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Report to Parliament on the Government of Canada's International Assistance

2019–2020

VOLUME 2

**Engagement with international
financial institutions**

This volume of the report meets the reporting requirements of the *Bretton Woods and Related Agreements Act (Bretton Woods Act)*, sections 13 and 14; and the *European Bank for Reconstruction and Development Agreement Act (EBRD Act)*, section 7.

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Introduction

Volume 2 of the Report to Parliament on the Government of Canada's International Assistance 2019–2020 provides information on Canada's engagement with international financial institutions (IFIs)¹, with specific focus on engagements and operations at the World Bank Group (Section A), the International Monetary Fund (Section B), and the European Bank for Reconstruction and Development (Section C), as they respond to various reporting requirements under the *Bretton Woods and Related Agreements Act* and the *European Bank for Reconstruction and Development Agreement (EBRD) Act*.

IFIs provide financial and technical assistance to developing country governments, and in some cases private sector actors, to support poverty reduction and long-term economic development. These investments cover a wide array of sectors, including education, health, public administration, infrastructure, financial and private sector development, agriculture, and environmental and natural resource management. Some IFIs, including the International Monetary Fund and the World Bank Group, also support developing countries with policy advice, research and analysis, and capacity-development activities.

Canada provides core contributions to support IFI operations and activities, while also providing funds for specific projects. Canada also actively contributes to the development of IFI policies and provides oversight of IFI financial activities through membership on boards of governors and boards of directors, the latter bodies dealing with day-to-day decisions. Canada is also involved in the work of various internal committees and engages in meaningful dialogue with other shareholders.

In order to provide strategic direction for its engagement with IFIs, Canada develops key objectives that are informed by Canada's commitment to multilateralism, foreign policy, and development priorities, and general principles of good governance. Details on Canada's engagement priorities are presented in [Volume 1 of this report](#).

¹ This report only covers international assistance and ODA disbursed by the Government of Canada. The [Statistical Report on International Assistance](#) also includes international assistance and ODA from Canadian provinces, territories and municipalities. Please refer to the Statistical Report for detailed definitions of international assistance and ODA.



SECTION A: Canada's engagement in World Bank Group operations

Reporting requirements

The *Bretton Woods and Related Agreements Act* came into force in 1985 to govern Canada's engagement with the Bretton Woods institutions: the International Monetary Fund, and the World Bank Group (that is, the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, and the Multilateral Investment Guarantee Agency). The Bretton Woods institutions constitute important channels through which Canada delivers international assistance and supports global economic and financial stability.

As laid out in sections 13 and 14 of the *Bretton Woods and Related Agreements Act*, the Minister of Finance is required to table an annual report in Parliament that provides a general summary of operations under the Act and details of operations that directly affect Canada, along with communiqués issued by the institutions' governing committees. Sections A and B meet these reporting requirements.

For more information, refer to the text of the *Bretton Woods and Related Agreements Act* on Justice Canada's website: [Bretton Woods and Related Agreements Act](#).

Governance and representation

Canada's capital subscriptions and shareholding

The World Bank Group is governed by member countries, each of which owns shares of the agencies that make up the World Bank Group. Decision-making power is exercised primarily by countries, through their representative on the Board of Governors and their Executive Directors.

Canada is among the 10 largest shareholders at the World Bank Group. Since the World Bank's creation in 1945, Canada has contributed a total of US\$9.2 billion in capital subscriptions to the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), and Multilateral Investment Guarantee Agency (MIGA), and US\$12.2 billion in contributions to the International Development Association (IDA) (see Table A1).

Canada's current voting power ranges from 2.5% to 3% within the Bank's different institutions. Voting power at the Bank is a function of the shareholdings held by a country. A small share of a member's voting power is also determined by basic votes, which are distributed equally among all members.

Table A1: Canada's cumulative capital subscriptions, June 2020
(US\$ millions, unless otherwise indicated)

Description	IBRD	IDA	IFC	MIGA
Capital subscriptions and contributions	8,499.3	12,220.8 ²	620.2 ³	56.5
Amount paid in	619.5	12,220.8	81.3 ³	10.7
Amount not paid in but contingent on future capital requirements	7,879.8	–	–	45.8
Subscription or contributions share (%)	2.95	4.57	3.17	2.95
Voting power (%)	2.82	2.67	3.02	2.50

Information on the World Bank Group's 2019–2020 fiscal year (July 1, 2019 to June 30, 2020) is provided in the [financial statements](#) of each entity. Further information on the WBG's performance can be found on its [Results webpage](#).

2 Represents Canada's cumulative contributions to IDA.

3 While Canada's cumulative payments to the IFC amount to US\$81.3 million, Canada holds US\$620.2 million of shareholder capital as a result of the conversion of members retained earnings into paid-in capital.

Canada at the Board of Governors

Each member appoints a Governor to represent it on the Board of Governors, the highest authority governing the World Bank Group. Governors are responsible for core institutional decisions, such as admitting or suspending members, increasing or decreasing the Bank's authorized capital stock, determining the distribution of net income, and reviewing financial statements and budgets.

Canada's Governor at the World Bank Group during the reporting period was former Minister of Finance Bill Morneau. The position of Alternate WBG Governor was held by Diane Jacovella, Canada's former Deputy Minister of International Development, until September 2019, and has been vacant since.

Canada at the Executive Board

Governors delegate responsibility for the day-to-day running of the organization to 25 full-time Executive Directors, located at the WBG's headquarters in Washington, D.C. Executive Directors are appointed for two years. They each represent a constituency, which can include more than one country. Canada holds one of the 25 seats on the Executive Board and represents a constituency that is also composed of Ireland and 11 Caribbean countries. Representatives of the governments within the constituency provide advice to the Executive Director on issues discussed at the Executive Board. Canada's Executive Director to the WBG during the reporting period was Christine Hogan, until her departure in September 2019. Canada's current Executive Director is Louise Levonian

The Executive Board usually makes decisions by consensus. In the event of a formal vote, however, the relative voting power of individual Executive Directors is based on the shares held by the constituencies they represent. Further information on Canada's Executive Director's office can be found on the [World Bank website](#).

To learn more about the governance of the Executive Board, please visit the World Bank Group's [Board of Directors' webpage](#).

Canada at the Development Committee

By virtue of its significant shareholding, Canada's Governor is also accorded a seat at the Development Committee of the Boards of Governors of the World Bank and IMF. The committee meets twice a year, at the Spring Meetings and the Annual (Fall) Meetings. The Development Committee is a ministerial-level forum of the World Bank Group and the IMF for intergovernmental consensus-building on development issues and the financial resources required to promote economic development in developing countries.

In 2019–2020, Canada's Governor tabled two Development Committee statements on behalf of Canada's constituency, on [October 19, 2019](#), in Washington, D.C., and on [April 17, 2020](#) during a virtually-held meeting. Among other things, the Governor highlighted some of Canada's priorities at the WBG, including women and girls' empowerment, debt sustainability and transparency, coordination among IFIs, and a swift COVID-19 response.

Canada's financial contributions to the World Bank Group in 2019–2020

Canada is an important provider of funding to the World Bank Group. In 2019–2020, Canada made the following contributions, which are reported as Canadian official development assistance:

IDA contribution: **\$441.6 million**

IDA is one of the largest sources of assistance for the world's 74 poorest countries, 39 of which are in Africa. Strongly aligned with Canada's international assistance priorities, IDA-financed operations focus on primary education, basic health services, clean water and sanitation, environmental safeguards, business climate improvements, infrastructure, and institutional reforms. IDA provides countries with low-interest loans, interest-free loans and grants based on a country's level of income and record of success in managing their economy and their ongoing IDA projects.

During the reporting period of July 1, 2019 to June 30, 2020, Canada provided \$441.6 million, as agreed under the IDA18 replenishment. This corresponds to the third and last installment of Canada's IDA18 contribution. This contribution supports IDA's efforts to enhance aid effectiveness, finance large regional projects such as infrastructure projects, and provide special assistance for fragile states, such as Afghanistan and Haiti, while ensuring countries do not take on unsustainable levels of debt.

Multilateral debt relief through the World Bank: \$48.1 million

Under the Multilateral Debt Relief Initiative (MDRI), the World Bank, IMF and African Development Fund (ADF) agreed to cancel 100% of eligible debts owed by heavily indebted poor countries. At the G8 Summit in Gleneagles, United Kingdom, in 2005, Canada and other donor countries agreed to fully compensate the World Bank, IMF and ADF for the debts they cancelled on behalf of poor countries, so as not to undermine the ability of these institutions to provide new financial support to low-income countries. Canada's total commitment over the 50-year lifespan of the MDRI is \$2.5 billion and payments are made annually. Debt relief under the Heavily Indebted Poor Countries Initiative and the MDRI has substantially reduced debt burdens in recipient countries. During the July 1, 2019 to June 30, 2020 reporting period, Canada provided \$48.1 million to the World Bank Group for the MDRI.

World Bank Group trust funds: \$414.6 million

World Bank Group trust funds are an effective instrument for channeling donor funding to address key strategic development issues at the country, regional or global level. In particular, trust funds leverage bank funding for

development programs, particularly in post-disaster and post-conflict situations; enable donor and private sector financiers of development activities to partner with the Bank, consistent with harmonization objectives; build capacity to work in innovative areas; and work with civil society organizations. Trust funds can either be single- or multi-donor. Canada contributes to both types, with the majority of its contributions going to multi-donor trust funds.

Canada's engagement with the World Bank Group reflects a strong focus on:

- the Feminist International Assistance Policy, which puts the empowerment of women and girls at the centre of its development efforts
- the poorest countries and countries in conditions of fragility and conflict through both IDA and the IBRD/IDA trust fund portfolio
- global public goods, such as health, including maternal and child health, and climate change mitigation, through IBRD/IDA trust funds and financial intermediary funds (FIFs)
- private sector development, reflected in the funding of IFC advisory services and investments, and FIFs (such as the Global Infrastructure Facility); and
- country operations, with the majority of IBRD/IDA trust fund agreements either country- or region-specific. A high share (85%) of overall IBRD/IDA trust funds are recipient-executed.

Global Affairs Canada manages Canada's trust fund relationship at the World Bank Group. Table A2 provides a list of Global Affairs Canada trust fund disbursements in 2019–2020.

Table A2: Global Affairs Canada disbursements to WBG trust funds in 2019–2020

Trust funds	Disbursements between July 1, 2019 and June 30, 2020 (\$ millions)
AFRICA	
Ethiopia Resilient Landscapes and Livelihoods Multi-Donor Trust Fund (Resilient Landscapes & Livelihoods for Women in Ethiopia)	2.5
Umbrella Fund for Gender Equality (Supporting Leadership, School Retention and Achievement of Adolescent Girls in Senegal)	10.0
Disease Surveillance and Response in West Africa Multi-Donor Trust Fund (WARDS – West African Regional Disease Surveillance)	2.0
Ethiopia Second Agricultural Growth Project Multi-Donor Trust Fund (Agricultural Growth Program II in Ethiopia)	7.5
Mozambique Primary Health Care Strengthening Program-for-Results Multi-Donor Trust Fund (Strengthening National Sexual and Reproductive Health Services in Mozambique)	15.0
Canada-IFC Enhancing Extractive Sector Benefit Sharing Project (Enhancing Extractive Sector Benefit Sharing in Côte d'Ivoire, Ghana, Guinea and Kenya)	2.9
AMERICAS	
Support to girl access to secondary education in Haiti single-donor Trust Fund (Improving Girl's Access to Secondary Education in Haiti)	4.5
Caribbean Resilience Facility Trust Fund (Canada-Caribbean Resilience Facility)	4.0
ASIA	
Bangladesh Health Sector Support Project Multi-Donor Trust Fund (Strengthening Health Systems and Services in Bangladesh)	6.0
Afghanistan Reconstruction Trust Fund (ARTF— 2017–2020)	65.0
MIDDLE EAST AND NORTH AFRICA	
Jordan Inclusive Growth and Economic Opportunities Multi-Donor Trust Fund (Jordan's Growth Matrix)	4.0
Gender and Social Protection in Iraq Externally Financed Output	1.2
Multi-Donor Trust Fund for Iraq Reform, Recovery and Reconstruction Fund (I3RF—Iraq Reform, Recovery and Reconstruction Fund)	3.1
Umbrella Fund for Gender Equality (UFGE) Trust Funds (Mashreq Gender Technical Assistance Facility in Iraq, Lebanon and Jordan)	1.9
cont	

Trust funds	Disbursements between July 1, 2019 and June 30, 2020 (\$ millions)
Note: Total may not add due to rounding. Sources: Global Affairs Canada, Chief Financial Officer – Statistics	
GLOBAL INITIATIVES AND STRATEGIC POLICY	
Multi-Donor Trust Fund for the Global Financing Facility (GFF) in support of Every Women Every Child	40.0
Canada-World Bank Climate Innovation Financing Facility (Canada Clean Energy and Forest Facility (CCEFF) – Energy Transition Program)	156.0
Canada-World Bank Climate Innovation Financing Facility (Canada Clean Energy and Forest Facility (CCEFF) – Renewable Energy in SIDS)	30.0
Canada-World Bank Climate Innovation Financing Facility (Canada Clean Energy and Forest Facility (CCEFF) – Renewable Energy in Small Island Developing States (grant))	10.0
Canada-World Bank Climate Innovation Financing Facility (Canada Clean Energy and Forest Facility (CCEFF) – Sustainable Forest Landscapes)	40.0
Global Program for the Blue Economy (PROBLUE)	7.0
Total	414.6

Objectives and results of Canada's WBG trust funds

As Canada continues to engage with the World Bank Group through trust fund arrangements, the effectiveness of these partnerships is assessed to ensure that development outcomes are being achieved. Key areas of progress include:

- [Canada Clean Energy and Forest Facility](#)
- [Afghanistan Reconstruction Trust Fund](#)
- [Global Financing Facility](#)

In 2019–2020, Canada contributed \$236 million to the **Canada Clean Energy and Forests Climate Facility (CCEFF)**, which targets financing to where it is needed most in order to stimulate investment in inclusive, green growth. Established in 2020, the Facility will support transformational climate actions of World Bank projects, with a focus on Asia's clean energy transition, renewable energy in Small Island Developing States (SIDS), and

forests and sustainable land use. Financing from the Facility will catalyze and scale up clean energy climate financing across multiple sectors, accelerate energy efficiency and renewable energy market development, promote the mainstreaming of gender considerations in clean energy investments, and support sustainable landscapes, climate-smart land use, and green supply chains, as well as new financial instruments that promote private sector investment and public-private partnerships.

In 2019–2020, Canada contributed \$65 million to the **Afghanistan Reconstruction Trust Fund (ARTF)**. Established in 2002 to provide a coordinated financing mechanism for the Government of Afghanistan's budget, the ARTF has been one of Canada's main funding vehicles to deliver development assistance in Afghanistan. Canada's support since 2002 has helped the achievement of results in a number of areas such as reduced maternal mortality, significantly improved health indicators, and an increased number of students enrolled in basic and

secondary education, in particular the proportion of girls. Canada announced funding of \$135 million over three years (2020–21 to 2023–24) at the 2020 Afghanistan Pledging Conference in Geneva. Since 2002 and through the end of 2020, the ARTF has been the largest single source of financing for Afghanistan’s development, with US\$12.4 billion contributed by 34 donors to date to support the Government of Afghanistan’s civilian operations and development objectives. Canada has thus far contributed US\$805 million, or just under 7% of the total budget, and is the fifth largest donor overall following the United States, United Kingdom, the European Union and Germany.

In 2019–2020, Canada contributed \$40 million to the **Global Financing Facility (GFF)**. As a founding donor to the GFF, since 2015, Canada has committed a total of \$440 million to support GFF countries to prioritize and scale up investments to improve reproductive, maternal, newborn, child and adolescent health and nutrition through targeted strengthening of primary health care systems. Prior to the pandemic, GFF countries had seen positive trends in outcome indicators for under-five mortality, child growth, adolescent fertility, as well as reductions in maternal and newborn mortality.

World Bank procurement from Canada

The Trade Commissioner Service (TCS) works closely with Canadian companies to increase awareness and pursuit of multi-sectoral procurement opportunities at the IFIs. The TCS maintains the Offices of Liaison with International Financial Institutions (OLIFIs). The Washington, D.C., OLIFI helps businesses access WBG procurement opportunities.

Due to data availabilities, this section reflects contract awards for World Bank operational procurement only, and does not include sub-contractor information.

Table A3: Disbursements by IBRD and IDA borrowers: Goods and services from Canada (US\$ millions)

World Bank Fiscal Year (July 1–June 30)	Amount
Note: Based on World Bank Group figures as of July 31, 2020.	
2007–2008	61.4
2008–2009	51.6
2009–2010	80.0
2010–2011	49.8
2011–2012	31.2
2012–2013	177.6
2013–2014	105.5
2014–2015	47.1
2015–2016	27.1
2016–2017	19.6
2017–2018	37.1
2018–2019	53.0
2019–2020	15.6

Table A4: Disbursements by IBRD and IDA borrowers:
Suppliers of goods and services from Canada, 2019–2020
(US\$)

Supplier	Sector	Category	Amount
Note: Based on World Bank Group figures as of July 31, 2020. The World Bank fiscal year runs from July 1, 2019 to June 30, 2020.			
Nordastelo Inc	Agriculture	Consultant services	250,187
World Vision Canada	Health	Consultant services	3,032,263
Lea Consulting Ltd	Transportation	Consultant services	1,129,484
Exp. International Services Inc.	Water, sanitation, and waste	Consultant services	430,825
Individual Consultant	Not assigned	Consultant services	480,000
WSP Canada Inc	Not assigned	Consultant services	441,773
CPCS Transcom Limited	Not assigned	Consultant services	554,281
Osman S. Elmi	Not assigned	Consultant services	157,140
Bleakburn Capital L.P.	Not assigned	Goods	1,449,256
Individual Consultant	Not assigned	Consultant services	72,000
Individual Consultant	Not assigned	Consultant services	103,480
Spatial Dimension Canada Ulc	Not assigned	Consultant services	669,583
Mme Moira Hart Poliquin	Not assigned	Consultant services	126,967
Mme Moira Hart Poliquin	Not assigned	Consultant services	112,383
Individual Consultant	Not assigned	Consultant services	70,000
Doli Professional Corporation	Not assigned	Consultant services	102,629
Fokabs	Not assigned	Consultant services	206,038
Exp International Services Inc	Not assigned	Consultant services	643,966
CCISD	Not assigned	Consultant services	3,096,304
Basel Albishtawi	Not assigned	Consultant services	112,000
Idea International	Not assigned	Consultant services	1,400,526
Gemacor International	Not assigned	Consultant services	387,062
Marcel Equipment Limited	Not assigned	Goods	600,000

Communiqués of the Development Committee of the Boards of Governors of the World Bank and IMF (as required under the *Bretton Woods Act*)

World Bank-IMF Annual Meetings 2019: Development Committee Communiqué

October 19, 2019

1. The Development Committee met today, October 19, in Washington, DC.
2. Global growth remains subdued, reflecting the softening pace of investment and trade. Downside risks persist due to continued policy uncertainty, trade tensions, financial volatility, and rising debt. We call on the World Bank Group (WBG) and International Monetary Fund (IMF) to continue cooperating and work with countries to bolster potential growth, increase resilience to shocks, boost domestic revenues and continue building policy buffers. They should also consolidate the multi-pronged approach with borrowers and creditors to address the increase in debt vulnerabilities in emerging and low-income economies, as well as promote sustainable and transparent borrowing and lending practices. We ask the Bank Group and IMF to promote effective regulatory and operational measures for fostering tax transparency and combating illegal tax avoidance, money laundering, illicit financial flows and other challenges to the integrity of the international financial system, including tackling corruption. Efforts should also protect the most vulnerable, enable private sector solutions, spur job creation and strengthen public sector efficiency.
3. We welcome the 2020 World Development Report—Trading for Development in the Age of Global Value Chains. The positive effects of the expansion of trade and value chains are evident in their impact on economic growth and income gains, jobs, productivity, technology transfer, and most importantly, poverty reduction. At the same time, trade gains remain unevenly distributed within and across countries. We call on the Bank Group to work with member countries to strive to realize free, fair, nondiscriminatory, transparent, predictable and stable trade and investment, while protecting the environment and ensuring that the gains from participation are equitably distributed.
4. We appreciate the progress reported in the Human Capital Project Update, particularly the concrete institutional and policy reforms of participating countries. We encourage the Bank Group to continue working with public and private sector partners to prioritize analytics and strengthen systems, interventions and investments that improve human capital outcomes, with continued refinement of the Human Capital Index methodology. The outcomes include: improving revenue mobilization and public expenditure management, making progress toward universal health coverage in developing countries, ensuring quality education as well as lifelong learning to prepare workers for current and future job market needs, investing in and empowering women, expanding the coverage of social safety nets and improving service delivery. These actions are essential to achieving the twin goals of eliminating extreme poverty and boosting shared prosperity in a sustainable manner.

5. We welcome the paper on Jobs and Economic Transformation: Drivers, Policy Implications and World Bank Group Support. We appreciate Bank Group support of country-specific priorities that bring together analytics, policy advice, and tools to support jobs and economic transformation, while de-risking and catalyzing private investments. We support coordination and urgent action within the Bank Group to support institutional development and governance reforms, create markets and jobs, spur private investment, reduce barriers to creating businesses, address labor demand and supply constraints, enhance opportunities for women and youth, expand regional projects and collaboration as well as leverage regional integration and south-south cooperation. We urge management to mainstream and operationalize this agenda, drawing on lessons from past successes and on the framework provided in the paper, customized to country contexts, and ask that the Board be updated on this approach by Spring 2020.
6. Countries affected by fragility, conflict, and violence (FCV) face a complex landscape exacerbated by, among other issues, natural disasters, climate change, weak governance, inequalities, exclusion and poor access to energy. They have high numbers of vulnerable people, demographic and migration pressures and forced displacement. These factors create risks and challenges, and to overcome them requires innovation and increased support. Fighting poverty and promoting shared prosperity in FCV situations is key to furthering progress toward the twin goals and the SDGs. The Bank Group and the IMF must remain engaged, with strong local teams in place, to prevent, mitigate, and build resilience to crises while strengthening institutions, developing quality infrastructure, and partnering with the private sector. We look forward to the Bank Group's new FCV strategy that aims to address the drivers of FCV in affected countries, including fragile small island states, and their impact on vulnerable populations. We also expect the strategy to guide context-specific and regional interventions, policy dialogue, and operational partnerships via country programs and country platforms with key bilateral and multilateral partners, including the UN.
7. It is critical that accountability mechanisms for Bank Group projects remain strong and effective, especially as the organization intensifies its work in more challenging environments. We reiterate the importance of the World Bank Inspection Panel and the IFC and MIGA Compliance Advisor Ombudsman in enhancing development outcomes.
8. The private sector is crucial to generating jobs and raising living standards. We appreciate the role of the Bank Group, including IFC and MIGA, in continuing to provide upstream advisory services, facilitate and expand investments and create markets by engaging with all clients, while prioritizing IDA and FCV countries. We support their efforts to build opportunities for private sector solutions while maximizing development impact, including through the upcoming MIGA strategy. We encourage IFC and MIGA to continue to be proactive and innovate to increase private sector investments and support entrepreneurship, including SMEs.
9. We agree on the critical role of IDA, the Bank's fund for the poorest countries, in helping to tackle the most important development challenges facing the global community. We welcome the strong implementation of IDA18 and ask that lessons learned be captured and applied to IDA19. The overall direction of IDA19, with its special themes and cross-cutting issues, represents an ambitious agenda. To deliver on this, we look forward to a successful IDA19 replenishment, with strong support from existing and new donors. We ask IDA to continue to focus on delivering results on the ground through its core financing and

dedicated windows. We also welcome the one-third increase in IMF concessional financing available to low-income countries approved in May 2019, which provides more room for the IMF to support its poorest and most vulnerable members.

10. Gender equality is a priority for the Bank Group, and we are encouraged by the implementation of its Gender Strategy, reinforced by commitments related to IDA and the capital increase. Going forward, it will be critical to further deepen this implementation. We also welcome the enhanced focus given to gender equality issues by the IMF, including in its country work.
11. We commend the progress in implementing the IBRD and IFC capital package and delivering on the Forward Look commitments of (i) serving all clients, (ii) leading on global public goods, (iii) creating markets and (iv) continually improving the business and operational model. IBRD should continue to engage clients across the income spectrum, while prioritizing additional financing towards countries below the graduation discussion income, in line with the commitments of the capital package. The Bank Group is uniquely placed to address global development challenges, and we encourage it to help implement country platforms to make better use of development resources and mobilize private sector solutions. We call for intensified engagement with clients to advance on the global issues identified in the capital package, namely crisis management and FCV, climate change, gender, knowledge and convening, and regional integration, and other specific issues such as energy security, biodiversity, illicit financial flows and pandemics. The Bank Group engaged on many of these issues at the recent UN General Assembly. The Bank Group should also continue to deliver on its Climate Change Action Plan.
12. We look forward to the adoption of the IFC capital resolutions by March 18, 2020, and we encourage ongoing work toward subscriptions and payment for the IBRD capital increase launched on October 2, 2018.
13. We welcome the IDA Voting Rights Review: Report to Governors and endorse the proposed review, including its guiding principles and scope. We request that the IDA Board of Directors lead the review, and we look forward to an update by the 2020 Annual Meetings, with an agreed timeline for concluding the discussions.
14. The next Shareholding Review will take place in 2020. Reviews are an opportunity to take stock of shareholders' representation relative to the agreed Dynamic Formula and in line with shareholding principles.
15. We call on the Bank Group to work with members to lay the foundation for a proactive and orderly LIBOR transition, preserving the integrity of the financial model of the Bank Group, while applying principles of fairness and transparency.
16. We thank Christine Lagarde for her strong leadership of the IMF over the past 8 years. We also congratulate Kristalina Georgieva on her selection as Managing Director of the IMF.
17. The next meeting of the Development Committee is scheduled for April 18, 2020, in Washington, DC.

World Bank-IMF Spring Meetings 2019: Development Committee Communiqué

April 17, 2020

1. The Development Committee met virtually today, April 17, 2020.
2. Our meeting occurred at a time of unprecedented challenges due to the COVID-19 pandemic. Its devastating effects are being felt across the globe as the human and economic toll continues to rise. We express our sympathy to those affected and offer our support and solidarity to those working on the front lines fighting the pandemic.
3. The COVID-19 pandemic underscores that the development community increasingly faces global challenges requiring decisive, collective action and innovation. Multilateral cooperation is needed to contain the pandemic and mitigate its health, social, and economic consequences. The World Bank Group (WBG) is uniquely positioned to tackle these complex issues and to play a leading role via its lending, investments, knowledge, and convening capacity.
4. We encourage the WBG and the International Monetary Fund (IMF), within their respective mandates, to continue helping all clients, in partnership with the World Health Organization, other UN agencies, international financial institutions, and bilateral partners. We ask them to collaborate in addressing the pandemic, supporting economic recovery, and safeguarding progress toward the twin goals and the SDGs.
5. The global economy is experiencing an exceptional negative shock as a result of COVID-19. The attendant sharp decline in global investor confidence has severely tightened external financing conditions for countries across the income spectrum. The pandemic is disrupting trade, supply chains and investment flows. It is also leaving financial and human capital idle, while remittances, transport revenues, and income from tourism have rapidly diminished. In addition, steep drops in commodity prices are harming commodity-dependent economies. We ask the WBG to help countries mitigate these disruptions and support efforts to preserve jobs and boost confidence. Special attention should be paid to the provision of affordable medical supplies and to food security and safety. We also ask that all countries ensure the flow of vital medical supplies, critical agricultural products, and other goods and services across borders, and that they work to resolve disruptions to the global supply chains, to support the recovery.
6. The pandemic has already profoundly impacted human capital, including lives, learning, basic well-being, and future productivity. Disruptions in the delivery of essential services and food, combined with employment and income loss for households, are devastating. We ask the WBG to help governments deploy resources toward public health interventions, nutrition, education, essential services, and social protection against the immediate adverse effects of the shocks. We also support the WBG's emphasis on boosting government preparedness to protect human capital against potential subsequent waves of the outbreak and future pandemics. Efforts should place special focus on fragile situations, small island states, and the poorest and vulnerable people in all countries, with attention to gender issues.

7. We commend the IMF and WBG for their rapid response to the crisis thus far. We ask them to help client countries achieve tangible development outcomes and shorten their time to recovery. We urge the two institutions to work with countries to design and implement policies and programs that help lift the poorest households out of poverty and support small businesses. We also call on them to promote structural reforms that lay the foundations for growth and higher living standards for all. We ask them to use all available financial and advisory instruments, facilitate the sharing of lessons, and offer operational flexibility to tackle this common threat at the country, regional, and global levels.
8. We welcome the WBG's estimated financial support of up to US\$150-160 billion over the next 15 months, with a focus on the poorest and vulnerable in all client countries. We are pleased that as part of this overall response, and 2 through the Fast Track COVID-19 Facility, IBRD and IDA are making funds available to help developing countries in their urgent response to the public health threat, as they strengthen their health systems, shore up social safety nets, and improve access to services, while bolstering their response capacity and building up disease surveillance. IFC is also making funds available for prompt short- and medium-term financial support to trade flows and the wider private sector. MIGA is making fast-track guarantees available to meet financing needs for the immediate health response and economic recovery.
9. We also welcome the IMF's stepping up of financial support for developing countries through both its regular facilities and emergency funding, which will allow for much needed support at a time when many countries lack the policy and fiscal space to act. The doubling of annual access levels to the IMF's emergency financing facilities is an important response to the challenges faced by the membership, as is its move to accelerate internal procedures to speed up disbursements.
10. IDA countries are severely affected by the pandemic. We recognize the growing burden of debt service and the need for immediate liquidity to tackle the challenges posed by the COVID-19 crisis in a coordinated manner. We therefore strongly support the WBG initiatives for IDA countries, including frontloading of grants and highly concessional IDA19 resources. We welcome the coordinated approach agreed by the G20 and the Paris Club, supported by the WBG and IMF, toward a time-bound suspension by bilateral official creditors of debt service payments for the poorest countries that request forbearance. We call on private creditors to participate in the initiative on comparable terms. We ask the World Bank and the IMF to work with IDA countries to evaluate their debt sustainability based on enhanced transparency, to monitor the use of freed-up fiscal space, and to provide the Development Committee with a progress report at the Annual Meetings. In line with the G20 request to multilateral development banks, we ask the World Bank to further explore options for the suspension of debt service payments over the suspension period, while maintaining financial

capacity, current rating, and low cost of funding, and to report to its Board in a timely manner. We also ask the WBG and IMF to review the debt challenges of middle-income countries, and to explore expeditiously a range of solutions to fiscal and debt stress in those countries on a case-by-case basis.

11. The WBG has the financial firepower to provide a meaningful long-term response to this crisis thanks to the capital increases for IBRD and IFC, as well as the successful IDA19 replenishment. We encourage all shareholders to accelerate the subscription processes and front-load their contributions to the greatest extent possible.
12. This crisis has the potential to erase development gains for many countries. The WBG must not only address immediate economic needs, but also

support long-term development priorities; ensuring affordable energy access, building energy security and resilience to economic and environmental vulnerabilities and climate change. We urge the WBG and the IMF to ensure effectiveness on the ground and help countries create the conditions for inclusive and sustainable long-term growth. We also call on the WBG to maintain its critical role in key global challenges, as outlined in the capital package commitments, to achieve the twin goals of eliminating poverty and achieving shared prosperity, as well as the SDGs. It is only by rebuilding stronger and better that these goals can be achieved.

13. The next meeting of the Development Committee is currently scheduled for October 17, 2020, in Washington, DC.



SECTION B:
**Canada's engagement in
International Monetary
Fund operations**

Canada has been an influential member of the IMF since 1945, as one of the original 29 signatories to the IMF Articles of Agreement. Since then, the IMF has grown to include a near-global membership of 190 member countries. Canada is engaged in all aspects of IMF governance and activities, and plays a collaborative role with our international partners to ensure that the Fund is effectively fulfilling its mandate. A healthy and stable global economy creates more jobs for Canadians, promotes stable prices for goods and services, and improves our standard of living.

Governance and representation

Canada's voting share

Member countries' voting shares are based largely on their relative global economic weight and openness to international trade. Canada holds a 2.22% IMF voting share, making Canada the 11th-largest member during the reporting period.

Table B1: Voting shares of top 20 IMF members
(Percentage of total votes)

Rank	Country	Share (%)
1	United States	16.5
2	Japan	6.2
3	China	6.1
4	Germany	5.3
5	France	4.0
6	United Kingdom	4.0
7	Italy	3.0
8	India	2.6
9	Russian Federation	2.6
10	Brazil	2.2
11	Canada	2.2
12	Saudi Arabia	2.0
13	Spain	1.9
14	Mexico	1.8
15	Netherlands	1.8
16	Korea	1.7

Rank	Country	Share (%)
17	Australia	1.3
18	Belgium	1.3
19	Switzerland	1.2
20	Turkey	1.0

Canada at the Board of Governors

The IMF is accountable to its member countries through a number of mechanisms. The Board of Governors, composed of a Governor and an Alternate Governor appointed by each member country, is the IMF's highest decision-making body. The Board of Governors is responsible for the most important institutional decisions required under the Articles of Agreement (e.g., approving quota increases, admitting new members, and amending Articles and by-laws). Canada's Governor at the IMF during the reporting period was former Minister of Finance Bill Morneau. The position of Alternate IMF Governor was held by Stephen Poloz, Canada's former Governor of the Bank of Canada, until June 2020, and has been vacant since.

Canada at the Executive Board

The Board of Governors delegates authority over the IMF's regular business to the 24-member Executive Board, which is chaired by the IMF's Managing Director Kristalina Georgieva. The constituency system allows the 24 Board members to represent all 190 member countries, making it easier to conduct day-to-day business.

Canada holds one of the 24 seats on the Executive Board and represents a constituency of 12 countries⁴. With all constituency members combined, the Executive Director for Canada holds a voting power of 3.38%—making it the 12th-largest constituency by voting share. Given Canada's financial contributions and level of IMF engagement, a Canadian has always held the Executive Director position within our constituency. Canada's current Executive Director is Louise Levonian. Ms. Levonian is supported by a staff of seconded individuals from the countries represented within our constituency.

The Executive Board usually operates on a consensus basis, so formal votes are rare. Canada contributes to the development of policy proposals before they are brought to the Board through informal discussions with staff and management, or through consultation with other members of the Executive Board.

To learn more about the governance, representation and accountability structures of the IMF, please visit the [IMF's Governance Structure website](#).

Canada at the International Monetary and Financial Committee (IMFC)

The IMFC advises and reports to the Board of Governors on international monetary and financial matters, and emerging issues of global importance. While it has no formal decision-making powers, it plays an important role in setting the strategic direction of the Fund. The composition of the IMFC mirrors that of the Executive Board with Canada's Minister of Finance occupying one of the 24 seats at the IMFC table. The IMFC usually meets twice a year, during the IMF-World Bank Annual and Spring Meetings, and produces communiqués providing strategic direction and policy guidance to the IMF Managing Director and the Executive Board. Canada's Minister of

Finance also tables written statements on behalf of our constituency⁵ during the Annual and Spring Meetings that outline our collective views on the activities of the Fund. These statements are published on both the Department of Finance Canada and IMF websites.

IMF resources, lending, and capacity development

IMF financial resources

The IMF's total financial resources are composed of both permanent and temporary resources. Members' permanent quota⁶ subscriptions are the primary component of IMF financial resources. These are supplemented by New Arrangements to Borrow, a renewable multilateral borrowing arrangement that forms a second line of defence, in which Canada participates. Additionally, the IMF maintains temporary bilateral borrowing arrangements with 40 members (including Canada), which serve as a third line of defence. In the event of a major global economic crisis, the Fund can draw on these multilateral and bilateral lines of credit after all other resources have been effectively depleted. Further information can be found at the [IMF's multilateral and bilateral borrowing website](#).

While the resources outlined above can be used to support the macroeconomic adjustment needs of any member country, the IMF also maintains a special trust fund to enable concessional lending to the poorest and most vulnerable members⁷. The Poverty Reduction and Growth Trust (PRGT) is financed through loan and grant contributions from members such as Canada, as well as through IMF investment income.

4 Antigua and Barbuda, the Bahamas, Barbados, Belize, Canada, Dominica, Grenada, Ireland, Jamaica, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines

5 [IMFC Statements by Country](#), October 18-19, 2019, IMFC Statements by Country, April 16, 2020

6 [IMF Quotas](#)

7 [IMF Support for Low-Income Countries](#)

IMF financial operations are conducted in Special Drawing Rights (SDR)⁸, an international reserve asset created by the IMF to supplement the existing official reserves of member countries. Table B2 summarizes the

IMF's financial resources, and Canada's commitments to and financial position at the Fund as of April 30, 2020. For more information on IMF finances, see the [IMF's 2020 Annual Report of the Executive Board](#).

Table B2: Summary of IMF financial resources and Canada's financial position at the IMF, as of April 30, 2020

(Billions)

Description	Total (SDR)	Canada's Contribution (SDR)	Canada's Contribution (CAD)	Drawn from Canada's Contribution (SDR)
Sources: IMF: Canada: Financial Position in the Fund; Department of Finance Canada calculations.				
GENERAL RESOURCES ACCOUNT				
Quota	476	11.0	21	2.3
New arrangements to borrow	182	3.9	7.4	0.2
Bilateral borrowing agreements	318	8.2	15.6	0
POVERTY REDUCTION AND GROWTH TRUST				
Active loan commitments		1.0	1.9	0.5

IMF lending programs

The IMF makes its resources available to help members finance temporary balance of payments problems while they implement economic policy adjustments. To provide this assistance, the IMF utilizes 2 types of lending arrangements: non-concessional lending that is available to all members, and concessional lending available to qualifying low-income member countries. Non-concessional lending is financed out of the Fund's normal resources grouped under the General Resources Account, whereas concessional lending is financed out of the PRGT. Details on the IMF lending process and instruments are available on the [IMF lending website](#).

Lending arrangements

During its 2019–2020 fiscal year (May 1, 2019 to April 30, 2020) the IMF approved 29 new non-concessional lending arrangements (21 of which were emergency arrangements primarily clustered at the end of the fiscal year in response to COVID-19), as well as one augmentation and one diminution to 2 existing arrangements, totalling SDR 59 billion (approximately \$112.1 billion). As of the end of the IMF fiscal year on April 30, 2020, there were 38 active non-concessional arrangements with the Fund, totalling SDR 112.9 billion (approximately \$214.6 billion).

The IMF also approved 37 new concessional arrangements (28 of which were emergency arrangements primarily

8 The SDR serves as the unit of account of the IMF. Its value is based on a basket of currencies comprising the U.S. dollar, euro, pound sterling, Japanese yen, and Chinese renminbi. SDRs can be exchanged for the freely useable currencies of IMF members. On April 30, 2020, 1 SDR equaled 1.900660 Canadian dollars.

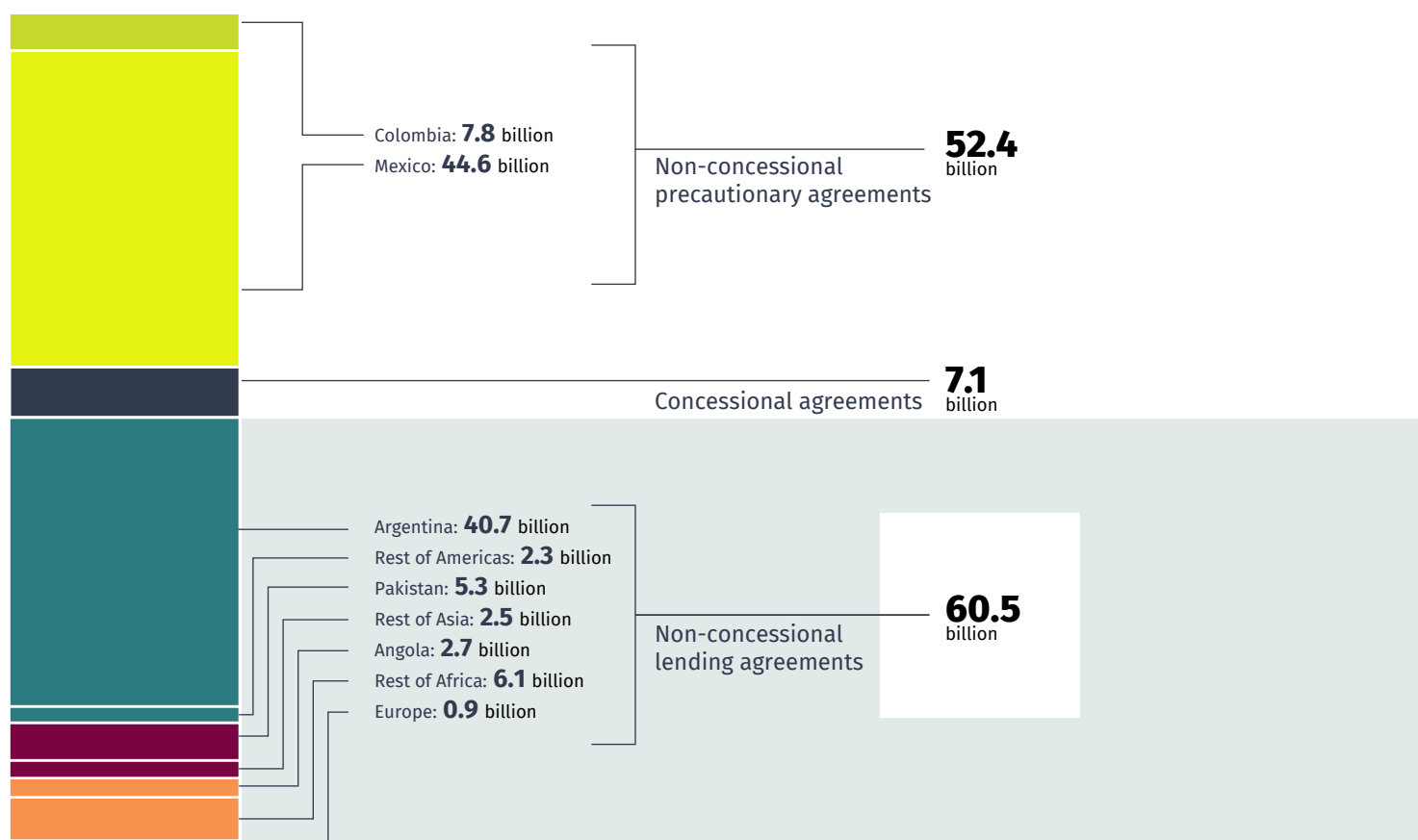
clustered at the end of the fiscal year in response to COVID-19) and 3 augmentations to existing arrangements under the PRGT, amounting overall to SDR 5.5 billion (approximately \$10.4 billion). As of the end of the IMF fiscal year on April 30, 2020, there were 47 active PRGT arrangements totalling SDR 7.1 billion (approximately \$13.5 billion).

Table B3 provides a summary of new IMF lending arrangements approved in 2019–2020. Chart 1 provides an overview of active IMF lending arrangements as of April 30, 2020. A complete list of the IMF's active lending arrangements is available in its annual report and on the [IMF Lending Arrangements website](#).

Table B3: Summary of new lending arrangements approved during 2019–2020

Description	Number of new arrangements	Size (SDR billions)	Size (\$ billions)
Source: IMF, Department of Finance Canada calculations.			
Non-concessional lending	31	59.0	112.1
Regular program lending	7	6.7	12.7
Emergency lending	21	7.8	14.8
Precautionary lending	1	44.6	84.7
Augmentations to existing arrangements	2	>-0.1	>-0.1
Concessional lending (PRGT)	40	5.5	10.4
Regular program lending	9	2.3	4.4
Emergency lending	28	3.0	5.7
Augmentations to existing arrangements	3	0.2	0.3
Total lending	71	64.5	122.5

Chart 1: IMF lending as of April 30, 2020
(in SDR)



B4 IMF lending arrangements	Size (SDR)
Source: IMF, Department of Finance Canada calculations.	
Europe	1.0B
Americas	95.6B
Asia	8.1B
Africa	15.3B

B4 IMF lending arrangements	Size (SDR)
Source: IMF, Department of Finance Canada calculations.	
Non-concessional precautionary agreements	52.4B
Colombia	7.8B
Mexico	44.6B
Non-concessional lending agreements	60.5B
Argentina	40.7B
Rest of Americas	2.3B
Pakistan	5.3B
Rest of Asia	2.5B
Angola	2.7B
Rest of Africa	6.1B
Europe	0.9B
Concessional agreements	7.1B

Capacity development

For over 50 years, the IMF has provided technical assistance and capacity development (TA/CD) to members to help strengthen the ability of domestic institutions to foster effective policies, leading to greater economic stability and growth. IMF TA/CD activities are both internally and externally financed in about equal proportions. They accounted for nearly one third of the IMF's budget in 2019–2020. Total spending on TA/CD was US\$305 million, including US\$166 million that was funded externally. For more information, see [IMF Capacity Development](#).

Canada's contributions to capacity development

External partnerships allow the IMF to scale up its capacity building efforts for members in need. Canada has historically been among the largest external contributors to IMF TA/CD, providing approximately US\$129.2 million (approximately \$179.7 million) since 2010 (see Table B5 for details). This support has helped low- and middle-income countries build capacity in areas such as central bank functions, public financial management, and financial sector development and oversight. Canadian-financed TA/CD is generally delivered in three distinct ways:

1. Regional Technical Assistance Centres (RTACs): The IMF has developed a regionally tailored approach to TA/CD delivery. In addition to the training offered at the IMF Institute for Capacity Development in Washington, D.C., the IMF operates seven regional training institutes and nine RTACs in Africa, Asia, the Caribbean, Central America, China, the Middle East, and the Pacific. In 2019–2020, Canada provided US\$1.1 million (approximately \$1.5 million) to the Pacific Financial Technical Assistance Centre (PFTAC) and an additional US\$1.4 million (approximately \$2 million) to the Caribbean Regional Technical Assistance Centre (CARTAC) to support the mobilization of a debt management advisor for the region.

These are in line with Canada's commitment to increase support for IMF TA/CD for small island developing states. For more information, see [IMF Regional Capacity Development Initiatives](#).

2. Country-directed initiatives: Member countries, other IFIs, and IMF project financing vehicles (e.g. RTACs, multi-donor trust funds, and country-specific trusts) can maintain "subaccounts" for targeted technical assistance initiatives and/or retaining a strategic reserve for rapid response to emerging priorities. Canada maintains a subaccount to support various TA/CD activities in the Caribbean, Ukraine, the Middle East, and Africa.

3. Multi-donor trust funds: The IMF manages several thematic funds. Examples include the Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) Fund, along with others that focus on improving data availability, public debt management and other public financial management issues. In addition, there are two fragile state funds that specifically focus on supporting South Sudan and Somalia. Canada has previously supported multi-donor trust funds, including the AML/CFT Thematic Trust Fund, the IMF-Somalia Trust Fund for Capacity Development, and IMF participation in the World Bank's Supporting Economic Management in the Caribbean project. For more information, see [Thematic Funds for Capacity Development](#).

Table B5: Canadian technical assistance (US\$ millions)

Description	Total disbursed from 2010–2011 to 2018–2019	Amount disbursed in 2019–2020
Notes: IMF capacity development financing is denominated in US dollars. On April 30, 2020, 1 US dollar equaled 1.3910 Canadian dollars. Table only includes initiatives to which Canada has contributed. Source: IMF.		
REGIONAL TECHNICAL ASSISTANCE CENTRES		
Caribbean Regional Technical Assistance Centre	29.6	2.8
Central America, Panama and the Dominican Republic Regional Technical Assistance Centre	12.6	0
Africa Regional Technical Assistance Centres	10.4	0
Pacific Financial Technical Assistance Centre	0	1.1
COUNTRY-DIRECTED INITIATIVES		
Canadian Global Technical Assistance Subaccount	23.5	(2.6)
Ukraine Selected Capacity Development Activities	21.7	0
Canada-Caribbean Enhanced Public Financial Management Project	16.6	0.5
AML/CFT and other Selected Fund Activities	2.4	1.8
MULTI-DONOR THEMATIC TRUST FUNDS		
Somalia Trust Fund for Capacity Development	2.5	0
AML/CFT Thematic Fund	2.3	0
World Bank Subaccount for Selected Fund Activities	5.7	0
Financial Sector Reform and Strengthening Initiative	0.1	0
Total amount	127.4	1.8

Additional details on IMF operations (including IMF surveillance, lending, capacity building, and institutional governance) are available on the [IMF website](https://www.imf.org).

Communiqués of the International Monetary and Financial Committee of the Board of Governors of the IMF (as required under the *Bretton Woods Act*)

Communiqué of the Fortieth Meeting of the International Monetary and Financial Committee (IMFC)

October 19, 2019

Chaired by Mr. Lesetja Kganyago, Governor of the South African Reserve Bank. We extend our deepest sympathies to the people and Government of The Bahamas for the loss of human lives and the devastating impact of the recent natural disaster.

Global outlook and policy priorities

The global economy is projected to grow by about 3 percent this year, but the pace has continued to weaken since April. Growth is projected to pick up next year, but the outlook is highly uncertain and subject to elevated downside risks. These include trade tensions, policy uncertainty, and geopolitical risks, against a backdrop of limited policy space, high and rising debt levels, and heightened financial vulnerabilities. Other longstanding challenges also persist.

We will employ all appropriate policy tools, individually and collectively, to mitigate risks, enhance resilience, and shore up growth to benefit all. Available fiscal space should be used to support demand as needed. Where consolidation is needed to ensure debt sustainability, fiscal policy should be carefully-calibrated, growth-friendly, and safeguard social objectives. In line with central banks' mandates, monetary policy should ensure that inflation remains on track toward, or stabilizes around targets, and that inflation expectations remain anchored. Central bank decisions need to

remain well-communicated and data-dependent. We will continue to monitor and, as necessary, tackle financial vulnerabilities and risks to financial stability, including with macroprudential policies.

Strong fundamentals, sound policies, and a resilient international monetary system are essential to the stability of exchange rates, contributing to strong and sustainable growth and investment. Flexible exchange rates, where feasible, can serve as a shock absorber. We recognize that excessive volatility or disorderly movements in exchange rates can have adverse implications for economic and financial stability. We will refrain from competitive devaluations and will not target our exchange rates for competitive purposes.

We will advance structural reforms to lift growth, employment, and productivity; enhance resilience; and promote inclusion. We reaffirm our commitment to strong governance, including by tackling corruption. We will advance policies that foster innovation and more competitive and flexible markets, and strive to address challenges from demographic shifts. We will provide opportunities for all people to contribute to economic activity and share its benefits, and effectively assist those bearing the cost of ongoing transitions.

We will enhance our efforts to reduce policy uncertainty and strengthen international frameworks and cooperation.

- Free, fair, and mutually beneficial goods and services trade and investment are key engines for growth and job creation. A strong international trading system with well-enforced rules addressing current and future challenges would support global growth. To this end, we recognize the need to resolve trade tensions and support the necessary reform of the World Trade Organization to improve its functioning.
- We will cooperate to reduce excessive global imbalances through macroeconomic and structural policies that support sustainable global growth.

- We stress the importance of timely, full, and consistent implementation and finalization of the financial sector reform agenda as soon as possible, and the ongoing evaluation of the effects of these reforms. We will also address fragmentation through continued regulatory and supervisory cooperation, adapt financial regulation to structural changes and the evolving global financial landscape, and close data gaps.
- We are working toward a modern and globally fair international tax system, particularly taxation related to digitalization, and will address harmful tax competition, artificial profit shifting, and other tax challenges. We will continue to address correspondent banking relationship withdrawal and its adverse consequences. We will also continue to tackle sources and channels of money laundering and terrorism financing, proliferation financing, and other illicit finance.
- We will continue to work together to enhance debt transparency and sustainable financing practices by both debtors and creditors, public and private; and strengthen creditor coordination in debt restructuring situations, drawing on existing fora.

Sustained joint action is essential to address other challenges that transcend borders. We support efforts toward achieving the 2030 Sustainable Development Goals (SDGs). We will continue to support domestic and multilateral efforts to address, build resilience to, and deal with the macroeconomic consequences of pandemics, cyber risks, climate change and natural disasters, energy scarcity, conflicts, migration, and refugee and other humanitarian crises. We will continue to collaborate to leverage financial technology while addressing related challenges.

IMF operations

We welcome the Managing Director's *Global Policy Agenda*. In line with its mandate, the IMF will continue to support its members and collaborate with the World Bank, standards-setters, and other partners to:

- **Help members mitigate risks and support growth:** We welcome the IMF's broad agenda to enhance its advice on monetary and macrofinancial policies and look forward to progress on the ongoing work on the integrated policy framework. We also support the enhanced focus on governance, including tackling corruption, in line with the IMF's governance framework. We ask the IMF to continue to work on structural reforms, including market competition issues, to boost potential output.
- **Strengthen debt sustainability and transparency:** We support the continued implementation of the IMF-World Bank multi-pronged approach to work with borrowers and creditors, including by assisting members to strengthen debt management capacity, debt transparency, and sustainable financing. We also ask the IMF to continue to work with members to strengthen fiscal institutions and frameworks, and enhance public reporting of sovereign debt. We look forward to continued implementation of the updated debt sustainability framework for low-income countries and to the reviews of the debt sustainability framework for market access countries and the IMF's debt limits policy.
- **Promote policies to foster inclusion and expand opportunities:** We welcome the IMF's efforts to operationalize the new strategy for engagement on social spending. We support the enhanced focus on fragile and conflict-affected states through country engagement strategies, tailored financial support, and strengthened capacity development. We also

support the provision of analysis and advice to help countries achieve the SDGs. We ask the IMF to help members boost domestic resource mobilization, including through collaboration with other partners of the Platform for Collaboration on Tax and by applying the experience with medium-term revenue strategies, with a tailored approach for countries with low capacity and for fragile countries. We welcome the macroeconomic analyses of gender and inequality issues, including in the area of gender budgeting.

- **Upgrade global cooperation:** We welcome the IMF's continued efforts to conduct a rigorous, evenhanded, and multilaterally-consistent assessment of global imbalances and of exchange rates. We support the IMF's efforts to mitigate risks and enhance confidence in trade through policy advice and trade-related macroeconomic analyses. We call for further efforts to address the causes and adverse consequences of the withdrawal of correspondent banking relationships and help countries deal with them. We appreciate the IMF's collaboration with other institutions on, and its contributions to, the global regulatory reform agenda; work on tackling illicit financial flows, including through AML/CFT; and work on international tax issues, including by analyzing the impact of global tax changes for low-income and developing countries. We support further efforts to strengthen the global financial safety net and promote a resilient international monetary and financial system, including by reconsidering elements of the IMF's lending toolkit and deepening collaboration with regional financing arrangements.

- **Facilitate global solutions to global challenges:** We welcome the IMF's work on the implications of fintech, consistent with the Bali Fintech Agenda. We also welcome work on supporting countries' efforts to enhance resilience to cyber risks in the financial sector. In line with its mandate, the IMF will respond to increased member requests to provide guidance on members' implementation of climate change mitigation and adaptation strategies. We support the IMF's continued assistance for resilience-building in countries vulnerable to natural disasters, especially small states and low-income countries, in collaboration with other institutions. We also support the IMF's assistance to countries affected by conflict, migration and refugee crises.

- **Adapt policy tools to lead and support change:** We welcome the IMF's continued efforts to enhance its surveillance through the 2020 Comprehensive Surveillance Review and the reviews of the Financial Sector Assessment Program and the policy on multiple currency practices. We ask the IMF to continue incorporating the recommendations of the reviews of program design and conditionality and of concessional facilities to improve program design and outcomes in recipient countries. We look forward to the forthcoming reviews of Data Standards Initiatives and data provision to the Fund; the implementation of the overarching strategy on data and statistics; and continued efforts to integrate capacity development with surveillance and lending.

We welcome the IMF's efforts to continue providing high value-added support to its members and to enhance its efficiency. To this end, we welcome efforts to attract and retain high-caliber staff. We support ongoing modernization initiatives, including the HR strategy, the comprehensive review of compensation and benefits, and the work on enterprise risk management. We call on the IMF to make progress toward the 2020 diversity benchmarks. We support increasing gender diversity in the Executive Board.

IMF resources and governance

We reaffirm our commitment to a strong, quota-based, and adequately resourced IMF to preserve its role at the center of the global financial safety net. We note the lack of progress on a quota increase under the 15th Review and call on the Executive Board to complete its work on the 15th Review and on a package of IMF resources and governance reforms, and to report to the Board of Governors as soon as possible. We support maintaining the IMF's current resource envelope and welcome the extension of the 2016 Bilateral Borrowing Agreements by one year. We look forward to consideration of a doubling of the New Arrangements to Borrow and a further temporary round of bilateral borrowing beyond 2020.

Beyond the 15th Review, we are committed to revisiting the adequacy of quotas and continuing the process of IMF governance reform under the 16th General Review of Quotas, including a new quota formula as a guide, with the Review to be extended from 2020 to no later than December 15, 2023. In this context, we remain committed to ensuring the primary role of quotas in IMF resources. Any adjustment in quota shares would be expected to result in increases in the quota shares of dynamic economies in line with their relative positions in the world economy and hence likely in the share of emerging market and developing countries as a whole, while protecting the voice and representation of the poorest members.

Other issues

We express our deep gratitude to former Managing Director Christine Lagarde for her outstanding leadership of the IMF and distinguished service to member countries and the global community over the past eight years. Under Ms. Lagarde's leadership, the IMF undertook important reforms to maintain its relevance and responsiveness to members' needs, including by modernizing its macro-financial surveillance; enhancing its financial support, lending facilities, and capacity development; increasing attention to the social outcomes and human dimensions of IMF policies and operations; and integrating climate change, gender, governance, and income inequality into the work of the IMF. Ms. Lagarde also worked tirelessly to secure the financial resources necessary for the IMF to deliver on its mission, to ensure that dynamic emerging market and developing countries have greater voice, and to achieve support for IMF governance reforms. We wish Ms. Lagarde all the best in her new position as President of the European Central Bank. We thank Mr. David Lipton for his stewardship as Acting Managing Director during the transition.

We warmly welcome Ms. Kristalina Georgieva as Managing Director and look forward to working closely with her in meeting the challenges ahead.

Our next meeting will be held in Washington, D.C., on April 18, 2020.

Communiqué of the Forty-First Meeting of the International Monetary and Financial Committee (IMFC)

April 16, 2020

Chaired by Mr. Lesetja Kganyago, Governor of the South African Reserve Bank

We express our deepest sympathies for the loss of human lives caused by the COVID-19 pandemic. Our urgent collective task is to mitigate the health and economic impact that the pandemic is having on people worldwide. We remain confident that, working together, we will overcome current challenges to help safeguard the global economy for all.

We are in an unprecedented global crisis. The global economy will contract sharply this year, reflecting necessary health measures to contain the virus, disruptions in economic supply and demand, and tightening financial conditions. Many countries are coping with grave challenges including limited medical supplies and capacities. In particular, many emerging market and developing countries are facing sharp declines in export demand and commodity prices, large capital outflows, foreign exchange shortages, and increasing debt burdens.

While the global outlook is subject to exceptionally high uncertainty, we expect a recovery next year as we continue to employ all available policy tools to defeat the pandemic, protect jobs, and restore growth. We have taken extraordinary macroeconomic action and, working together, will further scale up fiscal, monetary, and financial stability measures, as necessary, to facilitate a speedy return to strong, sustainable, balanced, and inclusive growth. Targeted and sizable fiscal support is critical to provide a safety net for the most affected

households and businesses and create conditions for a rapid recovery. We welcome the actions of central banks and financial authorities to alleviate stressed global financial conditions and maintain financial stability.

We support the IMF in assisting member countries through financial support, policy advice, and capacity development, in close collaboration with other international institutions and partner organizations. We welcome the IMF's crisis response package, comprising streamlined procedures, rapid and enhanced access to emergency financing, including a temporary doubling of the annual access limits under the Rapid Credit Facility and Rapid Financing Instrument, liquidity provision through a new short-term liquidity line for members with very strong fundamentals and policies, and debt service relief to the poorest and most vulnerable countries through a reformed Catastrophe Containment and Relief Trust (CCRT). We also call on the IMF to explore additional tools that could serve its members' needs as the crisis evolves, drawing on relevant experiences from previous crises.

We welcome the pledges to the CCRT and the Poverty Reduction and Growth Trust (PRGT) received so far and call for additional contributions to ensure that the IMF can support its poorest and most vulnerable members. We welcome the coordinated approach agreed by the G20 and the Paris Club, supported by the IMF and World Bank, toward a time-bound suspension by bilateral official creditors of debt service payments for the poorest countries that request forbearance. We call on private creditors to participate in the initiative on comparable terms. We welcome the IMF's focus on crisis-related work, including on debt and financial stability risks, supporting a sustainable recovery in a way consistent with long-standing issues on our agenda.

We reaffirm our commitment to a strong, quota-based, and adequately resourced IMF at the center of the global financial safety net. We will keep demands on the IMF's resources under close review. The IMF's lending capacity of US\$1 trillion is critical to maintain confidence that the IMF can fulfill its mandate by helping its members overcome the crisis. The recent Executive Board decisions on the doubling of the New Arrangements to Borrow and on a new round of Bilateral Borrowing Agreements are important steps in this regard. We look forward to swift action by members in

implementing these decisions. We remain committed to revisiting the adequacy of quotas and continuing the process of IMF governance reform under the 16th General Review of Quotas, including a new quota formula as a guide, by December 15, 2023.

We endorse the Managing Director's Global Policy Agenda.

Our next meeting will be held in Washington, D.C., on October 17, 2020.



SECTION C:
**Canada's engagement
in European Bank
for Reconstruction
and Development
operations**

Reporting requirements

The *European Bank for Reconstruction and Development Act (EBRD Act)* came into force in 1991 and provides the legal framework for Canada's membership in the EBRD. As a founding member and the eighth-largest shareholder in the Bank, Canada actively contributes to the development of EBRD policies while providing oversight of the Bank's financial activities. This is primarily achieved through Canada's seats on the Board of Governors and Board of Directors.

As laid out in section 7 of the EBRD Act, the Minister of Finance is required to provide to Parliament an annual report of operations containing a general summary of all actions taken under the Act, including their sustainable development and human rights aspects. This section meets these reporting requirements.

For more information, refer to the text of the *EBRD Act* on Justice Canada's website: [European Bank for Reconstruction and Development Agreement Act](#).

Governance and representation

Canada's capital subscriptions and shareholding

As of December 31, 2019, the EBRD had 69 shareholders: 67 countries, as well as the European Union and the European Investment Bank. The EBRD is active in 38 economies in Central and Eastern Europe, Central Asia, and the southern and eastern Mediterranean region.

The EBRD's share capital is provided by member countries that hold proportional voting rights. Decision-making power is primarily exercised by member countries through their representatives on the Board of Governors and the Board of Directors.

Canada is the eighth-largest shareholder of the EBRD, with its shares representing 3.4% or €1.02 billion of the institution's capital. Of Canada's total share, €213 million is paid-in capital and the remaining is callable capital⁹.

Table C1: Canada's capital subscriptions to the EBRD, 2019, as of 31 December 2019 (€ millions)

Description	Total
Note: Figures are from the 2019 financial report for the EBRD.	
Capital subscriptions and contributions	1,020.49
Amount paid in	212.85
Amount not paid in but contingent on future capital requirements	807.64
Subscription or contributions share (%)	3.43
Voting power (%)	3.43

Information on the EBRD's 2019 fiscal year (January 1, 2019 to December 31, 2019) is provided in its [Annual Review](#) and [Financial Report](#). Further information on the EBRD's performance can be found in the [Sustainability Report](#) and [Transition Report](#). The Bank releases considerable information on its various activities. Bank publications include information guides (such as the *Guide to EBRD Financing*), evaluation reports, special reports, country strategies, and assorted fact sheets. Information can be obtained on the [Bank's website](#).

Requests for EBRD information can be addressed to:

Attention:

Access to Information Function

European Bank for Reconstruction and Development

One Exchange Square

London, EC2A 2JN

United Kingdom

Or submitted online to accessinfo@ebrd.com, or through the Bank's [Information Request Form](#).

⁹ Callable share capital is composed of resources that are not paid to the banks but act as a guarantee to allow banks to borrow on international capital markets to finance their lending program. Callable share capital, which has never been drawn on by the banks, would only be utilized in extreme circumstances to repay loans, should a bank's reserves not be sufficient. It represents a contingent liability of the Government of Canada, and is listed in the Public Accounts.

Canada at the Board of Governors

The highest authority in the EBRD is the Board of Governors. The Board meets annually and approves the EBRD's Annual Review, net income allocation and financial statements, the independent auditor's report, the election of the chair and vice-chair for the next Annual Meeting, as well as other items requiring governors' approval. Governors provide a written statement at the EBRD annual meetings. [Canada's statement](#) outlines its priorities at the Bank.

A Governor and an Alternate Governor represent each of the 69 shareholders. Former Minister of Finance Bill Morneau was the Canadian Governor during 2019–2020 reporting period. Marta Morgan, Deputy Minister of Foreign Affairs, is Canada's Alternate Governor.

To learn more about the governance of the Board of Governors, please visit the [EBRD's Board of Governors webpage](#).

Canada at the Executive Board

The Board of Directors is responsible for the general operations of the Bank. It comprises 23 members, with each representing either one member or a constituency of member countries. The Board helps to set the strategic and financial course for the Bank, in consultation with the Bank's management. From November 2016 to September 2020, Canada was represented on the EBRD Board of Directors by Douglas Nevison. Sarah Fountain Smith is the current director for Canada. The director for Canada also represents Morocco, Jordan and Tunisia at the EBRD Board of Directors.

To learn more about the governance of the Executive Board, please visit the [EBRD's website](#). The office of the Director for Canada, Morocco, Jordan, and Tunisia, can be reached by email at canadaoffice@ebrd.com.

Canada at board committees

The Board of Directors has established 4 committees to oversee Bank activities: the Board Steering Group, the Audit Committee, the Budget and Administrative Affairs Committee, and the Financial and Operations Policies Committee. This division of labour is consistent with good corporate governance practices and provides an appropriate system of checks, balances and incentives. In addition, the structure ensures a more effective discussion by the Board, once initiatives are ready for approval.

The Board Steering Group is responsible for the coordination of the committees' work programs to avoid overlap and ensure timely completion. In addition to some administrative duties, the Group's chair is the main liaison between the Board of Directors and management. In 2019, the Group was chaired by the Director for Austria, Israel, Cyprus, Malta, Kazakhstan, and Bosnia and Herzegovina.

The Audit Committee's primary objective is to ensure that the financial information reported by the Bank is complete, accurate, relevant and timely. The Committee oversees the integrity of the Bank's financial statements, and the compliance of its accounting and reporting policies with the requirements set out in the International Financial Reporting System. It also reviews the EBRD's system of internal controls and its implementation, as well as the functions of the internal audit, evaluation, compliance and risk management teams. In 2019, the Committee was chaired by the Director for Spain and Mexico.

The Budget and Administrative Affairs Committee is responsible for ensuring that the Bank's budgetary, staff and administrative resources are aligned with its strategic priorities. To this end, the Committee reviews the medium-term resource framework, annual budgets and the business plan. It also oversees the Bank's human resources policies, the Shareholder Special Fund, and the uses of Donor funding. In 2019, the Committee was chaired by the Director for Norway, Finland, Latvia, and Lebanon.

The Financial and Operations Policies Committee oversees the Bank's financial and operational policies, including the annual borrowing plan and the liquidity policy prepared by the Treasury Department. The committee plays a key role in taking forward implementation of the Bank's Strategic and Capital Framework; policy coherence and coordination; discussions on projects under the early warning system; and substantive preparations for the EBRD's Annual Meeting. Since 2007, the Committee has also been charged with overseeing the net income allocation process. As well, it is responsible for the Bank's Environmental and Social Policy and EBRD country and sector strategies. In 2019, the Committee was chaired by the Director for Switzerland, Ukraine, Liechtenstein, Turkmenistan, Serbia, Montenegro, Uzbekistan.

Benefits of EBRD membership

Canada's membership in the EBRD, and its active participation in the discussion of policy and operational issues, is an important means to help shape economic and social development in the EBRD's countries of operation. Canada strongly supports the overriding objective of developing a strong private sector in its countries of operation by mobilizing financing for projects with a high transition impact and by providing advice and technical assistance to businesses and governments. The Bank provides Canada with a vehicle to contribute to development in transition countries that are not currently part of our bilateral development assistance programs. Furthermore, Canadians are well represented on EBRD staff. At the end of 2019, there were 46 Canadians on the staff of the EBRD, representing 1.24% of total positions.

Finally, Canada's engagement helps to raise awareness among Canadian companies of opportunities presented by the EBRD. Canadian companies can seek financing for projects undertaken in the Bank's countries of operations. The Bank often relies on the procurement of goods and services from the private sector to implement transition projects. The Executive Director's office works diligently with Bank management to increase awareness amongst Canadian companies of the opportunities presented at EBRD, with a view to increasing the participation of Canadian companies. Canadian financial institutions also play an active role in managing EBRD global bond issuances.