ODI Global

Meeting Report

Maintaining growth and resilience under IMF programmes: experiences from Asia and Africa

A hybrid roundtable convened on the margins of the 2026 Annual Meetings of the International Monetary Fund (IMF) and the World Bank Group (WBG)

Bangkok, Thailand

Wednesday, 14 October 2026 | 14:00–15:30 ICT (GMT+7)

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Executive summary

The roundtable examined how countries can move from macroeconomic stabilisation under International Monetary Fund (IMF) programmes to sustained, resilient and transformative economic growth. Participants discussed experiences of IMF-supported adjustment, debt restructuring and economic recovery, alongside the roles of structural reforms, productive investment and international financing.

While IMF programmes have helped restore macroeconomic stability, rebuild reserves and strengthen policy frameworks, translating these gains into sustained growth remains challenging. Fiscal consolidation can constrain public investment and social spending, while high financing costs, structural bottlenecks and recurrent external shocks can delay recovery and weaken political support for reform.

Participants emphasised the importance of protecting productive investment and essential social expenditure throughout adjustment, improving coordination between the IMF and multilateral development banks (MDBs), and aligning programmes with country-owned growth strategies. Discussions also highlighted the need for realistic growth and revenue projections and debt restructuring arrangements that preserve fiscal space for future investment and provide room to absorb shocks.

Greater flexibility in programme design, stronger domestic institutions and more effective mobilisation of private finance were identified as important for sustaining recovery. The roundtable also considered the risks associated with repeated IMF programmes and the challenge of maintaining economic resilience in an increasingly shock-prone global environment.

A central conclusion was that stabilisation should not be treated as an end in itself. Programme design, debt restructuring and development financing need to establish the conditions for higher productivity, economic diversification, job creation and long-term resilience from the outset.

Key messages

- IMF programmes can restore macroeconomic stability and strengthen policy frameworks, but the transition to sustained growth requires attention to investment, institutional capacity and structural reform from the outset.
- Growth-friendly adjustment should protect essential social spending and well-appraised productive investment. Budget allocations and spending floors need to translate into timely disbursements, effective budget execution and actual service delivery.
- Debt restructuring should provide sufficient and timely relief, with repayment schedules based on credible growth and revenue projections that leave governments with the capacity to invest and respond to external shocks.
- IMF and MDB financing should support a shared, country-owned growth strategy, with better coordination between stabilisation measures and longer-term development investment.
- Programme design should be sufficiently flexible to respond to changing circumstances through realistic fiscal multipliers, flexible financing and adjustments to programme targets when significant shocks occur.

- Private finance can support recovery through guarantees, public–private partnerships, revenue-backed financing and debt conversions, provided that governance standards, value for money and the allocation of fiscal risks are properly assessed.
- Sustained recovery requires reforms that strengthen productive capacity, export competitiveness, public financial management and investment in people. The need for continued IMF engagement should be assessed against these longer-term objectives.
- Country ownership and political feasibility are critical. Reforms are more likely to endure when they reflect domestic priorities, are supported by credible institutions and deliver visible benefits to citizens.

Welcoming remarks and scene-setting

Dirk Willem te Velde (Director, International Economic Development Group, ODI Global) noted that IMF support can be essential for restoring stability in countries experiencing debt distress, but that "the transition to transformative growth is often difficult". Fiscal consolidation may be necessary but can simultaneously reduce the resources available for infrastructure, productive investment and social protection. A successful programme therefore needs to help countries develop greater resilience and reduce the likelihood of recurring crises.

Dirk framed the discussion around how countries could use IMF-supported stabilisation to "move into a different pattern of growth". He highlighted the importance of learning from contrasting experiences, including cases where one programme was sufficient and others where continued financial support and additional reforms were required.

Country perspectives

Participants described significant differences in how IMF programmes have been designed and used across countries. In some cases, they supported policy modernisation and helped preserve stability through successive external shocks. In others, programmes followed severe financial crises that required rapid adjustment, external financing and debt restructuring. The discussion emphasised the importance of adapting support to countries' initial conditions, institutional capabilities and policy objectives.

Monetary policy, exchange rates and financial stability

Monetary and exchange rate reforms were identified as important elements of stabilisation. Drawing on Tanzania's experience, the discussion considered the transition to an interest-rate-based monetary policy framework, clearer communication of policy decisions, improvements in short-term monetary transmission and strengthened interbank foreign exchange markets. More flexible exchange rates, reserve accumulation and stronger financial regulation were also discussed as mechanisms for absorbing shocks and rebuilding confidence. The IMF-supported reforms were also reported to have supported to domestic revenue mobilisation, fiscal consolidation and improved climate resilience, including expanded social protection and better climate risk data.

Participants nevertheless noted limits to stabilisation through monetary policy alone. High lending rates can persist despite improved short-term policy transmission, while inflation driven partly by supply constraints may respond slowly to tighter policy. Exchange rate

flexibility can also raise concerns about imported inflation. These tensions can delay the recovery of private investment and employment.

Growth-friendly fiscal adjustment

Growth-friendly fiscal adjustment was another central theme. Domestic revenue mobilisation, stronger budget preparation and more effective public expenditure management were discussed as ways to rebuild fiscal space while reducing the impact of consolidation on growth. Participants also cautioned that revenue reforms can take time to yield results and that programme projections should reflect these lags.

Social spending floors were considered important for protecting health, education and vulnerable households. Zambia's experience illustrated that protected allocations do not guarantee delivery if cash releases are delayed or approved expenditure is not executed. Public financial management systems and better monitoring of actual spending were identified as essential to making these commitments effective.

Protecting productive public investment was described as equally important. A programme can meet its fiscal targets while investment is postponed because of financing constraints or delayed external disbursements. The discussion highlighted the need to prioritise carefully appraised projects that address binding constraints on production and trade, including energy reliability, transport links and climate resilience.

Zambia's experience with debt restructuring under the G20 Common Framework also underscored the importance of realistic growth assumptions and repayment schedules that preserve fiscal space for productive investment and future shocks.

Lessons from Thailand

Thailand's experience of the 1997 Asian financial crisis illustrated how stabilisation and financial-sector restructuring can establish the foundations for subsequent growth. Participants discussed the contribution of exchange rate adjustment, a credible monetary and fiscal framework, and subsequent trade and investment reforms, while recognising that the initial adjustment was economically and socially costly.

The subsequent expansion of trade agreements, improvements in trade facilitation and development of export-oriented industries were discussed as elements of long-term economic transformation. Participants noted that macroeconomic stability can help attract investment, but does not automatically generate productive transformation. Sustained growth requires reforms that strengthen competitiveness, mobilise investment and expand productive capacity. Trade facilitation, regulatory predictability, infrastructure and the effective use of trade agreements were discussed as possible components of a longer-term growth strategy.

Challenges in moving from stabilisation to growth

Bangladesh's experience highlighted persistent difficulties in moving from stabilisation towards investment and growth. Despite successive IMF programmes, high inflation, elevated interest rates and supply-side constraints were reported to continue to weigh on private investment and employment.

Participants also considered the difficulties of sequencing structural reforms in taxation, banking and exchange rate management, including the trade-offs between greater exchange rate flexibility and imported inflation. These challenges may be intensified by political transitions, recurrent external shocks and uncertainty over future financing conditions.

Sri Lanka: Ganeshan Wignaraja on recovery and unfinished reforms

Ganeshan Wignaraja (Visiting Senior Fellow, ODI Global) described Sri Lanka's recovery from its 2022 external debt default. He noted the severity of the crisis, including a sharp output contraction, very high inflation and extremely low reserve coverage. Emergency bilateral financing and central bank measures helped stabilise essential imports and the banking system before the IMF programme began. By October 2026, he noted that economic growth had risen above 4%, inflation stood at approximately 8% and foreign exchange reserves had reached around US$6.5 billion.

Drawing on the experience of delayed negotiations, Ganeshan argued that “one should really go to the IMF early”. He also stressed the complexity of coordinating official and private creditors in a restructuring. An effective negotiation strategy had to combine diplomacy, financial and legal advice and procedural preparation. He highlighted macro-linked and governance-linked bonds as innovations intended to adjust debt repayments in line with future economic performance and governance outcomes.

Ganesh distinguished macroeconomic recovery from the implementation of longer-term reforms. Sri Lanka had made progress on tax administration, central bank independence, debt management and anti-corruption measures. However, he acknowledged that “we haven't done quite as well on the reforms as we would all like”. He referred to a growth roadmap prepared by ODI Global and the Centre for Poverty Analysis (CEPA), covering export development, productive sectors, investment, digitalisation and state capacity.

With repeated external shocks putting pressure on fiscal and reserve buffers, Ganesh highlighted the unresolved choice between continued IMF engagement through a financing programme and a less intensive form of monitoring and policy support. He asked “how do you start thinking about the next programme when you're still in this debt story?” This decision was presented as part of the broader task of safeguarding stabilisation while advancing structural reform.

Institutional perspectives

The discussion examined adjustment, financing and structural reform as interconnected elements of IMF programme design. Revenue-based adjustment and protections for priority spending were considered alongside the provision of financing to smooth adjustment over time. Participants argued that fiscal targets, expected growth and assumptions about the effect of consolidation should be realistic, particularly where domestic revenue reforms produce results gradually.

The changing availability of external financing was identified as a constraint. Declining official development assistance (ODA) and a shift from budget support towards project finance may widen financing gaps during stabilisation. Participants discussed how IMF financing can catalyse support from other creditors and investors, but noted the need to reconsider how adjustment burdens are shared and how private finance can be mobilised when traditional sources are under pressure.

Stronger coordination between the IMF and MDBs was seen as necessary to link macroeconomic programmes to productive investment. Joint debt sustainability analyses, complementary reform programmes and coordinated financing were discussed as existing mechanisms. Participants also considered the role of public–private partnerships, partial credit guarantees, political risk insurance, securitisation of future revenues and debt-for-development conversions.

These financing instruments were not treated as risk-free alternatives to sovereign borrowing. The discussion highlighted differences in contracting quality, the possibility of contingent public liabilities and the risk that governments may retain substantial losses even when projects are privately financed. Appropriate governance, transparent risk allocation, value-for-money assessments and careful assessment of future fiscal obligations were therefore considered essential.

Flexibility in programme design

Programme flexibility was another recurring issue. Participants discussed options such as augmenting IMF arrangements, changing the timing of disbursements and using programme adjustors to accommodate changing conditions. There was support for incorporating more realistic assumptions about fiscal multipliers, growth and the time needed for reforms to deliver results, particularly in economies exposed to repeated external shocks.

Participants also argued for giving greater weight to the longer-term growth effects of spending on health, education and social protection. Investment in people contributes to productivity and economic adaptability, but these effects are not always adequately reflected in fiscal multipliers or debt sustainability assessments. Recent efforts to incorporate longer-term social and climate considerations into such assessments were discussed, although effective implementation remains a challenge.

The discussion further highlighted the gap between budget allocations and actual expenditure. Social spending may be excluded from programme priorities, reduced during crises or included in budgets without being fully executed. Stronger public financial management systems, digital tools and monitoring of actual spending were identified as necessary to ensure that fiscal commitments translate into effective service delivery.

Moderated roundtable dialogue

Sequencing reforms and strengthening ownership

Structural reforms need to be sequenced with stabilisation and financing. The discussion covered tax administration, financial-sector repair, governance, digitalisation, investment promotion and state capacity. Participants also raised the difficulties of sustaining reform momentum once headline macroeconomic indicators improve, particularly when reforms are politically demanding or their benefits take time to materialise.

Programme ownership was repeatedly emphasised. Structural conditionality and development financing should be aligned with domestic priorities rather than treated as a separate agenda to be pursued only after stabilisation. The quality of investment and the institutions needed to implement reforms were seen as important considerations, alongside aggregate growth targets.

Participants also stressed the importance of communicating the purpose, sequencing and distributional consequences of reforms. Public support can weaken when adjustment costs are immediate but the benefits of reform are uncertain or unevenly distributed.

Debt restructuring and fiscal space

Participants argued that debt restructuring should be assessed by the amount and timing of relief, rather than by headline reductions alone. Repayment schedules need to be consistent with the capacity to finance productive investment and protect essential

expenditure. Protracted creditor negotiations and increasingly complex debt structures can delay recovery and make coordination among creditors and advisers more important.

Medium-term growth projections were repeatedly identified as a source of risk in debt negotiations and programme design. Overly optimistic forecasts, underestimated fiscal multipliers and incomplete fiscal data can result in repayment expectations that are difficult to meet. Better data and closer involvement of relevant public institutions were seen as important for producing credible debt sustainability analyses.

Participants also drew attention to fiscal risks that may be poorly captured by conventional debt measures, including obligations associated with state-owned or publicly supported enterprises, climate and energy projects and contingent liabilities arising from public–private partnerships. Assessments should account for how these commitments are financed and who bears losses if projects underperform.

Dirk Willem te Velde referred to the possibility of overemphasising fiscal consolidation when growth forecasts are optimistic. He also noted that “there might be different multipliers for different types of spending”, with implications for how debt sustainability analyses assess the consequences of expenditure cuts. In cases where debt relief is required, he argued for adequate and timely treatment rather than relying on projected growth to resolve unsustainable debt burdens.

Chair's summary and closing remarks

The roundtable highlighted the importance of integrating stabilisation, social protection, productive investment and structural reform within a coherent approach to recovery. While experiences with IMF programmes differed, participants returned to the need for credible macroeconomic frameworks that preserve the financing and institutional conditions for longer-term growth.

The discussion identified five priorities for future policy and research:

1. Developing more realistic approaches to forecasting growth, revenue and fiscal multipliers;
2. Strengthening mechanisms that protect productive and social expenditure in practice, not only in approved budgets;
3. Improving coordination between IMF programmes, MDB financing and country-owned development strategies;
4. Designing debt treatments that provide timely relief and sufficient space for investment and shocks; and
5. Identifying responsible ways to mobilise private capital while maintaining transparency and managing contingent fiscal liabilities.

Dirk Willem te Velde closed by noting that ODI Global would continue drawing on the discussion and related country experiences in its work on the transition from debt distress to economic transformation. Further exchanges were envisaged to develop the lessons for programme design, debt resolution and growth policy.

Agenda

Time	Description	Lead
13:30 – 14:00	**Arrival and registration**	Angela Kolongo (ODI Global)
14:00 – 14:10	**Welcoming remarks and framing: The "stabilisation trap" vs. transformative growth**	Chair: Prof. Dirk Willem te Velde (ODI Global)
14:10 – 14:35	**Opening interventions: country perspectives (5 min each)** Brief interventions on country realities: • Dr Watchras Leelawath (Thailand) • Dr Ganeshan Wignaraja (Sri Lanka) • Dr. Yamungu Kayandabila (Central Bank of Tanzania) • H.E. Macenje Florence Mazoka (Zambian High Commission, UK)	
14:35 – 14:50	**Institutional reactions (5 min each)** Reflections from multilateral institutions on program design: • Hassan Zaman (World Bank) • Papa N'Diaye (IMF) • Susanna Gable (Gates Foundation)	
14:50 – 15:15	**Moderated roundtable discussion** Open peer dialogue among all participants addressing key framing questions	
15:15 – 15:25	**Conclusion and next steps** Summary of key insights and policy takeaways	
15:25 – 15:30	**Closing remarks and vote of thanks**	
15:30	**End of session**	
15:30 – 16:00	**Coffee and networking**	