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June 9, 2020

**Statement by Mr. Jin and Ms. Liu on The Managing Director's Statement on the Work
Program of the Executive Board
(Preliminary)
Executive Board Meeting
June 11, 2020**

We thank the Managing Director for a crisis-focused work program reflecting the strategic priorities outlined in the Global Policy Agenda and the IMFC communique. Given the large increase in Board items, we support to focus more on crisis related work at this challenging time. We broadly support the work program and would like to make the following points for emphasis.

Crisis Response

It is important for the Fund to continue adapting to changing circumstances amid the unprecedented challenges posted by the COVID-19 pandemic. The Fund should play its role in promoting closer coordination and cooperation across the membership to find a global solution to restore global growth. We welcome the forthcoming Integrated Policy Framework (IPF) that can strike a balance between innovative improvement and maintaining robust classical policy advice. We also encourage the Fund to play a more important role in sending early warning signals on capital flows, and to ensure that macroprudential measures are in place for EMDCs.

Surveillance

The Fund should closely monitor developments and strive to provide timely assessments, given the rapidly evolving circumstances and substantial uncertainties surrounding the COVID-19 pandemic. We would appreciate continued timely briefings on economic and financial market developments and look forward to more comprehensive discussions on the World Economic and Market Development Update. We welcome the intended focus of the flagship reports on crisis-related policies. In this regard, we encourage staff to gather experiences learned from the membership and share them with members for better policy

actions. At the same time, we encourage staff to adopt a forward-looking approach, considering both upside and downside scenarios, as well as policy implications.

Given the importance of trade, we encourage staff to continue to support a multilateral rules-based trade system to greatly reduce trade restrictions. We look forward to a multilaterally consistent and even-handed assessment of the large economies' external positions in the 2020 External Sector Report.

Lending and the DSSI

We welcome the Review of the Financing of the Fund's Concessional Assistance and Debt Relief to Low-Income Member Countries. It is good to see that the PRGT fundraising goes smoothly and we encourage more countries to join this effort. Meanwhile, we see merit in a holistic analysis by staff regarding the possible resource need of both the PRGT and GRA during the COVID-19 crisis. We welcome the Board meetings on Debt Sustainability Framework for Market Access Countries and the Debt Limit Policy. A growth-oriented approach is very important, and we encourage staff to make more efforts to distinguish productive from non-productive debt. We also encourage staff to have a better recognition of innovative debt financing including collateralized lending and central bank swaps.

On the DSSI, China has announced the suspension of debt repayment for 77 developing countries. China will implement the initiative in line with other members of the G20.

Fund Governance and Resources

The current crisis has once again demonstrated the need to boost the Fund's resources through quota increase. We welcome the recent updates on the Fund's resources and encourage staff to closely monitor resources adequacy. For this purpose, a general SDR allocation is perhaps the most effective response to the current crisis, especially given the fact that many countries have distributed subsidies to their citizens for their survival in the COVID-19 crisis. The Fund's governance reform should also be advanced. We urge timely discussions and completion of the 16th general review of quotas.

Digitalization

We welcome the plan to look at digitalization in the context of the recent lockdowns. The pandemic and strong containment measures have accelerated the pace of digitalization. At the same time, risks may also have increased. A balanced approach is therefore needed as staff continue to pursue work in this area. We encourage the Fund to conduct a comprehensive study to explore the use of e-SDR.

Diversity and Inclusion

We welcome the Board meeting on 2025 Diversity and Inclusion Benchmarks. As the gap from the 2020 benchmark for East Asia is the widest among all the three underrepresented regions, we urge staff and the management team to set explicit recruitment targets for East

Asia for FY 2021-2025. Representation in senior positions is also important for under-represented regions (URR). In this vein, we see room in improving B-level recruitment for URR through strengthened efforts in internal promotion and external recruitment.