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March 18, 2021

**Joint Statement by Mr. Andrianarivelo and Ms. Mannathoko on Temporary Extensions  
and Modifications of Access Limits in the Fund's Lending Facilities  
(Preliminary)  
Executive Board Meeting  
March 22, 2021**

1. We thank staff for the concise report and appreciate their continued efforts to adapt the IMF's lending frameworks to the evolving needs of the membership.
2. **We welcome the staff's proposal to extend and modify the access limits in the Fund's lending facilities.** This is consistent with the current high uncertainty in the near-term outlook as countries continue to struggle with the second wave of the pandemic. Importantly, we are encouraged by the Fund's flexibility to provide more adequate support to low-income countries (LICs) as they continue to face large financing needs amidst limited policy space to support economic recovery. Given the uncertainty regarding the evolution of the pandemic, reviewing the access limits after the 2021 Annual Meetings is warranted. Since we broadly support the proposed decisions, we would like to offer the following remarks for emphasis.
3. **We strongly support the proposed extension of the increase in annual and cumulative access limits for the emergency financing (EF) facilities through end-December 2021.** Given the second wave of the pandemic, delays in vaccine access and deployment and the general high uncertainty to the outlook, which requires continued policy support, the extension of the temporary increase in access limits would complement policy efforts. Moreover, the extension would provide rapid financing to meet urgent BOP needs for member countries in difficult circumstances where a UCT-quality program is either not needed or not feasible. Overall, we believe that the proposed extension would be a positive signal to member countries given the uncertain evolution of the pandemic and the emergence of new virus mutations, and near-term risks that should be mitigated to support a broad-based recovery.

4. **We support the proposed extension of the increase in annual access limit (AAL) of the GRA through end-December 2021.** Given the members' limited policy space and high risks in emerging and developing economies, maintaining the temporary increase in GRA AAL would provide members front-loaded high access program without triggering the exceptional access framework to support recovery and reforms.
5. **We also support the proposed increase in both the normal annual access limits (NAAL) and the normal cumulative access limit (NCAL) for the PRGT to 245 percent of quota and 435 percent of quota, respectively.** While we consider this as a good starting point, we remain concerned that the proposed extension is only through end-June 2021 and would prefer an extension through end December or until the wider review of the LIC lending framework is completed, whichever comes first. While the increase in access limits has provided critical financial assistance to member countries, adjustments in the NAAL and NCAL provide strong impetus towards the transition to UCT-quality programs required to anchor sustained recovery while managing elevated debt vulnerabilities, even as countries contend with the second wave of the pandemic. We would have preferred the increase to align with the extension of increase in access limits on EF. While we note concerns highlighted that a longer period would foster facility arbitrage and postpone the transition to a UCT-quality program we believe that the appropriate use of safeguards can prevent such arbitrage. We welcome the Fund's continued efforts to secure sufficient subsidy resources to ensure the self-sustainability of the PRGT. Relatedly, the accompanying increase in exceptional access limits applicable to PRGT arrangements will go a long way in helping and supporting the recovery. *Could staff clarify what the contingency plan would be in the event of the delayed conclusion of the Review of Concessional Financing and Policies as experienced in the past?* Furthermore, we eagerly await staff's forthcoming proposal for a general SDR allocation to supplement global liquidity, with implications to bolster smooth recovery.
6. **Finally, we support the proposed extension of the current suspension of the limits on the number of disbursements under the RCF within a 12-month period through end-December 2021** to provide flexibility in handling countries' EF needs. In addition, we support the proposed cancelation of approved EF after 60-day timeline for drawdown and with the possibility to extend for another 60 days. Relatedly, we note that only a few countries had delayed drawdowns and thus urge staff to persistently follow-up with the authorities to resolve current impediments to the timely utilization of EF. We also share the emphasis on the need to ensure that adequate safeguards are put in place, including through the rigorous application of eligibility criteria to avoid facility arbitrage and call on renewed vigilance to ensure evenhandedness across the membership.