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of the EU Council of Economic and Finance Ministers,
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1. Amid persistent uncertainty, global economic fragmentation and profound structural transformations, the EU stands steadfastly behind an open, fair, predictable, and rules-based multilateral system. The EU is firmly committed to a strong, quota-based and adequately resourced IMF at the centre of the Global Financial Safety Net (GFSN). EU Member States reiterate their strong commitment to upholding the Fund's role in promoting global macroeconomic and financial stability, by fostering international cooperation and providing independent, candid and even-handed policy advice.

2. The global economy is facing major challenges related to policy uncertainty, trade tensions, wars and conflicts, including Russia's illegal war of aggression against Ukraine, conflict in the Middle East, disruptions to key supply chains, energy security and fiscal vulnerabilities. The ongoing conflict in the Middle East is a significant adverse shock, notably (via) energy markets, raising inflationary pressures, weakening confidence and weighing on activity. The impact, which has been hardest on vulnerable economies, has been mitigated so far by the release of strategic oil reserves, reconfiguration of production and trade patterns, fiscal support to households and the ongoing AI-driven investment cycle, particularly in the United States and Asia. At the same time, developments on the funding side (in relation to both AI investments and government borrowing at long maturities) signal potential financial stability risks that should be closely monitored. Risks to the outlook for growth remain tilted to the downside.

3. The EU promotes a positive trade agenda aimed at striking the right balance between market openness and economic security. This includes supporting the diversification of supply chains – through trade partnerships, wherever possible, and via autonomous trade instruments where necessary. The EU's engagement with trade partners can be illustrated by the recent agreements with Mercosur and India, and the new agreement with Australia. Strengthening the multilateral trading system also remains essential. A deep and comprehensive reform of the World Trade Organisation is necessary to ensure that it can continue to deliver effectively on its objectives and tackle the challenges of the 21st century. The EU remains actively engaged in the reform process and laid down its approach to WTO reform in three new papers tabled in July in Geneva.

4. Global macroeconomic imbalances have widened in recent years and warrant renewed policy attention. While some imbalances reflect underlying fundamentals such as relative income levels, cyclical positions, or demographics in a context of open and rules-based international trade and global capital flows and are not, per se problematic, persistent and excessive imbalances beyond those justified by fundamentals, and stemming from distortions, are a concern. They are best addressed in a cooperative, timely manner – ideally simultaneously – through appropriate and differentiated policy action, notably by tackling unsustainable policies, distortions or rigidities, to support an orderly adjustment process by the main players and to avoid negative spillovers. Large-scale non-market policies, especially when combined with macro measures and policies that have a bearing on exchange rate adjustment, can materially affect savings-investment balances, amplify excessive current account divergence, generate spillovers and hinder adjustment. Tariffs will not resolve global imbalances. We note that the euro area surplus has narrowed and is assessed as broadly in line with fundamentals. EU Member States support the IMF's role in providing impartial and well-founded analysis to inform policy discussions of global imbalances in various forums, including by updating and refining the External Balance Assessment model to tackle estimation limitations and increase explanatory power. We also encourage further analysis of the role of industrial policies, financial factors, managed exchange rate regimes and alternative rebalancing scenarios, including the benefits of action as well as the costs of inaction.

5. The EU supports the G20 regulatory and supervisory modernisation exercise and shares the objective to make sure that the financial regulatory framework remains fit for purpose. The exercise should focus on simplification whilst preserving the resilience and stability of the financial system.

6. There can be no negotiations on Ukraine without Ukraine, nor negotiations that affect European security without Europe's involvement. The EU has from the very beginning stood by Ukraine and in recent years significantly stepped up its commitment, in coordination with like-minded partners and allies, to provide enhanced financial, economic, humanitarian, military and diplomatic support to Ukraine and its people. The EU will fully assume its responsibilities in this process.

7. The EU and its Member States are Ukraine's largest international donor, providing over EUR 216.7 billion in assistance. On 24 February 2026, the European Parliament and the Council adopted Regulation (EU) 2026/467, establishing the Ukraine Support Loan (USL) for 2026 and 2027 under enhanced cooperation. The Regulation provides for a limited-recourse loan of up to EUR 90 billion to address Ukraine's budgetary and defence needs. This support is structured in two components, with approximately two thirds allocated to military assistance, and the remaining one third provided as general budget support. To date, EUR 11.6 billion has been disbursed under the USL, comprising EUR 3.2 billion in macro-financial assistance and EUR 8.4 billion for defence procurement.

8. Disbursements from the EU and G7 members under the G7 Extraordinary Revenue Acceleration initiative have been largely completed, providing Ukraine with approximately EUR 44 billion in loans out of the EUR 45 billion total package. These loans will be repaid using the windfall profits stemming from Russia's immobilised central bank assets. As part of this initiative, the EU provided an exceptional macro-financial assistance (MFA) loan of EUR 18.1 billion, fully disbursed in 2025.

9. We commend the IMF's continued engagement with Ukraine in a situation of exceptionally high uncertainty, including its new 48-month, extended arrangement under the Extended Fund Facility (EFF), amounting to USD 8.1 billion. This is underpinned by financing assurances from Ukraine's international partners. We welcome the completion of the first review of the arrangement on 20 July 2026, which enabled the disbursement of approximately USD 690 million. The IMF programme remains key in anchoring expectations for macroeconomic stability, restoring debt sustainability and external viability, and promoting long-term growth in the context of post-war reconstruction and Ukraine's EU accession path.

10. In this respect, we commend Ukraine for its steadfast and prudent crisis management, which has preserved macroeconomic and financial stability under wartime conditions, and call for accelerating structural reform efforts to sustain these hard-won achievements. We count on the commitment of Ukraine's authorities to implement, within respective timelines, reforms agreed under the IMF program, the Memorandum of Understanding (MoU) of the new EU Macro-financial assistance and the Ukraine Plan under the EU Ukraine Facility.

11. 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. Considering the evolving geopolitical and economic challenges in the Middle East, the EU is currently supporting Egypt and Jordan with MFA programs. Under the EUR 4 billion MFA loan operation to Egypt approved in June 2025, the EU disbursed in January 2026 the first instalment of EUR 1 billion, and on 24 July the second instalment of EUR 1.5 billion. Implementation is ongoing on the fourth MFA programme for Jordan (up to EUR 500 million in loans) and discussions are ongoing with the Jordanian authorities on the Memorandum of Understanding (MoU) for the fifth programme (up to a further EUR 500 million). These operations strengthen reform efforts and regional stability in key EU partners in the Middle East.

Developments in the EU

12. The EU economy has demonstrated a relatively high degree of resilience amid a challenging geopolitical environment and high uncertainty. The inflation and growth outlook for the EU have become more uncertain due to the continuing conflict in the Middle East. The risk of broader economic fallout remains elevated, including as regards structural trade and insurance costs, migration pressures and geoeconomic fragmentation. Still, the EU economy is expected to continue to generate employment and real wage growth, thanks to its solid economic fundamentals and institutional strengths, which should keep supporting consumption growth. Investment is expected to rebound this year, also supported by the Recovery and Resilience Facility (RRF) in its last implementing year.

13. The euro area fiscal stance is expected to turn mildly expansionary in 2026, driven by the RRF and by growth in national current expenditure and nationally financed public investment, including for defence. The reformed economic governance framework continues to guide fiscal policy towards improving debt sustainability while supporting investment and productivity-enhancing structural reforms, which remain essential to promote sustainable and inclusive growth and resilience. The ECB is closely monitoring the intensity and duration of the Middle East shock, as well as its indirect and potential second-round effects on price dynamics, and is setting monetary policy to ensure that inflation stabilises at its 2% target in the medium term. The EU and its Member States are accelerating implementation of the Next Generation EU (NGEU) recovery instrument. The total amount of grants and loans disbursed by mid-September 2026 under the RRF, the core of NGEU which incentivises investment and reforms by Member States, reached EUR 440 billion, with 61.9% of grant support. Investment and reforms included in the recovery plans are expected to have a growth-enhancing impact. Further, the InvestEU Programme aims to catalyse private investments towards EU policy priorities.

14. To enhance the competitiveness, productivity and resilience of the European economy, the EU continues with the implementation of its Competitiveness Agenda based on the "Competitiveness Compass", a strategic framework that builds on the findings and recommendations of the reports by Mario Draghi on the future of European Competitiveness and Enrico Letta on the future of the EU Single Market. A key priority is completing the Single Market by removing remaining barriers to intra-EU trade. In addition, the Commission has presented several key initiatives in areas such as clean industry to support competitive decarbonisation, wide-ranging regulatory simplification, a banking competitiveness package, the EU Savings and Investments Union to better channel savings into productive investments by providing better access to capital markets, and innovation and R&D, with targeted measurers for strategic sectors and technologies, including AI, and support to start-ups and scale-ups through a new harmonised corporate legal regime under the "EU Inc. Initiative".

15. Significant progress in renewable energy deployment across the EU since 2022 has helped contain the impact of the latest energy shock. By 2025, renewable energy sources accounted for about 48% of the EU's electricity consumption, reducing dependence on fossil fuels for its electricity mix, although the energy mix varies across Member States. Most EU Member States have adopted measures to mitigate impact on citizens and businesses. With global uncertainty remaining high, the EU continues to intensify efforts to accelerate electrification, further enhance sovereignty, strengthen defence and security capabilities and equip itself to deal autonomously with immediate and future challenges and threats. The necessary transition to higher levels of defence spending in the medium term is being facilitated by the activation of the national escape clause (NEC) of the Stability and Growth Pact in many Member States. These will also have the opportunity to request the extension in the scope of the NEC for defence to include measures that strengthen energy security.

16. The EU underlines that climate action, adaptation, sustainable development, the deployment of clean technologies and industrial transformation can enhance competitiveness and strengthen economic resilience. The EU will continue to work closely with international partners to advance a just transition to a net-zero economy, in line with the Paris Agreement and in light of the increasing impacts of climate change. Identified risks to achievement of the 1.5°C goal make global climate action, especially by major emitters, more, not less, relevant. Building on the outcomes of COP30 and preparations for COP31, the EU remains committed to strengthening multilateral cooperation, supporting the submission and implementation of ambitious Nationally Determined Contributions, and accelerating action on mitigation, adaptation and resilience. The EU and its Member States also remain committed to the implementation of the New Collective Quantified Goal (NCQG) as part of a global effort to mobilise climate finance for developing countries. The EU emphasises the need to mobilise climate finance from all sources and to broaden the contributor base, and calls on all countries with the financial capacity to enhance their support. Moreover, we stress the urgency of enhanced action by all countries to make finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development in line with Article 2.1(c) of the Paris Agreement, recognising that this is both an international and a domestic imperative. The EU will continue to advance its own transition towards a climate-neutral economy by 2050, through the continued implementation of the key pieces of legislation of the European Commission's "Fit for 55" package and advance on the EU 2040 climate target. The EU will also continue to advance its Sustainable Finance Framework and promote the mobilisation of private capital for transition and resilient investments.

IMF Policy Issues

17. In a more uncertain world characterised by recurrent shocks and major structural transformations, the IMF plays an essential role in promoting global monetary and financial cooperation and supporting countries in line with its mandate. EU Member States support the work of the Fund and look forward to implementation of the recently completed policy reviews, namely the Comprehensive Surveillance Review, the Financial Sector Assessment Program Review, the Review of the Bank-Fund Debt Sustainability Framework for Low-Income Countries and the Review of Program Design and Conditionality. In this context, we support efforts to further enhance the effectiveness and the catalytic role of IMF programs through robust and effective conditionality tailored to country-specific circumstances. We support the Fund's continued focus on macro-critical current and emerging challenges, such as climate change and ecosystem degradation, extreme weather events and natural disasters, pandemics, conflicts and fragility, as well as on structural policies and reforms, including issues related to gender and improving economic governance. The IMF's independent analysis and surveillance work remain indispensable to identify macro-critical risks and thereby foster long-term economic and financial stability.

18. We welcome that many IMF members have already consented to their quota increase and look forward to the implementation of the 16th General Review of Quotas (GRQ) as soon as possible, which will maintain the Fund's current resource envelope and strengthen its quota-based nature. EU Member States stand ready to engage in discussions on quota and governance reform in line with the Diriyah Guiding Principles. At the same time, we recall that the current formula already delivers on the objective of quota realignment and that an ad hoc quota realignment may be a more pragmatic way forward than reviewing the formula. Any quota formula must be aligned with the IMF's mandate and must therefore adequately reflect integration into the global economy. Achieving a durable consensus on a new quota formula is already proving to be a long and arduous process. EU Member States have consistently indicated their willingness to contribute to a tailored, limited, and gradual quota re-alignment characterised by fair and broad burden-sharing whilst protecting the poorest members. This approach would also facilitate a quota realignment in the absence of a general quota increase. We also underline that higher quota shares should, as a matter of principle, come hand in hand with commensurate responsibilities.

19. EU Member States have voluntarily pledged around USD 39 billion of Special Drawing Rights (SDRs) (or equivalent contributions) to the Resilience and Sustainability Trust (RST) and the Poverty Reduction and Growth Trust (PRGT) and have transferred around 97.5 per cent of their pledges. We encourage IMF members to deliver on their pledges and to consider new voluntary contributions, to bolster both the PRGT and the RST, so that resources are made effectively available for vulnerable countries. We continue to explore ways to deliver assurances under the PRGT Financing Framework in order to ensure its long-term self-sustainability.

20. Global debt vulnerabilities remain a critical area of focus. While progress in implementing debt restructuring agreements under the G20 Common Framework (CF) is encouraging, further acceleration is needed to enhance the CF predictability, efficiency and timeliness. The recently published illustrative MoU for the Common Framework by the G20 and the Paris Club is an important and welcome step in this regard, specifically towards improving the effectiveness, predictability and credibility of sovereign debt treatments. A coordinated approach on debt restructurings for vulnerable middle-income countries is also needed, based on lessons learned from country cases. This could include extending the Common Framework to middle-income countries, as appropriate. We welcome efforts to enhance the understanding and coordination between all creditor-types, including via the Global Sovereign Debt Roundtable, in order to facilitate debt restructuring processes and tackle emerging debt sustainability risks. Preventing debt crises before they emerge is just as important as managing them once they occur. We therefore encourage increasing support to countries with sustainable debt and a strong reform and growth-enhancing agenda, but facing short-term financing challenges, by further strengthening the implementation of the IMF-World Bank 3-Pillar Approach and continued capacity development on debt management. We also encourage further efforts from all stakeholders, including the private sector, to strengthen debt transparency and enhance data accuracy, particularly through refined debt data reconciliation mechanisms and broader participation in the WB Data Sharing Exercise. Finally, we consider that the rising share of low-income countries' debt owed to multilateral creditors (notably, the IMF and the World Bank) warrants close attention.