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International Monetary Fund
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Statement at the Conclusion of an IMF Staff Mission to Liberia

The following statement was issued on January 23 in Monrovia by Mr. Robert Powell, IMF Mission Chief for Liberia:

“An IMF mission visited Monrovia during January 17-23, 2008. The Mission held discussions with Minister of Finance Sayeh, other senior officials of the government and the Central Bank of Liberia (CBL), leaders of the Liberian Legislature, and the donor community. The mission also met with President Ellen Johnson-Sirleaf.

“The mission reached understandings with the Government on a three-year macroeconomic reform program that could be supported by financial assistance from the IMF. This in-principle agreement, which is subject to the approval of IMF management and Executive Board, is a key step towards clearing Liberia’s arrears to the IMF and the commencement of debt relief under the Heavily Indebted Poor Countries (HIPC) Initiative. The Executive Board of the IMF is expected to discuss Liberia’s request for financial assistance of about SDR 580 million (about US\$920 million) under the Poverty Reduction and Growth Facility (PRGF) and the Extended Fund Facility (EFF) in March 2008, following clearance of Liberia’s arrears to the IMF. Liberia is also expected to reach the decision point under the HIPC Initiative at the time of Board approval of the IMF-supported program.

“The government continues to make good progress in implementing key policies under the Staff-Monitored Program (SMP), despite severe capacity limitations. The economy is expected to continue to recover during 2008, with projected real GDP growth reaching about 9.6 percent, and inflation falling to single digits.

“The main objectives of the government’s new program are to support economic reconstruction by maintaining a stable macroeconomic environment that could facilitate economic growth, job creation, poverty reduction, and progress toward achieving the Millennium Development Goals (MDGs). This program will also aim to support key reforms in the Fund’s core areas of expertise as part of a coordinated internationally-supported effort. The government’s program builds on Liberia’s Interim Poverty Reduction Strategy (I-PRSP) and focuses on further strengthening of public financial management and the financial sector, and deepening the government’s anti-corruption and other governance reforms.

“Effective implementation of this program will be critical to achieving the government’s economic goals, including continued strong and sustained growth and obtaining comprehensive debt relief on the full stock of outstanding debt. It will require the strong support of the donor community and the Liberian Legislature. Over the past few years the IMF has been providing considerable technical support to the government in areas such as public resources management, strengthening revenues, and central bank management. The Fund staff stands ready to continue its support to the Liberian authorities in their efforts to further strengthen economic governance, and to ensure strong and sustainable private sector-led economic growth into the future.”