

STILL COOKING WITH A FAILED RECIPE

*A review of IMF country advice on social spending,
public services, debt, tax and gender equality*

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Acronyms

ArtIV	Article IV Consultation
BWP	Bretton Woods Project
CIT	Corporate Income Tax
CSO	Civil society organisation
DRM	Domestic resource mobilisation
DSA	Debt Sustainability Analysis
ECF	Extended Credit Facility
ECOWAS	Economic Community of West African States
EFF	Extended Fund Facility
FfD4	Fourth United Nations International Conference on Financing for Development
GBV	Gender-based violence
GDP	Gross domestic product
HCI	Human Capital Index
ILO	International Labour Organization
IMF	International Monetary Fund
LEAP	Livelihood Empowerment Against Poverty (Ghana)
MEFP	Memorandum of Economic and Financial Policies
MTRS	Medium-Term Revenue Strategy
OECD	Organisation for Economic Cooperation and Development
PCI	Policy Coordination Instrument
PFA	Post-Financing Assessment
PIT	Personal income tax
PMB	Programme Monitoring with Board Involvement
RST	Resilience and Sustainability Trust
SBA	Standby arrangement
SCF	Standby credit facility
SDG	Sustainable Development Goal
SIGender	Selected Issues Paper on Gender (Uganda)
SItax	Selected Issues Paper on Tax (Kenya/Nigeria)
UK	United Kingdom
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization

VAT	Value-added tax
WHO	World Health Organization

Executive Summary

The International Monetary Fund (IMF) claims to have changed. In a 2014 speech, its Managing Director, Christine Lagarde, declared that it is no longer 'your grandmother's IMF': the institution that famously imposed structural adjustment programmes in the 1980s, tearing open economies, savaging social spending and undermining development ([IMF 2014](#)). The IMF now asserts it has found a new focus on social spending and gender equality, that it now defends education and health and helps countries raise tax revenues in order to finance sustainable development.

ActionAid has been documenting the impact of IMF policies over the past two decades, publishing a series of reports, including: [Contradictory Commitments](#) (2005), [Confronting the Contradictions](#) (2007), [The Public Versus Austerity](#) (2021), [The Care Contradiction](#) (2022), [Fifty Years of Failure](#) (2023) and [The Human Cost of Public Cuts](#) (2025). For this latest report we have analysed IMF country-level policy advice on **debt, social spending, public sector pay, tax policy and gender equality**.

We studied IMF documents on 11 countries over a three-year period (February 2022 - February 2025), analysing IMF advice across Article IV consultations, loan agreements and related technical assistance documents. The countries we selected (**Brazil, Ghana, Kenya, Malawi, Nepal, Nigeria, Senegal, Uganda, the UK, Zambia and Zimbabwe**) are deliberately diverse, from different regions and income groups, to enable us to determine whether IMF advice was truly contextualised for each country, or whether the IMF defaulted to its 'out of date' recipe book.

IMF rhetoric has certainly shifted. It now expresses '*concerns about inequality and the need to support vulnerable groups*' and says it has '*increased its engagement on social spending issues*' ([IMF 2019a](#)). It claims that its policy goals should address inclusiveness and focus on improving '*the quality and not just the quantity of education and health care*' ([IMF 2021](#)). The IMF Fiscal Affairs Department in Washington has produced compelling reports arguing that countries can - and should - increase tax revenues to make meaningful progress on the Sustainable Development Goals (SDGs) ([IMF 2019b](#)). The IMF claims to be mainstreaming gender and argues that reducing gender disparities goes hand-in-hand with economic growth, stability and resilience and lower income inequality ([IMF 2022](#)).

ActionAid has previously flagged the gulf between IMF rhetoric in Washington and its advice to countries, and this report examines this further. In short, we found a stark difference between the content of Washington policy documents and country-level documents. Even within the country documents, we often found a contrast between language in the narrative that considered social implications, and the harsh reality of the numbers in the IMF's quantitative estimates (tables).

On social spending, we found inconsistency across documents as to what the IMF counts as social spending. Progressive language in the narrative sections was rarely followed through with substantial commitments in budget tables and projections. We found no evidence of support for comprehensive social protection or social security programmes. The policy advice was always focused on targeted social assistance, with no analysis of the well-documented problems with targeting (where marginalised groups struggle to access or claim benefits), or the

inefficiencies and costs of administering targeted or means-tested systems. Whilst references were made to the importance of health and education, in practice the IMF regularly advised education and health expenditure below recognised international standards. There was little or no analysis or advice on the importance of social spending for advancing gender equality. And there was profound silence on the impact of debt crises, with no consideration of how to restructure or cancel debts, even for countries spending more on debt servicing than on health and education.

On **public sector wage bills**, the IMF continued to recommend cuts or freezes in all the countries studied, despite their widely different contexts and starting points. Every country was consistently advised to cut the percentage of gross domestic product (GDP) spent on the public sector wage bill, even when they spent significantly less than regional or global averages. Bizarrely, the IMF often argued that these wage bill cuts were necessary to ‘*create space for other priority spending*’, without recognising that investing in nurses and teachers is the top priority for improving health and education. We found no gendered assessment of the impact of cuts or freezes to public sector wage bills, despite clear evidence that women – who make up over 70% of the frontline public sector workforce - are disproportionately disadvantaged. It seems that the only way to defend the public sector workforce is through strikes and protests, which have been effective in pushing governments to negotiate reversals of agreed IMF programme conditions, instead of opening up IMF programmes in democratic processes and parliamentary scrutiny and allowing workers and unions to have a say on economic decisions.

On **tax advice**, while the Fiscal Affairs Department deemed ambitious increases in tax-to-GDP ratios necessary to finance the SDGs, we found no examples where the IMF urged countries to achieve them. Beyond a few modest increases, there was a continuing tendency towards reinforcing the ‘tax consensus’, whereby the IMF reinforces the idea that lower-income countries should reach a minimum threshold of 15% tax-to-GDP ratio - invariably inadequate. There was no systematic, consistent assessment of the progressivity or regressivity of existing tax systems, or of the overall distributional impacts of policy advice offered on tax, including the impact on gender equality. There was more appetite for progressive taxes in Brazil and the United Kingdom (UK), though this likely arose from established government policy rather than IMF advice. In most cases, the IMF still leaned heavily towards supporting value-added tax (VAT), which is often the most regressive, putting an unfair burden on people from low-income households while relieving rich people from contributing their fair share. The few examples of progressive tax advice in lower-income countries (for example, on property or large money transfers in Zambia, or following the protests in Kenya) were *ad hoc* and tokenistic, not embedded in an overall assessment of the progressivity of the tax system or advice package.

On **gender equality**, we found only tokenistic references to ‘gender’ and little gender analysis in country documents with the exception of Uganda. There was no gender impact assessment of any of the IMF policy advice, whether on debt, social spending, public sector wage bills or tax. This, despite the fact that the wider literature compellingly shows that women are the shock absorbers of austerity policies - locked into exploitative underpaid labour while taking on a disproportionate burden of the increased unpaid care and domestic work due to failures in public services – and as such are the biggest subsidy to the economy.

Overall, we found that IMF policy advice, in practice, had scarcely changed from that offered during the discredited era of structural adjustment programmes. Its starting point was to reinforce the primary importance of countries paying all their debts without offering any systemic solutions to address the structural causes of debt crises. As a result, countries are left to absorb the inequities and faults of the system. This continued to be the case over the study period, even with 54 countries in debt crisis ([UNDP 2022](#)), as the IMF continued to act as a debt collector or a debt enforcer ([Afrodad n.d.](#)). Countries were forced by the IMF to pay their debts,

even if this meant exploiting women's paid and unpaid labour to unsustainable levels, people having to take on additional household debt to access health care or dying prematurely for lack of health services, and millions of children being denied their right to education ([Nation 2022](#)). For the IMF, there is no such thing as a systemic crisis, so long as creditors are being paid.

The fundamental role of the IMF is still to protect creditors, and the means by which it does this are the same as in the 1980s – by imposing austerity. This might be dressed up as a dialogue between the IMF and governments. Indeed, the IMF always insists that the processes are country-led, that governments are in the driving seat and that published documents represent agreements not impositions. But looking across these 11 diverse countries, we found a similar package of recommendations and a similar set of gaps.

There is remarkably little contextualised advice, but rather advice driven by a persistent, underlying ideology. There are alternatives, but the IMF was not offering different economic paths in the documents we reviewed. Despite its analysts at the Fiscal Affairs Department in Washington suggesting bold expansion of tax revenues to finance increases in health and education spending, IMF country-level advice told a different story ([IMF 2019b](#)).

If the IMF was truly committed to increasing social spending and advancing gender equality it would look for structural solutions to the acute and growing debt crisis that is undermining these very goals. Rather than offering solutions for individual countries to absorb systemic inequalities, the IMF would engage globally to make the case for urgent debt cancellation and for creating a fairer global debt architecture. There are clear options on the table, such as the UN Framework Convention on Sovereign Debt, proposed by African nations at the Fourth UN Financing for Development Conference (FfD4) ([Eurodad n.d.](#)).

Instead, the IMF refuses to acknowledge the scale of the debt crisis or its systemic causes. Its Deputy Director declared in 2025 that '*the risk of a systemic debt crisis seems broadly contained*' ([IMF 2025c](#)), while 75% of lower-income countries spent more on servicing their debts than they did on health, and 50% spent more paying back creditors than on education ([ActionAid 2025b](#)). For most lower-income countries, debt is now the single biggest obstacle to increasing their social spending and public services. Rather than recognise this, and using its considerable power to take action, the IMF has stuck to its role as the world's biggest debt enforcer.

The IMF may claim that it is not '*your grandmother's IMF*' but, in its core practices and ideology, it is unreformed. With its outdated mindset and lack of understanding of gender equality, it is not fit for purpose. **It is time for the IMF to be retired, not reformed.**

In the meantime, national governments in lower-income countries must listen to their people who are demanding an end to the IMF's coercive control over their economies and an end to austerity. **A growing convergence of people's movements, unions and coalitions is calling for a new era of economic liberation.** It is time to break the rusting colonial chains and urgently expand demands for fundamental reform to the global financial architecture.

What is austerity?

Austerity, or fiscal consolidation, is a package of policies typically involving a mix of public budget cuts; freezes to public sector wage bills; public worker dismissals; regressive consumption taxation increases; the lowering of progressive taxes on income, wealth and inheritance; pension and social security reforms; labour market reforms or 'flexibilization' (reductions in labour rights, including the right to unionise and to collective bargaining); reducing or eliminating subsidies; and the privatisation of public assets, including through strengthening public-private partnerships. See ([ActionAid 2022a](#), [Ortiz and Cummins 2022](#)).

The historic agreement in March 2026 for a UN resolution on reparations for slavery's '*historical wrongs*' followed the African Union 2025 Year of Reparations ([UN News 2026](#)). Under the theme 'Justice for Africans and People of African Descent through Reparations', the African Union aimed to secure reparations for slavery, colonialism and apartheid, declaring 2026–2036 as the Decade of Reparations to advocate for compensation, restitution of cultural artifacts and debt relief. We all need to rally behind negotiations to take a progressive UN Tax Convention and a new UN Convention on Sovereign Debt to a UN General Assembly vote in 2027. Only by creating new and fair multilateral spaces can we start to dismantle the power of Global North governments - held in place by archaic and undemocratic institutions like the IMF.

1. Introduction

The IMF claims to have changed and no longer be ‘*your grandmother’s IMF*’, the institution that imposed structural adjustment programmes in the 1980s, tearing open economies, savaging social spending and undermining development ([IMF 2014](#), [Stubbs et al. 2017](#)). Through decades of structural adjustment programmes and austerity-driven loan conditionalities, the IMF promoted debt-dependent development models that prioritised creditor repayment over inclusive growth ([Afrodad n.d.](#)). Now it says it considers social spending ([IMF 2019a](#)), gender equality ([IMF 2022](#)), defending health and education ([IMF 2021](#)), and helping countries raise tax revenues to finance sustainable development ([IMF 2019b](#)).

The IMF has repeatedly presented itself as committed to protecting health and education spending, even claiming a ‘*strong commitment to protect health and education spending and the most vulnerable during challenging economic reforms*’ ([IMF 2017](#), [IMF 2025a](#)). Yet, the gap between what the IMF says and what it advises in practice is wide. For example:

- The IMF’s Fiscal Affairs Department in Washington published reports arguing that countries can and should increase tax revenues to achieve the SDGs ([IMF 2019b](#)). Yet, when civil society representatives raised concerns that IMF policy advice encouraged regressive taxation, the IMF distanced itself from responsibility, claiming it did not tell countries how to structure their tax policy. This contradiction - between stated commitment to supporting social spending and SDGs and its refusal to acknowledge the role of its own advice – runs through every chapter of this report.
- The IMF submission to the FfD4 openly admitted that the institution no longer believes that the SDGs can be met by 2030 due to persistent financing constraints – without any acknowledgment of its own contribution to this failure ([IMF 2025b](#)). It estimated that cumulative financing needs to meet the SDGs by 2030 range from US\$9-12 trillion, yet offered no analysis of how debt cancellation could be transformative.

In order to understand the impact of the IMF on countries’ economic options, we need to look beyond its glossy global rhetoric and examine the evidence of what it actually advises at the country level. This report examines the gap between IMF rhetoric and advice across 11 diverse countries - on debt, social spending, public sector wage bills, tax policy and gender equality.

ActionAid and Education International have a history of monitoring IMF programmes and national economic policies and their impact on public health and education, public employees and women’s rights. Our previous reports have documented the IMF’s coercive use of public sector wage bill caps, the impact on education and health spending, and the disproportionate effects on women and girls. This report builds on and updates those findings.

In the early 2000s, campaigns spread across Africa for countries to abolish user fees in primary education, and millions more children enrolled in public schools. But IMF spending caps blocked governments from employing new teachers, leaving children in overcrowded, under-resourced classrooms. Campaigners pressurised the IMF to act, and in 2007 it famously backed down, removing wage bill caps as a condition attached to loans worldwide ([IMF 2007](#)). Governments celebrated and employed more teachers — but the story did not end there.

When we revisited these issues in our 2021 report *The Public Versus Austerity* we found the IMF continuing to use coercive policy advice to block the recruitment of public sector teachers and nurses, undermining the public provision of services, deepening reliance on the private sector to deliver development, and exposing women, girls and other excluded groups to greater exploitation and exclusion ([ActionAid 2021](#)). This pattern of apparent concession followed by

continued pressure is precisely why ongoing vigilance and accountability matter, and why this report is necessary.

Context

This gap between rhetoric and practice has never mattered more. With 54 countries in debt crisis ([UNDP 2022](#)), billions of people dependent on underfunded public services, and the global financial architecture under renewed scrutiny following the Fourth UN Financing for Development Conference (FfD4) in 2025, the IMF's country-level policy choices have profound consequences. This is unfolding against a backdrop of rising conflict and military expenditure that continues to divert resources from gender-responsive public services and care infrastructure, exactly when they are most needed.

As we write this report, the United States (US) and Israel are bombing Iran, Lebanon and Palestine, the strait of Hormuz is closed, and oil prices are spiralling. We cannot talk about these ongoing conflicts without highlighting the weaponisation of women's bodies, the fact that sexual violence is always used as a deliberate strategy to humiliate, oppress, seize territory, carry out ethnic cleansing and destroy the social fabric of countries ([UN News 2024](#)). Outside of the war zone itself, the effects are felt most acutely by people living on low incomes in lower income countries, with women bearing the brunt through rising prices for essential foods and products ([MENAFem Movement 2026](#)). In the face of this, comprehensive social protection and quality public services are not optional – they are transformative for the most marginalised and vulnerable groups, and urgently needed.

We are already witnessing the rising cost of fuel, and the rising cost of living ([ActionAid 2026](#)). More than ever, investment in the public sector is crucial to cushion people from these shocks. The conflicts in the Middle East, Ukraine and other ongoing crises come against a backdrop of decades of austerity that have undermined the capacity of governments to provide basic services and social protection. This report provides evidence of the forces that have been driving cuts in social spending – which leave billions of people more vulnerable than ever to the knock-on effects of war and instability.

Public funding shortfalls have led to a global shortage of over 50 million teachers in early childhood, primary and secondary education. Teachers report low and irregular pay, working excessive hours, and feeling undervalued ([Education International 2024](#)). With education budgets remaining low in the context of austerity, the debt crisis, and public sector wage bill freezes, governments have resorted to precarious contracts and unqualified personnel - undermining the quality of education.

At the same time, according to the United Nations Conference on Trade and Development (UNCTAD), 3.3 billion people now live in countries that spend more on debt servicing than on health and education ([UNCTAD 2025](#)) – a crisis examined in depth in Section 2.1 of this report. While the United Nations Development Programme (UNDP) identifies 54 countries in debt crisis ([UNDP 2022](#)), the IMF Deputy Director declared in July 2025 that *'the risk of a systemic debt crisis seems broadly contained for now'* ([IMF 2025c](#)). For the IMF, it seems, a debt crisis only exists when creditors are at risk of not being paid. The human cost - in foregone healthcare, education and social protection - does not register as systemic.

Scope and methodology

For this report we analysed 29 IMF documents covering the period February 2022 to February 2025 across 11 diverse countries: Brazil, Ghana, Kenya, Malawi, Nepal, Nigeria, Senegal, Uganda, the UK, Zambia and Zimbabwe. These covered 14 Article IV consultations, nine lending

and programme documents, and six additional documents including Selected Issues papers and Technical Assistance reports (see Annex III for a full list of documents).

We deliberately chose countries from different regions and income groups, with a focus on Africa and those most impacted by IMF programmes, whilst ensuring diversity in the size and level of economic development of the countries. This enabled us to determine whether IMF advice was truly contextualised for each country in practice, or whether the IMF defaulted to its ‘out of date’ recipe book in its policy steers (see Annex I for an overview of the sample countries).

As well as looking at lending programmes, we reviewed IMF advice beyond its programme conditionality, through annual Article IV surveillance reports on each Member State’s economic status. The policy advice in these reports, though not binding, is extremely influential, especially for low-income countries and on fiscal policy. It can determine a country’s access to international capital markets and impact the cost of borrowing. Surveillance is also influential in lending, as conditionality often builds on the analysis conducted for surveillance, as a recent Bretton Woods Project (BWP) publication notes ([BWP 2025a](#)).

This research provides an assessment of IMF advice to countries, as recorded in publicly available documents and reports, but not how this advice was applied in each country. IMF figures and projections were not cross-checked with fiscal data from the sample countries. We focused on IMF advice on debt, social spending, public sector wage bills, tax policy and gender equality.

Throughout this report we draw on feminist political economy to examine how IMF policy advice reinforces unequal power structures, and the particular impact this has on women and structurally marginalised groups. This builds on the research and methodology of previous ActionAid reports, with some adaptations ([ActionAid 2021](#), [ActionAid 2023](#)).

ActionAid worked with a consultant to produce a summary of the advice across the documents, and then ActionAid colleagues across the 11 countries reviewed the information and provided context to the IMF programmes. Documents were first scanned using a keyword search (see Annex II) and then reviewed in depth. We analysed the IMF “steer” on issues of the public sector wage bill, social spending, tax and gender in these documents, and categorised them in a three-step process consisting of:

1. **In-depth text analysis**, using quotes, in-text tables and charts to summarise the thrust of the IMF arguments, and its staff opinions and advice.
2. **A quantitative traffic light of annual budget projections for the public sector wage bill**, using the summary government budget tables provided in the annexes of all documents and categorised based on a methodology developed for the 2021 and 2023 reports.
3. **A qualitative benchmark of the public sector wage bill, social spending, tax and gender advice**, that consolidates and categorises the insights from steps 1 and 2, using a five-level spectrum ranging from regressive to transformative.

Given the limitations of the strictly quantitative categorisation for analysing the narrative sections of IMF documents, we also produced tables for each theme that examine in a more qualitative way what the IMF had to say about social spending, wage bills, tax and gender equality. For each country and each theme, we asked whether the IMF’s advised policy package created the enabling conditions for:

- investment in universal, rights-based social protection and public services (social spending);

- investment in public sector human capital and health and education workers (wage bills);
- a progressive, redistributive tax system that eases inequality (tax); and
- care-centred, inequality-reducing economies (gender).

In each case we categorised the narrative in a five-point framing: Regressive, Blind, Superficial, Substantial or Transformative, providing a simple definition of these categories as applied to the four topics at the top of each table. The tables are included at the end of each section, showing the summary assessment for each country in each of the themes.

2 Evidence and Findings

This section presents our findings from the analysis of 29 IMF country documents across 11 countries between February 2022 and February 2025. We examine IMF advice across five areas in the following order: debt, social spending, public sector wage bills, tax and fiscal policy, and gender equality. Each subsection opens with key findings, followed by thematic analysis and country-level evidence. A qualitative assessment of narrative across all four policy themes is presented at the end of this section.

2.1 The IMF and Debt

"The debt cannot be repaid, first because if we don't repay, the lenders will not die. That is for sure. But if we repay, we are going to die. That is also for sure." — Thomas Sankara, President of Burkina Faso, 1987.

Key findings of this section

- **The IMF did not connect debt to social spending.** Across all eight African countries studied, no IMF document compared external debt payments against health or education spending or evaluated the policy trade-offs, despite debt servicing exceeding health spending in seven of the eight African countries.
- **Debt restructuring was too little, too late.** Where the IMF supported restructuring, debts were not reduced enough to restore meaningful fiscal space, and spending cuts were always a feature.
- **Debt sustainability assessments (DSAs) were socially blind.** DSAs prioritised repayment capacity and did not take into account social spending needs or countries' human rights obligations, locking governments into austerity regardless of the human cost.
- **Countries under IMF guidance remained trapped.** After years of continuous IMF conditionality, of the eight African countries studied, two were in debt distress, three at high risk, and three at moderate risk.

Debt as a tool of coercion

Through decades of structural adjustment programmes, austerity-driven loan conditionalities, and policy influence over national budgets, the IMF has *"promoted debt-dependent development models that prioritise creditor repayment and macroeconomic 'stability' over inclusive growth"*. ([Afrodad 2025](#), [Stubbs et al. 2017](#)). Tax reforms also became an increasingly important part of the programmes ([Romero and Sharpe 2011](#)).

Debt is a colonial tool that empowers the IMF to coerce countries into accepting its advice and conditionalities. As the lender of last resort, the IMF undermines countries' fiscal sovereignty and deepens postcolonial financial dependency. Since its inception, the IMF has served the

interests of Global North countries, creditors and corporations. The IMF governance structure reflects and reinforces this power imbalance: voting rights are weighted by economic size, meaning the United States alone holds veto power, and G7 countries collectively dominate decision-making. Global South countries may have flag independence, but their true liberation is impossible as long as their economic policies and capacity for social spending are determined by the Global North countries that are the dominant shareholders in the IMF (see Annex V).

In debt distress and debt restructuring negotiations, the IMF has de facto bailed out the private sector. Private creditors have disproportionate power and have not cooperated on an equal footing with official creditors in debt restructuring – there has been no ‘comparability of treatment’ (Romero and Sharpe 2011). Under pressure from private creditors and bondholder committees, the IMF has agreed loan programmes with debtor States, with austerity conditions imposed to guarantee debt repayments – not to finance social spending or development (Muchhala 2020).

The IMF has consistently declared debts ‘sustainable’ and advised that they be paid in full (Debt Justice 2025). Debt Justice research found that, in those highly-indebted countries on IMF programmes that were advised to pay their debts in full, spending on health fell by 18% and on education by 16%.

Defaulting on development: the human cost

One of the gaps in the IMF documents reviewed was the failure to directly compare external debt payments against spending on education and health, or to evaluate the inevitable policy trade-offs. Debt repayment was treated as an unalterable reality - countries were expected to allocate tax revenues to social spending and public services only *after* debts had been paid. The DSAs conducted by the IMF and World Bank rested on overly optimistic assumptions about the ability of governments to reduce deficits and pay their debts, without taking social needs into account (ActionAid et al. 2025, Debt Justice 2025).¹

The IMF’s definition of “debt sustainability” is limited to ‘repayment capacity’ (IMF 2023b), meaning restructurings were calibrated just enough to reinstate that capacity, even where the countries remained “at high risk of default” indefinitely (BWP 2025a). DSAs did not take into account social spending needs and requirements under human rights commitments, and included overly optimistic repayment assumptions without restructuring sufficiently to decrease debt levels and create more fiscal space for social spending. In practice debt repayments continued to be a major factor compromising the ability of most countries to achieve adequate levels of public spending. To pay their debts, countries were forced into “defaulting on development” instead of defaulting on their creditors, at tremendous human cost (UNCTAD 2025, ActionAid 2025a).

The current unjust international financial architecture makes access to financing inadequate and expensive (CSOs for FfD4, n.d.).² The 2024 UNCTAD World of Debt report finds that countries in Africa pay interest rates that are four times higher than the United States and twelve times higher than Germany (UNCTAD, 2024). Without access to low-cost financing like Global

¹ The IMF’s own policy requires a finding that debt is sustainable where there is a “high likelihood that a country will be able to meet all its current and future financial obligations”, consistent with “making adequate progress towards the authorities’ development goals” (IMF 2018). In none of the 11 countries studied did the IMF analyse the impact of full debt repayment on development goals. The IMF is currently reviewing its Debt Sustainability Framework for Low-Income Countries.

² The international financial architecture refers to the framework of institutions, policies and rules governing the global financial system, including promoting monetary stability, enabling trade and investment, supporting financing for development and the SDGs (UNCTAD 2024).

North governments, many African governments now find themselves facing a deeper debt crisis than ever before ([CSOs for FfD4 n.d.](#), [UNCTAD 2025](#), [ActionAid 2025a](#)).

Too little, too late: the limits of debt restructuring

Even when the IMF did support debt restructuring, debts were not reduced by enough – and never enough to restore meaningful fiscal space. Debt cancellation on any significant scale, even cancellation of illegitimate or unsustainable debts, was never on the table ([Corkery et al. 2023](#)). In practice, every debt restructuring took place alongside cuts, and most countries were still left at high risk of another debt crisis afterwards ([Debt Justice 2025](#), [Eurodad 2024](#), [Oxfam 2024](#)). If oscillating between debt distress and high risk, decade after decade, under continuous IMF guidance and conditionality, is the best outcome on offer, the IMF policy package bears serious revision. Since 2020, Ghana, Zambia, Ethiopia and Chad had all defaulted, and had entered restructuring processes specifically and primarily to ensure they could continue to pay their debts. Social spending, national development and women’s rights were an afterthought, if considered at all. The most recent Ghana Extended Credit Facility agreement with the IMF involved significant cuts to public spending but the new government of Ghana, elected in December 2024, worked to [exit from the IMF programme](#) in May 2026 ([IMF 2026](#)), giving them more domestic control over fiscal policy. Dr. Ishmael Yamson cautioned ‘How can a country in 68 years go to the IMF 17 times? And let us pray we don’t go for an 18th time,’ adding ‘I have always had a problem with the so-called Bretton Woods institutions’ ([MyJoyOnline 2026](#)).

Table 1 presents some of the data that the IMF did not include for the eight low and lower-middle income African countries studied, showing the total debts owed, the annual debt payments made, and the percentage of national revenue spent on debt payments relative to education and health. The figures for **Senegal** are from 2025 and do not include the “discovery” of Senegal’s billions of dollars of hidden debt, raising questions about the IMF’s surveillance competence ([BWP 2025b](#)).

Table 1 Debt status of the eight African countries studied (Jan 2025 figures unless specified)

Country	Debt status (World Bank /IMF)	Total external debt (US\$)	External debt payments as % of national revenue	Health spending as % of national revenue – WHO	Education spending as % of national revenue - UNESCO
Malawi	In distress	3,590,683,499	25.4	5.76	N/a
Uganda	Moderate	15,065,546,338	14.3	4.88	8.48
Ghana	In distress	32,168,105,631	9.2	8.20	13.18
Kenya	High	39,662,900,699	28.7	9.29	17.90
Nigeria ³	Moderate	51,947,629,644	20.1	4.06	4.40
Senegal ⁴	Moderate	19,173,265,016	31.2	4.37	22.17
Zambia	In distress	18,318,714,491	33.0	9.25	10.45
Zimbabwe	In distress	6,471,858,401	4.9	5.21	15.70

Source: Who Owes Who (ActionAid 2025b). There have been significant changes in debt status since this table was produced in early 2025, notably in Ghana that has now exited the IMF programme and is no longer considered to be in debt distress. Zambia has also moved from being in debt distress but is still at high risk. The data for Nigeria is not

³ Nigeria’s debt assessment under the IMF Market Access Countries Debt Sustainability Framework states that Nigeria is at moderate risk ([IMF 2025f](#)).

⁴ These figures on Senegal predate the “discovery” of Senegal’s billions of dollars of hidden debt and are therefore unreliable. Senegal’s debt analysis has not been revised, but it will be either high risk or in distress, depending on whether the IMF convinces the Government to restructure.

available from the IMF, but it is considered by others to be either moderate or high risk ([Debt Management Office Nigeria 2026](#)).

In 2025, seven of the eight African countries studied spent more on servicing their debts than on health - and six more than double. Only **Ghana** and **Zimbabwe** managed to spend more on education than they do on debt servicing. The scale of the debt burden relative to social spending is stark.

It is worth noting that all these countries had been following the IMF's guidance for many years, subject to its conditionality (see Annex I), yet two of them were in debt distress, three were at high risk and three at moderate risk. Most had been in a debt and austerity crisis cycle for decades, all under the watchful eye of the IMF ([Muchhala 2020](#)).

The IMF as debt enforcer

The IMF often acknowledged that countries faced challenges due to external shocks, including COVID-19 and the Ukraine war, climate impacts, as well as spillover effects of monetary policy decisions in the Global North, where rising US interest rates have increased the cost of US dollar-denominated debt. Yet, its response was to focus on the 'tough decisions' required of national governments, rather than on the systemic reforms needed in the global financial architecture or improving equal access to government finance.

For all its rhetoric, the IMF exists fundamentally to ensure that countries pay their debts. It is both creditor and debt collector, serving its own interests and those of its main shareholders in the Global North - making it both 'judge and jury' in debt renegotiation processes ([Debt Justice 2014](#)). It is not, as it would like the world to believe, impartial towards debtor countries. As both a creditor prohibited from lending when a country's debt is unsustainable and the arbiter of debt 'sustainability', the IMF has powerful incentives to delay declaring unsustainability and prioritise repayment.

In this context, it is worth recalling the words of Thomas Sankara "*Debt is neo-colonialism, in which colonizers have transformed themselves into technical assistants*" ([Sankara 1987](#)). ActionAid's African Country Directors asserted in 2023 that these institutions were "*fundamentally colonial in nature*", formed before most African countries achieved independence, with voting structures basically unchanged, perpetuating colonial power relations through outdated neoliberal ideologies that are "*not fit for the 21st century or the needs of African countries*" ([ActionAid 2023](#)).

By failing to address the systemic causes of the debt crisis – and refusing to consider either that some spending might take priority over debt repayment or that some debts should be cancelled - the IMF has kept the most important issues off the table in discussions with ministries of finance. The IMF is the world's debt enforcer, serving powerful shareholders and interests. It is never an impartial actor.

The case for a UN Framework Convention on Sovereign Debt

All of this means that it is important to democratise global economic governance, and fundamentally overhaul the global debt architecture, starting with a UN Framework Convention on Sovereign Debt ([Eurodad n.d.](#)). This key solution to the global debt crises was on the table at UNFfD4 in Seville in 2025, and received support from many Global South countries and a wide range of civil society movements ([CSOs for FfD4, n.d.](#), [African Union n.d.](#)).

Civil society has rallied behind the UN Debt Convention as a progressive framework to begin reforming debt as a colonial instrument. Debt justice movements emphasise the need for a fair and transparent multilateral sovereign debt resolution mechanism, to deliver on faster, fairer and more orderly debt restructurings and cancellation. The FfD4 Feminist Forum emphasised

the need for a gender-transformative economic system, based on rights, justice, care and equality. The Feminist FfD4 Declaration calls for “*courageous, inclusive, and transformative feminist multilateralism and diplomacy with a strengthened United Nations at its core, including, a Security Council that respects the UN Charter and responds to the realities and demands of the Global South and of those most left behind*” ([Feminist Forum FfD4 2025](#)). A debt convention could establish binding principles on responsible lending and borrowing and create a much fairer global financial architecture.

The biggest IMF shareholders – notably the Europeans – blocked the inclusion of a UN Framework Convention on Debt at FfD4, even after the US walked away from the process. Rather than pursue meaningful reform of the international financial architecture, Global North countries - the very architects - positioned the IMF as part of the solution rather than the problem - and prevailed. Global North countries agreed to centre the IMF (where they hold majority control) *even more* in global economic decision-making, without any critique of its failures, reinforcing an already unequal power balance. The injustice is acute: Global South countries hold almost no power on the IMF Board, yet IMF policy advice gravely determines their economic realities and capacity for development ([ActionAid 2025a](#)).

The movement for a UN Framework Convention on Sovereign Debt continues, with a consensus building vote and terms of reference for an inter-governmental process expected to go to the UN General Assembly in 2027. Negotiations for a UN Tax Convention are also ongoing, due to conclude in 2027 ([UNDESA n.d.](#)). Together, these two conventions could begin to shift the balance of power. Until then, the IMF remains the institution most actively empowered by the debt crises, and its ideology, as the world’s debt collector and lender of last resort, continues to hold sway.

2.2 The IMF’s Social Spending Advice

Key findings of this section

- **The rhetoric outpaced the reality.** There was a contrast between the discourse on social spending advice in the text and the hard numbers driving IMF advice in practice.
- **Definitions of social spending were inconsistent.** The IMF included different items as social spending across the 11 countries, often at odds with its own 2024 guidance ([IMF 2024](#)).
- **Targeted, not universal, social protection and social security were advised.** The IMF implicitly acknowledged some shortcomings of targeting, but not of the approach itself, which continued to underpin much of its advice. By not supporting universality, the advice fell short of International Labour Standards approved by all countries ([ILO 2012](#)).
- **Advised spending was below global commitments.** The IMF often advised expenditure in education and health below established international commitments such as the Incheon Framework (2015) and the Abuja Declaration (2001).
- **Gender equality rhetoric did not translate into practice.** The IMF recognised social spending as a critical tool for gender equality, but we did not see this in practice.
- **Debt impacts were not systematically analysed.** The extent to which debt servicing undermines public spending or gender equality was not routinely explored, despite clear evidence that debt is the biggest obstacle to investing in health and education ([Debt Justice 2025](#), [ActionAid 2025b](#)).
- **No acknowledgement of the impact of austerity on social spending.** The IMF failed to acknowledge the devastating impact that its own austerity policies have had on health,

education and other critical areas of social spending, which are deepening gender inequality and the exploitation of women’s unpaid and underpaid labour.

The IMF points to its 2019 Strategy for IMF Engagement on Social Spending ([IMF 2019a](#)) and the accompanying 2024 Operational Guidance Note ([IMF 2024](#)) as proof of its new commitment to protecting the most vulnerable. As early as 2017, the IMF’s own Independent Evaluation Office found that, while the IMF had widespread involvement in social protection, its approach was fiscal-centric, with no systematic framework, and fiscal balance remained the overriding priority ([IEO 2017](#)). This section examines the claim that this strategy represents a fundamental shift in direction.

What does the IMF mean by social spending?

Social spending is generally understood to encompass government expenditure on social protection, health and education - the services that protect people from poverty and support their access to essential public services, part of states’ obligation to realize these fundamental rights. The IMF’s own 2024 Operational Guidance Note ([IMF 2024](#)) sets out a framework for how it should engage on these issues with countries. As this section shows, that framework is applied inconsistently across the 11 countries studied — and the gap between what IMF documents say about social spending and what budget projections actually show is striking.

Across the 11 countries studied, social spending was discussed frequently and ‘social spending floors’ were referenced in every programme document, which often mentioned that fiscal space needed to be found for “priority” spending, including on social protection. However, social spending floors were not consistently defined, with huge variation in the scope and coverage advised (see Table 2). Social protection was mentioned in almost all documents, but usually in the form of targeted cash transfers, not universal social protection. While specific spending within education and health was sometimes mentioned, it was never disaggregated, for example, to identify core spending on frontline workers.

Table 2 Overview from IMF documents of social spending levels and social spending floor definitions

Country	Social spending as % of GDP (latest available)	Definition of social spending (often called “transfers”) in budget table in IMF documents
Brazil	16.5% fed 2.4% state (18.9% total)	<ul style="list-style-type: none"> • Social benefits incl. social security, social assistance, other social benefits (RPPS pensions)
Ghana	0.4%	<ul style="list-style-type: none"> • Highly-targeted social spending (Ghana School Feeding) • National Health Insurance Scheme, LEAP, Capitation Grant)
Kenya	Unclear definition	<ul style="list-style-type: none"> • Cash transfers to orphans and vulnerable children, the elderly and persons with severe disabilities • Free primary and secondary education, school food and sanitary programming • School food and sanitary programmes • Universal health coverage, free maternal healthcare, health insurance subsidy for target groups, vaccination
Malawi	2.5%	<ul style="list-style-type: none"> • Social assistance • Sum of central government spending on health, education and social protection • Fertiliser, maize seed subsidy, affordable inputs subsidy • Social cash transfer, pensions

		<ul style="list-style-type: none"> National Aids Commission
Nepal	4.1% (3.7% health, 3.7% social protection)	<ul style="list-style-type: none"> Social benefits Child allowance
Nigeria	1.0%	<ul style="list-style-type: none"> Transfers incl. National Judicial Council, Universal Basic Education, and Niger Delta Development; cash transfers not listed
Senegal	0.1%	<ul style="list-style-type: none"> Social benefits Spending on health, education, the environment, the judicial system, social safety nets, sanitation Rural water supply & electrification Equipment support for vulnerable groups Economic and social support for women and youth
Uganda	3.7%	<ul style="list-style-type: none"> Social spending excl. external financing (memorandum item) All spending on health, education, and social development (excl. external financing) Social assistance: Northern Uganda Social Action Fund; Senior Citizens Grant; Social Assistance Grants for Empowerment Urban Labour-Intensive Public Works
UK	20.7%	<ul style="list-style-type: none"> Non-discretionary (incl. welfare)
Zambia	1.5%	<ul style="list-style-type: none"> Social protection Budget transfers to the Public Service Pensions Fund, the health sector, and the education sector Central gov expenditure on: Social Cash Transfer; Food Security pack; Empowerment Fund (Women and Youth); Public Welfare Assistance Scheme. Water and Sanitation
Zimbabwe	No data	<ul style="list-style-type: none"> N/A

Table 2 shows the inconsistent range of elements on social spending included in the IMF's documents for each country. Some were comprehensive, covering social assistance and social protection, and some also included health and education spending, while others just covered a handful of (existing) programmes. The IMF's list on **Nepal** only includes social benefits and child allowance. For **Nigeria**, the IMF only lists the institutions that receive direct or first line transfers from the federation account, but cash transfers are not listed, nor are the home-grown school feeding programmes. This will also have implications on the percentage spend on social spending, showing social spending is inaccurately and inconsistently applied by the IMF.

This is in line with Oxfam's findings in its 2023 report 'IMF Social Spending Floors: A fig leaf for austerity?', which showed that, whilst spending floors were supposed to protect 'vulnerable'⁵ people from the sharpest edges of austerity, they were "opaque", "haphazard" and "inconsistent" and, overall, "failing to do what they are intended to do". The Oxfam study found

⁵ The term 'vulnerable' is used by the IMF. ActionAid uses the term marginalised to show power inequalities and intersecting discrimination ([ActionAid 2010](#)).

that, for every \$1 increase the IMF advised to social spending, governments were advised to cut social spending by \$4, an obvious fiscal contradiction. This study concurs with Oxfam’s assessment that *“the absence of a simple and straightforward way to measure their adequacy ... makes it very hard to assess the extent to which social spending is being prioritised by IMF teams across the world”* ([Oxfam 2023](#)).

This inconsistency reflects the IMF’s instrumentalisation of social spending for GDP growth and to boost “human capital”, rather than to enable the realisation of the rights guaranteed under international law.⁶

Rhetoric versus reality

This study also found serious contradictions between some of the narrative in the documents, with positive notions of protecting (and even amplifying) “priority” spending, and the actual budget projections in annexed tables that often suggested cuts or freezes. For an institution like the IMF, and for most ministries of finance, it is the numbers that matter, not the words or rhetoric. Social spending, where mentioned, was treated as optional, and where austerity cuts were advised this constituted a red line.

Worryingly, the IMF seemed to pay little attention to the need to increase the proportion of GDP dedicated to social spending, despite vast differences between the levels of spending, from 0.1% in Senegal to 20% in the UK (see Table 2). The IMF offered no needs assessment of gaps in coverage, nor any systematic reference to international benchmarks in education (Incheon) or health (Abuja) as a starting point for its advice.⁷ It makes no sense to cut social spending when a country cannot provide basic social protection and services – and the burden of those cuts falls disproportionately on women.

The tensions and contradictions outlined above can be seen in many of the country documents, for example:

Zambia – progressive words, regressive numbers

In the Extended Credit Facility (ECF) 4ECF24, the IMF praised Zambia’s commitment to social spending as *“a cornerstone of efforts to mitigate the socioeconomic impacts of the drought and the cost-of-living crisis”*, and noted that: *“Redirecting expenditure away from inefficient subsidies to education, health, and social protection will help build human capital.”* **BUT** when it came to the budget tables, social spending remained frozen and was projected to drop again (at least in percentage GDP terms).

Ghana – budgets leave vulnerable people exposed

In ArtIV23, the IMF emphasised *“the importance of mitigating the impact of the crisis and reforms on the most vulnerable,”* meaning bolstering *“delivery of key public services in health, education, and social protection”*. **BUT** when it came to the planned fiscal adjustment programme, it noted that *“although critical to ...*

⁶ The International Financial Institutions create and use terms like human capital and gender gaps to avoid using agreed human rights language that bring obligations to the State, such as gender equality and right to education.

⁷ The Incheon Framework (2015) commits States to spend between 4% and 6% of GDP on education. The Abuja Declaration (2001) commits them to spend at least 5% of GDP on healthcare. In parallel, the WHO set a target of 4.45:1000 health workers to population, and UNESCO suggested a maximum primary school teacher-student ratio of 1:25 [WHO 2016](#), [UNESCO 2016](#).

underpin poverty reduction over the medium term, [the fiscal reforms] may entail non-negligible socioeconomic costs in the short term”.

Brazil – social spending floors without a floor

In ArtIV24, the IMF appeared to welcome the new Government’s commitment to social spending **BUT** advised that “*Spending reforms are needed*”, including “*seeking efficiencies in social programmes while ensuring continued targeted support for vulnerable households*”. It then flagged that “*Automatic spending freezes could be activated if needed to compensate for higher-than-expected expenses on social security*”.

The impacts of austerity are, of course, far more wide-reaching than the programmes that target structurally marginalised groups. There are usually large shares of the population just above the poverty line, or in a precarious lower-middle class who can face major deprivation and fall into poverty quickly once austerity hits.

Targeted not universal

Documents from all 11 countries had at least some recognition of the importance and positive impact of social spending. They often included references to the need for ‘*investment in human capital*’, and some mentioned concerns for the impact on ‘*vulnerable*’ groups. However, this concern for the most marginalised seemed double-edged. Whilst many aspects of the IMF advice around fiscal consolidation were universal, when it came to social protection systems, the idea of universality was consistently rejected. The documents consistently talked about targeting, in terms of “*recalibration*” and “*rationalization*” of these programmes to the “*most vulnerable*”. Most of these targeted programmes fell short of international labour standards, agreed by all countries, that call for universal and adequate social protection systems ([ILO 2012](#)).

There was little recognition in IMF documents of the well-documented problems with targeted assistance programmes:

- Determining eligibility is not straightforward, especially in contexts where informality is high, precarity is elevated, poverty is dynamic and data management is weak – yet these are precisely the contexts where the IMF consistently recommended targeting.
- Targeted programmes are often very slow to enrol and remove people, incurring high administrative costs.
- Women and those who are most marginalised face additional barriers, as they are least able to access information about their entitlements, face most difficulty in proving eligibility, and are most exposed to the social stigma associated with targeted systems ([ITUC n.d.](#)).

Universal registries and categorical benefits are generally more equitable and cost-effective in practice ([ILO 2012](#)). Rather than acknowledging these systemic problems and rethinking the approach, the IMF tended to pass the blame onto countries, advising them to ‘*improve their targeting*’, ‘*enhance means testing*’, or ‘*plug leakages*’.

Nigeria –fuel subsidy advice

The **IMF** recommended in ArtIV24 that Nigeria remove its fuel subsidy, which the government did in May 2023 ([Presidential Inaugural Address 2023](#)), a recommendation the Government later reversed ([S&P Global 2024](#)). The IMF

blamed the fact that that “adequate compensatory measures for the poor were not scaled up in a timely manner and subsequently paused over corruption concerns. Capping pump prices below cost reintroduced implicit subsidies by end-2023 to help Nigerians cope high inflation and exchange rate depreciation.” There was no routine analysis of how targeted systems were more open to corruption than universal systems.

In practice, targeted systems were the default recommendation, often delivered in collaboration with the World Bank, commonly the main partner in developing registries and targeting methodologies (mentioned in seven countries studied). At times, the World Bank’s involvement went further, including separate loans with their own conditionalities and funding for social assistance. The World Bank plays a broader role in parallel, including on climate policy, energy, tax, and debt sustainability analyses, often in tandem with the IMF. These loan-funded projects reinforced a narrow approach to targeting and undermined any government efforts to build a universal social protection system.

Gender and social spending

There were no gender impact assessments of social spending advice, despite the structural gender inequalities underpinning the economy ([ActionAid 2022a](#)). Feminist economists and movements have long documented such inequalities and the impact of patriarchy. Women make up the largest share of low-income households, the majority of global informal workers and of the public sector workforce ([WHO 2021](#)), and carry a disproportionate share of unpaid care and domestic work due to gendered discrimination, social norms and policy incentives – discussed further in section 2.5 below ([UN Women 2023](#), [ActionAid 2022a](#), [BWP 2017](#)).

Senegal - Gender budgeting despite the IMF

The Extended Fund Facility (EFF) /ECF/Resilience and Sustainability Trust (RST) programme (1EER23) notes that Senegal has actively implemented gender budgeting since 2016, with a dedicated Annex in the country’s first review under 1EER23, according to which gender “*is meticulously integrated into the entire budgetary process, with budgetary laws incorporating a specialized report that evaluates the impact of fiscal decisions on gender inequality across ministries*”. The focus was on “*ensuring gender equality in public policies, eradication of discrimination against women, and boosting their economic participation*” as well as “*to align fiscal benchmarks with gender-responsive policy goals*”. Moreover, the Government committed to “*(i) increasing social spending on programmes tailored for young girls and women; (ii) removing barriers to girls’ education, ... and (iii) providing training and financial opportunities to female entrepreneurs [for example, through 2% of public procurement to female-owned firms]*”.

Furthermore, Senegal’s **ArtIV24** includes a summary table that showcases the IMF’s new Gender Data Hub, with a range of composite gender indices (such as the Gender Development Index, Gender Inequality Index and Global Gender Gap Index⁸) and detailed statistics on labour and income, leadership, gender-based

⁸ The IMF uses the terminology of ‘gender gaps’, not the human rights language agreed by States on gender equality. Human rights frameworks set out guidance to States on how to fulfil their obligations on women’s rights – with well-established international, regional and national legal frameworks on women’s human rights and gender equality that most member States have ratified, such as the 1995 Beijing Declaration and Platform for Action and the 1979 CEDAW with its concept of substantive gender equality.

violence (GBV), access to finance and education and health gaps, all tracked over six years.

The IMF praised Senegal for its progress, especially on parliamentary representation. However, none of this seemingly unique expertise fed into fiscal and macro policy discussions. This was a major missed opportunity, and reflects the low priority of gender equality for the IMF. Even where gender frameworks and champions exist, they are systematically excluded from shaping fiscal policy.

Uganda – the closest to a positive example of gender equality coverage

A *Selected Issues* paper on “Gender Inclusion in Social and Economic Programs” (SIGender24) analysed whether women had been systematically under-represented in Uganda’s social assistance programmes, and how they could be more gender-targeted. However, it did not look at the impact of the IMF programme or IMF-advised policies, or at broader relevant statistics, such as for care work or the gendered impacts of planned fiscal reforms.

The Article IV Consultation (ArtIV24) summarised that, although gender had been mainstreamed in the Government, including budget practices, female-headed households were still poorer, with lower education and higher barriers to business, recognising the important role of social protection in closing ‘gender gaps’:

“Alongside public spending on infrastructure and education, social programmes help improve opportunities for women by providing small but predictable income fostering planning for educational and business initiatives.”

The IMF noted that the Ugandan Government had shifted ideologically from social protection towards agricultural development, and noted that social protection programmes had been pushed back to other actors such as “*developing partners, traditional social networks, civil society organizations, and non-governmental organizations*”. The IMF advised Uganda to “[*strengthen*] the gender component in existing and new programmes and [*expand*] gender-targeted means-tested social protection”, for example by ensuring that various gendered barriers around asset ownership, GBV and child marriage were factored in. This advice included the need for participatory social accountability mechanisms and other reforms on social norms, land rights and schooling, as highlighted in SIGender24.

Ultimately, issues such as social norms and child marriage do not fall within the IMF mandate. The IMF can support and reference government initiatives in this area, but its own work would be better focused on making proper assessments of the gendered impact of its own programme advice and mandate.

Qualitative analysis of IMF advice on social spending to countries February 2022 – February 2025

Social Spending				
Regressive	Blind	Superficial	Substantial	Transformative
The IMF advises to cut or target social spending and justifies this with language of progressivity, and/or recognising evidence on the impacts of advised measures on universality, but dismissing it.	The IMF does not consider the impacts of social spending reforms or cuts on the universality of public services.	The IMF covers the impacts of social spending advice on the universality of public services superficially and without it impacting the direction or make-up of the policy package.	IMF advice actively discusses the universality impacts of social spending and this influences macro policy direction (e.g. fiscal policy advice to increase social spending to improve health and education systems).	IMF's macro policy advice is explicitly aimed at increasing fiscal space for redistributive, equality-enhancing social spending for universal, rights-based public health and education systems.

BRAZIL

Social spending advice from the IMF is cautious and in favour of finding ways to flexibilize government expenditure in general (much of which is earmarked and indexed) and targeting social protection programmes, while at the same time encouraging the Government's prioritisation of education and investing in human capital. The main emphasis is on fiscal consolidation.

NEPAL

Despite the IMF putting a conditionality on increasing the child grant, overall, the spending advice is regressive, focused on further targeting social protection (despite at the same time saying the child grant was too targeted to reach enough people) and making it temporary, with social spending advice confined to social assistance overall, and no health and education discussion despite projecting major spending cuts.

GHANA

Ghana is planning an IMF rationalisation program, but accommodating an increase in social spending, highlighting large social protection needs and discusses expanding various (targeted) programmes e.g. on school feeding and cash transfers, and authorities aim to achieve universal health coverage.

KENYA

IMF staff caution against cutting social spending which could negatively impact growth and instead suggest savings should come from the wage bill (and other items), although elsewhere it seems that pressure on the wage bill is coming from the education sector, so this is contradictory.

MALAWI

Malawi has a social spending floor and a commitment not to adjust it downward (all central government spending on health, education, and social protection; although most social spending is off-budget from development partners), though the Government seems set on targeting the agri-input subsidies programme regardless. The Government's elimination of school fees is praised by the Fund and it advocates for "increasing quality and quantity of education", while the PSWB freeze supposedly exempts health and education workers.

UK

IMF advice strongly encourages public sector investment, especially in health and education, admonishing the UK Government for unrealistically-low budget estimates and establishing upskilling of the workforce and improving health outcomes as two of three reform pillars.

Social Spending (cont'd)

Regressive	Blind	Superficial	Substantial	Transformative
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NIGERIA

Social protection is named as a key priority, replacing fuel subsidies with cash transfers and off-budget development support. However, these measures are clearly meant to be targeted, temporary, and only for the most vulnerable. The IMF mentions “measures to ramp up spending on...health and education” are not budgeted for or detailed further. Underspensing is flagged as an issue, but no proposals are given on how to fix it. The IMF mentions investment needs for the SDGs but these do not translate into associated policy recommendations.

SENEGAL

All documents encourage greater social spending and a need to extend both social safety nets (although keeping them targeted) and investment in education, human capital, and youth employment. Senegal’s public spending pivot away from hard infrastructure towards education, social protection, and economic empowerment is praised. The social spending floor was lifted from 35% to 40% of total spending. The only social spending the Fund really seems to discourage are fuel subsidies, but the distributional impacts of replacing them with targeted safety nets are not analysed sufficiently. Cost-of-living measures were considered “wasteful blanket subsidies”.

UGANDA

All documents encourage higher social spending and emphasise the need for DRM and improving “expenditure composition” to create the fiscal space for it, as well as raising concerns that fiscal consolidation was achieved through expenditure cuts and under-spending on development, rather than better revenue raising. 5ECF24 asserts that even under fiscal consolidation “spending for social needs and growth-enhancing development” needs to be ringfenced. Staff acknowledge that “Uganda faces enormous investment needs in education, skills, and health” (ArtIV24), and one of three advised reform pillars is “Increased spending on social needs—health, education, and social assistance”. The section with gender data also emphasises the importance of investing in social protection to alleviate gender inequality.

ZAMBIA

Beyond the impressive hiring push to achieve free universal education and health improvements, the Government has also scaled up a series of social protection programmes. The Fund is encouraging: “Redirecting expenditure away from inefficient subsidies to education, health, and social protection will help build human capital”, despite concerns about pressures on teachers and infrastructure from the free education policy. Still, “Health and education spending is expected to increase further and is essential to reduce poverty”.

ZIMBABWE

Under IMF staff’s IAPS, “additional fiscal space would be created...to raise priority spending” which means that “spending in health, education, and the social safety net would be increased”. Thus, social spending is seen as a priority, but the advice lacks detail and direction – there are no budget data, or outcome indicators.

2.3 The IMF's Public Sector Wage Bill Advice

Key findings of this section

- **Cuts and freezes are universal.** The IMF continued to advise cuts or freezes to the public sector wage bill in all countries, even where spending was significantly below regional or global averages.
- **No benchmarks, no rationale.** The IMF tracked wage bill spending across all countries but applied no internationally recognised benchmarks, and consistently pushed for reduction whatever the starting point.
- **Incoherent logic on priority expenditure.** The IMF continued to advise cutting wage bills to create space for other 'priority spending', without recognising that spending on nurses and teachers was itself the priority for improving public health and education, or analysing who would feel the biggest impact of these cuts. Health and education workers were only protected in select cases.
- **Gender equality impacts ignored.** There was no assessment of the impact of cuts or freezes to wage bills from a gender perspective, despite clear evidence that women are disproportionately disadvantaged as services are lost, as the majority of frontline public sector workers, as the first to lose access to underfunded services, and as those who absorb increases in unpaid care work when public services fail.
- **Public pressure works.** Pressure to defend the public sector workforce, for example through strikes and protests, was the only thing that seemed to be effective at pushing governments to stand up to IMF advice.

What is the public sector wage bill and why does it matter?

The public sector wage bill is the total cost of salaries and benefits paid to government employees. In most lower-income countries, this is dominated by teachers, nurses and other frontline public sector workers. Teacher salaries alone can account for 80% of public education expenditure, and the wage bill as a whole can represent close to half of all government spending ([World Bank 2021](#)). In countries where health and education budgets are already stretched, the wage bill is not an abstract fiscal line: it is the mechanism through which public services are delivered. Cutting or freezing it does not create neutral fiscal space - it directly reduces the capacity of governments to staff schools and clinics.

This is the central contradiction at the heart of IMF wage bill advice: the same institution that calls for investment in 'human capital' and improved health and education outcomes consistently advises cuts to the spending that makes those outcomes possible. Bizarrely, public sector workers themselves are not considered 'human capital' that matters to the IMF, let alone is support given to the human rights obligations of States, ensuring 'maximum available resources' and 'non-retrogression of rights' through investments in public services.

IMF advises cuts and freezes regardless of context

One of the most profound contradictions found in this analysis is between the positive narrative on social spending in IMF documents, and the reality of what the IMF recommends in relation to public sector workers.

The IMF's advice on public sector wage bill constraints is a central austerity policy which undermines access to, and the quality of, public services. IMF advice does not differentiate who was targeted by these cuts, and health and education workers are only protected in select cases. To call for increasing social spending, while using budget tables to advise countries to

effectively cut or freeze the wages of the workers essential for delivering quality public services, is an inconsistent and ineffective approach.

ActionAid has tracked IMF public sector wage bill policy for 20 years, in collaboration with Education International and Public Services International.

In *The Public Versus Austerity* ([ActionAid 2021](#)), we found that IMF austerity cuts in just 15 countries blocked the recruitment of over 3 million nurses, teachers and other essential public sector workers over the period 2016-2021. In 2022, *The Care Contradiction* ([ActionAid 2022a](#)) documented the absence of any gendered analysis by the IMF of these impacts, despite the triple threat to women as service users, frontline workers and unpaid carers. In 2025, *The Human Cost of Public Sector Cuts in Africa* ([ActionAid 2025a](#)) surveyed communities across six countries and documented how teachers and nurses suffer with declining salaries, struggle to put food on the table and sometimes have to pull their own children from school or forego urgently needed healthcare.

In this new study we found a varied level of depth and direction in IMF advice on wage bills. Since February 2022, the IMF has explicitly encouraged cuts, freezes and “*calibration*” to governments in Brazil, Ghana, Kenya, Malawi, Nepal and Senegal. Despite narrative endorsement for some level of targeted increase in the UK and Zambia, the IMF still proposed limits to overall wage bill spending. Only Uganda lacked in-text steers, relying on budget tables alone, and Nigeria and Zimbabwe had minimal in-text guidance.

Table 3 Overview of actual wage bill spending levels, quantitative projections and in-text steer

Country	Public sector wage bill % GDP (latest avail.)	Quantitative projections (latest avail.)	In-text steer
Brazil	11.7% fed 4.3% state (16% total)	Decrease from 11.7 to 11.4% over 6 yrs 5-yr freeze at 4.2% = cut	Cuts & freezes of 2-3% GDP
Ghana	6.0%	6-yr freeze at 6.0%	Cuts & freezes
Kenya	3.6%	4-yr freeze at 3.4% (= cut)	Cuts & freezes
Malawi	6.0%	Decrease from 6% to 5.0% over 5 yrs = cut	Cuts & freezes (but H & E exempt)
Nepal	2.5%	5-yr freeze at 2.5%	(Cuts)
Nigeria	1.9%	6-yr freeze at 1.9%	N/A
Senegal	6.6%	6-yr freeze between 6.8-7%	Freeze in % GDP but new hires
Uganda	3.8%	Drop to 3.5% in 2 yrs, back to 3.8% over next 3 yrs = freeze	Freeze only if needed (but H & E exempt)
UK	15.9%	6-yr freeze between 15.5-15.7% = cut	Increase
Zambia	8.1%	Drop then 5-yr freeze at 7.4-7.5% = cut	Increase
Zimbabwe	6.7%	6-yr freeze at 6.7-6.8%	Freeze

Table 3 shows a huge variation in the percentage of GDP spent on the public sector wage bill - from 1.9% in Nigeria to 15.9% in the UK. With the global average at 9%, and the African regional average of 7.6%, the vast majority of these countries were falling short of both. ([World Bank n.d.](#)). However, there was no evidence of the IMF advising increases. Rather, it seemed to consistently push for reduction, whatever the starting point. Advising countries to cut below regional averages is a race to the bottom.

Indeed, the IMF does not use any internationally recognised benchmarks (or even indicative ranges for different types of countries) to determine the proportion of GDP that should be spent on the overall public sector wage bill, in order to deliver on human rights or the SDGs, for example. Nor did we see the IMF make any meaningful use of the data on the percentage of GDP spent on public sector wage bills that it tracks and quotes - even in cases, like Nigeria, where countries were clearly chronically underspending.

Kenya – the consequences of wage freezes

In Programs24, the IMF envisioned “*about 1.3 percent of GDP rationalization of primary spending [relative to FY 23/24] through efforts to contain the wage bill, transfers [and other measures]*” and “*expect significant [and permanent] savings from controlling the government wage bill*” resulting from wage freezes already implemented in financial years 2021/22 and 2022/23.

The Letter of Intent by the Kenyan Government (within Programs24) stated the intention to “*continue to contain recurrent expenditure-to-GDP ratio by limiting the growth in the wage bill ... while protecting priority social spending. To this end, we plan to extend the current hiring freeze (on a net basis) to FY2025/26...*”. However, due to the power differential when governments go to the IMF for financial support, they are often in a difficult position to negotiate or object to IMF policy advice.

Malawi – Commitment to rationalisation

In ArtIV21, the IMF acknowledged critical gaps, especially in education and student-teacher ratios, and in PMB-ECF23 it admitted that “*There remains little space for further cuts to primary expenditure, but the authorities are committed to the rationalization of the wage bill*”, and the overall advice was to “*rationalize expenditure through curtailing growth in wages*”.

Zimbabwe – Government resistance to IMF pressure on the public sector wage bill

Despite the IMF expressing concern about “*fiscal pressures ... from higher public sector wages*” (PF25) and projecting a 6-year freeze in ArtIV22, authorities seemed set on not cutting the public sector wage bill. During the COVID-19 pandemic, “*the previous freeze on government hiring was lifted for the health sector, resulting in a 20 percent increase in personnel*”.

The Government’s medium-term budget framework projected an increase in the public sector wage bill by 0.6% GDP. “*On the expenditure front, [authorities] noted that the wage bill would be guided by the SADC [Southern African Development Community] target, adequate remuneration, and the hiring of staff in the education and health sectors.*”

“*In case the 2022 projected revenues fall short, the authorities plan to cut capital project outlays, while leaving the wage bill intact.*”

In section 2.2 we highlighted the gap between the rhetorical narrative and the numbers in IMF documents. Table 4 shows the real story: while IMF narratives sometimes endorsed modest increases, the budget tables projected cuts or freezes to the public sector wage bill in every country studied, with no country projected to increase its wage bill spending. In the text of the

documents, five countries were advised to cut spending on public sector wages, three were advised to freeze, and two to increase. In the latest projections in the tables, five countries were projected to cut and six to freeze. None were projected to increase.

If the tables are where the rubber meets the road, then we saw **100% of countries studied expected to cut or freeze their spending on the public sector wage bill**, even though almost all were spending less than the global and regional average. Where cuts or freezes to public sector wage bills were included, they were usually multi-year, and seemingly permanent – with no timeframe or projections given to eventually increase again.

Table 4 IMF advice on public sector wage bills — text versus projections

	In-text steer	Budget projections
Cut	5	5
Freeze	3	6
Increase	2	0
No data	1	0

Source: Review of documents in 11 countries 2022-2025. See Scope and Methodology

None of the documents included projections on the impact of proposed cuts and freezes on the number of workers in different sectors or on key indicators such as student-teacher or doctor-patient ratios, or on public health and education outcomes.

Furthermore, the IMF still appeared to be overly focused on tackling ghost workers in the public sector – though never defined in the documents. Documents for four countries talked about actions to catch ghost workers. **Nigeria’s** ArtIV24 emphasised “*the vulnerability of the civil service to corruption*” and the need for a new payroll system “*to root out cases of ghost workers*”. As we have observed before, the scale of this issue is often overstated by the IMF or ministries of finance, as it shifts blame onto workers rather than ineffective teacher management systems and undermines the case for urgently needed increased investment in the public sector wage bill ([ActionAid 2021](#)).

The exemption myth

In three countries, exemptions from cuts and freezes for health and education workers were mentioned, even where it was not clear that these could be credibly implemented.

- **Malawi’s** PMB-ECF23 recommends “*flushing out ghost workers, freezing on new hiring into the public service, except in critical areas such as health and education sectors*”.
- **Uganda’s** 5ECF24 recommends a hiring freeze as a potential extra measure in case of budget underperformance “*except in health and education*”.
- **Zambia’s** 4ECF24 mentions “*Spending in health and education is expected to increase*”, despite delaying new hirings in other areas.

It was not clear how these protections and increases were to be achieved while holding down spending on the wage bill, when education and health workers make up the greatest part of the public sector workforce. Achieving both would require massive cuts to other sectors, but the documents never provided recommendations for where such cuts should be made.

A longstanding recommendation in previous ActionAid reports has been for the IMF to look at detailed information of existing staff levels against international benchmarks – such as WHO and UNESCO standards on health and education - before they make any recommendations on

wage bills. Only the documents for Brazil, Malawi, Nepal, the UK and Zambia included any sectoral indicators and data on health and education, and they were not systematically compared against international standards, nor did they feed into the policy advice. In practice there was often a lack of consistent review of data on health and education outcomes by the IMF, meaning compliance relied on governments' own commitment to prioritise social spending.

There were some partial exceptions. In **Malawi**, ArtIV21 included an Annex on educational attainment which highlighted that “*Malawi’s pupil-teacher ratio is twice higher than that of world average for primary school and four times higher than that of world average for secondary school*” and that it “*is anticipated to worsen to 80 percent in secondary school if number of teachers remains the same*”. However, it did not include detailed plans to hire more teachers, simply excluding teachers from the hiring freeze. In **Uganda**, there was detailed analysis on the investment needs to improve health personnel and teacher ratios to achieve the SDGs, albeit buried in a technical assistance report. However, this did not translate into the wage bill and social spending advice given in the ArtIV and programme documents.

In the **UK** and **Zambia**, statistics were part of the policy discussion, with plans to hire more teachers and health workers to improve ratios despite frozen budgets. But even when governments lift a hiring freeze this can still mean cuts to staff numbers in practice, due to the large numbers of public health and education workers leaving their professions ([ActionAid 2025a](#)).⁹ In this context, even promising commitments like those in Zambia can fall short.

Zambia – Government priorities create exception

In 2025, the IMF stated that: “*The government is prioritizing the allocation of newly hired teachers and health professionals to poorly serviced rural areas. Despite the undeniable benefits, the free [primary and secondary] education policy has led to an influx of learners where infrastructure, availability of teachers, and learning outcomes were already under pressure. Spending in health and education is expected to increase, with plans to hire 2,000 teachers and 2,000 health workers.*”

It was not clear if these were new or replacement staff, due to the lack of detailed data. However, in the case of Zambia it appeared that the IMF only agreed because the Hichilema Administration made this a priority.

The fact that the IMF does not include data about public sector worker shortages – or comparisons to recognised international benchmarks - in most of its policy documents undermines the logic and rationale for advice in this area. It also makes it harder for governments to make informed decisions and to understand where there may be trade-offs in the IMF’s advice.

The priority spending paradox

One of the most disturbing findings in our 2021 report ‘The Public Versus Austerity’ was that the IMF sometimes recommended “*rationalising*” the wage bill **to create fiscal space for other “priority” spending**, including on development, social spending and public investment ([ActionAid 2021](#)). This makes little sense when the clear priority for health and education spending is almost invariably to recruit more frontline staff. Teachers can account for up to 80% of education spending, and the health workforce is often around two-thirds of the budget ([World Bank 2023](#)). To hold down spending on the most critical ingredient to delivering quality health

⁹ 42% of teachers and 32% of health workers surveyed in the six countries indicated they planned to leave their profession.

and education services, whilst claiming to want to create space for priority spending in those same sectors, is incoherent.

Yet, in this research, we still found the IMF justifying advice to cut the wage bill as a means to resource other social spending. In **Kenya**, for example, we found this revealing quote: *"Staff has cautioned against deep cuts in development spending.... Instead, staff sees scope for more permanent savings from streamlining the wage bill."* Without clarity on where this "streamlining" is meant to come from, the IMF did not appear to consider public sector workers like teachers and nurses to be development spending.

In **Ghana ArtIV23**, the IMF stated that the "fiscal space" gained from "efficiencies" was meant "for key development, social and climate-related priorities". We found no evidence in any of the 11 countries that the IMF stated what the creation of "efficiencies" and "re-prioritisation" would look like - that is, whose wages would actually be cut and how that money would support other forms of spending.

Only in **Brazil** did the IMF carry out a distributional analysis of the wage bill policy, with the aim of bringing a high wage bill down. In that case, the analysis showed that some 'civil servants' were amongst the highest paid workers, conveniently supporting the IMF recommendation for cuts. But this analysis did not look at the wages paid to different frontline public sector workers, far from the upper-income percentiles. In practice, the impact of cuts would be felt more by those on lower wages. This is an inconsistent and unsystematic use of its methods.

Public action and limited accountability

In four cases, IMF documents mentioned unions and strikes as having created pressure to increase wages or reverse planned freezes and cuts.

Kenya – Union pressure forces salary freeze reversal

Persistent wage freezes had real consequences for Kenya's medical professionals, with eight years of salary arrears cleared following pressure from the Kenya Medical Practitioners, Pharmacists and Dentists Union ([Kenyan News 2025](#)). This shows that governments can push back against the IMF and honour their obligations to public sector workers.

In Programs24, the IMF stated that *"In view of pressures to implement collective bargaining agreements with trade unions, the SRC [Salaries and Remunerations Commission] decisions [for a 2024 salary freeze] have been reversed since, (...) to be funded from additional revenue efforts"* which included *"the security sector, teachers, and civil servants"*. This was something the IMF lamented, noting: *"Other pressures from the education and security sectors, including for the funding of universities and technical and vocational training, amounting to 0.3 percent of GDP will also need to be accommodated."*

Other references focused on avoiding strikes:

- **Nigeria's Post-Financing Assessment (PFA24)** refers to a host of government actions to cushion high inflation and cost of living including a one-off public sector wage increase – as *"hav[ing] so far averted nationwide strikes"*.
- **Senegal's 6PSS23** mentions that the *"tense socio-political environment led to significant fiscal slippages"*, including a public salary increase to all civil servants.
- The **UK's ArtIV24** noted: *"Elevated pressures on public services, notably in health, amidst ongoing industrial action over pay, imply additional headwinds."*

Only in a few cases has the IMF agreed projected increases in spending on the public sector wage bill - it consistently advised governments to do the opposite. The concern for strikes and protests is also a testament to the continued refusal of the IMF to learn from past mistakes in trying to implement politically impossible programmes.

Trade unions are important stakeholders in the development of national economic policy, especially in countries with systematised tripartism. And yet, the IMF still inconsistently involved trade unions in its discussions and negotiations on economic trade-offs. Unions, as democratically elected institutions solely focused on jobs and decent work, are important partners, especially when it comes to social spending, not just another interest group, and should be invited into discussions between the IMF and ministries of finance, certainly when there is a clear impact of discussions on the workforce.

The IMF's concern about strikes seems to be misplaced - the focus is on how to strategically avoid strikes, whilst still pushing forward with the desired austerity policies, rather than recognising that strikes can be avoided if workers' legitimate concerns about cuts and freezes to the public sector wage bill are listened to. Involving unions in decision-making related to public sector salaries and tackling shortages of public sector workers through institutionalised social dialogue is key to avoiding strikes. When these channels fail, or are not in place, it is crucial to recognise that the use of strikes as a last resort to communicate union demands is a legitimate tool and a right, as recognised by ILO Convention 87 on freedom of association ([ILO 1948](#)), and confirmed by the recent ruling of the International Court of Justice ([Education International 2026](#)).

The gendered implications of wage bill cuts

As we found in the Public versus Austerity and the Care Contradiction, the IMF consistently disregards the gendered implications of public sector wage bill cuts ([ActionAid 2021](#), [ActionAid 2022a](#)). Across the documents reviewed, the IMF and World Bank said they were concerned about increasing women's participation in the workforce, but failed to acknowledge that investment in frontline public sector workers is one of the most effective ways to create decent jobs for women. On average, over 70% of frontline public sector jobs are occupied by women, and in the case of health and education this can rise to 80% ([WHO 2021](#), [World Bank 2023](#)). There was also no acknowledgment of how women's time poverty is exacerbated by public sector cuts – undermining their opportunities to invest in education, training and job-seeking in the public and private sectors. The IMF failed to conduct gender and distributional impact assessments for the specific advice given on wage bills and the public sector workforce (see Section 2.5).

Qualitative analysis of IMF advice on public sector wage bills to countries February 2022 – February 2025

Regressive	Blind	Superficial	Substantial	Transformative
PSWB				
The IMF actively encourages wage bill cuts or freezes in the text and / or budget tables.	The IMF gives no in-text steer on the PSWB (despite overall fiscal consolidation pressure that potentially risks health and education sectors).	The IMF advises to invest in human capital, health and education, but without discussing implications for the PSWB.	The IMF advises to increase the wage bill / invest in hiring more health and education workers.	Fund advises macro policy package with the purpose of rights-based, universal gender-responsive public services.
BRAZIL Fund advice both in-text and in budget tables is to implement a series of measures to reduce the PSWB, esp. pension reforms, attrition and freezes, and changes to salary structures and growth.	NEPAL Neither document indicates specific PSWB advice beyond mentioning measures of the government (a pay bump and then a cut in the budget). However, the overall advice is to strictly adhere to the principle of fiscal balance and fiscal consolidation.	UGANDA Uganda lacks any meaningful in-text discussion on the PSWB in its ArtIV and programme documents, although they make a strong case for investing in health & education and the Selected Issues on the SDGs provides detailed analysis on needed numbers of health and education workers. A public sector recruitment freeze is mentioned as a potential measure “if needed”, but exempting health and education sectors.	UK Staff recommend “capital and workforce investments” in the NHS as a key measure to “durably lift potential growth and living standards”, and endorse commitments to increase NHS staff by 800,000 over 10 years, while encouraging further investment in healthcare, education and skills. But overall projections on PSWB as a % of GDP are a decrease so, overall, downward pressure remains.	
GHANA The text suggests that public sector wages would be “calibrated” and the Government commits to “carry out a comprehensive assessment of public sector wages, including in education and health sectors” meant to create fiscal space for “development, social and climate” priorities. Keeping public sector wage bill growth “well below inflation” is highlighted as a success.	NIGERIA Nigeria is lacking any meaningful in-text steer, other than rooting out ghost workers and mentioning a planned wage structure review without any detail.	MALAWI Fund staff call for prioritising investment in education, increasing quality, quantity, and affordability, and the hiring freeze is supposed to exempt the health and education sectors.		
KENYA Reducing the wage bill and its growth is a key part of the fiscal consolidation strategy. Wage freezes were already implemented but had to be reversed due to union pressure to honour collective bargaining agreements. Further pressure from education and security sectors now “need to be accommodated”.	ZIMBABWE Beyond a general concern that the Government’s budget projections may be over-optimistic and lead to a widening financing gap, and the mention of higher wages as the reason for fiscal pressures, there is not a direct in-text steer on the PSWB. It later suggests that under IMF-recommended policies, “Spending in health, education, and the social safety net would be increased” although whether this goes to wages is questionable and implications for the PSWB are not discussed.		ZAMBIA Despite delaying new hirings in other areas, Zambia’s programme documents detail plans to increase spending and hire 2000 more workers in both health and education, as well as previous hiring pushes for tens of thousands of new workers over 2024-25 to achieve free education for all. While the IMF does not really comment on these plans in the text, their inclusion in the MEFP signals at least some endorsement. This is owing to an assertive government that insists on this as a priority. However, the overall spending on the wage bill is still projected to reduce as a percentage of GDP so it is hard to see how these exceptions will be sustained.	

Regressive	Blind	Superficial	Substantial	Transformative
PSWB (cont'd)				

MALAWI

Wage bill cuts are a key part of the fiscal consolidation program, with a 1% cut and a freeze of new hiring in the public sector (but with health and education exemptions).

SENEGAL

While ArtIV21 suggests “spending discipline on wages”, it includes a lot of language on the need to invest in human capital and expand education. The 2023 documents both mention a rare across-the-board wage bill raise (which the Fund views as fiscal “slippage”) as well as detail on additional teachers hired even with a spending ceiling. IMF advice is a % GDP freeze – thus even though Senegal hired more workers, the steer is regressive.

2.4 The IMF's Tax and Fiscal Policy Advice

Key findings of this section

- **Below the IMF's own thresholds and advice.** Despite some modest increases in tax-to-GDP ratios, every country fell short of IMF staff assessments of the increases needed to finance the SDGs ([IMF 2019b](#), [IMF 2023a](#)). While this IMF Fiscal Affairs Department analysis was not explicitly incorporated into country-level advice, references were commonly made to a minimum threshold of 15% tax-to-GDP ratio, invariably inadequate to finance quality public services.
- **No distributional analysis.** There was no systematic or consistent assessment of the progressivity or regressivity of existing tax systems, or of the overall distributional impacts of the tax policy advice offered and how this would impact gender equality.
- **Progressive tax reforms are tokenistic.** The few examples of progressive tax advice – for example on property or wealth taxes - were *ad hoc* and not embedded in an overall assessment of the progressivity of the tax advice package.
- **VAT dominates.** IMF advice continued to centre on VAT, which is regressive by design, with the rationale of expanding countries' revenue base ([IMF 2025e](#)).
- **Regressive tax advice overall.** The IMF's overall tax advice was regressive, and not adequate to provide the foundation for financing quality public services ([Oxfam 2026](#)).

What do we mean by progressive and regressive taxation?

Tax policy is not simply a revenue question: the structure of a tax system determines who ultimately pays for public services, and whether fiscal consolidation is borne by those able to bear it. Progressive – or redistributive – tax policies ensure the largest contributions are made by the wealthiest individuals and companies, meaning they pay at least their fair share ([ActionAid 2018](#)). Tax systems can be designed to reduce inequality - through **progressive** taxes that place a greater burden on those with higher incomes and wealth - or to deepen it, through **regressive** taxes that take a proportionally higher share from those on lower incomes.

In practice, most lower-income countries have more regressive tax systems, in part as a result of decades of policy advice from the International Financial Institutions that has prioritised VAT and indirect taxes over direct and wealth taxes ([Romero and Sharpe 2011](#)). The IMF often disputes the characterisation of VAT as straightforwardly regressive, arguing it is less so when measured against lifetime expenditure, but this framing obscures the immediate burden on low-income households and informal workers, as well as the well-documented gender discriminatory effects of VAT in lower-income countries ([BWP 2017](#)).

This chapter examines whether the IMF's country-level tax advice pushed countries toward progressive or regressive taxes, and whether it matched the IMF's own Fiscal Affairs Department analysis of what is needed to finance the SDGs.

The Washington tax consensus

Tax policy has been at the heart of policy advice from the International Financial Institutions to developing countries for the last 35 years, since the structural adjustment programmes. A 2011 ActionAid and Eurodad paper found that in the 2000s the International Financial Institutions used technical assistance and policy advice to encourage developing countries to reform their tax systems according to a consistent template of interlinked policy prescriptions ([Romero and Sharpe 2011](#)). This set of policy reforms has been called a 'consensus' on tax policy.

As Tax Justice Network points out, the main criticisms of the IMF have centred on its leading role in promoting this 'tax consensus' ([Tax Justice Network 2018](#), [Cobham 2007](#)). This 'consensus'

not only lacks a sound economic rationale, but has limited tax collection in lower income countries and fractured the social contract between the state and its citizens. This ‘tax consensus’ approach emphasises indirect taxes at the expense of direct taxes. It focuses on reducing trade tariffs, introducing VAT, improving tax administration and removing exemptions. It sets a low revenue ambition (15-20% of GDP), and leaves redistribution to be done through (limited) expenditure.

This is justified through an underlying principle of neutrality, meaning that “*taxes should not be beneficial or detrimental for different sectors of the economy and society, regardless of their situation – and should therefore not be used by governments as a public policy tool to redistribute wealth or to promote certain social and economic goals*” ([Romero and Sharpe 2011](#)). Far from being ‘neutral’, this principle is deeply political - part of the IMF’s broader neoliberal playbook which masks patriarchal and neoliberal biases while advancing austerity and GDP-focused priorities at the expense of people's wellbeing. As section 2.5 shows, women bear the greatest burden of these choices, and the inevitable inequality and underfunded public services that follow.

Tax to GDP ratios

Central to the neoliberal policy framework is the prioritisation of GDP growth as the ultimate marker of economic development. In this section we look at tax-to-GDP ratios, and acknowledge long held feminist critiques of GDP as a measure of progress or development.

Economic growth, as measured in GDP, is dependent on the invisible (in terms of GDP) unpaid care and domestic work borne mostly by women that underpins the economy. Ultimately, we need to move away from extractive, unsustainable economies based on the myth of unlimited planetary boundaries and perpetual growth. But, as GDP is a measure used by the IMF and ministries of finance, we reflect on it here (see also ‘The problems with GDP growth’ in [ActionAid 2022a](#)).

In 2019, the IMF Fiscal Affairs Department argued that action on tax was crucial for generating sustainable financing for the SDGs ([IMF 2019b](#)). It calculated that most low-income countries could increase their tax-to-GDP ratios by five percentage points in the medium term (3-5 years) - from an average of 16% to an average of 21%. While not enough to achieve all of the SDGs, this would be a significant advance in the right direction.

When the IMF analysed this again in 2023, in the report *Building Tax Capacity in Developing Countries*, they found “*additional average annual spending of up to 16 percent of GDP is needed in low income developing countries to reach the SDGs by 2030*” ([IMF 2023a](#)). It also found that “*a staggering 9 percentage-point increase in the tax-to-GDP ratio is feasible through a combination of tax system reform and institutional capacity building*”.

This IMF analysis was problematic in many aspects, not least the failure to prioritise progressive tax reforms and reinforcement of the outdated ‘tax consensus’. But IMF policy staff did clearly conclude that ambitious increases in tax revenues were crucial for progress on the SDGs, and we would expect to see the IMF implement these policy recommendations systematically, underpinning its own country-level advice.¹⁰ However, our research for this report tells a different story.

¹⁰ Recently the case for expanding tax revenues has been partly undermined by the rising debt crisis that means increases in tax revenues are more likely to be spent on servicing debts than investing in development.

Table 5 Revenue and tax-to-GDP ratios and projected changes

	Brazil	Ghana	Kenya	Malawi	Nepal	Nigeria	Senegal	Uganda	UK	Zambia	Zimbabwe
Rev-to-GDP (Datamapper)	37.8%	16%	16.9%	12.5%	17.5%	9.4%	20.9%	14.3%	38.2%	16.2%	N/A
Rev-to-GDP / of which taxes (latest available reviewed document)¹¹	37.8% / 23.9% (fed) / 12.5% / 7.6% (state)	16.0% / 13.5%	16.5% / 13.2%	14.3% / 11.8%	19.3% / 16.2%	9.1% / (4.8%) ¹²	19.5% / 17.0%	14.4% / 12.8%	40.3% / (19.2%) ¹³	20.4% / 16.1%	17.2% / 16.4%
Projected changes (latest available reviewed document)	Increase to 39.3 / 24.9 % over 6 yrs (fed); freeze / decl. to 12.4 / 7.7% (state)	Increase to 18.0% / 15.6% over 6 yrs	Increase to 19.5% / 15.4% over 6 yrs	Increase to 18.8% / 16.2% over 6 yrs	Increase to 22.6% / 19.6% over 7 yrs	Increase to 13.1% / (8.4%) over 7 yrs	Increase to 23.4% / 21.1% over 7 yrs	Increase to 18.9% / 15.4% over 5 yrs	Minimal increase to 40.8% / (21.1%) over 6 yrs	Increase to 22.6% / 17.5% over 7 yrs	5-yr freeze at 17.0% / 16.2%
Change in tax revenue (sum)	+1% / +0.1%	+2.1%	+2.2%	+4.4%	+3.4%	(+3.6%)	+4.1%	+2.6%	+1.9%	+1.4%	-0.2%
Compared to IMF policy steer of 5 % point increase	Falls short by 4%	Falls short by 2.9%	Falls short by 2.8%	Falls short by 0.6%	Falls short by 1.6%	Falls short by 1.4%	Fall short by 0.9%	Falls short by 2.4%	Falls short by 3.1%	Falls short by 3.6%	

¹¹ If there was an ArtIV and programme document available for the same year with 6 months or less difference, we used data from the programme document. If ArtIV was more recent by over 6 months, we used that.

¹² Nigeria's data tables do not actually list tax revenue – they only distinguish between “oil” and “non-oil” revenue. The 4.8% listed here is non-oil revenue, although that could also include other sources like grants.

¹³ The UK Budget tables do not distinguish between tax and non-tax revenues, only listing various revenue sources. The 19.2% here represents the sum of: PIT, CIT and VAT; while national insurance contributions, interest income and “other” were not counted.

From the assessment of IMF documents, compared to 2021, across the 11 countries, we saw a slight increase in attention to tax revenue, driven largely by rapid tax-to-GDP increases through regressive measures such as VAT, austerity and cuts to public sector wage bills. Unfortunately, this increased focus on revenue perhaps had more to do with countries satisfying their rising debt service obligations than the achievement of SDGs or national development goals. In reality in Nepal, for example, tax to GDP ratio has decreased in recent years due to slowdown in economic activities and growth amidst continued heavy reliance on VAT. With phenomenal rise in debt servicing liabilities, such a slowdown has been used to reduce the budget to the services such as health and education ([ActionAid Nepal 2026](#)).

Table 5 shows that, for ten of the 11 countries, the IMF projected an increase of tax-to-GDP ratios, but that all countries fell short. Brazil and the UK are not low-income countries, and start from a higher base. But for the African countries and Nepal, this is quite alarming and unlikely to yield revenue on the scale needed to achieve sustainable development. In **Zimbabwe**, the projected 0.2% decline in the tax-to-GDP ratio - from an already low base - and subsequent five-year freeze, seem contradictory for a country struggling to increase social spending. While the IMF would point to its concerns about corruption and mismanagement of public funds in the country, these would be better addressed head on, rather than further squeezing much-needed tax revenues.

This is not merely an issue of the IMF's low ambition in promoting increases in tax revenues today - but about recognising the need to redress the impact of decades of IMF advice that failed to prioritise building robust and progressive tax systems. There are, however, also international constraints that have made raising more revenues a particular challenge in lower income countries. The capacity of governments to increase domestic resource mobilisation is influenced by international tax rules that have systematically favoured Global North countries. Global rules have been set for 60 years by the Organisation for Economic Cooperation and Development (OECD), mostly to benefit their (relatively wealthier) members. Even the OECD's more recent efforts at being more inclusive on paper, such as the Base Erosion and Profit Shifting initiative, also championed by the IMF that focuses on establishing a global minimum tax rate, still clearly favoured Global North countries, allowing profit shifting loopholes and undermining domestic resource mobilisation for developing countries ([Tax Justice Network 2024](#)).

The documents studied did not include references to the two IMF policy studies flagged above. The only consistent reference point was to the need for countries to achieve a minimum tax-to-GDP threshold of 15%. This is consistent with IMF research which found a tipping point of approximately 13% of GDP, above which growth tends to accelerate. However, the 15% figure used in country advice represents a further upward revision to that threshold, and that tax ratios below this result in inadequate levels of social investment ([Gaspar et al. 2016](#), [Coady et al. 2018](#)). This reference to a minimum 15% tax-to-GDP ratio also made its way into the final *Compromiso de Sevilla* from FfD4 ([United Nations 2025](#)). However, it sets a dangerous precedent and extremely low tax levels, not only contradicting the analysis of the IMF's own policy staff and encouraging a race to the bottom, but also longstanding calls from tax justice advocates ([Romero and Sharpe 2011](#), [GATJ et al. 2021](#)).

Historically, tax rates have been much higher. Considering the social contract with the State, and the needs relating to gender equality, human rights obligations and social investment, tax should be expected to expand beyond this - to progressively reach 20, 25 or 30% - through progressive and redistributive taxes ([UN 1979](#), [UN 1995](#), [ICESCR 1966](#)). The average tax-to-GDP ratio in OECD countries is 33%. By using a 15% tax-to-GDP ratio as a benchmark, the IMF is encouraging extremely low tax rates leading to a race to the bottom, maintaining a minimum rather than aiming for a level sufficient to fulfil development goals.

Crucially, if governments in lower-income countries are to expand their tax ratios, they will need both progressive national reforms *and* changes to the international tax rules set by the OECD for the last sixty years. This is starting to happen, with negotiations underway for a UN Framework Convention on International Tax Cooperation ([UNDESA n.d.](#)). This is a development with significant potential to promote more inclusive global tax governance, restore national tax sovereignty and expand fiscal space for public investment. It is crucial that the final Convention and protocols be robust and progressively advance gender equality. An increase in the global minimum tax rate must also go hand-in-hand with a radical shift in the allocation of taxing rights between Global North and Global South countries. This would ensure fairness and equity, as proposed under Article 5 of the UN Tax Framework Convention on International Tax Cooperation.

Finally, it is worth reflecting on the **IMF's rationale for raising tax revenue**. Across the IMF documents studied the IMF sometimes argued that greater tax revenues are needed for increased social spending. But just as often, the narrative focused on the need to address governments' budget deficits and primary balance. There was a subtext to language around 'fiscal sustainability' - the need for more taxes to ensure that countries could continue to fully service their debts.

- In **Nepal**, the 5ECF25 noted that domestic resource mobilisation was "*needed for development spending and to preserve medium-term fiscal sustainability*". The 2024 Domestic Resource Mobilization Strategy targeted an almost 5 percentage point increase in the tax-to-GDP ratio over five years, which was "*in line with estimates from IMF technical assistance*". ArtIV23 was more emphatic that "*fiscal consolidation is needed to ensure medium-term fiscal sustainability*", despite the low risk of debt distress, solid growth, low inflation and strong revenue ratios. Interestingly, opposite to the ground reality of weakening growth, mounting debt outstanding and slowing down in revenue mobilisation in recent years, opposite claims have been made simply to justify the ECF ([ActionAid Nepal 2026](#)).
- In **Senegal**, the 1EER23 notes that "*strengthening revenue mobilization and phasing out untargeted energy subsidies are critical for fiscal consolidation and creating fiscal space for priority social and development spending*". The 6PSS23 stated that this should include expanding Senegal's tax base and "*rebalancing taxation between consumption, labor, and capital, eliminating small taxes, rationalizing...expenditures*", as well as running a "*communication campaign to explain the benefits*".

The IMF should recognise and support States' longstanding human rights and gender equality obligations – including the obligation to progressively mobilise the 'maximum available resources' and avoid 'retrogression' in the fulfilment of economic and social rights ([Corkery et al. 2023](#)). To achieve this, public investment and adequate fiscal space are crucial. However, these human rights obligations and the financing required to fulfil them are never referenced or used as a benchmark by the IMF.

The IMF continues to deny that it has any obligations itself under human rights law, despite being a part of the UN system that is the champion and defender of human rights frameworks. But it cannot stand in the way of States fulfilling their human rights obligations. The IMF's denial of responsibility has been contested by the UN Special Rapporteur on Extreme Poverty, and a forthcoming report by the UN Special Rapporteur on Education is expected to challenge the IMF's argument that human rights are not a relevant reference point for the institution ([Alston 2018](#), [Shaheed, forthcoming](#)).

Progressive in name, regressive in practice

Progressive taxes place a burden on those most able to pay - the super-rich and multinationals¹⁴ – while regressive systems take a proportionally higher share from those on lower incomes. This injustice is structural, and deeply gendered, because women are disproportionately represented among low-income earners and perform the majority of unpaid care work. This means that they bear a heavier relative tax burden, while shouldering the greatest cost of reduced public services.

How taxes are *raised* matters as much as how revenues are *spent*. Tax systems should be assessed for their progressivity and gender-responsiveness – not just their revenue yield. This is especially important given that too much tax is spent on debt-servicing and military spending rather than public services ([UNDP 2025](#)).

A particular problem with VAT - as the IMF's preferred revenue tool - is that it is often invisible to those paying it. People on very low incomes pay this tax but do not feel entitled to influence how it is spent, diminishing accountability and reducing public pressure on social spending. It also renders invisible the contributions of women in the informal and unpaid care economy, whose contributions to public revenue through VAT go unrecognised. The **Kenya** case study (box below) shows how, in low-income countries, regressive tax systems can be damaging to public trust in government.

Progressive tax reform is needed at both national and global levels - what countries can achieve domestically is constrained by an international financial architecture that systematically favours Global North interests. Most lower-income countries have more regressive tax systems than high-income countries, in part because decades of IMF policy advice have prioritised VAT ([Bachas et al. 2024](#), [Romero and Sharpe 2011](#)). This pattern is not coincidental; it is part of the agenda behind the Washington Tax Consensus. In our analysis of the documents, we examined whether this pattern continued – whether the IMF was advising countries towards progressive reforms that could begin to shift the burden towards those most able to pay, or regressive measures that deepen existing inequalities.

Tax policy should be gender-responsive and grounded in intersectional feminist frameworks that incentivise sustainability, discourage behaviours that accelerate the climate crisis and shift from extractive to regenerative and redistributive economic models ([Akina Mama wa Afrika 2024](#)). States' women's human rights and gender equality commitments and obligations are an important benchmark here: if tax revenues are raised in ways that harm those on lower incomes and structurally marginalised groups, the redistributive social spending those revenues might finance will not be sufficient compensation ([UN 1979](#), [UN 1995](#)).

Our analysis of IMF advice across the 11 countries showed that, while the IMF was expanding its advice for domestic resource mobilisation, there was a tendency towards regressive tax measures and an absence of overall distributional impact analysis – with the notable exception of Brazil (see box below).

Brazil - the exception that proves the rule

Brazil stands apart from the other countries in this study in several respects. With the shift in government from Bolsonaro to Lula, the country underwent major policy changes, including a landmark VAT reform and reversal of the constitutionally enshrined austerity framework. A large share of public spending, including social spending and the public sector wage bill, is indexed and

¹⁴ Also referred to as High Net Worth Individuals and Multinational Corporations.

earmarked, making cuts structurally difficult in ways that do not apply in most lower-income countries. Brazil's revenue and tax-to-GDP ratios exceed even the UK, and its public sector wage bill and social spending ratios approach UK levels, despite worse poverty, inequality and human development outcomes. Its VAT rates remain among the highest worldwide, even after the 2023 reform reduced them from about 34% to 27.3%.

Most significantly, Brazil was the only country in this study where the IMF conducted substantial distributional modelling of its fiscal reform advice. The 2023 Selected Issues paper (SI23) and ArtIV24 modelled the potential impacts of VAT reform, finding that the existing system was "*substantially regressive*", due to high combined tax rates (33.5-34.4%), a biased taxation of goods relative to services, and numerous concessions that disproportionately benefited middle- and upper-income households. The IMF also found that the consumption tax liability for the poorest decile typically represented 20–45% of their income, compared to 10% for the richest, and modelled extensions to the cashback system that could in theory "*turn VAT into a progressive tax*" by refunding all VAT to the poorest.¹⁵

In addition to VAT, the Brazil documents repeatedly referenced progressivity of tax measures - including taxing capital income at the same rates as labour to target "*rich households' predominant source of income*", and improving property tax collection for redistribution. It compared the tax liability by income deciles pre- and post-reform, showing improvements in the overall distribution across deciles. Still, the IMF concluded that "*the tax burden on the poorest decile would remain about twice as high as the burden on the richest decile*" due to continued tax exemptions, for example for education and health expenditure.

This level of analysis does not appear in any other country document reviewed. Brazil suggests that it is possible - but the IMF appears to require a powerful, progressive government to prompt it.

VAT and excise taxes: the default regressive toolkit

On the whole, VAT tends to be regressive and exacerbate gender inequalities ([ActionAid 2018](#), [BWP 2017](#)). Removing exemptions from VAT often means adding tax to basic goods on which low-income households depend. In addition, raising excise taxes on things like fuel increases the purchasing costs across the economy and disproportionately burdens lower income households, particularly women as they spend a higher share of their income on transport, food and other essential services ([Feminism in India 2021](#)).

IMF documents for all countries reviewed discussed measures to increase or adjust VAT, excise taxes, carbon taxes - and sometimes tariffs. Most common was the elimination and streamlining of VAT exemptions, aimed at "*broadening the tax base*" and improving collection. In three of the countries (Kenya, Senegal, Uganda), this explicitly included removing exemptions or raising new VAT on education services and healthcare. Excise taxes on alcohol and tobacco were also routinely advised, although often facing political pushback.

¹⁵ The tool used for this simulation is the World Bank's SimVAT. See <https://datanalytics.worldbank.org/simvat/>, available in Portuguese only.

In two countries, **Ghana** and **Nigeria**, IMF documents mentioned plans or implementation of outright overall VAT rate raises.

Nigeria – VAT doubles, regressivity deepens

In **Nigeria's** ArtIV24 and Selected Issues paper on Tax (SItax) 23, the IMF advised to double VAT rates from 7.5% in 2024 to 15% in 2026, to approximate the Economic Community of West African States (ECOWAS) average.¹⁶ The IMF noted: "*While VAT has usually a regressive nature, raising its rate under the Nigeria's current VAT system—with large exemptions and very low rate for basic items—could be less regressive.*" It further advised the Government to raise excise tax rates on tobacco and alcohol to 50%, while potentially adding new taxes, for example environmental charges, fuel duty, luxury goods and gambling. While a mixed bag, overall, this package of VAT measures was clearly regressive.

According to the Lagos State Board of Internal Revenue, VAT remains 7.5% with the possibility of an increase to 15% in the near term ([LIRS n.d.](#)). Nigeria has consumption tax, sales tax and VAT being collected by some states, for example Lagos. When aggregated, the effective tax is more than 7.5%. The lack of a clear framework and coordinated implementation, in addition to its regressive nature, puts more pressure on the poor, especially in rural areas, in a country without a developed social protection system.

Others showed a mixture of regressive and progressive measures, as seen in the examples below.

Senegal – expanding VAT on digital services

In 1EER23, a new structural benchmark of the IMF programme was "*implementing a new VAT on digital services*" through platforms domiciled abroad, as well as additional taxes on alcohol, and expansion of the tobacco tax. Previous programmes (6PSS23) included potentially more progressive measures such as reducing VAT exemptions on private healthcare, accommodation services, and raising taxes on insurance.

Uganda – mixed advice on VAT

In 5ECF24, the IMF stated that: "*VAT reforms should focus on numerous non-standard exemptions and reduced rates, including for fuels, gambling, tourism, garments and textiles, residential construction, agriculture, raw foods, and medical and educational goods and services ...VAT and especially excise policies are often used in Uganda to promote domestic production over imports, regulate the consumption of harmful or luxury goods while also increasing revenue. Such practices, while common in the East African Community, the IMF advises that they should be avoided.*" This advice stems from the conflicts with the IMF's trade liberalisation strategy, which is part of its neoliberal policy prescription.

Zimbabwe - limiting VAT exemptions

¹⁶ ArtIV24, in SItax23 the timeline was 10% by 2023 and 15% by 2027.

ArtIV22 used a 2017 technical assistance report on tax policy to address revenue shortfalls, with a focus on reforming the “*overly complex tax regime*”, part of which was “*base broadening by streamlining and limiting exemptions [which] will improve collection efficiency and has the potential to increase fairness*”. In the annex on policies to increase fiscal space there was a host of VAT measures, including limiting zero-rating to exports, subjecting fuel to VAT, eliminating exemptions from the capital gains tax, other than the exemption for primary residence, introducing VAT on e-Commerce and - in the medium- to long-term - extending VAT to fee-based financial services. Most of these are likely to have a regressive effect.

Malawi – making VAT slightly less regressive

In PMB-ECF23, there were examples of VAT being made slightly more progressive. New revenue measures mentioned include “*operationalizing a specific tax on second-hand cars, repealing VAT relief on motor vehicles*” for politicians, public officials, and other “*privileged individuals and groups,*” standardising motor vehicle VAT rates, “*and comprehensively eliminating other VAT exemptions on business inputs and building materials.*”

Across all the documents reviewed, the IMF focus on VAT – broadening the base, removing exemptions, raising rates - reinforced the status of a tax that is regressive at its core. Even where individual measures had progressive design elements, no document assessed the overall distributional impact of the VAT advice package. The one exception was Brazil, where the IMF conducted detailed distributional modelling – suggesting that when a powerful progressive government demands such analysis, the IMF is capable of providing it. That it does not do so routinely is a political choice, not a technical limitation (see Brazil example above).

Personal income tax: progressive in principle, regressive in practice

In our review, we found that IMF advice for reforms to personal income tax (PIT) focused largely on broadening the tax base, improving collection and removing exemptions (as countries struggled with high informality and arrears). This was in line with the problematic ‘tax consensus’ ([ActionAid 2018](#)).

Five country documents included some rhetoric about making PIT more progressive (Brazil, Kenya, Nepal, Uganda, Zambia), but no significant mention of key means to do so, such as shifting thresholds. This tax advice often contained a key contradiction, mentioning progressivity while recommending to broaden the tax base - which tends to involve bringing people on lower incomes, including informal workers and women, into paying PIT on top of contributions already made through VAT. We did not see many examples of clear progressivity, of significantly higher rates being recommended for higher earners. For example:

- **Ghana’s** ArtIV23 focused on measures to reduce informality and expand the tax base. The Medium-Term Revenue Strategy (MTRS) in 3ECF24 details efforts “*i) encouraging voluntary declaration on foreign source income of residents (...); [and] ii) improving large taxpayers’ compliance by strengthening audits*”.
- There was no recommendation to increase the highest rates charged on the highest earners in **Nigeria** – which were set at just 24%.
- **Senegal’s** 1EER23 planned to broaden the tax base by 25,000 taxpayers and to reduce PIT exemptions on interest earned on savings account (6PSS23).

- **Zimbabwe's** ArtIV22 mentioned that the Government's medium-term budget framework had "*Key proposals [that] focus on raising the income tax threshold and modifying tax bands to adjust for inflation*".

Three countries (Brazil, Nepal, UK) had planned to align capital income tax rates with PIT to equalise the taxation of capital and labour, which tends to be progressive if enforced effectively.

- The **UK's** ArtIV24 fiscal consolidation strategy pursued since November 2022 consisted of "*freezing of personal income tax thresholds*" to "*aligning the rates of capital gains tax with the equivalent rates of personal income tax...to treat capital and labor income equally*".

There were also some progressive taxes mentioned around capital gains taxes ([ActionAid 2018](#)). Such potentially progressive reforms were not recommended to African governments.

Corporate income tax: mixed signals, missed opportunities

Illicit financial outflows, tax avoidance and evasion mean many resources of the wealthiest individuals and companies, that should be taxed, are extracted from the Global South and low-income countries.

Across the 11 countries we found that the advice on Corporate Income Tax (CIT) was quite varied ([ActionAid 2018](#)).

- In two cases (UK, Zambia), advice was given to raise CIT rates. For example, the **UK's** ArtIV24 fiscal consolidation strategy consisted of a six percentage point increase in the corporation tax rate.
- In other documents, the IMF suggested lowering CIT to attract investment. For example, in **Kenya**, advice included lowering corporate tax rates, while removing exemptions and broadening the base. In **Uganda's** 5ECF24 the IMF argued that "*Top CIT reform priorities include (i) discontinuing tax holidays that are cost-ineffective*". This would be a progressive measure, and is echoed in Brazil, Kenya, Nepal and Zambia.

Nigeria – contradictory corporate tax advice

The IMF's CIT advice to Nigeria was quite contradictory. The ArtIV24 raised concerns that Nigeria had one of the lowest revenue intakes in the world, while Sltax23 pointed to low CIT rates as one of the reasons. Despite that 2023 analysis, the ArtIV24 suggested lowering CIT rates further to "*enhance competitiveness*", contradicting the Sltax23 advice to keep them steady (while closing loopholes) as they were already close to ECOWAS averages (with an upper rate for CIT of 30%).

Importantly, on corporate tax, the IMF failed to engage with or challenge the unjust international tax system that drains resources from the Global South by concentrating taxing rights in rich countries. The IMF documents also failed to highlight the reality of high levels of illicit financial flows (from Global North corporates and wealthy individuals) that continue to leave lower income countries, undermining their fiscal space.

Improving compliance and tax collection capacity was a concern raised by the IMF across the board. However, this was almost always framed as improvements in the efficiency and effectiveness of revenue administration, rather than capacity. References were made to administration reforms and rolling out new systems (Uganda, Ghana, Kenya, Malawi), modernisation (Zambia), focused audits (Zimbabwe), improved digitalisation (Senegal), technical support (Nigeria), data analytics (Kenya), shifting compliance culture (Malawi) and improving management (Ghana) – but never to the most simple solution - increasing the

number of tax collectors. Perhaps this should not surprise us given the IMF's attitude to public sector workers as a whole.

Property and wealth taxes: mentioned but not prioritised

Property and wealth taxes, including inheritance taxes, are a key element of progressive taxation and were mentioned in seven of the 11 countries ([ActionAid 2018](#)). Rate increases were suggested in six countries (Brazil, Ghana, Kenya, Nepal, UK and Zambia) and other measures such as broadening the base, improving collection capacity, and limiting exemptions in four (Brazil, Ghana, Nepal and UK).

For example, in **Ghana's** 3ECF24, the MTRS included “*working with local governments to revamp property rates and ensuring enhanced collection for the consolidated fund*”. **Senegal** had no in-text steer, but a budget table that projected considerable increases over time; though **Nigeria's** Sltax23 considered developing property taxes to be too complicated, requiring too much “*preparation time and groundwork*”.

Positions against progressive taxes could have a wider damaging effect on tax compliance. Evidence shows that voluntary tax compliance increases and fraud decreases when a tax system is seen to be fair ([Hussain 2025](#)).

Some progressive intent was found in seven countries: **Malawi** and **Uganda** targeted their VAT and PIT reforms at politicians, military personnel and other privileged groups, and the Nepal box shows some explicit progressive ambitions including PIT reforms and property tax increases projected to reduce inequality. But in Nepal, as elsewhere, this concern with progressivity was not carried through to the overall tax advice package, making the overall direction hard to judge.

Nepal – progressive on paper and regressive in practice

The IMF ArtIV23 PIT reforms aimed to enhance progressivity, and 5ECF25 noted that: “*Critical components of the strategy are to make personal income taxes more progressive.*” Additional measures in the Annex to this document proposed increasing property tax rates and local collection to bolster GDP, stating that this would “*...reduce inequality without materially distorting economic activity*”. But this concern with progressivity was not picked up in relation to other tax advice and so the overall progressivity or regressivity has hardly been picked up. Contrarily, tax policy directions coupled with the structure or nature of taxes at federal and sub-national government's levels clearly show that threat towards more regressive tax system is mounting ([ActionAid Nepal 2026](#)).

In summary, across the 29 documents reviewed, there was some mention of progressivity, social feasibility and distributional impacts - but it was inconsistent and rarely systemic. The IMF did not conduct, with governments, an initial assessment of the regressivity or progressivity of existing tax systems, and offered no overall impact analysis of the trade-offs arising from its tax policy advice. Without such a starting point, strategic recommendations for a fairer system cannot be made. Sporadic ‘progressive’ references are misleading – they do not reflect the overall direction of IMF advice.

In Brazil, Kenya, and Nigeria there were some reflections on distributional implications – most detailed in Brazil, as discussed in the box above. For none of the countries was there a distributional assessment of the existing tax systems as a whole, let alone of the complete set of IMF tax advice. Civil society organisations (CSOs) have consistently argued for the need for a gender and distributional impact assessment of both specific tax changes, and the full package of tax and expenditure advice, which can influence or even cancel each other out ([ActionAid 2022a](#)). Unfortunately, this was not systematically done.

In practice, regressive taxes made up the majority of IMF advice across the countries studied, with occasional ‘progressive’ references that did not reflect an overall shift in direction. A mention of ‘progressivity’ in an IMF document cannot be taken as evidence of progressive tax policy advice. Occasional nods to progressivity were too often window dressing – and the regressivity of the broader advice package was never systematically acknowledged.

Public opinion matters: Selling the IMF’s advice in the context of protests

The IMF raised concern about public pressure (such as the protests in Kenya against regressive tax reforms) as potentially undermining reforms. Across the documents there was a **heightened sense of the IMF needing to “sell” its advice and reform packages** and create public buy-in. Discussions around social backlash and the needs for outreach and communication campaigns were mentioned in advice to Kenya, Nigeria, Senegal and Uganda. In **Senegal’s** 6PSS23, the Fund suggests “*a communication campaign is needed to explain the benefits of additional government revenues to finance public spending*”. This is in line with the IMF’s supposed “people-centred” fiscal consolidation language focusing on better communication of reforms to increase ‘social acceptability of structural reforms’ rather than actual substantive policy changes ([IMF 2024a](#)).

Kenya: When austerity meets protest

Kenya’s 2023 ArtIV and 2024 programme documents illustrate just how unprepared the IMF was for the social backlash its policies could trigger. In 2023, despite protests already underway, the risk of unrest was estimated as “medium”. A year later, the dread of further unrest was omnipresent across the text.

Kenya’s public debt surged from 40% of GDP in 2012 to 73% by the end of 2023, driven by shocks such as the COVID-19 pandemic, a two-year drought and debt-financed infrastructure projects ([Recourse 2024](#)). Debt service consumed about half of government revenues by 2023 ([KNBS 2024](#)). Kenya was required to move from a primary deficit of 4% of GDP to a surplus of 1.7% over a 38 month IMF programme. The IMF’s own analysis showed that, while Kenya met the social spending floors throughout, all social ministries faced cuts in real terms, representing a 0.4 percentage point decline in GDP ([Oxfam 2023](#)).

To reach this fiscal target, President Ruto’s Government tabled a Finance Act in 2023, doubling VAT on fuel, and raising taxes on food, mobile money and digital content creation, “rationalising” public sector employment, and creating a new levy for “affordable” housing ([People’s Dispatch 2023](#)). About half of the projected \$2.7 billion revenues were earmarked for debt repayment. Prices for food staples more than tripled, while private wealth, land holdings and large corporations remained unscathed. Eventually, the Act was deemed unconstitutional by the Supreme Court.

A new Finance Bill in 2024 contained similar measures, triggering mass protests that explicitly targeted the IMF, and was met with a police response that killed dozens ([Amnesty International Kenya 2024](#)). The Government was eventually forced to withdraw the Bill. The protests were spearheaded by a civil society campaign “Okoa Uchumi”, representing over 40 Kenyan organisations, buttressed by digital organising and a growing youth movement, and spread from protests on the impacts of IMF austerity measures to broader issues of corruption and mismanagement of public funds ([BWP 2023](#)). Recently, the movement has developed proposals for alternative funding models for public services and started a trend of self-organised “citizen inspections” of publicly funded projects and programmes ([BWP 2024](#), [Al Jazeera 2024](#)).

Nigeria and Senegal are facing steep social challenges to eliminating fuel subsidies. For **Senegal**, the IMF quotes a *‘tense socio-political environment [that] led to significant fiscal spillage ... allowing energy subsidies to soar by refraining from hiking energy prices’*. Due to high

“*social tension*”, the removal of fuel subsidies in 2023 had to be reversed in **Nigeria**, which according to PFA24, together with other measures to respond to the cost-of-living crisis, “*averted nationwide strikes*”. Sltax23 highlights “Political Commitment and Social Dialogue” are one of the crucial enablers of successful tax reforms, because these “*usually accompany strong resistance*”. The IMF continues to encourage the government of Nigeria to develop a reform strategy and an effective communication campaign that “*made clear the reason for reform, compensated those worst affected, and ensured that the benefit is widely shared*”. But public resistance to the reform continued.

In **Kenya**, after the nationwide backlash against the Fund-induced tax measures became impossible to ignore, Programs24 included some language around progressivity and social impact assessments of fiscal policy. It seems that public protest and challenge can indeed shift the IMF’s thinking – although its main concern is how to better present reforms: “*Strengthening accountability and charting a path for a more efficient, equitable, and progressive tax regime would be key to restore public trust, tax morale, and build social consensus on a revenue-based fiscal strategy. In particular, tax policy measures should be carefully designed to avoid unintended economic and distributional effects, resisting pressure from vested interests, and to enhance equity and progressivity.*”

Moreover, “*Resuming efforts to widen the tax base and strengthen tax compliance (...) would need to be supported by adequate economic impact assessment of the policy choices, including on equity, and their political and social feasibility...enhancing predictability of financing and institutional arrangements for social protection delivery systems while accelerating efforts to strengthen governance and transparency will be indispensable to garner political and social support for the needed reforms.*” The implementation of a carbon tax was paused due to concerns over unrest, and “*will need to be complemented with a strengthened social safety net to protect the most vulnerable*”. The authorities have “*sought public opinion on [a] proposed levy for sustainable waste management*”, noting that: “*A careful assessment and building consensus are essential to ensure that future environment-related levies do not face social and political pushback.*”

We saw this shift in IMF’s focus in the 2024 World Economic Outlook, with a whole chapter on better communication of reforms to increase ‘*social acceptability of structural reforms*’ rather than actual substantive policy changes (IMF 2024a). The April 2025 Fiscal Monitor brought this issue into the Fund’s flagship reports, with a chapter on *Public Sentiment Matters: The Essence of Successful Energy Subsidies and Pension Reforms* (IMF 2025d). Despite longstanding CSO criticism and evident social backlash, the IMF seems keen to ignore the adverse social impacts of its reform policies (BWP 2024). Instead of acknowledging these and seriously pursuing alternative policies to minimise harm, the IMF is now scrambling to communicate better in order to create buy-in (ActionAid 2024).

The **Brazil** 2023 Selected Issues paper is clear evidence that, at least in the case of dealing with a powerful country like Brazil, the IMF is able to adjust to the broad political intentions of the incumbent government. We also documented how the IMF has to adjust its advice to the agenda of the incumbent Labour government in the UK. Unfortunately, **smaller and lower income countries clearly find it more difficult to get support addressing national development priorities in the IMF’s economic policy advice**. Perhaps the only exception is **Zambia** which appears to have succeeded in safeguarding the government’s commitments to support health and education workers (though the true scale of this remains unclear).

The IMF succeeds in reinforcing its own worryingly standardised and unchanged agenda – with modest, largely regressive, tax reforms, persistent gender and distributional blindness and cuts to overall public spending and wage bills that inevitably impact on education and health. In

these contexts, it seems only public protests can force the IMF to re-think, and even then, it did not re-think policy recommendations but rather re-thought how to present them.

This new research found that IMF advice across 11 diverse countries was largely unchanged and clearly not in line with headline research coming out of Washington. Despite changed rhetoric, there was no material change in advice. The IMF is very far away from advising countries how to increase tax revenues in a sustainable and progressive way and thereby increase social spending on public services. That is the transformation needed - including to advance gender equality - because progressive tax measures provide the resources to fund universal public services, reduce the care burden on women, and address the structural inequalities that austerity deepens. If such evidence was found, today's IMF would truly have succeeded in being different to our 'grandmothers' IMF'. But our evidence shows that the same failed policies and recipes are still being put forward, with changes only in presentation. While the IMF still does not seem to care about public services, it has learnt to care about public relations.

Qualitative analysis of IMF advice on tax and equity to countries February 2022 – February 2025

Tax & Equity				
Regressive	Blind	Superficial	Substantial	Transformative
The IMF acknowledges equity / distributional impacts of tax reforms but these findings are actively discarded.	The IMF makes no consideration of equity / distributional impacts of tax reforms.	The IMF considers equity / distributional impacts of tax reforms and partially addresses them, but advice is inconsistent and does not address equity in the overall tax system.	The IMF considers equity / distributional impacts of tax reform and actively directs wider macro policy advice.	The IMF assesses the overall fiscal system's progressivity and gender-responsiveness and the fiscal policy package's core aim is to eliminate structural drivers of inequalities.

<p style="text-align: center;">MALAWI</p> <p>Policies in the PMB-ECF23 include some limited equity considerations (e.g. VAT exemptions to be eliminated for privileged groups), but overall, the tax measures are heavily focused on indirect taxes, with the lion's share of additional revenue to come from VAT, excise and carbon taxes.</p>	<p style="text-align: center;">GHANA</p> <p>There is some consideration of the social impacts of fiscal adjustment through the inclusion of a social spending floor, but these are more in relation to expenditure cuts and not explicitly discussed in relation to tax. The proposed revenue raising measures are largely on indirect taxes such as VAT, thus likely regressive, despite the MTRS' ambition to make the tax system more progressive.</p>	<p style="text-align: center;">KENYA</p> <p>After the upheaval and essential derailing of the Fund-supported tax package, Programs24 is now clearly concerned with distributional impacts, social feasibility, and public trust, suggesting fiscal measures should undergo distributional impact assessments. This is a positive development, although somewhat "too little, too late".</p> <p>The tax package itself (according to the MTRS) includes some progressive elements (lowering VAT again, making PIT more progressive, getting rid of corporate exemptions, raising taxes on rental income), but then CIT is also lowered and taxes are supposed to be expanded to the informal and agricultural sectors, which will</p>	<p style="text-align: center;">BRAZIL</p> <p>The tax analysis and advice are extensive and consistently focused on improving progressivity. Uniquely in this sample, ArtIV24 models the distributional impacts of the planned VAT reform, discussing how the reform would improve equity and advising on additional measures that would enhance progressivity further.</p>
<p style="text-align: center;">NIGERIA</p> <p>The proposed tax measures esp. in SItax23 focus heavily on indirect taxes where gaps are considered largest (and taxes are relatively easy to collect), in addition to eliminating regressive exemptions like corporate tax holidays while potentially lowering CIT rates. These measures are regressive and other more progressive taxes, for example, on property are actively discarded. Given the extremely low tax-to-GDP ratio, the IMF has expressed some apprehension of distributional impacts (e.g. keeping VAT exemptions for consumption items of poorer households). Although given the low VAT collection efficiency, measures should probably focus on compliance and collection first before increasing rates (which might lead to even worse compliance).</p>	<p style="text-align: center;">ZIMBABWE</p> <p>Beyond a mention that base broadening "has the potential to increase fairness" there is no discussion of distributional impacts of the proposed tax reforms, and there is no data on how much each of the reforms is meant to raise, despite a long list of VAT measures (in the data tables, all revenue estimates are also frozen).</p>	<p style="text-align: center;">NEPAL</p> <p>The discussion of specific tax measures in the Annex of 5ECF25 does include language on increasing progressivity, protecting the vulnerable with VAT exemptions, and reducing inequality.</p> <p>At the ground level, an opposite phenomenon is manifesting. Overall, the IMF's fiscal advice seems focused on raising revenues rather than spending cuts and the government is actively encouraged by the IMF to "boost public investment". In country, revenue growth has slowed down with cuts in budgets (ratios) in health and education amidst rise in debt servicing and the focus on raising revenues has adverse implications on progressivity (ActionAid Nepal 2026)</p>	<p style="text-align: center;">UK</p> <p>The fiscal advice is ambitious and progressive, pushing to raise tax-to-GDP ratios significantly and suggesting wealth, property and capital gains taxes.</p>

Tax & Equity (cont'd)				
Regressive	Blind	Superficial	Substantial	Transformative

SENEGAL

Despite mentioning “redistributive” tax policy in 2021, none of the documents fully analyse the equity impacts of the suggested tax measures. This is quite surprising, since reports in both 2021 and 2023 seemed concerned with public buy-in, calling for a communications campaign on the DRM strategy. They lack a more in-depth discussion of distributional implications especially given the “tense” social situation in early 2023 and the planned cut of fuel subsidies, both of which make renewed unrest / protest likely. Also, most proposed tax measures are on indirect taxes (VAT, customs, import duties, excises), and nothing on CIT. Progressivity is only mentioned once with no explanation how the system will in fact be made more progressive.

NIGERIA

The fiscal sections of the ArtIVs are clearly concerned with social impacts and emphasise that fiscal space needs to be created explicitly for social spending and to invest in the SDGs. The fuel subsidy removal also includes some recognition that safety nets are required and need to be sequenced properly in order to avoid derailing (which eventually happened anyway).

UGANDA

The ECF includes both a social spending floor and some consideration of the progressivity of its tax advice, as well as emphasising the need for DRM and admonishing Uganda for consolidating through expenditure cuts and under-spending on development, rather than better revenue raising. The specific tax reforms seem somewhat mixed including quite a lot of VAT changes, but also some CIT and PIT measures that would be progressive and target elites. There is no overall assessment of progressivity.

ZAMBIA

There is a strong focus on social spending and considerable detail on different tax measures. While no distributional impact assessment is conducted (and progressivity is not explicitly mentioned), all in all, the tax package seems reasonably progressive, with changes made to personal income tax to alleviate inflation pressures on low- and middle-income households, while taxes are raised on property and rental income, gemstone exports, oil pipeline use, and sending money abroad above USD 2k (presumably mostly hitting higher income earners and large / multi-national corporations). Excises raised on tobacco, alcohol and gambling are usually positive from a gender perspective.

2.5 The IMF's Tokenistic Gender Analysis

Key findings of this section

- **Gender analysis is absent or tokenistic.** Across the 11 countries, mentions of 'gender' were scarce and usually limited to fleeting references or statistics without analysis.
- **Where gender analysis exists, it does not influence policy.** In four countries, 'gender' was treated as an add-on rather than informing conditionality or policy alternatives.
- **No gender impact assessment of IMF policy advice.** There was no assessment of the gendered impact of social spending, wage bill or tax advice in any of the documents reviewed.
- **The IMF oversteps into gender equality territory without mandate.** Recommendations on pay gaps, parental leave and childcare echoed the work of UN Women, rather than assessing the gendered impact of the IMF's own advice.
- **The IMF did not analyse the gendered impact of its own advice.** Despite clear evidence that regressive taxes, wage bill cuts and reduced public services disproportionately burden women, none of the documents contained an analysis of these connections.

Why gender analysis matters in fiscal policy

Women face a triple threat from austerity.

1. Women make up the majority of frontline public sector workers, making up over 70% of that workforce on average, rising to 70% in health ([WHO 2021](#)). Women are also more likely to be on insecure employment contracts, making them disproportionately affected by wage bill cuts and hiring freezes.
2. Women are the first to lose access when public services are defunded or underfunded. Moreover, when choices over cuts are made, public services that may be priorities for women are less visible to male-dominated policy makers.
3. Women carry the greatest burden of unpaid care and domestic work, which rises when public services fail ([ActionAid 2022a](#), [ActionAid 2025a](#)).

Regressive tax systems compound these inequalities: women are disproportionately represented among low-income earners, in the informal economy and in unpaid care work, meaning they pay a higher share of their income in indirect taxes, such as VAT, while their contributions to tax revenues are less visible ([BWP 2017](#), [GATJ et al. 2021](#), [UN Women 2023](#)). The unpaid care and domestic work that underpins the entire economy is invisible in GDP measurements - and this invisibility shapes what the IMF counts as progress and what it ignores ([ActionAid 2022a](#)). These dynamics are not incidental: they are the predictable consequence of fiscal policy designed without a gender lens.

Gender analysis in IMF documents: absent or tokenistic

The IMF was built on neoliberal, capitalist and patriarchal foundations. As a result, its policy advice is structurally gender-exploitative. Without a transformative shift away from austerity towards progressive taxation, the IMF will continue to undermine the abilities and obligations of States to realise women's rights and substantive gender equality, as set out in the 1979 Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) and in the 1995 Beijing Declaration and Platform for Action ([ActionAid 2022a](#)).

The IMF published its Strategy Toward Mainstreaming Gender in 2022, committing to integrate gender considerations across its surveillance, lending and capacity development work, and acknowledging that gender inequality has significant macroeconomic impacts ([IMF 2022](#)). In our analysis of social spending, wage bills and tax policy advice above, we shared some

observations relating to gender analysis - or the lack of it. Despite the clear structural limitations and instrumentalist approach of the IMF gender strategy, we actively searched for gender analysis in every document.

Across the 11 countries we found the IMF's advice and assessments lacked substantive and comprehensive gender analyses. Mentions of 'gender' were scarce overall, usually only a paragraph or fleeting mention of 'gender gaps' among other statistics (Brazil, Kenya, Senegal and Uganda). Most documents lacked any meaningful gender analysis and did not mention any impact assessment of the IMF's policy advice (Ghana, Malawi, Nepal, Nigeria, the UK, Zambia and Zimbabwe). For example, in **Malawi** the only significant reference to gender was a mention of marriage and pregnancy as factors in girls dropping out of school. For **Nigeria**, there were some references to sex-disaggregated data, but no analysis. The **UK** Art IV24 managed just one sentence to welcome new childcare provisions and flexible working schemes (which could be quite transformative).

Where gender analysis exists, it does not influence policy

A second trend was also clear: that where gender equality analysis did exist, it did not materially influence the direction of IMF policy advice (Brazil, Kenya, Senegal and Uganda). Gender was treated as an add-on or afterthought, rather than a core consideration in steering conditionality or policy alternatives ([Tax Justice Network 2018](#)).

The instrumentalisation of women, through a 'pinkwashing' or "add-women and stir" approach, is nothing new: we called it out in our 2022 report, *The Care Contradiction*, as did Christian Aid and the Bretton Woods Project more recently ([ActionAid 2022a](#), [Christian Aid 2025](#), [BWP 2025a](#)). The BWP study reviewed Article IVs to analyse the evolution of the IMF approach to gender over a 14-year period - finding that the core IMF policy direction remained consistent and identical to that formerly known as structural adjustment. The IMF still advised austerity measures that continued to shrink the state and public services. The BWP did note increased IMF narratives around social and gender impacts, but with inadequate policy responses, hampered by policy incoherence.

This research found the documents lacked any significant gender analysis linked to fiscal and debt management policies or overall social spending.

- In **Kenya** there was some gender analysis of the climate crisis and its impact on care roles, but nothing when it came to macro policies.
- In **Senegal** (1EER23) there were positive references to the Government's experience of gender budgeting (though apparently done independently of IMF advice), but no recommendations to build on this or use it to inform a gender impact assessment of the IMF policy advice.
- **Uganda** was perhaps the only positive example, directly linking the case for higher social spending to gender equality outcomes, and including some analysis of gender-specific barriers to accessing targeted social protection. These were refreshing to see but still failed to inform the core policy recommendations from the IMF.

Gender and distributional impact assessments are needed for the IMF to understand the impacts of specific policies and advice, but even more so across the board of its advice to assess its cumulative impact.

Wrong mandate, wrong analysis

Where the IMF did engage with gender, it too often overstepped its mandate. Instead of using gender analysis to critically explore the impact of its own policies, it tried to advise on childcare, parental leave and pay gaps – issues that fall squarely within the mandates and expertise of UN

Women, CEDAW and national governments (see Brazil example below) ([Campaign of Campaigns 2022](#), [CESR 2022](#), [Christian Aid 2025](#), [ActionAid 2022b](#)). Meanwhile, it remained silent on the gendered impacts of its own austerity prescriptions – continuing to reproduce neoliberal metrics where women were only recognised as instruments of growth.

Brazil – gender as an add-on

In the case of Brazil, the most substantive gender references related to the impact of the COVID-19 pandemic on women’s labour-force participation and the expansion of childcare centres. ArtIV23 stated: *“the policy focus on early childhood and planned expansion of daycare centers is welcome and would help narrow the gender participation gap”*. Other IMF-recommended policies to reduce ‘gender gaps’ and “boost potential growth” were steps to decrease gender salary gaps, increase the transparency of pay and provide more parental leave.

Feminist economists and movements have long documented the structural gender inequalities that underpin economies and the impact of patriarchal economic frameworks ([Muchhala and Guillem 2022](#), [ActionAid 2022a](#)). The Grassroots Global Justice Alliance notes that: *“The Regenerative Economy is inherently a feminist economy because it understands life—its production, growth, sustenance, and reproduction—as the center of gravity from which value is created.”* ([Grassroots Global Justice Alliance n.d.](#)) It argues that a feminist economy requires undoing centuries of extractive economic policy founded on the ideology of individualisation, isolation and making invisible the reproductive labour required to sustain human life day to day. The alternatives they propose centre on three interconnected demands:

1. gender-responsive budgeting aligned with human rights obligations;
2. universal public services that reduce women's unpaid care burden ([PSI 2020](#)); and
3. progressive tax systems that raise revenue fairly and finance those services adequately ([ActionAid 2022a](#)).

The gendered impact of IMF advice

IMF advice in the documents we reviewed was – overall - detrimental and harmful to women. Regressive taxes such as VAT place more burden on women. Cuts in spending on frontline services undermine women’s access and deprive women of decent work in the public service. And it is well documented that unpaid care and domestic work rises when public services fail – with most of that extra work burden falling on women. The IMF failed to analyse any of these connections.

The IMF did not prioritise analysis of the impact of cuts to public service delivery financing on women – but analysis of structural gender inequality is essential to show how women’s labour, time and bodily autonomy are subsidising structural adjustment ([ActionAid 2022a](#)).

Qualitative analysis table: gender

Gender				
Regressive	Blind	Superficial	Substantial	Transformative
Gender is covered but instrumentalised and used to justify regressive policies.	Gender is not covered.	Gender is covered but superficially and without connection to other macro policy (e.g. debt, public services).	Gender analysis is substantial and meaningful, leading to discussion of policy trade-offs and alternatives.	Promotes macro reforms with the explicit goal of eliminating the systemic economic drivers of gender inequality.
	<p>GHANA</p> <p>Neither document has any gender analysis.</p>	<p>BRAZIL</p> <p>Gender is covered with limited analysis on pandemic impacts on female labour force participation, and support for the expansion of childcare centres but without translating findings into the fiscal and social spending discussion.</p>		
	<p>MALAWI</p> <p>Both documents lack any gender analysis, despite the likely gendered impacts of proposed wage bill cuts.</p>			
	<p>NEPAL</p> <p>Neither document has any gender analysis.</p>	<p>KENYA</p> <p>There is some coverage of gender in the ArtIV23, albeit only in relation to climate action. While it is positive to see this joint analysis and it highlights important issues e.g. of care impacts and the need for climate solutions that are based on communities' needs and preferences, the documents lack a gendered analysis of any of the macro policies discussed.</p>		
	<p>NIGERIA</p> <p>Despite including some sex-disaggregated data in ArtIV24, the documents lack any meaningful gender analysis. Regressive gendered impacts of public sector freezes and VAT are not discussed.</p>			
	<p>UK</p> <p>Neither document discusses gender. ArtIV23 mentions potential positive impacts of new childcare provisions and flexible working schemes on female labour force participation in a single sentence.</p>	<p>SENEGAL</p> <p>Senegal has substantial experience with gender budgeting that is showcased in the documents but seems to have been implemented independent of IMF advice. This could have been an opportunity to use the authorities' expertise to embed the macro policy package in gender impact assessments and trade-off discussions, but this did not happen.</p>		
	<p>ZIMBABWE</p> <p>No gender analysis.</p>			

Gender (cont'd)				
Regressive	Blind	Superficial	Substantial	Transformative

ZAMBIA

Neither document has any meaningful gender analysis.

UGANDA

The ArtIV24 and accompanying Selected Issues include a specific gender focus, and all documents (incl. the ECF ones) are forceful on the need for higher social spending, including (in ArtIV24) investing in infrastructure, education, and social protection for the explicit purpose of improving gender equality. The discussion of gender-specific barriers to assessing social protection is quite thoughtful.

However, the gender analysis is disconnected from the “bread and butter” macro policy advice in the rest of the document e.g. on fiscal policy, as well as on the social spending discussion, despite the explicit focus on gender gaps in social programmes – for example, the documents could have discussed the trade-offs of investing in universal health and education systems vs. taking the assistance based approach (even more so since the SDG TA report was very encouraging on public investment in these systems). Thus, different pieces of interesting analysis and policy advice remain un-integrated, but Uganda is the country that comes closest to the “Substantial” category.

3 Conclusions and Recommendations

This latest data and analysis reinforce what we have known about the IMF for decades. Recent efforts to modernise its image and take on issues of social spending, gender and climate, expose a yawning chasm between what the IMF says in Washington and what it does in practice at country level. The IMF claims to consider social spending in general, and health and education in particular, but its hard macro-level advice almost invariably leads to cuts, especially to essential frontline workers that make up the bulk of the budget for essential services. For example, we found that:

- **The IMF does not have a clear definition of social spending or social protection** that can be used systematically and consistently. It refuses to support any benchmarks or guidelines (or even offer a minimum reference point) on the percentage of GDP different countries should spend on the public sector wage bill. But in practice the IMF continues to recommend freezes and cuts that take countries below regional and global social spending averages, creating persistent downward pressure on public sector staffing.
- **The IMF fails to recommend sufficiently ambitious increases in tax revenues**, despite its own staff analysis that this is the key to financing the SDGs. It also fails to systematically assess the regressivity or progressivity of tax systems or policies as a whole, or to look at the overall impact of its recommended reforms on different segments of the population.
- **The IMF systematically fails to assess the gendered impact of its own fiscal, debt and macro policy recommendations.** Despite the IMF Gender Strategy and staff guidance, there is minimal and very *ad hoc* reference to ‘gender’ in the countries studied. Any credible analysis would demonstrate the outcomes of IMF advice to be regressive - as many women’s rights groups have shown over the decades. The absence of such analysis by the IMF leads to the obvious conclusion that the IMF knows that its policy steers contribute to increasing inequalities ([Ostry et al. 2016](#)).

In this research, we have identified a pattern of **contradictions between the narrative and the numbers in IMF documents**. The *narrative* often suggests that the IMF has shifted and considers social spending more, even encourages it. But the *numbers* and projections, usually in tables in the annexes, tell a different story. And this is what drives implementation and carries weight with ministries of finance.

It is clear that making recommendations to the IMF has little impact. The IMF may shift its rhetoric, but not its practice. As such, in the light of this research we are focusing our **recommendations on actions that national governments can take**.

Recommendations for national governments

The IMF claims that the success of its proposed reforms ultimately depends on the political commitment and will of national governments. And in several Global South contexts we have seen governments with strong political commitment and clear priorities able to resist IMF-prescribed policies. This shows that governments have the power to resist, and that reforms are not fixed when national priorities take precedence. In line with their human rights obligations, governments should:

Transparency, participation and accountability

- Ensure that any economic policy changes and international agreements, such as loan agreements with the IMF, tax, trade or investment treaties, are discussed in parliament and with wider society, through transparent and participatory processes.

- Ensure that robust and inclusive social dialogue mechanisms are in place to consult unions on any reforms **in advance** of reaching agreements and arrangements with the IMF – where reforms have an impact on public sector workers, particularly public sector wage bills, budget cuts and other austerity measures.

Human rights and development

- Stand for the protection of human rights, national development objectives on health, education and social protection, and increase investment in them, resisting the austerity policy advice of the IMF, which has trapped them in a cycle of debt risk and distress.
- Find mechanisms to consistently integrate a vision of human rights and development, social spending needs and gender equality into macroeconomic, fiscal and debt policies.
- Support multilateral decision-making on economic governance at the UN to ensure multilateral coherence, ensuring that macroeconomic frameworks enhance the capacity of countries to fulfil human rights obligations and support the achievement of developmental goals, including the SDGs.

Public services and workforce

- Invest in the frontline public sector workforce, who are crucial to delivering quality gender-responsive public services – committing to increase the percentage of GDP spent on the public sector wage bill.
- Enhance the quality of public services by agreeing on quality standards, including national targets/benchmarks for staffing (student-teacher ratios and so on), so that there are national policies that can be used to resist and argue against public sector wage bill constraints. This includes ensuring gender-responsive data collection so that the government has the data on the shortages that need to be addressed and how any cuts would impact on rights to health, education and gender equality, including specifically for marginalised groups.
- Work towards comprehensive social protection programmes rather than the failed model of targeted programmes that the IMF and World Bank have recommended for years.

Tax and fiscal policy

- Support ambitious, progressive and gender-responsive tax reforms to finance development, seeking to increase tax-to-GDP ratios by at least five percentage points by 2030.
- Support negotiations for a progressive UN Framework Convention on International Tax Cooperation as this is a democratic platform where all countries can exercise equal voting power to shape tax policy and fulfil their human rights obligations. It also presents an opportunity to shift power from the IMF to a more inclusive and accountable global forum.

Debt and the international financial architecture

- Add their voices to reform of the global debt architecture, notably through the creation of a UN Framework Convention on Sovereign Debt, taking this to a UN General Assembly vote in 2027.
- Ensure that multilateral debt restructuring mechanisms are guided by a clear principle that countries should not be prevented from fulfilling their basic spending obligations under human rights law ([Ron Balsera et al. 2024](#)).

Recommendations for the IMF

We have little confidence that the IMF will listen (or that it will shift more than its rhetoric), but it is important to flag some brief recommendations. **The IMF should:**

- Commit to doing no harm.
- Recognise that human rights laws and frameworks apply to the IMF itself.
- Recognise that public sector workers are at the core of effective social spending, and this means that most countries need to *expand* the percentage of GDP spent on the wage bill if they are to make effective progress on development goals.
- Encourage inclusive country-level consultations involving representatives of unions and civil society, and reestablish full coordination with United Nations agencies to ensure multilateral coherence.
- Commit to conducting *ex-ante* and *ex-post* distributional impact assessments.
- Continue to work for progress towards the SDGs, even if it is now impossible to achieve them before 2030.

A call for civil society solidarity

Civil society movements – including those fighting for economic justice and climate justice, public service coalitions in health and education, feminist and youth movements - need to come together. All these struggles are interconnected, all underpinned by the struggle against neoliberalism, extractivism, patriarchy, colonialism and authoritarianism, and we need to work together to deliver the system change that is needed.

The IMF is at the apex of a global order that should have ended many years ago. Born in the colonial era, and holding on to the economic order which serves the powerful patriarchy, it is an institution set up to serve imperialist powers and their corporate, financial and geopolitical interests. The IMF may claim that it is not '*your grandmother's IMF*' but, in its core practices and ideology, it is unreformed and still cooking with the same recipe. With its outdated mindset and structurally gender-exploitative economic views, it is not fit for purpose. **It is time for the IMF to be retired, not reformed.**

It is not interested in shifting power or creating a fairer multilateralism, and it will take a **very strong united force** to defeat the interests of the investors, corporations and rich individuals from the Global North that the IMF reinforces, and the 'fiscal discipline' or austerity that it has led.

There are bold and more just alternatives and it is incumbent on all of us to work towards them urgently. It is time to **reconnect with the spirit of liberation** that drove independence struggles against colonial rule, because the present global economic order perpetuates the same extractive and exploitative dynamics that independence movements sought to dismantle.

We need to see both a shift in power relations and a whole new mindset. Whilst governments are driven by the single-minded pursuit of GDP growth they will continue to trample on public services, the rights of women and the natural world. Governments need to value the fulfilment of human rights and the sustainability of the environment, putting them at the centre of their concerns. This means setting different indicators and targets for ministries of finance, and tracking different data to determine whether the economy is succeeding. It means laying out a clear agenda around feminist economic alternatives that value investments in public health, education and the care of those who are most vulnerable in our societies.

Closing statement

The IMF of today *is* our grandparents' IMF, still serving the interests of Global North governments, creditors and multinational companies, and deeply unaccountable to the people whose lives and bodies it shapes and controls ([Abdu 2020](#)). The IMF plays a central role in this colonial international financial architecture that exists to this day. It will never serve the interests of people in the Global South as it is designed to enable their exploitation.

National governments in lower income countries must listen to their people who are demanding an end to the IMF's coercive control over their economies, an end to austerity and the start of a new era of economic liberation.

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Annexes

Annex I: Country overview

This group represents a variety of different country sizes and characteristics:¹⁷

- **Brazil:** Upper middle income, 2% real annual GDP growth, 5.3% average annual consumer price inflation, 3.8% poverty (at 3\$ 2021 purchasing power parity), 0.6 Human Capital Index (HCI), 92% general government gross debt to GDP, 37.8% government revenue to GDP. No IMF programmes.
- **Ghana:** Lower middle income, 4% GDP growth, 17.2% inflation, 39% poverty, 0.5 HCI, 66.4% debt-to-GDP, 16% revenue-to-GDP, some debt restructuring completed. ECF programme.
- **Kenya:** Lower middle income, 4.8% GDP growth, 4.1% inflation, 46.4% poverty, 0.5 HCI, 68.3% debt-to-GDP, 16.9% revenue-to-GDP. ECF, EFF & RST programmes.
- **Malawi:** Low income, 3.5% GDP growth, 24.2% inflation, 75.4% poverty, 0.4 HCI, 73% debt-to-GDP, 12.5% revenue-to-GDP (from OECD), debt restructuring in process. ECF programme.
- **Nepal:** Lower middle income, 4% GDP growth, 4.9% inflation, 20.3% poverty,¹⁸ 0.5 HCI, 49.4% debt-to-GDP ratio, 17.5% revenue-to-GDP (from World Bank). ECF programme.
- **Nigeria:** Lower middle income, 3% GDP growth, 26.5% inflation, 34.2% poverty, 0.4 HCI, 52.5% debt-to-GDP ratio, 9.4% revenue-to-GDP. No IMF programmes.
- **Senegal:** Lower middle income, 8.4% GDP growth, 0.8% inflation, 17.9% poverty, 0.4 HCI, 111.4% debt-to-GDP, 20.9% revenue-to-GDP. Policy Coordination Instrument (PCI), Standby arrangement (SBA) and Standby Credit Facility (SCF) programmes (until 2022); ECF, EFF & RST programmes (from 2023).
- **Uganda:** Low income, 6.1% GDP growth, 4.2% inflation, 59.8% poverty, 0.4 HCI, 54% debt-to-GDP, 14.3% revenue-to-GDP. ECF programme.
- **UK:** High income, 1.1% GDP growth, 3.1% inflation, 0.5% poverty, 0.8 HCI, 103.9% debt-to-GDP, 38.21% revenue-to-GDP. No IMF programme.
- **Zambia:** Lower middle income, 6.2% GDP growth, 14.2% inflation, 71.7% poverty, 0.4 HCI, 114.9% debt-to-GDP, 16.2% revenue-to-GDP (from OECD), some debt restructuring completed. ECF programme. Member since 1965 and 13 IMF Arrangements since membership.
- **Zimbabwe:** Low income, 6% GDP growth, 92.2% inflation, 49.2% poverty (2019), 0.5 HCI, 58.6% debt-to-GDP, 15.5-18% revenue-to-GDP¹⁹. In debt distress, so no IMF programme, and so far no restructuring in sight. Member since 1980 and 7 IMF Arrangements since membership.

¹⁷ All macro data from IMF Datamapper and World Bank World Development Indicators for poverty and HCI, unless other sources indicated ([IMF Datamapper](#), [World Development Indicators](#)).

¹⁸ Strangely, the World Development Indicators list a poverty rate of 2.4% which is contradicted by other sources such as Asian Development Bank and UNDP, which put it to be around 20%.

¹⁹ There is no data on this in IMF Datamapper; ArtIV22 suggests a tax-to-GDP ratio of 15.5% in 2020, and PF25 mentioned a revenue ratio of 18% GDP in 2025.

Annex II: Document search terms

Payroll Wages Salaries Compensation Personnel Poverty / vulnerable Social spending / protection / security	Health Education Teachers Nurses / Doctors Freeze Public investment Public goods / services	Fiscal space Distribution(al) Progressive Tax-to-GDP / tax to GDP / revenue-to- GDP Headcount Gender / women / female	Unions Sustainable development / SDG(s) Technical assistance / Capacity development WHO, UNESCO, UN Women
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Annex III: List of documents reviewed

Country	Document	Month & Year	Acronym
Brazil	2024 ArtIV	July 24	ArtIV24
Brazil	2023 ArtIV	July 23	ArtIV23
Brazil	2023 Selected Issues	July 23	SI23
Ghana	3rd ECF Review	Dec 24	3ECF24
Ghana	2023 ArtIV & 1st ECF Review	Dec 23	ArtIV23
Kenya	7th & 8th ECF & EFF Reviews & (2nd?) RST review	Nov 24	Programs24
Kenya	2023 Art IV & 6th ECF-EFF Review & 1 RST Review	Dec 23, published Jan 24	ArtIV23
Kenya	2023 Selected Issues	Dec 23, published Jan 24	SItax23
Kenya	MTRS	May 24	MTRS
Malawi	2nd Review under the Staff-Monitored Programme with Executive Board Involvement (PMB) & Request for ECF	Nov 23	PMB-ECF23
Malawi	2021 ArtIV	Dec 21	ArtIV21
Nepal	5th ECF Review	Mar 25	5ECF25
Nepal	2023 ArtIV, 1st & 2nd ECF Review	May 23	ArtIV23
Nigeria	2024 ArtIV	May 24	ArtIV24
Nigeria	2024 PFA	Feb 24	PFA24
Nigeria	2022 ArtIV	Feb 23	ArtIV23
Nigeria	2023 Selected Issues	Feb 23	SItax23
Senegal	1st EFF, ECF & RST Review	Dec 23	1EER23
Senegal	6th PCI Review & 3rd SBA-SCF Review	Jan 23	6PSS23
Senegal	2021 ArtIV & 4th PCI Review & 1st SBA-SCF Review	Dec 21, published Jan 22	ArtIV21
Uganda	2024 ArtIV	Sep 24	ArtIV24
Uganda	2024 Selected Issues	Sep 24	SIGender
Uganda	5th ECF Review	Mar 24	5ECF24
Uganda	technical assistance report: The Cost of Meeting the SDGs in Human Capital and Infrastructure Development	Dec 24	SDGs24
UK	2024 ArtIV	July 24	ArtIV24
UK	2023 ArtIV	July 23	ArtIV23
Zambia	4th ECF Review	Dec 24	4ECF24
Zambia	2023 ArtIV & 1st ECF Review	Jul 23	ArtIV23

Annex IV: ActionAid research and countries covered

[Public Versus Austerity: Why public sector wage bill constraints must end](#), 2021 – 15 countries: Ghana, Malawi, Senegal, Sierra Leone, Tanzania, Uganda, Zambia, Nepal, Vietnam, Brazil, Liberia, South Africa, Kenya, Mozambique, and Bangladesh

Period covered 2016-2021

[Fifty Years of Failure: The IMF, Debt and Austerity in Africa](#), 2023 – 10 African countries: Ghana, Kenya, Malawi, Nigeria, Senegal, Sierra Leone, Tanzania, Uganda, Zambia and Zimbabwe

Period covered 2021-2023

[Human Cost of Public Sector Cuts in Africa](#), 2023 – 6 countries: Ethiopia, Ghana, Kenya, Liberia, Malawi and Nigeria

Period covered 2020-2025 5 years

Community, teacher and health worker survey

Annex V: IMF Shareholding Quotas

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