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GRAY/21/1910

July 2, 2021

**Statement by Mr. Trabinski, Mr. Peter, and Mr. Tola on The Rise of Public and Private Digital Money—A Strategy to Continue Delivering on the IMF's Mandate (Preliminary)
Executive Board Meeting
July 7, 2021**

We support the Fund's involvement in the area of digital money in line with its mandate. The world is rapidly transitioning towards a digital economy with digital money. Digital money has potentially wide-ranging implications for the IMF's activities and its members. Therefore, we clearly see a role for the Fund in helping members ensure that the adoption of digital money fosters domestic economic and financial stability as well as the stability of the international monetary system. We also agree that it is important for the Fund to develop policy views and proper tools to provide independent, effective, innovative and constructive advice. This said, we note that the main trends in this area are still uncertain.

More details are needed on how the IMF intends to operationalize its strategy in the area of digital money. Staff's proposal to focus on establishing a clear analytical foundation for country work is sensible. Developing policy views and tools together with support activities is a prerequisite to provide good advice to Fund members. We look forward to further work on how to develop a framework for effective surveillance and capacity building in this area.

Collaboration with other institutions based on the Guidelines for Engagement and Core Competencies is crucial. The IMF will need to collaborate closely with other key institutions such as the BIS, the CPMI and the FSB in developing and delivering on its digitalization strategy. It is crucial that the Fund leverages the work of these institutions and avoids duplications. Complementarity is key, particularly when collaborating with international standard setters. In this context, we agree that the Fund can channel feedback on the needs of its broad membership to the agenda of other institutions such as those mentioned in paragraphs 32 and 33. Also, the Fund should coordinate its outreach with these

institutions, which often already have outreach initiatives of their own. *Could staff elaborate on obstacles to effective collaboration with other stakeholders?*

While we acknowledge the need for internal capacity building, we would like to see more detail on possible workstreams before significantly increasing resources, also taking into account the potential for synergies from the collaboration with other institutions. We recognize the scarcity of talent and the need for scaling up the Fund's analytical foundations on digital currencies. At the same time, we are unsure whether the scale and speed of the proposed resource increase is justified and would appreciate more information on these two parameters. *Could staff elaborate on the specific timeframe of the proposed phasing? Relatedly, we would appreciate more information on the resources that are needed to respond to the current demand for advice and capacity development from the membership.* Finally, given the flat real budget, we would encourage staff to prioritize the work and actions related to the set-up of internal structures and processes mentioned in paragraph 38. *Staff's comments would be welcome.*