



INTERNATIONAL MONETARY AND FINANCIAL COMMITTEE

Forty-Eighth Meeting October 13–14, 2023

Statement No. 48-29

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

48th Meeting of the International Monetary and Financial Committee

October 14, 2023

Our constituency wishes to express our heartfelt sympathy and deepest condolences to the people of Morocco and Libya in the aftermath of the terrible earthquake and flood of September 2023.

Following Hamas' barbaric terrorist attacks against the State of Israel, Canada is unequivocal in our condemnation of Hamas. We reiterate our steadfast support for the State of Israel and its right to defend itself, which is in line with international law. We also call for the immediate release of those being held hostage, and we demand that they be treated in accordance with international law.

The most pressing threat to the global economy remains Russia's illegal and barbaric full-scale invasion of Ukraine. In addition to the direct and deplorable impacts on millions of Ukrainians, Russia's invasion is compounding macroeconomic challenges in all countries around the world, with particularly damaging impacts for the world's most vulnerable, by exacerbating poverty, income inequality, and food insecurity.

We remain firmly committed to supporting Ukraine for as long as it takes. Canada championed the creation of the IMF's Administered Account for Ukraine, which has raised approximately C\$6.8 billion from Canada, Germany, the Netherlands, and Belgium to help the Government of Ukraine continue to deliver essential services and restore critical infrastructure. Canada's contribution to the Administered Account totals C\$4.35 billion, including an additional C\$2.4 billion earlier this year, and is part of more than C\$9.7 billion in multifaceted support that Canada has committed to Ukraine since the beginning of 2022.

We applaud the US\$15.6 billion IMF's Extended Fund Facility program for Ukraine, which was made possible by significant financing assurances provided by Canada and other international partners. We welcome the successful completion of the first review and look forward to the second review this fall. Given the scale of Ukraine's ongoing financing needs, further support is needed from international financial institutions and bilateral creditors.

Since we met last Spring, we are proud that the global commitment to pledge US\$100 billion in newly allocated Special Drawing Rights (SDR) to countries in need has been met, and we encourage swift implementation of pledges. Ireland pledged SDR 19 million in subsidy contributions at the Spring Meetings, which have since been paid in full. On September 20, 2023, Canada pledged an additional SDR 700 million to the Poverty Reduction and Growth Trust (PRGT), bringing Canada's total SDR channeling commitment to the core IMF trusts to 25

per cent and Canada's total SDR channeling commitment to 48 per cent—amongst the highest of any country.

We further welcome progress on Climate Resilient Debt Clauses (CRDCs), which can provide relief to borrowers experiencing climate crises and natural disasters. Canada is proud to announce that it will offer Climate Resilient Debt Clauses in all new sovereign lending moving forward. We call on all creditors to do the same in their new sovereign lending.

In only its first year of operation, the Resilience and Sustainability Trust (RST), which Canada strongly supported as one of the six first countries to have a contribution agreement, already counts almost a dozen beneficiaries and is helping members—including members from our constituency—respond to longer-term structural challenges such as climate change and pandemic preparedness.

The IMF's capacity development (CD) and technical assistance work is important to our constituency. Particularly important reforms are underway to empower the IMF's Caribbean Regional Technical Assistance Centre (CARTAC) to better provide access to climate finance. To that end, Canada is proud to announce an additional C\$15 million to support Phase VI of CARTAC's work to strengthen economic institutions and build climate resilience in the Caribbean, which is critical to our Caribbean constituency members. We look forward to a successful implementation of these reforms and a transition to its next programming phase in 2024.

We support further advancing the Fund's work under the Gender Strategy and welcome the newly established Inclusion and Gender Unit. In turn, the Executive Board must lead by example as it advances gender diversity, starting with increasing the number of women on the Executive Board. Canada and Ireland have deep expertise in gender policy and budgeting and remain ready to assist the IMF in implementing a robust Gender Strategy.

We strongly support the Fund's ongoing work on Anti-Money Laundering and Combating the Financing of Terrorism. We call for increased support for assessments of countries' frameworks against the Financial Action Task Force (FATF) standards, allowing for the completion of two mutual evaluations per year, and increasing the Fund's engagement with external assessors.

By December 15, 2023, the 16th General Review of Quotas must come to a successful conclusion, and with an outcome that protects the IMF's most vulnerable members—including all small developing states— and ensures that the IMF remains well-resourced at the center of the global financial safety net. We commend the Fund for developing creative options and reiterate our willingness to consider reasonable proposals for a quota increase, complemented by measures to improve the voice and representation of developing countries including a 25th chair on the IMF Executive Board for Sub-Saharan Africa.

Members of our constituency, and other developing and vulnerable countries, are at the forefront of global economic challenges. We have high expectations that the IMF will contribute to ensuring that the international monetary system and the broader international financial

architecture remain fit for purpose. Canada and our constituency are committed to working with member countries to support the evolution of the IMF to meet the world's pressing challenges.