

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

GRAY/20/2570

July 9, 2020

**Statement by Mr. Ray, Ms. Johnson, and Mr. Shin on Temporary Modification to the
Fund's Annual Access Limits
(Preliminary)
Executive Board Meeting
July 13, 2020**

We welcome and thank staff for the timely and succinct paper on the temporary modification of the Fund's annual access limits. The scale of this crisis has led to unprecedented and substantial requests for emergency financing. As we move beyond the containment phase, it is appropriate that the Fund continues to reassess the access limits to balance members' financing needs while safeguarding and managing risks for the Fund.

We support the temporary increase to the annual access limit for the GRA from 145 to 245 percent of quota. Approval of a temporary increase will remove any binding constraint for GRA emergency financing during the containment phase and, importantly, will facilitate members' requests for follow-up upper credit tranche programs. We agree with staff's assessment that the benefits of the temporary increase outweigh the risks, particularly considering that failing to provide adequate support to the membership would come with its own substantial risks. We support staff's proposal that the increase should apply to both current and new arrangements, as well as to RFI requests.

Given PRGT financing constraints, we support the temporary increase to the annual access limit for the PRGT from 100 to 150 percent of quota and the temporary increase to the exceptional annual access limit to 183.33 percent. We share staff's concerns regarding the sustainability of the PRGT and look forward to discussing the matter in the upcoming Review of Concessional Financing. We take note that the 50 percent increase corresponds with the temporary increase in RCF access and provides additional room to access PRGT resources without meeting the PRGT exceptional access criteria. We note that, as with the GRA, the temporary increase would apply to both current and new arrangements, as well as to RCF requests (and to augmentations or rephasing of access).

We remain cautious about possible changes to the normal cumulative access limits. The exceptional access framework remains in place to provide access above normal access limits, but ensures appropriate safeguards are in place to manage risks for the Fund. We remain open to further consideration of these issues but consider that there should be a high bar for changing the exceptional access framework.

We support the temporary relaxation in the number of RCF disbursements in a 12-month period and welcome the opportunity to discuss further temporary increases in annual access limits as needed later in 2020. The Fund must demonstrate its agility throughout the pandemic and temporary changes such as these will ensure we can appropriately meet members' needs quickly.