



## INTERNATIONAL MONETARY AND FINANCIAL COMMITTEE

### **Forty-Sixth Meeting October 13–14, 2022**

**IMFC Statement by Chrystia Freeland  
Deputy Prime Minister and Minister of Finance**

**Canada**

On behalf of

Antigua and Barbuda, The Bahamas, Barbados, Belize, Canada, Dominica, Grenada,  
Ireland, Jamaica, St. Kitts and Nevis, St. Lucia, and  
St. Vincent and the Grenadines



**Statement by The Honourable Chrystia Freeland  
Deputy Prime Minister and Minister of Finance, Canada**

**On behalf of  
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**International Monetary and Financial Committee**

**October 14, 2022**

Global inflationary pressures continue to rise and are increasing costs of living and squeezing out the middle class. Extreme volatility has plagued commodity markets, increasing the cost of everyday goods including necessities such as food. The IMF must consider how best to assess and respond to growing global risks, many of which—including rising costs of food and fuel—have been exacerbated by Russia’s invasion of Ukraine.

Canada and its constituency members are firmly committed to supporting the government and people of Ukraine as they fight for their lives and for their democracy. Canada has committed over \$3.4 billion in military, humanitarian, and other assistance to Ukraine so far this year, including \$1.95 billion in loans which have been fully disbursed. Of these loans, \$1.45 billion which was disbursed through the IMF Multi-Donor Administered Account for Ukraine. As a champion of the Administered Account, Canada welcomes Germany’s contribution, as well as commitments from the Netherlands and Belgium. We urge other IMF members to make use of the Administered Account to urgently channel financing to Ukraine.

The IMF must act boldly and creatively to ensure Ukraine and other vulnerable countries affected by the economic consequences of Russia’s aggression on Ukraine have the support they need. In this regard, we welcome the IMF’s new food shock window to support countries facing balance of payments issues due to food insecurity or sharp increases in the price of food. However, much more needs to be done and we urge the IMF to urgently start negotiations with Ukraine towards an Upper Credit Tranche program, to allow the IMF to provide financial assistance commensurate with Ukraine’s significant needs and catalyze new financing from other sources.

Climate change is increasingly exacerbating natural disasters that put people’s lives and livelihoods at risk, and bring about costly damages to critical infrastructure. In order to help vulnerable countries respond to macro-critical issues such as climate change and pandemic preparedness, Canada is proud to today announce the completion of its \$2.44 billion contribution to the IMF’s Resilience and Sustainability Trust (RST), and welcomes the operationalization of the RST for an initial group of members, including some small developing states. The RST will offer lending focused on longer-term challenges such as climate change to low-income and vulnerable middle-income countries to help build resilience to external shocks and ensure sustainable growth. And, its broad eligibility means all of our constituency members are eligible for support under this new facility.

Canada is doing its part to support a global economic recovery, having surpassed the commitment made at the G7 meeting in Carbis Bay, United Kingdom, to channel 20 per cent of the most recent allocation of Special Drawing Rights (SDRs) to support low-income and vulnerable countries. As of today, Canada has channeled 26 per cent of its new SDRs to the countries that need it most.

The IMF's capacity development and technical assistance work remains critical to ensuring countries can not only respond to crises, but also recover stronger. Our constituency places a high value on capacity development, and welcomes this year the 20<sup>th</sup> anniversary of the IMF's Caribbean Regional Technical Assistance Centre, which has yielded considerable results over the last two decades and for which Canada is the largest donor.

Given the current global climate of tightening financial conditions and rising interest rates, we must all act to reduce debt vulnerabilities. Addressing debt sustainability can pave the way for truly growth-enhancing reforms through IMF programming. We must also not forget the importance of structural reforms to strengthen institutions, enhance public sector transparency and accountability, and bolster anti-corruption frameworks. A recent example is Sri Lanka where addressing the current crisis requires such reforms in addition to economic support.

Global crises have disproportionate effects on women and vulnerable groups. We welcome the IMF's new Gender Strategy, which solidifies the Fund's goal to apply a gender lens to its core activities, and recognizes Canada's recent success to reduce gender gaps by implementing a national program for affordable early learning and child care. Canada has deep expertise in gender policy and stands ready to assist the IMF in its implementation.

In this context of heightened global risks, it has become ever more critical to maintain a reliable and adequately resourced IMF at the centre of the global financial safety net. We remain committed to a strong quota-based IMF, and will work towards a timely and successful conclusion of the 16th General Review of Quotas, while protecting the voices of the poorest and most vulnerable members, including small developing states.