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**Statement by Mr. Armand
France**

The global economic outlook has remained resilient since last Spring, but uncertainty remains significant. Economic growth is moderate, although with major differences in momentum between countries and persistent risk of divergence for vulnerable countries. Inflation is continuing to return to target in advanced economies, and interest rates have begun to fall. **However, the balance of risks is tilted to the downside.**

Geopolitical tensions have increased and remain the main source of uncertainties. France condemns the unprovoked and illegal war launched by Russia against Ukraine. France will continue to support Ukraine as long as needed, and call on all international financial institutions, including the International Monetary Fund and the World Bank Group, to stay fully engaged. France also calls for an immediate ceasefire in Gaza and the immediate and unconditional release of hostages and a massive increase of humanitarian aid to the affected people in Gaza. France calls on Israel to ensure the permanent protection of all civilians and to facilitate the population's immediate access to humanitarian aid, in accordance with its obligations under international and humanitarian law, respect for which is mandatory for all.

Global perspectives are also threatened by geoeconomic factors. Global imbalances, distortive practices and protectionist measures continue to generate trade tensions.

Many challenges are shared by all countries. Reducing poverty and protecting the planet, notably through fighting climate change and investing in adaptation to achieve a just and orderly transition, is at the centre of our global agenda. The imperative of medium-term fiscal sustainability, in the current context of elevated debt levels in numerous countries, calls for an orderly fiscal consolidation policy, that should be differentiated, gradual and realistic, while ensuring adequate targeted social support to the most vulnerable households and increasing potential output through structural reforms.

To address these common challenges and enhance global prosperity, strengthening coordination and multilateralism is crucial. The IMF has a central role to play to build a common understanding of the global economy dynamics, the risks, the efficiency and spillovers of our policies. Bases on its large membership and 80-year-long experience, IMF's expertise and convening power contribute to facilitate economic coordination and help design well-calibrated economic policies at the domestic and global level. France warmly welcomes Liechtenstein as the IMF 191st member.

Against the backdrop of a more shock-prone world and growing challenges, the IMF continues to bring value-added to its membership, through its central place in the Global Financial Safety Net to support its members with a regularly enhanced combination of surveillance, lending and capacity development.

France welcomes the conclusion of the review of charges and surcharges and the review of the PRGT. Both reviews were essential to maintain the IMF at the heart of the Global Financial Safety Net. The adoption of the reform on charges and surcharges will alleviate the financial cost for borrowing countries, in the context of global elevated interest rates and economic uncertainty. The positive conclusion of the PRGT review paves the way for the self-sustainability of the Trust, while maintaining the Fund's capacity to respond with concessional loans to low income countries in addressing balance of payments needs, which is a priority for France. France looks forward to the review of access limits,

which will offer a timely opportunity to take stock of the evolutions brought by both those reviews, as well as by the 16th General Review of Quotas.

France welcomes that the Resilience and Sustainability Trust has found its place in the IMF lending toolkit to support vulnerable countries. Close to 20 RSF arrangements were approved, reflecting the timeliness of the trust. France welcomes the joint initiatives, with the IMF-WB collaboration on the climate side and the finalization of the IMF-WB-WHO collaboration principles on the pandemic side, that ensure the holistic design and the effectiveness of the RSF. Those partnerships are essential to tackle today's multidimensional structural balance of payment challenges in an effective manner.

The IMF should continue to be a catalyst for supporting vulnerable countries. France welcomes the coordinated action between IMF, the World Bank and other MDBs and encourages the IMF to develop also coordinated action with the regional and national development financial institutions. The catalytic role of the IMF is also at play with bilateral official creditors and France is mobilised to provide adequate budget support and development financing to countries in coordination with an IMF supported program.

France continues to support the channelling of SDRs to support vulnerable countries. Commitments to channel Special Drawing Rights (SDR) has reached USD 111,1 bn so far, beyond the 2021 political ambition, and delivery of these pledges is progressing to support the PRGT and the RST : USD 33.8 bn have been delivered as contributions to the PRGT and USD 43.5 bn to the RST. To go even further, the Executive Board has taken earlier this year the decision to authorize the use of SDR by IMF members for the acquisition of hybrid capital instruments issued by prescribed holders such as MDBs. France invites all countries that are willing and legally able to do so, to explore channelling Special Drawing Rights (SDRs) through MDBs, in order to strengthen MDB's financial capacity and provide additional support to vulnerable countries, and France is ready to contribute, in line with its legal framework, notably through participating in the liquidity guarantee proposed by African Development Bank and Inter-American Development Bank.

France thanks IMF for the support provided, together with the World Bank, for the implementation of the G20-Paris Club Common Framework for Debt Treatment. This platform of coordination gathering the official bilateral creditors has now delivered for Chad, Zambia and Ghana and is making progress for Ethiopia, providing a leverage to also negotiate debt treatments with the private creditors through the Comparability of Treatment principle. Progress for a swift implementation has to continue and France is committed to fully played its part on this learning by doing process.

France also encourages IMF, together with the World Bank and in coordination with the G20, to develop their "menu of options" to support countries facing financing challenges while their debt is sustainable. France supports the concept of a three-pillar country-specific solution, which would comprise support for country-led and ambitious macroeconomic reforms and investments, with a focus on domestic revenue mobilization, increased concessional financing from the international financial institutions, in coordination with voluntary contributions from bilateral creditors, creating favourable conditions to catalyse private capital flows.

On the 80th birthday of the Bretton Woods institutions, it is useful to reflect on the role of the IMF and ensure that it is fit for the world of today.

The factors of global change are numerous and fast-evolving, and the IMF must continue to adapt, as it has successfully done in the past, with a particular emphasis on partnerships, prevention and transformative challenges. As the challenges are multidimensional, the Fund cannot respond alone:

working even better with the World Bank and other international partners by further developing partnerships will be paramount, so as to make all the international financial institutions working as a system a reality. In a shock-prone world, the IMF should also invest more on prevention. This includes promoting a larger use of precautionary instruments, and further refining our engagement strategy in low income countries and fragile and conflict affected countries, with more work on long-term structural weaknesses and regional inequalities, and by broadening the advice on tax revenue mobilization. In that respect, the upcoming review of program design and conditionality is a opportunity that cannot be missed. The IMF should continue ongoing work to integrate and mainstream the new challenges in the workstreams that are within its mandate, with a view to further refine its advice on industrial policies, climate change et how to reconcile the mounting public spending pressures and the fiscal situation of many countries. To that end, France looks forward to the Comprehensive Surveillance Review.

In parallel, progress has to be pursued on IMF governance to continue to make it more representative of the world of today. The conclusion of the 16th General Review of Quota included a commitment to implement a realignment of quotas during the 17th Review. France is highly supportive of this agenda, which is part of the Paris Pact for People and the Planet, and is keen to deepening the discussion on the approaches to be developed by June 2025. Three principles should guide the approaches towards realignment: (i) a fair burden sharing between major economies; (ii) the voices and representation of the poorest countries must be protected; (iii) a greater representation must go hand in hand with greater responsibilities in multilateralism and tackling global challenges.