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Statement by Mr. Champagne
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 François-Philippe Champagne
Minister of Finance and National Revenue, 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

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The global economy has shown resilience in the face of significant shocks, but buffers have been eroded, uncertainty remains high, considerable risks cloud the outlook, and outcomes continue to diverge across the membership. Despite relatively stable growth at the global level, many countries face a difficult mix of slowing output, high inflation, constrained fiscal space, significant debt and debt service burdens, persistent geopolitical tensions, and increasing climate-related risks. These challenges are particularly acute for low-income countries, small states – including many in our constituency – and countries affected by fragility and conflict.

Against this backdrop, the Managing Director's latest Global Policy Agenda rightfully notes that continued resilience should not be taken for granted or lead to policy complacency. In light of ongoing uncertainty, rapid technological change, and global transformations, it is more important than ever to foster private sector growth and investment, and to build domestic resilience through credible policy frameworks and structural reform. The IMF's sound analysis and advice serve us well in this regard.

We recognize that ongoing conflicts, including those in the Middle East and Russia's war against Ukraine, are slowing down growth momentum and compounding uncertainty. These conflicts continue to have dire humanitarian, economic and security consequences in their respective regions and around the world. Disruptions in the Strait of Hormuz, the Red Sea and the Bab el-Mandeb Strait are increasing energy, food and shipping costs, underscoring the importance of safe and unimpeded maritime navigation in accordance with international law. With respect to ongoing conflicts in the Middle East, we appreciate the efforts by the IMF, the World Bank Group, the International Energy Agency and the World Trade Organization to monitor the energy, trade and economic impacts across countries and regions, assess potential financing needs, and coordinate their support as appropriate.

We reaffirm our continued support for Ukraine in the face of Russia's illegal war of aggression. Despite exceptionally challenging conditions, the authorities have maintained economic stability and made good progress under the new IMF-supported program approved in February 2026. Our constituency will continue working with partners to ensure Ukraine has access to the financing it needs, as it lays the foundation for a prosperous, resilient, and economically viable future.

Strong governance and adequate resourcing of the Fund remain priorities for our constituency. We reiterate the importance of timely implementation of the 16th General Review of Quotas. Our constituency members are continuing to advance their necessary domestic processes, and we

encourage all IMF members to complete theirs promptly. We remain firmly committed to advancing the discussions on further quota and governance reforms, guided by the Diriyah Guiding Principles. We also welcome members' progress toward implementing the Poverty Reduction and Growth Trust's 2024 financing framework, which will enable the IMF to continue supporting low-income members.

The completion of three major IMF policy reviews this Fall – the Comprehensive Surveillance Review, the Financial Sector Assessment Program Review, and the Review of Program Design and Conditionality – represents a significant achievement that seeks to enable the Fund to better respond to current and emerging challenges in the global economy and better serve the needs of its members. We look forward to sharper analysis and surveillance of the external sector, outward spillovers and exchange rates, as well as a deeper understanding of the drivers, consequences and policy responses to persistent and excessive global imbalances. Both these areas lie at the heart of the IMF's mandate to oversee the effective operation of the international monetary and financial system.

Our constituency remains a steadfast supporter of the IMF's capacity development work, which is essential in helping members build lasting policy and institutional capacity to overcome their challenges and become more resilient. We welcome ongoing efforts to improve the integration of capacity development with the Fund's other core functions, surveillance and lending. In the current constrained global fiscal environment, we encourage the Fund to continue advancing efforts to diversify and broaden its partner base and enhance funding flexibility to support the long-term sustainability of capacity development delivery. In this context, we thank staff for their initial work on a capacity development short-term liquidity mechanism, which could help mitigate unanticipated liquidity shortages and resource shortfalls, and look forward to further details.

We remain committed to addressing the ongoing challenges to debt sustainability, noting that sovereign debt levels remain historically elevated and that high debt-service costs are increasingly constraining fiscal space and growth-enhancing investment. We welcome the new Low-Income Country Debt Sustainability Framework and look forward to its timely implementation and application. We welcome progress in implementing the IMF-World Bank Group's Three-Pillar Approach, which is particularly relevant for countries with sustainable debt burdens and strong reform agendas but facing acute liquidity and debt-service pressures. We encourage further strengthening the Three-Pillar Approach through greater engagement with private sector creditors and the development of innovative financing solutions that can help countries manage temporary shocks while preserving fiscal space for development and growth.

Our constituency remains committed to supporting an IMF that is focused, effective, well resourced, and responsive to the needs of its members. We see value in sustaining IMF work on macro-critical issues such as climate and gender, while deepening the IMF's analysis on global imbalances and artificial intelligence. In a more uncertain and shock-prone global environment, strong multilateral institutions and effective partnerships remain essential. By helping countries adopt sound policy frameworks, overcome balance of payments crises, and strengthen resilience, the IMF can deliver meaningful results and help lay the foundations for stronger, more sustainable, and more inclusive growth.