



INTERNATIONAL MONETARY FUND FACTSHEET

The IMF and the Millennium Development Goals

The Millennium Development Goals (MDGs) are a set of development targets agreed by the international community, which center on halving poverty and improving the welfare of the world's poorest by 2015. The IMF contributes to this effort through its advice, technical assistance, and lending to countries, as well as its role in mobilizing donor support. Together with the World Bank, it assesses progress toward the MDGs through an annual Global Monitoring Report.

The eight goals

In September 2000, at the United Nations Millennium Summit, world leaders agreed to eight specific and measurable development goals—now called the [Millennium Development Goals \(MDGs\)](#)—to be achieved by 2015. The first seven goals focus on eradicating extreme poverty and hunger; achieving universal primary education; promoting gender equality and empowering women; reducing child mortality; improving maternal health; combating HIV/AIDS, malaria and other diseases; and ensuring environmental sustainability. The eighth goal calls for the creation of a global partnership for development, with targets for aid, trade, and debt relief. A significant step toward meeting the MDGs was taken in [Monterrey](#), Mexico, in March 2002, when the international community adopted a two-pillar strategy, whereby sustained pursuit of sound policies and good governance by the low-income countries is to be matched by larger and more effective international support, as well as an enabling international economic and trade environment for development.

Achieving the MDGs

There are many [ways in which the IMF helps poor countries](#) achieve the sustained high levels of growth that establish the basis for poverty reduction—including through policy advice, technical assistance, financial support, and debt relief. It also tries to ensure that developed countries' policies are supportive of low-income countries' development efforts, by advocating for increased foreign aid, the opening of markets to developing countries' exports, and the maintenance of a healthy, enabling international economic climate.

As part of these efforts, the IMF rapidly and substantially increased its financing to low-income countries during the global crisis, thereby helping these countries implement a counter-cyclical response and, in particular, protect social and other priority spending. The IMF also made its concessional financing instruments more flexible to better meet the needs of its [low-income-country members](#). The reform also provides exceptional interest relief (for example, zero interest payments on concessional loans through end-2012) and permanently higher concessionality.

The pressures to meet the MDGs by 2015 have further focused the IMF's efforts on helping countries assess the macroeconomic consequences of scaling up both their own policy efforts and external financial support. In this context, the IMF encourages countries to develop and analyze alternative frameworks for achieving the MDGs, and to make these underpin their [poverty reduction strategies](#). Typically, one scenario might include a realistic projection that assumes good policy implementation and continued donor support at a level

based on current trends and expectations. Another more ambitious projection would take account of absorptive and administrative constraints and try to identify policies to alleviate them so as to put the country on a higher growth path. This can help countries use the MDGs to design their policies, and guide donors in assessing the capacity of a country to absorb increased levels of aid and put it to effective use.

Increasingly, it is recognized that macroeconomic stability and growth depend heavily on structural and institutional factors. Therefore, in contributing to the achievement of the MDGs, the Fund works closely with partner agencies, especially the World Bank, but also other multilateral and bilateral providers of aid and financing.

Measuring progress

The *Global Monitoring Report* (GMR) is an annual report that aims to assess how the world is doing in implementing the policies and actions needed to achieve the MDGs and related outcomes. It is produced jointly by the World Bank and the IMF, in collaboration with other international partners.

The *2012 Global Monitoring Report*, the ninth in the annual series, notes that the important goal of cutting extreme income poverty in half by 2015 was met ahead of time in 2010. The goal of halving the proportion of people without access to clean water was also met ahead of time in 2010. Clear progress has been made toward the goals of achieving universal primary education and gender equality in primary and secondary education. Progress on health-related targets has been much slower, however, with many countries likely to miss MDGs on child and maternal mortality and on access to sanitation.

Many of the poorest countries—notably in sub-Saharan Africa—face severe difficulties in achieving the MDGs. While this reflects, in part, difficult starting points, countries' challenges in reaching the MDGs also stem from delays in policy reforms and growth as well as fragile conditions in conflict-affected countries. Drawing on domestic efforts and international support, these countries need to accelerate growth and buttress a virtuous circle of development through good economic policies, stronger institutions, and improved infrastructure.

Accelerating Progress toward the MDGs: A Six-Point Agenda

Sustain and broaden the growth momentum

- Strong and inclusive growth must be at the center of the strategy to achieve the MDGs.
- Need for concerted efforts to spur growth in lagging countries in Africa and fragile states.
- Sound macro, a conducive private investment climate (regulatory environment, infrastructure), and good governance are key ingredients of strong and inclusive growth.
- Need for careful monitoring of and responsiveness to risks to developing country growth arising from ongoing tensions in international financial markets and high oil and food prices.

Achieve better results in human development

- Increased public spending on education and health is not the sole answer; quality and equity of spending are equally important.
- Policies and interventions must factor in strong linkages between health and education outcomes and child nutrition and environmental risk factors—water and sanitation, pollution, climate change.

Integrate development and environmental sustainability

- Environmental sustainability must be integrated into core development work, maximizing synergies.
- For natural resource-dependent countries, sound resource management is critical for sustainable growth.
- Developing countries will suffer most from climate change and are least able to adapt. For them the best way to adapt is to develop.
- Mitigation of carbon emissions will require financing and technology transfer to developing countries. Such support should not divert resources from other development programs.

Scale up aid and increase its effectiveness

- Notwithstanding current domestic fiscal pressures, traditional donors must expedite aid delivery in line with commitments, particularly to low-income and fragile countries that offer promising scaling-up opportunities.
- The changing aid architecture promises more resources and innovation but also poses new challenges for aid effectiveness and coherence across an increasingly diverse donor community.

Harness trade for strong, inclusive, and sustainable growth

- Conclude the Doha trade round expeditiously.
- Aid-for-trade to strengthen trade logistics, supported by services liberalization, is important for poor countries' competitiveness and ability to benefit from trade opportunities.

Leverage IFI support for inclusive and sustainable development

- IFIs' declining relative financing role does not imply less relevance. Their impact through leverage remains key in achieving collective action on development (MDGs and related outcomes) and the increasingly important G/RPGs such as climate change.
- Adaptation of strategy to increasing client differentiation and global change initiated by several IFIs is important and timely.