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September 3, 2010

**Statement by Mr. Weber and Mr. Peter on IMF Membership in the Financial Stability Board  
(Preliminary)  
Executive Board Meeting  
September 8, 2010**

1. We note that the Fund has been a long-standing participant first in the Financial Stability Forum (FSF) and, since last year, in the Financial Stability Board (FSB). We nevertheless welcome, and see merit in, the Board formally considering Fund membership in the FSB, as this serves to inform all members about the FSB's legal status, institutional set-up, and mandate. In our view, the Fund has a responsibility to act as an interlocutor between non-FSB members and the FSB. This responsibility should include regular reporting on FSB activities to the Board.
2. We support the decision on Fund membership in the (FSB), since membership is the appropriate mode for the Fund's participation. Regarding institutional collaboration, the Fund should work closely with the FSB to ensure that joint initiatives can be executed flawlessly, that their activities are complementary, and that synergies can be achieved. The Fund should be represented in all committees and groups of the FSB. Regarding substance, it is in the Fund's own interest to provide the FSB with the expertise needed to guarantee a high quality output.
3. We support the principles for collaboration between the IMF and the FSB going forward, as set out in paragraph 19. Among those principles, we consider it crucial that the Fund preserves its independence and accountability vis-a-vis its entire membership and—as a treaty-based international organization of a cooperative nature—is not compelled to support or implement decisions by the FSB that are inconsistent with its own legal and policy framework. We understand that membership in the FSB would best ensure this principle, even on occasions where adhering to it may be politically inconvenient.

4. We would appreciate further elaboration from staff on three issues:

- Formalizing FSB-membership will require that organizational and procedural arrangements are discussed further. While some of these modalities are pointed out in paragraph 24, *we would like to receive further information about what staff envisages and how and when the Board will have the opportunity to provide its views.*
- Whereas the paper describes the legal setup and institutional considerations in much detail, it contains no stocktaking on Fund participation in the FSB to date. *We would welcome some elaboration on staff's and management's experience in working with the FSB. Is there scope for improvements in collaboration and, if so, in what respects?*
- Based on our own experience from working with the FSB, we are somewhat surprised about the moderate estimate for annual resource costs related to the collaboration with the FSB (US\$ 600,000), especially since the Fund is participating in most working groups and committees. We must assume that this estimate does not contain the costs for the Fund in producing considerable amounts of input to the FSB as well as the efforts needed in coordinating the activities of both institutions. A forward-looking estimate should be realistic (and will likely be higher). *Could staff provide an overall cost estimate for the Fund's work dedicated to the FSB? Are these costs all incurred in MCM?*