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**Statement by Mr. Trabinski and Mr. Tola on The Managing Director's Statement on the
Work Program of the Executive Board
(Preliminary)
Executive Board Meeting
June 10, 2021**

We welcome the proposed Work Program, which lays out well the priorities of the Global Policy Agenda and the IMFC Communique.

Surveillance and capacity development activities will be crucial in supporting a swift and durable recovery. In this context, we very much value the enhanced engagement of staff with the Executive Board on the implementation of the CSR and FSAP review recommendations. The foreseen updates should help inform the implementation and flag potential challenges early on. While we see merit in selective in-depth analyses of regional challenges, we underscore the importance of bilateral surveillance with its focus on country-specific policy advice.

Fund work on debt and debt related issues remains key. We support bringing forward the multipronged approach and to contributing to the implementation of the G20 DSSI and Common Framework. We also look forward to continuing the work on strengthening the sovereign debt restructuring framework and rolling out new tools to better assess debt sustainability and promote greater debt transparency.

The Work Program rightly stresses the importance of strengthening risk management at the Fund. One of the implications of increased lending, particularly under the emergency financing instruments, and to countries at risk of debt distress, is rising financial exposure. This calls for at least maintaining current safeguards to Fund lending and a commensurate build-up of reserves and precautionary balances. The case for potentially higher access under the PRGT, which would require further bilateral subsidy resources, depends crucially on the Fund maintaining its financial strength and credibility.

We see the need for a transparent summary of all resources needed for the Fund to meet its priorities, including new activities identified in the CSR and the FSAP review.

This is essential in light of a possible request for a budget augmentation and we ask management to keep the Executive Board regularly informed and involved. Further, the Fund's work should continue to be focused on key macro-critical issues, while maintaining the high quality of its expertise and advice.

We welcome the planned early engagement on the upcoming 16th General Review of Quotas with an outline of key issues. A transparent and candid analysis of the demand for Fund resources is also important in this context, as these issues are related and need to be treated as a package.

The Fund's efforts to promote a green, digital, and inclusive global recovery in a focused manner will be essential. Leveraging on work done by other IFIs and avoiding duplications should be key features of strategies in these areas. On topics like climate change, where there is a lot of attention from stakeholders, it is important that the Fund focuses on its macroeconomic and financial stability mandate and conducts careful and transparent cost-benefit analysis before launching any initiatives. A case in point is the work on data with respect to climate. With regard to digitalization, there is scope and demand for the Fund to increase its analytical capacity in line with its mandate, while building cooperation with other IFIs.

We note the upcoming Fund work on Vaccine/Pandemic Financing Options. There is, of course, merit in further engagement on adjustments to the Fund's emergency financing toolkit for countries that may experience balance of payments needs due to COVID vaccination programs. At the same time, we do not see a role for the Fund in providing grants in areas where MDBs or other donors have a comparative advantage.