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**Statement by Mr. Bhalla and Mr. Natarajan 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**

1. We thank the staff for the crisp paper proposing temporary modifications in the Post Program Monitoring (PPM) modalities during the pandemic. The Fund has exhibited agility in responding to the economic difficulties of the members in the wake of the COVID-19 pandemic. We recognize that temporary modifications in certain modalities in PPM is an effective means to maintain balance between preserving safeguards and managing the resource constraints.
2. The level of lending and credit outstanding has increased substantially during the pandemic both in terms of numbers of cases as well as quantum of lending. Periodic assessment of members' capacity to fulfil their outstanding obligations is key to safeguarding Fund's resources. Moreover, there has been a sharp rise in emergency financing which does not have ex-post conditionalities. Considering the need to mitigate the elevated risk levels, we agree that there is no justification to exclude them from the safeguards.
3. Implementation of PPM policy is constrained due to sudden increase in the number of cases as well as administrative and resource limitations. Under these circumstances, temporary modification of specific implementation modalities of PPM policy till end-2022 without weakening the safeguards is justified. We agree with the proposal for the conduct of PPM discussions at the time of Article IV consultation for the members subject to PPM. In general, the issue of resource constraints is expected to manifest in the Fund's activities for a long period due to the severe impact of the pandemic. This call for a review and long-term planning of all resources, particularly human resources. *Staff may comment.*

4. We agree with the proposal to change the name of PPM to Post Financing Assessment as this would imply covering all types of Fund financing. We concur with maintaining the existing criteria of absolute and quota-based thresholds with broad coverage under all financing arrangements.