

IMF Approves \$600m 2nd Tranche

BY Vincent Kubi

THE INTERNATIONAL Monetary Fund (IMF) has approved the first assessment of Ghana's loan programme, allowing for an immediate payment of almost \$600 million.

This comes after Ghana successfully secured a deal to restructure \$5.4 billion of loans with its official creditors, which is crucial in unlocking the second tranche of the IMF funds.

In a statement issued on January 19, 2024, the IMF reported that the Ghanaian authorities had met all quantitative performance criteria for the first review, as well as nearly all indicative and structural benchmarks.

The Fund applauded the country's reform initiatives, which have helped to boost economic growth, lower inflation, and increase international reserves. The IMF expects Ghana's economy to increase by 2.8% in 2024.

Following the announcement, Stéphane Roudet, the IMF Mission Chief for Ghana, held a joint briefing with officials of the Ministry of Finance, announcing that the tranche of funds will be

made available to the central bank within hours.

This positive development is expected to trigger an additional \$550 million with funding from the World Bank, according to the Finance Minister, Ken Ofori-Atta, last week.

These funds will be allocated to various sectors, including \$300 million in budget support and \$250 million to support financial sector stability.

The country, which has an external debt of roughly \$30 billion as of the end of 2022, plans to restructure two-thirds of its debt.

According to the Finance Ministry, a successful restructuring of \$5.4 billion with official creditors would be a significant achievement in this direction.

The ministry stated that the IMF's approval of this loan disbursement and subsequent release of money will provide Ghana with much needed financial support, as it continues its economic recovery and efforts to stabilise its economy.

The IMF's financial assistance is designed to help Ghana restore economic stability and improve future growth prospects.