

### Figure 3. Fiscal Developments

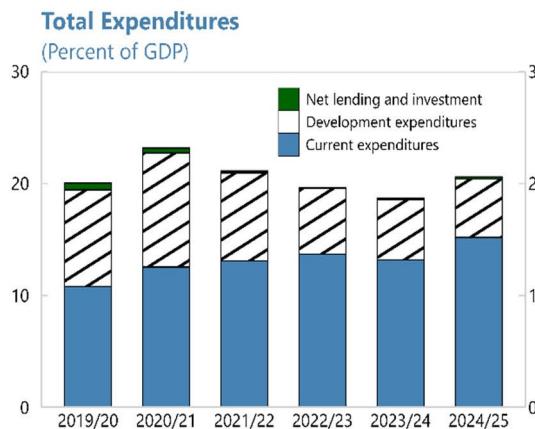
Following a decrease in FY23/24, domestic revenue increased in FY24/25 reaching their highest level.



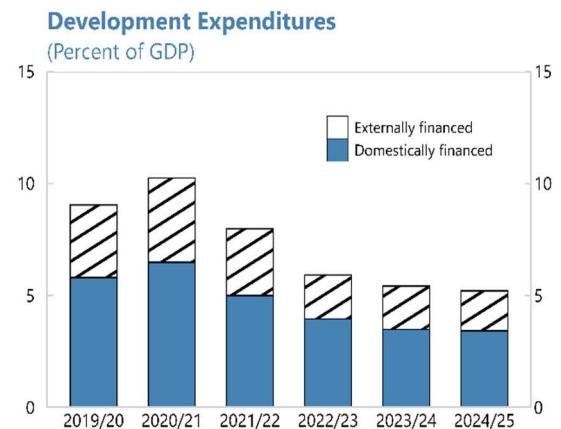
Grants picked up somewhat but remain low.



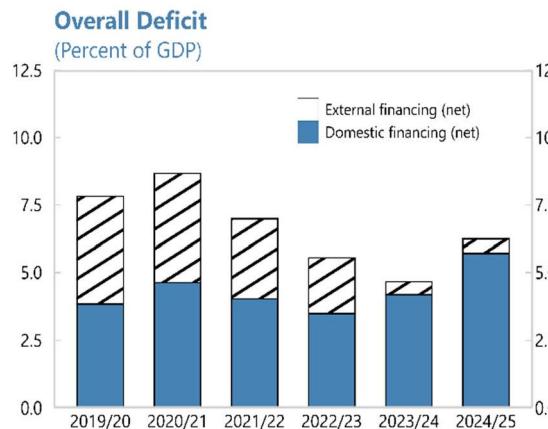
Expenditures increased in FY24/25, driven by current spending ...



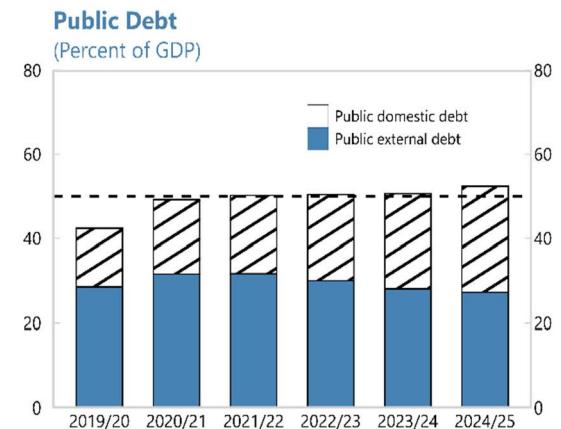
...while capital spending remains low.



The overall fiscal deficit has widened, financed through domestic financing



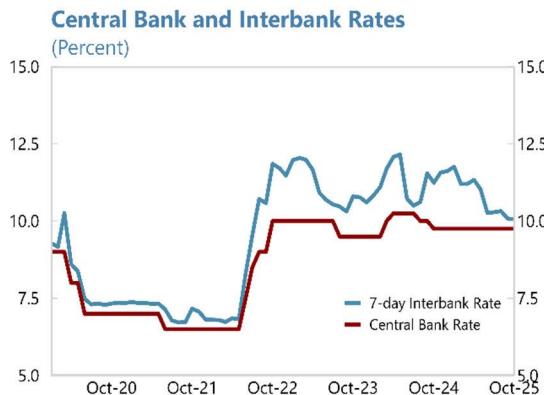
The debt-to-GDP ratio is now above the 50 percent threshold.



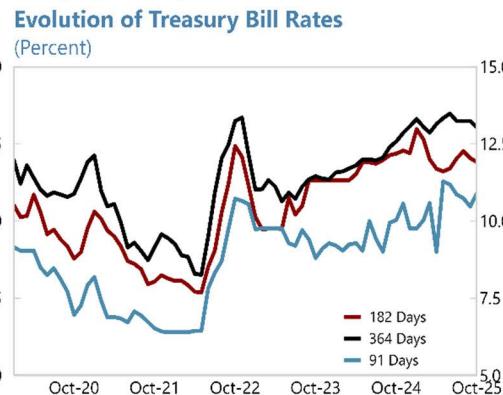
Sources: Bank of Uganda and IMF staff estimates and projections.

### Figure 4. Monetary Sector Developments

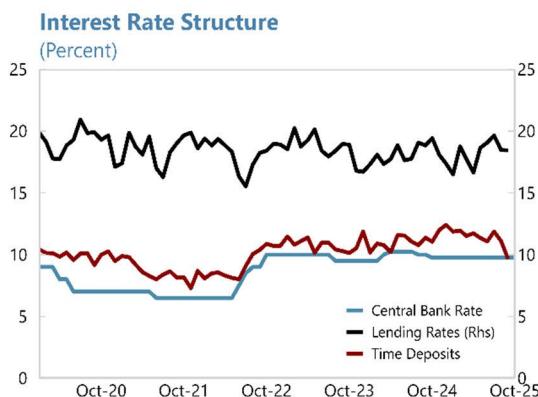
*The policy rate has remained unchanged since October 2024...*



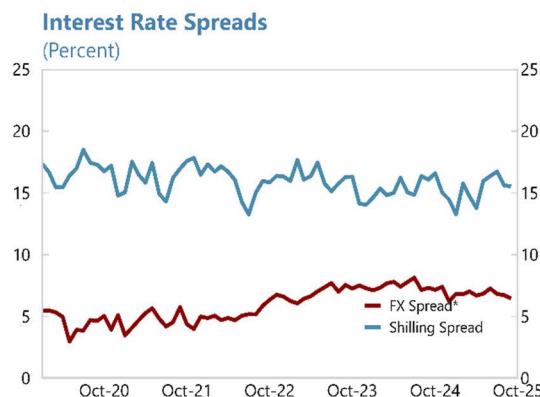
*...while yields on government bonds continued to inch up reflecting high borrowing needs.*



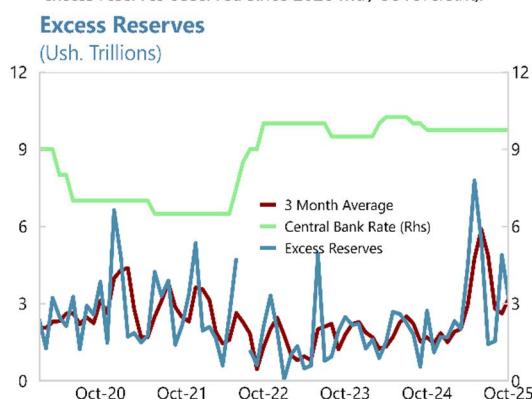
*Lending rates remain elevated...*



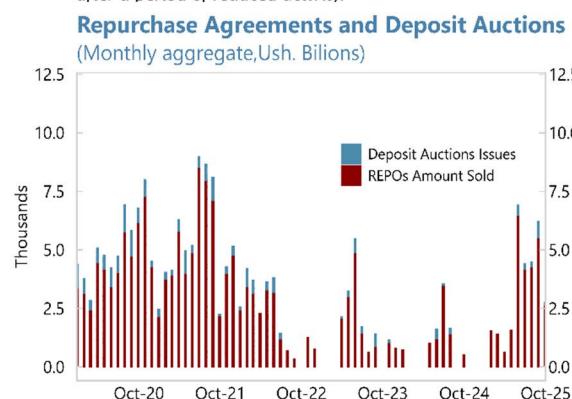
*...with spreads for FX and shilling loans remaining stable.*



*Early signs suggest that the downward trend in excess reserves observed since 2020 may be reversing.*



*The BoU has recommended repo operations after a period of reduced activity.*



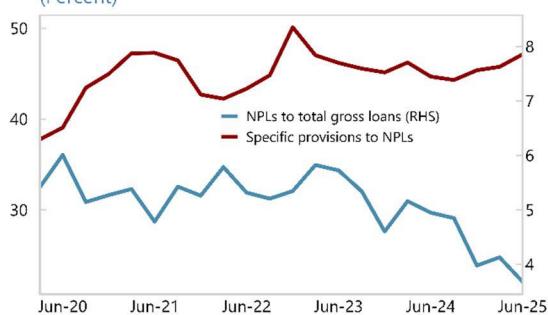
Sources: Bank of Uganda and IMF staff estimates and projections.

Notes: \*Both FX and Shillings spreads are calculated as the weighted average lending rate minus the weighted average deposit rate.

**Figure 5. Financial Sector Developments**

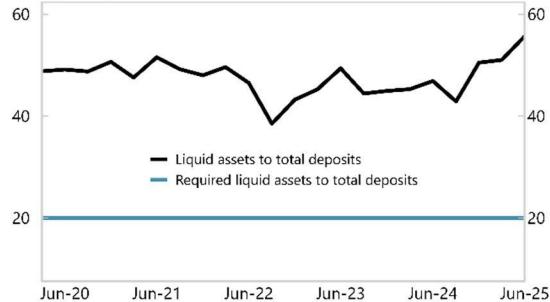
*Asset quality appears to be improved while provisioning remains stable.*

#### Selected Asset Quality Indicators (Percent)



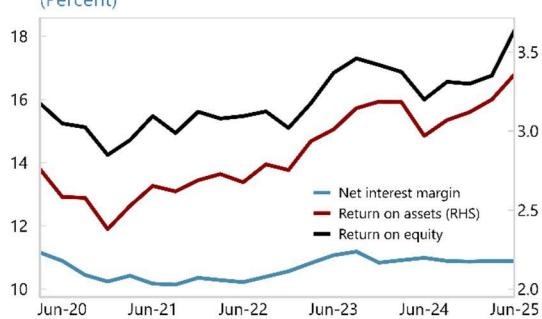
*Banks remain liquid.*

#### Liquidity Ratio (Percent)



*Banks earnings are recovering.*

#### Earnings and Profitability (Percent)



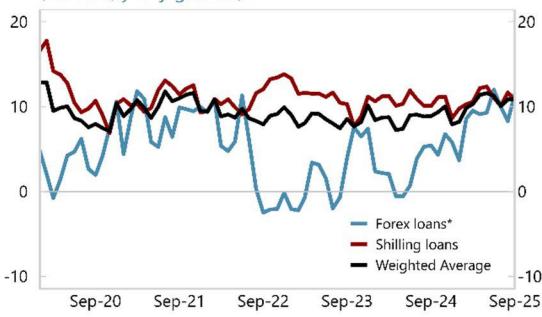
*The All Share Index is rebounding after experiencing a decline over the past year.*

#### Stock Market Index (Index)



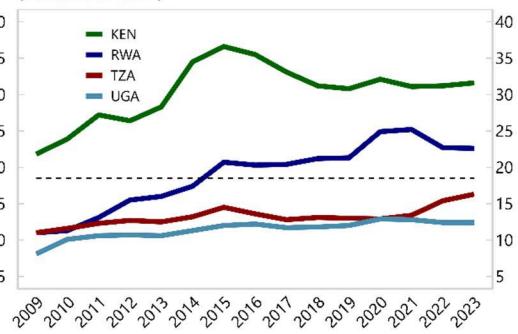
*Private sector credit growth remains subdued....*

#### Evolution of Private Sector Lending (Percent, y-o-y growth)



*Private sector credit-to-GDP in Uganda is the lowest in the reion and remains below the EAC average.*

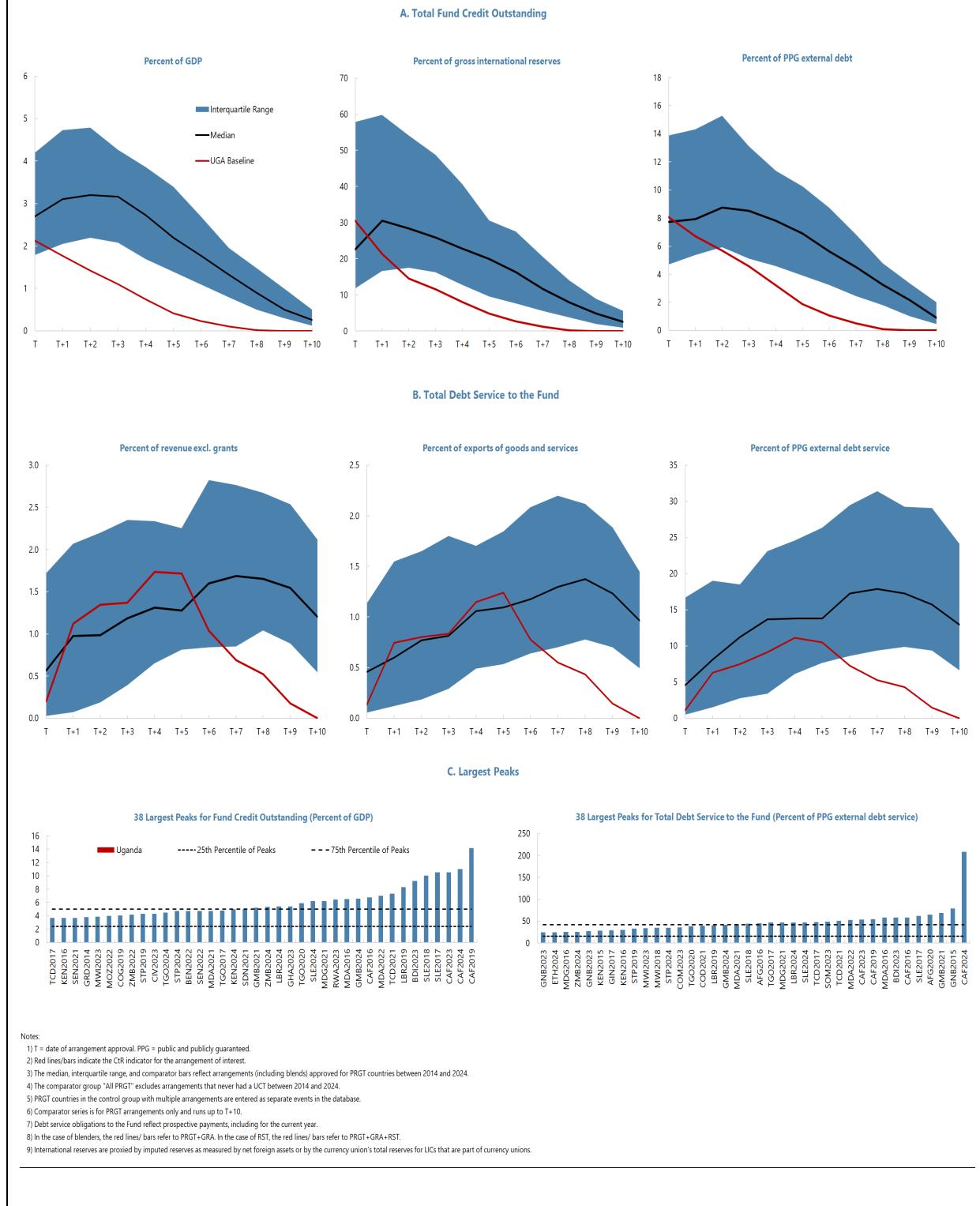
#### Bank Credit to the Private Sector (Percent of GDP)



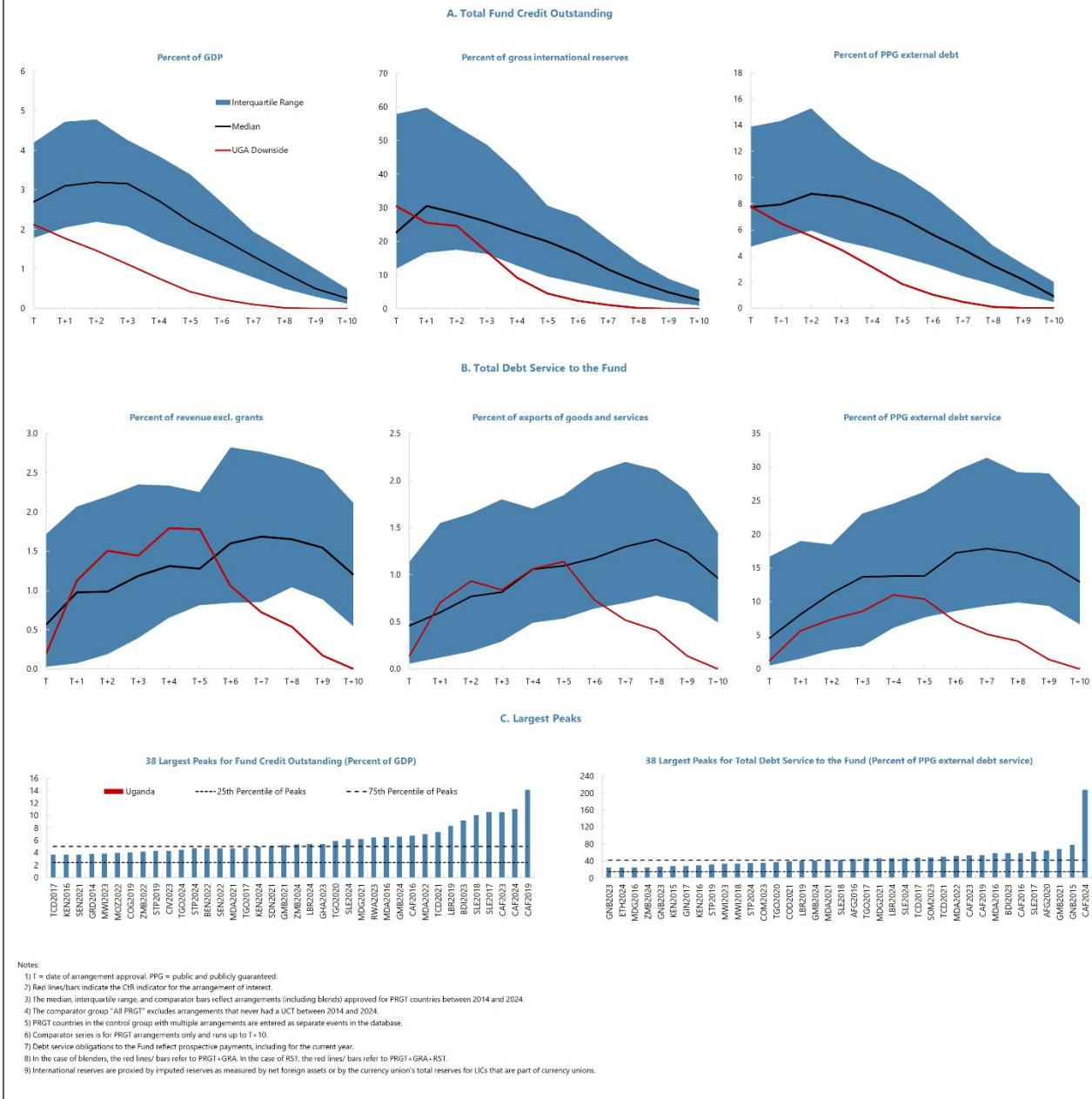
Sources: Bank of Uganda and IMF staff estimates and projections.

Notes: \*FX loans are net of valuation effect.

**Figure 6. Uganda: Capacity to Repay Indicators Compared to UCT Arrangements for PRGT Countries, Baseline**



**Figure 7. Uganda: Capacity to Repay Indicators Compared to UCT Arrangements for PRGT Countries, Downside Scenario**



**Table 1. Uganda: Selected Economic and Financial Indicators, FY2023/24-2030/31<sup>1,2</sup>**

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	Act.					Proj.		
(Percent, unless indicated otherwise)								
<b>Output, prices, and exchange rate</b>								
Real GDP	6.1	6.3	6.2	9.4	6.9	6.7	6.4	5.7
Non-Oil real GDP	6.1	6.3	6.2	6.0	6.0	6.0	6.0	6.0
GDP deflator	5.4	5.2	4.3	4.5	4.6	4.5	4.9	4.7
Headline inflation (period average)	3.2	3.5	3.3	4.5	4.9	5.0	5.0	5.0
Core inflation (period average)	3.0	3.9	3.3	4.2	4.9	5.0	5.0	5.0
Terms of trade ("—" = deterioration)	8.2	11.4	3.3	3.3	2.4	2.9	2.3	2.3
Exchange Rate (Ugandan Shilling/US\$) ("—" = appreciation)	0.7	-2.5	...	...	...	...	...	...
Real effective exchange rate ("—" = depreciation)	3.3	4.6	...	...	...	...	...	...
<b>Money and credit</b>								
Broad money (M3)	8.7	13.3	11.8	14.8	12.3	12.0	12.8	11.3
Credit to non-government sector	9.7	10.3	8.9	10.5	9.1	8.6	9.3	9.3
Bank of Uganda policy rate (percent) <sup>3</sup>	10.3	9.8	9.8	...	...	...	...	...
M3/GDP (percent)	20.4	20.7	20.9	21.0	21.1	21.2	21.4	21.5
NPLs (percent of total loans) <sup>3</sup>	4.9	3.7	...	...	...	...	...	...
<b>Central government budget</b>								
Revenue and grants	14.1	14.7	14.9	16.0	16.5	16.6	16.9	17.0
Of which: grants	0.5	0.6	0.6	0.5	0.4	0.3	0.2	0.2
Of which: oil revenue	0.0	0.1	0.1	1.2	1.7	1.8	2.1	2.1
Expenditure	18.8	20.7	21.5	21.9	21.9	21.6	21.9	21.9
Of which: Current	13.2	15.2	15.8	15.5	15.8	15.8	15.9	16.2
Of which: Capital <sup>4</sup>	5.4	5.2	5.2	5.4	5.6	5.6	5.6	5.6
Overall balance	-4.7	-6.0	-6.6	-5.9	-5.4	-5.0	-5.1	-4.8
Of which: Net domestic borrowing	4.2	5.7	5.0	5.0	4.7	4.3	4.5	4.1
Primary balance	-1.6	-2.3	-2.0	-1.4	-0.6	0.0	0.0	0.6
Non-oil primary balance	-1.6	-2.3	-2.0	-2.0	-1.6	-1.2	-1.4	-0.8
Non-oil primary domestic balance	-0.1	-1.1	-0.3	0.0	0.3	0.8	0.5	1.1
<b>Public debt</b>								
Public gross debt <sup>5</sup>	50.6	52.4	54.5	54.1	54.3	54.3	54.2	54.3
External <sup>6</sup>	28.1	27.3	27.3	25.8	24.6	23.6	22.6	21.9
Domestic	22.5	25.1	27.1	28.3	29.7	30.6	31.7	32.4
<b>Investment and savings</b>								
Investment	22.4	22.8	23.0	23.7	24.2	24.5	24.9	25.3
Public	5.4	5.2	5.2	5.4	5.6	5.6	5.6	5.6
Private	17.0	17.4	17.8	18.1	18.5	18.9	19.2	19.8
Savings	14.6	16.7	18.9	20.7	21.5	23.0	23.2	23.7
Public	0.5	-0.9	-1.7	-0.5	0.1	0.5	0.5	0.8
Private	14.1	17.6	20.5	21.2	21.4	22.5	22.7	23.0
<b>External sector</b>								
Current account balance	-7.8	-6.1	-4.1	-3.1	-2.7	-1.5	-1.7	-1.5
Current account balance (excluding grants)	-7.8	-6.1	-4.3	-3.3	-2.8	-1.7	-1.8	-1.6
Exports (goods and services)	18.6	21.3	23.2	27.4	27.8	26.1	24.5	23.6
Imports (goods and services)	27.6	28.9	27.9	29.2	28.5	25.6	24.2	23.8
Gross international reserves								
In billions of US\$	3.2	4.3	5.8	7.5	8.0	8.7	8.9	9.2
In months of next year's imports of goods and services	2.2	2.7	3.1	3.8	4.2	4.4	4.2	4.2
<b>Memorandum items:</b>								
GDP at current market prices								
Us. billion	203,708	227,879	252,221	288,422	322,457	359,757	401,588	444,553
US\$ billion	53.9	61.8	...	...	...	...	...	...
GDP per capita (Nominal US\$)	1,174	1,307	1,412	1,502	1,559	1,645	1,734	1,812
Exchange Rate (Ugandan Shilling/US\$)	3,778.5	3,685.4	...	...	...	...	...	...
Population (million) <sup>7</sup>	45.9	...	...	...	...	...	...	...

Sources: Ugandan authorities and IMF staff estimates and projections.

<sup>1</sup> Fiscal year runs from July 1 to June 30.<sup>2</sup> All figures are based on the 2016/17 rebased GDP.<sup>3</sup> Latest available data. NPLs: June 2025; BoU policy rate: November 2025.<sup>4</sup> Capital expenditures include net lending and investment on hydropower projects, and exclude BoU recapitalization.<sup>5</sup> Debt is on a residency basis.<sup>6</sup> External debt includes publicly guaranteed debt.<sup>7</sup> Based on preliminary figures from the 2024 census by the Uganda Bureau of Statistics.

**Table 2a. Uganda: Fiscal Operations of the Central Government, FY2023/24-2030/31<sup>1</sup>**  
(Billions of Ugandan Shillings)

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	Act.				Proj.			
<b>Total revenue and grants</b>	28,821	33,435	37,540	46,119	53,115	59,711	67,703	75,736
Revenue	27,806	32,079	36,143	44,646	51,858	58,638	66,786	74,721
Tax	25,719	29,646	33,097	38,173	43,041	48,425	54,508	60,841
Import duty	1,961	2,502	2,798	3,232	3,650	4,113	4,636	5,183
Income taxes	10,284	11,858	13,265	15,330	17,319	19,523	22,017	24,621
Excises	5,617	6,494	7,200	8,247	9,235	10,321	11,540	12,795
Value-added tax	7,210	8,055	8,986	10,356	11,668	13,118	14,755	16,457
Other taxes	527	599	692	823	957	1,108	1,282	1,469
Infrastructure levy	120	137	157	184	212	243	278	316
Nontax	2,087	2,208	2,774	2,884	3,225	3,598	4,016	4,446
Oil revenue	0	225	272	3,590	5,593	6,616	8,261	9,434
Grants	1,015	1,356	1,397	1,473	1,256	1,073	917	1,015
Budget support	50	117	26	0	0	0	0	0
Project grants	965	1,239	1,371	1,473	1,256	1,073	917	1,015
<b>Expenditures and net lending</b>	38,308	47,153	54,238	63,128	70,538	77,735	88,102	97,159
Current expenditures	26,839	34,639	39,780	44,812	50,877	56,675	63,691	72,032
Wages and salaries	7,438	8,035	8,568	9,968	11,497	12,837	14,441	15,986
Interest payments	6,222	8,394	11,561	12,949	15,546	17,967	20,371	24,078
Other current	13,179	18,210	19,651	21,895	23,833	25,871	28,879	31,969
Development expenditures	11,021	11,875	13,057	15,437	18,069	20,007	22,517	24,926
Externally financed projects	3,914	4,058	5,665	7,126	7,577	7,957	8,602	9,522
Government of Uganda investment	7,107	7,818	7,392	8,312	10,492	12,050	13,916	15,405
Net lending and investment	252	417	0	679	192	353	194	201
Other spending (incl. arrears clearance)	196	221	1,401	2,200	1,400	700	1,700	0
<b>Overall balance</b>	-9,487	-13,719	-16,698	-17,009	-17,423	-18,024	-20,400	-21,423
<b>Primary balance</b>	-3,266	-5,325	-5,136	-4,060	-1,877	-57	-29	2,654
<b>Non-oil primary domestic balance*</b>	-220	-2,506	-842	23	1,107	2,730	2,205	4,839
<b>Financing</b>	9,488	14,202	16,698	17,009	17,423	18,024	20,400	21,423
External financing, net	990	1,214	4,208	2,487	2,246	2,498	2,318	3,166
Budget support loans (incl. UGIFT)	133	652	4,057	1,854	583	598	615	0
ECF	459	0	0	0	0	0	0	0
Project loans	2,932	3,613	4,294	5,653	6,320	7,044	7,685	8,507
Amortization (-) <sup>23</sup>	-2,535	-3,051	-4,143	-5,021	-4,658	-5,145	-5,982	-5,341
Domestic financing, net	8,498	12,988	12,489	14,522	15,178	15,526	18,082	18,257
BoU advances to Government (+), net	1,546	-453	-2,313	-547	-608	-676	-751	-834
BoU, other accounts	-727	1,324	0	0	0	0	0	0
Use of SDR Allocation	920	0	0	0	0	0	0	0
Transfers from (+)/to(-) the Petroleum Fund, net	96	0	0	-1,571	-3,336	-4,097	-5,450	-6,322
Banks	2,362	2,604	7,401	8,320	9,561	10,150	12,142	12,707
Non-banks (incl. offshore)	4,300	9,513	7,401	8,320	9,561	10,150	12,142	12,707
<b>Errors &amp; Omissions</b>	0	483	0	0	0	0	0	0
<b>Memorandum Items:</b>								
Public debt	103,129	119,406	137,389	156,091	175,206	195,258	217,812	241,528
Interest spending to domestic revenue, percent	22.4	26.2	32.0	29.0	30.0	30.6	30.5	32.2
Social spending (excluding external financing)	6,940	8,083	8,708	10,193	11,201	12,755	16,084	17,805

Sources: Ugandan authorities and IMF staff estimates and projections.

<sup>1</sup>Fiscal year runs from July 1 to June 30.

<sup>2</sup>Amortizations are presented on a currency basis (i.e., external amortizations exclude local currency securities held by offshore investors).

<sup>3</sup>The repayment of the balance-of-payment support from the IMF is included under external amortizations financed by the Bank of Uganda.

\* Excludes oil revenues, project grants, interest payments, spending financed by oil revenues, and externally financed development spending.

**Table 2b. Uganda: Fiscal Operations of the Central Government, FY2023/24-2030/31<sup>1</sup>**

(Percent of GDP)

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	Act.				Proj.			
<b>Total revenue and grants</b>	14.1	14.7	14.9	16.0	16.5	16.6	16.9	17.0
Revenue	13.6	14.1	14.3	15.5	16.1	16.3	16.6	16.8
Tax	12.6	13.0	13.1	13.2	13.3	13.5	13.6	13.7
Import duty	1.0	1.1	1.1	1.1	1.1	1.1	1.2	1.2
Income taxes	5.0	5.2	5.3	5.3	5.4	5.4	5.5	5.5
Excises	2.8	2.8	2.9	2.9	2.9	2.9	2.9	2.9
Value-added tax	3.5	3.5	3.6	3.6	3.6	3.6	3.7	3.7
Other taxes	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Infrastructure levy	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Nontax	1.0	1.0	1.1	1.0	1.0	1.0	1.0	1.0
Oil revenue	0.0	0.1	0.1	1.2	1.7	1.8	2.1	2.1
Grants	0.5	0.6	0.6	0.5	0.4	0.3	0.2	0.2
Budget support	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Project grants	0.5	0.5	0.5	0.5	0.4	0.3	0.2	0.2
<b>Expenditures and net lending</b>	18.8	20.7	21.5	21.9	21.9	21.6	21.9	21.9
Current expenditures	13.2	15.2	15.8	15.5	15.8	15.8	15.9	16.2
Wages and salaries	3.7	3.5	3.4	3.5	3.6	3.6	3.6	3.6
Interest payments	3.1	3.7	4.6	4.5	4.8	5.0	5.1	5.4
Other current	6.5	8.0	7.8	7.6	7.4	7.2	7.2	7.2
Development expenditures	5.4	5.2	5.2	5.4	5.6	5.6	5.6	5.6
Externally financed projects	1.9	1.8	2.2	2.5	2.3	2.2	2.1	2.1
Government of Uganda investment	3.5	3.4	2.9	2.9	3.3	3.3	3.5	3.5
Net lending and investment	0.1	0.2	0.0	0.2	0.1	0.1	0.0	0.0
Other spending (incl. arrears clearance)	0.1	0.1	0.6	0.8	0.4	0.2	0.4	0.0
<b>Overall balance</b>	-4.7	-6.0	-6.6	-5.9	-5.4	-5.0	-5.1	-4.8
<b>Primary balance</b>	-1.6	-2.3	-2.0	-1.4	-0.6	0.0	0.0	0.6
<b>Non-oil primary domestic balance*</b>	-0.1	-1.1	-0.3	0.0	0.3	0.8	0.5	1.1
<b>Financing</b>	4.7	6.2	6.6	5.9	5.4	5.0	5.1	4.8
External financing, net	0.5	0.5	1.7	0.9	0.7	0.7	0.6	0.7
Budget support loans (incl. UGIFT)	0.1	0.3	1.6	0.6	0.2	0.2	0.2	0.0
ECF	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Project loans	1.4	1.6	1.7	2.0	2.0	2.0	1.9	1.9
Amortization (-) <sup>2,3</sup>	-1.2	-1.3	-1.6	-1.7	-1.4	-1.4	-1.5	-1.2
Domestic financing, net	4.2	5.7	5.0	5.0	4.7	4.3	4.5	4.1
BoU advances to Government (+), net	0.8	-0.2	-0.9	-0.2	-0.2	-0.2	-0.2	-0.2
BoU, other accounts	-0.4	0.6	0.0	0.0	0.0	0.0	0.0	0.0
Use of SDR Allocation	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfers from (+)/to(-) the Petroleum Fund, net	0.0	0.0	0.0	-0.5	-1.0	-1.1	-1.4	-1.4
Banks	1.2	1.1	2.9	2.9	3.0	2.8	3.0	2.9
Non-banks (incl. offshore)	2.1	4.2	2.9	2.9	3.0	2.8	3.0	2.9
<b>Errors &amp; Omissions</b>	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0
<b>Memorandum Items:</b>								
Public debt	50.6	52.4	54.5	54.1	54.3	54.3	54.2	54.3
Interest spending to domestic revenue, percent	22.4	26.2	32.0	29.0	30.0	30.6	30.5	32.2
Social spending (excluding external financing)	3.4	3.5	3.5	3.5	3.5	3.5	4.0	4.0

Sources: Ugandan authorities and IMF staff estimates and projections.

<sup>1</sup>Fiscal year runs from July 1 to June 30.<sup>2</sup>Amortizations are presented on a currency basis (i.e., external amortizations exclude local currency securities held by offshore investors).<sup>3</sup>The repayment of the balance-of-payment support from the IMF is included under external amortizations financed by the Bank of Uganda.

\* Excludes oil revenues, project grants, interest payments, spending financed by oil revenues, and externally financed development spending.

**Table 3. Uganda: Monetary Accounts, FY2023/24-2030/31<sup>1</sup>**  
(Billions of Ugandan Shillings, unless otherwise indicated)

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	Act.		Proj.					
Depository Corporations Survey <sup>2</sup>								
<b>Net foreign assets</b>	14,375	17,118	24,973	32,896	36,186	40,219	42,286	45,283
Bank of Uganda	12,105	15,540	22,955	29,461	32,346	35,934	37,502	39,988
Commercial banks	2,270	1,578	2,018	3,435	3,841	4,285	4,783	5,295
<b>Net domestic assets</b>	27,284	30,089	27,720	27,613	31,748	35,894	43,586	50,287
Claims on public sector (net) <sup>3</sup>	21,096	23,935	33,118	37,080	42,089	46,789	51,979	57,529
Claims on central government (net)	20,127	22,990	32,173	36,135	41,144	45,844	51,033	56,584
Claims on the private sector	24,473	27,000	29,394	32,493	35,455	38,515	42,101	46,010
Other items (net) <sup>4,5</sup>	-18,293	-20,854	-34,792	-41,960	-45,796	-49,410	-50,494	-53,252
<b>Money and quasi-money (M3)</b>	41,572	47,116	52,693	60,509	67,935	76,113	85,872	95,570
Foreign exchange deposits	10,362	12,463	13,938	16,006	17,970	20,133	22,714	25,280
Bank of Uganda								
<b>Net foreign assets</b>	12,105	15,540	22,955	29,461	32,346	35,934	37,502	39,988
<b>Net domestic assets</b>	-79	-1,788	-7,661	-11,898	-12,627	-13,842	-12,577	-12,329
Claims on public sector (net) <sup>3</sup>	5,594	6,615	4,302	491	-3,452	-8,226	-14,427	-21,583
Claims on central government (net)	5,594	6,615	4,302	491	-3,452	-8,226	-14,427	-21,583
Gross claims on the central government	10,098	13,276	10,815	10,268	9,660	8,984	8,233	7,399
Gross liabilities to the central government	-4,503	-6,661	-6,513	-9,776	-13,112	-17,209	-22,659	-28,982
Claims on non-financial private sector (net)	-41	-1,231	-5,729	-2,644	637	4,188	11,644	19,040
Claims on commercial banks	-837	-2,396	54	62	70	78	87	96
Other items (net) <sup>4,5</sup>	-4,795	-4,776	-6,288	-9,808	-9,881	-9,881	-9,881	-9,881
<b>Base money</b>	12,026	13,752	15,295	17,563	19,718	22,092	24,925	27,660
Currency in circulation	8,200	8,967	10,222	11,738	13,179	14,765	16,658	18,540
Commercial bank deposits <sup>6</sup>	3,826	4,785	5,073	5,825	6,540	7,327	8,267	9,120
Other Depository Corporations								
<b>Net foreign assets</b>	2,270	1,578	2,018	3,435	3,841	4,285	4,783	5,295
<b>Net domestic assets</b>	32,143	37,717	41,929	47,030	52,818	59,195	66,835	74,412
Of which: Claims on central government (net)	14,533	16,375	17,056	25,376	34,937	45,086	57,228	69,934
Of which: Claims on private sector	24,369	26,878	29,394	32,493	35,455	38,515	42,101	46,010
<b>Deposit liabilities to the non-bank public</b>	34,413	39,295	43,947	50,465	56,658	63,480	71,618	79,707
Shilling deposits	24,051	26,832	30,009	34,460	38,689	43,347	48,904	54,427
<i>Memorandum items:</i>								
(Annual percentage change)								
Base money	8.8	14.3	11.2	14.8	12.3	12.0	12.8	11.0
M3	8.7	13.3	11.8	14.8	12.3	12.0	12.8	11.3
Credit to the private sector	9.7	10.3	8.9	10.5	9.1	8.6	9.3	9.3
<i>Memorandum items:</i>								
Base money-to-GDP ratio (percent)	5.9	6.0	6.1	6.1	6.1	6.1	6.2	6.2
M3-to-GDP ratio (percent)	20.4	20.7	20.9	21.0	21.1	21.2	21.4	21.5
Money multiplier (M2/base money)	2.6	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Credit to the private sector (percent of GDP)	12.0	11.8	11.7	11.3	11.0	10.7	10.5	10.3
Velocity (M3)	4.9	4.8	4.8	4.8	4.7	4.7	4.7	4.7

Sources: Ugandan authorities and IMF staff estimates and projections.

<sup>1</sup>Fiscal year runs from July 1 to June 30.

<sup>2</sup>Starting on June 2013, the Bank of Uganda expanded the reporting coverage from Monetary Survey to Depository Corporations Survey.

<sup>3</sup>The public sector includes the central government, public enterprises, and local governments.

<sup>4</sup>Including valuation effects, the Bank of Uganda's claims on the private sector and Claims on Other Financial Corporations.

<sup>5</sup>Reflects actual and projected issuances for the recapitalization of Bank of Uganda.

<sup>6</sup>Inclusive of foreign currency clearing balances.

**Table 4a. Uganda: Balance of Payments, FY2023/24-2030/31<sup>1</sup>**

(Millions of U.S. Dollars, unless otherwise indicated)

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	Act.				Proj.			
<b>Current account</b>	-4,221	-3,799	-2,820	-2,344	-2,210	-1,380	-1,650	-1,605
Trade balance	-3,004	-2,574	-804	1,515	2,533	3,517	3,440	3,168
Exports, f.o.b.	7,819	10,635	13,299	17,974	20,048	20,417	20,704	21,405
Of which: oil	0	0	0	3,526	4,830	4,505	4,127	4,137
Imports, f.o.b.	10,822	13,209	14,103	16,459	17,515	16,900	17,264	18,237
Of which: oil	1,748	1,631	1,522	1,621	1,756	637	51	0
Of which: oil-project related imports	-2,057	-2,993	-1,680	-2,278	-1,835	-601	0	0
Services (net)	-1,844	-2,099	-2,389	-2,891	-3,169	-3,065	-3,175	-3,337
Credit	2,207	2,555	2,693	2,866	2,988	3,133	3,292	3,484
Debit	-4,050	-4,654	-5,082	-5,757	-6,157	-6,198	-6,467	-6,821
Primary income (net)	-1,296	-1,190	-1,641	-3,136	-3,841	-4,209	-4,390	-4,014
Of which: interest on public debt (debit)	-375	-384	-652	-725	-690	-671	-701	-731
Secondary income (net)	1,922	2,063	2,013	2,167	2,266	2,378	2,475	2,578
Private transfers	1,783	1,899	1,848	1,997	2,120	2,248	2,381	2,515
Of which: workers' remittances (credit)	1,403	1,569	1,689	1,787	1,867	1,951	2,039	2,131
Official transfers	139	164	166	170	147	130	94	63
<b>Capital account</b>	121	184	176	254	209	175	146	158
<b>Financial account</b>	-2,523	-4,135	-3,046	-3,254	-2,396	-1,715	-1,561	-1,780
Direct investment (net)	-3,000	-3,565	-2,966	-3,805	-3,348	-2,676	-2,827	-3,041
Of which: oil-project investment (- = inflows)	-2,236	-3,162	-2,000	-2,711	-2,184	-716	0	0
Portfolio investment (net)	342	-610	-807	116	586	731	1,035	1,175
Other investment (net)	138	59	736	445	376	240	242	97
Currency and deposits (net)	409	330	509	428	514	533	583	552
Loans (net)	-256	-252	243	34	-122	-278	-323	-435
Government (net)	-198	-22	131	-57	-175	-311	-343	-447
Disbursements	-870	-831	-1,171	-1,492	-1,626	-1,829	-1,912	-2,016
Amortization	672	809	1,303	1,435	1,452	1,518	1,568	1,568
Deposits taking corporations	-141	-89	-1	4	3	2	1	1
<b>Net errors and omissions</b>	582	331	0	0	0	0	0	0
<b>Overall balance</b>	-995	850	402	1,164	396	510	57	333
<b>Financing</b>	995	-850	-402	-1,164	-396	-510	-57	-333
Central bank net reserves (increase = -)	995	-1,029	-1,508	-1,653	-546	-660	-207	-333
ECF	0	0	0	0	0	0	0	0
Commercial loans	0	179	1,107	490	150	150	150	0
<b>Memorandum items:</b>								
Gross international reserves								
In US\$ billions	3.2	4.3	5.8	7.5	8.0	8.7	8.9	9.2
In months of next year's imports of goods and services	2.2	2.7	3.1	3.8	4.2	4.4	4.2	4.2
Donor support								
Of which: budget support (loans and grants)	157	121	1,114	490	150	150	150	0
Of which: project support (loans and grants)	838	1,073	1,347	1,746	1,836	2,004	2,058	2,173

Sources: Ugandan authorities and IMF staff estimates and projections.

<sup>1</sup> Fiscal year runs from July 1 to June 30. Based on BPM6, including sign conventions.

**Table 4b. Uganda: Balance of Payments, FY2023/24-2030/31<sup>1</sup>**  
(Percent of GDP, unless otherwise indicated)

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	Act.					Proj.		
<b>Current account</b>	-7.8	-6.1	-4.1	-3.1	-2.7	-1.5	-1.7	-1.5
Trade balance	-5.6	-4.2	-1.2	2.0	3.1	3.9	3.5	3.0
Exports, f.o.b.	14.5	17.2	19.3	23.6	24.2	22.6	21.2	20.3
Of which: oil	0.0	0.0	0.0	4.6	5.8	5.0	4.2	3.9
Imports, f.o.b.	20.1	21.4	20.5	21.6	21.1	18.7	17.6	17.3
Of which: oil	3.2	2.6	2.2	2.1	2.1	0.7	0.1	0.0
Of which: oil-project related imports	3.8	4.8	2.4	3.0	2.2	0.7	0.0	0.0
Services (net)	-3.4	-3.4	-3.5	-3.8	-3.8	-3.4	-3.2	-3.2
Credit	4.1	4.1	3.9	3.8	3.6	3.5	3.4	3.3
Debit	-7.5	-7.5	-7.4	-7.6	-7.4	-6.9	-6.6	-6.5
Primary income (net)	-2.4	-1.9	-2.4	-4.1	-4.6	-4.7	-4.5	-3.8
Of which: interest on public debt (debit)	-0.7	-0.6	-0.9	-1.0	-0.8	-0.7	-0.7	-0.7
Secondary income (net)	3.6	3.3	2.9	2.8	2.7	2.6	2.5	2.4
Private transfers	3.3	3.1	2.7	2.6	2.6	2.5	2.4	2.4
Of which: workers' remittances (credit)	2.6	2.5	2.5	2.3	2.3	2.2	2.1	2.0
Official transfers	0.3	0.3	0.2	0.2	0.2	0.1	0.1	0.1
<b>Capital account</b>	0.2	0.3	0.3	0.3	0.3	0.2	0.1	0.1
Of which: project grants	0.2	0.3	0.3	0.3	0.3	0.2	0.1	0.1
<b>Financial account</b>	-4.7	-6.7	-4.4	-4.3	-2.9	-1.9	-1.6	-1.7
Direct investment (net)	-5.6	-5.8	-4.3	-5.0	-4.0	-3.0	-2.9	-2.9
Of which: oil-project investment (= inflows)	-4.1	-5.1	-2.9	-3.6	-2.6	-0.8	0.0	0.0
Portfolio investment (net)	0.6	-1.0	-1.2	0.2	0.7	0.8	1.1	1.1
Other investment (net)	0.3	0.1	1.1	0.6	0.5	0.3	0.2	0.1
Currency and deposits (net)	0.8	0.5	0.7	0.6	0.6	0.6	0.6	0.5
Loans (net)	-0.5	-0.4	0.4	0.0	-0.1	-0.3	-0.3	-0.4
Government (net)	-0.4	0.0	0.2	-0.1	-0.2	-0.3	-0.4	-0.4
Disbursements	-1.6	-1.3	-1.7	-2.0	-2.0	-2.0	-2.0	-1.9
Amortization	1.2	1.3	1.9	1.9	1.7	1.7	1.6	1.5
Deposits taking corporations	-0.3	-0.1	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net errors and omissions</b>	1.1	0.5	0.0	0.0	0.0	0.0	0.0	0.0
<b>Overall balance</b>	-1.8	1.4	0.6	1.5	0.5	0.6	0.1	0.3
<b>Financing</b>	1.8	-1.4	-0.6	-1.5	-0.5	-0.6	-0.1	-0.3
Central bank net reserves (increase = -)	1.8	-1.7	-2.2	-2.2	-0.7	-0.7	-0.2	-0.3
ECF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commercial loans	0.0	0.3	1.6	0.6	0.2	0.2	0.2	0.0
<b>Memorandum items:</b>								
Gross international reserves								
In US\$ billions	3.2	4.3	5.8	7.5	8.0	8.7	8.9	9.2
In months of next year's imports of goods and services	2.2	2.7	3.1	3.8	4.2	4.4	4.2	4.2
Donor support								
Of which: budget support (loans and grants)	157	121	1,114	490	150	150	150	0
Of which: project support (loans and grants)	838	1,073	1,347	1,746	1,836	2,004	2,058	2,173

Sources: Ugandan authorities and IMF staff estimates and projections.

<sup>1</sup> Fiscal year runs from July 1 to June 30. Based on BPM6, including sign conventions.

**Table 5. Uganda: Banking Sector Indicators, June 2022- June 2025**  
(Percent)

	2022			2023				2024				2025	
	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25
<b>Capital adequacy</b>													
Regulatory capital to risk-weighted assets	22.8	22.9	23.9	25.5	26.1	25.4	25.3	25.4	25.2	24.6	24.6	26.7	25.8
Regulatory tier 1 capital to risk-weighted assets <sup>1</sup>	21.4	21.4	22.4	24.2	24.8	24.1	24.0	24.2	24.1	23.4	23.5	25.5	24.6
<b>Asset quality</b>													
NPLs to total gross loans	5.3	5.2	5.3	5.8	5.7	5.3	4.6	5.2	4.9	4.9	4.0	4.1	3.7
NPLs to total deposits	3.2	3.2	3.3	3.5	3.2	3.2	2.8	3.1	2.9	2.8	2.4	2.5	2.1
Specific provisions to NPLs	43.4	44.8	50.1	47.0	46.2	45.6	45.2	46.2	44.7	44.3	45.4	45.7	47.2
Earning assets to total assets	69.0	68.9	72.6	72.8	70.8	74.3	73.7	72.8	70.7	70.9	71.6	72.8	70.7
Large exposures to gross loans	38.8	35.9	35.2	32.1	32.6	34.8	36.7	36.9	36.4	37.2	32.7	33.2	35.1
Large exposures to total capital	93.7	87.8	80.7	72.8	70.9	77.6	81.0	79.9	77.8	80.2	69.7	68.6	73.6
<b>Earnings and profitability</b>													
Return on assets	2.7	2.8	2.8	2.9	3.0	3.2	3.2	3.2	3.0	3.1	3.1	3.2	3.4
Return on equity	15.5	15.6	15.1	15.9	16.8	17.3	17.1	16.9	16.0	16.6	16.5	16.7	18.2
Net interest margin	10.2	10.4	10.6	10.8	11.1	11.2	10.8	10.9	11.0	10.9	10.9	10.9	10.9
Cost of deposits	2.1	2.2	2.3	2.5	2.6	2.9	3.0	3.1	3.0	3.1	3.2	3.3	3.1
Cost to income	72.1	71.6	72.6	72.4	72.3	72.2	71.8	72.1	72.3	71.8	71.1	70.2	68.9
Overhead to income	48.1	48.2	48.0	47.5	46.6	46.7	47.1	47.2	47.5	46.7	46.3	45.7	45.3
<b>Liquidity</b>													
Liquid assets to total deposits	46.5	38.5	43.2	45.3	49.4	44.4	45.0	45.3	46.9	42.9	50.5	51.1	55.7
Liquid assets to total assets	32.4	26.8	29.8	31.6	35.0	30.8	30.7	30.7	32.0	29.7	33.7	34.6	38.3
Liquid assets to short-term liabilities	47.4	40.5	49.7	53.3	59.4	52.3	52.2	51.8	54.6	52.1	58.0	60.4	65.0
Liquidity coverage ratio	184.5	184.6	223.3	305.4	373.4	267.8	285.2	239.6	436.2	435.8	302.5	536.2	495.1
<b>Market sensitivity</b>													
Foreign currency exposure to regulatory tier 1 capital	-8.3	-5.9	-5.41	-2.18	-1.38	-1.70	-1.66	-5.86	-4.32	-4.61	-6.7	-2.9	-6.7
Foreign currency loans to foreign currency deposits <sup>2</sup>	62.3	59.5	55.7	57.7	55.3	56.6	56.0	57.3	54.0	53.3	54.2	52.5	49.2
Foreign currency assets to foreign currency liabilities	95.3	94.3	92.8	92.2	92.7	87.2	86.2	92.2	95.6	91.9	94.0	88.1	87.2

Source: Bank of Uganda

<sup>1</sup> Under new rules, effective in December 2016, designed to ensure compliance with Basel III financial standards, tier one capital requirements were raised to 10.5 percent from 8 percent, while the total regulatory capital ratio was raised to 14.5 percent from 12 percent. However, Systemically Important Banks (SIBs) will be required to maintain tier one capital of 11.5 per cent and a total regulatory capital ratio of 15.5 percent. The cash reserve requirement for banks is 5.25 percent and the minimum liquidity coverage ratio is at 100 percent.

<sup>2</sup> Historical numbers are revised by BOU.

**Table 6. Uganda: Decomposition of Public Debt and Debt Service by Creditor,  
FY2024/25-2026/27<sup>1</sup>**

	Debt Stock (end of period)			Debt Service					
	FY2024/25			FY24/25			FY25/26		
	(In millions of US\$)	(Percent total debt)	(Percent GDP)	(In millions of US\$)			(Percent GDP)		
<b>Total</b>	33,218	100.0	52.4	3,011.1	6,722.8	5,275.6	4.7	10.0	7.0
<b>External</b>	17,301	52.1	27.3	1,163.6	1,954.3	1,995.4	1.8	2.9	2.7
Multilateral creditors <sup>2,3</sup>	10,272	30.9	16.2	266.8	579.4	731.1	0.4	0.9	1.0
IMF	1,609	4.8	2.5						
World Bank	5,302	16.0	8.4						
ADB/AfDB/IADB	1,118	3.4	1.8						
Other Multilaterals	2,244	6.8	3.5						
o/w: ADF	1,698	5.1	2.7						
Bilateral Creditors <sup>2</sup>	3,522	10.6	5.6	423.8	576.6	558.5	0.7	0.9	0.7
Paris Club	1,046	3.1	1.7	69.9	114.5	102.0	0.1	0.2	0.1
Non-Paris Club	2,476	7.5	3.9	353.9	462.1	456.4	0.6	0.7	0.6
o/w: Eximbank of China	2,341	7.0	3.7						
Bonds	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commercial creditors	1,750	5.3	2.8	274.4	458.1	461.4	0.4	0.7	0.6
Other international creditors	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Public guarantees	45	0.1	0.1						
Local currency debt held by non-residents, total	1,712	5.2	2.7	198.7	340.3	244.5	0.3	0.5	0.3
<b>Domestic</b>	15,917	47.9	25.1	1,847.5	4,768.5	3,280.2	2.9	7.1	4.4
T-Bills	2,404	7.2	3.8	n/a	n/a	n/a	n/a	n/a	n/a
Bonds	12,979	39.1	20.5	n/a	n/a	n/a	n/a	n/a	n/a
BoU advances	534	1.6	0.8	n/a	n/a	n/a	n/a	n/a	n/a
<b>Memo items:</b>									
Collateralized debt <sup>4</sup>	n/a		n/a						
o/w: Related	n/a		n/a						
o/w: Unrelated	n/a		n/a						
Contingent liabilities	n/a		n/a						
o/w: Public guarantees	n/a		n/a						
o/w: Other explicit contingent liabilities <sup>5</sup>	n/a		n/a						
Nominal GDP				61,833	68,792	76,139			

1/As reported by Country authorities according to their classification of creditors, including by official and commercial. Debt coverage is the same as the DSA.

2/Some public debt is not shown in the table due to data limitations.

3/Multilateral creditors" are simply institutions with more than one official shareholder and may not necessarily align with creditor classification under other IMF policies

4/Debt is collateralized when the creditor has rights over an asset or revenue stream that would allow it, if the borrower defaults on its payment obligations, to rely on the asset or revenue stream to secure repayment of the debt. Collateralization entails a borrower granting liens over specific existing assets or future receivables to a lender as security against repayment of the loan. Collateral is "unrelated" when it has no relationship to a project financed by the loan. An example would be borrowing to finance the budget deficit, collateralized by oil revenue receipts. See the joint IMF-World Bank note for the G20 "Collateralized Transactions: Key Considerations for Public Lenders and

5/Includes other-one off guarantees not included in publicly guaranteed debt (e.g. credit lines) and other explicit contingent liabilities not elsewhere classified (e.g. potential legal claims, payments resulting from PPP arrangements).

**Table 7. Uganda: Indicators of Capacity to Repay the IMF, FY2024/25-2033/34**

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>IMF obligations based on existing credit (in millions of SDRs)</b>										
Principal	0.0	72.2	108.3	126.4	180.5	198.6	126.4	90.3	72.2	18.1
Charges and interest	13.4	11.3	11.3	11.3	11.2	11.3	11.3	11.3	11.2	11.3
<b>IMF obligations based on existing and prospective credit (in millions of SDRs)</b>										
Principal	0.0	72.2	108.3	126.4	180.5	198.6	126.4	90.3	72.2	18.1
Charges and interest	13.4	11.3	11.3	11.3	11.2	11.3	11.3	11.3	11.2	11.3
<b>Total IMF obligations based on existing and prospective credit</b>										
In millions of SDRs	13.4	83.5	119.6	137.6	191.7	209.8	137.6	101.5	83.4	29.3
In millions of U.S. dollars	17.7	110.7	158.5	182.6	254.7	279.0	183.0	135.0	111.0	39.0
In percent of GDP	0.0	0.2	0.2	0.2	0.3	0.3	0.2	0.1	0.1	0.0
In percent of exports of goods and services	0.1	0.7	0.8	0.8	1.1	1.2	0.7	0.5	0.4	0.1
In percent of government revenue	0.2	1.1	1.3	1.4	1.7	1.7	1.0	0.7	0.5	0.2
In percent of gross international reserves	0.4	1.9	2.1	2.3	2.9	3.1	2.0	1.3	0.9	0.3
In percent of IMF quota	3.7	23.1	33.1	38.1	53.1	58.1	38.1	28.1	23.1	8.1
<b>IMF credit outstanding based on Existing and Prospective Drawings (end-of-period)</b>										
In millions of SDRs	992.8	920.6	812.3	685.9	505.4	306.9	180.5	90.3	18.1	0.0
In millions of U.S. dollars	1,315.3	1,219.4	1,077.4	910.6	671.8	408.2	240.1	120.1	24.0	0.0
In percent of GDP	2.1	1.8	1.4	1.1	0.7	0.4	0.2	0.1	0.0	0.0
In percent of exports of goods and services	10.0	7.6	5.2	4.0	2.9	1.7	1.0	0.5	0.1	0.0
In percent of government revenue	15.1	12.4	9.1	6.8	4.6	2.5	1.4	0.6	0.1	0.0
In percent of gross international reserves	30.6	21.0	14.4	11.4	7.8	4.6	2.6	1.2	0.2	0.0
In percent of IMF quota	275.0	255.0	225.0	190.0	140.0	85.0	50.0	25.0	5.0	0.0
<b>Net use of IMF credit (end-of-period)</b>										
In millions of SDRs	0.0	-72.2	-108.3	-126.4	-180.5	-198.6	-126.4	-90.3	-72.2	-18.1
In millions of U.S. dollars	0.0	-95.6	-143.7	-167.7	-239.9	-264.1	-168.1	-120.1	-96.0	-24.0
In percent of GDP	0.0	-0.1	-0.2	-0.2	-0.3	-0.3	-0.2	-0.1	-0.1	0.0
In percent of exports of goods and services	0.0	-0.6	-0.7	-0.7	-1.0	-1.1	-0.7	-0.5	-0.4	-0.1
In percent of government revenue	0.0	-1.0	-1.2	-1.3	-1.6	-1.6	-0.9	-0.6	-0.5	-0.1
In percent of gross international reserves	0.0	-1.6	-1.9	-2.1	-2.8	-3.0	-1.8	-1.2	-0.8	-0.2
In percent of IMF quota	0.0	-20.0	-30.0	-35.0	-50.0	-55.0	-35.0	-25.0	-20.0	-5.0
<b>Memorandum items</b>										
Nominal GDP (in millions of U.S. dollars)	61,833	68,792	76,139	82,977	90,166	97,876	105,362	113,315	121,744	130,447
Exports of goods and services (in millions of U.S. dollars)	13,190	15,993	20,840	23,036	23,550	23,996	24,889	25,895	26,942	28,032
Government revenue (in millions of U.S. dollars)	8,704	9,858	11,786	13,345	14,697	16,277	17,709	19,668	21,295	22,121
Gross international reserves (in millions of U.S. dollars)	4,298	5,806	7,460	8,005	8,665	8,873	9,205	10,425	11,922	13,597
IMF quota (in millions of SDRs)	361.0	361.0	361.0	361.0	361.0	361.0	361.0	361.0	361.0	361.0
SDRs per U.S. dollars	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8

Source: Ugandan authorities, and IMF staff estimates and projections.

## Annex I. Risk Assessment Matrix (RAM)<sup>1</sup>

Source of Risks	Likelihood / Time Horizon	Expected Impact on Economy	Policy Response
<b>Domestic Risks</b>			
<b>Slow progress on fiscal reforms, including on improving revenue mobilization and public sector efficiency.</b>	<b>Medium Short to Medium Term</b>	<b>High</b> Would lower growth dividend and increase risk of debt distress	- Improve the quality of public spending - Define operational debt ceiling with annual budget deficit and a binding expenditure envelope
<b>Climate-induced shocks.</b> Higher frequency of natural disasters causes severe economic damage.	<b>Medium Medium/ Long-term</b>	<b>High</b> Lower growth, increase in poverty levels, worsened public debt sustainability	- Improve economic resilience to shocks, build fiscal and external buffers
<b>Oil production delay.</b> Logistical and legal issues or unfavorable global oil prices may lead to delays in domestic production of oil.	<b>Medium Medium Term</b>	<b>Medium</b> Lower growth, fiscal and export revenues, worsened public debt sustainability	- Formulate credible medium-term fiscal path to support investor confidence - Adjust monetary policy as needed if currency weakening leads to inflationary pressures
<b>Lack of progress in tackling corruption and governance deficiencies</b> , which could erode oil revenue through embezzlement and exacerbate social unrest, undermining support for reforms.	<b>Medium Short to Medium Term</b>	<b>High</b> Lower growth, fiscal and export revenues, worsened public debt sustainability	-Step up governance and anti-corruption reforms - Formulate credible medium-term fiscal path to support investor confidence - Adjust monetary policy as needed if currency weakening leads to inflationary pressures
<b>Deterioration of security conditions.</b> Spillovers from crises in the region and domestic terrorist attacks could worsen security, and give rise to financing pressures	<b>Low Short term</b>	<b>Medium</b> Economic activity would be disrupted. Investor confidence would decline.	- Formulate credible medium-term fiscal path to support investor confidence.

<sup>1</sup> The Risk Assessment Matrix (RAM) shows events that could materially alter the baseline path (the scenario most likely to materialize in the view of IMF staff). The relative likelihood is the staff's subjective assessment of the risks surrounding the baseline ("low" is meant to indicate a probability below 10 percent, "medium" a probability between 10 and 30 percent, and "high" a probability between 30 and 50 percent). The RAM reflects staff views on the source of risks and overall level of concern as of the time of discussions with the authorities. Non-mutually exclusive risks may interact and materialize jointly. "Short term" and "medium term" are meant to indicate that the risk could materialize within 1 year and 3 years, respectively.

Source of Risks	Likelihood / Time Horizon	Expected Impact on Economy	Policy Response
<b>External Risks</b>			
<b>Geopolitical Tensions.</b> Intensification of conflicts, coupled with the weakening of multilateralism, may trigger commodity price volatility, increase migration pressures, reignite inflation, and weigh on growth.	<b>High</b> <b>Short to Medium Term</b>	<b>Medium</b> Would weaken the recovery and intensify the inflationary pressure through surging commodity prices.	- Adjust monetary policy as needed in response to the inflationary pressure - Accommodative fiscal policy to mitigate the impact on the poor - Formulate credible medium-term fiscal path to support investor confidence.
<b>Escalating Trade Measures and Prolonged Uncertainty.</b> Rising trade barriers and prolonged policy uncertainty could reduce trade, investment, and growth.	<b>High</b> <b>Short to Medium Term</b>	<b>Medium</b> Would dampen exports and growth, exert pressure on the exchange rate and inflation.	- Adjust monetary policy as needed in response to the inflationary pressure. - Formulate credible medium-term fiscal path to support investor confidence.
<b>Commodity price volatility.</b> Supply and demand volatility (due to conflicts, trade restrictions, OPEC+ decisions, AE energy policies, or green transition) increases commodity price volatility, external and fiscal pressures, social discontent, and economic instability.	<b>High</b> <b>Short to Medium Term</b>	<b>Medium</b> Poor households would be particularly vulnerable to the rising commodity prices. Renewed inflationary pressure and weaker recovery. As a net food exports, Uganda could also benefit from higher export receipts.	- Provide targeted fiscal support to vulnerable households - Formulate credible medium-term fiscal path to support investor confidence - Adjust monetary policy in view of the inflationary pressure
<b>Financial Market Volatility and Correction.</b> A sudden and disruptive shift in investor sentiment or policy stance could trigger market corrections, exchange rate turbulence, spikes in sovereign bond yields, and capital flow volatility.	<b>High</b> <b>Short to Medium Term</b>	<b>Medium</b> Would exert pressure on the exchange rate and inflation, and raise sovereign and corporate risk premia.	- Allow exchange rate to act as a shock absorber and address disorderly conditions in the FX market as needed. - Adjust monetary policy as needed in response to the inflationary pressure. - Formulate credible medium-term fiscal path to support investor confidence
<b>Decline in International Aid.</b> A further sharp reduction in international financial assistance, including development aid and humanitarian support, could severely affect low-income and fragile countries.	<b>High</b> <b>Short to Medium Term</b>	<b>Medium</b> Would exert pressure on the exchange rate and inflation, as well as fiscal position to the extent that the government tries to offset the spending cuts. Would also affect living conditions and food security.	- Allow exchange rate to act as a shock absorber. - Adjust monetary policy as needed in response to the inflationary pressure. - Formulate credible medium-term fiscal path to support investor confidence

## Annex II. The Uganda National Development Plan (NDP IV)

**The National Development Plan IV (NDPIV) for 2025/26-2029/30 is the fourth of six plans designed to boost the country's socio-economic transformation.** It is the first of three 5-year phases intended to achieve a tenfold economic growth strategy by doubling the economy every five years. The primary goals of the plan are to increase household incomes, fully monetize the economy<sup>1</sup>, and create jobs to ensure a sustainable socio-economic transformation. The Plan also aims to reduce poverty from 20.3 percent in FY2019/20; to 14 percent in FY2029/30, attain annual growth of 10.1 percent by FY2029/30, and create about 900,000 jobs annually on average.

**The Plan focuses on sustainable industrialization for inclusive growth, wealth creation, and employment.** It seeks to add value in high-impact sectors such as manufacturing, agriculture, tourism, mineral-based industries, ICT, and finance to drive a double-digit growth rate. It focuses on enhancing competitiveness and adopting science, technology, and innovation (STI). The NDPIV is underpinned by the following.

- a) Macroeconomic stability** by sustaining fiscal consolidation through improved allocative efficiency, resource reallocation to priority areas, and increased revenue collection. As a result, the fiscal deficit is projected in the Plan to decline to below 3 percent by FY 2029/30, in line with the EAC Convergence criteria and domestic fiscal rules. Additionally, the Government plans to maintain price stability, defined as 5 percent core inflation, and keep the debt-to-GDP ratio below 50 percent in present value terms by FY 2029/30, in alignment with regional requirements.
- b) Domestic revenue mobilization** by raising the revenue-to-GDP ratio to 18.3 percent by FY2029/30. This will involve targeting sectors including commercial agriculture, mining, and the informal economy; boosting digital technologies for tax compliance; enhancing the Uganda Revenue Authority's tax administration capacity; and introducing performance-based tax incentives to reduce revenue losses.
- c) Prudent debt management** by diversifying funding sources to ensure fiscal sustainability. Priority will be given to concessional loans for key public investments, with semi-concessional and non-concessional loans considered when necessary. Domestic borrowing will be minimized to prevent crowding out of private-sector investments and reforms will be undertaken to deepen the domestic financial market to foster long-term financing. Additionally, revenue from state-owned enterprises, oil, gas, and minerals will be enhanced, alongside efforts to develop the pension sector and explore innovative financing options such as green bonds and infrastructure bonds.
- d) Financial sector development** by increasing access to long-term finance; increasing access and affordability of financial services; strengthening regulatory frameworks; and enhancing financial inclusion. Public banks and financial institutions will be capitalized to provide low-interest loans especially for youth, women, and startups. Financial literacy programs will be implemented to

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<sup>1</sup> Full monetization of the economy includes eliminating the subsistence economy and promoting financial inclusion.

improve public understanding of financial services, while environmental, social, and governance (ESG) criteria will be integrated into financial services. Additionally, the government will promote the use of movable property as security for micro, small, and medium size enterprises (MSME) borrowing, develop a micro-pension scheme for the informal sector, and establish consumer protection measures. The use of technology in financial service delivery will be encouraged, including the implementation of credit information systems and digital platforms to improve lending and borrowing practices.

- e) Expanding social protection safety nets** to tackle vulnerability to various shocks including income loss, natural disasters, and illnesses by integrating affirmative action schemes into regional development programs and scaling up access to the Senior Citizens Grant (SAGE). These efforts aim to enhance community resilience to shocks and promote inclusive social development.
- f) Increasing value addition in agriculture, tourism, minerals, and oil & gas** by providing incentives, improving infrastructure, and reducing costs (such as electricity costs). For agriculture, this includes enhancing post-harvest handling, storage, and agro-processing facilities. In tourism, focus will be on improving accommodation standards and enhancing infrastructure for better tourist experiences. For minerals, the government plans to establish more beneficiation centers, while in oil and gas, investment will target the oil refinery, East African Crude Oil Pipeline (EACOP), and the petrochemical industry. Public-Private Partnerships (PPPs) will also be utilized to drive value addition in these sectors.
- g) Private sector development** to boost market access and competitiveness. Key priorities include: (i) establishing modern packaging industries and supporting MSMEs with certification for market access; (ii) improving access to standards and testing services through decentralization; (iii) promoting the development of free zones, logistical centers, and trade facilitation services to promote exports; (iv) advancing digitalization through one-stop centers for business registration and e-commerce platforms; (v) strengthening capacity for local contractors and providing support for small, and medium size enterprises (SMEs) via business development services and incubation centers; (vi) improving coordination across MDAs for efficient regulation; and (vii) enforcing policies to promote gender equality in market access and address anti-trade practices.
- h) Strengthening financial integrity and governance** by enhancing transparency, accountability, and anti-money laundering and combating the financing of terrorism (AML/CFT) systems for effective outcome. Priorities include: (i) enforcing AML/CFT laws and regulations as well as strengthening international cooperation on AML/CFT issues; (ii) developing public awareness campaigns to empower citizens to demand accountability; (iii) implementing anti-corruption measures through technology and strengthened whistleblower protections; (iv) improving monitoring mechanisms for government programs to ensure effective service delivery; (v) enhancing compliance with national and international anti-corruption obligations; (vi) establishing a robust asset recovery framework; and (vii) mainstreaming anti-corruption initiatives (Transparency, Accountability, and Anti-Corruption, TAAC) in all MDA plans, projects, and budgets.
- i) Improve efficiency and accountability in implementation of public programs** by streamlining government structures for efficient and effective service delivery, deepening

decentralization and citizen participation in local development, and enhancing procurement processes by eliminating intermediaries and establishing a standardized price list for goods and services across government. A results-based performance management system will be implemented, along with the digitization of government services. Additionally, the government will develop and enforce service delivery standards, implement a national cashless payment system, and utilize community management information systems to improve accountability and transparency.

- j) **Promoting sustainable use and management of natural resources** by restoring, conserving, and strengthening sustainable management of natural resources such as land, forests, water, and wetlands to contribute to the mitigation of climate change effects.

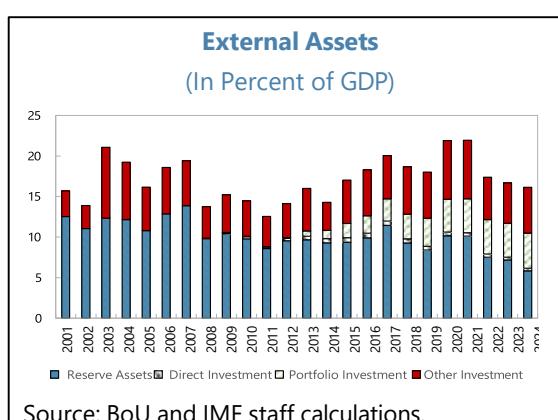
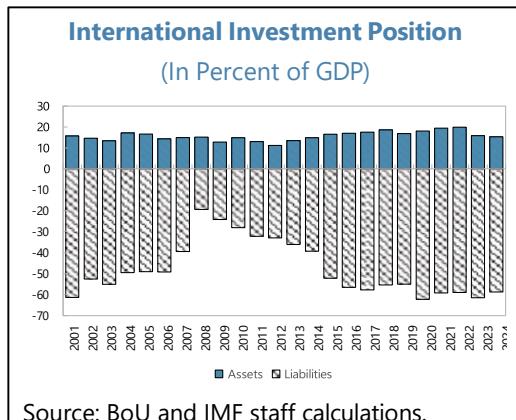
### Annex III. External Sector Assessment

**Overall Assessment:** Preliminary staff estimates suggest that the external position of Uganda in 2024 was moderately weaker than the level implied by fundamentals and desirable policies. The current account deficit was elevated in 2024 due to oil project related imports; however, the external position has improved in 2025 driven by high coffee prices. In the medium run, the current account balance is expected to improve further supported by oil production and export. The Ugandan shilling appreciated slightly supported by favorable terms of trade and portfolio inflows. Gross international reserves have increased significantly in 2025, though remain slightly below the target levels.

**Potential Policy Responses:** Allowing exchange rate flexibility is critical to cushion the economy from external shocks and reduce external imbalances. Maintaining an adequate level of reserves is essential to anchor investor confidence in a shock-prone environment. Policies to preserve fiscal and debt sustainability, and to improve export diversification can help improve external competitiveness over the medium term.

#### Foreign Assets and Liabilities: Position and Trajectory

**Background.** In CY2024, the NIIP deteriorated by 1.1 percent of GDP and reached -56.5 percent of GDP, driven by a marginal decrease in asset position. On the assets side, reserves held by the BoU continued to be the key component, though its share has steadily declined from 80 percent in early 2000 to 36 percent in 2024, while private sector deposits and securities investment have gained importance. On the liabilities side, like in many developing economies, the majority of external liabilities were FDI (accounting for 49 percent) and government external loans (39 percent). Foreign portfolio holdings in Uganda have been limited at about 2 percent due to tight global financial conditions. Between 2019 and 2024, the NIIP declined by 7.5 percentage points, reflecting a significant increase in foreign direct investment and government external loans.



**Assessment.** While the sizeable negative NIIP warrants careful monitoring of relevant risks, the sustainability of the NIIP is not an immediate concern. Going forward, the CA deficit is expected to improve substantially once oil comes on stream, which will help stabilize the NIIP. Furthermore, the accompanying Debt Sustainability Analysis suggests that Uganda faces a moderate risk of debt distress, reflecting a high share of concessional debt.

2024 (% GDP)	NIIP: -56.5	Gross Assets: 16.1	Debt Assets: 8.6	Gross Liabilities: 72.7	Debt Liabilities: 37.1
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<b>Current Account</b>		
<p><b>Background.</b> The CA deficit amounts to -7.5 percent of GDP in CY2024, increasing from -7.0 percent in CY2023, driven mostly by large temporary oil-project-related imports (estimated at 3.6 percent of GDP). The improvements in coffee exports and the primary income account were compensated by increased imports and a deterioration in service and secondary income accounts. In CY2025, the CA deficit is projected to narrow significantly to 5.2 percent of GDP, mostly driven by high coffee prices. In the near term, the CA deficit is expected to remain elevated, reflecting temporary large oil project-related investments, but improve significantly once oil exports start in 2026. The oil refinery is expected to become operational by the end of 2028, substituting a share of domestic oil import needs.</p> <p><b>Assessment.</b> The 2024 EBA-lite CA model estimates a CA gap of -0.9 percent, with a cyclically adjusted CA balance (adjusting for cyclical and temporary investments in the oil project) of -4.5 percent compared with a CA norm of -3.6 percent of GDP. Staff assess the external position to be moderately weaker compared to the level implied by fundamentals and desired policies due to still limited FX reserves buffers, fiscal imbalances and risks/uncertainties regarding oil production and exports.</p>		
<p style="text-align: center;"><b>Table A3.1. Uganda: Model Estimates for 2024</b> (In percent of GDP)</p>		
	<b>CA model 1/</b>	<b>REER model 1/</b>
	(in percent of GDP)	
<b>CA-Actual</b>	<b>-7.5</b>	
Cyclical contributions (from model) (-)	0.5	
Additional temporary/statistical factors (-) 2/	-3.5	
Natural disasters and conflicts (-)	0.0	
<b>Adjusted CA</b>	<b>-4.5</b>	
<b>CA Norm</b> (from model) 3/	<b>-3.6</b>	
Adjustments to the norm (+)	0.0	
<b>Adjusted CA Norm</b>	<b>-3.6</b>	
<b>CA Gap</b>	<b>-0.9</b>	-0.1
o/w Relative policy gap	0.6	
Elasticity	-0.1	
<b>REER Gap</b> (in percent)	<b>6.7</b>	0.6
1/ Based on the EBA-lite 3.0 methodology.		
2/ Additional adjustment to account for the temporary impact of large one-off oil-project related imports, estimated at 3.2 percent of GDP in FY23/24 and 4.1 percent of GDP in FY24/25 subtracting medium-term maintenance costs.		
3/ Cyclically adjusted, including multilateral consistency adjustments.		
<b>Real Exchange Rate</b>		
<p><b>Background.</b> In 2024, the REER appreciated by 5.1% y-o-y. Key factors contributing to the REER appreciation were tighter monetary policy and increased inflows from coffee exports. In January-September 2025, the REER has appreciated by 3.2% supported by strong portfolio flows.</p> <p><b>Assessment.</b> The EBA-lite CA model implies a REER overvaluation gap of 6.7 percent in 2024. The EBA-lite REER model suggests that the REER is broadly in line with the level implied by the model. It should be noted</p>		

that the REER gap does not automatically indicate the need for an exchange rate adjustment since the external position is expected to improve in the medium run once the oil exports start.

### **Capital and Financial Accounts: Flows and Policy Measures**

**Background.** In 2024, the CA was mainly financed by net FDI inflows, estimated at 5.9 percent of GDP. Additionally, in 2025, net portfolio inflows have increased significantly in CY2025 reaching exceeding 1.0 percent of GDP in the first half of the year.

**Assessment.** The financial account has been anchored by strong FDI inflows, which will continue in the near term because of oil project-related inflows. Portfolio inflows are likely to slow while other investment inflows are expected to increase in the near term based on government borrowing plans.

### **FX Intervention and Reserves Level**

**Background.** Favorable terms of trade, portfolio flow reversals and stepped-up FX purchases supported accumulation of the FX reserves to USD 5.7 bn (3.1 months of next year's imports) in November 2025 (a significant increase from USD 3.2 billion in June 2024 and USD 4.3 billion in June 2025). The BoU has not intervened in the FX market since June 2022 and regularly purchases FX to rebuild reserve buffer as market conditions permit. The BoU had purchased over USD 2.2 billion in FX reserves during FY24/25 and over USD 1.3 billion in the first quarter of FY25/26. From June to October 2025, the BoU signed four cross-currency repo agreements totaling approximately USD 355 million, aimed at replacing USD 400 million in maturing swaps over the next six months.

**Assessment.** The Bank of Uganda should continue to pursue exchange rate flexibility, limiting its foreign exchange sales to cases of extreme market distress. The FX reserves increased in 2025, but they remain slightly below the target levels. The IMF's reserve adequacy metric for credit-constrained economies indicates that the adequate level of reserves is between 3.5 and 4.5 months of imports. The BoU should continue building FX reserves to reach the target levels.



# UGANDA

## POST-FINANCING ASSESSMENT—DEBT SUSTAINABILITY ANALYSIS

December 18, 2025

### Approved By

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Prepared by the staff of the  
International Monetary Fund (IMF) and  
the International Development  
Association (IDA).

<b>Risk of external debt distress</b>	Moderate <sup>1</sup>
<b>Overall risk of debt distress</b>	Moderate
<b>Granularity in the risk rating</b>	Limited space to absorb shocks
<b>Application of judgment</b>	Yes; short-lived breach of threshold

*Uganda's public debt continues to be assessed as sustainable. In line with the previous DSA, prepared in August 2024, Uganda's risk of external and overall public debt distress is assessed as moderate, with an application of judgement. All, except one, external PPG debt and total public debt burden trajectories remain below their respective indicative thresholds and benchmarks over the medium term under the baseline scenario. The two-year breach in the external debt-service-to-revenue debt burden indicator is minor and short-lived.*

*Stress tests highlight breaches of external debt burden thresholds and the public debt benchmark. Continued high dependence on domestic financing is also of concern. Given that a median shock could lead to a breach for the external and total debt service indicators, Uganda has limited space to absorb shocks. Key risks include slower growth, environmental shocks, tight global financial conditions, delayed reform implementation, delays in oil exports, an adverse impact on trade from escalating global trade measures and prolonged uncertainty, and donor financing cuts.*

<sup>1</sup> Uganda's Composite Indicator, which is estimated at 2.855, signals a medium debt-carrying capacity based on the October 2025 WEO and CPIA 2024.

## PUBLIC DEBT COVERAGE

**1. Public and publicly guaranteed (PPG) external and domestic debt covers debt contracted and guaranteed by the central government, state and local government, social security fund, and central bank (Text Table 1).** Uganda's Public Debt and Other Financial Liabilities Management

Framework (2023) gives the Ministry of Finance, Planning and Economic Development the mandate to prepare and publish quarterly Debt Statistical Bulletins. The published data covers PPG debt with information on a residency-based definition of domestic and external debt. In addition, the Bank of Uganda (BoU) provides data on locally issued government debt held by non-residents, which allows a residency-based analysis. Due to data limitations, debt data does not cover extra-budgetary units (EBUs) and debt issued by state-owned enterprise (SOE).<sup>2</sup> The contingent liability stress test includes the disputed arrears to Tanzania (US\$58 million or 0.1 percent of GDP),<sup>3</sup> estimates of non-guaranteed SOE debt (1.2 percent of GDP), the default PPP shock (i.e., 35 percent of PPP stock, implying 1.7 percent of GDP), and the default financial market shock (5 percent of GDP).

**Text Table 1. Uganda: Coverage of Public and Publicly Guaranteed Debt and Parameters for Contingent Liability Shock<sup>1</sup>**

Definition of external/domestic debt	Residency-based
Is there a material difference between the two criteria?	Yes
<b>Public debt coverage</b>	
Subsectors of the public sector	
1 Central government	x
2 State and local government	x
3 Other elements in the general government	
4 o/w: Social security fund	
5 o/w: Extra budgetary funds (EBFs)	
6 Guarantees (to other entities in the public and private sector, including to SOEs)	x
7 Central bank (borrowed on behalf of the government)	x
8 Non-guaranteed SOE debt	x
<b>The contingent liability tailored stress test</b>	
	<b>Default</b>
2 Other elements of the general government not captured in 1.	0 percent of GDP
3 SoE's debt (guaranteed and not guaranteed by the government)	2 percent of GDP
4 PPP	35 percent of PPP stock
5 Financial market (a minimum starting value of 5 percent of GDP)	5 percent of GDP
<b>Total (in percent of GDP)</b>	<b>8.0</b>

1/ Other elements of general government debt are not included in the coverage of public debt due to data limitations.

Sources: Ugandan authorities and IMF staff calculations.

<sup>2</sup> EBUs are funds that are not included in the national budget appropriated by parliament (such as pension schemes and revenues or user fees collected by government ministries, departments and agencies unreported or not included in government's general revenues, termed as "Appropriation in Aid - AIA"). EBUs and SOEs are not allowed to raise funds through issuance of loans or guarantees without an authorization from the Minister of Finance. The total end-June 2025 debt of public entities, including SOEs and EBUs, was UGX 2,367 bn or 1.2 percent of GDP. This stock is distributed across 12 companies with three quarters of it (UGX 1,789 bn) owed by Uganda Electricity Distribution Company. Other SOEs with significant debt are Uganda Development Bank (UGX 213 bn), National Water and Sewerage Corporation (UGX 157 bn), and Housing Finance Bank (UGX 88 bn).

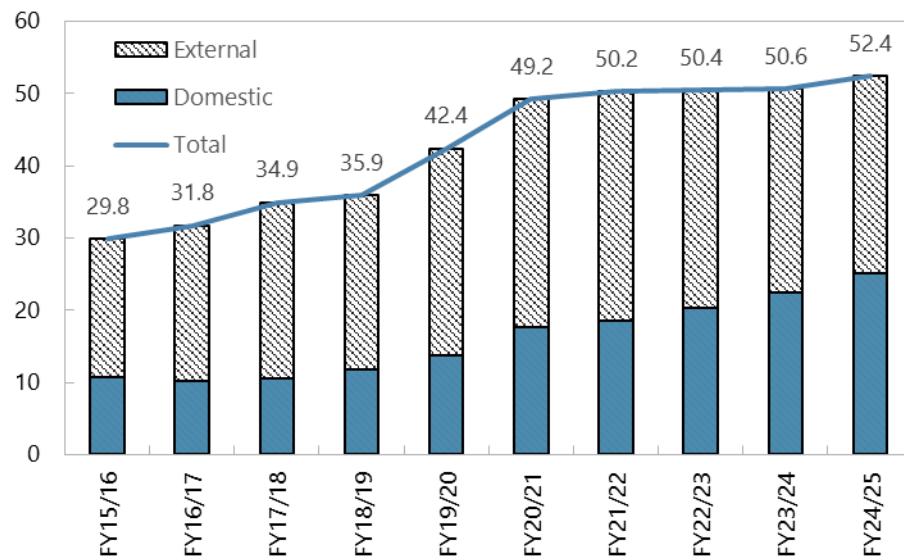
<sup>3</sup> The arrears to Tanzania date back to the Uganda-Tanzania War in 1978-79, their validity is disputed, and they are not included in officially reported total external debt. The arrears to Iraq (US\$657, given massive depreciation of the Iraqi dinar) and Nigeria (US\$11.5 million) are pre-HIPC Initiative arrears to non-Paris Club creditors, which continue to be deemed away under the revised arrears policy for official creditors, as the underlying Paris Club agreement was adequately representative, and the authorities continue to make best efforts to resolve the arrears.

**2. The Fund technical assistance has focused on the transition to the Government Finance Statistics Manual 2014.** This includes assisting Ministry of Finance with incorporation of advances (overdraft) issued by the Bank of Uganda (BoU) in the recent years into the historical debt figures to provide an accurate representation and ensure consistency of flows with stocks.

## BACKGROUND AND RECENT DEVELOPMENTS

**3. The public debt ratio reached 52.4 percent of GDP in FY24/25** (Text Figure 1 and Text Table 2).<sup>4</sup> The increase of almost 2 percentage points of GDP follows three years of minor increases (0.2 ppt of GDP a year) and puts the overall level above the limit of 51.2 percent of GDP stipulated by the FY20/21-FY25/26 Charter of Fiscal Responsibility.<sup>5</sup> The debt is almost equally split between domestic (25.1) and external (27.3), after accounting for offshore investors. In nominal terms, the external debt amounts to US\$17.3 billion, while domestic debt amounts to US\$15.9 billion.<sup>6</sup> In present-value terms, total public sector debt stood at 46.8 percent of GDP, below the East African Community's debt target of 50 percent of GDP.

**Text Figure 1. Public and Publicly Guaranteed Debt**  
(Percent of GDP)



Sources: Ugandan authorities and IMF staff calculations.

<sup>4</sup> The authorities report a lower number of 51.0 percent of GDP for the public debt in FY2024/25 as they exclude the BoU advances (0.8 percent of GDP) and use the cost, not nominal, valuation of the outstanding treasury paper (a difference of 0.5 percent of GDP).

<sup>5</sup> The Charter of Fiscal Responsibility requires public debt to fall below 50 percent of GDP by FY25/26.

<sup>6</sup> This number does not include domestic arrears, yet to be assessed and verified (1.4 percent of GDP in FY23/24).

**4. While most of the existing stock of external public debt is on concessional terms, the semi-concessional component has been on the rise in recent years.** Highly concessional loans from the International Development Association (IDA) and the African Development Fund (ADF) account for 40 percent of the external debt portfolio, which mainly drives the difference between the nominal value of public debt and its present value (Text Table 3). Other concessional creditors include the International Fund for Agricultural Development (IFAD), the Arab Bank for Economic Development in Africa (BADEA), the Organization of the Petroleum Exporting Countries (OPEC) fund, and some bilateral Paris and non-Paris club creditors. Since the COVID-19 pandemic, Uganda also has resorted to commercial loans that constitute now around 10 percent of external public debt, mostly owed to Standard Bank of South Africa (SBSA), African Export–Import Bank, Standard Chartered, and the Trade Development Bank (TDB). Finally, the stock of local-currency government securities held by offshore investors was 10 percent of external public debt.

**Text Table 2. Uganda: Decomposition of Public Debt and Debt Service by Creditor,  
FY2024/25-2026/27<sup>1</sup>**

	Debt Stock (end of period)			Debt Service					
	FY2024/25			FY24/25		FY25/26		FY26/27	
	(In millions of US\$)	(Percent total debt)	(Percent GDP)	(In millions of US\$)	(Percent GDP)	(In millions of US\$)	(Percent GDP)		
<b>Total</b>	33,218	100.0	52.4	3,011.1	6,722.8	5,275.6	4.7	10.0	7.0
<b>External</b>	17,301	52.1	27.3	1,163.6	1,954.3	1,995.4	1.8	2.9	2.7
Multilateral creditors <sup>2,3</sup>	10,272	30.9	16.2	266.8	579.4	731.1	0.4	0.9	1.0
IMF	1,609	4.8	2.5						
World Bank	5,302	16.0	8.4						
ADB/AfDB/IADB	1,118	3.4	1.8						
Other Multilaterals	2,244	6.8	3.5						
o/w: ADF	1,698	5.1	2.7						
Bilateral Creditors <sup>2</sup>	3,522	10.6	5.6	423.8	576.6	558.5	0.7	0.9	0.7
Paris Club	1,046	3.1	1.7	69.9	114.5	102.0	0.1	0.2	0.1
Non-Paris Club	2,476	7.5	3.9	353.9	462.1	456.4	0.6	0.7	0.6
o/w: Eximbank of China	2,341	7.0	3.7						
Bonds	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commercial creditors	1,750	5.3	2.8	274.4	458.1	461.4	0.4	0.7	0.6
Other international creditors	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Public guarantees	45	0.1	0.1						
Local currency debt held by non-residents, total	1,712	5.2	2.7	198.7	340.3	244.5	0.3	0.5	0.3
<b>Domestic</b>	15,917	47.9	25.1	1,847.5	4,768.5	3,280.2	2.9	7.1	4.4
T-Bills	2,404	7.2	3.8	n/a	n/a	n/a	n/a	n/a	n/a
Bonds	12,979	39.1	20.5	n/a	n/a	n/a	n/a	n/a	n/a
BoU advances	534	1.6	0.8	n/a	n/a	n/a	n/a	n/a	n/a
<b>Memo items:</b>									
Collateralized debt <sup>4</sup>	n/a		n/a						
o/w: Related	n/a		n/a						
o/w: Unrelated	n/a		n/a						
Contingent liabilities	n/a		n/a						
o/w: Public guarantees	n/a		n/a						
o/w: Other explicit contingent liabilities <sup>5</sup>	n/a		n/a						
Nominal GDP				61,833	68,792	76,139			

1/As reported by Country authorities according to their classification of creditors, including by official and commercial. Debt coverage is the same as the DSA.

2/Some public debt is not shown in the table due to data limitations.

3/Multilateral creditors<sup>2</sup> are simply institutions with more than one official shareholder and may not necessarily align with creditor classification under other IMF policies (e.g.

4/Debt is collateralized when the creditor has rights over an asset or revenue stream that would allow it, if the borrower defaults on its payment obligations, to rely on the asset or revenue stream to secure repayment of the debt. Collateralization entails a borrower granting liens over specific existing assets or future receivables to a lender as security against repayment of the loan. Collateral is “unrelated” when it has no relationship to a project financed by the loan. An example would be borrowing to finance the budget deficit, collateralized by oil revenue receipts. See the joint IMF-World Bank note for the G20 “Collateralized Transactions: Key Considerations for Public Lenders and Borrowers”

5/Includes other-one off guarantees not included in publicly guaranteed debt (e.g. credit lines) and other explicit contingent liabilities not elsewhere classified (e.g. potential legal claims, payments resulting from PPP arrangements).

**Text Table 3. Uganda: Decomposition of External  
Public and Publicly Guaranteed Debt, FY2024/25, Millions of US\$**

Creditor	Amount	Share
<b>Total</b>	<b>17,301</b>	<b>100.0%</b>
Bilateral	3,522	20.4%
ABU DHABI FUND	9	0.1%
AFD	386	2.2%
CDP	6	0.0%
EXIM BANK OF CHINA	2,341	13.5%
EXIM BANK OF INDIA	10	0.1%
EXIM BANK S KOREA	21	0.1%
GOVT OF NIGERIA	12	0.1%
IRAQ FUND	0	0.0%
JBIC	11	0.1%
JICA	228	1.3%
KFW	21	0.1%
KUWAIT FUND	47	0.3%
MIN FOR AFF AUSTRIA	0	0.0%
SAUDI ARABIA FUND	36	0.2%
SPAIN	44	0.3%
UKEF	351	2.0%
Commercial banks or other financial institutions	1,750	10.1%
AFREXIM	341	2.0%
AKA	7	0.0%
Bank Austria	9	0.1%
COMMERZBANK	11	0.1%
SBSA	852	4.9%
STANDARD CHARTERED	274	1.6%
TDB (PTA)	256	1.5%
<b>Multilateral</b>	<b>10,272</b>	<b>59.4%</b>
ADB	400	2.3%
ADF	1,698	9.8%
BADEA	71	0.4%
EIB	99	0.6%
IDA	5,302	30.6%
IDB	718	4.2%
IFAD	277	1.6%
IMF	1,609	9.3%
NDF	39	0.2%
OPEC FUND	59	0.3%
Publicly guaranteed external debt	44.6	0.3%
Local currency debt held by offshore investors	1,712	9.9%

Sources: Ugandan authorities and IMF staff calculations.

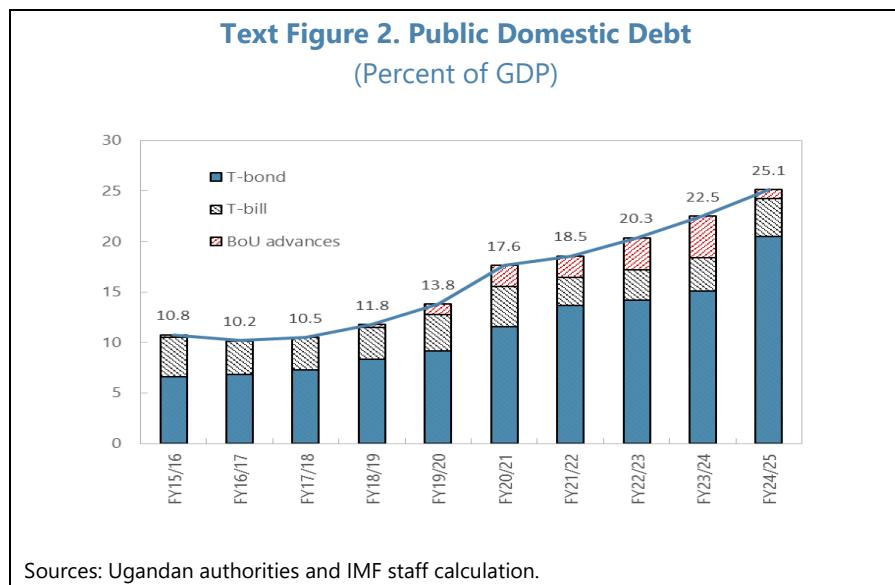
**5. Public domestic debt (residency based) is dominated by medium-to long-term securities.**

T-bonds constituted more than 80 percent of total domestic debt securities at the end of FY24/25 (Text Figure 2). T-bonds were mostly held by pension and provident funds (36 percent) and commercial banks (20 percent), while T-bills were predominantly held by banks (close to 80 percent). As banks' holdings of government debt have significantly risen since the pandemic (from 21 percent of their total assets in 2019 to 30 percent as of March 2025, this growing sovereign-bank nexus is starting to pose concerns. It also results in elevated interest rates and contributed to subdued private sector credit growth. Following securitization of a large share of the advances from the Bank of Uganda (3.8 percent of GDP),

the outstanding stock dropped to 0.8 percent of GDP at the end of FY24/25 from 4.1 percent of GDP a year earlier.<sup>7</sup>

**6. Borrowing costs remain high.** Total interest payments continued to increase, reaching 3.7 percent of GDP in FY24/25 (3.1 percent of GDP in FY23/24, 2.1 in FY19/20), largely due to the increased stock of domestic debt, interest rates on which remain elevated. Interest rates on external debt have been stable since FY22/23 (Text Figure 3).

**7. Private external debt declined to below 8 percent of GDP.** While it has been on average some 12 percent of GDP in FY14/15-FY21/22, peaking at 14.5 percent of GDP in FY20/21, it dropped to less than 9 percent in FY22/23 and has gradually declined since then.

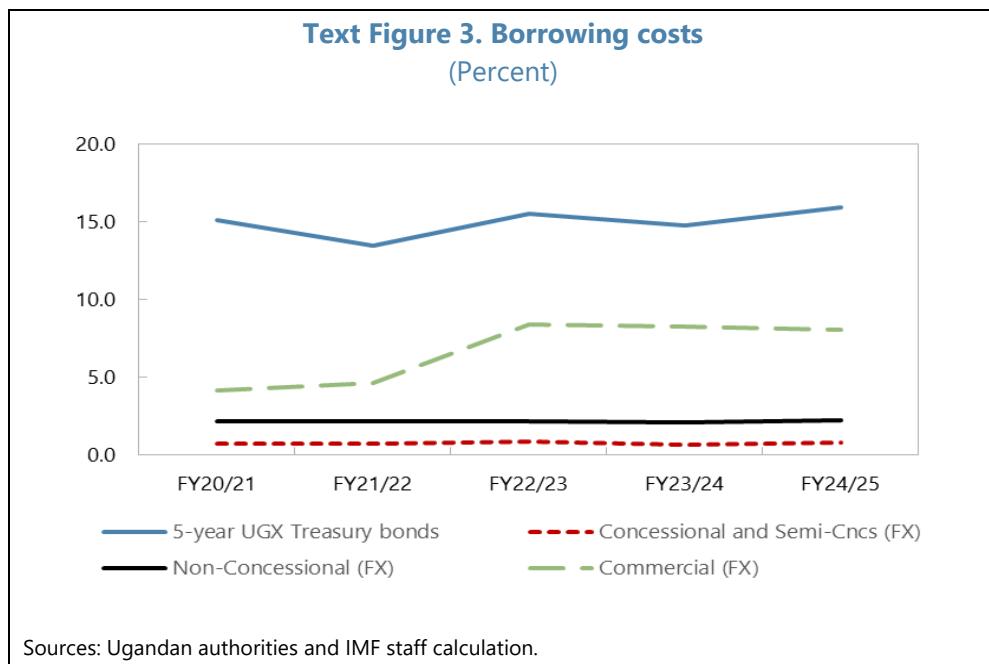


**Text Table 4. Uganda: Holdings of Government Debt,**  
(Percent, as of June 30, 2025)

	T-bills	T-bonds	Both
Pension and Provident Funds	6.3	35.7	31.5
Commercial Banks	80.2	19.9	28.6
Bank of Uganda	0.0	18.0	15.4
Offshores	2.0	11.3	10.0
Other Financial Institutions	7.1	7.0	7.0
Retail Investors	1.9	6.3	5.7
Insurance Companies and Deposit Protection Fund	1.8	1.5	1.6
Others	0.6	0.3	0.3
<b>Total:</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Ugandan authorities and IMF staff calculations.

<sup>7</sup> In October 2024, the authorities replaced the outstanding stock of BoU advances with a government-issued debt instrument, to be repaid gradually over the course of ten years. The post-mission DSA, based on end-FY24/25 data will present statistics reflecting this development.



## MACRO FORECASTS

### 8. The medium-and long-term macroeconomic framework underlying this DSA is consistent with the scenario presented in the Staff Report for the Post Financing Assessment (Text Table 5).

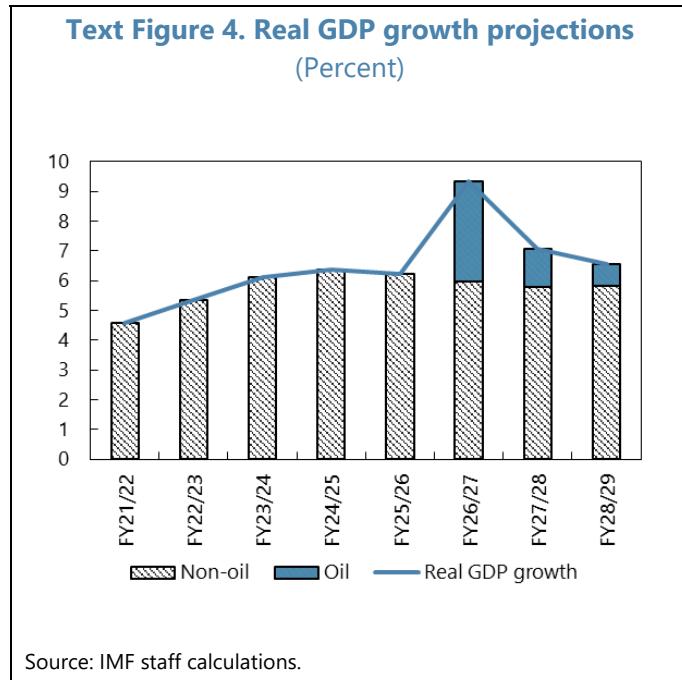
The baseline scenario assumes the following:

- *Real GDP growth.* The Ugandan authorities have navigated the difficult post-pandemic macroeconomic landscape well. Growth accelerated and is broad-based. High frequency indicators point to continued robust sentiment buoyed by low inflation. The real GDP growth outlook for FY25/26 is at 6.2 percent.
- Over the medium-term, growth is projected to significantly accelerate in FY26/27 and FY27/28 as oil production is expected to start (Text Figure 4) and then to return to around 6 percent as the oil production plateaus;<sup>8</sup> non-oil GDP is projected to grow at around 6 percent, broadly in line with its pre-pandemic average, with the services sector providing the largest contribution to growth. This outlook assumes no major new reform efforts and excludes the potential impacts of climate change.<sup>9</sup> Growth will be supported by strong domestic activity and ongoing construction and investment in the oil sector. The latter is supported by the construction of the oil pipeline, a joint project of the French oil company Total Energies, the Chinese oil company CNOOC, and the governments of Uganda and Tanzania. Delays in oil production present a material risk to the

<sup>8</sup> The oil price is expected to increase by about 2 percent per year on average over the medium term.

<sup>9</sup> See [World Bank Group. 2025. Uganda Country Climate and Development Report](#) for detailed discussion on the impact of climate change.

growth outlook. For instance, a one-year delay would lower (shift) the projected growth rate in FY26/27 by about 3 percentage points.



- While negatively affected by climate shocks, especially in agriculture,<sup>10</sup> long-term growth could be supported by addressing infrastructure constraints (such as major investments to improve transport connectivity, expand access to power, and enhance digital connectivity<sup>11</sup>), improvements to agricultural productivity, and development of agro-processing trade and industries. Finally, Uganda is entering a demographic transition, which has the potential for accelerating growth in per capita income and reducing poverty. Although fertility rates and the dependency ratio are still high, Uganda's declining fertility rate and growing working-age population are gradually increasing the share of the working-age population and reducing the child dependency ratio.

<sup>10</sup> Uganda is prone to various types of natural disasters and limited adaptation infrastructure magnifies the socio-economic impacts of extreme events. In the past 20 years, droughts have been the type of hazards that have affected the largest number of people, undermining food security. Disruptive natural disasters, such as droughts and floods, impact the economy to a large extent. Going forward, climate change will likely exacerbate the frequency and severity of natural disasters and cause large economic damages. Scaling up adaptation and preparedness is essential to ensure resilience of the population and the economy to extreme weather events. However, climate adaptation measures pose planning, implementation, and financing challenges, and require international support. Model simulations show that building adaptation infrastructure can reduce by two thirds the GDP losses at the trough triggered by a disruptive disaster and almost halve the resulting fiscal gap. For donors it may be cost-effective to help finance investment in adaptation because it would reduce post-disaster disbursements (see Selected Issues Paper, [IMF Country Report No. 2022/078](#) for more details).

<sup>11</sup> The World Bank digital acceleration project aims to (i) lower prices for international capacity and extend the geographic reach of broadband networks and (ii) improve the government's efficiency and transparency through e-Government applications.

- *Inflation.* Since peaking at 10.7 percent in October 2022, headline inflation decelerated rapidly, driven by declining food prices, monetary policy tightening, and relative stability in the exchange rate. It bottomed out at 2.4 percent in October 2023 and has been around 3.8 percent since May 2025, reflecting rising energy prices and core inflation. Core inflation, currently at 4.1 percent in August, is expected to return to the 5-percent target in FY27/28. The correlation between the CPI and the GDP deflator is expected to decline due to oil-related investment and net exports increasing their weight in the GDP deflator at the expense of consumption starting in FY25/26.<sup>12</sup>
- *Oil revenue projections.* Budget revenues from oil, net of oil-related expenditures, are expected to start in FY26/27 and peak at 2.8 percent of GDP in FY32/33 before declining over the long term. Legislation and institutions (including the Uganda Petroleum Fund and the Petroleum Revenue Investment Fund, PRIR) that have been established to ensure fiscal sustainability over the longer run. These should help manage Dutch disease crowding out effects. Under the current plans, up to 0.8 percent of the previous year's non-oil GDP would be used to finance infrastructure spending with the rest saved for the benefit of the future generations of the Ugandan citizens. Continued EITI reporting is expected to help enhance the transparency of the extractive sector.
- *Primary fiscal deficit.* The primary fiscal deficit increased in FY24/25 from 1.6 to 2.3 percent of GDP, reversing the earlier gains. However, it is expected to improve going forward and turn positive in FY30/31, driven by implementation of expenditure and revenue mobilization measures.<sup>13</sup> Overall revenues are projected to increase notably on account of oil revenues, but tax revenue gains are projected to be modest given reluctance to streamline tax expenditures; a forceful implementation of the domestic revenue mobilization strategy (DRMS) could help deliver a faster increase in tax intake. Expenditure measures are expected to reduce non-wage primary spending to the pre-pandemic levels.
- *Interest payments,* in line with the recent developments, are projected to increase further and peak at just above 5½ percent of GDP in FY32/33 (32 percent of domestic revenues against 18 percent in FY20/21). Afterwards, they will gradually decline over the long run, though remain just above 5 percent of GDP.
- *Current account deficit.* The current account deficit is expected to remain elevated in the near term, reflecting capital imports for oil production, and to improve substantially over the medium term once oil exports come on-stream and the oil refinery becomes operational. Export growth will also be supported by better trade logistics, rural access to infrastructure and information,

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<sup>12</sup> Inflation projections for Uganda and IMF WEO inflation projections for advanced economies pin down nominal exchange rate projections under the assumption of a constant real effective exchange rate.

<sup>13</sup> The authorities are reviewing the lessons from their 2019-2024 Domestic Revenue Mobilization Strategy (DRMS), which aimed to raise tax revenues by 0.5 percent of GDP per annum but has not been fully put into effect. The revised DRMS-2 is close to being finalized and will outline key tax policy reforms, including revenue administration modernization to improve compliance and a rationalization of tax exemptions. International partners, including the IMF, World Bank, USAID, and FCDO, have been supporting the Tax Policy Department (MoFPED) and Uganda Revenue Authority (URA) in this work.

and credit availability, and the rollout of reforms envisaged under the African Continental Free Trade Agreement (AfCFTA).<sup>14</sup> The recent removal of Uganda from the African Growth and Opportunity Act (AGOA) is not expected to have a large impact on trade flows.<sup>15</sup> The nominal effective exchange rate (NEER) and the real effective exchange rate (REER) appreciated by a cumulative 2.6 and 3.2 percent, respectively during January–September 2025. The 2024 EBA assessment based on the current account model suggests that the REER was overvalued by 6.7 percent, but this estimate is subject to considerable uncertainty. The external position is assessed to be moderately weaker than the level implied by fundamentals and desired policies.

- *Net FDI inflows* are similarly expected to remain strong, largely driven by investments in oil-related projects (Tilenga, Kingfisher and the pipeline between Uganda and Tanzania) and gradually decline to around 3 percent of GDP over the medium term as oil investment peters out reflecting the potential positive impact on FDI from the rollout of AfCFTA among all countries on the continent.
- *Gross official reserves* are expected to gradually rise over the medium term on the back of improved current account, mainly driven by oil exports. The reserve coverage is expected to reach around 4 months of imports in the medium-term, in part owing to a stronger 2025 position that reflects stepped-up FX purchases by the BoU enabled by strong coffee exports and a reversal of portfolio flows into government debt instruments as investors are attracted by high yields while viewing Uganda's macroeconomic stability somewhat more favorably than that of the regional peers. GIR has been boosted by FX swap arrangements with local banks, and an additional boost may come from a domestic gold purchase program from local artisanal miners that is to be piloted in the near future.
- *Financing mix.* After the net domestic financing reached an exceptionally high level in FY24/25 (5.7 percent of GDP), it is expected that the budget financing will shift gradually to external debt over the long term. With the appetite for the domestic debt instruments remaining strong, domestic banks well-capitalized, and non-banks playing an increasing role in this market, the government is expected to continue meeting its financing needs, though likely at elevated debt service costs and with potential adverse impact on private sector lending. Project support assumptions have been revised in line with the FY24/25 outturn and assume a modest increase in FY25/26 and FY26/27 given the resumption of World Bank's lending operations, remaining constant as a share of GDP afterwards. The composition of domestic borrowing is projected to remain similar to the recent past with T-bonds accounting for two-thirds of the total. The BoU is expected to only provide advances up to the statutory limit of 10 percent of the recurrent revenue at times of temporary shortfalls in the latter.

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<sup>14</sup> Uganda has ratified the AfCFTA agreement; however, the country needs to address constraints that affect implementation of the agreement. These include reducing red tape and simplifying customs procedures, promoting the uptake of modern technology in the agriculture sector and improving quality and standards.

<sup>15</sup> The U.S. share in Uganda's exports is below 2 percent, as most of them are destined to the SSA region, Middle East, Asia, and Europe.

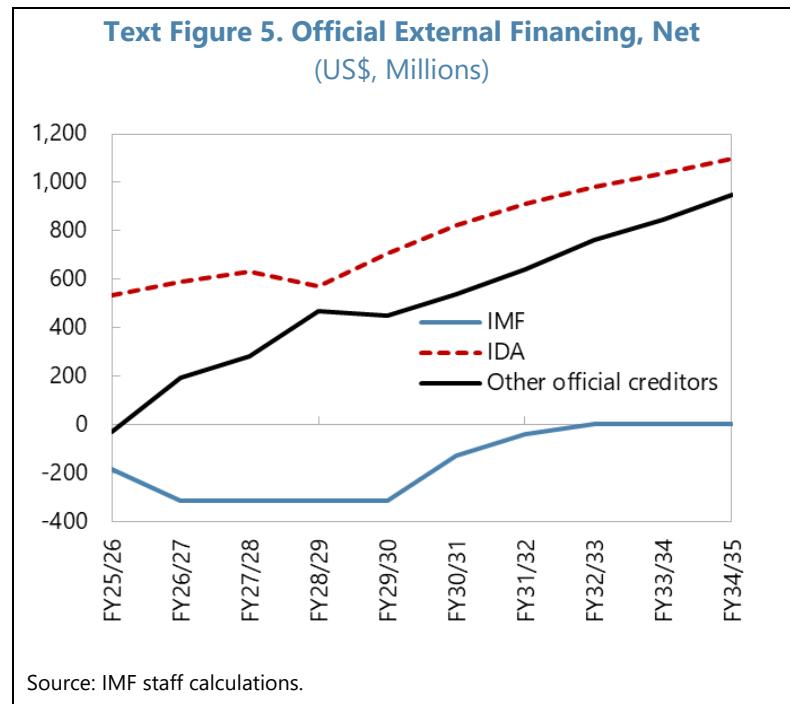
- *IDA financing*<sup>16</sup> is set to be largely delivered through project support over the medium term. The assumed average disbursement over the next five fiscal years is set to increase from around US\$600 mn to \$900 mn. Afterwards, the new disbursements are assumed to be gradually decreasing in percent of GDP. Significant disbursements for projects will support municipal infrastructure and road developments, water management and development, and digital acceleration. No budget support operations are planned, with the remainder of IDA financing going through Program for Results (P4Rs), including support to enhancing intergovernmental fiscal transfers for better service delivery (Text Figure 5).

**9. The realism tool outputs compare the projections to cross-country experiences and to Uganda's own historical experience (Figures 3 and 4):**

- There are differences between past and projected debt creating flows, which reflect changes to growth and current account trajectories, given expected developments in the oil industry as explained earlier. Unexpected changes are below the median of the distribution across low-income countries for both external and public debt reflecting the pessimism of the 2020 scenario prepared in the midst of the COVID pandemic, forecasting the public debt just below 60 percent of GDP in FY23/24 and FY24/25.
- The improvement in the primary balance over the next three years is in the top quartile of the distribution, reflecting the cyclical improvement in tax revenues, the adjustment following the fiscal policy response to COVID-19 and the implementation of the DRMS. The growth outlook is also supported by private investments as well as improved spending efficiency, including through stronger public investment management on the back of reforms to be implemented under the IMF-supported program.
- Investment is expected to increase, with private investment offsetting a temporary decline in public investment.

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<sup>16</sup> World Bank disbursement has been affected by the slow implementation of the portfolio in Uganda and the lag between approval and effectiveness. Most of the committed portfolio in Uganda are from IDA19 (38 years maturity, 6 years grace period and interest rate below 1 percent) and IDA20 terms (50 years maturity, 10 years grace period, no interest, no commitment fees).



**Text Table 5. Uganda: Macroeconomic Assumptions**

	Real GDP growth (percent)		Inflation (percent)		Primary balance (percent of GDP)		Current account (percent of GDP)		FDI inflows (percent of GDP)	
	Prev. DSA	Current	Prev. DSA	Current	Prev. DSA	Current	Prev. DSA	Current	Prev. DSA	Current
2023/24 Act.	6.0	6.1	3.2	3.2	-1.5	-1.6	-8.4	-7.8	6.1	5.6
2024/25 Act.	6.2	6.3	4.6	3.5	-1.4	-2.3	-7.1	-6.1	6.4	5.8
2025/26	10.8	6.2	5.0	3.3	0.6	-2.0	-5.5	-4.1	6.0	4.3
2026/27	8.7	9.4	5.0	4.5	1.9	-1.4	-3.6	-3.1	4.7	5.0
2027/28	6.1	6.9	5.0	4.9	1.7	-0.6	-3.7	-2.7	3.4	4.0
2028/29	6.0	6.7	5.0	5.0	1.7	0.0	-4.0	-1.5	3.2	3.0
2029/30	6.1	6.4	5.0	5.0	1.9	0.0	-5.4	-1.7	3.2	2.9
2030/31	6.1	5.7	5.0	5.0	2.6	0.6	-5.5	-1.5	3.2	2.9
Avg 2031/32-2040/41	6.0	5.5	5.0	5.0	0.1	1.1	-4.9	-1.4	2.9	2.6

Source: Uganda authorities, IMF staff projections.  
"Prev. DSA" refers to [the DSA accompanying the 2024 Article IV Staff Report](#).

## COUNTRY CLASSIFICATION

### 10. Uganda's debt-carrying capacity is classified as medium, unchanged from the previous DSA.

Based on the October 2025 WEO (real GDP growth, import coverage of foreign exchange reserves, remittances, and growth of the world economy) and the World Bank's 2024 CPIA (3.508), Uganda's composite indicator (CI) score is 2.855. The CI also incorporates forward-looking elements with the calculation based on the 10-year average (5 years of historical data and 5 years of projection). Uganda's score lies between the threshold values of 2.69 and 3.05 corresponding to medium and strong capacity, respectively, thereby categorizing the country as having "medium" debt-carrying capacity that determines the four external debt indicative thresholds and the total public debt benchmark (Text Table 6).

The thresholds of the PV of external debt-to-exports ratio, the PV of external debt-to-GDP ratio, the debt

service-to-exports ratio, and the debt service-to-revenue ratio are 180, 40, 15 and 18 percent, respectively. The benchmark of the PV of total public debt is 55 percent.

**Text Table 6. Uganda: Composite Indicator, and Debt Thresholds and Benchmark**

Components	Coefficients (A)	10-year average values (B)	CI Score components (A*B) = (C)	Contribution of components
CPIA	0.3850	3.5317	1.36	48%
Real growth rate (in percent)	2.7190	5.7381	0.16	5%
Import coverage of reserves (in percent)	4.0520	31.3510	1.27	44%
Import coverage of reserves <sup>12</sup> (in percent)	-3.9900	9.8289	-0.39	-14%
Remittances (in percent)	2.0220	2.5017	0.05	2%
World economic growth (in percent)	13.5200	3.0350	0.41	14%
<b>CI Score</b>			2.855	100%
<b>CI rating</b>			<b>Medium</b>	
<b>Debt Carrying Capacity</b>	<b>Medium</b>			
Final	Classification based on current vintage	Classification based on the previous vintage	Classification based on the two previous vintage	
Medium	Medium 2.855	Medium 2.86	Medium 2.85	
<b>EXTERNAL debt burden thresholds</b>	<b>Weak</b>	<b>Medium</b>	<b>Strong</b>	
PV of debt in % of Exports	140	180	240	
GDP	30	40	55	
Debt service in % of Exports	10	15	21	
Revenue	14	18	23	
<b>TOTAL public debt benchmark</b>	<b>Weak</b>	<b>Medium</b>	<b>Strong</b>	
<b>PV of total public debt in percent of GDP</b>	35	55	70	

Source: IMF staff projections.

## EXTERNAL DEBT SUSTAINABILITY

**11. The evolution of external government debt suggests a sustainable path under the baseline (Table 1).** Both solvency and liquidity indicators remain below their indicative thresholds over the projection horizon, with the exception of the debt service-to-revenue ratio exceeding the benchmark in FY25/26-FY26/27, though the breach is mild and short-lived (Figure 1 and Table 4). External debt sustainability indicators peak in FY25/26: the PV of PPG external debt-to-GDP ratio peaks at 20.9 (against the threshold of 40 percent), the PV of debt-to-exports ratio peaks at 89.9 percent and then declines (against the threshold of 180 percent). The liquidity indicators peak in FY25/26: the debt service-to-export ratio is projected at 12.2 percent; and the debt service-to-revenue ratio reaches 19.8 in FY25/26 and 18.3 in FY26/27, breaching the indicative threshold of 18 percent.<sup>17</sup> These breaches are assessed to be minor and

<sup>17</sup> The decline in the liquidity indicators is mainly driven by the projected increase in exports and government revenue.

short-lived, warranting the application of judgement to deem away the mechanical signal of high risk and maintain a moderate risk rating.

**12. Stress tests and alternative scenarios indicate a moderate risk of debt distress rating, with an application of judgement.** The PV of PPG external debt-to-GDP ratio remains under the threshold even under the stress tests, with the shock to exports being the most extreme shock. However, the shock to exports increases the PV of external debt-to-exports ratio and debt service-to-exports ratios above the respective threshold levels over the medium term, while the external debt service-to-revenue ratio breaches its respective threshold under the one-time depreciation shock (Figure 1 and Table 3).

**13. The share of private to external debt is on a declining path under the baseline (Table 2).**

Private external debt peaks in FY24/25 at 7.7 percent of GDP (22 percent of the total external debt), before declining toward 5.3 percent of GDP (or 20 percent of external debt) in FY31/32. Under the baseline, the path of private external debt does not elevate the risk of debt distress. However, the abovementioned breaches of certain indicators under the contingent liability shock suggest that possible spillovers from private sector debt may affect debt sustainability under adverse scenarios.

## PUBLIC DEBT SUSTAINABILITY

**14. The total public debt-to-GDP trajectory under the baseline stabilizes above 50 percent of GDP (Table 2).** The PV of public debt-to-GDP ratio peaks at 48.4 percent in FY25/26, before declining towards around 43 percent of GDP (Figure 2 and Table 4). This compares to an indicative benchmark of 55 percent for countries with medium debt-carrying capacity. While the PV of debt-to-revenue ratio gradually declines, the debt service-to-revenue ratio gradually picks up over the forecast horizon.

**15. Stress tests point to unfavorable dynamics in all indicators under the scenario with a shock to growth** (Figure 2). Under this shock, the PV of total public debt-to-GDP ratio gradually exceeds the benchmark of 55 percent in FY27/28 and continues to increase above it. Likewise, the PV of total public debt-to-revenue ratio and the debt service-to-revenue show increasing trajectories.

**16. Domestic debt has increased and related vulnerabilities are intensifying** (Figure 6). Under the baseline scenario, the level of domestic debt is set to peak in FY30/31 as the financing mix pivots towards external sources. Net financing from domestic banks and non-banks is set to peak in FY29/30 at 6.0 percent of GDP (5.3 percent of GDP in FY24/25). Although there seems to be sufficient appetite in the market for the domestic debt instruments, potential risks from a deepening sovereign-bank nexus require close monitoring as Uganda now ranks 4<sup>th</sup> among SSA economies in terms of banks' exposure to sovereign debt. While not an immediate financial stability risk,<sup>18</sup> this calls for a gradual rebalancing of banks' portfolios to reduce vulnerabilities and mitigate crowding out of private credit. Reliance on domestic financing sources impacts interest rates, with an increase of one percentage point of GDP in domestic financing adding about 100 basis points to the interest rate on a 1-year government bond. .

<sup>18</sup> A recent stress test showed that all banks remain well-capitalized under an adverse interest rate shock and the recently introduced, more stringent capital requirements will reinforce banks' capital positions.

## CONCLUSIONS

**17. Uganda's risk of external and overall public debt distress is moderate, with limited space to absorb shocks.** External debt burden indicators and total public debt remain below their respective thresholds and benchmark throughout the projection horizon. The stress tests, however, indicate breaches of the thresholds, some of which are lasting. Moreover, the vulnerabilities related to reliance on domestic debt have intensified and are not projected to abate over the medium term, reinforcing the need for larger fiscal consolidation.

**18. Risks to the debt outlook are tilted to the downside.** Risks around growth reflect tight external financial conditions, possible spillovers to trade from the global developments, further cuts to external assistance as well as tourism, and increased frequency of natural disasters due to climate change. Domestic risks include the slower-than-expected implementation of reforms, including the revenue mobilization efforts, delays in oil production, and the potentially limited capacity of commercial banks to increase their purchase of government securities in response to future shocks given the increasing weight of those securities in their balance sheets.

**19. Mitigating debt risks requires sound macroeconomic management and strong/steadfast policy implementation. This includes:**

- *Implementing the DRMS.* Given Uganda's relatively low revenue collection, there is an urgent need for tax policy reforms, including a rationalization of exemptions, and strengthening of tax administration to improve compliance.
- *Implementing sustained fiscal consolidation through durable revenue and expenditure reforms.* A combination of a forceful tax revenue mobilization and reduction in current spending to its pre-pandemic levels could bring the public debt to 48 percent of GDP and allow for the interest payments to domestic revenue ratio to fall by some 5 percentage points over the medium term.
- *Strengthening overall public financial management (PFM).* There is a need to enhance budget discipline, limit the scope for accommodating frequent in-year spending requests, and improve cash flow controls.
- *Improving spending efficiency, including the strengthening of public investment management.* Priorities should include improving the use of medium-term fiscal envelope forecasts to achieve better project prioritization and capital expenditure budgeting. Public investment management (PIM) shortcomings should be addressed by reducing overcommitment in multi-year projects and by reducing or eliminating the use of emergency procurement procedures, fostering open and competitive bidding while refraining from procuring through direct channels.
- *Strengthening debt management.* Public debt management in Uganda should continue to ensure that the government's financing needs, and its payment obligations are met at the lowest possible cost over the medium to long run, consistent with prudent risk-taking. Better communication and coordination across government agencies, including on new borrowing plans, and broadening

the scope of potential creditors, including through use of mobile money platforms for retail investors, would further enhance debt management.

- *Improving debt transparency.* Over the last decade, Uganda has enhanced debt transparency, both in terms of fiscal reporting and publication of explicit and implicit debt and debt management information. Debt transparency could be further enhanced, including through the publication of a statement of fiscal risks in the budget framework paper that lists contingent liabilities and reports on risks arising to the budget, the extension of coverage to potential debt collateralization in the public sector, as well as better communication, thereby contributing to a better understanding and management of risks.
- *Closely monitoring contingent liabilities.* Contingent liabilities have in general been one of the largest sources of fiscal risk across countries, since the materialization of contingent liabilities can contribute to unexpected increases in the debt-to-GDP ratio, crowding out private credit and jeopardizing debt sustainability. There has been important progress on the collection of data on the debt of state-owned enterprises. Efforts, however, should be stepped up to estimate, disclose, manage, contain, and shorten the lag in the publication of information on contingent liabilities, especially those in the financial sector, state-owned enterprises (including through their potential inclusion in government finance statistics), and PPPs.
- *Implementing a set of particular reforms to improve fiscal and debt sustainability.* Given the moderate risk of debt distress, the government would need to implement a set of reforms – known as *Performance and Policy Actions* (PPAs) as per IDA's *Sustainable Development Finance Policy* (SDFP) – through actions in the areas of debt sustainability, debt management and fiscal sustainability. The purpose of this is to ultimately incentivize the government to reduce debt vulnerabilities.<sup>19</sup>
- *Enhancing governance frameworks.* These are equally essential to safeguard the quality and effectiveness of public investment and other government spending. Better infrastructure and the impact of parallel reforms, e.g., improvements in the business climate, are expected to strengthen Uganda's competitiveness. Sound asset-liability management and avoidance of a premature reliance on uncertain future oil-related flows remain essential preconditions for debt sustainability.

### **Authorities' Views**

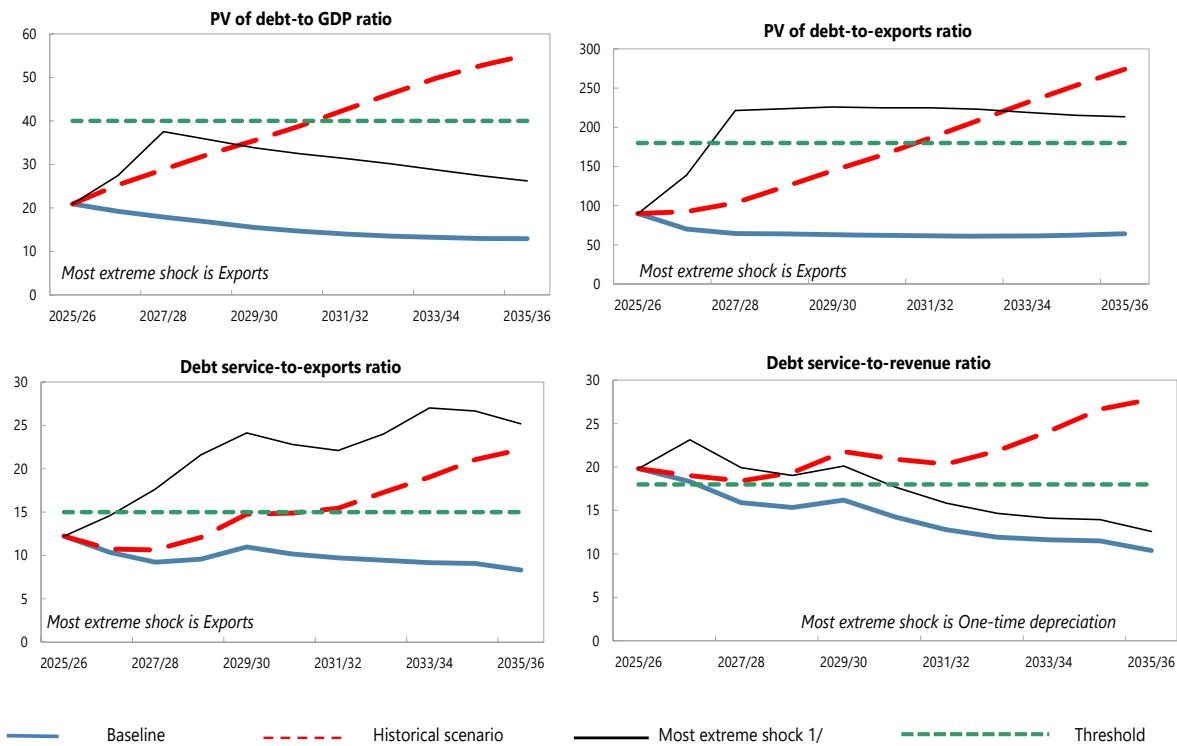
**20. The authorities broadly agreed with the results of this DSA and the overall conclusion of a moderate risk of external debt distress.** They acknowledged the need for fiscal adjustment and stressed their intention to proceed with budgetary consolidation, driven by efforts to mobilize revenues and curtail recurrent spending. They acknowledge the vulnerabilities from growing public debt and contingent liabilities risks and remain committed to ensuring debt sustainability while bringing debt below 50 percent of GDP (in nominal terms). They also commit to continuing to engage with IDA/IMF staff on

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<sup>19</sup> As one FY24 PPA was not implemented, it was carried over to FY25. All four PPAs were implemented in FY25.

debt management issues and to address debt vulnerabilities by building policy credibility and deepening the markets. The authorities regularly carry out their own debt sustainability analyses and pay very close attention to maintaining a low risk of debt distress.

**Figure 1. Indicators of Public and Publicly Guaranteed External Debt under Alternative Scenarios, FY2025/26-2035/36<sup>1</sup>**



Customization of Default Settings		Size	Interactions	Borrowing Assumptions for Stress Tests*	
Tailored Tests				Default	User defined
Combined CLs	Yes				
Natural Disasters	n.a.	n.a.			
Commodity Prices <sup>2/</sup>	n.a.	n.a.			
Market Financing	n.a.	n.a.			

Note: "Yes" indicates any change to the size or interactions of the default settings for the stress tests.  
"n.a." indicates that the stress test does not apply.

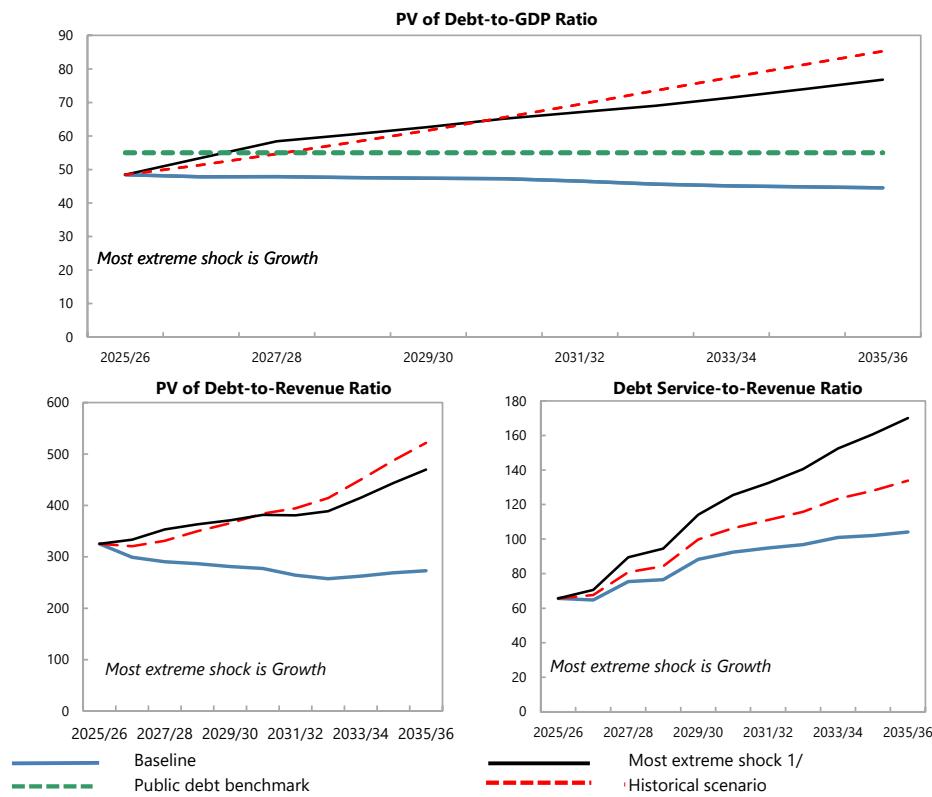
\* Note: All the additional financing needs generated by the shocks under the stress tests are assumed to be covered by PPG external MLT debt in the external DSA. Default terms of marginal debt are based on baseline 10-year projections.

Sources: Country authorities; and staff estimates and projections.

1/ The most extreme stress test is the test that yields the highest ratio in or before 2036. Stress tests with one-off breaches are also presented (if any), while these one-off breaches are deemed away for mechanical signals. When a stress test with a one-off breach happens to be the most extreme shock even after disregarding the one-off breach, only that stress test (with a one-off breach) would be presented.

2/ The magnitude of shocks used for the commodity price shock stress test are based on the commodity prices outlook prepared by the IMF research department.

**Figure 2. Indicators of Public Debt Under Alternative Scenarios,  
FY2025/26-2035/36**

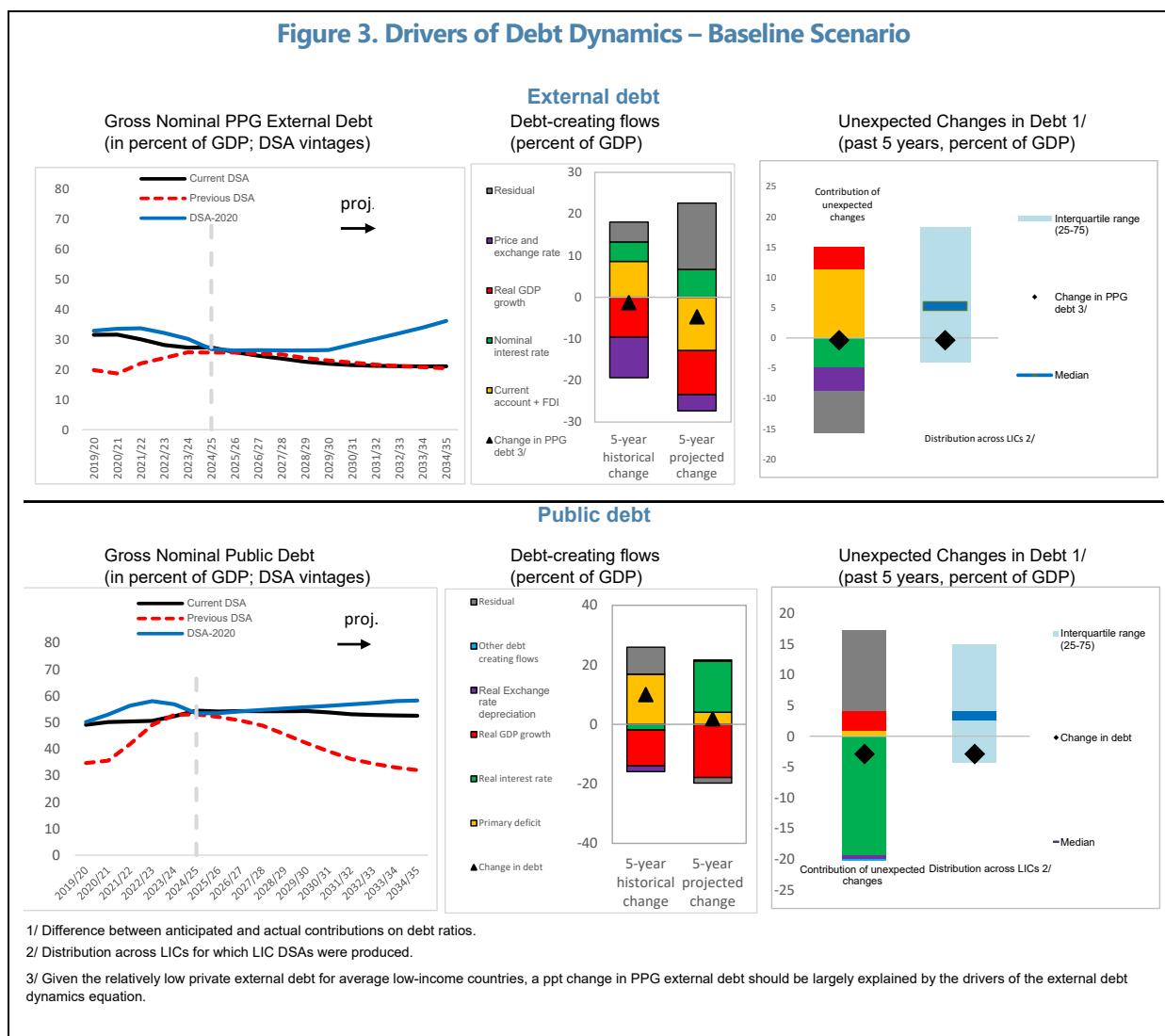


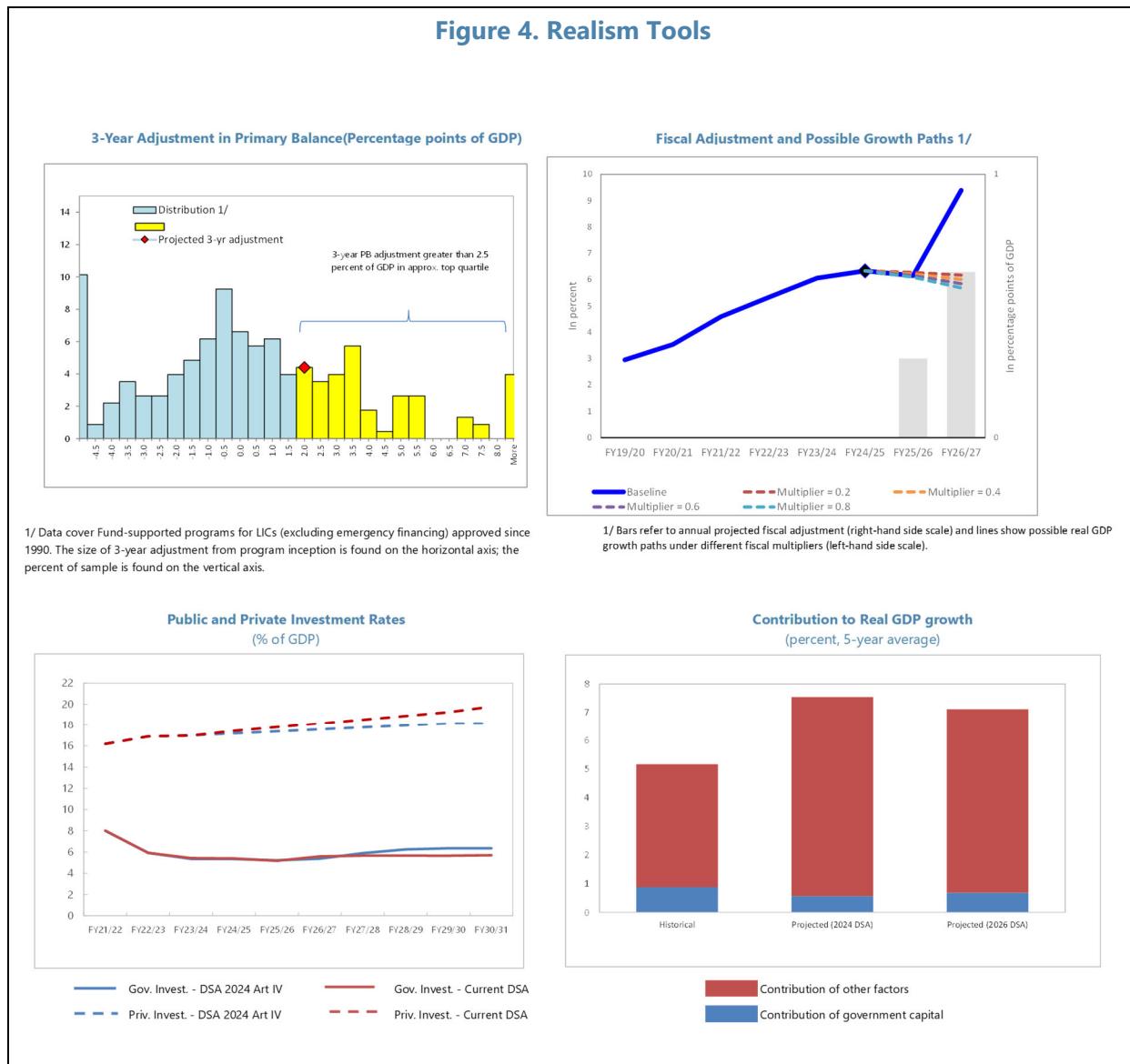
Borrowing Assumptions for Stress Tests*	Default	User defined
<b>Shares of marginal debt</b>		
External PPG medium and long-term	21%	21%
Domestic medium and long-term	55%	55%
Domestic short-term	24%	24%
<b>Terms of marginal debt</b>		
External MLT debt		
Avg. nominal interest rate on new borrowing in USD	5.0%	5.0%
Avg. maturity (incl. grace period)	21	21
Avg. grace period	5	5
Domestic MLT debt		
Avg. real interest rate on new borrowing	12.7%	12.7%
Avg. maturity (incl. grace period)	3	3
Avg. grace period	2	2
<b>Domestic short-term debt</b>		
Avg. real interest rate	10.0%	10.0%

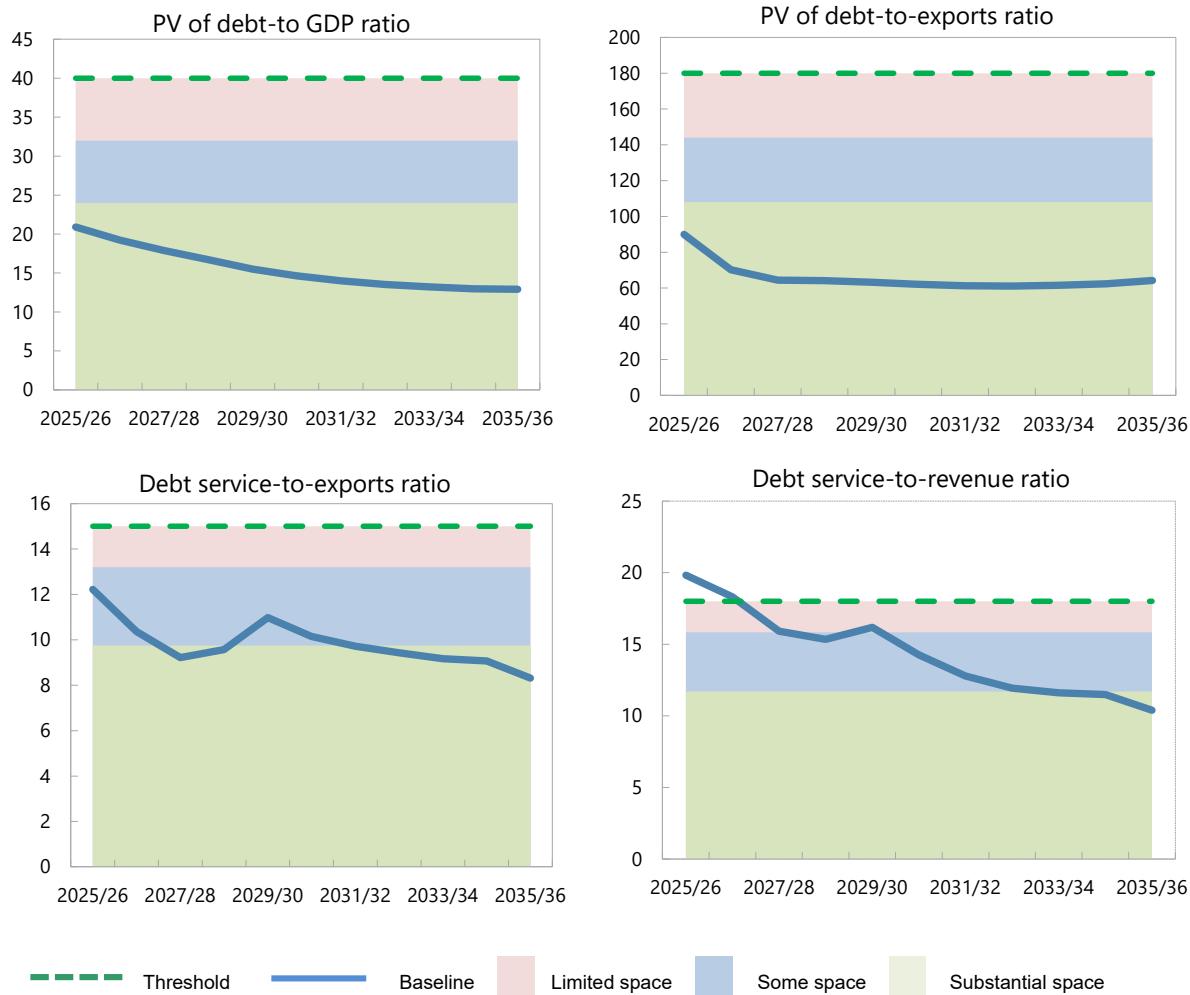
\* Note: The public DSA allows for domestic financing to cover the additional financing needs generated by the shocks under the stress tests in the public DSA. Default terms of marginal debt are based on baseline 10-year projections.

Sources: Country authorities; and staff estimates and projections.

1/ The most extreme stress test is the test that yields the highest ratio in or before 2036. The stress test with a one-off breach is also presented (if any), while the one-off breach is deemed away for mechanical signals. When a stress test with a one-off breach happens to be the most extreme shock even after disregarding the one-off breach, only that stress test (with a one-off breach) would be presented.

**Figure 3. Drivers of Debt Dynamics – Baseline Scenario**

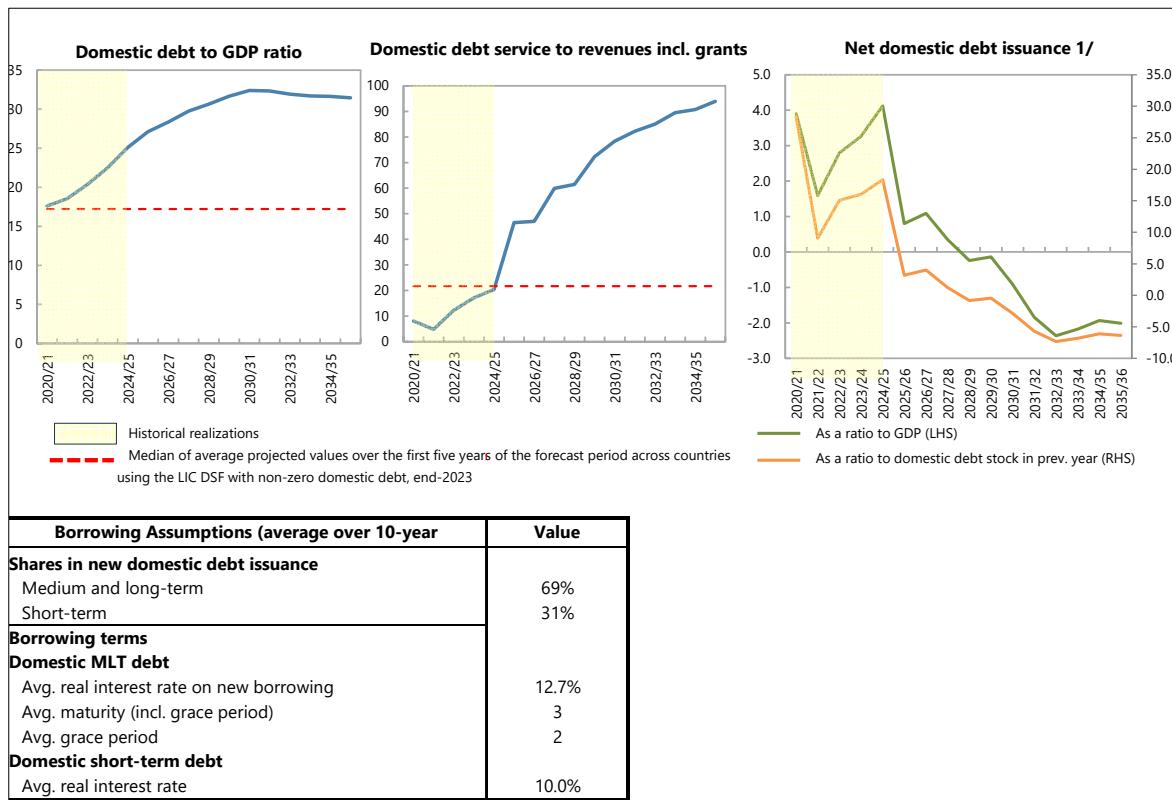
**Figure 4. Realism Tools**

**Figure 5. Qualification of the Moderate Category, FY2025/26-2035/36<sup>1/</sup>**

Sources: Country authorities; and staff estimates and projections.

1/ For the PV debt/GDP and PV debt/exports thresholds, x is 20 percent and y is 40 percent. For debt service/Exports and debt service/revenue thresholds, x is 12 percent and y is 35 percent.

**Figure 6. Indicators of Domestic Public Debt, FY2020/21-2035/36<sup>1/</sup>**  
(percent)



Sources: Country authorities; and staff estimates and projections.

1/ Net domestic debt issuance is an estimate based on the calculated public gross financing need net of gross external financing, drawdown of assets, other adjustments and domestic debt amortization. It excludes short-term debt that was issued and matured within the calendar year.

**Table 1. Uganda: External Debt Sustainability Framework, Baseline Scenario, FY2025/26-2045/46**  
(In percent of GDP, unless otherwise indicated)

	Actual	Projections										Historical Projections
		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	
External debt (nominal) <sup>1/</sup> of which: public and publicly guaranteed (PvG)	35.0 27.3	34.5 27.3	32.5 25.6	31.0 24.6	29.7 23.6	28.4 22.6	27.5 21.9	26.8 21.5	25.6 21.1	24.5 21.3	24.5 21.3	37.8 26.6
Change in external debt	-1.3	-0.5	-2.0	-1.5	-1.3	-1.3	-0.9	-0.7	-0.1	-0.1	-0.1	26.9 22.2
Identified net debt-creating flows	-4.2	-2.1	-4.8	-3.4	-3.4	-3.0	-0.5	-0.3	-0.1	-0.1	-0.1	-2.8 0.5
Non-interest current account deficit	5.2	2.7	1.6	1.4	0.3	0.5	0.3	0.2	0.8	0.6	0.6	4.7
Deficit in balance of goods and services	0.0	-2.7	-5.8	-6.7	-7.4	-6.9	-6.3	-5.9	-4.4	-4.4	-4.4	1.4
Exports	21.3	23.2	27.4	27.8	26.1	24.5	23.6	22.9	20.1	15.8	15.8	2.8
Imports	21.4	20.5	21.6	21.1	18.7	17.6	17.3	17.0	15.8	13.0	13.0	1.4
Net current transfers (negative = inflow) of which: official	-3.3	-2.9	-2.8	-2.7	-2.6	-2.5	-2.4	-2.4	-2.2	-1.8	-1.8	-4.4
Other current account flows (negative = net inflow)	-0.3	-0.2	-0.2	-0.2	-0.1	-0.1	-0.1	-0.1	-0.1	0.0	0.0	1.6
Net FDI (negative = inflow)	8.5	8.4	10.2	10.7	10.3	9.9	9.1	8.4	7.4	6.9	6.9	7.5
Entanglement debt dynamics <sup>2/</sup>	5.8	4.3	-5.0	-4.0	-3.0	-2.9	-3.0	-2.8	-2.8	-1.9	-1.9	-4.0
Contribution from nominal interest rate	-3.6	-0.5	-1.5	-0.7	-0.7	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5
Contribution from real GDP growth	-2.0	1.0	1.4	1.5	1.3	1.3	1.2	1.2	1.0	1.0	1.0	1.0
Contribution from price and exchange rate changes	-2.6	1.7	2.8	1.9	2.1	2.0	2.0	2.4	2.1	1.8	1.8	0.8
Residual <sup>3/</sup> of which: exceptional financing	3.0	1.7	2.8	1.9	2.1	2.0	2.0	2.4	2.1	1.8	1.8	1.5
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10
<b>Sustainability indicators</b>												5
PV of PgG external debt-to-GDP ratio	22.2	20.9	19.2	17.9	16.7	15.5	14.6	14.0	12.9	13.0	13.0	0
PV of PgG external debt-to-exports ratio	104.2	89.9	70.2	64.4	60.0	63.3	62.0	61.2	64.2	82.3	82.3	0.0
PgG debt service-to-exports ratio	16.7	12.2	10.4	9.2	9.6	11.0	10.5	10.2	10.1	10.1	10.1	0.0
PgG debt service-to-revenue ratio	19.8	19.8	18.3	15.9	15.3	16.2	14.3	12.8	10.4	10.5	10.5	0.0
Gross external financing need (million of U.S. dollars)	2,054	2,292	1,146	1,622	1,786	2,020	1,674	1,564	2,526	5,111.9	5,111.9	0
<b>Key macroeconomic assumptions</b>												0
Real GDP growth (in percent)	6.3	6.2	9.4	6.9	6.7	6.4	5.7	5.6	5.5	5.9	5.9	6.0
GPB deflator in US dollar terms (change in percent)	7.9	4.8	1.2	2.0	1.8	2.0	1.8	1.8	2.1	2.0	2.0	2.1
Effective interest rate (percent) <sup>4/</sup>	3.0	4.5	4.7	4.4	4.4	4.5	4.5	4.5	4.1	3.4	3.4	4.1
Growth of exports of PgG (US dollar terms, in percent)	31.6	21.2	30.3	10.5	22.2	19	37	4.0	4.1	4.0	11.9	6.9
Growth of imports of PgG (US dollar terms, in percent)	22.1	6.8	16.7	6.4	3.5	2.2	5.5	5.5	5.5	6.1	11.4	5.7
Grant element of new public sector borrowing (in percent)	14.1	14.3	15.5	16.1	16.3	16.6	16.3	17.4	16.1	15.1	15.1	15.9
Government revenues (excluding grants, in percent of GDP)	-1,877	1,168	1,273	1,280	1,288	1,288	1,288	1,288	1,288	4,668.0	4,668.0	0
Actual flows in million of US dollars) <sup>5/</sup>	...	1.4	1.4	1.3	1.2	1.1	1.1	1.1	1.1	1.2	1.2	1.2
Grant-equivalent financing in percent of GDP <sup>6/</sup>	...	31.9	39.0	41.0	39.2	36.7	38.4	38.2	38.8	38.8	38.8	38.3
Nominal GDP (million of US dollars)	61,833	68,792	76,39	82,977	90,166	97,876	105,362	113,315	150,835	325,103	325,103	15
Nominal dollar GDP growth	14.7	11.3	10.7	9.0	8.7	8.6	7.6	7.5	7.6	8.0	8.0	8.2
<b>Memorandum items:</b>												0
PV of external debt <sup>7/</sup>	30.0	28.1	25.9	24.3	22.8	21.3	20.2	19.3	17.4	15.7	15.7	10
In percent of exports	140.5	120.9	94.8	87.5	87.3	86.9	85.5	84.6	86.6	99.6	99.6	0
Total external debt service-to-exports ratio	18.3	21.0	17.9	16.7	18.3	17.6	17.6	17.6	18.0	18.4	18.4	5
PV of PgG external debt in million of US dollars)	13,748	14,383	14,427	14,940	15,078	15,180	15,422	15,855	19,476.0	42,750.0	42,750.0	0
Non-interest current account deficit that stabilizes debt ratio	6.4	10.0	0.4	0.3	0.1	0.2	0.4	0.9	1.0	0.7	0.7	0.7

Sources: Country authorities and staff estimates and projections.

1/ Includes both public and private sector external debt.

2/ Defined as  $(1 - g - p + g \times (1 - g) / (1 - p))^{1/(g-p)}$  times previous period debt ratio, with  $g$  = nominal interest rate,  $p$  = real GDP growth rate,  $g$  = growth rate of GDP deflator in U.S. dollar terms,  $\epsilon$  = nominal appreciation of the local currency, and  $\epsilon$  = share of local currency denominated external debt in total external debt.

3/ Includes exceptional financing (i.e. changes in arrears and debt relief), changes in gross foreign assets, and valuation adjustments. For projections also includes contribution from price and exchange rate changes.

4/ Current-year interest payments divided by previous year period debt stock.

5/ Defined as grants, concessional loans, and debt relief.

6/ Grant-equivalent financing includes grants provided directly to the government and through new borrowing (difference between the face value and the Pv of new debt).

7/ Assumes that Pv of private sector debt is equivalent to its face value.

8/ Historical averages are generally derived over the past 10 years, subject to data availability, whereas projections averages are over the first year of projection and the next 10 years.

**Table 2. Uganda: Public Sector Debt Sustainability Framework, Baseline Scenario, FY2025/26-2045/46**  
(In percent of GDP, unless otherwise indicated)

	Actual	Projections										Historical Projections
		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	
<b>Public sector debt<sup>1/</sup> of which: external debt</b>	52.4 27.3	54.5 27.3	54.1 25.8	54.3 24.6	54.3 23.6	54.2 22.6	54.3 21.9	53.8 21.5	52.1 21.8	52.1 21.8	52.8 22.2	
Change in public sector debt	1.8	2.1	-0.4	0.2	-0.1	0.0	0.1	-0.5	0.2	0.2	0.9	
<b>Identified debt-creating flows</b>	-2.1 2.3	2.8 1.4	-0.1 0.6	0.5 0.0	0.2 0.3	0.3 0.0	0.4 0.0	-0.2 -0.6	-0.2 -1.3	-0.5	0.9	
<b>Primary deficit</b>	14.7	14.9	16.0	16.5	16.6	16.9	17.0	17.6	15.3	15.3	3.1	-0.4
Revenue and grants of which: grants	0.6	0.6	0.5	0.4	0.3	0.2	0.2	0.2	0.2	0.2	0.2	16.2
<b>Primary (noninterest) expenditure</b>	17.0	16.9	17.4	17.1	16.6	16.9	16.4	16.2	15.0	15.0	16.8	15.7
<b>Automatic debt dynamics</b>	-4.5	0.8	-1.5	-0.1	0.2	0.3	1.0	1.2	0.8	0.8		
Contribution from interest rate/growth differential of which: contribution from average real interest rate of which: contribution from real GDP growth	-3.1 -0.1	0.3 3.3	-1.5 3.2	0.0 3.5	0.2 3.6	0.2 3.6	0.3 3.9	1.0 4.1	1.2 3.7	1.2 3.7		
Contribution from real exchange rate depreciation	-3.0	-3.0	-3.5	-3.4	-3.4	-3.4	-2.9	-2.9	-2.9	-2.9	-2.9	
<b>Other identified debt-creating flows</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Privatization receipts: (negative)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Recognition of contingent liabilities (e.g., bank recapitalization)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Debt relief (HIPC and other)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Other debt creating or reducing flow (please specify)	3.9	-0.7	-0.2	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	2.3	-0.4
<b>Residual</b>												
<b>Sustainability indicators</b>												
<b>PV of public debt-to-GDP ratio<sup>2/</sup></b>	46.8	48.4	47.8	47.8	47.6	47.4	47.2	46.5	43.5	43.5		
<b>PV of public debt-to-revenue and grants ratio<sup>3/</sup></b>	318.9	325.5	299.0	290.4	286.8	281.0	277.3	264.5	284.2	284.2		
<b>Debt service-to-revenue and grants ratio<sup>3/</sup></b>	35.9	65.7	64.8	75.4	76.5	88.2	92.5	94.9	110.3	110.3		
<b>Gross financing need<sup>4/</sup></b>	7.6	11.8	11.8	13.0	12.7	14.9	15.2	15.3	16.6	16.6		
<b>Key macroeconomic and fiscal assumptions</b>												
Real GDP growth (in percent)	6.3	6.2	9.4	6.9	6.7	6.4	5.7	5.6	5.9	4.9	6.0	
Average nominal interest rate on external debt (in percent)	2.9	3.8	3.9	3.4	3.4	3.4	3.4	3.3	2.4	1.8	2.9	
Average real interest rate on domestic debt (in percent) – indicates depreciation)	-0.8	11.3	9.9	10.8	10.9	10.4	11.2	11.4	0.6	0.9	10.8	
Real exchange rate depreciation (in percent) – indicates depreciation)	-5.6	...	...	...	...	...	...	...	...	...	...	
Inflation rate (GDP deflator, in percent)	5.2	4.3	4.5	4.6	4.5	4.7	4.9	4.7	4.9	4.3	4.8	
Growth of real primary spending deflated by GDP deflator, in percent)	14.8	5.6	12.5	4.7	4.0	8.1	3.0	4.3	5.9	7.2	5.4	
Primary deficit that stabilizes the debt-to-GDP ratio <sup>5/</sup>	0.6	0.0	1.8	0.4	0.1	0.0	-0.07	-0.08	-0.05	1.3	-0.4	
PV of contingent liabilities (not included in public sector debt)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	

Sources: County authorities and staff estimates and projections.

1/ Coverage of debt: The central, state, and local governments; central bank; government-guaranteed debt; non-guaranteed debt; Definition of external debt is Residency-based.

2/ The underlying PV of external debt-to-GDP ratio under the public DSA differs from the external DSA with the size of differences depending on exchange rate projections.

3/ Debt service is defined as the sum of interest and amortization of medium and long-term, and short-term debt.

4/ Gross financing need is defined as the primary deficit plus debt service plus the stock of short-term debt at the end of the last period and other debt creation/reducing flows.

5/ Defined as Primary deficit minus a change in the public debt-to-GDP ratio (i.e., primary surplus), which would stabilize the debt ratio only in the year in question.

6/ Historical averages are generally derived over the past 10 years, subject to data availability, whereas projections averages are over the first year of projection and the next 10 years.

**Table 3. Uganda: Sensitivity Analysis for Key Indicators of Public and Publicly Guaranteed External Debt, FY2025/26-2034/35**  
 (In percent)

	Projections									
	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
<b>PV of debt-to GDP ratio</b>										
<b>Baseline</b>	<b>20.9</b>	<b>19.2</b>	<b>17.9</b>	<b>16.7</b>	<b>15.5</b>	<b>14.6</b>	<b>14.0</b>	<b>13.5</b>	<b>13.2</b>	<b>13.0</b>
<b>A. Alternative Scenarios</b>										
A1. Key variables at their historical averages in 2022-2032 1/	20.9	25.3	28.8	32.3	35.5	38.8	42.6	46.3	49.8	52.8
<b>B. Bound Tests</b>										
B1. Real GDP growth	20.9	21.0	20.6	19.2	17.8	16.8	16.1	15.5	15.2	14.9
B2. Primary balance	20.9	19.9	19.6	18.7	17.9	17.7	17.4	17.2	17.2	17.2
B3. Exports	20.9	27.5	37.6	35.7	33.8	32.5	31.4	30.2	28.7	27.4
B4. Other flows 2/	20.9	22.2	22.9	21.5	20.2	19.2	18.4	17.7	17.1	16.6
B6. One-time 30 percent nominal depreciation	20.9	23.8	21.4	20.0	18.5	17.4	16.6	16.0	15.7	15.5
B6. Combination of B1-B5	20.9	31.0	32.1	30.3	28.5	27.2	26.2	25.1	24.1	23.1
<b>C. Tailored Tests</b>										
C1. Combined contingent liabilities	20.9	20.9	20.0	19.0	18.5	18.1	17.7	17.7	17.7	17.7
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Threshold</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>40</b>
<b>PV of debt-to-exports ratio</b>										
<b>Baseline</b>	<b>89.9</b>	<b>70.2</b>	<b>64.4</b>	<b>64.0</b>	<b>63.3</b>	<b>62.0</b>	<b>61.2</b>	<b>61.1</b>	<b>61.5</b>	<b>62.3</b>
<b>A. Alternative Scenarios</b>										
A1. Key variables at their historical averages in 2022-2032 1/	89.9	92.3	103.7	123.9	144.6	164.4	186.2	209.0	231.9	253.6
<b>B. Bound Tests</b>										
B1. Real GDP growth	70.2	64.4	64.0	63.3	62.0	61.2	61.1	61.5	62.3	64.2
B2. Primary balance	72.7	70.6	71.8	73.2	74.8	75.9	77.6	80.1	82.6	86.1
B3. Exports	139.2	<b>221.5</b>	<b>223.8</b>	<b>225.9</b>	<b>225.1</b>	<b>224.8</b>	<b>223.2</b>	<b>219.0</b>	<b>215.4</b>	<b>213.4</b>
B4. Other flows 2/	81.3	82.4	82.5	82.2	81.1	80.6	80.0	79.7	79.7	80.8
B6. One-time 30 percent nominal depreciation	68.8	61.0	60.5	59.7	58.3	57.6	57.5	58.0	59.0	61.0
B6. Combination of B1-B5	128.3	98.8	136.6	137.0	135.7	135.1	133.3	131.8	130.8	131.3
<b>C. Tailored Tests</b>										
C1. Combined contingent liabilities	76.2	71.9	72.7	75.6	76.6	77.4	79.8	82.4	85.0	89.1
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Threshold</b>	<b>180</b>	<b>180</b>	<b>180</b>	<b>180</b>	<b>180</b>	<b>180</b>	<b>180</b>	<b>180</b>	<b>180</b>	<b>180</b>
<b>Debt service-to-exports ratio</b>										
<b>Baseline</b>	<b>12.2</b>	<b>10.4</b>	<b>9.2</b>	<b>9.6</b>	<b>11.0</b>	<b>10.2</b>	<b>9.7</b>	<b>9.4</b>	<b>9.2</b>	<b>9.1</b>
<b>A. Alternative Scenarios</b>										
A1. Key variables at their historical averages in 2022-2032 1/	12.2	10.7	10.7	12.1	14.8	14.9	<b>15.5</b>	<b>17.3</b>	<b>19.0</b>	<b>21.0</b>
<b>B. Bound Tests</b>										
B1. Real GDP growth	12.2	10.4	9.2	9.6	11.0	10.2	9.7	9.4	9.2	9.1
B2. Primary balance	12.2	10.4	9.3	9.9	11.4	10.6	10.3	10.3	10.3	10.4
B3. Exports	12.2	14.6	<b>17.6</b>	<b>21.6</b>	<b>24.1</b>	<b>22.8</b>	<b>22.1</b>	<b>24.0</b>	<b>27.0</b>	<b>26.7</b>
B4. Other flows 2/	12.2	10.4	9.7	10.5	11.9	11.1	10.6	10.9	11.0	10.9
B6. One-time 30 percent nominal depreciation	12.2	10.4	9.2	9.4	10.8	10.0	9.5	9.2	8.8	8.7
B6. Combination of B1-B5	12.2	13.2	14.6	<b>15.5</b>	<b>17.5</b>	<b>16.4</b>	<b>15.8</b>	<b>17.5</b>	<b>17.4</b>	<b>17.2</b>
<b>C. Tailored Tests</b>										
C1. Combined contingent liabilities	12.2	10.4	9.5	9.9	11.4	10.7	10.4	10.2	10.1	10.1
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Threshold</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>
<b>Debt service-to-revenue ratio</b>										
<b>Baseline</b>	<b>19.8</b>	<b>18.3</b>	<b>15.9</b>	<b>15.3</b>	<b>16.2</b>	<b>14.3</b>	<b>12.8</b>	<b>11.9</b>	<b>11.6</b>	<b>11.5</b>
<b>A. Alternative Scenarios</b>										
A1. Key variables at their historical averages in 2022-2032 1/	19.8	19.0	18.4	19.4	21.8	20.9	20.3	21.9	24.1	26.7
<b>B. Bound Tests</b>										
B1. Real GDP growth	<b>19.8</b>	<b>20.0</b>	<b>18.3</b>	17.6	<b>18.6</b>	16.4	14.7	13.7	13.4	13.2
B2. Primary balance	<b>19.8</b>	<b>18.3</b>	16.1	15.8	16.7	14.9	13.6	13.0	13.0	13.1
B3. Exports	<b>19.8</b>	<b>18.6</b>	<b>18.6</b>	<b>21.1</b>	<b>21.7</b>	<b>19.6</b>	17.8	<b>18.6</b>	<b>20.9</b>	<b>20.6</b>
B4. Other flows 2/	<b>19.8</b>	<b>18.3</b>	16.8	16.8	17.5	15.6	14.0	13.8	13.9	13.8
B6. One-time 30 percent nominal depreciation	<b>19.8</b>	<b>23.1</b>	<b>19.9</b>	<b>19.0</b>	<b>20.1</b>	17.7	15.8	14.7	14.1	14.0
B6. Combination of B1-B5	<b>19.8</b>	<b>20.6</b>	<b>21.4</b>	<b>21.1</b>	<b>21.9</b>	<b>19.6</b>	17.7	<b>18.8</b>	<b>18.7</b>	<b>18.5</b>
<b>C. Tailored Tests</b>										
C1. Combined contingent liabilities	<b>19.8</b>	<b>18.3</b>	16.4	15.9	16.8	15.1	13.7	12.9	12.8	12.8
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Threshold</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>

Sources: Country authorities; and staff estimates and projections.

1/ Variables include real GDP growth, GDP deflator (in U.S. dollar terms), non-interest current account in percent of GDP, and non-debt creating flows.

2/ Includes official and private transfers and FDI.

**Table 4. Uganda: Sensitivity Analysis for Key Indicators of Public Debt, FY2025/26 – FY2035/36**

	Projections												
	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38
<b>PV of Debt-to-GDP Ratio</b>													
<b>Baseline</b>	<b>48.4</b>	<b>47.8</b>	<b>47.8</b>	<b>47.6</b>	<b>47.4</b>	<b>47.2</b>	<b>46.5</b>	<b>45.6</b>	<b>45.1</b>	<b>44.8</b>	<b>44.6</b>	<b>44.3</b>	<b>43.9</b>
<b>A. Alternative Scenarios</b>													
A1. Key variables at their historical averages in 2022-2032 1/	48	51	55	58	62	66	69	74	78	81	85	89	93
<b>B. Bound Tests</b>													
B1. Real GDP growth	48	53	58	60	63	65	67	69	71	74	77	79	82
B2. Primary balance	48	51	55	55	55	54	53	53	53	52	52	52	52
B3. Exports	48	56	67	66	65	65	63	62	60	59	57	56	55
B4. Other flows 2/	48	51	53	52	52	52	51	50	49	48	48	47	47
B6. One-time 30 percent nominal depreciation	48	50	48	46	44	42	40	37	35	34	32	31	30
B6. Combination of B1-B5	48	50	52	50	50	49	48	48	48	48	48	48	48
<b>C. Tailored Tests</b>													
C1. Combined contingent liabilities	48	56	56	55	55	55	55	54	53	53	53	53	52
C2. Natural disaster	n.a.												
C3. Commodity price	n.a.												
C4. Market Financing	n.a.												
<b>Public debt benchmark</b>	<b>55</b>												
<b>PV of Debt-to-Revenue Ratio</b>													
<b>Baseline</b>	<b>325.5</b>	<b>299.0</b>	<b>290.4</b>	<b>286.8</b>	<b>281.0</b>	<b>277.3</b>	<b>264.5</b>	<b>257.5</b>	<b>262.4</b>	<b>268.8</b>	<b>273.1</b>	<b>275.6</b>	<b>275.5</b>
<b>A. Alternative Scenarios</b>													
A1. Key variables at their historical averages in 2022-2032 1/	325	321	331	350	365	384	394	414	450	488	522	554	583
<b>B. Bound Tests</b>													
B1. Real GDP growth	325	333	354	363	371	382	381	389	415	444	470	493	514
B2. Primary balance	325	318	334	330	324	321	307	300	307	315	321	325	326
B3. Exports	325	349	406	398	386	379	361	349	350	353	352	349	343
B4. Other flows 2/	325	318	321	316	309	304	290	281	285	291	294	295	293
B6. One-time 30 percent nominal depreciation	325	312	291	276	260	247	226	211	207	204	199	193	186
B6. Combination of B1-B5	325	315	317	303	297	293	280	273	280	287	293	297	298
<b>C. Tailored Tests</b>													
C1. Combined contingent liabilities	325	348	338	334	328	324	310	304	311	319	325	329	329
C2. Natural disaster	n.a.												
C3. Commodity price	n.a.												
C4. Market Financing	n.a.												
<b>Debt Service-to-Revenue Ratio</b>													
<b>Baseline</b>	<b>65.7</b>	<b>64.8</b>	<b>75.4</b>	<b>76.5</b>	<b>88.2</b>	<b>92.5</b>	<b>94.9</b>	<b>96.8</b>	<b>100.9</b>	<b>102.1</b>	<b>104.2</b>	<b>106.7</b>	<b>105.4</b>
<b>A. Alternative Scenarios</b>													
A1. Key variables at their historical averages in 2022-2032 1/	66	68	81	84	100	106	111	116	123	128	134	141	145
<b>B. Bound Tests</b>													
B1. Real GDP growth	66	71	89	94	114	126	133	140	153	161	170	180	184
B2. Primary balance	66	65	82	89	105	114	110	112	119	119	121	125	124
B3. Exports	66	65	78	82	93	97	99	103	110	111	112	115	113
B4. Other flows 2/	66	65	76	78	90	94	96	99	103	104	106	109	107
B6. One-time 30 percent nominal depreciation	66	63	74	74	85	88	91	92	96	96	97	99	97
B6. Combination of B1-B5	66	65	78	82	93	102	103	105	111	113	116	120	120
<b>C. Tailored Tests</b>													
C1. Combined contingent liabilities	66	65	92	86	115	111	108	116	119	118	123	125	123
C2. Natural disaster	n.a.												
C3. Commodity price	n.a.												
C4. Market Financing	n.a.												

Sources: Country authorities; and staff estimates and projections.

1/ Variables include real GDP growth, GDP deflator and primary deficit in percent of GDP.

2/ Includes official and private transfers and FDI.