

**EXECUTIVE
BOARD
MEETING**

SM/22/229
Supplement 2

September 29, 2022

To: Members of the Executive Board

From: The Secretary

Subject: **Proposal for a Food Shock Window Under the Rapid Financing Instrument and Rapid Credit Facility—Draft Press Release**

Board Action: Executive Directors' **consideration** (Formal)

Tentative Board Date: **Friday, September 30, 2022**

Publication: Proposed, with main paper

Questions: Mr. Chabert, SPR (ext. 37371)
Ms. Liu, LEG (ext. 37643)
Ms. Murgasova, FIN (ext. 34209)
Mr. Rother, SPR (ext. 34256)
Mr. Kim, SPR (ext. 34916)



IMF Executive Board Approves a new Food Shock Window and an enhanced Staff-Monitored Program with Board Involvement

FOR IMMEDIATE RELEASE

- The Executive Board of the International Monetary Fund (IMF) approved today a new Food Shock Window under its emergency financing instruments.
- This new window will be available for a year to provide additional access to emergency financing for countries facing urgent balance-of-payment need related to the global food crisis.
- The Board also approved a policy change to allow countries to request Program Monitoring with Board involvement in selected Staff Monitored Programs where member countries are seeking to build or rebuild a track record to access an IMF-supported program.

Washington, DC – September 30, 2022: The IMF Executive Board approved today a new, temporary Food Shock Window (FSW) under its emergency financing instruments (Rapid Credit Facility-RCF/Rapid Financing Instrument-RFI).

A combination of climate shocks and the pandemic has disrupted food production and distribution, driving up the cost of feeding people and families. Russia's invasion of Ukraine has pushed the price of food and fertilizers even higher and exacerbated the shortages in food supplies—hurting food importers and some exporters alike.

The Food Shock Window will provide, for a period of a year, a new channel for emergency Fund financing to member countries that have urgent balance of payment needs due to acute food insecurity, a sharp increase in their food import bill, or a shock to their cereal exports. Access will be consistent with the actual balance of payments needs, and capped at 50 percent of quota, and will be additional to the current annual access limits under the RCF/RFI. The cumulative access limits under the RFI regular window and the RCF exogenous shock window, currently at 150 percent of quota, will be increased to 175 percent of quota for members that will borrow through the FSW. A review is planned by the end of June 2023.

The Executive Board also amended the policy for Staff-Monitored Programs (SMPs), to allow for Program Monitoring with Board involvement (PMB). The Executive Board's role will be limited to assessing the robustness of the member's policies to meet the program's objectives and to monitoring program implementation, supporting members' efforts to receive additional official financing. Countries considering an SMP would be encouraged to request a PMB if they are the subject of an ongoing concerted international effort by creditors or donors to provide substantial new financing or debt

relief, or have significant outstanding Fund credit under emergency financing instruments. The PMB will be reviewed before the end of September 2023.

Executive Board Assessment.¹

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¹ At the conclusion of the discussion, the Managing Director, as Chairman of the Board, summarizes the views of Executive Directors, and this summary is transmitted to the country's authorities. An explanation of any qualifiers used in summings up can be found here: <http://www.IMF.org/external/np/sec/misc/qualifiers.htm>.