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**FOR IMMEDIATE RELEASE**

December 12, 2024

## **AFRITAC South's Steering Committee calls on partners to sustain financing of capacity development to help members address macroeconomic challenges.**

The Steering Committee (SC) of the International Monetary Fund's Regional Technical Assistance Center for Southern Africa (AFRITAC South) met virtually, on December 12, 2024, under the Chairpersonship of Hon. Rindra Hasimbelo Rabarinirinarison, Minister of Economy and Finance of Madagascar. She reiterated the critical importance of the hands-on tailored and practical implementation support that the Center is providing to the region, which is essential given the complex macroeconomic challenges facing southern Africa, including from shocks and geo-economic fragmentation and the wide-ranging structural reforms needed for higher and more inclusive growth. The Committee noted this is being undertaken against the backdrop of a very challenging financing outlook, which reinforces the importance of improving domestic resource mobilization, and efforts to improve debt management, and to attract external financing through improvements in the business environment.

The Committee welcomed the continued progress by countries towards targeted outcomes and benchmarks under different capacity development (CD) projects which remain closely integrated with the key reforms agreed under members' programs and surveillance dialogue with the IMF. Here, note was taken that against the background of scarce resources, traction and impact will remain key determinants of resource allocation for CD.

Members called for further scaling up of CD in areas such as climate, debt management, digitalization, cyber security, gender empowerment, governance, and anti-corruption. The Committee noted that these important areas for higher growth are being mainstreamed into all workstreams.

The Committee noted the difficult financing and liquidity outlook and urged all stakeholders to work together to avoid a scaling back of CD support when strengthening institutions is vital for the reform agenda of the membership. It called on the IMF to continue fundraising efforts to bridge the financing gap, including through exploring the possibility of top-ups from existing partners, diversifying the partnership base, and leveraging resources from thematic funds. The

strong ownership of the member countries in signing LOUs was acknowledged and should translate into timely disbursement.

The December 2024 mid-year SC meeting was attended by officials of all member countries (Angola, Botswana, Comoros, Eswatini, Lesotho, Madagascar, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Zambia, and Zimbabwe) and representatives of contributing partners (the European Union, Germany, and United Kingdom).