

Public Expenditure Policies and Population Growth:
Impact on the Millennium Development Goals (MDGs)

The Fund does not provide direct advice on issues related to population growth, but recognizes that different fiscal, and particularly expenditure policy, measures may well influence population growth, and therefore the attainment of the MDGs. For example:

- Improved access to health care services, would, in the first instance, help to reduce maternal and child mortality rates and increase population growth;
- Improved access to family planning and reproductive health care services can facilitate reductions in fertility rates, and thereby help slow population growth and reduce poverty.
- Fostering the educational attainment of women (and expanding educational opportunities for girls) is an important determinant of fertility and population growth, and expanding access to education for girls can impact on population growth.
- Spending on HIV/AIDS treatment and programs influences both the rate of population growth as well as the productivity of those gainfully employed.

Through its surveillance activities, financial support to member countries, and technical assistance, the Fund supports policies aimed at achieving pro-poor high-quality economic growth. In this context, the Fund recognizes the important role of efficient and targeted public expenditure programs that would help countries achieve the MDGs. Country staff reports and papers on the Enhanced HIPC (Highly-Indebted Poor Countries) Initiative regularly report expenditure trends and initiatives to the Executive Board. In the context of Poverty Reduction Strategy Papers (PRSPs), countries usually define poverty-reducing spending to include basic health care, primary education, agriculture, infrastructure, housing, basic sanitation, and HIV/AIDS. In countries with Fund-supported programs under the Poverty Reduction and Growth Facility (PRGF), poverty reducing spending has been increasing in recent years. Since 2004, the Fund has also sought progressively to integrate poverty and social impact analysis (PSIA) into its surveillance and program work, primarily on the basis of work carried out by other institutions. Technical assistance to member countries has included advice on rationalizing unproductive spending, and strengthening public financial management systems, where the latter is seen as providing the basis for allowing governments to take rational expenditure policy decisions.