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**Statement by Mr. Romero Tarazona on Post Program Monitoring During the
Pandemic—Proposal for Temporary Streamlining of Procedures and Renaming of the
Policy
(Preliminary)
Executive Board Meeting
May 7, 2021**

We thank Staff for the very informative papers and all the work around this very sensible and relevant topic for the fund.

In general, we support the Staff's proposals to adapt the Post Program Monitoring to the current realities of the world and the Fund. This is the correct path to take. It is key to find alternatives to comply with the very important and prudential function, in extraordinary times, in the best way and with the available human resources capabilities. These decisions should not be viewed as flexibilization of monitoring policies; rather as a way to strengthen the procedures and make them more efficient and applicable to current needs.

We support the change of the policy name from Post Program Monitoring (PPM) to Post Finance Assessment (PFA). We agree that it is more appropriate: it is an assessment that allows a more comprehensive analysis, and it covers all financing, not only one under a specific program. The new name provides a broader scope in adapting this work to an evolved situation. This is under the stated understanding that the PFA will maintain the existing PPM application criteria with respect to the absolute and quota-based thresholds, as well as the broad coverage under PPM of all financing instruments.

We agree with the integration of the PPM review and the Article IV consultation and report until December 31st, 2022. Activities, efforts and human resources of specialized missions, shall be able to allow a high standard review and to comprehensively monitor the situation of sensible countries, with emphasis in its ability to repay debts with the Fund. However, as proposed the suspension of the annual standalone PPM/PFA must be temporary. During these times, when the Fund has had to react and respond to member countries' extraordinary needs, and the financial risks are much higher, the permanent monitoring of the integral situation of each of the countries is even more relevant and important to warranty the

stability of the Fund in the future. Again, the application of new streamlined modalities in all PPM/PFA cases until December 2022, should be seen as a way to operationalize and facilitate the monitoring work during this time, and not as way to soften or reduce the importance of these procedures.

We are confident that Managing Director will reconsider periodically the case for PPA/PFA for all members, under a prudential and necessity analysis. We welcome the manifestation in the supplement in which it is recognized that “in the event that agreement on a program is no longer expected, the Managing Director would bring to the Board a proposal for initiation of PFA for the relevant countries.” However, we consider Staff should prepare an analysis of the current status of member countries of Group 3, which are not currently expected to have a program engagement any time soon and/or have spent more than 6 months without reaching an agreement. We also consider important to evaluate the timing of the review of Group 2 (and eventually Group 3), and whether the Staff considers that such review at the time of the next Article IV, in many cases next year, will suffice the needs of the policy. *We welcome additional staff’s comments on this regard.*

Finally, we want to confirm and reaffirm our support with the active role of the IMF in the global COVID-19 pandemic. It is understood that additional risks are to be taken. On the other side of this policy, but part of the same coin, it is required to make permanent follow up and monitoring to anticipate future situations to provide support at the right moment, while protecting the financial stability of the Fund.