

GREEN/20/52

July 13, 2020

**Joint Green Statement from Mr. De Lannoy, Ms. Levonian, Ms. Riach, and Mr. Rosen on Further Extension of Consultation Cycles Due to COVID-19 Pandemic, and Suspension of Framework to Address Excessive Delays in Article IV Consultations and Mandatory Financial Stability Assessments (SM/20/103)**

We thank staff for this paper and agree that over the coming months there will need to be flexibility in consultation cycles for Article IV surveillance and mandatory Financial Stability Assessments. While we understand the rationale behind the temporary suspension of the application of the framework to address excessive delays and can agree with the proposed decisions, we have some concerns we would like to highlight.

We see merit in temporarily suspending publication of the semi-annual list of members with excessively delayed consultations, but we still see value in providing this information to the Board, and on informally briefing the Board on economic developments in members with excessive delays. Thus, we request that the Board continue to receive information on excessive delays every six months. Staff can identify those countries where delays are due to the pandemic being in the “Main Reason for the Delay” column. As the list provided in Appendix I includes an additional three-month grace period, we question whether it is accurate to suggest that the information was comprehensive through April 22, 2020. *Could staff provide a list of countries that would have met the excessive delay criterion at the end of March 2020?*

As surveillance is restarted, we see the need for selectivity in terms of the sequencing of Article IV consultations. We would like staff to devise a systematic, risk-based approach for prioritizing countries and present concrete proposals to the Board for consideration. Countries meeting the excessive delay criterion should be prioritized. More generally, while countries whose policies have systemic implications and those with significant vulnerabilities should be given priority, it is also important to focus on countries, particularly small states, that have limited capacity and benefit most from the Fund’s analysis and advice. We are additionally concerned about members with excessive delays that have received programs and believe these countries should also be prioritized for surveillance when it is resumed.