

The contents of this document are preliminary and subject to change.

GRAY/22/2591

September 28, 2022

**Statement by Mr. Buissé, Mr. Roman, Ms. Morfouace De Broucker, and Ms. de Waziers  
on Proposal for a New Food Shock Window Under the Rapid Financing Instrument and  
Rapid Credit Facility; Proposal for a Staff Monitored Program with Executive Board  
Involvement  
(Preliminary)  
Executive Board Meeting  
September 30, 2022**

*We thank staff for the expeditious development of a financing tool to increase Fund support to member countries severely affected by the food shock and the current global food security crisis exacerbated by the global economic fallout of Russia's war against Ukraine. We can also go along with the proposal for a PMB to be used in limited circumstances and under the condition that it truly -and in a clearly communicated manner- facilitates the fastest transition towards a UCT-quality arrangement.*

**FSW**

**We support the implementation of a time-bound IMF Food Shock Window (FSW) under emergency financing** to tackle acute food insecurity or food crises triggered or exacerbated by Russia's invasion of Ukraine. We concur that in general the first-best option for the Fund to help countries cope with balance of payment (BOP) pressures is an UCT-quality program with a strong policy package to address the underlying economic challenges and help catalyse other financing support. Nevertheless, emergency financing instruments have an important role in the Fund's lending toolkit to help members with urgent BoP pressures caused by exogenous shocks when UCT-quality programs are not feasible or necessary. Against this background, we support this new window which will boost the IMF capacity to provide timely and adequate fiscal support for countries in need with little fiscal space. We support the associated qualification criteria to target Fund financing and underline the need for a clear communication about the specific scope of the window. We will make, as for any request for Fund financing, our judgement on countries requesting support on a case-by-case basis. *Could staff share more details on the countries that are expected to tap the FSW and the envisaged timeline for this support?*

**We stress the need to complement emergency assistance by longer-term financing to reinforce the resilience of agricultural systems, especially in LICs.** Given the growing number of crises

(health crisis, conflicts, natural disasters...) and lower agricultural productivity due to climate change and sometimes ill-designed agricultural policies, stepping up funding for climate adaptation is essential and the upcoming IMF RST is key in this regard. Therefore, we see merit in using the window as a bridge for eligible countries that intend to ultimately request a UCT-quality arrangement but cannot do so yet and encourage members with protracted BoP needs transitioning to UCT-quality programs as soon as possible.

**We underline that this new window will catalyse available funding from bilateral donors, MDBs and specialized food agencies. We emphasize the need to strengthen coordination** between multiple food security initiatives, and with existing agencies, in order to prevent overlaps as multilateral cooperation remains imperative in all areas to foster global resilience to current and future shocks. In that spirit, we welcome that the IMF is supporting the “Save Crops Operation”, as the tensions in fertilizers access in vulnerable countries could lead to significant harvest losses.

**As the crisis is likely to result in higher lending volumes both through the proposed window and through UCT programs**, we need to address gaps in lending and subsidy resources for countries eligible to the Poverty Reduction and Growth Trust (PRGT). We support the Fund’s fundraising efforts and reiterate our call for discussing all possible additional options to shore up the PRGT’s self-sustained lending capacity, including gold sales.

### **PMB**

**We can go along with the new PMB and the two access criteria.** However, we stress that this instrument should be designed as the fastest avenue to reach agreement on a UCT arrangement. Therefore, we would expect program documents to include explicit language that describe the path for this transition. We call for a clear communication to explain the PMB as an intermediate and as short as possible transition period to an UCT program and to delineate the PMB from the Fund’s current toolkit. We agree that the Board should review the PMB within one year.