

# **INTERNATIONAL MONETARY FUND (IMF)**

## **Support to NEPAD**

**Period of Report: 2004 - 2005**

### **Fund financial support in Sub-Saharan Africa**

The IMF continued to support the low-income countries of Sub-Saharan Africa through the Poverty Reduction Strategy Papers (PRSP), Poverty Reduction and Growth Facility (PRGF), and the Heavily Indebted Poor Countries (HIPC) processes. For the PRGF, the share of low-income Africa in the total Fund support from the facility ranged between 49 percent and 68 percent, while for the HIPC grants the range was between 69 percent and 98 percent. Clearly, low-income Africa received the bulk of the support from these two sources.

### **Collaboration with NEPAD**

The Fund has supported NEPAD in a number of ways. Senior Fund staff have participated in various conferences hosted by NEPAD. In May 2003, two people representing the NEPAD secretariat participated as observers in the Fund's data ROSC (Report of Standards and Codes) mission to Burkina Faso, to draw possible lessons for conducting the Africa Peer Review Mechanism (APRM). The Fund was also represented in three consecutive meetings for the Africa Partnership Forum in Paris (November 2003), Maputo (April 2004) and Washington, D.C. (October 2004). A meeting was held in February 2004 in Washington, D.C. between the Managing Director of the Fund and the Chairman of the NEPAD Steering Committee at which key African- and NEPAD-related issues as well as cooperation between NEPAD and the Fund were discussed.

### **Advocacy work in support of African development**

The Fund has continued to press for the successful conclusion of the Doha Development Round. In late 2003, the IMF Managing Director and the President of the World Bank sent a letter to Heads of State and Government, as well as trade and finance ministers, stressing the importance of pressing forward with the Doha Round. The letter emphasized the need for the meaningful liberalization of agricultural trade, for all countries to take on substantive obligations to liberalize trade, and for flexibility in areas that may result in heavy regulatory burdens on poor countries. These messages were echoed in the April 2004 Communiqué of the International Monetary and Financial Committee (IMFC). In April 2004, the IMF Board approved a new financing policy, the Trade Integration Mechanism (TIM), aimed at mitigating concerns that countries might find it hard to cope with temporary balance of payments shortfalls resulting from the implementation of World Trade Organization agreements or non-discriminatory trade liberalization by other countries.

The Fund staff have also played an active role in reviewing and commenting on drafts of the recent UN Millennium Project Report (prepared under Jeffrey Sachs) intended to play an advocacy role and to act as a roadmap for achieving the MDGs by 2015.