

CSBAG at the 2025 World Bank/IMF Spring Meetings: **IMF Fiscal Monitor, April 2025**



Press briefing at IMF-World Bank Spring Meetings on 24 April 2025

In this brief, CSBAG shares insights from the 2025 IMF Fiscal Monitor launched by the IMF during the 2025 World Bank-IMF Spring Meetings on 23rd April 2025 under the theme, Fiscal Policy Under Uncertainty.

The 2025 Fiscal Monitor underscores urgent fiscal challenges and opportunities that resonate deeply with CSBAG's mission to advance equitable, transparent, and sustainable public financial management (PFM) in Uganda, highlighting key findings and their relevance to Uganda's fiscal landscape, as well as outlining actionable steps for CSBAG members to integrate these insights into their advocacy efforts.

Emerging Facts

According to the IMF, global public debt is projected to surge to 95.1% of GDP in 2025, potentially exceeding 100% by the decade's end. Rising interest rates, increased spending on defense and social services, and the fiscal impacts of geopolitical and climate-related shocks are driving this increase. In worst-case scenarios, public debt could reach 117% of global GDP, echoing levels last seen after World War II.

Global fiscal deficits are projected to average 5.1% of GDP in 2025, underscoring ongoing strain on public budgets. Escalating tariffs and retaliatory trade policies are fueling financial market uncertainty and hindering revenue mobilization efforts. In response, the IMF is advocating for gradual and credible fiscal adjustments grounded in medium-term frameworks to effectively manage debt and mitigate risks.

The IMF stresses that rising debt levels necessitate sustainable borrowing practices. For Uganda, this means implementing stronger fiscal discipline, particularly in loan acquisition and utilization. CSBAG and its members must continue advocating for greater transparency in loan processes, clear debt repayment plans, and adherence to national debt ceilings. Additionally, strengthening parliamentary oversight, especially for loans secured against Uganda's natural resources, is crucial.

The 2025 Fiscal Monitor emphasizes integrating climate finance into fiscal policies, aligning them with climate adaptation and mitigation goals. Key measures include green budgeting, carbon pricing, and sustainable infrastructure investments. For Uganda, CSBAG and its members must continue advocating for systematic climate tagging in the national budget, ensuring funds for climate resilience particularly in agriculture and energy are tracked, audited, and distributed equitably.

The Fiscal Monitor identifies digitalizing Public Financial Management (PFM) systems as a crucial tool for enhancing tax administration, expenditure tracking, and reducing corruption. Advocacy is needed for the full rollout and modernization of Uganda's Integrated Financial Management System (IFMS) and expansion of e-procurement systems, which can improve transparency, traceability, and limit public fund leakages.

The IMF calls on governments to prioritize equitable social spending to protect vulnerable populations amid global fiscal constraints. This aligns with CSBAG's ongoing advocacy for increased public investments in education, health, and social protection. To achieve these outcomes, closely monitoring budget allocations and ensuring timely disbursement to subnational governments will be crucial.

The IMF advocates for progressive tax reforms to boost domestic revenue and combat illicit financial flows. In Uganda, this underscores the need for renewed public campaigns against regressive taxes, such as mobile money taxes, and promotion of fairer alternatives like wealth and property taxes. Additionally, highlighting the fiscal risks of excessive tax exemptions and weak enforcement of existing tax laws is crucial.

The IMF emphasizes that fiscal transparency is crucial, requiring public access to budget information and meaningful citizen participation in fiscal processes to build trust and improve outcomes. In Uganda, this necessitates pushing for participation in global budget transparency assessments like the Open Budget Survey and advocating for regular publication of accessible, citizen-friendly budget reports by the Ministry of Finance.

The Fiscal Monitor provides a valuable framework for contextualizing Uganda's fiscal situation within global trends. To amplify its impact, CSBAG members can leverage local dialogues, media engagements, and community forums to translate findings into relatable experiences, particularly regarding service delivery. Additionally, preparing policy briefs and letters to Parliament outlining key IMF-identified risks and proposing actionable budget measures can help drive meaningful change.

The April 2025 IMF Fiscal Monitor reminds us that Uganda's financial situation is tied to global trends. With rising debt, climate risks, and revenue challenges, Uganda needs strong and coordinated responses from its citizens. CSBAG and its members must continue to advocate for budget reforms that benefit the people and ensure public resources are used efficiently and fairly.