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International Monetary Fund
Washington, D.C. 20431 USA

IMF Managing Director on the International Community's Fight Against HIV/AIDS

In a letter to the Secretary-General of the United Nations, Mr. Horst Köhler, Managing Director of the International Monetary Fund (IMF), expressed strong support for the work of the United Nations on HIV/AIDS, and outlined the IMF's own contribution to the broader international effort to fight the pandemic.¹ The full text of the letter follows:

Dear Mr. Secretary-General:

As World's AIDS Day approaches, I wish to express the strong support of myself and the IMF in the fight of the United Nations community against HIV/AIDS. In the IMF's work in Africa and around the globe, we have seen firsthand how HIV/AIDS has decimated countries' workforces and destroyed and impoverished communities.

I am much encouraged by recent progress—including the establishment of the Global Fund to Fight HIV/AIDS, Malaria and Tuberculosis and ongoing efforts to expand the treatment of HIV patients. However, there is much more that the international community must do before HIV/AIDS is tamed and no longer represents a threat to global development.

The magnitude of the crisis makes clear that the IMF must do everything possible within the context of its mandate to assist the agencies that are in the front lines of the fight against HIV/AIDS. Accordingly, the IMF is working in close cooperation with other development partners to ensure that countries allocate adequate budgetary resources to enhance prevention efforts, improve health care, and mitigate the adverse impact on those living with HIV and their families.

Central to this effort are the Poverty Reduction Strategy Papers (PRSPs) that are prepared by low-income country governments in collaboration with civil society and development partners. As you know, PRSPs provide the basis for all IMF concessional lending under its Poverty Reduction and Growth Facility (PRGF), as well as all World Bank concessional lending, and all debt relief under the joint Bank-Fund Heavily Indebted Poor Countries (HIPC) Initiative.

¹ See IMF Factsheet "The IMF's Role in the Fight Against HIV/AIDS."

Measures to fight HIV/AIDS are important components of many countries' poverty reduction strategies.

Through our regular policy advice and within PRGF-supported programs, the IMF seeks to ensure that adequate budgetary support is available to implement these measures. Virtually all HIPC agreements require higher spending on HIV/AIDS. And in a number of cases, fiscal deficits have been relaxed precisely to make room for such spending. In addition, the IMF provides technical assistance to improve the efficiency and transparency of public spending, including for health and HIV/AIDS.

The IMF, in cooperation with other institutions, also has an active research agenda on the economic, fiscal, and broad development aspects of the epidemic, which is informed by and feeds into the work of IMF country desk economists. IMF staff have produced several studies on the epidemic's impact on the macroeconomy, access to health care, and social welfare. And many country studies now cover the impact of and the response to HIV/AIDS—in particular, with respect to labor productivity and economic growth, government revenues, health and other social outlays, and pension systems. In the near future, the IMF will be working with other international organizations to conduct a comprehensive study on the broader economic impact of HIV/AIDS.

Let me once again applaud the emphasis that you have attached to combating HIV/AIDS and the work that you have engendered in the international community. The IMF will continue to support this effort wholeheartedly.

Yours sincerely,

/s/

Horst Köhler
Managing Director
International Monetary Fund