‘Ku Ground’, there is no money this FY 2026/27

The spectacle of Uganda’s local government allocations for FY 2026/27 is a textbook demonstration of fiscal illusion. On paper, the government has disbursed substantial sums, some 7.17 trillion UGX, across districts, municipalities, and cities. Yet when the figures are examined district by district, the reality is plain: for many authorities, the approved amounts are insufficient even to cover the wage bill. The money, in the only sense that matters for delivering services on the ground, does not exist.

Consider the largest single recipient, Wakiso. It receives an approved allocation of 130.5 billion UGX. Its wage grant alone is 312.5 billion. The arithmetic yields a shortfall of 182 billion UGX, equivalent to a negative per capita allocation of about 58,600 UGX per resident. Several other large districts, including Mukono, Kasese (municipal), and Tororo, show the same pattern. Across allocations, dozens of local governments are effectively being asked to operate with nothing once salaries and allowances are paid. The national aggregates conceal a patchwork of local bankruptcies.

Table 1: Districts where the wage grant exceeds the total approved allocation

District	Approved Amount	Wage Grant	Net After Wage	Population (millions)
Wakiso	130.48 billion	312.45 billion	-181.97 billion	3,103,000
Mukono	82.41 billion	110.40 billion	-27.99 billion	1,100,000
Kasese	121.32 billion	142.80 billion	-21.48 billion	853.831

This is not an accident of poor record-keeping. It is the predictable consequence of a political economy in which wage bills have been allowed to balloon while own-source revenues and genuine development grants lag far behind. Average per-capita allocations for districts stand at roughly 162,000 UGX, a figure that seems respectable until one realizes that wage-related commitments consume the lion’s share. For many rural districts, the residual after wages is derisory, often well below 20,000 UGX per head for roads, health centers, schools, agricultural extension, and all the other functions local government is supposed to perform. Municipalities and cities fare somewhat better on average, but even here the margin for capital spending is thin.

One need not be a monetarist to recognize the dangers. When local authorities cannot meet their statutory obligations without supplementary bailouts or creative accounting, three things happen. First, service delivery collapses: rural roads remain impassable, health posts run out of drugs, and teachers go unpaid or go on strike. Second, corruption and patronage intensify as officials scramble for the limited real cash that does arrive. Third, the government is forced into ever-larger supplementary budgets or domestic borrowing, adding to the stock of public debt and, ultimately, to monetary pressure.

The dispersion in per capita figures is instructive. Some districts with smaller populations but greater political salience receive allocations implying 200,000–300,000 UGX per person, while others scrape along at under 80,000 UGX per person. Such arbitrary variation has little to do with need, population density, or fiscal equalization principles. It reflects the familiar logic of Uganda's patronage state: money follows votes, influence, and the need to keep restive regions quiet. Economic rationality is the casualty.

Table 2: Per Capita Allocations (Districts): Lowest and Highest Per Capita

Highest Per Capita	Lowest Per Capita
Bukwo: 332,585 UGX	Wakiso: 42,050 UGX
Moyo: 308,916 UGX	Yumbe: 73,104 UGX
Masindi: 282,915 UGX	Mukono: 74,920 UGX
Kween: 250,861 UGX	Masaka: 77,315 UGX
Mbarara: 249,741 UGX	Buikwe: 80,023 UGX

History has long warned that loose fiscal policy financed by monetary expansion eventually undermines the currency and living standards. Here we see the micro-level counterpart. The government announces grand totals and per capita "dividends" for political consumption. Local governments then discover that wage commitments, often driven by centrally imposed staffing norms, eat up the entire cake, leaving nothing. The result is not development but deferred maintenance, accumulating arrears, and a quiet erosion of administrative capacity.

The solution is not more money printed or borrowed by the government. It lies in hard budgetary choices: genuine prioritization, restraint on the public-sector payroll, encouragement of local revenue mobilization, and a shift from theatrical allocations to credible cash-flow planning. Until those disciplines are enforced, the annual ritual of local government budgeting will remain what it is today: an exercise in announcing sums that, for far too many Ugandans, translate into the simple, brutal truth that there is no money.