



# INTERNATIONAL MONETARY AND FINANCIAL COMMITTEE

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EU Council of Economic and Finance Ministers**



**STATEMENT ON BEHALF OF THE PRESIDENCY OF THE EU COUNCIL OF ECONOMIC  
AND FINANCE MINISTERS, AT THE IMFC SPRING MEETINGS,  
WASHINGTON, DC, APRIL 2026**

1. In the context of continued uncertainty and global economic fragmentation, the EU remains firmly committed to an open, fair, predictable, and rules based multilateral system. The global economy is facing significant challenges related to policy uncertainty, trade restrictions, geopolitical conflicts and tensions, including Russia's war of aggression against Ukraine and the conflicts in the Middle East, disruptions to key supply chains, energy security and fiscal vulnerabilities. These increasing uncertainties and challenges in the global economy underscore the critical role of sound policies and central bank independence. While global growth and trade remained resilient in 2025, trade growth is expected to slow markedly in 2026. Recent developments in global trade policies, the imposition of tariffs and new threats thereof are weighing on the global economy and contributing to inflationary pressures, including in the US, while also creating heightened uncertainty and downside risks for growth, particularly for the most vulnerable economies. Moreover, economic costs of trade tensions might be more significant over the medium term, unwinding hard-won gains from global trade integration, capital flows, and technology diffusion.
  
2. Against this backdrop, promoting a positive trade agenda and strengthening the multilateral trading system remain essential. The EU continues its engagement with trade partners, illustrated by the recent agreements with Mercosur and India. A deep and comprehensive reform of the World Trade Organisation is more important than ever so that it can continue to deliver effectively on its objectives and tackle the challenges of the 21<sup>st</sup> century. The EU remains actively engaged in the reform process and, in the run-up to the 14<sup>th</sup> ministerial conference, has set out its long-term vision of the reformed global trading system in a recent submission in Geneva.

3. 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 and even-handed policy advice.
  
4. Global macroeconomic imbalances have widened and warrant renewed policy attention. Some imbalances reflect underlying fundamentals such as relative income levels, cyclical positions, or demographics in a context of free international trade and free global capital flows. But persistent excessive imbalances beyond those justified by fundamentals are a concern. They should be addressed in a cooperative, timely manner through appropriate policy action, notably by tackling unsustainable policies, distortions or rigidities, to ensure they can be unwound in a non-disruptive manner. A joint effort will be required by all main players to address risks arising from global imbalances. EU Member States encourage and support the IMF's role in providing impartial and well-founded analysis for the discussions of global imbalances in various forums, including by updating and refining the External Balance Assessment (EBA) model to tackle estimation limitations. Tariffs will not resolve global imbalances, which primarily stem from domestic, macroeconomic, policy and structural factors. We stress the importance of analysing the euro area/EU as a bloc when looking at global imbalances notably in multilateral surveillance. This should complement the study of country-specific drivers of imbalances.
  
5. The EU supports the view that regulatory modernisation in the financial field should focus on simplification, which should not lead to de-regulation. We remain vigilant regarding any weakening of financial regulations which could negatively impact financial stability. It is essential to uphold prudential rules that ensure financial stability and an international level playing field. The EU supports the implementation of the Basel III framework in full and consistently in all jurisdictions.

6. The EU remains firmly committed to the principles of international law, territorial integrity, and national sovereignty. In Ukraine, four years after the start of Russia's full-scale invasion, we continue to provide comprehensive financial, economic, humanitarian, military and diplomatic assistance, while working on creating the conditions for a just and lasting peace.
7. In the Middle East, the EU stands ready to work together with international partners to the implementation of the comprehensive Peace Plan for Gaza, in accordance with UNSCR 2803. The EU reiterates its commitment to collaborate to promote de-escalation of the broader regional crisis, and safeguard regional and global economic stability (including the security of energy supply routes).
8. 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 until such a peace is reached. The EU will fully assume its responsibilities in this process.
9. The EU and its Member States are Ukraine's largest international donor, with over EUR 190 billion provided in assistance. The EU continues to deliver budget support to Ukraine through grants and highly concessional loans with extended repayment terms of up to 45 years. In December 2025, the European Council agreed to provide a EUR 90 billion support package for Ukraine's budgetary and military needs over 2026-2027, in the form of a limited recourse loan to Ukraine – known as the Ukraine Support Loan, which Ukraine will repay when it receives reparations from Russia. This support is structured in two components, with approximately two thirds indicatively allocated to military assistance, and the remaining one third provided as general budget support. The European Council discussed the latest developments as regards Ukraine at its meeting on 19 March 2026, as reflected in the text EUCO 2/26.

10. Disbursements from the EU and G7 members are almost fully delivered upon under the G7 Extraordinary Revenue Acceleration initiative, which aims to provide Ukraine with up to EUR 45 billion in loans, to 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.
11. 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 programme supports the Ukrainian authorities in maintaining 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 negotiations.
12. 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. In light of the evolving geopolitical and economic challenges in the Middle East, the EU is currently supporting Egypt and Jordan with MFA programs. The EU disbursed in January 2026 the first instalment of EUR 1 billion out of EUR 4 billion available for Egypt under the new MFA loan operations approved in June 2025. The EU is also implementing the fourth MFA programme for Jordan (of up to EUR 500 million in loans), and disbursed a first instalment of EUR 250 million in September 2025. An additional MFA of up to EUR 500 million for Jordan was adopted by the EU Council and Parliament in January 2026, with discussions with the Jordanian authorities on the Memorandum of Understanding (MoU) ongoing. These operations strengthen reform efforts and regional stability in key EU partners in the Middle East.

## **DEVELOPMENTS IN THE EU**

13. As one of the most open economies, the EU is feeling the strain of the increased global trade restrictions and tensions. The uncertainty and disruption generated by the ongoing wars in the EU's neighbourhood and very high global policy uncertainty add to the challenges. Following the eruption of the Middle East conflict, the inflation and growth outlook for the EU have become more uncertain, with major risks stemming from potential disruption to energy supplies and a broader economic fallout in the case of a prolonged conflict. Prolonged conflict in the Middle East would increase structural trade and insurance costs, add to migration pressures and reinforce geoeconomic fragmentation. Still, the EU economy is expected to continue to generate employment, thanks to its solid economic fundamentals and institutional strengths. Despite the challenges, the robust labour market, along with higher real wages, are set to 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.
14. To enhance the competitiveness, productivity and resilience of the European economy, the EU is implementing the 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. More than thirty initiatives were proposed in the last year, and further measures are planned by end 2026. A key priority is the Single Market Strategy to remove the most harmful barriers to the Single Market. In addition, the Commission has presented several key initiatives in areas such as clean industry to support competitive decarbonisation, regulatory simplification on a wide range of areas, and the EU Savings and Investments Union to better channel savings to productive investments by providing better access to capital markets.

15. At the same time, with global uncertainty remaining high, the EU will accelerate its efforts to further enhance its sovereignty, to strengthen its own defence and security capabilities and to become better equipped to deal autonomously with immediate and future challenges and threats. The implementation of the new EU economic governance framework is progressing well, with all Member States having submitted their medium-term plans for fiscal policy and structural reforms for the years ahead. Member States are working on the transition to higher levels of defence spending in the medium term within their budgetary processes. The rules under the new EU economic governance framework and the activation of the national escape clause (NEC) of the Stability and Growth Pact for 17 Member States help facilitate this transition and imply an expansionary effect on the euro area fiscal stance compared to the path outlined in the medium-term plans. More broadly, the new 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.
  
16. The EU and its Member States are accelerating their implementation of the Next Generation EU (NGEU) recovery instrument. The total amount of grants and loans disbursed by end-February 2026 under the Recovery and Resilience Facility (RRF), the core of NGEU which incentivises investment and reforms, reached EUR 395.52 billion, with 60.43% of grant support. The European Commission estimates that NGEU has the potential to increase EU real GDP by up to 1.4% in 2026 compared to a scenario without NGEU, allowing to maintain public investment during economic slowdowns. In addition, the reforms included in the recovery plans are expected to have a growth-enhancing impact. Further, the InvestEU Programme also aims to catalyse private investments towards EU policy priorities.

17. 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 its 1.5C goal, and in light of the increasing impacts of climate change. While the outcome of COP 30 reaffirmed the commitment to multilateralism, it also highlighted the need for greater ambition and accelerated implementation. The EU looks forward to ramping up ambition, by working with partners in presenting Paris-aligned Nationally Determined Contributions at COP 31 and driving other targeted multilateral initiatives. The EU will continue to advance its own transition towards a climate-neutral economy, 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 underlines that the objectives towards climate neutrality, combined with climate adaptation measures, sustainable development, the deployment of clean technologies and the consequent industrial transformation, offer opportunities for further advancing European green industrial leadership and creating quality jobs. The EU will also continue to make progress on its Sustainable Finance Framework, while encouraging the private funding of transition projects and technologies.

## **IMF POLICY ISSUES**

18. 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 welcome the ongoing policy reviews aimed at further strengthening the Fund's key functions, including through the Comprehensive Surveillance Review (CSR), the Financial Sector Assessment Program (FSAP) Review and the Review of Program Design and Conditionality (RoC). 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, extreme weather events and natural disasters, pandemics, conflicts and fragility, as well as on structural policies and reforms, including issues related to gender, to improve 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. We also highlight the role of the IMF's Resilience and Sustainability Trust, through which the IMF helps vulnerable countries strengthen their economic resilience to climate change and improve macroeconomic sustainability.
  
19. 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 the quota-based nature of the Fund. EU Member States support the work on the Diriyah Guiding Principles on IMF Quota and Governance Reforms to guide future discussions on the topic. This includes the 17<sup>th</sup> General Review of Quotas. The EU remains open to discussing a possible quota realignment to better reflect members' relative positions in the world economy based on fair and broad burden sharing, while protecting the poorest members. We also underline that higher quota shares should, as a matter of principle, come hand in hand with corresponding responsibilities.

20. 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 consider new voluntary contributions to bolster both the PRGT and the RST, so that resources are made effectively available for vulnerable countries. We continue working to adequately finance the PRGT subsidy account in order to ensure its long-term self-sustainability.
  
  21. Addressing global debt vulnerabilities remains a key priority. The EU welcomes progress under the G20/Paris Club Common Framework (CF) for Debt Treatments and encourages further strengthening to ensure debt treatments are delivered in a predictable, timely, orderly and coordinated manner. We should also consider further actions to encourage effective multilateral coordination of debt treatments in middle-income countries, such as expanding the Common Framework. For countries with a strong reform agenda whose debt is sustainable but are facing liquidity challenges, we support the ongoing work by the IMF and the World Bank (WB) based on three pillars and look forward to proposals to advance the discussions. We moreover encourage further efforts from all stakeholders, including the private sector, to enhance debt transparency and data accuracy, including by participating in the WB data sharing exercise.
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