

IMF Listens to Lula and Is Ready to Change Rules

Contributed by Juliana Andrade
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Brazil's Minister of Cities, Olívio Dutra, declared that the International Monetary Fund (IMF) has already given its go-ahead to the idea of excluding investments in housing and basic sanitation from the calculation of poor and developing countries' budget surpluses.

"There have already been positive signs from the negotiations that the Brazilian government has been conducting and the declarations that President Lula has made, especially in the last session of the United Nations General Assembly in New York."

When President Luiz Inácio Lula da Silva addressed the opening session of the UN General Assembly, he asked for changes in the IMF's financial rules, "to provide the necessary backing and liquidity required for productive investments, especially in infrastructure, sanitation, and housing."

According to Dutra, if the IMF accepts the idea, the amount of funds for housing and sanitation in Brazil can double.

Since the beginning of Lula's Administration, US\$ 1.8 billion (R\$ 5,1 billion) have been spent on public water supply systems, public sewer systems, and urban drainage systems.

The government has already invested US\$ 3.2 billion (R\$ 8.8 billion) on housing.

"In these two years, we could invest 14 times more than what was invested between 1999 and 2002. We could double this if we could deduct our expenditures in this area from the calculation of the country's debt surplus," the Minister asserted.

From the Minister's viewpoint, unless poor and developing countries adopt a new stance, Brazil will not be able to comply with the Millenium Goals when it comes to the reduction of the number of people without access to public sewage by 2015, as well as a significant improvement in the living conditions of at least 100 million residents of precarious neighborhoods by 2020.

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