



INTERNATIONAL MONETARY AND FINANCIAL COMMITTEE

Forty-Sixth Meeting October 13–14, 2022

**IMFC Statement by Adama Coulibaly
Minister of Economy and Finance
Côte d'Ivoire**

On behalf of

Benin, Burkina Faso, Cameroon, Central African Republic, Chad,
Union of the Comoros, Democratic Republic of the Congo,
Republic of Congo, Côte d'Ivoire, Djibouti, Republic of Equatorial Guinea, Gabon, Guinea,
Guinea-Bissau, Republic of Madagascar, Mali,
Islamic Republic of Mauritania, Mauritius, Niger, Rwanda,
Democratic Republic of São Tomé and Príncipe, Senegal, and Togo

IMFC Statement by Mr. Adama COULIBALY
Minister of Economy and Finance
(Côte d'Ivoire)
October 14, 2022

Global Outlook and Policy Priorities

The global economy continues to be severely impacted by spillovers from the war in Ukraine and the persistence of the pandemic. We are concerned by the sharp economic slowdown experienced by many countries, including the largest economies, and the elevated inflation worldwide driven by high energy and food prices affecting the poor and vulnerable the most. Financial conditions are tightening amid high debt levels in many member countries. Moreover, significant downside risks are weighing on the global outlook: (1) energy and food price shocks could intensify, leading to further spikes in inflation and a deepening of food insecurity; (2) tightening financial conditions could provoke debt distress in emerging markets; (3) European economies could be further weakened by disruptions in gas supplies from Russia; (4) the dollar could appreciate more if large economies continue to diverge, leading to deterioration in terms-of-trade for many low-income countries outside commodity exporters; (5) and the international cooperation needed to tackle climate change could stall due to geopolitical fragmentation.

Policymakers face daunting challenges but alleviating the impact of the crisis on the poor and bringing inflation back to target should remain the key priorities of the moment. Monetary policy should continue to focus on containing inflation and breaking the spiral of inflation expectations given its disproportionate negative impact on the poor. Bringing inflation back to target will require addressing all the sources and drivers of the persistent high global inflation in the first place, which include notably the excessive money supply of the past decade, and the supply shocks exacerbated by the pandemic and the war in Ukraine. However, the increase in interest rates in advanced economies and its implications for capital outflows and debt burden in emerging and developing economies, coupled with the likelihood of a global recession, requires vigilance and careful calibration of the pace of monetary policy tightening in the former economies. Supported by a disinflationary monetary policy, fiscal policy should prioritize the protection of the most vulnerable groups to limit the fallout from high energy and food prices, while being anchored in credible medium-term fiscal frameworks to avoid increasing fiscal deficits and debt. In this regard, spending prioritization and growth-friendly domestic revenue mobilization—such as raising tax revenues from well-performing sectors, especially the energy sector—are also important. In the meantime, structural measures to alleviate supply bottlenecks should be pursued, both domestically and through preserving trade flows, which requires preserving multilateral collaboration.

Low-income countries, notably in Africa, are being severely hit by the repercussions of the war in Ukraine and the pandemic and are experiencing acute food insecurity amid limited fiscal space and elevated debt levels. In Sub-Saharan Africa, growth has been further revised downward on the back of adverse commodity terms of trade for many countries and a slowdown of trading partners' economies. High international food prices are contributing to a rise in malnutrition in the continent. This follows the damaging effects of the pandemic on populations' health and education in the region, reversing many decades of human capital accumulation. We emphasize the importance for the international community to provide adequate assistance to low-income countries in their efforts to address food insecurity and alleviate debt vulnerabilities. Helping build productive capacity in agricultural sectors is critical to enhancing resilience to shocks. In the nearer term, efforts should focus on facilitating trade of fertilizers and food. We welcome the IMF's new food shock financing window under its emergency instruments which will help alleviate the impact on eligible countries' balance of payments. To address debt vulnerabilities in the region, more rapid progress is needed in the implementation of the G20 Common Framework. While we are encouraged by the recent positive developments made by the official creditors of Zambia, more remains to be done for this to translate into effective restructuring to alleviate the burden on this and other economies. Indeed, many countries notably in Africa are awaiting meaningful progress in the implementation of the Common Framework.

The Global Policy Agenda

We support the Managing Director's Global Policy Agenda and share her call for enhanced international cooperation to address the multiple crises affecting the global economy and build resilience for future shocks. Collective actions at the international level are needed more than ever to cope with challenges ranging from high and persistent inflation, food insecurity, debt distress, and climate-related shocks. The Fund has a critical role to play on all these issues and we encourage continued efforts to foster greater global collaboration.

The Fund and other international partners should provide adequate financing to the many countries that are facing severe concurrent shocks, particularly vulnerable emerging market and developing economies. The IMF should scale up its support and stand ready to provide the necessary liquidity in a timely manner to further maximize its catalytic effect. We appreciate the initiatives it has taken in recent years to adapt its policies and lending toolkit to better serve notably its vulnerable members, including the establishment of the Resilient and Sustainability Trust (RST) and the food shock window under the Rapid Financing Instrument (RFI) and the Rapid Credit Facility (RCF). Nonetheless, a scaling up of resources both in volume and access levels remains essential to enable the Fund to respond adequately to the multiple shocks the global economy is confronted with. In this regard, , we continue to support the fundraising efforts to ensure that the PRGT is adequately resourced to provide concessional financing to the poorest members, and we

encourage the Fund to consider contributing to the Trust, including potentially through gold sales. We also call for further fundraising efforts to mobilize grant resources for the Catastrophe Containment and Relief Trust (CCRT) which has provided significant debt relief to many countries in time of crisis.

Amid geopolitical challenges, continuing to address the impact of climate change is imperative and should remain at the core of the multilateral agenda. Resolute efforts are needed at the global level to transition swiftly to more carbon-neutral societies and limit the already high costs of decades of inaction, as reminded by the recent devastating floods in Pakistan and the destructive cyclones in many parts of the world. However, accelerating such transition will also require substantial financial resources and we regret that climate financing continues to fall short of the pledges made during the Paris Conference. The African continent is experiencing the worst impacts of global warming through droughts and floods that are generating more poverty and conflicts, despite not being responsible for causing climate change. Africa must put in place climate projects by investing massively, notably through programs such as the Africa Adaptation Acceleration Program. We call on the international community to help fund this program which is essential for translating Africa's adaptation vision into reality.

Given the multiplicity and high frequency of shocks to the global economy and the resulting high demand for Fund resources, we must ensure that the IMF is adequately resourced and its role at the center of the global safety net is strengthened to timely meet its membership needs. This requires advancing more forcefully and expeditiously the IMF's quota and governance reforms, with a view to completing the 16th General Review of Quotas, including a new quota formula, in a timely manner while ensuring that the quota shares and representation of the poorest members are protected.