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June 8, 2021

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

We thank the Managing Director and staff for the carefully drafted work program (WP) that reflects well the Global Policy Agenda and the IMFC communique. We broadly support its content with topics focused on supporting the membership gearing the crisis response toward recovery. We also want to thank staff and Management once again for their extraordinary efforts during this crisis and note that the Fund has a crucial role to play going forward. To manage the workload, we must ensure that we concentrate efforts to what we do best and cooperate closely with others when needed.

Both the **debt and climate agendas** remain ever important and we support the multifaceted work programs in these areas. In addition, we find that it is a good time to discuss the modalities of Fund engagement in climate change issues under a new strategy, including collaboration with stakeholders. We also welcome the workstream on **inequality, gender, and social spending**, given that the pandemic has exacerbated inequality in many countries with disproportional effects on the most vulnerable, women and the youth.

Considering the signs of divergence and expected future shifts in the policy stance in advanced economies, we find the increased focus on fragilities in **emerging and frontier markets** both in the Global Financial Stability Report and having a special Board briefing on the topic as very timely. As the **inflation outlook** plays an exceptionally important role in these and other vulnerabilities currently, we would appreciate a separate briefing on the Fund's analysis in this area to the Board before the recess. Also, **digitalization and digital money** are changing the operating environment of the financial markets, central banks, and the entire international monetary system at an accelerating pace. We concur with the proposals in the WP and especially find taking a holistic view on the new developments and effects on the international monetary system very useful.

On the **Review of Concessional Financing and Polices**, we would like to re-iterate our suggestion (from the Informal to Engage discussion on June 2) to extend the temporary augmentation of PRGT access limits until the end of 2021 as a first step. The medium-term decision on access limits should be taken after the Annual Meetings in order to allow time to assess available grant resources, the effects of the SDR allocation, the demand outlook, and to find more clarity on the role of the Fund in relation to other providers of concessional financing. We also look forward to the briefing on **CD Evaluations and Impact** that will include results from evaluations, results-based management, and other assessments. Capacity Development is a very important part of Fund activities and we appreciate the increased opportunities for Board involvement.

We highlight the critical role that reinvigorating multilateralism and reforming the rules-based multilateral trade system have in ensuring a global and sustainable recovery, and completely **missed any mentioning of the trade agenda**. The IMF has a clear mandate on fostering an open global trade system and we call for increased analysis and discussions in the IMF Board on this. For example, the review of the Role of Trade in the Work of the Fund, with a usual frequency of 5 years, is delayed without a specific date announced. We also note **delays in some other policy reviews** and would like to encourage as much compliance to regular review schedules as possible. These are key vehicles to keep polices up to date and our house in order.

For the same reasons, and given elevated risk acceptance following the Fund's decisive pandemic response, we welcome the agenda set out for the **improved enterprise risk management** framework, but find the action plan to address the OIA ERM recommendations to be handled later than expected and would urge staff to speed up this process to reflect the urgency of these issues.

Finally, we look forward to upcoming discussions on the **Sixteenth General Review of Quotas** and are committed to work constructively towards a completion of the review by no later than mid-December 2023. A timely delivery is crucial both to ensure the stable financing of the Fund's lending operations going forward, as well as also to safeguard the legitimacy of the institution.