

CSBAG BUDGET NEWS



Q&A with the CSBAG ED on Global Shifts and What IMF & World Bank Reforms Mean for Uganda's Economy



Julius Mukunda CSBAG Executive Director at the IMF/WB Spring Meetings, April 2025. Photo Credit | CSBAG2025

Q: What was CSBAG's overall objective for attending the 2025 Spring Meetings?

ED: Our primary objective was to ensure Uganda's civil society voice is represented in critical global policy dialogues—particularly on debt sustainability, fiscal justice, public investment management, and climate finance. As CSBAG, we believe that decisions made at these forums significantly affect fiscal space, resource allocation, and the well-being of ordinary Ugandans. We went to advocate for inclusive development financing, transparency in public finance management, and more responsive global economic governance.

Q: What were the key takeaways from the Spring Meetings for Uganda and CSBAG?

ED: Three key takeaways stood out. **First**, debt servicing costs in Sub-Saharan Africa are becoming a serious threat to social spending. Uganda's interest payments now consume over **UGX 6 trillion annually**, surpassing the combined budgets of the agriculture and water sectors. This is consistent with the IMF's Fiscal Monitor warning that *"interest payments are crowding out vital public investments."*

Second, there's a shift toward climate-resilient investments. While that is promising, there's concern about how accessible and affordable such financing is, especially with concessional windows shrinking. Uganda, with increasing climate shocks like floods and droughts, urgently needs predictable, affordable climate finance.

Third, discussions on domestic resource mobilization focused on equity—taxing wealth and profits fairly, rather than burdening low-income populations. This aligns with CSBAG's long-standing campaign against regressive taxes, such as the OTT tax and excessive excise duties.

Q: Was Uganda's fiscal reality reflected in the global conversations?

ED: Yes. Uganda might not be the headline country, but the themes—rising debt vulnerabilities, limited fiscal space, weak public investment returns—are directly relevant. Uganda was cited among countries with growing debt burdens and interest risks. For context, Uganda's public debt is projected to reach **52% of GDP by end of 2025**, with over **30% of tax revenue going to debt servicing**. That squeezes service delivery, especially in rural areas.

We also noted concerns about the quality of public investment—something CSBAG has flagged in our district-level budget monitoring reports, where projects are delayed, overpriced, or underutilized.

Q: What interventions or contributions did CSBAG make during the meetings?

ED: We engaged in key side sessions hosted by the IM, World Bank and CSOs. Our intervention focused on three areas: Ensuring **citizen participation** in budget and debt

processes. Advocating for **debt transparency**, especially in non-concessional borrowing, Pushing for **gender-responsive budgeting**, which is often sidelined in macroeconomic discussions. We also engaged bilateral donors to make the case for **sustained support to grassroots accountability efforts**—work that CSBAG and partners like BLINC are championing.

Q: Trade policy unpredictability continues to be a challenge for Uganda. Was this issue tackled in the meetings?

ED: Definitely. Global trade disruptions—especially between large economies—are creating ripple effects across the Global South. Uganda depends heavily on exports like coffee, maize, and fish, but abrupt trade policy shifts, tariffs, or export bans in partner countries can destabilize both revenue and farmer incomes. For instance, when Kenya briefly restricted maize imports, it cost Uganda over **\$13 million** in just a quarter.

We called on Bretton Woods institutions to support countries like Uganda in building **shock-resilient trade systems** and **diversifying trade partners**. A key ask was for early warning systems and financial buffers for trade-related revenue shortfalls.

Q: One of the Spring Meetings sessions highlighted the idea of an international debt register. What is this about, and why does it matter for Uganda?

ED: The proposal for an international debt register is a major step toward enhancing global debt transparency. Essentially, it's a centralized platform where all countries—especially low- and middle-income ones like Uganda—would be required to publicly disclose their borrowing, including terms, creditors, and repayment schedules. This would help track public debt more accurately, prevent hidden liabilities, and allow citizens and watchdogs to hold governments accountable.

For Uganda, which has seen its public debt rise from UGX 29.2 trillion in FY2016/17 to over UGX 97 trillion by FY2023/24, the register would shine a light on opaque deals and ensure that debt acquired in the name of citizens serves development goals not private interests.

Q: The U.S. is pushing for the IMF and World Bank to refocus on core mandates. What does this mean for Uganda?

ED: If these institutions scale back their work on social protection and climate finance—as the U.S. suggests—we could see reduced funding for programs like **climate-resilient agriculture, renewable energy, and social cash transfers**. Uganda, which is already grappling with a **UGX 2.5 trillion education infrastructure gap**, may be forced to reprioritize or seek alternative funding sources, potentially from commercial lenders.

Don't Miss Part 2 in our Edition Next Sunday

UPCOMING EVENTS

Event: Training of trainers for Community Based Facilitators on the updated education sector monitoring tool

Convener: CSBAG

Date: 28th April 2025



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Left- Deputy RDC Arua, CSBAG Regional Coordinator West Nile, CEO WECISNET discussing Local Government performance for FY2024/25 in Arua on Agbatara Talk show on 26th April 2025

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Source: 2025 IMF/WB Spring Meetings

