

Misallocated Budgets are the Real Barrier to Universal Social Protection



A Spring meeting session in Washington DC hosted by the International Monetary Fund (IMF) and the World Bank. Source (Net File)

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As global finance leaders attended the World Bank and IMF Spring Meetings, a leading Ugandan civil society organization is arguing against the long-held narrative that low-income countries cannot afford universal social protection.

Instead, they argue, the real issue is one of misplaced political priorities and fiscal choices.

In a new briefing released on the sidelines of the meetings, the Civil Society Budget Advocacy Group (CSBAG) asserts that Uganda—and countries like it—already possess the fiscal space needed to guarantee basic income security for its citizens. The government simply chooses to allocate resources elsewhere, including toward rising debt service and inefficient expenditures.

“The affordability argument is less about fiscal capacity and more about fiscal choices,” the briefing states, following a high-level session on *“Unaffordability to Rights: Claiming Fiscal Space for Universal Social Security.”*

For years, the dominant argument against universal social protection in developing nations has been one of cost. However, new evidence presented at the Spring Meetings suggests the price tag is far lower than commonly assumed.

According to CSBAG’s analysis, a basic universal social protection system can be introduced gradually for as little as **0.2% of GDP**, maturing to roughly **2% of GDP**. In Uganda, the long-term cost is estimated at **below 1.5% of GDP**—a sum that falls well within what the government already spends on lower-priority items or loses through inefficient tax exemptions.

“We can afford it. We just don’t prioritize it,” the briefing concludes, challenging finance ministry officials to re-examine budget allocations rather than citing blanket unaffordability.

Uganda offers a mixed picture. The government has made notable strides, most significantly by fully domesticating the financing of the Senior Citizens Grant—a program that began as a donor-funded pilot. This move demonstrates that political commitment can translate into sustainable reform.

However, the actual impact remains limited. Current benefit levels stand at just **USD 7** per month, and eligibility is restricted to citizens aged 80 and above (though proposals exist to lower the threshold to 65). Delivery systems remain fragmented, and millions of vulnerable children and working-age adults fall into a “missing middle”—not poor enough for targeted aid, but highly susceptible to economic shocks.

The briefing takes a critical look at Uganda’s heavy reliance on targeted poverty programs, noting they often fail the most vulnerable. More than 50 percent of eligible beneficiaries are typically excluded due to administrative errors and high costs.

By contrast, universal systems—where every citizen receives a baseline benefit—strengthen the social contract, improve public trust, and even boost tax compliance. “When citizens see tangible benefits from public spending, their willingness to comply with taxation increases,” the report notes, pointing to a virtuous cycle rather than a trade-off. Perhaps the most striking argument in the briefing is that Uganda does not necessarily need new revenue to fund social protection. Instead, it needs to reallocate existing resources.

Major drains on the fiscal space include:

- **Rising debt servicing obligations** crowding out social spending.
- **Inefficient or low-priority expenditures** with limited developmental impact.
- **Costly tax exemptions** that deliver little economic value.
- **Governance leakages and corruption.**

The CSBAG’s Executive Director, Julius Mukunda, is expected to take this message directly to the side panels with finance ministry officials and development partners. The group is urging the Ugandan government to commit to a clear, sequenced roadmap toward universal coverage—starting with lowering the age threshold for the Senior Citizens Grant and introducing child and disability benefits.

As the Spring Meetings turn toward debates on debt sustainability and fiscal tightening, CSBAG warns that the cost of *not* investing in social protection is ultimately higher: greater poverty, deepened inequality, and a fragile social contract.

“The question is no longer whether Uganda can afford universal social protection,” the briefing states. “The real question is whether it can afford the economic, social, and political costs of not having it.”

About IMF/World Bank Spring Meetings 2026: The International Monetary Fund (IMF) and World Bank Spring Meetings, taking place from April 11th to April 18th, 2026, in Washington, D.C., has brought together Finance Ministers, Central Bank Governors, Civil Society observers, and Development Partners from across the globe to confront one of the most pressing fiscal challenges of our time: the imperative to deliver better public services with shrinking national budgets. Delegates are examining how governments can navigate tightening fiscal space, rising debt costs, and mounting climate pressures — not by raising more revenue or borrowing further, but by fundamentally improving the quality and efficiency of what they already spend. The gathering marks a significant shift from debates over how much governments allocate to what they actually achieve with every dollar, shilling, or rupee spent.