

Communiqué of the Forty-Fourth Meeting of the IMFC

Chaired by Ms. Magdalena Andersson, Minister for Finance of Sweden

1. The global economic recovery continues. But divergences between economies persist, reflecting stark differences in vaccine access and policy support. The emergence of virus variants has increased uncertainty, and risks to the recovery are tilted to the downside. The crisis is exacerbating poverty and inequalities, while climate change and other shared challenges are becoming more pressing and require our urgent attention.
2. Strong international cooperation and immediate action are needed to expedite universal vaccination to stem the spread of the pandemic, limit divergences, and support an inclusive recovery everywhere. In this regard, we thank the Multilateral Leaders Task Force for its efforts and encourage it to work to accelerate access to and on-the-ground delivery of COVID-19 tools. To help advance toward the global goals of vaccinating at least 40 percent of the population in all countries by the end of 2021 and 70 percent by mid-2022, we will take steps to help boost the supply of vaccines and essential medical products and inputs in developing countries and remove relevant supply and financing constraints.
3. Against a complex environment, we will carefully calibrate our domestic policies to the evolving pandemic and available policy space. We will continue to prioritize health spending and protecting the most vulnerable, while shifting focus, as appropriate, from crisis response to promoting growth and preserving long-term fiscal sustainability, including, where applicable, by bolstering medium-term fiscal frameworks. Central banks are monitoring price dynamics closely and can look through inflation pressures that are transitory. They will act appropriately if risks of inflation expectations de-anchoring become concrete. Clear communication of policy stances can help limit negative cross-country spillovers. We will continue to monitor and, as necessary, tackle financial vulnerabilities and risks to financial stability, including through targeted macroprudential policies. We are also taking comprehensive action to extend financial assistance to countries in need, while supporting countries' efforts to restore debt sustainability and strengthening debt transparency practices by both debtors and creditors, public and private.
4. We will work together to accelerate transformational reforms to help build a more resilient and sustainable global economy. We look forward to the outcomes of COP26 and commit strongly to further accelerate climate action in line with the Paris Agreement, taking into account country specific factors. In this context, we will utilize policy mixes based on all effective tools, ranging from fiscal, market, and regulatory actions, including efficient policy instruments to reduce greenhouse gas emissions, while protecting the most vulnerable. We will also collaborate to unlock the potential of the digital economy aiming at benefits reaching all countries, while managing associated risks. We will implement a more robust international tax architecture. We reaffirm our commitments on exchange rates, excessive global imbalances, and governance, and our statement on the rules-based trading system, as made in April 2021.

5. We welcome the Managing Director's Global Policy Agenda.
6. We welcome the IMF's continued support to members to achieve a sustained recovery from the pandemic and address other challenges through cutting-edge, tailored bilateral and multilateral surveillance, and targeted capacity development. We support the continued refinement of surveillance activities, including by better integrating risks and uncertainties, improving forecasting and monitoring frameworks, deepening the Fund's engagement on macro-financial issues, and working on data provision and standards. We look forward to the review of the IMF's Institutional View on capital flows, informed by the Integrated Policy Framework, among others. We also support strengthening the effectiveness of the IMF's engagement with vulnerable members, including fragile and conflict-affected states.
7. We welcome the historic SDR allocation. We support the IMF's efforts to seek options for voluntary channeling of SDRs from members with strong external positions, according to their domestic processes, to the benefit of low-income and vulnerable middle-income countries. We commit to significantly scaling up the Poverty Reduction and Growth Trust (PRGT) while preserving its long-term financial soundness. We welcome new pledges to the PRGT received so far and call for broader participation from members for further loan and subsidy contributions. We support establishing a Resilience and Sustainability Trust (RST) at the IMF, to provide affordable long-term financing to support countries undertaking macro-critical reforms to reduce risks to prospective balance of payment stability, including those related to climate change and pandemics. The RST should preserve the reserve asset characteristics of the SDRs. We call upon the IMF to develop and implement the RST and collaborate closely with the World Bank in this process, and to provide technical support in exploring viable options for channeling SDRs through multilateral development banks. We call for additional IMF members to sign voluntary SDR trading arrangements to enhance market capacity.
8. We welcome the IMF's continued support to members experiencing balance of payments needs, increasingly through upper-credit tranche arrangements. We welcome the G20's commitment to step up efforts to implement the Common Framework for debt treatment, which is also agreed by the Paris Club, in a timely, orderly, and coordinated manner, jointly supported by the IMF and the World Bank, as well as the IMF's broad agenda on debt sustainability, transparency, and restructuring. We support the IMF in securing donor contributions to the Catastrophe Containment and Relief Trust (CCRT) to provide debt service relief for COVID-19 and future shocks. We thank the IMF for its update on the surcharge policy and look forward to further related analysis at the IMF Executive Board in the context of the interim review of precautionary balances.

9. We ask the IMF to help member countries achieve a durable and inclusive structural transformation. We highlight the IMF's important role in responding to members' diverse needs for guidance on the macroeconomic and financial implications of climate change issues and on effective policy responses. We support the IMF stepping up its work—in line with its mandate—to identify and manage macro-financial risks and the macro-critical implications of climate change, digitalization including digital money, fragility, and inequality, while ensuring continued effective collaboration with partners. We ask the Executive Board to consider the appropriate budget resources to ensure that the IMF has the staff and skills required to carry out its mandate. We support ongoing modernization projects and call for further progress on diversity.

10. We reaffirm our commitment to a strong, quota-based, and adequately resourced IMF at the center of the global financial safety net. We remain committed to revisiting the adequacy of quotas and will continue the process of IMF governance reform under the 16th General Review of Quotas, including a new quota formula as a guide, by December 15, 2023. We welcome the first progress report to the Board of Governors and look forward to further progress by the time of our next meeting.

11. We welcome the Statement by the IMF Executive Board on Its Review on the Investigation of the World Bank's Doing Business 2018 Report.

12. Our next meeting is expected to be held on April 21, 2022.

Attendance can be found at:

<https://www.imf.org/en/News/Articles/2021/10/14/communique-of-the-forty-fourth-meeting-of-the-imfc>

