DEBT SUSTAINABILITY ANALYSIS REPORT

FINANCIAL YEAR 2024/25

www.finance.go.ug | mepd.finance.go.ug

DEBT SUSTAINABILITY ANALYSIS REPORT FY2024/25

DECEMBER 2025

MINISTRY OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

www.finance.go.ug

www.mepd.finance.go.ug

Preface

The Government of Uganda conducts an annual Debt Sustainability Analysis (DSA) to evaluate the Country's public debt position and guide fiscal spending and borrowing decisions in support of macroeconomic stability and economic growth. The DSA supports prudent debt management by identifying vulnerabilities in the debt profile and providing early warning signals of potential debt related risks.

This DSA Report provides an overview of the state of public debt in Uganda, including its historical trends, major drivers and potential risks. The report also provides projections for the evolution of key public debt metrics under different scenarios.

The analysis indicates that Uganda's public debt remains sustainable over the medium to long term, albeit at a moderate risk of debt distress. Public debt as a share of GDP is projected to peak in FY 2025/26, reflecting high financing needs and interest costs, before gradually declining over the medium term. This outlook is supported by government's fiscal consolidation strategy comprised of domestic revenue mobilization and expenditure rationalization, the ten-fold growth strategy and the realization of oil-related revenues.

Notwithstanding this outlook, the ratio of debt service to domestic revenues has increased largely reflecting increased domestic borrowing and external commercial financing with short term maturity periods and relatively high interest rates arising from tight global financing conditions. Going forward, Government will moderate domestic borrowing to ease the debt service burden and continue to prioritize concessional external financing which offers lower interest rates and longer maturities.

This DSA Report was prepared by a team led by the Macroeconomic Policy Department of the Ministry. The team also included officials from the Directorate of Debt and Cash Policy, the Accountant General's Office, the Bank of Uganda and the Parliamentary Budget Office.

The findings of the report will inform Uganda's debt management strategy and promote evidence-based decision making for fiscal and debt sustainability.

Ramathan Ggoobi
PERMANENT SECRETARY / SECRETARY TO THE TREASURY

Table of Contents

Preface ii

Table of Contents iii

List of Acronyms iv

Executive Summary v

1.0 INTRODUCTION 1

2.0 DEBT PORTFOLIO REVIEW 3

2.1 Overview of Uganda's Debt Profile 3

2.2 Composition of Public Debt 4

2.2.1 Composition of External Public Debt 4

2.2.2 Composition of Domestic Debt 5

2.3 Drivers of Debt Accumulation 7

2.4 Cost and Risk Profile of the Existing Debt 8

2.4.1 Cost of Debt 8

2.4.2 Refinancing Risk 9

Figure 6: Redemption profile at end June 2025 (Shs Millions) 10

2.4.3 Interest Rate Risk 11

2.4.4 Exchange Rate Risk 11

3.0 BASELINE ASSUMPTIONS 12

3.1 Macroeconomic Assumptions 12

3.1.1 Fiscal Assumptions 13

3.1.2 Financing Assumptions 14

3.2 Balance of Payments Assumptions 14

4.0 DSA METHODOLOGY 16

5.0 DSA RESULTS 18

5.1 Sustainability of Public and Publicly Guaranteed External Debt 18

5.1.1 External Debt Burden Indicators 19

5.2 Sustainability of Total Public Debt 23

5.3 Uganda's Risk Rating 26

5.4 Further Analysis of Public Debt 28

6.0 CONCLUSION 29

GLOSSARY 31

APPENDICES 33

List of Acronyms

ATM	Average Time to Maturity
ATR	Average Time to Re-fixing
CFR	Charter for Fiscal Responsibility
CPIA	Country Policy and Institutional Assessment
CI	Composite Indicator
DSA	Debt Sustainability Analysis
DSF	Debt Sustainability Framework
EAC	East African Community
EAMU	East African Community Monetary Union
FDI	Foreign Direct Investment
FY	Financial Year
GDP	Gross Domestic Product
IDA	International Development Association
IMF	International Monetary Fund
LICs	Low Income Countries
SOFR	Secured Overnight Financing Rate
MEPD	Macroeconomic Policy Department.
NDP	National Development Plan
PDMF	Public Debt Management Framework
PPG	Public and Publicly Guaranteed
PV	Present Value
UGX	Uganda Shillings
USD	United States Dollar
WAIR	Weighted Average Interest Rate
WEO	World Economic Outlook

Executive Summary

Uganda's total public debt increased from USD 25.59 billion (UGX 94,869.5 billion) in FY 2023/24 to USD 32.24 billion (UGX 115,895.1 billion) in FY 2024/25. The increase was largely driven by domestic debt, which rose from USD 10.96 billion (UGX 40,633.4 billion) to USD 16.79 billion (UGX 60,337.5 billion), mainly due to the lump sum payment of Bank of Uganda advances through securities worth Shs 7,779 billion coupled with increased development expenditure particularly in the oil and gas sector in preparation for first oil in FY 2026/27. There was a more modest increase in external public debt from USD 14.63 billion (UGX 54,236.1 billion) to USD 15.46 billion (UGX 55,557.5 billion).

As a result, public debt as a share of GDP increased from 46.6[1] percent in June 2024 to 50.9 percent in June 2025. In present value terms, public debt stock stood at 45.3 percent of GDP in FY 2024/25, up from 40.4 percent in the previous financial year, largely reflecting the increased uptake of domestic debt that is non concessional.

Over the medium term, Uganda's public debt in present value terms is projected to peak at 49.4 percent of GDP in FY 2025/26 and remain below the 50 percent threshold stipulated under the East African Monetary Union (EAMU) convergence criteria. In nominal terms, public debt-to-GDP ratio is projected to increase to 55.5 percent by June 2026 and decline thereafter to below 50 percent in FY 2030/31.

This Debt Sustainability Analysis (DSA) concludes that Uganda's public debt remains sustainable over the medium to long term supported by government's fiscal consolidation strategy comprised of domestic revenue mobilization and expenditure rationalization, the ten-fold growth strategy and the realization of oil-related revenues.

Nonetheless, the DSA finds that public debt remains at ***moderate risk of debt distress***. However, this debt position is vulnerable to shocks which can lead to lower than projected economic growth, and export growth and hence leading to an increase in the risk of debt distress.

[1] This is lower than what was reported in the DSA report for FY2023/24 (46.8%) because of the revision of the nominal GDP for FY2023/24 by the Uganda Bureau of Statistics in October 2025.

As at June 2025, debt service amounted to 35.7 percent of domestic revenues underscoring the increasing burden of debt servicing on the budget. This ratio is projected to peak at 45.3 percent by June 2026 largely reflecting high debt servicing costs arising from high domestic interest rates and rising external financing costs. Nevertheless, this ratio (debt service to-revenue) is projected to gradually decline thereafter in line with Government's fiscal and debt management strategy. The ratio of domestic interest payments to domestic revenue stood at 22.0 percent in FY 2024/25.

Going forward, Government will continue to prioritize measures aimed at maintaining fiscal and debt sustainability, including boosting domestic revenues through the continued implementation of the Domestic Revenue Mobilization Strategy and enhancing the efficiency of public expenditure. In addition, the realisation and effective management of oil resources will narrow the fiscal deficit and support private sector–led growth initiatives, as envisaged under the tenfold growth strategy.

1.0 INTRODUCTION

The Government of Uganda undertakes an annual Debt Sustainability Analysis (DSA) in accordance with the requirements of the Public Finance Management Act Cap.171 and the Charter for Fiscal Responsibility. The analysis assesses the sustainability of public debt over the medium to long term and supports prudent fiscal and debt management.

The DSA focuses on key indicators of the debt burden, including the level of public debt relative to Gross Domestic Product (GDP) and the proportion of domestic revenues required to service debt obligations. Due to its forward-looking nature, the DSA serves as an early warning tool for identifying potential risks to the debt portfolio, enabling timely policy responses to safeguard macroeconomic stability.

The preparation of the DSA involves several key steps. These include the formulation of baseline assumptions for macroeconomic and debt related variables, projecting the evolution of key debt indicators over the medium to long term, and assessing these projections against country-specific thresholds and benchmarks to determine the level of the Country's risk of debt distress.

The outcomes of the DSA inform decision-making across various levels of Government and constitute a critical input into the Medium-Term Debt Strategy, the Fiscal and Budget Strategy, and the Fiscal Risks Statement. In addition, the analysis is used to monitor progress in meeting Government commitments under the Charter for Fiscal Responsibility and the East African Monetary Union (EAMU) Protocol.

For the purposes of this report, public debt comprises both domestic debt and Public and Publicly Guaranteed (PPG) external debt. External debt is recorded on a disbursed and outstanding debt (DOD) basis, while undisbursed loan commitments are incorporated into future debt projections. Domestic debt is measured at cost value[2]. The classification of debt as domestic or external is based on the currency of issuance rather than the residence of the

[2] Cost value" refers to the actual price paid to acquire an asset, while "face value" is the stated value on the document, which often remains constant regardless of market fluctuations. In simpler terms, cost value is what Government received from the security holder, while face value is the printed value on the security that Government is obliged to pay to the holder at its maturity.

creditor; accordingly, debt issued in Uganda shillings is classified as domestic, while debt issued in foreign currency is classified as external.

The rest of this report is structured as follows: Section 2 sets the context for the report, highlighting the existing levels of debt and its cost and risk profile. Section 3 discusses the assumptions underpinning the baseline projections. Section 4 provides an overview of the methodology used while Section 5 discusses the results of the analysis. Section 6 concludes.

2.0 DEBT PORTFOLIO REVIEW

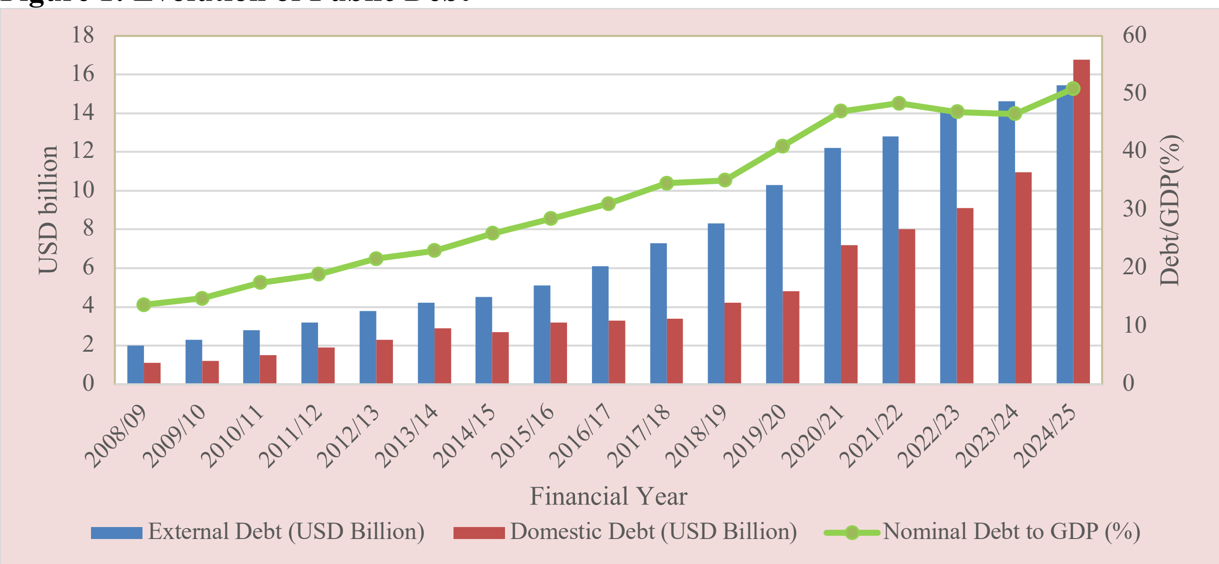
2.1 Overview of Uganda's Debt Profile

The stock of public sector debt increased from USD 25.59 billion (UGX 94,869.5 billion) in FY 2023/24 to USD 32.24 billion (UGX 115,895.1) in FY 2024/25. This increment was mainly driven by domestic debt, largely reflecting the lump sum payment of Bank of Uganda advances through securities worth Shs 7,779 billion, coupled with increased development expenditure particularly in the oil and gas sector in preparation for first oil in FY 2026/27. Domestic debt measured in US Dollars increased from USD 10.96 billion in FY 2023/24 to USD 16.79 billion in FY 2024/25. External debt increased from USD 14.63 billion to USD 15.46 billion over the same period.

As a percentage of GDP, public sector debt increased from 46.6 percent in FY 2023/24 to 50.9 percent in FY2024/25. External debt accounted for 24.4 percent of GDP, while domestic debt contributed 26.5 percent of GDP. In Present Value (PV) terms[3], public sector debt increased to 45.3 percent of GDP at end June 2025 from 40.4 percent of GDP the year before.

Figure 1 below shows the evolution of public debt to GDP as well as the stock of public debt (in billions of US Dollars) from FY 2008/09 to FY 2024/25.

Figure 1: Evolution of Public Debt



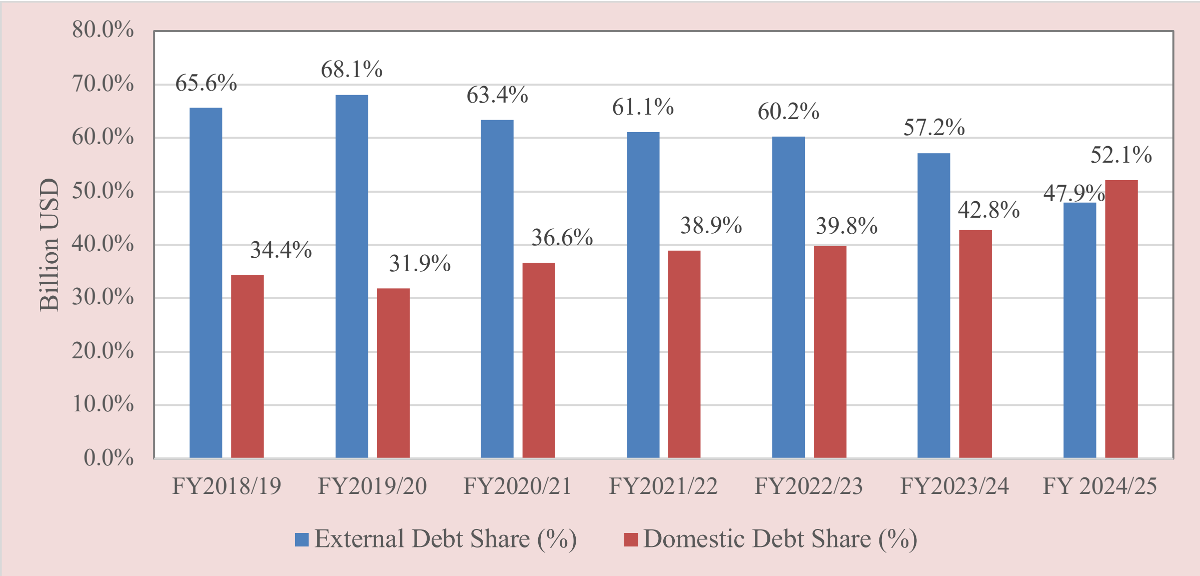
Source: Ministry of Finance, Planning and Economic Development

[3] PV captures the degree of concessionality of the debt stock. The more concessional the debt, the lower the PV compared to the nominal value.

2.2 Composition of Public Debt[4]

In contrast to previous years when external debt constituted the larger share of public debt, domestic debt surpassed external debt in FY 2024/25 (as seen in Figure 2) partly due to tighter global financing conditions compared to the domestic conditions. Domestic debt accounted for 52.1 percent of total public debt at end June 2025, up from 42.8 percent in the preceding financial year. Correspondingly, the share of external debt declined to 47.9 percent in FY 2024/25 from 57.2 percent in FY 2023/24.

Figure 2: Public Debt Composition



Source: Ministry of Finance, Planning and Economic Development

2.2.1 Composition of External Public Debt

In FY 2024/25, the composition of external debt owed to multilateral creditors increased to 65.5 percent from 64.6 percent the previous financial year reflecting Government's preference for highly concessional financing. Bilateral creditors accounted for 22.7 percent of the total external debt stock in FY 2024/25 of which 15.1 percent was owed to China. Additionally, the share of debt held by external commercial creditors reduced to 11.3 percent in FY 2024/25 from 11.8 percent the previous financial year. Table 1 presents the distribution of external debt by creditor category and the trend over the last ten years.

[4] This DSA Report defines domestic and external debt based on the currency of issuance, rather than the residence of the creditor. This means that all debt issued in Uganda shillings is defined as domestic debt, while all debt issued in foreign currency is defined as external debt.

Table 1: Distribution of External Debt Stock by Creditor Category (percent)

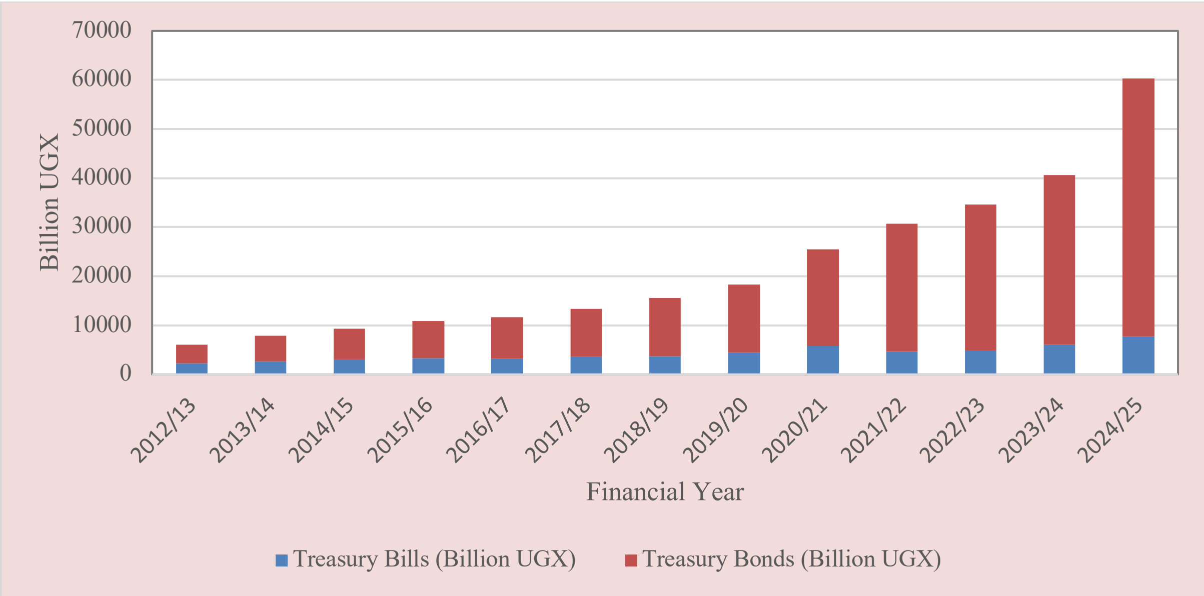
Creditor Category	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Multilateral Creditors	76.6	70.8	67.8	64.5	61.9	62.5	61.7	61.8	64.6	65.5
o/w IDA	48.9	45.2	42.2	40.1	34.6	35.3	34.5	31.9	32.7	34.1
Bilateral Creditors	23.4	26.6	31.5	33.7	30.9	28.6	27.9	24.6	23.5	22.7
Non-Paris Club	20.4	22.8	25.1	27.5	23.6	21.6	21.4	20.2	17.3	15.8
o/w China	17.8	20.3	24.2	26.5	22.6	20.9	20.7	18.1	16.5	15.1
Paris Club	3	3.8	6.5	6.2	7.3	7	6.5	4.4	6.2	6.8
o/w Japan	2.4	3	4	2.5	3	2.3	1.9	1.5	1.4	1.5
Commercial Banks		2.6	0.7	1.8	7.2	8.9	10.4	13.6	11.8	11.3

Source: Ministry of Finance, Planning and Economic Development

2.2.2 Composition of Domestic Debt

The share of longer-term treasury instruments (treasury bonds) in domestic debt has been increasing over the years as shown in Figure 3. This is consistent with Government's decision to issue more long-term debt to reduce the refinancing risk associated with the portfolio, and to smoothen the redemption / repayment profile. As such, treasury bonds continued to dominate the largest share of the domestic debt stock as at end June 2025 at 87.2 percent while treasury bills (maturity≤ 1year) accounted for the remaining 12.8 percent. Figure 3 plots the distribution of domestic debt across treasury bills and treasury bonds.

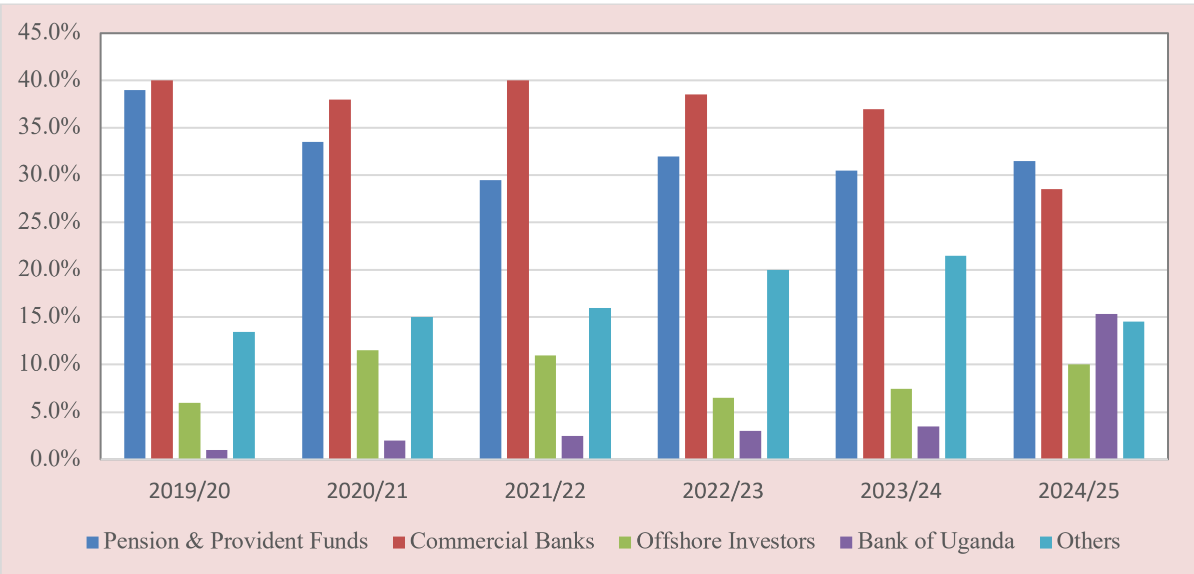
Figure 3: Composition of Domestic Debt Stock by Treasury Instrument Type



Source: Bank of Uganda

Composition of Domestic Debt by Holder

Figure 4: Composition of Domestic Debt by Holder[5]



Source: Bank of Uganda

Pension and provident funds held the largest share of public domestic debt in June 2025, accounting for 31.5 percent of the total surpassing commercial banks. This shift reflects

[5] "Others" includes Retail Investors, Institutional Investors, Insurance Companies and Deposit Protection Funds, Other Financial Institutions and Other Market Intermediaries.

increased participation by pension and provident funds, partly driven by enhanced sensitisation of individuals and firms to invest through institutional channels. This was closely followed by commercial banks, which held 28.6 percent of the domestic debt.

Holdings by the Bank of Uganda increased significantly from 3.5 percent in FY 2023/24 to 15.4 percent in FY 2024/25, mainly due to the securitisation of advances from the Central Bank amounting to Shs 7,779 billion. Offshore investors' holdings stood at 10.0 percent, slightly higher than the 7.5 percent recorded in the previous financial year underscoring the continued attractiveness of the Ugandan Government Securities market to foreign players.

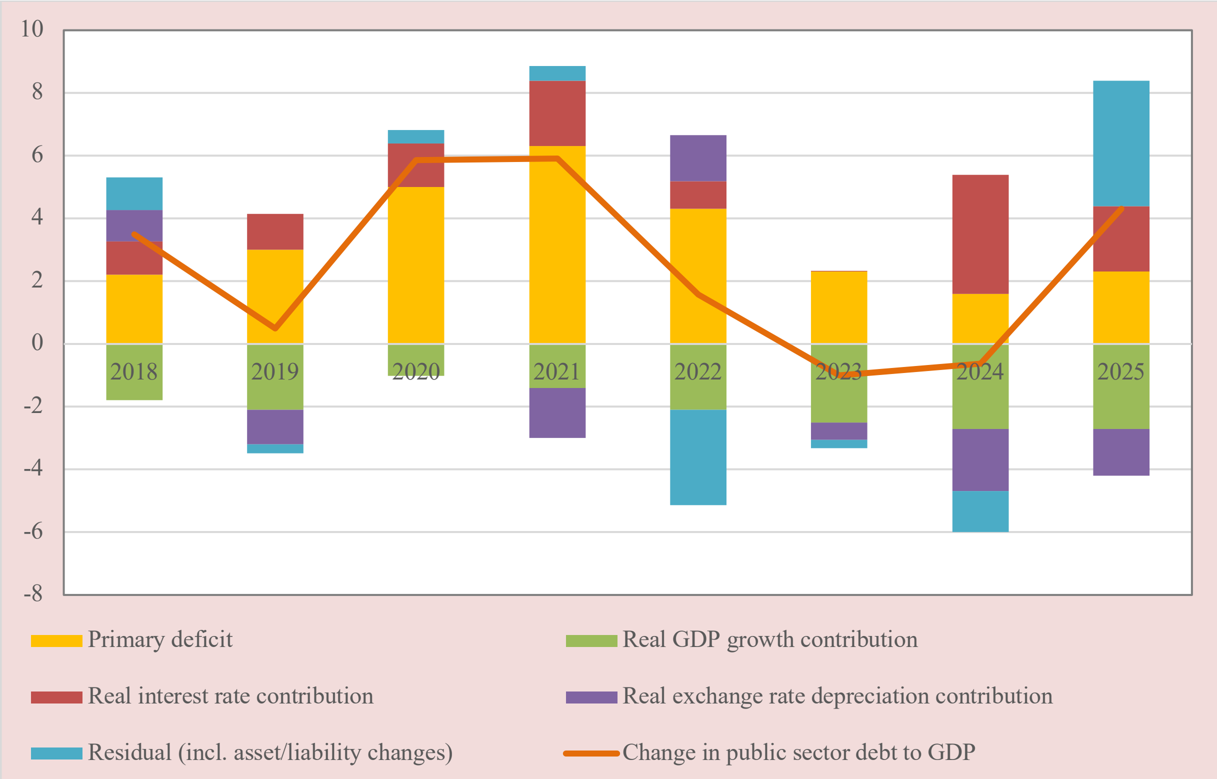
2.3 Drivers of Debt Accumulation

The primary deficit continued to be the largest driver of the rise in Uganda's public debt reflecting higher government expenditure and relatively slow growth of domestic revenue. In FY2024/25, the fiscal deficit widened contributing to a 2.3 percentage point increase in the debt-to-GDP ratio. In addition, the average real interest rate continued to exert upward pressure on debt levels. This reflects tight global financing conditions which led to a high cost of debt as well as a reduction in the availability of concessional financing from multilateral and bilateral sources.

On the other hand, the real exchange rate appreciation and real GDP growth continued to mitigate the increase in the debt-to-GDP ratio in FY2024/25, as shown in Figure 5. The appreciation of the Uganda shilling against the US dollar contributed to a reduction of 1.5 percentage points in the debt-to-GDP ratio. In addition, strong real GDP growth reduced the debt-to-GDP ratio by 2.7 percentage points, reflecting continued robust economic growth from 6.1 percent in FY2023/24 to 6.3 percent in FY2024/25.

Overall, the increase in public debt in FY 2024/25 was driven by a high fiscal deficit, high real interest costs, and a residual (including asset/liability changes), partially offset by high growth, and an appreciation of the shilling.

Figure 5: Contributions to Changes in Public Debt



Source: Ministry of Finance, Planning and Economic Development

2.4 Cost and Risk Profile of the Existing Debt

2.4.1 Cost of Debt

Interest payments as a percentage of GDP

Total interest payments as a share of GDP increased from 3.5 percent in FY2023/24 to 4.5 percent in FY2024/25. This was mainly driven by a significant increase in domestic interest payments from 2.9 percent to 3.8 percent of GDP reflecting increased issuance of domestic debt.

Weighted average interest rate (WAIR)

The WAIR increased by 1.4 percentage points from 7.5 percent in June 2024 to 8.9 percent in June 2025. This is attributed to the increase in external WAIR from 2.4 percent to 2.9 percent largely due to the high cost of borrowing globally. Weighted Average Interest Rates for domestic debt were unchanged at 14.4 percent as there were no major changes in average yields between the two years reported.

Table 2: Cost and Risk Profile of Public Debt

		FY2023/24			FY2024/25		
		External	Domestic	Total	External	Domestic	Total
cost of debt	Interest payment as percent of GDP	0.6	2.9	3.5	0.7	3.8	4.5
	Weighted Av. Interest Rate (percent)	2.4	14.4	7.5	2.9	14.4	8.9
Refinancing risk	Av Time to Maturity (years)	10.0	7.1	8.7	10.5	7.4	9.1
	Debt maturing in 1 yr (percent of total)	5.5	27.3	14.8	5.9	14.8	9.9
	Debt maturing in 1 yr (percent of GDP)	1.5	5.5	6.9	1.9	3.9	5.2
Interest rate risk	Av Time to Re-fixing (years)	9.1	7.1	8.2	9.6	7.4	8.6
	Debt re-fixing in 1 yr (percent of total)	24.0	27.3	25.4	22.8	14.8	19.2
	Fixed rate debt incl T-bills (percent of total)	79.1	100.0	88.1	81.0	100.0	89.6
	T-bills (Percent of total)	-	14.8	6.3	0.0	12.8	5.8
Forex risk	Forex debt (Percent of total debt)			57.2			47.9
	Short Term forex debt (Percent of reserves)			24.8			26.5

Source: Bank of Uganda & Ministry of Finance, Planning and Economic Development

2.4.2 Refinancing Risk

Average time to maturity (ATM)

The ATM of the total public debt portfolio increased from 8.7 years in FY 2023/24 to 9.1 years in FY 2024/25, driven by higher ATM for both external and domestic debt (to 10.5 years and 7.4 years, respectively). This is in line with Government's strategy to lengthen maturities of foreign loans and domestic instruments as well as smoothening the redemption profile to mitigate the refinancing risk.

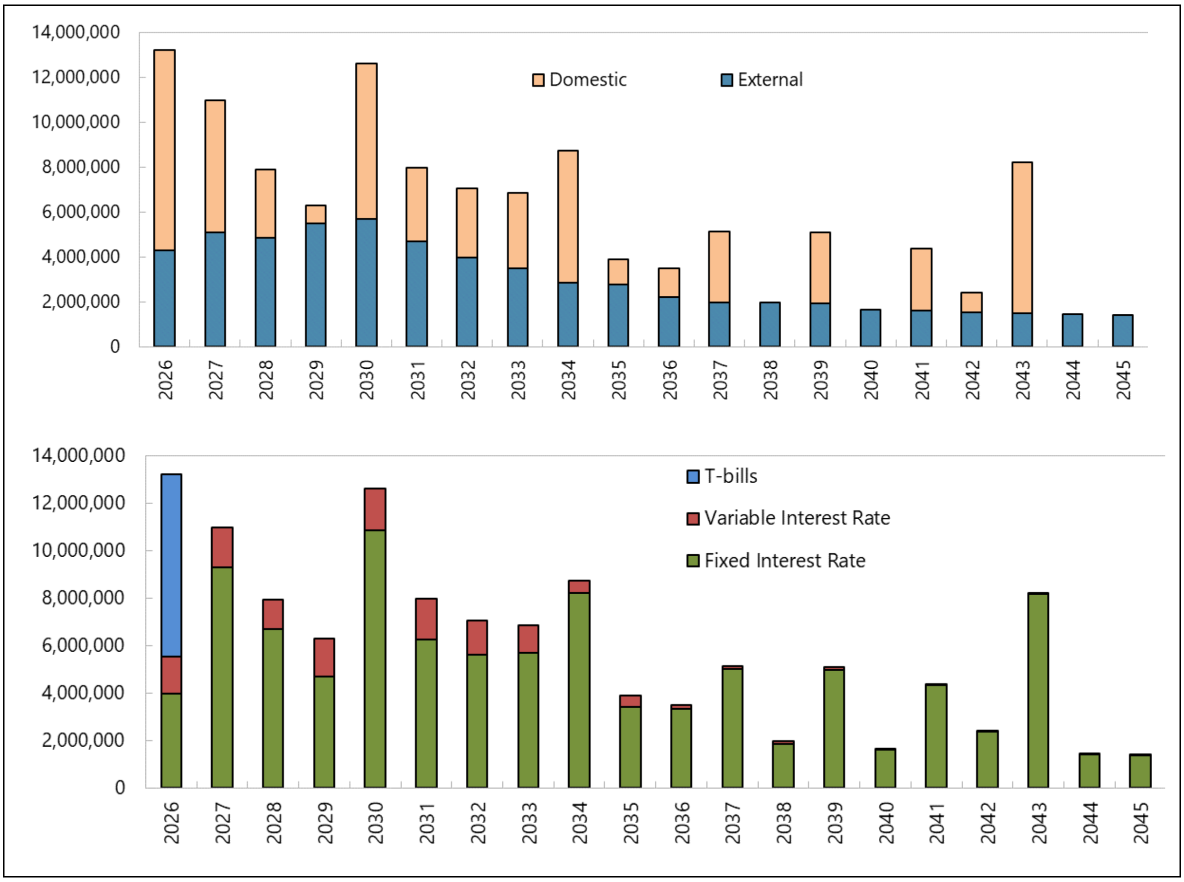
In recent years, Government has managed to significantly increase the ATM for domestic debt by issuing longer dated treasury bonds. However, there has been a marked reduction in the ATM for external debt on account of significant contracting of external commercial debt, particularly during and after the COVID-19 pandemic.

Debt maturing in one year (as percent of total debt and GDP)

Debt maturing in one year as a percentage of total debt registered a notable improvement; reducing from 14.8 percent to 9.9 percent in the same period. This is attributed to a significant reduction of the stock of domestic debt maturing in one year from 27.3 percent to 14.8 percent.

Figure 6 depicts the redemption profile of Uganda's public debt portfolio. It is noted that external debt maturities increase slightly in the medium-term peaking in 2030 due to the short-term maturities of the commercial external debt. However, in the long term, they follow a smoother reducing path which indicates a lower refinancing risk. Domestic debt on the other hand shows some spikes in 2026, 2030, 2034 and 2043; demonstrating a large share of debt maturing in those years, and therefore posing a higher refinancing risk to Government.

Figure 6: Redemption profile at end June 2025 (Shs Millions)



Source: Bank of Uganda & Ministry of Finance, Planning and Economic Development

2.4.3 Interest Rate Risk

The Average Time to Refixing (ATR), which is the average time it takes the portfolio to be subject to changes in interest rates, improved from 8.2 years in June 2024 to 8.6 years in June 2025. This was on account of a notable improvement in ATR of both external and domestic debt which increased from 9.1 years in FY 2023/24 to 9.6 years in FY 2024/25 and 7.1 years to 7.4 years in the same period respectively. This can be attributed to a continued relatively larger share of the fixed rate debt of the total external debt than the variable rate debt. In addition, treasury bonds that are issued at fixed interest rates take up a larger share of domestic debt.

2.4.4 Exchange Rate Risk

External debt as a percentage of total debt

The share of external debt to total public debt declined from 57.2 percent in June 2024 to 47.9 percent in June 2025, reflecting reduced exposure to the exchange rate risk. Exchange rate risk captures the vulnerability of public debt to exchange rate movements, whereby a depreciation of the domestic currency raises the local currency value of foreign-currency-denominated debt. The decline in the external debt share in FY 2024/25 therefore indicates lower vulnerability of public debt to valuation changes arising from exchange rate movements.

Short-term external debt (maturing in one year), as a share of foreign exchange reserves

This measures the liquidity risk posed to international reserves with regard to meeting short term external debt liabilities. The ratio rose from 24.8 percent in FY 2023/24 to 26.5 percent in FY 2024/25 due to the faster growth in external debt stock.

3.0 BASELINE ASSUMPTIONS[6]

3.1 Macroeconomic Assumptions

Uganda's economy recorded strong performance in FY 2024/25 with real GDP growing from 6.1 percent in FY2023/24 to 6.3 percent, and the size of the economy expanding to Shs 227,875 billion (US$ 61.9 billion), up from Shs 203,708 billion (US$ 53.6 billion) in FY 2023/24. This growth was mainly supported by stronger aggregate demand, increased investment, and robust export performance. This improved performance reflects stable macroeconomic conditions, ongoing developments in the oil and gas sector, and favorable weather conditions, which together strengthened confidence in the economy's growth outlook.

Economic growth was further supported by targeted government interventions aimed at boosting production, productivity, and private sector development. Notable initiatives included the Parish Development Model, the EMYOOGA program, and capitalization of the Uganda Development Bank to expand access to affordable credit for development initiatives. These efforts were complemented by interventions such as the Agricultural Credit Facility, the Agriculture Insurance Scheme, and the Small Business Recovery Fund which supported small holder incomes and strengthened the resilience of businesses.

Prices remained stable in FY 2024/25, with headline inflation averaging 3.5 percent, well within the Bank of Uganda's core target of 5 percent and only slightly higher than the 3.2 percent recorded in FY 2023/24. This was largely due to well-coordinated monetary and fiscal policies, a stable exchange rate, and moderate food prices.

Over the medium term, real GDP growth is projected to range between 6.5 to 7.0 percent in FY 2025/26, rising further to 10.2 percent in FY 2026/27, driven by broad-based expansion across key sectors of the economy. This growth is expected to be driven by increased investment, production and productivity envisaged in the tenfold growth strategy particularly in the priority sectors i.e. Agro-industry, Tourism, Mining (including Oil and Gas), and Science, Technology & ICT (ATMS). In addition, growth is expected to be supported by increased activity in the Oil and Gas sector with first oil production expected in FY 2026/27, improved agricultural production and agro-processing driven by the Parish Development Model, increased access to irrigation equipment, machinery, extension services, alongside enhanced market access both

[6] Please note, these assumptions are as at December 2025.

regionally and internationally. The services sector is projected to benefit from increased investment in tourism infrastructure, development of tourist sites, and the hosting of international meetings, conferences, and major sporting events, including the Africa Cup of Nations (AFCON) tournament. Industrial growth is expected to be driven by continued investment in infrastructure such as roads, railways, bridges, industrial parks, and affordable electricity, which will support expanded manufacturing activity.

Growth in the medium term will be further supported by stronger export performance, driven by deeper regional economic integration, participation in additional African trade blocs, and increase in our export base and expansion of market access especially within the East African Community and African Continental Free Trade Area. In addition, sustained inflows of foreign direct investment and remittances are expected to strengthen capital formation and reinforce overall economic expansion.

Government is mindful of potential risks to the outlook, including unpredictable weather patterns, supply chain disruptions arising from regional and global geopolitical tensions, tighter global financial conditions, volatile commodity prices, and emerging trade protectionism that could affect export performance.

To mitigate these risks and support resilient growth, Government is strengthening support to small and medium-sized enterprises and household incomes through programs such as the Parish Development Model, EMYOOGA, and the Small Business Recovery Fund. Government is also undertaking a fiscal consolidation strategy through improved domestic revenue mobilization, and more efficient public expenditure to safeguard debt sustainability. In addition, continued investment in critical infrastructure and improvements in climate change preparedness, including early warning systems and climate adaptation measures, are being prioritized to sustain economic activity and protect the growth momentum.

3.1.1 Fiscal Assumptions

Domestic revenue as a share of GDP is projected to increase by 0.86 percentage points in FY 2025/26, rising from 14.1 percent in FY 2024/25 to 14.9 percent in FY 2025/26. Thereafter, the revenue to GDP ratio is projected to grow at an average rate of 0.8 percentage points per annum over the rest of the medium term, driven by the implementation of tax policy and administrative measures under the Domestic Revenue Mobilisation Strategy (DRMS) as well as increased revenues following the onset of oil production. Table 3 below presents a summary of the medium-term fiscal assumptions underpinning this DSA.

Table 3: Summary of Fiscal Assumptions

FY	2024/25 Outturns	2025/26	2026/27	2027/28	2028/29	2029/30
As a percentage of GDP						
Revenue and Grants	14.7%	16.0%	16.0%	17.3%	17.7%	18.3%
o/w Revenue	14.1%	14.9%	15.5%	16.9%	17.4%	18.1%
o/w Grants	0.6%	1.0%	0.5%	0.4%	0.3%	0.2%
Total Expenditure	20.7%	23.9%	22.0%	22.3%	21.9%	21.9%
Primary Balance	-2.3%	-3.2%	-1.4%	-0.1%	0.5%	1.0%
Overall Balance	-6.0%	-7.9%	-6.0%	-5.0%	-4.2%	-3.5%
Memorandum Items						
Real GDP Growth (percent)	6.3%	6.6%	10.2%	7.8%	7.2%	6.7%

Source: Ministry of Finance, Planning and Economic Development, December 2025

Public expenditure to GDP is projected to increase from 20.7 percent in FY 2024/25 to 23.9 percent in FY 2025/26. However, this ratio will gradually reduce over the medium term to an average of 22.0 percent. In FY 2025/26, the overall deficit (including grants) is estimated at 7.9 percent and is projected to gradually reduce in line with the fiscal consolidation strategy in the medium term.

3.1.2 Financing Assumptions

Government will continue to utilize the least cost-of available external and domestic financing resources for deficit financing in order to maintain fiscal and debt sustainability.

In sourcing external financing, Government will prioritise least cost available concessional debt to the extent possible before considering non concessional options. Nonetheless, given that concessional financing alone will not be sufficient to meet the scale of development financing required to support the objectives of Vision 2040, Government will continue to utilize some non-concessional financing but will be limited to projects with high growth multiplier effects.

3.2 Balance of Payments Assumptions

In the medium term, international commodity prices for both exports and imports are taken from reputable international sources like the IMF and the World Bank while growth in volumes is based on real growth rates of the relevant sub-sectors. Oil exports are based on government share of the total revenues. Exports of services are projected to grow in line with nominal GDP growth of advanced economies, while imports of services are broadly forecast to grow in line with imports of goods.

In the outer years, the values of both exports and imports of goods and services are forecast as a constant share of GDP based on the value of the last year of the medium term. Both imports and exports were adjusted to account for activities in the oil and gas sector.

Interest income inflows / outflows throughout the projection period were derived as the stock of financial assets / liabilities in the previous period, multiplied by the Secured Overnight Financing Rate (SOFR). SOFR projections are taken from the IMF's WEO.

Inflows of private transfers are forecast to grow in line with nominal GDP growth of advanced economies in the medium term and thereafter grow at an average rate of 2.6 percent per year.

Foreign Direct Investment (FDI) is projected to steadily increase by an average of 4.7 percent in the medium term, as investment in the oil sector increases in preparation for oil production. In the outer years FDI is forecast as a constant share of Uganda's nominal GDP growth in dollar terms.

The stock of gross reserves is fixed at 4.5 months of future import cover throughout the outer years in line with the East African Community (EAC) Monetary Union convergence criteria.

4.0 DSA METHODOLOGY

This Debt Sustainability Analysis (DSA) was undertaken using the revised (2017/18) World Bank/IMF Low-Income Countries Debt Sustainability Framework (LIC-DSF) analytical tool. The LIC-DSF serves as the primary tool used by multilateral institutions and other creditors to evaluate debt sustainability risks in low-income countries. The LIC-DSF tool applies a benchmark for total public debt alongside indicative thresholds for external Public and Publicly Guaranteed (PPG) debt burden indicators, which are determined by a country's debt-carrying capacity. Debt-carrying capacity varies across countries, reflecting differences in policy and institutional strength, macroeconomic performance, and the availability of buffers to withstand shocks.

Under the LIC-DSF, a country's debt-carrying capacity is assessed using a Composite Indicator (CI). The CI is calculated based on country specific information, including the Country Policy and Institutional Assessment (CPIA)[7] score, the country's real GDP growth, remittances, international reserves, and world growth. Based on the CI score, countries are classified into three categories: strong, medium, or weak performers. Each category is associated with distinct indicative thresholds for the DSF debt burden indicators, with weak performers subject to the most stringent thresholds and strong performers to the least restrictive.

As shown in Table 4, Uganda's Composite Indicator score of 2.855 places the country in the medium performer category.

Table 5 provides the thresholds / benchmarks applicable to each category.

Table 4: Calculation of the CI Index

Components	Coefficients (A)	10-year average values (B)	CI Score components (A*B) = (C)	Contribution of components
CPIA	0.385	3.5317	1.36	48%
Real growth rate (in percent)	2.719	5.7381	0.16	5%
Import coverage of reserves (in percent)	4.052	31.3510	1.27	44%
Import coverage of reserves^2 (in percent)	-3.990	9.8289	-0.39	-14%
Remittances (in percent)	2.022	2.5017	0.05	2%
World economic growth (in percent)	13.520	3.0350	0.41	14%
CI Score			2.855	100%
CI rating			**Medium**	

[7] The CPIA is an index computed annually by the World Bank for Low Income Countries. It uses 16 indicators and assigns countries a score ranging from 1 to 6, with higher figures representing better institutional capacity.

Source: IMF/World Bank Low-Income Countries' Debt Sustainability Framework

The LIC-DSF provides results for the baseline assumptions[8] and stress test[9] scenarios against the applicable thresholds / benchmark. The lower the country's debt carrying capacity, the lower (more stringent) the thresholds for sustainability assessment.

Table 5 below presents the debt burden thresholds for external debt, including the solvency indicators; PV of external debt-to-exports and PV of external debt-to-GDP, as well as the liquidity indicators; external debt service-to-exports and external debt service-to-revenue. The table also reports the public debt benchmark, measured as the PV of total public debt-to-GDP.

Table 5: Debt Burden Thresholds/ Benchmark by Classification.

	Weak Performer CI < 2.69	**Medium Performer 2.69 ≤ CI ≤ 3.05**	**Strong Performer CI > 3.05**
External Debt Burden Thresholds			
Solvency Ratios			
PV of debt in percent of Exports	140	180	240
PV of debt in percent of GDP	30	40	55
Liquidity Ratios			
Debt service in percent of Exports	10	15	21
Debt service in percent of Revenue	14	18	23
Total Public Debt Benchmark			
PV of total public debt in percent of GDP	35	55	70

Source: IMF/World Bank Low-Income Countries' Debt Sustainability Framework.

[8] Refer to page 26 for more details on the baseline scenario
[9] Stress test scenarios are where we impose a shock

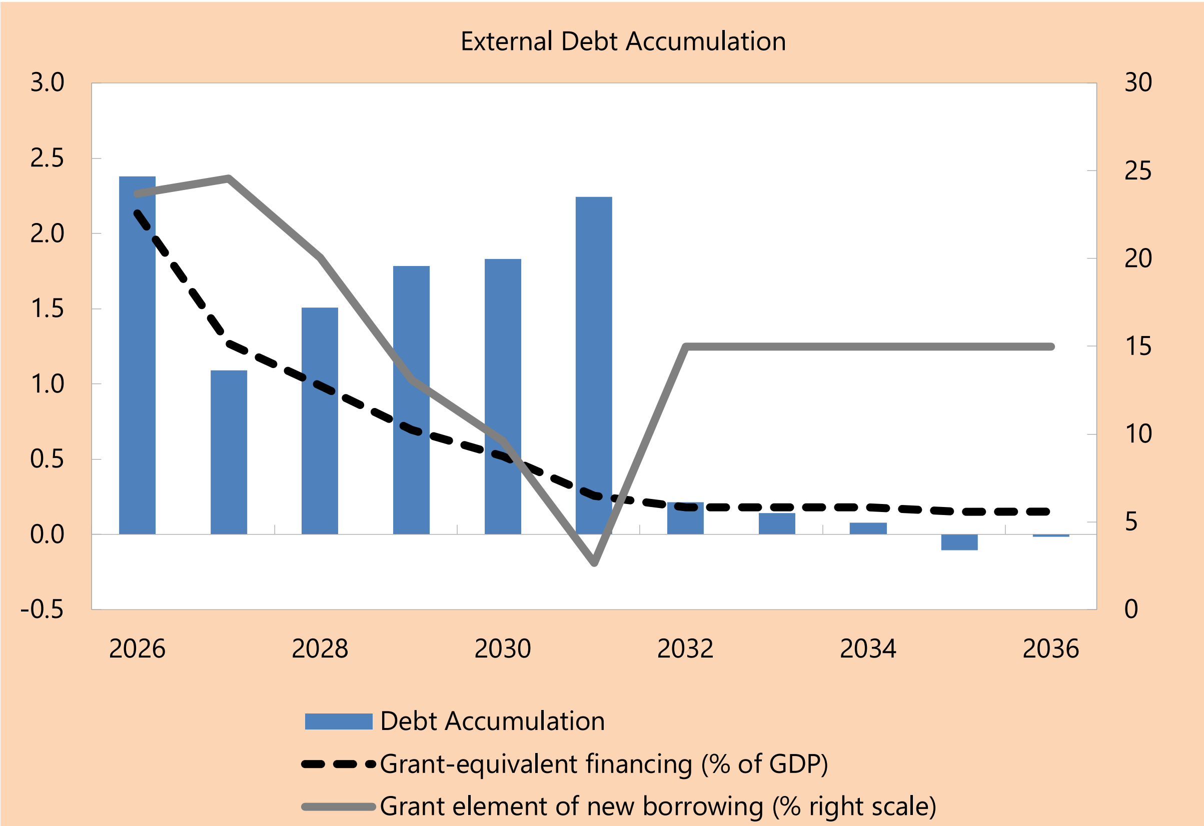
5.0 DSA RESULTS

This chapter presents the results of the DSA, broken down by external debt, total public debt, and supplementary analysis beyond the LIC-DSF, with a primary focus on domestic debt. The analysis concludes that Uganda's overall risk of debt distress remains moderate. **Public debt is assessed to be sustainable over the medium to long term**. Nevertheless, the analysis highlights several vulnerabilities, notably the rising debt service burden relative to domestic revenues, a negative shock to growth and a slowdown in the growth of exports.

5.1 Sustainability of Public and Publicly Guaranteed External Debt

Government will continue to take up external borrowing over the medium term for financing of the budget deficit. The chart shows a sustained decline in the concessionality of new external borrowing and grant-equivalent financing as a percentage of GDP, indicating reduced reliance on grants and concessional loans. These variables are projected to follow a downward trend as oil production commences in the medium term as the country progresses toward middle income status which will reduce its access to concessional loans.

Figure 7: External Debt Accumulation



Source: Ministry of Finance Planning and Economic Development

5.1.1 External Debt Burden Indicators

Both solvency and liquidity external debt indicators are projected to remain below their respective thresholds in the baseline scenario as shown in **Table 6**. The trajectory of these indicators is largely dependent on the commencement of oil production which will increase the inflow of foreign exchange and increase foreign exchange reserves for debt service. Nevertheless, the gradual rise in external debt to export ratios **limits buffers against adverse shocks**, particularly those affecting exports or exchange rates. This underscores the importance of export promotion and prudent external borrowing to preserve debt sustainability over the medium to long term.

Table 6: Summary of External Debt Sustainability Indicators (percent)

	LIC-DSF Thresholds	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2030/31**
Solvency indicators									
PV of External Debt to GDP	40	20.7	19.2	19.6	18.6	17.9	17.7	17.7	17.9
PV of External Debt to Exports	180	109.6	89.0	90.2	88.0	89.1	92.6	95.8	104.3
Liquidity indicators									
External Debt Service to Exports	15	10.8	8.7	10.2	10.7	9.6	10.0	10.7	10.4
External Debt Service to Revenue	18	14.9	13.3	14.9	14.6	11.4	11.1	10.9	9.6

Source: Ministry of Finance Planning and Economic Development

Scenario Description

Baseline scenario: The baseline scenario is based on macroeconomic and fiscal assumptions aligned with the Government's fiscal consolidation policy. It assumes increased revenue mobilization and a gradual reduction in the primary deficit, alongside effective implementation of the Ten-Fold Growth Strategy. The scenario further assumes a stable macroeconomic environment with no external or domestic shocks.

Most extreme scenario: The most extreme scenario builds on the baseline but incorporates severe domestic or external shocks that significantly weaken debt dynamics. These shocks include a sharp slowdown in real GDP growth (for example, a pandemic similar to COVID-19), a decline in export growth, a significant depreciation of the exchange rate, and adverse movements in other key macroeconomic variables affecting public debt.

Historical scenario: The historical scenario assumes that key debt-determining variables namely— the primary balance, real GDP growth, non-interest current account balance, and net FDI inflows — are maintained at their 10-year historical averages. This scenario reflects debt outcomes based on past macroeconomic performance.

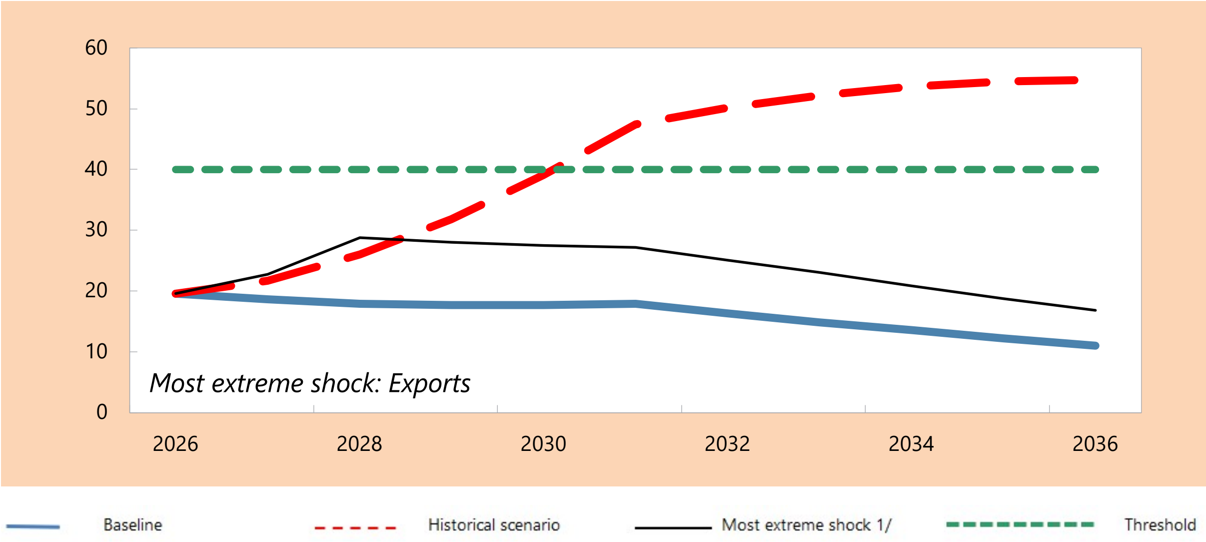
Solvency Indicators

PV of External Debt to GDP Ratio.

The PV of external debt to GDP is projected to slightly increase from 19.2 percent in FY 2024/25 to 19.6 percent in FY 2025/26 and remain below its threshold of 40 percent over the foreseeable future (See Figure 8). However, the historical scenario suggests that in the event that expenditures increase at the pace of their historical averages and the economy does not expand as anticipated, the PV of External Debt to GDP would breach the sustainable threshold from 2030 onward in the long term. This underscores the need for sustained fiscal consolidation and effective implementation of the 10-fold growth strategy.

In nominal terms, the external debt to GDP ratio is projected to increase from 24.4 percent in FY 2024/25 to a peak of 26.2 percent in FY 2025/26, before beginning to decline. This ratio is forecasted to remain below 30 percent of GDP over the projection horizon, in line with the overarching goal of minimising debt accumulation.

Figure 8: PV of External Debt to GDP (percent)



Source: Ministry of Finance Planning & Economic Development

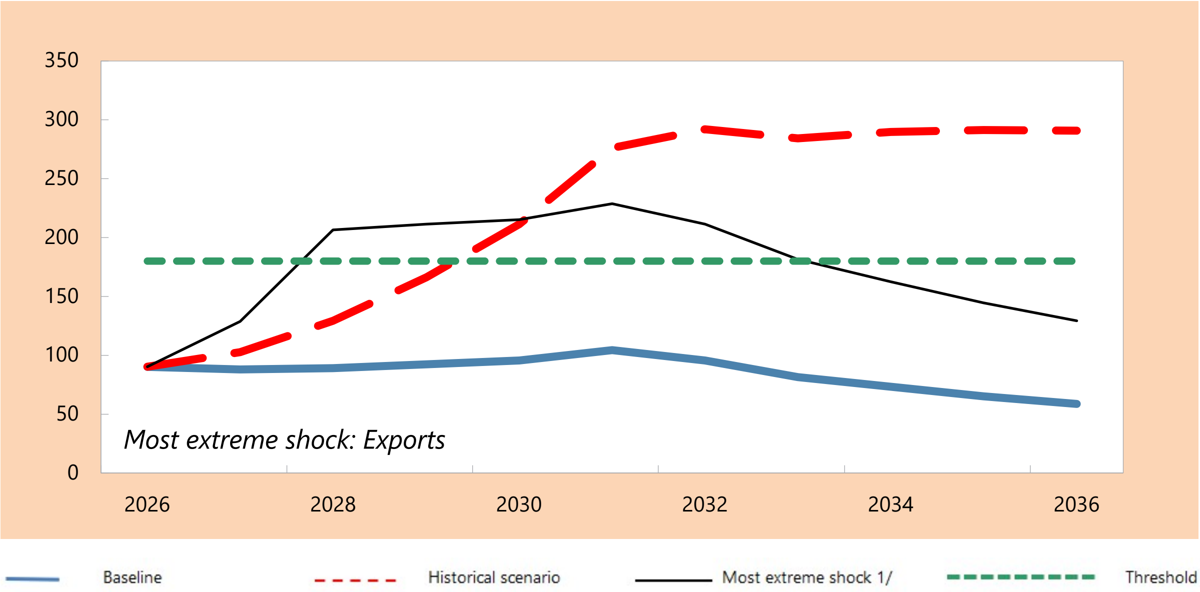
PV of External Debt to Exports

The PV of external debt to exports of goods and services is projected to remain below its indicative threshold under the baseline scenario but to breach the threshold under the most severe shock scenario[10] and the historical scenario. This breach, which emerges as early as FY 2027/28, indicates heightened risk of external debt distress should an adverse economic shock significantly weaken export growth.

Exports are a critical variable in assessing external debt sustainability, as they represent the primary source of foreign exchange required to service foreign-currency-denominated debt. A breach of this indicator under the shock scenario highlights the need to strengthen Government efforts to promote exports in order to enhance debt sustainability. Figure 9 shows the evolution of the PV of external debt to exports through the projection period.

[10] The most severe shock in this scenario assumes a decline in exports of 11 percent and 12 percent in the second and third projection years, respectively. This could occur in the event of a sharp fall in international oil or coffee prices

Figure 9: PV of External Debt to Exports (percent)



Source: Ministry of Finance Planning and Economic Development

Liquidity Indicators

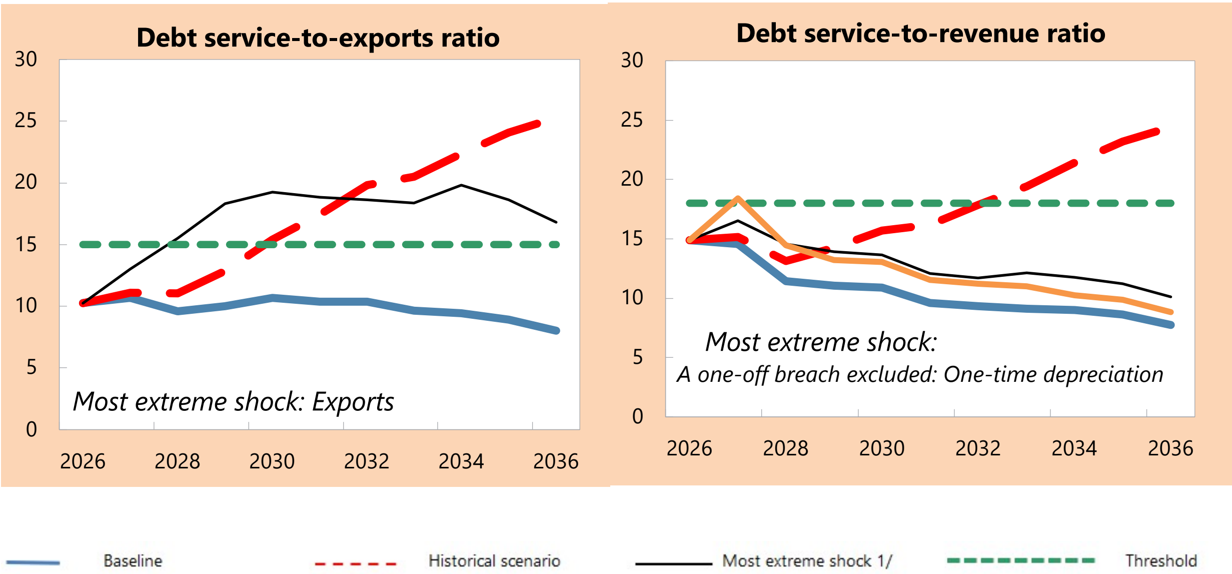
The LIC-DSF employs two liquidity indicators to assess external debt service: external debt service relative to exports of goods and services, and external debt service relative to domestic revenue. The latter indicator captures the availability of budgetary and liquid resources (cash or near-cash) to meet external debt service obligations as they fall due.

The external debt service-to-exports of goods and services ratio is projected to remain below its indicative threshold under the baseline scenario but is expected to breach the threshold under the most extreme shock and historical scenarios over the long term. This breach underscores the need to diversify the export base to reduce external debt exposure to external shocks that impact export earnings.

The external debt service to domestic revenue indicator slightly breaches its threshold in the event of a one-time 30 percent nominal depreciation in FY 2026/27. Under the baseline scenario, this ratio stands at 14.9 percent in FY 2026/27 and averages above 10 percent over the ten-year projection period. This implies that more than 10% of annual Government revenues would be pre-committed to servicing external debt, given that debt service takes first priority on available resources.

This highlights the importance of Government efforts towards fiscal consolidation through rationalisation of expenditures while enhancing domestic revenue mobilization, aimed at reducing the fiscal deficit and consequently the rate of debt accumulation, especially on non-concessional/commercial terms.

Figure 10: Evolution of Liquidity Indicators for External Debt



Source: Ministry of Finance, Planning and Economic Development

5.2 Sustainability of Total Public Debt

Total Public Debt is a more comprehensive measure of the country's indebtedness, as it comprises both domestic and external debt. The DSF provides a benchmark for PV of total Public Debt to GDP to help flag risks from broader debt exposures. This benchmark, which is dependent on the country's debt carrying capacity, helps to highlight the risk exposure to both domestic and external debt.

Table 7: Summary of Public Debt Sustainability Indicators (percent)

Financial Year	LIC DSF Benchmark	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
Nominal debt to GDP		46.6	50.9	55.5	54.0	53.0	51.9	50.5	49.1
Charter for Fiscal Responsibility (Nominal debt/GDP)		52.4	51.2	49.3					
PV of Debt to GDP	55	40.4	45.3	49.4	48.2	47.6	46.9	46.0	45.1

Source: Ministry of Finance Planning and Economic Development

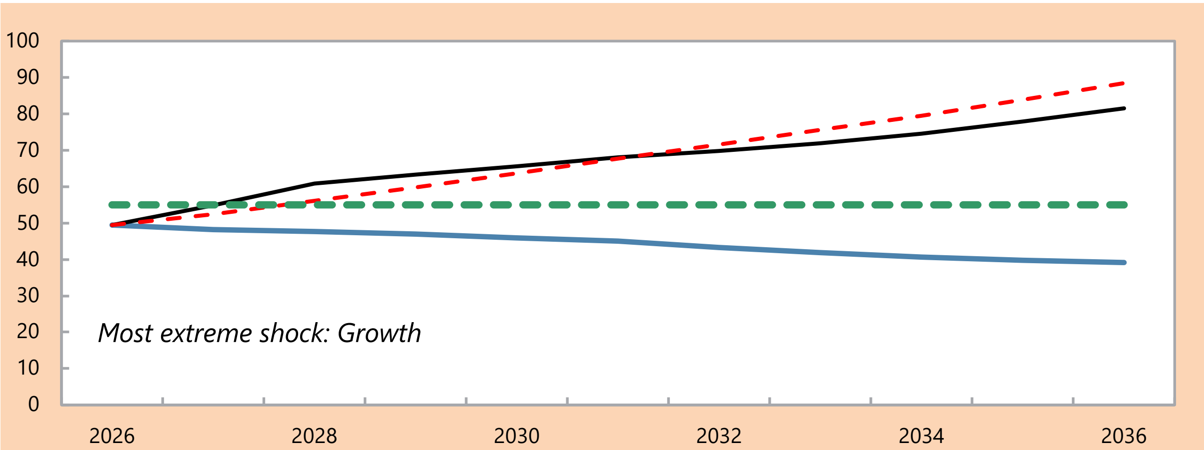
Note: The targets in the Charter for Fiscal Responsibility are only available for years 2023/24 to 2025/26, when the current charter expires.

Under this debt sustainability analysis, the PV of debt to GDP is projected to remain below its associated benchmark of 55 percent throughout the forecast period (see Table 7 and Figure 11). This ratio is projected to remain below the more stringent 50 percent threshold prescribed under both the Public Debt Management Framework and the East African Monetary Union (EAMU) convergence protocol criteria. Nonetheless, the ratio is expected to increase over the medium term. The PV of debt to GDP is expected to peak at 49.4 percent in FY 2025/26, below the EAMU convergence ceiling of 50 percent, and average 47.6% in the medium term.

In nominal terms, the debt-to-GDP ratio increased from 46.6 percent in FY 2023/24 to 50.9 percent by end FY 2024/25. The rise in total public debt over this period was largely driven by higher investment spending to accelerate development in the oil and gas sector in preparation for first oil in FY 2026/27, as well as the securitization of Bank of Uganda loan advances amounting to Shs. 7,779 billion (3.4 percent of GDP). The ratio is projected to rise further to 55.5 percent in FY 2025/26, reflecting a widening primary deficit due to election-related expenditures and an increase in the average real interest rate. Thereafter, it is expected to decline to 50.5 percent in FY 2029/30.

Figure 11 maps the evolution of the PV of total public debt to GDP over the next ten years against the applicable LIC-DSF benchmark.

Figure 11: PV of Public Debt to GDP



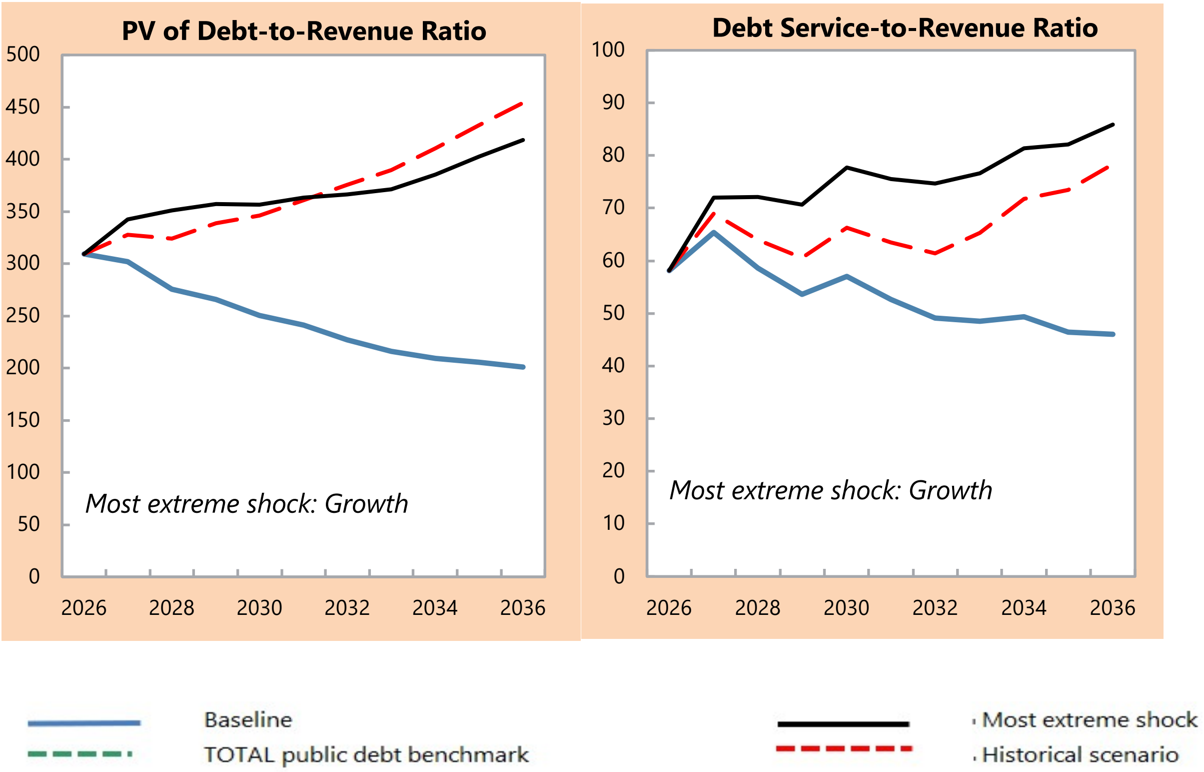
Source: MEPD, Ministry of Finance, Planning and Economic Development

While the indicator remains below the benchmark under the baseline scenario, it significantly breaches under the most extreme shock scenario. This highlights the heightened debt vulnerabilities over the medium term and beyond, implying that the country's risk of debt distress could deteriorate to high risk in the event of an adverse economic shock.

The ratio of the PV of debt to GDP is projected to peak in FY 2025/26 at 49.4 percent before gradually declining to 46.0% in FY 2029/30. This improvement is mainly driven by strong GDP growth, reflecting returns from investments in ATMS, and increased revenues from the commencement of oil production. Over the long term, this downward trajectory is expected to be reinforced by the completion of major infrastructure projects particularly in the energy and transport sectors which should help narrow the fiscal deficit. However, under the historical scenario, the benchmark is breached from FY 2028/29 onward, underscoring the need for sustained high economic growth and continued fiscal consolidation.

The DSA also reports ratios for total public debt service to revenue and the present value of public debt to revenue, as illustrated in Figure 12. While these indicators are not subject to explicit thresholds in the LIC-DSF framework, they provide important insights into liquidity risks. The debt service to revenue ratio is projected to rise in the first year of the projection period, mainly reflecting higher financing needs in FY 2025/26 when the fiscal deficit is estimated to widen to 7.9 percent from 6.0 percent in FY 2024/25, alongside tight global financing conditions. Nonetheless, both ratios are expected to decline gradually over the medium to long term, supported by improved revenue performance and the realization of oil revenues.

Figure 12: Other Total Public DSA Ratios



Source: MEPD, Ministry of Finance, Planning and Economic Development

5.3 Uganda's Risk Rating

The signal for the risk of public external debt distress is derived by comparing the projected external debt indicators with their indicative thresholds for the first 10 years of projection both under the baseline and most extreme shock scenario and this is determined as in Table 8.

Table 8: Mechanical Approach for Risk Rating (Criteria)

	Number of Debt burden indicators breaching threshold under baseline assumptions	Number of Debt burden Indicators breaching threshold under stress tests
Low Risk	**0**	**0**
Moderate Risk	**0**	**1 or more**
High Risk	**1 or more**	**1 or more**
In debt Distress	**Country is already having problems servicing its debt (Having debt arrears)**	

Source: IMF/WB LIC-DSF Guidance Note.

Based on these criteria, Uganda is assessed to be at **moderate risk of external debt distress**. This assessment reflects the fact that all external debt burden indicators remain below their respective thresholds under the baseline scenario, but breaches occur under the most extreme shock scenario for the external debt service to exports and the PV of external debt-to-exports ratios.

The DSF also provides a signal for the overall risk of public debt distress. This signal is derived based on joint information from the five debt burden indicators: the four external debt burden indicators, which are compared with their indicative thresholds, and the PV of total Public Debt-to-GDP, which is compared to its indicative benchmark. The risk signal is determined as follows:

• **Low overall risk of public debt distress** if external debt has a low-risk signal and the PV of total Public Debt-to-GDP ratio remains below its benchmark under the baseline and the most extreme shock.

• **Moderate overall risk of public debt distress** if external debt has a moderate risk signal or if external debt has low risk signal but the public debt burden indicator breaches its benchmark under the stress test.

• **High overall risk of public debt distress** if the baseline for any of the four external debt burden indicators or the total public debt burden indicator breach their corresponding thresholds/benchmark.

Although the baseline for the PV of total public debt to GDP ratio remains below its indicative threshold, it breaches the threshold under the most extreme shock (Figure 11), indicating a moderate risk of total public debt distress. In addition, the external debt analysis also signals a moderate risk, as thresholds are breached under the most extreme shock for both the PV of external debt to exports (Figure 9) and the external debt service to exports ratios (Figure 10). Accordingly, Uganda is assessed to be at an overall **moderate risk of debt distress**.

5.4 Further Analysis of Public Debt

In Uganda, public debt management is guided by the Public Debt Management Framework (PDMF, 2023), among other policy considerations, which sets out key benchmarks for prudent debt management. The Government's fiscal objectives are operationalized through the Charter for Fiscal Responsibility, which defines an acceptable path for selected fiscal variables to ensure compliance with the PDMF and other statutory requirements. One of the objectives under the current Charter is to reduce the ratio of domestic interest payments to total revenue (excluding grants) to 12.5 percent by FY 2025/26, well within the PDMF (2023) ceiling of 15.0 percent.

Table 9 below provides the performance of some public debt indicators against their benchmarks provided by the PDMF and the stipulated path under the current Charter for Fiscal Responsibility.

Table 9: Domestic Debt Sustainability Benchmarks (percent)

	PDMF Benchmark	24/25	25/26	26/27	27/28	28/29	29/30	30/31
Total Debt Service[11]/Domestic Revenue (Excluding grants)		35.7	45.3	41.1	39.9	39.5	37.6	33.2
Domestic interest /Domestic revenue (excluding grants)	<15	22.0	26.7	25.7	24.8	24.0	22.3	21.2
Charter Target (domestic interest to total revenue)		12.5	12.5					
Total Debt Service / Total Government Expenditure		24.3	27.9	28.8	29.9	31.0	30.9	28.2

[11] This does not include domestic debt amortization.

Source: MEPD, Charter for Fiscal Responsibility FY2021/22 – FY2025/26, Public Debt Management Framework (2023)

The ratios presented in Table 9 highlight vulnerabilities associated with the burden of debt service on the budget and domestic revenues. Total debt service amounted to 35.7 percent of domestic revenue in FY 2024/25 and is projected to peak at 45.3 percent in FY 2025/26 before declining thereafter. The ratio will remain average at approximately 40% in the medium term. This trend underscores the urgency for the Government to fully implement the Domestic Revenue Mobilization Strategy (DRMS) and to prioritize concessional financing, thereby reducing dependence on costly domestic borrowing to finance the budget. In addition, the Government will enhance allocative efficiency by prioritizing spending in sectors that generate economic returns while curbing expenditures with limited or no returns.

6.0 CONCLUSION

Uganda's Debt Sustainability Analysis finds that **public debt remains sustainable with a moderate risk of debt distress.** However, the analysis reveals **heightened vulnerability to shocks as well as a high debt service burden relative to domestic revenues.** Debt is projected to remain sustainable over the medium to long-term**,** supported by the government's fiscal consolidation strategy and the implementation of the 10-fold growth strategy. As a share of GDP, public debt increased from 46.6 percent in FY 2023/24 to 50.9 percent at the end of FY 2024/25 and is projected to peak at 55.5 percent in FY 2025/26 before declining to 50.5 percent in FY 2029/30. This downward trajectory is projected to be supported by increased revenues from oil production, stronger GDP growth, and the Government's deliberate efforts to pursue fiscal consolidation through enhanced domestic revenue mobilization and expenditure rationalization, which will help reduce the fiscal deficit.

The risk to Uganda's debt sustainability can arise from both domestic and external shocks that increase borrowing costs and adversely affect real GDP growth and export performance.

Accordingly, the Debt Sustainability Framework identifies breaches under the most extreme shock scenario for three key indicators namely, the **PV of public debt-to-GDP**, the **PV of external debt-to-exports**, and the **external debt service-to-exports ratio,** relative to their respective thresholds. In the event of an adverse shock that undermines export performance or economic growth, Uganda's risk of debt distress could deteriorate from moderate to high. Potential downside risks include delays in oil production, declines in international coffee or oil prices, high borrowing costs, lower-than-projected revenue outturns, and hence higher than planned fiscal deficits.

To mitigate these risks, the Government will;

1. Implement the **fiscal consolidation strategy** by;
    i. Accelerating the implementation of the Domestic Revenue Mobilization Strategy (DRMS) to expand the tax base and improve compliance
    ii. Prioritizing steady fiscal adjustment to reduce the primary deficit, which is identified as the main driver of rising debt without jeopardizing our growth objectives.
2. **Prioritize concessional financing** over commercial borrowing by leveraging the available concessional finance windows with development partners.
3. **Fast track implementation of the 10-fold growth strategy** including prioritizing completion of ongoing high-impact projects over starting new ones, especially in infrastructure and oil-related investments and improving efficiency of public investments to increase returns on government investments.
4. Furthermore, these efforts will be complemented by **partnering with the private sector through public–private partnerships (PPPs)** to tap into private capital for infrastructure development.

GLOSSARY

1. **Average Time to Maturity:** ATM gives information on how long it takes on average to rollover or refinance the debt portfolio. Low value of ATM indicates that a high share of debt will be due for payment or roll over in the near future, implying a substantial exposure to refinancing risk if resources are not available to meet or roll over maturing debt. On the other hand, a high value of ATM indicates that a low proportion of debt will be maturing soon, implying low exposure to refinancing risk.

2. **Average Time to Re-fixing:** ATR provides a measure for the average length of time it takes for interest rates to be reset. The longer the period, the lower the interest rate exposure.

3. **Concessionality:** Concessional loans are those whose grant element is not less than 35 percent. These typically come from multilateral creditors such as the IDA and the African Development Fund/African Development Bank.

4. **Debt Sustainability:** A country's public debt is considered sustainable if the government can meet all its current and future debt payment obligations without exceptional financial assistance/ debt relief of restructuring or going into default (accumulation of debt arrears).

5. **External Debt Service/ Domestic Budget Revenue:** This ratio describes the ratio of domestic revenue inflows to external outflows used for servicing external debt. An indicator used to measure liquidity risk.

6. **External Debt Service/ Exports (goods & services):** This ratio describes the share of foreign exchange earning inflows from exports to external outflows used for servicing external debt. This indicator is used to measure liquidity risk.

7. **External Debt/ Domestic Budget Revenue:** This ratio describes the share of total domestic budget revenues that is directed to pay external debt.

8. **Grant equivalent Financing**: Grants have a grant element of 100 percent as they are fully provided as "gifts". By contrast, a loan offered at market terms has a grant element of 0 percent. However, this becomes a positive percentage if the lender adds an element of generosity. The grant element measure of aid provides a more accurate estimate of the donor's effort. In short, the grant equivalent is an estimate, at today's value of money, of how much is being given away over the life of a financial transaction, compared with a

transaction at market terms. The grant equivalent is the grant element multiplied by the amount of money extended.

9. **Liquidity Risk:** A situation where available financing and liquid assets are insufficient to meet maturing obligations. The DSF includes indicative thresholds that facilitate the assessment of solvency and liquidity risk (Staff Guidance note on the DSF for LICs, IMF 2013).

10. **Percent Maturing in any year after year one**: To avoid refinancing requirements being particularly concentrated in any single year, it is recommended to spread maturities evenly over the maturity curve. This risk control measure helps prevent rollover risk from being simply shifted to a later period, for example from year one to year two.

11. **Percent Maturing in One Year:** This is the share of debt maturing in the next twelve months. High proportions are indicative of high levels of interest rate or rollover risk. The risk is more pronounced in less liquid markets.

12. **Present Value (PV):** PV captures the degree of concessionality of the debt stock. The more concessional the debt, the lower the PV compared to the nominal value. It particularly accounts for the time value of money.

13. **Public and Publicly Guaranteed Debt**: Total Public Debt plus debt guaranteed by Government. However, in regard to guaranteed debt, the DSA only includes guaranteed debt that has become a liability to Government upon default by the responsible debtor.

14. **Public Debt/GDP (Nominal):** A measure of the level of total public/Government debt (external & domestic) relative to the size of the economy.

15. **Refinancing Risk:** Refinancing risk is the possibility of having the debt to be rolled over at a higher interest rate. In this report, two measures are used to assess the exposure of Uganda's public debt to refinancing risk: Redemption profile of debt and Average Time to Maturity (ATM) of debt stock.

16. **Solvency:** An economic agent (or a sector of an economy, or a country as a whole) is solvent if the present value of its income stream is at least as large as the PV of its expenditure plus any initial debt.

APPENDICES

Table 1. Uganda: External Debt Sustainability Framework, Baseline Scenario, 2023-2046

(In percent of GDP, unless otherwise indicated)

	Actual			Projections								Average 8/	
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2036	2046	Historical	Projections
External debt (nominal) 1/	41.0	37.9	34.2	35.1	32.4	30.5	29.2	28.1	27.2	17.1	9.7	39.2	26.0
of which: public and publicly guaranteed (PPG)	28.5	26.6	24.4	26.2	24.4	23.4	22.8	22.3	22.0	13.6	8.0	25.2	20.4
Change in external debt	-1.8	-3.1	-3.7	0.9	-2.8	-1.8	-1.3	-1.1	-0.9	-1.7	-0.4		
Identified net debt-creating flows	1.1	0.4	-2.1	-0.1	-2.7	-3.6	-4.7	-5.9	-6.7	-1.2	0.6	0.2	-3.0
Non-interest current account deficit	6.7	6.4	4.8	3.8	2.2	0.2	-1.3	-2.7	-3.9	0.6	1.5	5.9	-0.1
Deficit in balance of goods and services	9.3	8.8	7.3	6.0	4.3	2.3	1.0	-0.3	-1.6	2.6	2.4	8.8	2.2
Exports	15.0	18.8	21.6	21.7	21.2	20.1	19.2	18.5	17.2	18.8	17.8		
Imports	24.3	27.6	28.9	27.7	25.5	22.4	20.1	18.1	15.6	21.4	20.2		
Net current transfers (negative = inflow)	-4.2	-3.6	-3.3	-3.3	-2.8	-2.6	-2.5	-2.4	-2.2	-1.5	-0.7	-4.4	-2.2
of which: official	-0.4	-0.3	-0.3	-0.4	-0.2	-0.2	-0.1	-0.1	-0.1	0.0	0.0		
Other current account flows (negative = net inflow)	1.5	1.1	0.9	1.1	0.7	0.5	0.2	0.0	-0.2	-0.5	-0.3	1.5	-0.1
Net FDI (negative = inflow)	-3.7	-3.3	-3.1	-2.8	-2.6	-2.4	-2.4	-2.3	-2.1	-1.4	-0.7	-3.9	-2.1
Endogenous debt dynamics 2/	-1.8	-2.7	-3.9	-1.0	-2.3	-1.3	-1.1	-0.8	-0.7	-0.4	-0.2		
Contribution from nominal interest rate	1.0	1.3	1.1	1.0	0.9	0.9	0.9	0.9	1.0	0.7	0.4		
Contribution from real GDP growth	-2.1	-2.3	-2.1	-2.0	-3.2	-2.2	-2.0	-1.8	-1.7	-1.0	-0.6		
Contribution from price and exchange rate changes	-0.7	-1.7	-2.8	...	...	...	...	...	...	...	...		
Residual 3/	-2.9	-3.5	-1.6	1.0	-0.1	1.7	3.4	4.8	5.8	-0.5	-1.0	0.2	1.5
Sustainability indicators													
PV of PPG external debt-to-GDP ratio	...	...	19.2	19.6	18.6	17.9	17.7	17.7	17.9	11.0	6.5		
PV of PPG external debt-to-exports ratio	...	...	89.0	90.2	88.0	89.1	92.6	95.8	104.3	58.6	36.3		
PPG debt service-to-exports ratio	11.8	10.8	8.7	10.2	10.7	9.6	10.0	10.7	10.4	8.0	4.3		
PPG debt service-to-revenue ratio	12.7	14.9	13.3	14.9	14.6	11.4	11.1	10.9	9.6	7.7	3.3		
Gross external financing need (Billion of U.S. dollars)	3.1	3.6	2.7	2.6	1.8	0.1	-1.2	-2.8	-4.5	2.6	10.9		
Key macroeconomic assumptions													
Real GDP growth (in percent)	5.3	6.1	6.3	6.6	10.2	7.8	7.2	6.7	6.7	6.0	6.0	4.9	6.9
GDP deflator in US dollar terms (change in percent)	1.6	4.3	8.1	3.6	0.8	4.3	3.4	3.8	4.1	4.2	4.1	1.8	3.7
Effective interest rate (percent) 4/	2.4	3.5	3.2	3.3	2.9	3.2	3.3	3.5	3.8	3.9	3.8	2.0	3.6
Growth of exports of G&S (US dollar terms, in percent)	30.2	38.3	32.1	10.8	8.3	6.7	5.8	6.6	3.4	11.2	0.0	12.2	9.5
Growth of imports of G&S (US dollar terms, in percent)	18.1	25.6	20.2	5.8	2.2	-1.0	-0.4	-0.4	-4.2	11.2	0.0	10.0	8.5
Grant element of new public sector borrowing (in percent)	...	...	...	23.7	24.6	20.0	13.1	9.6	2.7	15.0	15.0	...	15.3
Government revenues (excluding grants, in percent of GDP)	14.0	13.6	14.1	14.9	15.5	16.9	17.4	18.1	18.5	19.5	22.8	12.9	18.0
Aid flows (in Billion of US dollars) 5/	0.3	0.3	0.4	1.8	1.3	1.2	0.9	0.6	0.4	0.4	1.1		
Grant-equivalent financing (in percent of GDP) 6/	...	...	...	2.1	1.3	1.0	0.7	0.5	0.3	0.2	0.2	...	0.6
Grant-equivalent financing (in percent of external financing) 6/	...	...	...	37.8	35.3	29.2	20.8	16.0	8.2	15.0	15.0	...	20.2
Nominal GDP (Billion of US dollars)	49	54	62	68	76	85	95	105	117	193	517		
Nominal dollar GDP growth	7.0	10.6	14.9	10.4	11.1	12.4	10.9	10.7	11.1	10.5	10.3	6.9	10.9
Memorandum items:													
PV of external debt 7/	...	...	29.1	28.5	26.6	25.0	24.2	23.5	23.1	14.5	8.2		
In percent of exports	...	...	134.4	131.2	125.8	124.5	126.0	127.2	134.7	77.0	46.0		
Total external debt service-to-exports ratio	21.9	19.6	11.8	13.3	13.0	12.0	12.3	12.8	12.5	11.5	7.3		
PV of PPG external debt (in Billion of US dollars)			11.9	13.4	14.1	15.3	16.8	18.5	20.9	21.2	33.4		
(PVt-PVt-1)/GDPt-1 (in percent)				2.4	1.1	1.5	1.8	1.8	2.2	0.0	0.5		
Non-interest current account deficit that stabilizes debt ratio	8.5	9.5	8.5	2.8	4.9	2.0	0.0	-1.6	-3.0	2.3	1.9		

Sources: Country authorities; and staff estimates and projections.

1/ Includes both public and private sector external debt.

2/ Derived as [r - g - ρ(1+g)]/(1+g+ρ+gρ) times previous period debt ratio, with r = nominal interest rate; g = real GDP growth rate, and ρ = growth rate of GDP deflator in U.S. dollar terms.

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 period debt stock.

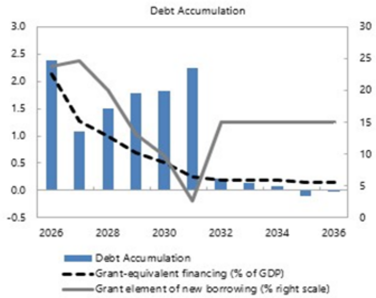
5/ Defined as grants, concessional loans, and debt relief.

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.

Definition of external/domestic debt	Currency-based
Is there a material difference between the two criteria?	No



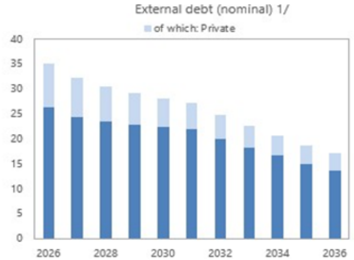
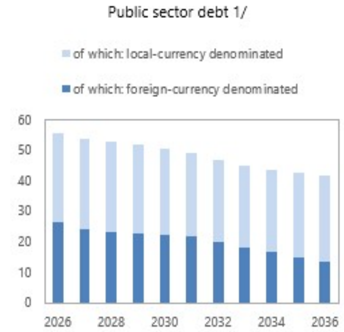


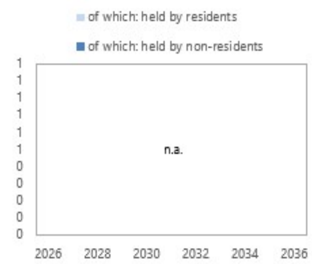
Table 2. Uganda: Public Sector Debt Sustainability Framework, Baseline Scenario, 2023-2046

(In percent of GDP, unless otherwise indicated)

	Actual			Projections								Average 6/	
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2045	2046	Historical	Projections
Public sector debt 1/	47.4	46.6	50.9	55.5	54.0	53.0	51.9	50.5	49.1	30.5	28.6	41.0	48.5
of which: external debt	28.5	26.6	24.4	26.2	24.4	23.4	22.8	22.3	22.0	8.2	8.0	25.2	20.4
Change in public sector debt	-1.0	-0.8	4.3	4.7	-1.5	-1.0	-1.1	-1.4	-1.5	-1.8	-1.9		
Identified debt-creating flows	-0.7	0.5	0.2	4.6	-1.5	-1.0	-1.1	-1.4	-1.5	-1.8	-1.9	2.3	-0.9
Primary deficit	2.3	1.6	2.3	4.0	1.4	0.1	-0.5	-1.0	-1.3	-2.9	-2.9	3.0	-0.7
Revenue and grants	14.5	14.1	14.7	16.0	16.0	17.3	17.7	18.3	18.7	22.4	22.8	13.7	18.2
of which: grants	0.6	0.5	0.6	1.0	0.5	0.4	0.3	0.2	0.2	0.0	0.0		
Primary (noninterest) expenditure	16.8	15.8	17.0	20.0	17.4	17.4	17.1	17.3	17.4	19.5	19.9	16.7	17.6
Automatic debt dynamics	-3.0	-1.1	-2.1	0.6	-2.9	-1.1	-0.6	-0.3	-0.2	1.1	1.0		
Contribution from interest rate/growth differential	-2.5	-1.1	-0.7	-0.4	-2.6	-0.8	-0.3	0.0	0.2	1.2	1.1		
of which: contribution from average real interest rate	0.0	1.6	2.1	2.8	2.6	3.1	3.2	3.2	3.3	3.0	2.9		
of which: contribution from real GDP growth	-2.5	-2.7	-2.7	-3.1	-5.1	-3.9	-3.6	-3.3	-3.2	-1.8	-1.7		
Contribution from real exchange rate depreciation	-0.5	0.0	-1.4	...	...	...	...	...	...	...	...		
Other identified debt-creating flows	0.0	0.0	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)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Residual	-0.3	-1.3	4.0	1.1	-0.4	-0.3	-0.2	-0.3	-0.3	-0.1	-0.1	0.2	-0.2
Sustainability indicators													
PV of public debt-to-GDP ratio 2/	...	...	45.3	49.4	48.2	47.6	46.9	46.0	45.1	29.2	27.3		
PV of public debt-to-revenue and grants ratio	_	_	308.7	309.3	301.8	275.6	265.8	250.7	240.9	130.1	119.9		
Debt service-to-revenue and grants ratio 3/	56.4	65.5	67.4	58.2	65.4	58.6	53.6	57.1	52.7	32.0	29.2		
Gross financing need 4/	10.5	10.9	12.2	13.3	11.8	10.2	8.9	9.4	8.5	4.3	3.8		
Key macroeconomic and fiscal assumptions													
Real GDP growth (in percent)	5.3	6.1	6.3	6.6	10.2	7.8	7.2	6.7	6.7	6.0	6.0	4.9	6.9
Average nominal interest rate on external debt (in percent)	1.8	2.5	2.4	2.3	2.5	2.6	2.8	3.1	3.5	3.7	3.7	2.0	3.2
Average real interest rate on domestic debt (in percent)	7.7	10.8	11.0	11.4	9.4	11.3	11.4	11.2	11.7	13.1	13.1	11.3	11.6
Real exchange rate depreciation (in percent, + indicates depreciation)	-2.0	-0.2	-5.7	...	...	...	...	...	...	...	...	-1.4	...
Inflation rate (GDP deflator, in percent)	6.7	4.9	5.3	-	5.0	4.6	4.5	4.6	4.8	4.7	4.7	4.4	4.8
Growth of real primary spending (deflated by GDP deflator, in percent)	-3.9	-0.6	14.7	25.0	-4.1	7.9	5.6	7.8	7.2	7.9	7.9	7.1	7.5
Primary deficit that stabilizes the debt-to-GDP ratio 5/	3.3	2.5	-2.0	-0.7	2.9	1.1	0.6	0.3	0.2	-1.1	-1.0	1.3	0.2
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		

Definition of external/domestic debt	**Currency-based**
Is there a material difference between the two criteria?	**No**





Sources: Country authorities; and staff estimates and projections.

1/ Coverage of debt: The central government plus social security, central bank, government-guaranteed debt . Definition of external debt is Currency-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 rates projections.

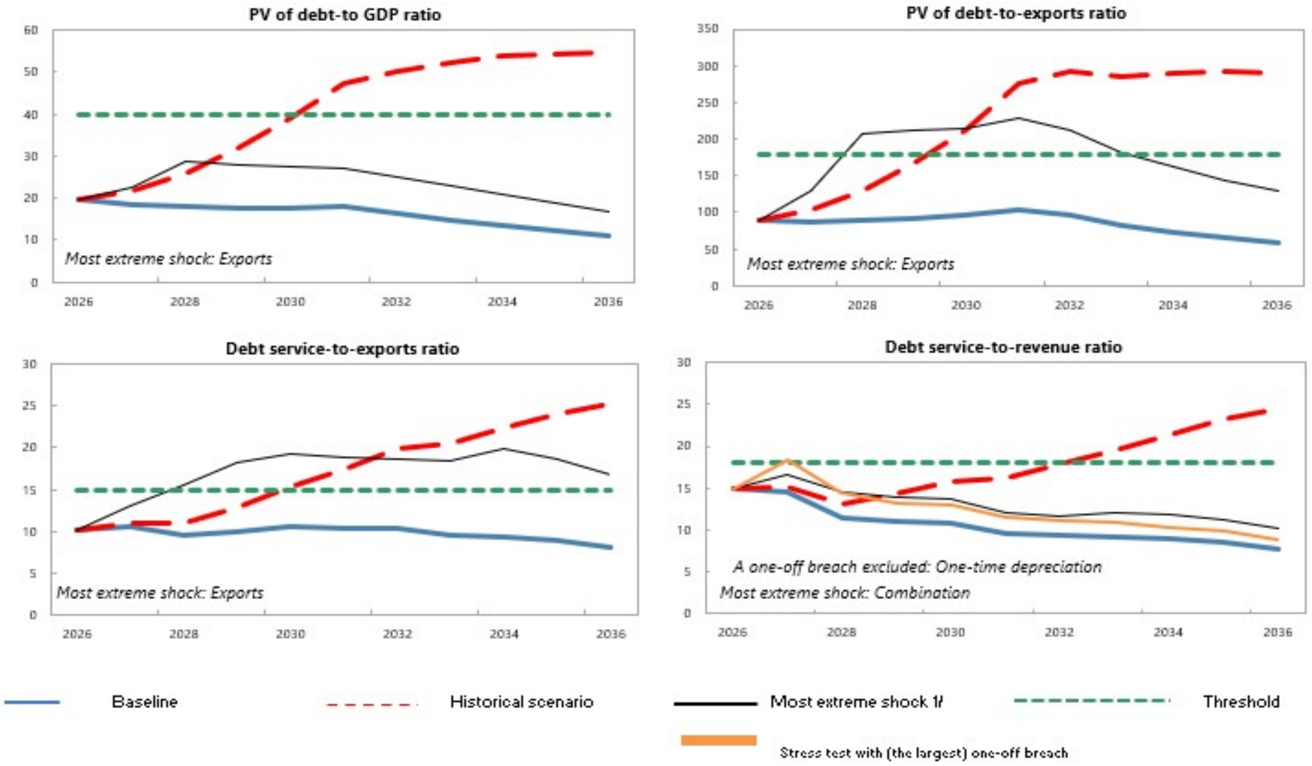
3/ Debt service is defined as the sum of interest and amortization of medium and long-term, and short-term debt.

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 creating/reducing flows.

5/ Defined as a primary deficit minus a change in the public debt-to-GDP ratio ((-): a primary surplus), which would stabilizes 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.

Figure 1. Uganda: Indicators of Public and Publicly Guaranteed External Debt under Alternatives Scenarios, 2026-2036



Customization of Default Settings	Size	Interactions
Tailored Stress		
Combined CL	Yes	
Natural disaster	n.a.	n.a.
Commodity price	No	No
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.

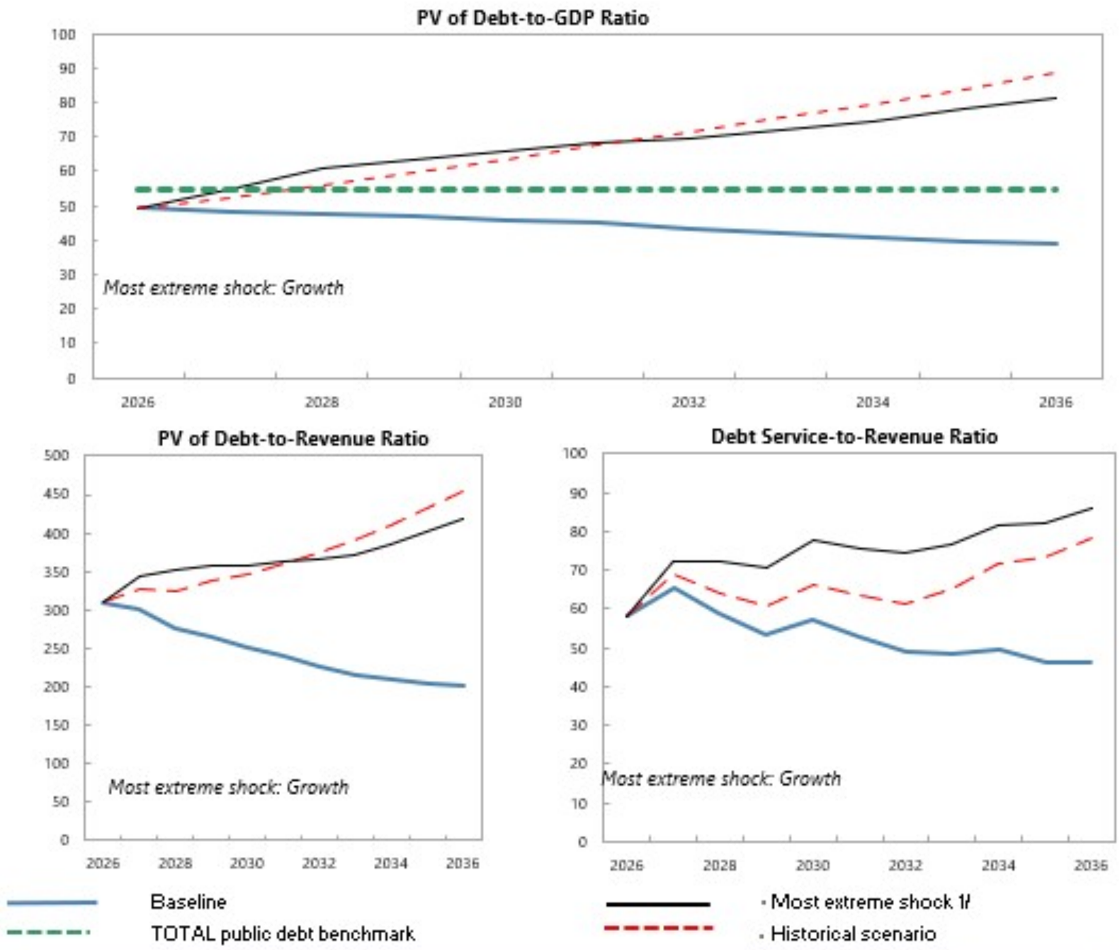
Borrowing assumptions on additional financing needs resulting from the stress tests*	Default	User defined
Shares of marginal debt		
External PPG MLT debt	100%	
Terms of marginal debt		
Avg. nominal interest rate on new borrowing in USD	4.7%	4.7%
USD Discount rate	5.0%	5.0%
Avg. maturity (incl. grace period)	19	19
Avg. grace period	5	5

* 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. 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 exterme 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. Uganda: Indicators of Public Debt Under Alternative Scenarios, 2026-2036



Borrowing assumptions on additional financing needs resulting from the stress tests*	Default	User defined
Shares of marginal debt		
External PPG medium and long-term	24%	24%
Domestic medium and long-term	52%	52%
Domestic short-term	23%	23%
Terms of marginal debt		
External MLT debt		
Avg. nominal interest rate on new borrowing in USD	4.7%	4.7%
Avg. maturity (incl. grace period)	19	19
Avg. grace period	5	5
Domestic MLT debt		
Avg. real interest rate on new borrowing	13.4%	13.4%
Avg. maturity (incl. grace period)	16	16
Avg. grace period	6	6
Domestic short-term debt		
Avg. real interest rate	12.6%	12.6%

* 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 exterme shock even after disregarding the one-off breach, only that stress test (with a one-off breach) would be presented.

Table 3. Uganda: Sensitivity Analysis for Key Indicators of Public and Publicly Guaranteed External Debt, 2026-2036

(In percent)

	Projections 1/										
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
PV of debt-to GDP ratio											
Baseline	20	19	18	18	18	18	16	15	14	12	11
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2026-2036 2/	20	22	26	32	39	**47**	**50**	**52**	**54**	**54**	**55**
B. Bound Tests											
B1. Real GDP growth	20	21	21	21	21	21	19	18	16	14	13
B2. Primary balance	20	19	20	20	20	21	19	18	16	15	14
B3. Exports	20	23	29	28	28	27	25	23	21	19	17
B4. Other flows 3/	20	20	20	20	20	20	18	16	15	13	12
B5. Depreciation	20	24	20	20	20	20	18	17	15	14	12
B6. Combination of B1-B5	20	24	24	24	24	24	22	20	18	16	15
C. Tailored Tests											
C1. Combined contingent liabilities	20	21	20	20	20	21	19	18	17	15	14
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	20	19	18	18	18	18	16	15	14	12	11
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Threshold	40	40	40	40	40	40	40	40	40	40	40
PV of debt-to-exports ratio											
Baseline	90	88	89	93	96	104	95	81	73	65	59
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2026-2036 2/	90	103	129	166	**212**	**276**	**292**	**285**	**290**	**292**	**291**
B. Bound Tests											
B1. Real GDP growth	90	88	89	93	96	104	95	81	73	65	59
B2. Primary balance	90	92	99	105	110	120	111	96	88	81	75
B3. Exports	90	129	**207**	**211**	**215**	**229**	**211**	**181**	163	145	129
B4. Other flows 3/	90	93	99	103	106	114	105	90	81	72	64
B5. Depreciation	90	88	77	81	84	93	84	71	65	58	52
B6. Combination of B1-B5	90	112	100	126	129	140	128	109	98	87	78
C. Tailored Tests											
C1. Combined contingent liabilities	90	97	101	106	110	120	112	97	89	82	76
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	90	88	89	93	96	104	95	81	73	65	59
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Threshold	180	180	180	180	180	180	180	180	180	180	180
Debt service-to-exports ratio											
Baseline	10	11	10	10	11	10	10	10	9	9	8
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2026-2036 2/	10	11	11	13	15	17	20	20	22	24	25
B. Bound Tests											
B1. Real GDP growth	10	11	10	10	11	10	10	10	9	9	8
B2. Primary balance	10	11	10	10	11	11	11	10	11	10	9
B3. Exports	10	13	16	18	19	19	19	18	20	19	17
B4. Other flows 3/	10	11	10	10	11	11	11	10	10	10	9
B5. Depreciation	10	11	10	9	10	10	10	9	8	8	7
B6. Combination of B1-B5	10	12	12	13	14	13	13	13	12	12	11
C. Tailored Tests											
C1. Combined contingent liabilities	10	11	10	11	11	11	11	10	10	10	9
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	10	11	10	10	11	10	10	10	9	9	8
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Threshold	15	15	15	15	15	15	15	15	15	15	15
Debt service-to-revenue ratio											
Baseline	15	15	11	11	11	10	9	9	9	9	8
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2026-2036 2/	15	15	13	14	16	16	18	**19**	**21**	**23**	**24**
B. Bound Tests											
B1. Real GDP growth	15	16	13	13	13	11	11	11	11	10	9
B2. Primary balance	15	15	12	12	11	10	10	10	10	10	9
B3. Exports	15	15	13	14	14	12	12	12	13	12	11
B4. Other flows 3/	15	15	12	12	11	10	10	10	10	9	8
B5. Depreciation	15	**18**	14	13	13	12	11	11	10	10	9
B6. Combination of B1-B5	15	17	15	14	14	12	12	12	12	11	10
C. Tailored Tests											
C1. Combined contingent liabilities	15	15	12	12	11	10	10	10	10	9	8
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	15	15	11	11	11	10	9	9	9	9	8
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Threshold	18	18	18	18	18	18	18	18	18	18	18

Sources: Country authorities; and staff estimates and projections.

1/ A bold value indicates a breach of the threshold.

2/ 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.

3/ Includes official and private transfers and FDI.

Table 4. Uganda: Sensitivity Analysis for Key Indicators of Public Debt , 2026-2036

	Projections 1/										
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
	PV of Debt-to-GDP Ratio										
Baseline	49	48	48	47	46	45	43	42	41	40	39
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2026-2036 2/	49	52	**56**	**60**	**64**	**68**	**72**	**76**	**80**	**84**	**88**
B. Bound Tests											
B1. Real GDP growth	49	55	**61**	**63**	**66**	**68**	**70**	**72**	**75**	**78**	**82**
B2. Primary balance	49	52	**56**	**55**	54	54	52	51	50	50	49
B3. Exports	49	52	**58**	**56**	55	54	51	49	47	46	44
B4. Other flows 3/	49	49	50	49	48	47	45	43	42	41	40
B5. Depreciation	49	50	48	45	43	41	38	35	33	31	29
B6. Combination of B1-B5	49	51	54	53	53	52	51	50	50	50	50
C. Tailored Tests											
C1. Combined contingent liabilities	49	**56**	**56**	**55**	55	54	52	51	50	50	49
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	49	50	52	55	**57**	**59**	**61**	**63**	**65**	**68**	**72**
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
TOTAL public debt benchmark	55	55	55	55	55	55	55	55	55	55	55
	PV of Debt-to-Revenue Ratio										
Baseline	309	302	276	266	251	241	227	216	210	206	201
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2026-2036 2/	309	328	324	339	346	361	375	390	411	433	454
B. Bound Tests											
B1. Real GDP growth	309	342	351	357	357	363	366	371	385	402	419
B2. Primary balance	309	322	322	312	296	287	274	263	258	256	252
B3. Exports	309	325	333	319	299	286	269	254	244	236	228
B4. Other flows 3/	309	308	288	277	261	250	236	224	217	212	207
B5. Depreciation	309	314	277	257	235	218	199	182	170	160	150
B6. Combination of B1-B5	309	321	310	300	286	279	269	260	258	258	257
C. Tailored Tests											
C1. Combined contingent liabilities	309	353	324	314	298	289	275	264	259	257	253
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	309	313	303	310	310	317	320	325	337	354	369
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	Debt Service-to-Revenue Ratio										
Baseline	58	65	59	54	57	53	49	49	49	46	46
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2026-2036 2/	58	69	64	61	66	63	61	65	72	73	78
B. Bound Tests											
B1. Real GDP growth	58	72	72	71	78	75	75	77	81	82	86
B2. Primary balance	58	65	65	66	65	60	57	56	58	56	56
B3. Exports	58	65	60	56	59	55	51	51	53	50	49
B4. Other flows 3/	58	65	59	54	58	53	50	49	50	47	47
B5. Depreciation	58	63	58	52	56	51	48	47	47	44	43
B6. Combination of B1-B5	58	66	61	63	65	61	58	58	60	58	59
C. Tailored Tests											
C1. Combined contingent liabilities	58	65	75	63	65	60	57	56	58	56	56
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	58	65	62	61	67	66	65	66	71	72	75
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Sources: Country authorities; and staff estimates and projections.

1/ A bold value indicates a breach of the benchmark.

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

3/ Includes official and private transfers and FDI.

MINISTRY OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

Plot 2-8 Apollo Kaggwa Road,
P.O.Box 8147, Kampala, uganda.
www.finance.go.ug

DECEMBER 2025

MOFPED#DoingMore