



INTERNATIONAL MONETARY FUND
International Monetary and Financial Committee of the Board of Governors

Chair's Statement
Forty-Fifth Meeting of the IMFC
Ms. Nadia Calviño, First Vice President of Spain and
Minister for Economy and Digitalization

The IMFC recalls that on March 2, the United Nations General Assembly by a majority of 141 countries adopted the resolution ES-11/1 “Aggression against Ukraine”¹ that “deplores in the strongest terms the aggression by the Russian Federation against Ukraine in violation of Article 2 (4) of the Charter” and “demands that the Russian Federation immediately cease its use of force against Ukraine”. Thirty-five countries abstained from the vote; five countries voted against the resolution; some countries expressed no position.

The IMFC recognizes that Russia’s war against Ukraine has massive humanitarian consequences and detrimental repercussions for the global economy through direct and indirect channels. The IMFC calls for a speedy resolution through diplomatic channels, including “political dialogue, negotiations, mediation and other peaceful means”², and for greater international cooperation and strengthened multilateralism to prevent fragmentation and safeguard global economic integration.

The IMFC expresses its deep appreciation to Prime Minister Magdalena Andersson for her leadership as IMFC Chair and welcomes Vice President Nadia Calviño as the new Chair.

1. The recovery of the global economy continues but has slowed down owing to new Covid-19 variants and is now facing a major setback from the war against Ukraine and its ramifications, which will amplify existing challenges. The resulting surge in energy and food prices has added to inflationary pressures, while supply disruptions have further intensified, and financial markets and capital flows are exhibiting increased volatility. Against the background of unprecedented uncertainties, rising interest rates, and record high global debt, the spillovers through commodity markets, trade, and financial channels could exacerbate existing vulnerabilities. Potential risks of debt distress, together with refugee flows, increased food insecurity, and inequality could add to social pressures. At the same time, climate change, together with other shared challenges—such as energy security, affordability, and sustainability—are becoming more pressing and require urgent attention.

2. In this context, strong domestic policies and international cooperation are needed more than ever to preserve the global economic recovery and safeguard macroeconomic stability, while battling the pandemic and, where necessary, mitigating the impact of energy

¹ Quote from [UN Resolution ES-11/1](#).

² Idem.

and food price increases on the most vulnerable groups. We welcome the Managing Director's call for urgent action on food security, in collaboration with multilateral and bilateral donors, to avert a food crisis by supporting the most vulnerable countries. We will continue to prioritize health spending and we will provide well-targeted support for vulnerable groups, including refugees and those affected by energy and food price spikes, while preserving long-term fiscal sustainability, including, where applicable, by bolstering medium-term fiscal frameworks. Central banks are closely monitoring the impact of price pressures on inflation expectations and will continue to appropriately calibrate the pace of monetary policy tightening in a data-dependent and clearly communicated manner, ensuring that inflation expectations remain well anchored, while being mindful to safeguard the recovery and limit negative cross-country spillovers. We will also continue to monitor and, if necessary, tackle financial vulnerabilities and risks to financial stability, including through targeted macroprudential measures and, if needed, other complementary policies. We will intensify our joint efforts to boost equitable access to a comprehensive COVID-19 toolkit, including vaccines, tests, treatments, and enhanced in-country delivery in developing countries, and remove relevant supply and financing constraints to overcome the pandemic, including by boosting local production of vaccines. We will take action to provide financial assistance to countries in need, particularly those affected by the current circumstances, while supporting their efforts to address heightened debt challenges, and strengthening debt transparency practices by both debtors and creditors, public and private.

3. Against the backdrop of current uncertainties, we will intensify our efforts to achieve the goal of a more resilient, sustainable, and inclusive global economy, while remaining fully committed to fostering multilateral cooperation. We will strengthen pandemic prevention, preparedness and response to future infectious diseases. We also reiterate our strong commitment to further accelerate climate action in line with the Paris Agreement, taking into account country specific factors, and look forward to strong ambition for COP27, including enhanced action on adaptation and resilience. We recognize that timely, smooth, and just transitions to net zero will be critical for efforts towards increasing energy security and global resilience to current instability and future shocks. We will utilize policy mixes based on all effective tools, ranging from fiscal, market, and regulatory actions, including efficient policy instruments to reduce greenhouse gas emissions, while protecting the most vulnerable groups. We will ensure that the digital transformation process plays a key role in making our economies more resilient and inclusive, being mindful of data protection, data sharing, and interoperability and portability. We will ensure that the design of legal and regulatory frameworks for crypto assets can better protect against financial stability and integrity risks, while fostering innovation. We reaffirm our commitments on exchange rates, excessive global imbalances, and governance, and our statement on the rules-based trading system, as made in April 2021.

4. We welcome the Managing Director's Global Policy Agenda. In the context of current stress in the macroeconomic circumstances and outlook, we look forward to the IMF's swift and vital real-time and granular support to members through its tailored cutting-edge policy advice, timely financial support, and targeted capacity development in close and effective collaboration with international partners.

5. We support the IMF's increased surveillance focus on risk analysis and contingent policy advice; and its efforts to continue strengthening multilateral surveillance and analytical work on pressing policy issues, including on inflation and its drivers, policy mixes and international spillovers, financial, external, and corporate sector vulnerabilities, fiscal adjustment, scarring from the pandemic, and inequality. We welcome the IMF's recently completed Review of the Institutional View on capital flows and look forward to continued collaboration with other international organizations on capital flow issues and continued work on the Integrated Policy Framework. We look forward to the IMF's guidelines on strengthening the assessment of debt vulnerabilities and risks with the new debt sustainability framework for market-access countries and the work on the Multi-Pronged Approach. We look forward to the upcoming review of the IMF's Framework for Enhanced Fund Engagement on Governance.

6. The IMF has an important role in providing continued financial support with adequate safeguards through its facilities to members experiencing balance of payments needs, including countries that are particularly affected by the current circumstances, such as those that are at high risk from energy price increases and food insecurity. We welcome the progress on voluntary channeling of SDRs and call for further contributions. In particular, we welcome the recent decision to establish the Resilience and Sustainability Trust (RST). The Trust aims to help low-income and eligible small states and middle-income countries address longer-term structural challenges that pose macroeconomic risks, including climate change and pandemics. We reaffirm our support for broad-based voluntary contributions in SDR or freely usable currencies, particularly from members with strong external positions according to their domestic processes, to enable the RST's full operationalization later this year, while furthering IMF collaboration with the World Bank and other relevant multilateral institutions. We welcome our members' commitment to treat the RST as a preferred creditor, consistent with all IMF lending. We also urge members, including through broader voluntary participation, to cover the remaining resources to meet the total amount being sought for loans and subsidies for the PRGT, helping ensure its self-sustainability, as well as to replenish the Catastrophe Containment and Relief Trust to provide debt service relief in the event of further shocks. We welcome the establishment of the IMF's Multi-Donor Administered Account to facilitate bilateral financial assistance to Ukraine and will continue to work closely, in coordination with international partners, to support Ukraine in meeting its external financing needs, both immediate and for the post-war reconstruction. We welcome the G20's commitment to step up efforts to implement the Common Framework for debt treatments, which is also agreed by the Paris Club, in a timely, orderly, and coordinated manner, giving more certainty to debtor countries, jointly supported by the IMF and the World Bank. We encourage efforts to make progress in the cases of those countries that have requested a debt treatment under the Common Framework. More generally, we also support the IMF's broad agenda on debt sustainability, transparency, and restructuring. We also highlight the IMF's work to help address high and rising debt vulnerabilities.

7. We welcome the IMF stepping up its work as described—in line with its mandate and in continued effective collaboration with partners—in the new strategies on climate, on digital money and its implications for policies and the international monetary system, and on fragile and conflict-affected states, as well as the deepening of its macro-financial bilateral

surveillance, mainstreaming of gender issues, and its enhanced engagement on policy issues affecting inequality. We reiterate the IMF's important role in responding to members' diverse needs for guidance on the macroeconomic and financial implications of climate change issues and on effective policy responses, including as a forum for dialogue.

8. We support the IMF's efforts to further integrate its capacity development with its surveillance and lending activities, while remaining agile to support members in implementing crisis-related responses, addressing vulnerabilities, and strengthening institutional capacity. We welcome the Fund's country-tailored approach to capacity development and support it in securing appropriate financing.

9. We reaffirm our commitment to a strong, quota-based, and adequately resourced IMF at the center of the global financial safety net. We remain committed to revisiting the adequacy of quotas and will continue the process of IMF governance reform under the 16th General Review of Quotas, including a new quota formula as a guide, by December 15, 2023. We welcome the second progress report to the Board of Governors and will build on recent constructive discussions to make further progress by the time of our next meeting.

10. We support ongoing modernization projects in the IMF and call for further progress on diversity. We support increasing gender diversity in the Executive Board. We agree on the importance of strong institutional safeguards and look forward to the outcome and the next steps of the review by the Executive Board and management on Institutional Safeguards.

11. Our next meeting is expected to be held on October 13, 2022.