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

We would like to thank management for the very good work program, which is broadly in line with both the IMFC communiqué and the MD's Global policy agenda. This work roadmap should allow the Executive Board to examine key issues and challenges as the Fund continues the normalization of its activities in all aspects of its mandate, to ensure that we are able to support, as an institution, a strong and inclusive recovery through our advice, technical assistance and lending. We underline that the work on LICs and vulnerable countries will be paramount in the months to come, as well as the work on the SDR onlending options. We wish to make the following short comments for emphasis:

1. Surveillance. The work program enables the Executive Board to fulfill its important oversight role on bilateral and multilateral surveillance. In the recovery phase, continuing to give the best policy advice, tailored to country specifics, is important. The focus on the transformational recovery is welcome, and it will be important to continue the work on specific issues (labor reallocation and training, phasing out of liquidity support to firms…), in both bilateral and multilateral surveillance products. The treatment of inequality in the work program could have been more extensive. We therefore place a high degree of importance on the informal board on inclusion in July, which should in our view pave the way to a stronger agenda. The focus of the flagships appears broadly adequate and useful – *however, the themes of the WEO itself are not completely clear, could staff further comment*? On country groupings coverage, we strongly welcome the addition of a briefing on Emerging markets. In the absence of a specific LIDCs report for the Annual meeting, we would welcome a coverage of these issues throughout the flagships. We also very much look forward to the completion of the important workstream on FCS countries.

2. Lending. We fully support the proposed work program. Finalizing the Concessional Financing reform is of utmost importance for this chair. Continuing to advance the work on the mobilization of internal Fund resource (and in particular, gold sales) to fund the PRGT's subsidy account is key in this regard. More broadly, we need to make sure our toolkit remains fit for purpose and sufficiently flexible, and we should continue to monitor the pipeline for UCT programs, to ensure we are able to address the membership's needs. We also look forward to having a look at the IMF lending toolkit to

ensure it can address emergency BOP needs linked to vaccine acquisition. In addition, finalizing the SDR allocation, and finding ways to channel new SDR to the benefit of vulnerable countries, in particular in Africa, will be key.

3. Capacity Development. We fully agree with Mr. Bevilaqua's gray, on the fact that CD should have a more prominent place in the work program. We do welcome the organization of a discussion on CD evaluation and impact, which should be useful, but we think there is scope for a boarder engagement on key issues related to integration of CD with UCT-programs, efficiency of CD delivery, and internal resource dedicated to this issue, including funding. We generally agree there is scope to strengthen the Board's oversight in this area.

4. Turning to a more thematic focus:

Climate: we fully support the strong work program on this issue, which should allow for real progress in the Fund's ability to provide strong policy advice throughout its core mandate.

Debt issues: this remains one of the most important and timely workstream at the IMF, and we fully support the different agenda items. It is not entirely clear whether the brief on a New Debt Sustainability Tool was something new compared with what was presented and endorsed by the board as part of the new market-access Debt sustainability framework. *Could staff elaborate?*

Central Bank Digital Currency: we welcome the very useful workstream, and look forward to more details on the resource implications.

New ways of working: we welcome the work undertaken to prepare for the resumption of HQ-based work and define new ways of working – this is a key piece of work that should be expedited to ensure that the Fund continues to be in a position to effectively deliver on its mandate, and alleviate pressures on staff. Missions should be allowed to gradually resume. This being said, as it is only mentioned that the Board would receive briefings and updates, we wish to underline that the Board should be a key decision maker in the process and its role should not be limited to a simple consultation. More broadly, on the modernization of the workplace, we underscore the usefulness of working on the Fund's carbon footprint, and to reschedule a briefing on that point, which was initially on the Board calendar before the pandemic began.

On Risks: we welcome the inclusion of a section on risks in the work program, and the risks identified, in particular on third parties / vendors, operational resilience, and the implementation of modernization projects, warrant our full attention, and we encourage staff to schedule briefings on these topics whenever a risk materializes. We look forward to the discussion of Enterprise Risk Management at the end of the year, to improve our capabilities while bearing in mind the specific mandate of the Fund as a lender of last resort.