

Communiqué of the Forty-First Meeting of the IMFC

Chaired by Mr. Lesetja Kganyago, Governor of the South African Reserve Bank

We express our deepest sympathies for the loss of human lives caused by the COVID-19 pandemic. Our urgent collective task is to mitigate the health and economic impact that the pandemic is having on people worldwide. We remain confident that, working together, we will overcome current challenges to help safeguard the global economy for all.

We are in an unprecedented global crisis. The global economy will contract sharply this year, reflecting necessary health measures to contain the virus, disruptions in economic supply and demand, and tightening financial conditions. Many countries are coping with grave challenges including limited medical supplies and capacities. In particular, many emerging market and developing countries are facing sharp declines in export demand and commodity prices, large capital outflows, foreign exchange shortages, and increasing debt burdens.

While the global outlook is subject to exceptionally high uncertainty, we expect a recovery next year as we continue to employ all available policy tools to defeat the pandemic, protect jobs, and restore growth. We have taken extraordinary macroeconomic action and, working together, will further scale up fiscal, monetary, and financial stability measures, as necessary, to facilitate a speedy return to strong, sustainable, balanced, and inclusive growth. Targeted and sizable fiscal support is critical to provide a safety net for the most affected households and businesses and create conditions for a rapid recovery. We welcome the actions of central banks and financial authorities to alleviate stressed global financial conditions and maintain financial stability.

We support the IMF in assisting member countries through financial support, policy advice, and capacity development, in close collaboration with other international institutions and partner organizations. We welcome the IMF's crisis response package, comprising streamlined procedures, rapid and enhanced access to emergency financing, including a temporary doubling of the annual access limits under the Rapid Credit Facility and Rapid Financing Instrument, liquidity provision through a new short-term liquidity line for members with very strong fundamentals and policies, and debt service relief to the poorest and most vulnerable countries through a reformed Catastrophe Containment and Relief Trust (CCRT). We also call on the IMF to explore additional tools that could serve its members' needs as the crisis evolves, drawing on relevant experiences from previous crises.

We welcome the pledges to the CCRT and the Poverty Reduction and Growth Trust (PRGT) received so far and call for additional contributions to ensure that the IMF can support its poorest and most vulnerable members. We welcome the coordinated approach agreed by the G20 and the Paris Club, supported by the IMF and World Bank, toward a time-bound suspension by bilateral official creditors of debt service payments for the poorest countries that request forbearance. We call on private creditors to participate in the initiative on comparable terms. We welcome the IMF's focus on crisis-related work, including on debt

and financial stability risks, supporting a sustainable recovery in a way consistent with long-standing issues on our agenda.

We reaffirm our commitment to a strong, quota-based, and adequately resourced IMF at the center of the global financial safety net. We will keep demands on the IMF's resources under close review. The IMF's lending capacity of US\$1 trillion is critical to maintain confidence that the IMF can fulfill its mandate by helping its members overcome the crisis. The recent Executive Board decisions on the doubling of the New Arrangements to Borrow and on a new round of Bilateral Borrowing Agreements are important steps in this regard. We look forward to swift action by members in implementing these decisions. We remain committed to revisiting the adequacy of quotas and continuing 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 endorse the Managing Director's Global Policy Agenda.

Our next meeting will be held in Washington, D.C., on October 17, 2020.

Attendance can be found at: <https://www.imf.org/en/News/Articles/2020/04/16/attendance-list-for-the-forty-first-imfc-meeting>