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September 28, 2022

**Statement by Ms. Riach, Ms. Campbell, and Ms. Nelson 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 these excellent papers and the rapid work to bring these two proposals to the Board for approval. We agree that Russia's war in Ukraine has exacerbated global economic pressures including through a food shock. We recognize that war and food-related spillovers add to urgent balance-of-payments (BoP) needs of many Fund members. On that basis **we fully support the proposed food shock window and the proposal for a Staff-Monitored Program with Executive Board Involvement.**

**We are concerned about the humanitarian impact of the food insecurity situation faced by many countries, resulting from several years of increasing food price pressures and stresses and exacerbated by Russia's war in Ukraine.** Assisting countries to respond to food and fertilizer price shocks requires urgent international and domestic actions. For low-income countries, and given debt vulnerabilities in many, the best response from the international community is to provide in-kind humanitarian assistance and grants. However, the Fund also has an important role to play in supporting countries through this extremely difficult period. In most cases the best approach for the Fund to support countries is through UCT quality programs. However, we welcome the food shock window as a useful addition to the toolkit given it creates a further option for the Fund to assist countries that have urgent food and fertilizer related BoP needs, but where UCT quality programs are either not feasible or necessary.

**We support the design of the new food shock window,** including the proposed qualification criteria and annual access limit. We would have preferred to see a larger increase in relevant cumulative access limits (in line with the increase in annual access) but can accept the proposal. We also support the proposal for the window to be available for 12 months. However, we look forward to reviewing the impact of the window by end-June 2023. It may be the case, for example, that a longer duration for the window is needed

should evidence demonstrate that the food price shock has been exacerbated by currently high fertilizer prices negatively impacting future harvest, and thus urgent BoP needs re-emerge. Drawing from the COVID related emergency financing experience, we strongly welcome the expectation that countries commit to ensuring transparency and accountability in resources drawn from the food shock window.

**We support the new PMB and generally agree that certain Staff-Monitored Programs (SMPs) would benefit from Board monitoring and assessments.** We can support the two criteria laid out for countries to access the PMB. However, we stress that countries that meet these criteria should be working to reach agreement on an upper credit tranche (UCT) program as quickly as possible, and the PMB should be designed to lay the groundwork for that UCT program. Therefore, we would expect program documents for PMBs to include language that describes the path for the country to access a UCT program. Further, we agree that careful communication will be required to delineate the PMB from the Fund's current toolkit. *We would welcome further comment from staff on how a Summing Up from a Board discussion of a PMB would differ from a traditional UCT Summing Up.* We support a Board review of the PMB within one year.