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EU Council of Economic and Finance Ministers

STATEMENT ON BEHALF OF THE PRESIDENCY OF THE EU COUNCIL OF ECONOMIC AND FINANCE MINISTERS, AT THE IMFC SPRING MEETING, WASHINGTON, DC, 25 APRIL 2025

1. Today's world is changing quickly, and economic fragmentation is accelerating. The rules-based multilateral system continues to be the most effective means to govern global relations in a way that benefits all. In this context, we continue to be firmly committed to a strong, quota-based and adequately resourced IMF at the centre of the Global Financial Safety Net (GFSN).

2. The global economy has adapted to multiple shocks in recent years and shown clearly the importance of sound policies and building up resilience. It continued to grow at a steady but still subdued pace in 2024. The continuation by Russia of its unjustified war of aggression against Ukraine weighs on the global economy. Announcements and introduction of new tariffs are already weighing on economic growth, and contribute to economic headwinds, increased uncertainty and new downside risks, notably for the most vulnerable economies. Tariffs also hurt the country that imposes them, weighing on jobs, inflation and economic growth. Tariffs will not resolve global imbalances, which are mainly the result of domestic, macroeconomic and structural factors. The European Union remains committed to an open, rules-based and predictable global trading system that benefits all partners. We will continue to seek to forge positive agendas, including on trade, with all our partners.

3. It is for Ukraine to negotiate and determine the terms of peace and there can be no negotiations on Ukraine without Ukraine, nor negotiations that affect European security without Europe's involvement. From the onset of Russia's unprovoked and unjustified war of aggression against Ukraine, the EU underlined the need to put an end to it through a comprehensive, just and lasting peace based on the principles of the UN Charter and international law. The EU has from the very beginning stood by Ukraine and remains committed, in coordination with like-minded partners and allies, to providing enhanced political, financial, economic, humanitarian, military and diplomatic support to Ukraine and its people until such a peace is reached. The EU will fully assume its responsibilities in this process. The EU deplores the breakdown of the ceasefire in Gaza and the civilian casualties. The EU calls for an immediate return to the full implementation of the ceasefire-hostage release agreement. It is critical that both sides uphold their commitments and proceed phase by phase. The situation in Lebanon remains challenging. The EU reiterates its call on the parties to implement the terms of the 27 November 2024 ceasefire agreement and for the implementation of UN Security Council Resolution 1701. As regards the situation in Syria, we support a Syrian-led, Syrian-owned peaceful and inclusive transition. The EU welcomes the outcome of the ninth Syria Conference "Standing with Syria: meeting the needs for a successful transition" of 17 March 2025.

4. The EU is Ukraine's largest international donor, with to date EUR 144 billion provided in assistance to Ukraine and its people, together with the bilateral support provided by EU Member States, including through hosting those fleeing Russia's war of aggression.
The EU's budget support to Ukraine takes the form of grants and highly concessional loans with long grace periods and repayment maturities up to 35 years. This support will continue, ensuring Ukraine can meet its financing needs. Following the establishment of the EUR 50 billion Ukraine Facility in March 2024, EUR 16.1 billion has already been disbursed, with an additional EUR 12.5 billion expected in 2025, subject to the successful implementation of policy conditions under the Ukraine Plan. In response to the European Council conclusions of 27 June 2024 and the G7 summit communiqué of 15 June, the EU adopted a Regulation in October 2024 establishing the Ukraine Loan Cooperation Mechanism, enabling up to EUR 45 billion in loans to Ukraine under the G7 'Extraordinary Revenue Acceleration Loans for Ukraine' initiative, to be repaid using the windfall profits stemming from Russia's immobilised central bank assets. As part of this initiative, the EU is providing an exceptional macro-financial assistance loan of EUR 18.1 billion, to be disbursed throughout 2025. In total, the EU will provide Ukraine in 2025 with EUR 30.6 billion through both the Ukraine Facility and the G7 ERA initiative.

5. We commend the IMF's close engagement with Ukraine and its continued support. We welcome the successful completion of the seventh review of the Extended Fund Facility (EFF), and we commend the Ukrainian authorities for the continued strong programme performance despite challenging conditions. So far, over USD 10 billion has been disbursed under the EFF, which aims to support the Ukrainian authorities in anchoring policies that sustain fiscal, external, price and financial stability, while promoting long-term growth in the context of post-war reconstruction and Ukraine's EU accession negotiations.

6. In addition to the support provided to Ukraine, the EU actively continues to provide macro-financial assistance (MFA) to partner countries experiencing balance of payment crises, complementing the resources provided by the IMF and other multilateral financial institutions. The EU continues to support Moldova, with an MFA operation successfully completed in December 2024, bringing total support under this operation to EUR 295 million. In light of the evolving geopolitical and economic challenges in the Middle East, the EU is also supporting Egypt and Jordan with MFA programs. An MFA operation with Egypt was successfully completed with EUR 1 billion loan disbursed in December 2024. The proposals by the European Commission for new MFA loan operations for Egypt (of up to EUR 4 billion) and Jordan (of up to 500 million in loans) are currently under consideration by the EU Council and the European Parliament. The European Commission is also working on an additional MFA proposal for Jordan, amounting to up to 500 million in loans. In addition to these efforts, the EU continues to support developing countries through the Global Gateway Initiative and remains the largest global provider of Official Development Assistance (ODA).

7. The EU economy, with its sound economic fundamentals and strengths, continues to prove resilient and generate employment. This is thanks to a strong, joint, and timely policy response at the Union and Member State levels in the face of recent major economic shocks, notwithstanding the specific impacts of Russia's war on Ukraine and the weakening of global trade. EU GDP growth is set to gradually pick up in 2025. The robust labour market along with higher wages and a further reduction in inflation are set to keep supporting consumption growth, while loosening of financial conditions and coordinated policy actions under the "Next Generation EU" (NGEU) initiative will continue to support investment.

8. The implementation of the new EU economic governance framework started in autumn 2024 and is progressing well, with most Member States having submitted their plans for fiscal policy and structural reforms for the years ahead. In line with the risk-based approach of the new framework, the medium-term plans contain country-specific fiscal paths with differentiated adjustments. There is a need for gradual and sustained fiscal consolidation over the medium term, while supporting investment and reforms, and promoting sustainable economic growth, thus improving fiscal sustainability. At the same time, uncertainty remains high, and the changing environment constitutes an existential challenge for Europe. Therefore, the EU has resolved to accelerate its investment to become more sovereign, more responsible for its own defence and better equipped to act and deal autonomously with immediate and future challenges and threats with a 360° approach. The EU will accelerate the mobilisation of the necessary instruments and financing to bolster the security of the European Union. Fiscal sustainability and the security of the EU are both indispensable for our future and prosperity. EU public investment is also set to continue increasing, supported by a positive impact from the Recovery and Resilience Facility. Continuing to maintain or increase investments, and structural reforms, remains essential to promote sustainable and inclusive growth and resilience. Accelerated mobilisation of private capital will play a vital role in the EU's efforts.

9. The EU and its Member States continue to implement the Next Generation EU (NGEU) recovery instrument. The total amount of grants and loans disbursed so far under the Recovery and Resilience Facility (RRF), the instrument at the heart of NGEU that supports structural reforms and investments within the EU, crossed the threshold of EUR 300 billion. The European Commission estimates that NGEU has the potential to increase EU real GDP by up to 1.4% in 2026 (compared to a situation without NGEU). In addition, the reforms included in the recovery plans are expected to have a significant growth-enhancing impact, which will play out in the longer run. Further, the EU also aims to catalyse private investments towards EU policy priorities through the InvestEU Programme, which intends to mobilise over EUR 372 billion of investment through the backing of an EU budget guarantee (with a further 50 billion expected following the Commission's recent InvestEU enhancement proposal).

10. The EU and its Member States are taking action to enhance the competitiveness and resilience of the European economy in the face of ongoing global transformations. Our ability to invest, to innovate, to support a competitive economy, and to maintain sustainable public finances will not only shape our capacity to support European living standards, but also contribute to the resilience of the European economy. To this end, the European Commission has put forward through the "Competitiveness Compass", a strategic framework to guide the work on strengthening EU competitiveness over the next five years. It builds on the findings and recommendations of the reports by Enrico Letta on the future of the EU Single Market and Mario Draghi on the future of European Competitiveness and provides a list of initiatives to be developed or finalized over the coming months. The EU and its Member States will continue working collaboratively to deliver impactful structural reforms and investments.

11. The EU will continue to work closely with international partners to advance a just transition towards net-zero and stay the course, in line with the Paris Agreement, and in light of the increasing impacts of climate change. The EU looks forward to work with partners in presenting ambitious Nationally Determined Contributions ahead of COP30 in November. To advance its own transition towards a climate-neutral economy, the EU adopted key pieces of legislation of the European Commission's "Fit for 55" package. Europe is also determined to lead the clean tech revolution. The European Commission published the Clean Industrial Deal in February 2025, which outlines the measures to boost the business case for investments in support of a competitive and sustainable European industry. The EU continues to make progress on its sustainable finance framework, while encouraging the private funding of transition projects and technologies.

12. EU Member States reaffirm their commitment to the IMF which remains fit-for-purpose and will continue to address the challenges of the 21st century. The IMF plays an essential role in promoting global monetary cooperation and supporting countries in line with its mandate, thereby bolstering the stability of the international monetary and financial system. In this regard, EU Member States welcome the launch last year, by the IMF and the World Bank, of the Bretton Woods at 80 initiative to reflect on a long-term vision for the roles of these institutions. Over the years the IMF has developed highly relevant expertise, policies, tools and practices that make it a key pillar of the international financial architecture. EU Member States support the work on the Fund for the Future initiative as a medium-term reflection on the IMF's priorities on surveillance, lending and capacity building. The core of the Fund's mandate is to promote macroeconomic and financial stability, and it has continuously demonstrated its ability to help its members navigate through changing circumstances, as a trusted adviser. EU Member States are committed to working constructively on the upcoming reviews on the Comprehensive Surveillance Review, the review of Program Design and Conditionality, the FSAP review, the review of the Short-Term Liquidity Line and the review of the Exceptional Access Policy as well as to engage in discussions on enhancing the existing debt restructuring architecture and preserving the key role of capacity building in fragile and conflict-affected states and macro-critical aspects of cross-cutting issues such as climate and gender.

13. The EU welcomes the conclusion of the IMF's 16th General Review of Quotas which will maintain the Fund's current resource envelope and strengthen the quota-based nature of the Fund. The priority now is for IMF members to finalise domestic procedures and provide national consent to the respective quota increases and NAB rollback by the new extended deadline of 15 May 2025, as well as for BBA creditors to sign its temporary extension. We call on all IMF members to provide consent to the quota increase as soon as possible. We will continue to work constructively on possible approaches for guiding an IMF quota share realignment, as agreed in the IMFC Chair's Statement in October 2024, under the 17th General Review of Quotas. We reiterate that an ad hoc approach would also be useful to consider, noting that fair burden sharing among all major advanced economies and protecting the quota shares of the poorest members are essential. We recall that the relevant IMF bodies remain the primary forum for discussion and decision making on the 17th GRQ.

14. EU Member States have collectively pledged around USD 37 billion of voluntary channelling of Special Drawing Rights (SDRs) (or equivalent contributions) to the Resilience and Sustainability Trust (RST) and the Poverty Reduction and Growth Trust (PRGT) and lead the way in transferring the resources to the IMF trust funds with around USD 35 billion delivered. We encourage countries to consider new voluntary contributions to bolster both the PRGT and the RST, and to deliver on their pledges, so that resources are effectively available for vulnerable countries. We note the importance to contribute constructively to the discussions at the 4th International Conference on Financing for Development.

15. Managing global debt vulnerabilities remains a key priority. The EU welcomes the progress made and calls for further efforts to step up implementation of the G20/Paris Club Common Framework (CF) for Debt Treatments in a more predictable, timely, orderly and coordinated manner. The agreements on debt treatment for Chad, Zambia, Ghana and Ethiopia show that the Common Framework delivers, while we recognize future debt agreements could be faster. We agree on the need to build on lessons learnt from ongoing country cases under the CF, including by developing a compendium on the general CF process to help borrowing countries navigate the process. We encourage further effective multilateral coordination of debt treatments in middle-income countries and welcome the agreement with Sri Lanka. We welcome ongoing work in the Global Sovereign Debt Roundtable as an important platform to facilitate common understanding among all stakeholders on global debt challenges. For situations where countries face liquidity pressures, but whose debt is sustainable, we support the ongoing work by the IMF and the World Bank to support vulnerable countries based on three pillars: i) structural reforms and domestic resource mobilization, supported by technical assistance, capacity development and policy advice; ii) external financial support, including from the IFIs; and iii) where relevant, actions to reduce debt servicing burdens. We also encourage further efforts on debt transparency from all actors, including the private sector.