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June 29, 2007

**Statement by Mr. He and Ms. Lo on the Implementation Plan
in Response to Board-Endorsed Recommendations Arising from the
IEO Report on the IMF and Aid to Sub-Saharan Africa
(Preliminary)
Executive Board Meeting 07/56
June 29, 2007**

We thank staff for the concise and clear paper mapping out the plan to address the recommendations from the IEO report on the IMF and Aid to Sub-Saharan Africa endorsed by the Board in March. The proposal comprises a number of work components supported by forthcoming discussions of respective papers, each focusing on an individual topic. The key tasks outlined in the paper have been included as an integral part of the Work Program in response to the Fund's evolving engagement in LICs—a key element of the MTS. The four major areas of recommendation—clarifying policies of aid inflows, monitoring implementation of policies, expanding outreach activities, and enhancing communications—are to be addressed by seven complementary work streams. In general, we find the work streams practical and coherent, adequately covering all areas that need to be improved as raised in the IEO report. We would like to comment on four areas.

First, on the **sequence of the work streams**. Of all recommendations in the IEO report, the reaffirmation and clarification of IMF policies in relation to aid inflows should precede all other actions. Among the papers in the pipeline, we see merit in having a “flagship paper”—which could likely be an expansion of the paper *The Role of the Fund and Operational Issues for Program Design*—to provide an overall framework. This leading discussion could give a full picture of how policy reaffirmation would lead to the implementation of other items, including those raised in the IEO report, in a well-set timeframe. With this framework in place, the various discussions can be consolidated without giving the impression of being somewhat scattered.

Second, on the **connection between work components**. We note some of the forthcoming papers are inter-related, examining the same topic from a different perspective. For example, the interactions of resident representatives and mission chiefs with local donors and civil society groups are to be considered in three separate papers—*The Role of the Fund in the PRSP and Donor Coordination Processes*, *Communication Strategy*, and *Medium-Term*

Budget. We would like to know whether adequate and effective channels are in place to ensure the outcome of one discussion is properly transmitted to another discussion in a timely manner.

Third, on the **evaluation of the overall implementation plan**. We concur with staff that the “implementation of clarified policy guidance” can be monitored through the regular review of the staff guidance note on ex-post assessments, the next PRGF review, and future reviews of the MTS. However, some areas in the implementation plan may not be fully covered within the scope of these reviews, such as communication, outreach activities, and Bank-Fund collaboration. As each work component will have its own list of issues for Board consideration across a time span of months or even longer, we would be interested to know staff’s plan on how to track and evaluate the execution of the plan as a whole. Should the actions taken to improve communications be evaluated under a review of the communications strategy alone? Or will it also be examined in an overall evaluation of the entire implementation plan that stocktakes the progress of various work components? If so, what is the means and timeframe?

Fourth, on **cost estimation**. We note the estimated cost is a ballpark figure for the first stage in response to the IEO Report. We expect a more detailed, itemized cost estimation for the next stage taking account of the implementation of each of the endorsed work components. We concur that the overall resource impact needs to be consistent with the Fund’s medium-term budget framework.