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June 29, 2007

**Statement by Ms. Agudelo and Mr. Samuel on Implementation Plan in
Response to Board-Endorsed Recommendations Arising from the IEO Report
on the IMF and Aid to Sub-Saharan Africa
(Preliminary)
Executive Board Meeting 07/56
June 29, 2007**

We thank staff for the focused report on an implementation plan in response to the IEO Report on the Fund and Aid to Sub-Saharan Africa.

The staff rightly locates the implementation plan in the context of the Medium Term Strategy and some of the other ongoing work on financial sector issues, natural resources and public financial management and Bank-Fund collaboration. Undoubtedly, important synergies can be achieved by this approach. There is little need to reemphasize the necessity for the Fund to improve its effectiveness in Low Income Countries, including in Sub-Saharan Africa. We are, therefore, pleased that key issues identified in the IEO report have already been proposed for early discussion, in June/July 2007. In particular, we welcome the papers on *the Role of the Fund in Managing Aid Inflows and Impact on the Design of Fund-Supported Programs*, and *the Fiscal Policy Response to Scaled-up Aid*. We look forward to the recommendations and specific items for actions emanating from the proposed papers and reviews—along with corresponding cost estimates—which would be critical for the second phase of actual implementation. In this regard, we would have appreciated some indication of when a comprehensive compilation of measures and actions to be taken in response to the Board-endorsed recommendations would be available.

In the context of the proposed work on monitoring and evaluation of the implementation of clarified policy guidance and on the role of the Fund in the PRSP and Donor Coordination Processes, we concur that it may be necessary to bring forward the review of the PRSP scheduled for 2010. It would, therefore, have been helpful to be given some cost estimate of an early review of the PRSP process.

We share staff's concern in respect of the possible cost implications of differently timed discussions on the various strands identified and agree that it would be important to monitor keenly the overall resource impact of related Board recommendations going forward.