

Joint Statement of the Fifth High-Level Regional Financing Arrangements (RFA) Dialogue

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Press releases

ESM



European Stability Mechanism



EFSD Eurasian Fund for Stabilization and Development

The fifth High-Level Regional Financing Arrangements (RFAs) Dialogue took place virtually on 13 October 2020 at a time when the international community continues to suffer from the extraordinary human and economic crisis caused by the Covid-19 pandemic. The dialogue provided a timely opportunity for the RFAs, the International Monetary Fund (IMF), and the G20 International Financial Architecture Working Group (G20 IFA WG) to discuss the vital role multilateral cooperation should play during the next phases of the crisis. These discussions focused on the role of RFA-IMF cooperation within the Global Financial Safety Net (GFSN) amidst an uncertain economic outlook.

The dialogue was co-organised by the ASEAN+3 Macroeconomic Research Office (AMRO), the European Stability Mechanism (ESM), and the Latin American Reserve Fund (FLAR), in cooperation with the IMF. The participants included Mr Abdulrahman Al Hamidy, Director General Chairman of the Board of the Arab Monetary Fund (AMF), Mr Mori Kazuya and Ms Vu Minh Chau, Co-chairs of the Chiang Mai Initiative Multilateralisation (CMIM), Mr Doi Toshinori, Director of AMRO, Mr Andrey Shirokov, Managing Director of the Eurasian Fund for Stabilization and Development (EFSD), Mr Declan Costello, Deputy Director-General for the Directorate-General for Economic and Financial Affairs of the European Commission, Mr Klaus Regling, Managing Director of the ESM, and Mr José Darío Uribe, Executive President of FLAR. The IMF was represented by Ms Kristalina Georgieva, IMF

Managing Director, accompanied by Ms Ceyla Pazarbasioglu, Director of the IMF Strategy, Policy, and Review Department. Mr Hyunwoo Shim and Mr Christophe Bories made remarks on behalf of the G20 IFA WG Co-chairs.

To emphasise the importance of the joint, international engagement to safeguard human lives and to tackle the economic challenges caused by the global pandemic, this year's high-level dialogue featured a roundtable conversation with the IMF Managing Director. During the discussion, RFA leaders and the IMF Managing Director assessed emerging risks for global and regional financial stability resulting from the Covid-19 crisis. They recognised that, although the global economy is slowly stabilising, the recovery remains long, uncertain, and uneven across regions and sectors. The significant scars that this crisis could leave behind, including impaired balance sheets and increased debt levels, call for continued vigilance and efforts, including at the multilateral level. The tour de table on actions that the IMF and RFAs have taken to help their members navigate these unprecedented times demonstrated institutional flexibility and determination to help countries most affected by the crisis. During the discussion, participants shared views on how to leverage IMF-RFA cooperation during the stabilisation and recovery phases of the crisis. The heads of RFAs especially valued the intensified and more frequent exchanges between the IMF and RFAs, including a specially convened [leaders' videoconference](#) at the start of the pandemic, which helped the RFAs and the IMF share experiences and create synergies when supporting members. They committed to continue with this close dialogue to ensure timely information exchange to better understand each other's frameworks and to ensure a coherent and efficient use of expertise and resources available at the regional and global layers of the GFSN.

During the second roundtable, RFAs reported on institutional developments since their last dialogue in October 2019 and the IMF representatives gave an overview of the IMF's lending during the pandemic and beyond. RFAs have continued enhancing their institutional capacities and, in some cases, expedited internal processes, amended their policies, or increased their capital to respond to the Covid-19 crisis in a timely manner. Furthermore, RFA leaders acknowledged the successful completion of the workstreams that dove deeper into six areas of inter-institutional cooperation between the RFAs and the IMF as identified in the [2018 joint RFA staff paper](#). They welcomed the work delivered by their staff, which provide valuable insights into training and capacity building, technical assistance, macroeconomic surveillance frameworks, communication strategies, lending toolkits and policies, and stabilisation and development objectives in programme design. There was a strong

consensus that the current crisis has reinforced the need to further strengthen cooperation in all these areas.

In line with the collaborative spirit of their multilateral framework, leaders of RFAs agreed to launch a new joint study to compare Covid-19 responses across regions and better understand how the RFAs, together with other IFIs, could jointly support their members' transition to a sustainable recovery.

The fourth Joint RFA Research Seminar will take place virtually in December 2020. The sixth High-Level RFA Dialogue will be convened at the time of the next IMF/World Bank Annual Meetings in October 2021.

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