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April 26, 2021

**Joint Statement by Ms. Mahasandana, Mr. Mohieldin, Mr. White, Ms. Abdelati, Mr. Mahyuddin, and Mr. Khurelbaatar on Colombia
(Preliminary)
Executive Board Meeting
April 28, 2021**

We thank staff for their report and Mr. Romero Tarazona for his informative Buff statement. As Colombia continues to meet the strong qualification criteria for an FCL arrangement, **we support the completion of the review of Colombia's Flexible Credit Line (FCL) arrangement.** We take positive note that the renewal, augmentation, and purchase of FCL resources in 2020 has supported authorities' policies while preserving existing liquidity buffers. Given the remaining risks highlighted in the paper, the FCL will continue to provide important insurance against external tail risks. We also share the main thrust of staff's assessment on Colombia's macroeconomic outlook and policy framework as we underscored in the recent comprehensive discussion on Colombia's Article IV consultations.

We welcome the authorities' commitment to strengthen policy buffers and their intention to treat the remaining balance of the FCL as precautionary. We view that a gradual exit strategy should remain state-contingent, considering the evolution of key external risks and uncertainties. In this regard, we agree with the broad framework for exit considerations in the paper and staff's perspective on it. While external financing conditions have improved, uncertainty around the pandemic and other external financing risks such as volatile commodity prices and global risk premia remains high. We welcome the authorities' recognition of the temporary nature of the FCL and their commitment to a gradual exit once conditions permit. Commitment to the Medium-Term Framework to improve the fiscal position, flexible exchange rate regime, and continued reserves accumulation over time will be critical to building sufficient buffers to exit the FCL safely. *We would be interested in*

whether Colombia is considering using the new SLL facility in the future? If this has been discussed with the authorities, what were their views?

With these comments, we wish the authorities every success in their future endeavors.