

March 7, 2012  
Approval: 3/14/12

INTERNATIONAL MONETARY FUND

Minutes of Executive Board Meeting 11/51-1

10:00 a.m., May 20, 2011

**1. Statement by the Managing Director on the Work Program of the Executive Board**

Documents: BUFF/11/61 and Supplement 1

Staff: Teja and Mateos y Lago, SPR

Length: 1 hour, 15 minutes

## Executive Board Attendance

J. Lipsky, Acting Chair

Executive Directors	Alternate Executive Directors
K. Assimaidou (AF)	I. Mwanawina (AE), Temporary
C. Legg (AU)	O. Hendrick (AG), Temporary
	H. Choi (AU)
	J. Prader (BE)
J. He (CC)	E. Saboia (BR), Temporary
C. Pérez-Verdía (CE)	Y. Luo (CC)
T. Hockin (CO)	
A. Fayolle (FF)	A. Ducrocq (FF)
	S. von Stenglin (GR)
A. Sadun (IT)	K. Eapen (IN), Temporary
M. Furusawa (JA)	N. Giammarioli (IT), Temporary
J. Mojarrad (MD)	
A. S. Shaalan (MI)	S. Geadah (MI)
A. Bakker (NE)	
	A. Gronn (NO)
A. Mozhin (RU)	
A. Alkholifey (SA)	
D. J. Chia (ST)	
R. Weber (SZ)	
M. Lundsager (UA)	D. Rediker (UA)
A. Gibbs (UK)	R. Elder (UK)

J. Lin, Acting Secretary

F. Jamaludin/V. Thakoor, Assistants

### Also Present

Asia and Pacific Department: D. Cowen. European Department: C. Jarvis. External Relations Department: C. Atkinson. Fiscal Affairs Department: S. Gupta. Finance Department: S. Prowse, A. Tweedie. Legal Department: D. Eastman, R. Leckow. Middle East and Central Asia Department: J. Gijon Spalla. Monetary and Capital Markets Department: P. Breuer. Office of Budget and Planning: D. Citrin. Office of Internal Audit and Inspection: G. Kincaid. Office of Technical Assistance Management: J. Kim. Research Department: H. Faruquee. Secretary's Department: K. Hviding, P. Martin. Strategy, Policy, and Review Department: I. Mateos y Lago, R. Teja. Statistics Department: A. Burgi-Schmelz. Western Hemisphere Department: A. Lopez Mejia, E. Tsounta. Senior Advisors to Executive Directors: E. Barendregt (NE), M. Choueiri (MI), C. Dahlhaus (GR), M. Di Maio (AU), S. El-Khoury (SA), A. Ismael (AF), B. Lischinsky (AG), E. Meyer (UA), M. Nomura (JA), M. Peter (SZ), P. Yeo (ST). Advisors to Executive Directors: L. Alfredsdottir (NO),

S. Bultitude (AU), I. Chowdhury (SZ), A. De Lannoy (BE), J. Franco (UA),  
P. Garcia-Martinez (FF), M. Goldby (UK), Z. Hassanol (ST), S. Ridzam (ST), A. Terracol  
(FF), R. Ward (UK).

# **1. STATEMENT BY THE MANAGING DIRECTOR ON THE WORK PROGRAM OF THE EXECUTIVE BOARD**

The Managing Director submitted the following statement:<sup>1</sup>

## **Complex Landscape**

The global economy is facing complex challenges. The strength and quality of the recovery vary widely across regions, resulting in very different concerns. In most advanced economies, problems include slow and job-poor growth, amidst fiscal and financial vulnerabilities; in most emerging markets, countries must deal with rapid credit growth, large capital inflows, and inflationary pressures; and rising food and fuel prices affect all members, but low-income countries most harshly. Meanwhile, crisis hot spots persist in some regions, and global imbalances show little sign of receding. This landscape makes global policy cooperation as critical as it was at the peak of the crisis. Participants at the recent IMFC and G-20 meetings shared this view, and I am heartened that they reiterated their commitment to policy cooperation.

## **Role of the Fund**

The Fund's mandate of promoting cooperation on global economic and financial problems could not be more relevant in this context. But the task is so vast that we must focus our efforts on the key issues facing the membership. In the near and medium terms, I see three priority areas: (i) pursuing growth consistent with macro-financial stability; (ii) reforming the international monetary system; and (iii) respond to the challenges confronting our low-income members in the face of a difficult global environment. One theme cutting across these areas is the need to enhance our surveillance of the global economy to be ahead of the curve.

## **Growth and Macro-Financial Stability**

### *Global Growth, Spillovers, and Adjustment*

Enhancing the Fund's effectiveness in promoting global adjustment and sustainable growth rests on: improving our understanding of policy spillovers and interactions across major economies; and, just as importantly,

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<sup>1</sup> The Secretary issued updated calendar projections of Executive Board meetings in a supplementary note (FO/DIS/11/107, 5/31/11) which are included in an annex to this minute, along with the chart and tables attached to the Managing Director's statement (BUFF/11/61, 5/6/11).

enhancing our engagement with policy makers on these issues. The inaugural *Spillover Reports* on China, euro area, Japan, United Kingdom, and the United States will be discussed by the Board with the relevant Article IVs in July 2011. If Directors agree, I would propose that we follow up with a summary of the main themes of the individual spillover reports. Shortly before the Annual Meetings, the Board will hold the usual discussions of the *WEO* and the *GFSR* (on the same day; see Box 1 for contents of analytical chapters), the *Fiscal Monitor*, and the *Report to the Board on the Early Warning Exercise*. A new *IMFC Consolidated Multilateral Surveillance Report* from the Managing Director to the IMFC will distill the key messages from our various surveillance products and draw their implications both for members and Fund policies; this responds to a direct request from the IMFC. An informal session to brief the Board on the report is scheduled for September. The staff's support to the G-20 Mutual Assessment Process (MAP) will continue and will be assessed in the *Review of the Fund's Involvement in the G-20 MAP*, scheduled for discussion by the Board on June 8.

#### ***Box 1. WEO and GFSR Analytical Chapters***

The WEO analytical chapters will address the following issues:

- *Addressing twin deficits.* Robust global growth is contingent on two urgent priorities—strong fiscal consolidation in many economies and a sustainable resolution of external imbalances. The chapter will assess how progress in the first dimension helps or hinders progress in the second.
- *Commodity prices and monetary policy.* Against the backdrop of persistent increases in food and commodity prices and policy debate about the needed course of action for monetary authorities, this chapter will analyze the implications of such price rises for monetary policy responses across a variety of country circumstances.

The GFSR analytical chapters will address the following issues:

- *Global asset allocation.* This chapter seeks to assess the risks stemming from recent changes in global asset allocation of long-term institutional investors as a result of the extraordinary economic and policy environment.

- *Toward operationalizing macroprudential policies.* This chapter will analyze which systemic risk measures currently available can be used to make macroprudential policies operational in varying circumstances.

### *Quality of Growth and Employment*

Recent developments in the Middle East and North Africa, and more generally the stubbornly high unemployment in many advanced countries, argue for a wider conception of what constitutes macro-economic stability. It is clearly no longer sufficient to focus on GDP growth alone: the quality, sources, and distribution of growth and employment are also critical for sustainability. While mindful that its comparative advantage lies elsewhere, the Fund will strive to pay due regard to these dimensions in its analysis and policy advice, both at the country level (where such issues are prominent) and in its cross-country work. In this context, FAD and RES will be doing further analytical work on the nexus between inequality, jobs, and growth: the September 2011 Regional Economic Outlook on Sub-Saharan Africa will include a study on the quality of growth (e.g., the extent of employment generation) in the region.

### *Debt and Fiscal Sustainability*

Addressing pre-crisis fiscal fragilities and ensuring a smooth unwinding of fiscal stimulus measures are a pressing issue, especially in advanced economies. Several items on the Board's agenda cover this area. In July, the Board will discuss the framework to assess debt vulnerabilities (*Modernizing the Framework for Fiscal Policy and Public Debt Sustainability Analysis*). Later this year and in early 2012, an informal session is scheduled to reflect on reforming pension systems (*The Challenges of Pension Reform in Advanced and Emerging Economies*). The staff will also issue a paper to the Board for information on improving fiscal transparency (*Fiscal Transparency, Risk, and Accountability in the Post-Crisis Environment*).

### *Macroprudential Framework and Financial Stability*

Building on the progress achieved in regulating financial institutions and increasing their liquidity buffers, more action is needed on supervision. The Work Program here includes an informal session in September on *Macroprudential Policymaking: Country Experience with Objectives, Tools, and Institutional Arrangements*. The paper aims to advance our understanding

of how macroprudential policy tools should be chosen and applied, as well as to lay out good practices for the institutional architecture of macroprudential policymaking. Shortly after the Annual Meetings, a joint IMF/BIS/FSB *Report to the G-20 on Macroprudential Policy Framework* will be issued to the Board for information.

### *Data Gaps*

The Fund, in collaboration with the FSB, is making progress in identifying the information needs to improve our monitoring of financial flows and understanding of financial interconnectedness. The Board will discuss this week *Monitoring Financial Interconnectedness, Including the Data Template for Global Systemically Important Financial Institutions*. As requested by the G-20, a *Progress Report on the G-20 Data Gaps Initiative* will be issued to the Board for information in June.

### The International Monetary System (IMS)

#### *Reforming the IMS*

Strengthening the IMS is a key medium-term priority. Work is underway on multiple tracks, including: modernized surveillance, better management of capital flows, enhanced global safety net, and diversifying the international currency and reserve system, including through a greater role for the SDR.

#### *Rethinking Surveillance*

IMFC discussions during the Spring Meetings highlighted the need for modernizing surveillance. The *2011 Triennial Surveillance Review and Review of the 2007 Decision on Bilateral Surveillance*, planned for Fall 2011—with an interim briefing presenting a preliminary update scheduled for late June—will provide an opportunity to address gaps and formulate concrete proposals to further strengthen surveillance, including identification of risks, surveillance of countries that pose the largest systemic risks, and the coherence and integration of surveillance products.

#### *Cooperative Initiatives on Cross-Border Capital Flows*

Global financial markets are far more tightly interconnected than the largely national policy frameworks that regulate them. Efforts must continue to remedy this disconnect and develop a comprehensive and balanced

approach to the management of global capital flows, in order to reduce their damaging volatility. The Fund can play a constructive role in this debate by bringing together the views of both exporters and importers of global capital. Following up on the work done earlier this year on managing capital inflows, the Board will have several opportunities to consider the issue from the standpoint of “source” countries, above and beyond that provided by the spillover reports. These include in July a discussion on *Systemic Policy Aspects of Cross-Border Financial Exposures to Emerging Markets* and in September on *Multilateral Aspects of Policies Affecting Capital Flows*. After the Annual Meetings, the Board will have the opportunity to reflect on: *Policies to Manage Capital Outflows, and Capital Account Liberalization*; and *Understanding Global Financial Interconnectedness 2.0* to build on our earlier work to understand the operational and macroeconomic implications of increased financial interconnectedness.

#### *Global Financial Safety Net*

Ensuring that we have the right tools to deal with systemic crises going forward is key both to crisis prevention and to mitigate their costs when they do happen, as ineluctably they will at times. The Flexible Credit Line and Precautionary Credit Line represented significant improvements in the Fund’s toolkit to meet the needs of countries *facing* financing uncertainties. To understand further the need for global liquidity at times of stress and possibly identify further gaps in our toolkit, in June the Board will discuss a paper on the *Analytics of Systemic Crises and the Role of Global Financial Safety Nets* with a background paper issued for information on *Cross-Border Linkages: Implications for the Design of Global Financial Safety Nets*. The paper will take a broader look at systemic crises, ascertaining their characteristics and policy responses and examining whether any residual gaps remain in the global financial safety net. The background paper will inform the discussion by taking stock of cross-border linkages across different types of economies with a view to deriving implications for the design of global financial safety nets. Further, the *Review of Conditionality, and the Design of Fund-Supported Programs*—which will examine Fund support during the crisis—and the *Review of the NAB* are scheduled shortly after the Annual Meetings.

#### *Global Reserve System*

Over the medium term, the stability of the international monetary system could be enhanced by diversifying the global reserve system and the set of international currencies. The Board agenda includes a number of papers that examine these issues. In late June, the Board will discuss informally the



case for an allocation/cancellation of SDRs in the next basic period (*SDR Allocation: MD's Report to the Board of Governors*). The Board will also reflect on the overall framework for SDR valuation, including the criteria for selecting the currencies in the SDR basket, with a view to increasing its attractiveness and potential to improve the functioning of the IMS. Board consideration of this issue will take place in two steps, including an informal briefing in July and a paper distilling policy implications to be formally discussed by the Board shortly after the Annual Meetings (*Review of the SDR Valuation Framework*). A related informal session will discuss the analysis of two Staff Discussion Notes on the patterns of financial deepening in emerging markets (*Financial Deepening and Stability of the International Monetary System*), and assess the potential for greater international use of emerging market currencies (*Emerging Market Currencies Internationalization*), to analyze the impact on the stability of the international monetary system (*Financial Deepening and Currency Internationalization of Emerging Market Economies*).

#### Supporting Low-Income Countries (LICs)

##### *Managing Volatility*

The Fund must step up efforts to help our LIC members deal with challenges posed by recurring macroeconomic volatility, particularly from food and energy prices. In June, the Board will discuss *Macroeconomic and Operational Challenges in Countries in Fragile Situations* to consider how the Fund's engagement should be tailored, to meet the unique challenges of countries in those situations including through technical assistance and the revamped LIC facilities. On the analytical side, the Board will discuss in October *Macroeconomic Management in the Context of Global Volatility—Challenges for LICs*, with a special focus on managing the impact of commodity price volatility. In the same month, an informal session on *Managing Volatility in Low-Income Countries: the Potential for Contingent Financial Instruments* is scheduled to consider options for the international community to facilitate development and use of contingent financial instruments for LICs.

##### *Fund Policies*

Based on the outcome of the informal discussion last February, the Board will discuss in October the implementation of the HIPC Initiative, along with specific recommendations on its future (*Highly-Indebted Poor Countries (HIPC) Initiative and Multilateral Debt Relief Initiative (MDRI)*)—

*Status of Implementation*). A number of LIC-related policy reviews will be on the Board's agenda early next year, including the periodic *Review of PRGT Eligibility*, and *Review of Concessional Facilities—Concept Note*, which will set out the main themes for the review of the Fund's new concessional lending instruments that became effective in 2010.

#### Internal Work of the Fund

##### *Highlights*

In addition to the recurrent discussions pertaining to human resources and Fund finances, the Board agenda includes the following items:

- Broadening the Fund's Investment Mandate—Further Considerations, scheduled for July;
- Quota Formula Review—Data Update and Issues Note, scheduled in August shortly after the Board recess;
- Use of Gold Sale Profits—Further Considerations and Options, to follow up on the Board's discussion in April, scheduled for September;
- Report by the External Panel to Assess the Risk Management Framework, scheduled for October;
- Update on Key Budget Issues: Status of ACES Project and Analysis of Temporary Crisis-Related Budget, scheduled for discussion in the Committee of the Budget in November 2011; and
- Management Implementation Plan to follow up on the IEO Reports on IMF Performance in the Run-Up to the Financial and Economic Crisis and on Research at the IMF will take place later this year, after the discussion on the Triennial Surveillance Review.

Mr. Virmani and Mr. Eapen submitted the following statement:

We thank the Managing Director for the Work Program drawn up till September 2011. While we are in broad agreement with the structure and sequencing of Board engagements, we would like to make the following points:

There appears to be no opportunity to discuss debt restructuring issues in the Work Program—more particularly sovereign debt restructuring and associated issues relating to sovereign debt markets in Europe. The developing concerns on these issues warrant discussion/updates by the Board on a regular basis. Further, as mentioned by Mr. Legg and Mr. Di Maio in their recent statement on the first and second Reviews on the Extended Arrangement on Ireland, “There is clearly a need for greater clarity and certainty regarding the collective Euro-zone response to the challenges confronting its peripheral members, and we look forward to a discussion of this in due course.”

Despite repeated remonstrations by us and other Directors on the issue of bunching, there is a Board discussion schedule on every day of the week beginning June 27th and ending July 1st 2011. This week has two briefing sessions and 10 country discussions slated. We suggest some re-scheduling to other weeks to avoid undue pressure and also in view of the importance of each of these items.

Similarly, on June 14, 2011, there are informal sessions on three important updates in one day—on the WEO, the GFSR and the Fiscal Monitor Updates. We suggest re-scheduling on this as well.

Mr. Shaalan and Ms. Abdelati submitted the following statement:

We agree that we must focus our efforts on the key issues facing the membership, as identified by the IMFC. As risks to global financial stability are receding and the recovery is under way, we see merit in shifting to a more normal pace that allows sufficient time for meaningful deliberations for the less urgent future initiatives. In addition to the three general groupings of topics listed in the Work Program, we would be interested in a staff paper on ways to enhance the effectiveness of the IMFC. We have the following comments on the proposed Work Program.

#### Growth and Macro-Financial Stability

We consider strengthening surveillance—in particular bilateral surveillance—as the main vehicle to improve the effectiveness of the Fund, and we look forward to the potential contribution of spillover reports. We broadly support the topics for the analytical chapters for the WEO and GFSR. In particular, we see merit in the proposition that strong fiscal consolidation, in countries where it is needed, is the best way to achieve a resolution of external imbalances. Recent WEO analysis has sometimes given the

impression that narrowing global imbalances would primarily depend on exchange rate adjustment even in the absence of supportive analytical work.

The new Consolidated Multilateral Surveillance Report to the IMFC conforms with the IMFC's call for such a report. We would be interested in the rationale for having "an informal meeting to brief" instead of a formal Board discussion. Should this paper not go from the Board? We welcome the addition of a separate session on the Review of the Fund's involvement in the G-20 MAP and call for an accurate assessment of costs.

The concern with the quality of growth and employment is understandable, but the role of the Fund in this area is not clear. We seek clarification of the operational implications of the following statement: "While mindful that its comparative advantage lies elsewhere, the Fund will strive to pay due regard to these dimensions in its analysis and policy advice." What is the nature of the work planned by FAD and RES, and what are the implications of area department work?

#### Reforming the International Monetary System (IMS)

Many elements in this grouping are medium-to-long term priorities identified by the IMFC Communiqué, particularly issues related to enhanced global safety net, and diversifying the international currency and reserve system, and greater role for the SDR. As such, they would benefit from careful deliberations and there is no need to rush through the discussions.

While we look forward to the work proposed in the subsection Rethinking surveillance, we consider this work an integral function of the Fund and not as part of the reform of the IMS. The IMFC Communiqué called for an assessment of the effectiveness, evenhandedness and traction of Fund surveillance, including an assessment of possible gaps and any needed updates of the surveillance framework. The formulation in the MD's statement gives the impression that gaps have been identified requiring concrete proposals. The staff's comment would be welcome.

We seek further clarification on what is intended under the subsection Cooperative initiatives on cross-border capital flows. Four papers are proposed, with one of them to address capital account liberalization. Would this paper only review past country experience, as suggested on page 11, or also propose policies as suggested from the title? Why is the paper titled "Systemic Policy Aspects of Cross-Border Financial Exposures" limited to exposures to emerging markets when systemic exposures are often between

advanced economies? Will the paper entitled “Multilateral Aspects of Policies Affecting Capital Flows” only look at effects on third tier countries and cover source as well as recipient countries, or also expand the coverage of country experiences as requested at the last Board discussion on the subject?

The two discussions planned on the SDR basket and its valuation, under the heading of global reserve system, could be formal board discussions. What is staff’s rationale for informal briefings? We welcome the planned staff discussion notes on patterns of financial deepening in emerging markets and the greater international use of emerging market currencies.

#### Supporting Low-Income Countries (LICs)

The IMFC called on the Fund to refine its tools to assess LIC vulnerabilities and debt sustainability and to explore avenues to help LICs better manage volatility. We do not see a paper on assessing LIC vulnerabilities, unless it is included in the paper on managing vulnerabilities. It also seems premature to plan a paper on the use of contingent financial instruments for LICs, right after Board’s discussion on managing vulnerabilities. A longer period between the two papers could be needed if the second paper is to benefit from the Board discussion on managing vulnerabilities.

On the distribution of Board meetings, we welcome the postponement of some less urgent items that had been scheduled prior to the Spring Meetings to the recent weeks following the Spring Meetings. We need to do more of this. The past four weeks have had a relatively light work load which will inevitably translate in some bunching in July and September.

Mr. Alkholifey submitted the following statement:

I welcome the well-focused statement on the Work Program. The agenda is indeed ambitious, but is in line with the Fund’s role in promoting global economic and financial stability. The statement correctly points out to the need to enhance our surveillance of the global economy to be ahead of the curve. I am in general agreement with the proposed Work Program and will limit my remarks to a few specific issues.

First, I welcome the inaugural Spillover Reports on the five main areas and economies that will be discussed in July with the relevant Article IV consultations. I agree that we follow up with a summary of the main themes of these reports. However, since the scheduled informal session for this

discussion on July 27 coincides with the consultation discussion for the United Kingdom and is very close to other relevant consultation discussions, there may be merit in moving it until after the Board recess. I also note that the informal session is labeled as “to engage,” and further elaboration on how the Executive Directors’ views during the discussion will be reflected in the summary report would be appreciated.

Second, the Consolidated Multilateral Surveillance Report to the IMFC is labeled as the Managing Director’s report to the IMFC. The aim of the report is to “distill the key messages from our various surveillance products and draw their implications both for members and Fund policies.” However, since surveillance is considered to be the responsibility of the Executive Board, it is important that the Board should discuss this report in a formal session, rather than simply be “briefed” about it. The staff’s comments would be appreciated.

Third, I welcome the emphasis that the Fund will now be placing on issues related to the quality of growth, and how growth can contribute effectively to employment creation, which is essential for medium-term sustainability. Indeed, high unemployment remains a source of major concern among many advanced as well as emerging and developing economies. The Fund’s work in this area can be facilitated by increased collaboration with international institutions that possess background and expertise on these issues, such as the World Bank and the International Labor Organization.

Fourth, the discussion scheduled for June 20 on whether there are any remaining residual gaps in the global safety nets might be handicapped by the fact that it will precede several other discussions that might be relevant to the issue, including the review of conditionality, the design of Fund-supported programs, and the reviews of the FCL and PCL. The staff’s comments on this matter will be appreciated.

Finally, given the crowded schedule in July, I believe that we should reschedule the two items on “Systemic Policy Aspects of Cross-Border Financial Exposures to Emerging Markets” and “Modernizing the Framework for Fiscal Policy and Public Debt Sustainability Analysis” until after the Board recess. Furthermore, the informal session on the quota formula review, which is scheduled for August 22 immediately after the Board recess, should be rescheduled to a later time to allow for adequate preparation for the session.

Mr. Prader and Mr. De Lannoy submitted the following statement:

We appreciate the overview of the Work Program. We agree with the focus and the priorities.

We regret the high number of items per Board day in June and July. A more even distribution would allow for better preparation. Several of the items planned in June and July are important and deserve a proper discussion.

We would also appreciate earlier communication of the agenda for the coming weeks and the exact dates when items will be discussed. This is important to allow for a proper division of labor and timely consultation with the authorities in multi-country Constituencies.

Mr. Gibbs and Mr. Ward submitted the following statement:

We broadly agree with the Work Program. The proposed schedule is ambitious in terms of policy issues and the overall number of planned meetings. While this partly reflects the scale of challenges currently facing the global economy, we do feel there was greater scope to discuss some of the issues closer to the Spring Meetings. We encourage further efforts to smooth the workload, while the Board should take a pragmatic and focused approach to discussions and consider further steps to improve its efficiency and effectiveness.

#### Growth and Macro-Financial Stability

We welcome the cross-cutting theme of improved surveillance of the global economy across the Work Program, especially the forthcoming series of discussions on spillover reports. We also welcome the new IMFC Consolidated Multilateral Surveillance Report from the MD to the IMFC. We attach strong importance to this product. It cannot be simply a merger of the summaries of other Fund publications. We are looking for a clear, stand-alone product that builds on discussions at the last IMFC, considers the risks and spillovers facing the global economy, and provides a platform for a Ministerial discussion of policy actions taken or planned. To work in this way, it should also be sufficiently brief and focused for senior policymakers. Separately, we encourage an assessment of surveillance products in the context of the TSR to determine whether there is scope for streamlining and/or integrating them.

We welcome management's acknowledgement that the Fund needs to broaden its concept of macro-economic stability in order to sharpen its analysis and improve its policy advice. Unforeseen events in the MENA region have demonstrated all too clearly a failure by many institutions to understand growing tensions within various countries. Therefore, in addition to provision of financing support and standard technical assistance, the Fund needs to affect a step-change in its interactions with the region and be prepared to tackle difficult issues, including inequality and accountability.

We also welcome the recent focus on macroprudential frameworks and financial stability. There is some risk on these topics of duplication of work in other fora so, in encouraging continued focus by the Fund in this area, we also look for a collaborative and co-operative approach to working with other institutions in order to add most value.

#### The International Monetary System

We share the view that strengthening the IMS is a key priority and we are broadly supportive of the various workstreams. As raised in our previous statement on the Work Program, the Fund needs to set realistic targets and focus on achieving tangible outcomes over the course of the year.

The Work Program states that the TSR will include concrete proposals on “identification of risks, surveillance of countries that pose the largest systemic risks, and the coherence and integration of surveillance products.” We also need to consider whether the legal underpinnings of Fund surveillance are sufficient to support the desired surveillance objectives.

We support the Fund's ongoing work to develop a comprehensive and balanced approach to the management of capital flows, and welcome the wide range of papers that are proposed. We also welcome the session covering financial deepening and the promotion of local currency capital markets—these are important ways in which countries can insulate themselves from the effects of large and volatile capital flows.

It is appropriate to return to the issue of global financial safety nets to ensure we have identified gaps and taken steps to close these. We also welcome the series of discussions planned for considering the global reserve system. However, could staff clarify whether the informal discussion on the case for an allocation/cancellation of SDRs is intended to be a regular review?



We note that the conditionality review will not take place until October. We appreciate that this is a significant and wide-ranging project for staff. Nevertheless, we would encourage discussion of this before the Annual Meetings, given strong external interest. We would appreciate staff's comments.

#### Supporting Low-Income Countries

We welcome the discussion of Macroeconomic and Operational Challenges in Countries in Fragile Situations which was deferred from before the Spring Meetings. We consider this overdue given the number of LICs in challenging situations and the important role the Fund can play—through both financing and technical assistance—to support macro-economic stability. We hope that the Fund's review and approach is of a similar ambition to the World Bank which has made conflict and security the subject of its latest World Development Report and is in the process of revising its own approach to fragile states. We also welcome the October paper on Macroeconomic Management in the Context of Global Volatility—Challenges for LICs, in light of the ongoing effects of food and fuel prices.

#### Internal Work of the Fund

We look forward to discussion of the use of gold sales in September, when we hope there will be broad support for using these resources to support LICs, given the range of challenges mentioned above.

Following recent discussions on the Fund's budget and income position, the forthcoming meetings on the ACES project and the Fund's Investment Mandate will be critical to provide greater transparency and support for budgeting decisions and increased flexibility to diversify the Fund's income respectively.

Mr. Garcia-Silva and Mr. Hendrick submitted the following statement:

We support the proposed Work Program, which seems to strike a fair balance between the complex work agenda and the new Board practices aimed at a better focus on strategic issues. For a third consecutive year, the consequences of the worst economic and financial crisis in recent history are still unfolding and presenting new challenges to the Fund and other multilateral financial institutions. The agenda remains complex and heavy loaded. It will be important to maintain and improve, where possible, planning the Work Program in a consistent manner with the best practices approved by

the Board. In particular those related to the use of lapse-of-time (LOT) basis for Article IV consultations and program reviews in an objective, transparent and consistent manner. We would appreciate more precision from management and staff on how the criteria for an objective selection of LOT procedures are being implemented in practice. We take note from Table 2 that the Work Program envisages 19 items on a LOT basis. We would like to ask staff about the criteria for this forecast, considering that some items will be discussed by September 2011 and the staff mission to those countries may have not yet taken place.

We agree with management's view that the Fund will continue to play a key role in promoting cooperation on global economic and financial problems. We also agree that we need to focus on the most important issues for the membership. In this context, we believe that the most important task is the rethinking of surveillance. We therefore welcome the forthcoming spillovers reports and the new IMFC Consolidated Multilateral Surveillance Report, as well as the prospects for revisiting the 2007 Surveillance Decision. We can support management's proposal to follow up with a summary of the main themes of the individual spillover reports. However, the main discussion should take place in conjunction with the respective country's Article IV. We furthermore suggest the inclusion of the main indicators of the G-20 MAP as an annex to the new IMFC Consolidated Multilateral Surveillance Report, and we would welcome comments on this matter from staff and management.

On other aspects of the agenda on the international monetary system (IMS), the heavy workload calls for careful prioritization. First, we welcome the fact that the Board will have the opportunity to discuss critical topics such as capital account liberalization, financial interlinkages and the multilateral dimension of capital account policies, which will complement the more recent discussions on capital controls. However, and as we have mentioned on a number of occasions, it is unfortunate that cross-border and multilateral aspects of macroprudential policies, which naturally fall within the same purview of the agenda on cross-border flows, are included in a different section of the Work Program. Second, we look forward the planned discussions on global safety nets. We do miss, however, a discussion on current facilities going forward, such as the Flexible Credit Line and Precautionary Credit Line, and how they can adapt to an environment where, hopefully, financial turbulence and uncertainty have abated. Third, within the scope of the IMS and the role of the SDR, we particularly look forward to staff's views on currency internationalization and financial deepening. Comments are welcome.

We fully endorse the proposal that the Fund should pay due regard to the political economy in its analysis and policy advice. We particularly welcome the analytical work to be carried out by FAD and RES on the nexus between inequality, jobs, and growth. However, we would like to remind management and Board colleagues that, in principle, this explicit instruction was already given at the time of Mr. Koehler's administration. In area departments all staff reports needed to include an analytical section at the beginning about the political economy of the country (relations of power in congress, political parties, unions, church, civil society, etc.). Moreover, in addition, a special more comprehensive report was prepared once a year and updated quarterly. We would like to ask the staff why this good practice was discontinued, and what would be the right incentives for these new efforts for the "quality of growth" to survive the problem of going out of fashion again in the future?

Mr. von Stenglin and Mr. Dahlhaus submitted the following statement:

We thank management for this far-reaching and ambitious Work Program for the immediate period until the Annual Meetings and beyond. While we generally agree that the priorities presented in the program match those outlined by the IMFC at the last Spring Meeting, we would like to comment on a few areas where we think the Fund's message could be clearer on priorities going forward.

Priority setting is important; however the role of the Fund should not be narrowed from its focus on macroeconomic stability and overall statutory mandate. We therefore recommend to be more precise on the role of the Fund (in paragraph 2) and to add in the key issues facing the membership: "pursuing sustainable growth consistent with macroeconomic and macro-financial stability."

On surveillance, we agree on the sequence of presenting the different multilateral surveillance items, including the new Multilateral Surveillance Report (paragraph 3). However, in view of the importance of this report and its submission to the IMFC we recommend that it is a task for the Executive Board to discuss the report in a formal meeting and to distill key findings and messages in a summing-up.

Despite comprehensible concerns on the need for paying more attention to employment and qualitative aspects of growth, an extension of the concept of macroeconomic stability (paragraph 4) is in our view not fully warranted. The Fund must still be in a position to communicate clearly on

pressing needs for policy adjustment, where appropriate, to ensure price stability and fiscal sustainability. Further, the division of labor between the Fund and the ILO has been functioning well so far.

On the Triennial Surveillance Review, we would put more emphasis on “strengthening” than on “rethinking” surveillance. The challenges, in particular at the country level, will be to convey clear messages in view of the Fund’s assessment of risks. In this context, we also welcome a renewed discussion of the “framework to assess debt sustainability” (paragraph 5) which is particularly pertinent at the current juncture to underline the Fund’s focus on crisis prevention and resolution.

The division of labor between the Fund and the FSB is still a concern. In view of the forthcoming discussions on macroprudential framework and financial stability (paragraph 6), ongoing work of the FSB should be taken into account to avoid duplications and possible frictions between the respective mandates.

We welcome continuing work on the functioning of the international monetary system following the deliberations of the IMFC and the G-20. On global financial safety nets the IMFC has highlighted the need for the Fund to work with regional financing arrangements to develop broad principles of cooperation with the Fund. The staff’s comments would be welcome, since this aspect has not in detail been elaborated in the Work Program. While we are open to further discussions on tools to deal with systemic crises, so far the need for an “enhanced global safety net” (paragraph 8) is not yet agreed consensus. By the same token, we support further work with the aim to broaden the composition of the SDR basket, yet, beyond this, the need for “a greater role for the SDR” (paragraph 8) cannot be presumed as agreed consensus following the deliberations of the IMFC and the G-20.

The forthcoming Board discussion in view of the routine decision on the SDR allocation has been included in the Work Program as an informal session. According to the articles the Board has to formally agree to a proposal by the MD to the Board of Governors. The staff’s comments would be welcome.

We welcome upcoming assessments of LIC vulnerabilities and debt sustainability. It is important that the Fund builds its recommendations for LICs on how to better manage volatility on thorough analytical and empirical grounds. We agree that macroeconomic management and the strengthening of policy buffers are particularly important. The parallel scheduling of an

informal meeting to already consider options to facilitate the development and use of contingent financial instruments, including from official creditors, is in our view premature. The outcome of the Board discussion on these former aspects should be awaited.

Mr. Mojarrad and Mr. Rouai submitted the following statement:

We thank the Managing Director for the proposed Work Program and we broadly support the focus on the three indentified priority areas. We appreciate the regular sessions on the Work Program implementation. We would like to make the following points:

We support the emphasis on the quality of growth and employment and the planned analytical work on the link between inequality, jobs and growth, and encourage staff to closely collaborate with other specialized institutions. We note that a study on the quality of growth will be included in the forthcoming REO on Sub-Saharan Africa and we suggest that this work be presented to the Board in an informal session.

We look forward to the new Consolidated Multilateral Surveillance Report. We would like to point out that many Executive Directors requested such report before the recent call by the IMFC. We note, however, that the report will be presented to the Board in an informal session to brief. We propose that the report be discussed in a formal Board meeting.

We note with concern that many important policy issues and also some country items and program reviews are scheduled during the two weeks preceding the Annual Meetings. We suggest advancing the discussion on the 2011 TSR since the review of the 2007 surveillance decision may require more than one meeting. We also suggest postponing after the Annual Meetings the briefing on the IMF TA strategy and the informal session on macroprudential policymaking.

We look forward to the paper on the quota formula review and to the discussion on the case for an allocation of SDRs in the next basic period.

Finally, like Messrs Virmani and Eapen, we see the usefulness of discussing debt restructuring issues.

Mr. Andersen and Mr. Gronn submitted the following statement:

The upcoming Work Program for the Executive Board is ambitious as it should be for this institution. The program attempts to cover the main challenges facing the international economy. We look forward to the work ahead and broadly agree with the MD's proposed Work Program, thus limiting our comments to the following:

#### Growth and Macro-Financial Stability

We look forward with great expectations to the upcoming discussion on the inaugural Spillover Reports on China, euro area, Japan, United Kingdom, and the United States. We agree with the MD that they should be followed up with a summary of the main themes of the individual reports. Moreover, we welcome the new IMFC Consolidated Multilateral Surveillance Report from the MD to the IMFC that would extract the key messages from the various surveillance products. We believe that such a product could be valuable for the IMFC members and promote their active engagement on the policy topics. Our chair has on previous occasions reiterated the need for such a report on surveillance that would encourage strategic guidance from the committee. Referring to the April 2011 IMFC Communiqué, this should be one element in the needed enhancement of the role of the IMFC as a key forum for global economic and financial cooperation. However, we were somewhat surprised to see that this report is planned for an informal session to brief and would prefer that this is transformed into a format where the final report would reflect the Director's remarks.

We think that discussing the WEO and the GFSR on the same day provides an efficient setting for macro-financial considerations. By structuring the discussion that way, it increases consistency in key policy recommendations from the institution. We believe that considerable progress has been made on this front. In addition, we would like to raise the issue whether a specific Board discussion on forecasts in the WEO, GFSR, and the Fiscal Monitor might be warranted, as we feel that a limited amount of time is focused on that subject in the current arrangement.

We very much appreciate Box 1 on the upcoming analytical chapters in the WEO and the GFSR. We would appreciate a similar box on the analytical parts of the Fiscal Monitor.

We would like to suggest that regular briefings be held for the Board from IMF representatives at G-20 meetings.

## The International Monetary System

We agree with the MD that strengthening the IMF is a key medium-term priority and believe that the work that is being undertaken is promising. We especially look forward to the discussion on the 2011 Triennial Surveillance Review (TSR) and Review of the 2007 Decision on Bilateral Surveillance. Also, we strongly welcome the work on cooperative initiatives on cross-border capital flows and believe that the right focus is placed on the matter.

We look forward to the discussion on global financial safety net, in particular on the FCL and PCL and related issues. One issue that we believe that might be expanded on is a forward looking discussion on possible successor arrangements for program countries with exceptional access. Many of the current programs are of such a structural nature that it might be conceivable that successor programs are needed. Therefore, we believe that the Fund should start preparing work assessing whether the current instruments provide sufficient policy space to address the envisaged challenges that these program countries might face and the pros and cons of the various options in the toolkit. The staff's comments are welcome.

## Internal Work at the Fund

We would emphasize the importance of proceeding with the proposed Work Program for the internal work of the Fund. In particular, we would like to reiterate that the discussion on the Use of Gold Sale Profit—Further Considerations and Options, should take place no later than September. The Board needs to decide on how the windfall profits of the gold sale should be arranged. Time is important in this matter. Furthermore, we look forward to the management Implementation Plan to follow up on the IEO Reports on IMF Performance in the Run-Up to the Financial and Economic Crisis benefitting as well from the TRS.

Mr. Chia, Ms. Yeo and Ms. Ridzam submitted the following statement:

The Work Program is generally well-balanced between being extensive in coverage and clear in its priorities. We agree with the buff statement that increasingly divergent economic conditions across countries have resulted in different national concerns and policy prescriptions. Yet, the global recovery remains fragile, and progress on many structural issues has

only been haltingly advanced. Against this, global policy cooperation becomes more complex, but correspondingly more important.

### Growth and Macro-Financial Stability

We welcome the new IMFC Consolidated Multilateral Surveillance Report, and view it as an important contribution to enhance ministers' understanding of and engagement on Fund surveillance issues. To better hold IMFC members' attention, the report should be succinct and well-tailored to focus on key messages from the Fund's various surveillance products, and avoid duplicating lengthy analyses. We ask staff to share more details on the mode of this report, including whether it would be published externally.

Greater Fund focus on issues relating to the quality of growth and employment is both relevant and timely. Our constituency has several members which are developing countries or small island economies which could benefit from Fund research and policy advice in this regard. Whilst we support the objectives of reducing inequality and promoting jobs and growth, the Fund's traditional message on advocating fiscal responsibility should not be diluted. In fact, these aspects could be complementary, as set out in a recent Staff Discussion Note on Inequality and Unsustainable Growth: Two Sides of the Same Coin? For instance, better targeting of subsidies can free up capacity to finance growth-enhancing investment, thereby helping to square the circle of promoting fiscal responsibility and durable growth whilst protecting the poor.

On financial stability, there will be an informal session on Macprudential Policymaking: Country Experience with Objectives, Tools and Institutional Arrangements. We welcome the collection and sharing of country experiences and the furthering of analytical work in this area. However, recognizing that our knowledge in this area is at best partial and the analytical foundations rudimentary, we should avoid a premature movement towards any prescriptive framework. We note that the absence of an explicit macroprudential legal framework has not been an impediment to actual policymaking aimed at macroprudential risks in many countries that are commonly cited in references. The staff would be able to offer most value on the substance of macroprudential surveillance, analysis and policy in practice and less on the institutional set-up or legal framework which will vary depending on individual country circumstances.

The IMFC Communiqué from the recent Spring Meetings called for enhanced financial sector oversight of risks related to shadow banking



activities. Could staff comment on whether they have planned any work in this regard?

We further note that the Report to the Board on the Early Warning Exercise is now treated as a formal Board meeting, when past discussions have been informal. Could staff explain the rationale for this difference in practice?

The discussion of spillover reports before the Board recess is welcome. However, it may be more sensible for the item on Key Themes from Spillover Reports to take place after the individual Article IV discussions of the five countries/regions concerned. The staff's comments are welcome.

### International Monetary System

We support the Fund's work on Global Financial Safety Nets and in examining if there are residual gaps in current arrangements, which could be valuable in helping to set out a clear framework and *modus operandi* for dealing with systemic shocks. This has clear relevance under present circumstances, given that considerable downside financial and sovereign risks remain. In this context, the IMFC communiqué welcomed "the upcoming discussion on GFSN..., including liquidity provision mechanisms, with adequate safeguards." Could staff clarify if work on such mechanisms is covered under the present Work Program?

Mr. Assimaidou submitted the following statement:

As in the recent period, the Board agenda going forward is ambitious. This is attributable to the many challenges still facing the global economy and the membership in a context of unbalanced recovery. We fully share the emphasis put on the need to maintain global policy cooperation in order to successfully address those challenges.

### Prioritization

Effective cooperation requires that the Executive Board fulfills its responsibilities in an effective manner. In this vein, careful prioritization of the Work Program remains of essence to avoid item bunching and excessive use of lapse-of-time procedures. It is also important to facilitate the work of the Board by ensuring appropriate periods of circulation of Board documents. As regards bunching, we note that the periods from mid-June to mid-July and from end-July to early August are particularly loaded with Board meetings,

mostly on country items. Given that the five inaugural spillover reports will be discussed by the Board with the relevant Article IVs in July, along with Article IV consultations of a few other advanced economies, would not it be useful to postpone some other items after the Board Recess? We would appreciate the Secretary's view on such an option.

We broadly agree with the identified “anchor” items (Table 1). Nevertheless, we would have also expected that the discussion on Managing Volatility in Low-Income Countries: the Potential for Contingent Financial Instruments—which had already been postponed—be considered not only for a formal Board session but also as an “anchor” item. This would be consistent with the IMFC's view that support to LICs must be strengthened and the need for these members to have access—as other members—to contingent instruments. We would also hope that, in the context of such discussion, the issue of the Fund's role in helping LICs move towards access to capital markets will be addressed.

#### Agenda on Growth and Macro-Financial Stability

We agree with the proposed agenda on policy issues related to global growth and spillovers, the quality of growth and employment, and debt and fiscal sustainability. In particular, we welcome the planned IMFC Consolidated Multilateral Surveillance Report, and hope that the report will display candor and be an adequate reflection of the Executive Board's positions.

We welcome the new, broader approach to macroeconomic stability, which encompasses not only the analysis of the drivers of growth but also its quality, distribution and capacity to generate employment. We look forward to the study on the quality of growth in the upcoming REO on Sub-Saharan Africa.

Regarding the work on macroprudential framework and financial stability, we note the planned joint IMF/BIS/FSB report to the G-20 after the Annual Meetings. Since such report is scheduled to be issued to the Board for information only, it is important to ensure that it is well understood as being a joint report by staffs of the three institutions.

#### Agenda on the Reform of the International Monetary System

We broadly agree with the planned program on reforming the international monetary system, which is proceeding on various tracks. The

discussion of the 2011 Triennial Surveillance Review and Review of the 2007 Decision on Bilateral Surveillance is central to further strengthening Fund surveillance.

#### Agenda on Supporting Low-Income Countries

We welcome the focus that is being placed on addressing commodity price, fiscal and BoP volatility facing more harshly LICs. The Fund's role in bolstering financial and technical support to LICs and sharpening policy advice to these members has been reaffirmed by the IMFC. Accordingly, we look forward to the discussions on macroeconomic challenges facing countries in fragile situations, macroeconomic management in LICs in the context of global volatility, and debt sustainability in LICs beyond the entry into effect of the HIPC Initiative sunset.

As hinted above, we expect that a formal discussion on contingent financial instruments for LICs be held as soon as possible, so as to put in place an operational framework for such instruments. This issue is all the more acute in light of the persistent and global volatility, and the potential large needs facing these members going forward.

#### Fund's Internal Work

We broadly endorse the proposed program on the internal work of the Fund. In particular, we look forward to the revised Management Implementation Plan to follow up on the IEO report on IMF performance. We also look forward to further implementation of the new income model, notably the continuing discussion on expanding the Fund's investment mandate and consideration of the disposition of profits from gold sales. On this latter issue, we would have preferred that a second meeting take place as early as possible (before the Board Recess), followed possibly by another discussion before the Annual Meetings, so as to obtain a convergence of views amongst Executive Directors and reach specific proposals to be presented to the membership during the Annual Meetings.

Mr. Weber and Mr. Peter submitted the following statement:

We agree with the Managing Director that the Fund is facing a highly challenging global economic landscape. Not all of the challenges can be addressed by the Fund. Setting priorities in line with the institution's core mandate is therefore crucial. We believe that the proposed Work Program is generally appropriate by emphasizing the importance of policy cooperation to

mitigate the considerable systemic vulnerabilities. That said, we would like to reiterate that what is equally—if not more—important is that members bring and keep their own houses in order since cooperation will hardly be sustainable otherwise. In terms of the Fund’s toolkit, strengthening surveillance is clearly key, while we see no scope to add to the set of lending instruments that was expanded and revised in the last two years. While the proposed priorities broadly reflect the IMFC’s strategic guidance, we should strive to further improve the priority setting and the Board’s work agenda through the IMFC process.

### Growth and Macro-Financial Stability

We look forward to the pilot Spillover Reports and hope that this exercise will be conducted candidly so as to improve our view on the system as a whole. It is our hope that the new IMFC Consolidated Multilateral Surveillance Report will help frame the core issues to be addressed. Surveillance is and should remain in the realm of the Board. We thus support other Directors’ calls that this report should be from the Board rather than from the Managing Director and that it should be discussed in a formal Board meeting. We expect the Review of the Fund’s Involvement in the G-20 MAP to contain a detailed assessment of the benefits and costs of this exercise in technical assistance.

While we agree that the quality of growth is a significant concern for many members, we should be realistic and play by our strengths. We thus argue to leave the lead on these momentous issues to the responsible organizations, in particular the World Bank and the International Labor Organization.

The matter that requires our full attention and deserves highest priority is the state of public finances. Given the large amounts of public debt held by a broad spectrum of financial market participants, we sorely miss further work on the link between public finances and global financial stability.

The upcoming work on Macroprudential Policymaking promises to be seminal. We assume that it also represents the foundation for the Fund’s contribution to the joint IMF/BIS/FSB Report to the G-20 on a Macroprudential Policy Framework, which, in turn, should be formally discussed by the Board. Could staff comment on this exercise?

## International Monetary System (IMS)

Extensive discussions have been and are being held on how to strengthen the IMS. It is widely accepted that the macroeconomic policies of a handful of countries, together with inadequate financial supervision in many advanced economies, bear much of the responsibility for the pressures that ultimately triggered the crisis. While these policies thus indeed need fixing, it is still not obvious that the functioning of the IMS—or the non-system as it has been called in earlier papers—is likewise in need of fundamental repair. We believe that the expectations on the outcome of this multi-faceted work should be well managed.

## Supporting Low-Income Countries

The Fund has a crucial role to play in advising its low-income members. Its financing toolkit has been adapted appropriately in the past two years, and we see no need to expand the Fund's financing role in these countries. Apart from our general reservations on the Fund's insurance type facilities, we consider a facility for contingent financing as not compatible with concessional lending under the PRGT with limited and externally provided loan and subsidy resources.

## Internal Work of the Fund

We see no reason to wait until September to decide on the Use of Gold Sale Profits. Like Mr. Mojarrad and Mr. Rouai, we would want to avoid the now planned bunching of policy items in the two weeks before the Annual Meetings.

We reiterate our concern that the intensity of country work—based on lending frameworks only recently revised—in combination with a streamlined review process and unresolved internal data management issues may erode the quality of the Fund's advice and output. The Board should assess how to reverse any such erosion and mitigate related reputation risk. We consider that the new Board practices have the potential to alleviate related pressures for the Board if applied fully, including the use of the LOT procedures. We ask staff to provide an update on the Economic Data Management Initiative to improve the consistency and quality of internal data.

Mr. Nogueira Batista, Mr. Fachada and Mr. Saboia submitted the following statement:

We welcome the proposed Work Program and offer the following comments:

The Board of Governors requested the Executive Board to monitor, on a quarterly basis, the progress made in the implementation of the 2010 quota and governance reforms. We request once again that discussions on this topic be included in the Work Program. This would offer management and the Board the opportunity to exchange views and experiences and work together towards a swifter implementation of the reforms. The experience in our constituency is that direct involvement of the Executive Director and his Alternate and Advisors may play a decisive role in the implementation of the reform.

The forward-looking elements that were part of the quota and governance reform will require a lot of groundwork on the part of the Fund. We welcome the scheduling of the discussion on Quota Formula Review for August 22.

We support Mr. Virmani and Mr. Eapen's suggestion of holding a discussion on debt restructuring issues, more particularly on the issues related to sovereign debt markets in Europe. We should bear in mind that the Fund played an important role in discussions related to debt restructuring in Latin America in the 80s and on the topic of collective action clauses in sovereign bond contracts in the first half of the last decade.

Regarding the reference in the Work Program to "cooperative initiatives on cross-border capital flows," we reiterate our understanding that the notion of a "comprehensive and balanced approach to the management of global capital flows" does not imply any constraint to country authorities' discretion to adopt capital account management policies, including capital controls, that they consider appropriate to their national economic circumstances.

We reiterate our preference for formal discussions by the Board on the various regional economic outlooks. We had suggested that at least one of these reports for each region be scheduled for formal discussion every year.

Mr. Saho submitted the following statement:

The forthcoming Work Program of the Executive Board is broad and diverse as it should be given the complex challenges faced by the membership. We note and welcome the effort to avoid bunching-up of agenda items so as to ensure sufficient discussion. However, we observe that this has not been entirely successful with the week prior to the Board recess being particularly crowded.

#### Growth and Macro-Financial Stability

We support the Managing Director's proposal of a follow-up with a summary of the main themes of the inaugural spillover reports on China, euro area, Japan, United Kingdom and the United States in order to enhance the Fund's effectiveness in promoting global adjustment and sustainable growth. We look forward to the new IMFC Consolidated Multilateral Surveillance Report, which we believe would be useful in the IMFC's provision of policy guidance to the Fund.

On the envisaged policy work to interrogate the quality of growth, we welcome staff's intentions for further analytical work on the nexus among inequality, jobs and growth. In so doing, we encourage staff to closely collaborate with institutions that have expertise in the areas that is not in the Fund's core competence such as the International Labor Organization and the World Bank. In this regard, we welcome the inclusion of a study on the quality of growth in the September 2011 REO on sub-Saharan Africa and add our voice to the discussion of this work in the Board.

#### Supporting Low-Income Countries

We join Mr. Assimaïdou in welcoming the Fund efforts in assisting LICs to deal with the challenges caused by recurring macroeconomic volatility. In this regard, we look forward to the discussion of the unique challenges faced by these countries, including countries in fragile situations and how to tailor Fund engagement as well as the discussions on macroeconomic management in the context of global volatility and managing volatility in LICs.

We look forward to the discussions on the future of the HIPC Initiative in October. We expect to reach broad agreement on proposals that will improve the chances of the remaining eligible countries reach completion point.

### Internal Work of the Fund

We anticipate highly the discussions on the use of gold sales profits in September with the expectation that we can reach a broad consensus for the use of these windfall profits to support LICs.

Given the importance of improving the quality of Fund surveillance, in order to quickly identify underlying vulnerabilities in member countries, we look forward to discuss the management implementation plan on the IEO reports on IMF performance in the run-up to the financial and economic crisis.

Ms. Lundsager made the following statement:

I would like to thank management and the staff for the Work Program and the helpful detailed notes we got yesterday. Directors' preliminary statements had many focused and useful comments. I wanted to elaborate on a couple of points.

The proposal for the multilateral surveillance report to bring together the key strands of the WEO, GFSR, Fiscal Monitor, and spillover reports could be useful if it highlights the baseline case for the global economy, the key risks and potential spillovers. I would welcome management's views on how the report will cover exchange rate developments.

Done well, the overarching multilateral surveillance report could both inform and stimulate IMFC engagement. We would appreciate the staff's elaboration on how this report would be structured and pulled together. How would this report be used at IMFC meetings?

We welcome Fund engagement on the macroprudential framework and financial stability. We have had some good discussions so far. It is critical that the staff, management, and the Board agree on clear consistent definitions of macro versus micro tools, and other measures. I feel we still have an amorphous set of definitions—different departments, different people are talking about different things. We should get clarity on what we all mean. We also have to bear due regard to the other organizations working on these issues.

Strengthening the IMS is a core area for the Fund. We note the proposed capital flows work focuses on volatility and the negative impact. It



is also important to keep in mind the beneficial aspects of cross-border capital flows.

Related to the IMS, during the discussion on reserve accumulation, the staff had mentioned doing some more work on non-precautionary reserve accumulation. What are the plans in this area?

Regarding the staff's replies distributed last night, I do have some reservations on questions No. 6 and No. 7.

On No. 6 it is important that the staff does not lose sight of the totality of capital flows—this means two-way flows between advanced and emerging markets, flows between emerging markets, and flows between advanced economies. Recent evidence would seem to indicate the importance of all aspects of capital flows and not just a subset. Using just one advanced economy banking case as example provides only a very limited basis for any conclusions.

On answer No. 7, we reiterate that it is very important to define what we mean by source and recipient countries, and that these definitions are used consistently across IMF research and analysis.

The global financial safety nets work remains important. We appreciate the staff's additional clarifications in the technical responses. We look forward to the forthcoming paper on analytics of systemic crises and the role of global financial safety nets.

On the global reserve system, we note the staff's explanation of the informal nature of the consultation. We do not see any problem in having this as part of a formal discussion—instead of informal—unless there are some particular reasons.

We also join Mr. von Stenglin in underscoring that the work of the SDR alluded to in the draft Work Program was explicitly excluded by the IMFC in its recent meeting. We think it would be useful to reorient priorities and not spend time on issues on which the ministers had not really focused or requested further work.

Finally, I want to make just one housekeeping comment and request. Most of the staff reports we get now include color graphs and charts. However, we get the hard copies in black and white. We then have to print the

staff reports in color. This seems very wasteful. Perhaps they could be distributed in color or sent electronically for the OED offices to print directly.

The Acting Chair (Mr. Lipsky) said that the suggestion regarding the distribution of staff reports solely in electronic copies was well noted.

Mr. He made the following statement:

The workload ahead of us is indeed very heavy. The key objective continues to be to safeguard global monetary, financial, and economic stability. Surveillance focus and resource allocation in this respect need to reflect the relative significance of key risks, including fiscal and sovereign risks, and continued financial sector vulnerabilities.

In this context, one question that arises is how to better integrate the use of the Fiscal Monitor with the WEO, GFSR, and the Early Warning Exercise. How could the message be better shared at the IMFC? How do we incorporate the key findings of the Fiscal Monitor in bilateral Article IV surveillance? More specifically, we have spent a lot of time on reserve metrics. I wonder whether it is more relevant to also do some study on public debt metrics, which is very relevant and would remain a key issue in the next few years. It would be very worthwhile to look into that.

Second, the TSR and 2007 decision review should aim at updating the surveillance framework. It is high time to incorporate and institutionalize the changes already in practice and accommodate the adaptability of our surveillance. Updating the surveillance framework is highly needed.

Bunching is still a problem. There are several factors contributing to this and we should try further to alleviate this problem. First, sometimes the travel of management is a problem. Second, the concentration of Article IV of large economies is another factor. Maybe the planning for drafting of the major policy papers should also be coordinated together with all these factors. The major policy paper discussions could be scheduled so as not to overlap with the major Article IV discussions.

Mr. Legg made the following statement:

There are two purposes to this regular discussion we have. First, to monitor how we are doing in terms of our agreed revised procedures and efforts to smooth the work flow, etcetera. Second, take a step back and think about strategic priorities.

Regarding the first, I think the Secretary and his team are doing a pretty good job under difficult constraints. While it is true—as others have noted—that June and July look pretty congested, it seems to be the price to pay for a more manageable period leading up to the Annual Meetings from the end of the recess.

Even as it is, we do seem to be compromising on one of the undertakings, which is to avoid new policy issues and noncritical Article IVs in that period. I would suggest that the quota reform and staff compensation are not new, but they are certainly not non-critical—at least two of them are critical. There are probably some questions about the criticality of some of the Article IVs in that period. I recognize this is a difficult juggling act, and maybe there are some good suggestions. Mr. He just made some good suggestions. We need to make full use of the new lapse-of-time arrangements. We also probably need to revisit whether we need a three week recess. It is a relatively recent renovation and perhaps one that is not sustainable.

Turning to the second purpose, which is the strategic priorities, the note accurately sets out all the things we have got on our plate. However, I am not sure it tells a narrative about the strategic priorities which resonates with me. There is a little bit too much of a long list of things. That narrative is important. It is important that we have a shared narrative about what our priorities are.

For instance, there are some issues here which are important but which are part of our long-term role—rather than things which we would seek specific focus on in the next six months. I would put work on LICs in that category. I would say that the work on understanding the link between inclusiveness and equality and sustainability of growth is very important, but it is building blocks for the future longer term role.

If I asked for my four priorities for the coming period, I would say the first one is to continue the efforts to get a more balanced recovery. That covers a lot of things. The work with the G-20 on the MAP, work on capital flows, spillover reports. I think that is the heading under which I would organize those things.

Second, it is important that we continue to manage and respond to the sovereign debt crisis in the European periphery. It is important that we regularly, albeit in appropriate informal restricted sessions, discuss progress towards a sustainable comprehensive approach, and whether that progress is

being made as quickly as we would like. It is also important continually think as we go about the lessons from the experience so far.

Third, I would suggest a selective and pragmatic approach to elements of IMS enhancement. I agree with Mr. Shaalan that surveillance is core work, but so is the IMS. I see the TSR as being core to that pragmatic approach to that set of issues. On other things, like the global financial safety net and SDRs, I would focus on what we think we can deliver on in this time frame, and where there is a consensus for making progress.

On issues such as the work on the macroprudential policies, while very important, the focus should be on calibrating our collaboration with the FSB and the BIS correctly. We should be realistic about our ambitions for the Fund's engagement on this topic.

Fourth, I would suggest a much more strategic approach to internal issues. In particular, the current list seems to be a fairly piecemeal set of issues. There are three things we need to be focusing on. First, we should be focusing on developing a much more comprehensive approach to the issues of internal culture and values which have been raised in recent IEO reports. That is necessary to support an enhanced external effectiveness. Second, we need to move expeditiously toward implementing a more sustainable income model. We need to be thinking more about managing the risks from having a much larger balance sheet for an extended period.

Finally, I endorse Mr. Nogueira Batista's call for regular updates on the 2010 quota governance package. I welcome the planned discussion on the quota formula. I agree that something can happen toward the end of this period, but we need to make a start on it. It would be useful to know about how we are going to start that discussion. There is a real concern if we start from where we were at the end of the last discussion, we might not make much progress. It might be useful to go back to first principles on this.

I am happy to go along with Mr. Mojarrad's suggestion of rescheduling the TA strategy discussion. However, it worries me that it is a discussion that is just for briefing. There are some issues about our TA strategy which would warrant Board attention and engagement.

I agree with those that attach importance to getting the new multilateral surveillance report right. I am also interested in how this report is being developed and how it will be used in the IMFC context. I certainly

agree with Mr. Gibbs that it should not merely be a summary of existing documents.

In a similar vein, I welcome the fact that we are trying to pull the WEO and the GFSR together on the same day. However, we still need to make some progress in integrating the presentations—that is what we are really aiming for. Just having back to back presentations which largely cover similar ground except for the conclusions is not necessarily most useful. We need to try and see how we can break down barriers between areas in this institution and give a coherent and integrated presentation on these issues.

Mr. Furusawa supported the main objectives of the Work Program. The MD's presentation at the IMFC plenary was excellent, even though the Board had not had any prior input. It was somewhat concerning that Governors were expected to discuss four reports—the WEO, GFSR, Fiscal Monitor and EWE—in one day. The new IMFC Consolidated Multilateral Surveillance Report could usefully bring all these messages together and provide a good platform for ministerial discussion. The report could be discussed at the Board prior to the Annual Meetings.

Mr. Fayolle made the following statement:

We support the Work Program. I just have a few comments on each set of issues.

Starting with the point made just by Mr. Furusawa, I completely agree with him and Mr. Gibbs on the new multilateral surveillance report. It has to be a new stand-alone product focused on key policy recommendations for ministers. This has to be undertaken so as to enhance ministerial engagement on surveillance.

Regarding the WEO and GFSR, we think that it is scheduled a bit too early in September. Like Mr. Chia, we wonder about the timing of the discussion of shadow banking activities scheduled. In the response to technical questions, it is suggested that the meeting will take place at the end of the year. This seems somewhat late to us, and we wonder why it is not part of the next GFSR given that shadow banking is a very important current issue.

Regarding the IMS, on the TSR, I very much welcome the early engagement of the Board. The IMFC has set a clear direction which is to strengthen multilateral surveillance. We need to discuss ideas and modalities as soon as possible, as Mr. He mentioned.

I very much welcome the SDR agenda. It is very good idea of staff to have a staff discussion note on the internationalization of emerging market currencies when we review the SDR valuation framework.

Finally, I strongly welcome that supporting LICs is one of the three priority areas, especially as I have the feeling that it has been a long time since we had a policy discussion on LICs. I hope that the use of gold sales profits will have an ambitious outcome as regards the financing of the PRGT. I strongly welcome the different discussions on managing volatility. This is actually a pressing challenge and I do not agree with those Directors who find this discussion premature. At the same time, it is important that staff has sufficient time to work closely with the World Bank on this issue. That is also a comment that I made to the representative of the World Bank in the room. Lastly, thanks to the new vulnerability exercise, I expect the next EWE to also cover low-income countries going forward.

Finally, touching on Mr. Legg's comment, I have to say that I have sympathy for revisiting the number of weeks for the recess. The Bank still has a two week recess.

Mr. Bakker made the following statement:

If I may, let me first of all express my sincere appreciation to the Chair for the extraordinary way in which he has kept the institution together in these very challenging days. I wish to say that in this meeting.

I appreciate the Work Program a lot. I had some similar remarks as Mr. Legg. Hence, I support his point that it would be useful to have a strategic vision and, probably, a rescheduled Board retreat would be the appropriate forum for that discussion.

As a general point, I feel that strengthening our surveillance function will be a key challenge for the institution for the coming years. Hence, we need to make progress on global economic governance, including strengthening the IMFC, and fostering our relations with the G-20.

On the concrete Work Program, I will be very brief. I have four points.

First, I am somewhat concerned that only one meeting has been scheduled on gold sales—very close to the Annual Meetings. This poses a strategic risk for the Fund. If no agreement can be reached before the Annual Meetings, then the decision taking on this matter—between the Fund and its

members—may be taken elsewhere. I therefore fully support Mr. Assimaidou's proposal to have an earlier session on this, which would enable us to present specific proposals to the membership for the Annual Meetings.

Second, continued work on capital flows is very relevant. I also support that we work more on source countries. That said, we should not lose sight of the challenges to the destination countries. We should continue to further the analysis and come up with a balanced approach on this.

Third, I support those Directors emphasizing due regard to quality of growth is important. A number of Directors, including members of the Middle East and North Africa region, have supported this. I support it as well.

Finally, while the Work Program is mostly complete, one important item is missing. That is, establishing voting limits for the election of Executive Directors. We discussed that during our governance meeting. The process for establishing voting limits needs to be started as soon as possible so as to provide certainty for chairs who are reconsidering the reconfiguration options in view of the agreement on the Board composition. I request this issue to be scheduled in the Work Program and that the CREED committee is established as soon as possible to deal with this issue.

Mr. Giammarioli made the following statement:

We broadly agree with the priorities set out in the Work Program and the Board agenda for the months ahead. I can limit myself to just a few remarks.

First, we support the proposal of a summary of main themes of the individual spillover reports, as well as the preparation of a consolidated multilateral surveillance report as requested by the IMFC. However, on the latter, like other Directors, we are wondering why the Board meeting has been proposed as informal? Why is the report an MD's report and not a Board report? I want to understand whether the report is a summary, or a strategic policy paper. Depending on the nature of the report, we can then discuss which is the best way to present the report to the IMFC and the appropriate form for the Board discussion.

Second, macroprudential policy is a very important issue. I would like to ask staff to elaborate a little bit on the strategic role of the Fund in this

topic, even beyond the six months ahead. How do we place ourselves vis-à-vis the other organizations discussing this very important topic?

On the specifics, I was wondering why the item of macroprudential policy making has been scheduled as an informal Board meeting. As was written in the staff reply yesterday, the forthcoming meeting is a follow-up of the previous meeting on macroprudential policies. The previous discussion in April was a formal meeting.

Finally, on the Board schedule for the 22nd of August, we tend to agree with Mr. Alkholfey that discussing the issue of quota formula review the very first day after the Board recess is going to be very difficult, especially because most of the offices back in our capitals—at least in Europe—are closed for the summer break. If we want to have a meaningful engagement on this, we would prefer this discussion to be postponed by a few weeks.

Mr. Hockin made the following statement:

We broadly agree with the Work Program. A couple of comments to support colleagues' comments portfolio.

First, I very much like Mr. Legg's comment on the narrative that precedes all of this. It would be much more helpful if it was more strategic, and expressed priorities and some phasing.

We agree with comments by Directors about the bunching of items in June and July. We would like to have the Secretary come back with a proposal on how to better use the period following the Spring and Annual Meetings.

We support the WEO/GFSR and Fiscal Monitor updates on the same day as proposed. If it is a problem, we could have them over two days. I do like Mr. Fayolle's and Mr. Legg's comment about having an integrated presentation as well.

We welcome the new IMFC Consolidated Multilateral Surveillance Report. We agree with Mr. Garcia-Silva that the indicators of the G-20 MAP should be included as an annex. I very much like Mr. Fayolle's notion that this should be a document for ministerial engagement.

Finally, on the TSR, we agree with Mr. von Stenglin that we should put considerable emphasis on strengthening surveillance, which is distinct from simply rethinking surveillance.



Mr. Mozhin supported the proposed Work Program, and looked forward to seeing how the various innovations proposed would pan out.

Mr. Alkholfey made the following statement:

Regarding the multilateral surveillance report to the IMFC, I agree with Mr. Gibbs that the report should be sufficiently brief and focused for senior policy makers. I also agree with those Directors who believe that the report should be issued by the Board.

I would like to support Mr. von Stenglin's comments on the enhanced global safety nets and a greater role for the SDR. I note staff's indication that the forthcoming paper of the global safety net does not contain specific proposals for a new lending instrument.

Finally, given the crowded July schedule—with several systemic country items and the spillover reports—I still believe that the discussion on the important policy items scheduled between 15th and 25th of July should be moved until after the Board recess.

Mr. Prader made the following statement:

I have two comments.

First, on idea of having a discussion on gold sales and the use of profits, I would like to remind the Directors about the content of our income discussion. Our chair, together with others, suggested that we take a view on gold sales only in the context of a sufficiently prudent framework for precautionary balances. This is needed to ensure that we do not dispose of the money without any context, and consequences for the rate of charge.

Second, on the idea of a strategic session, I would like to remind Directors that—judging from past experience in the last 10 or 11 years—every new Managing Director tends to propose a new strategic discussion. Hence, we will have the opportunity for strategic sessions.

Mr. Saboia made the following statement:

I would like to make just three points in addition to our gray.

First, the discussion on the quota formula review can be brought forward, if necessary. However, we do not support a postponement of the meeting in view of the forward looking agenda. The reforms that we agreed last year will require a lot of work.

Second, regarding the G-20 MAP, it is important to bear in mind that depending on the outcome of the forthcoming discussion, we will need to find space to discuss the products of the Fund to the G-20.

Third, we are very supportive of Mr. Virmani's suggestion that we have a discussion on sovereign debt restructuring. This is an issue that is high on the agenda, and the Fund had a role in the past. We therefore do not see why the Fund should not also play a role in this discussion.

Mr. Weber made the following statement:

We support the view of many Directors that the multilateral surveillance report to the IMFC should be discussed in the Board prior to be sent to IMFC. I recall the 2007 multilateral consultations did not go very far. One particularity of that exercise was that the Board never discussed any of the outcomes, or the reports from these consultations. We believe that if the Board takes a view on such an umbrella report, there is also a bigger chance that the IMFC will then take it up.

We support Mr. Virmani, Mr. Mojarad, and Mr. Nogueira Batista's call for a general discussion on sovereign debt in general. This is not just a European issue. Public debt and interest rates are will rise. We have to be ahead of the curve in addressing this issue in a more policy oriented way.

Regarding the use of gold sales, we are of the view that we should have an earlier discussion on gold sales. At the same time, everyone knows our position. This afternoon, we will discuss a program—Portugal—that poses considerable risks to the Fund's finances. Strengthening precautionary balances is thus paramount.

I share the view of Mr. von Stenglin regarding strengthening surveillance, rather than rethinking surveillance. We have a discussion on

Monday on how to prevent undue delays in Article IV consultations. This is part of this strengthening process.

On Mr. Legg's comments, I support a strategic discussion on TA. The timing—just before the Annual Meetings—is not fortunate. It will not get the attention that it deserves. Given that we otherwise never see any of these activities in the Board, we can reconsider the timing.

Mr. Gronn made the following statement:

I would like to add a couple of points for emphasis. Like many colleagues, we welcome the Consolidated Multilateral Surveillance Report. I look forward with enthusiasm to looking into it. I believe that such a report will be valuable for IMFC members in their engagement on strategic policy issues.

As some others, we are a bit surprised that this is scheduled to be an informal meeting. We prefer to discuss it in a formal meeting. In particular, given the remarks made by our Italian colleague here, that if the report is not just an executive summary but contains strategic policy recommendations, that strengthens the case for a formal Board meeting where Directors' views are reflected in the report.

On global financial safety nets, I agree with Mr. Garcia-Silva and Mr. Chia that we are looking at residual gaps in the instruments here. One issue that we mention in our gray is the need to look more into forward-looking discussions on possible successor arrangements for program countries with exceptional access.

On the one hand, a Fund program should be viewed as sufficient to restore stability and in that case, encompass an exit, but on the other hand, we see that several current programs have a structural nature, and a guiding hand to promote sustainable growth ahead given that structural nature of problems may be helpful. So, we should look into whether the Fund has the right toolkit to deal with those kinds of successor programs. Rather than dealing with an emergency, efforts to deal with enhancing growth over time would be useful.

Mr. Eapen pointed out that three Directors, rather than two as mentioned in the main themes in grays had supported his proposal for the inclusion of items to address debt

restructuring issues,<sup>2</sup> and further iterated his call for a session on addressing debt restructuring issues, specifically those relating to debt restructuring in Europe.

Mr. Mojarrad reiterated concerns that the two weeks preceding the Annual Meetings were overcrowded with items, especially important policy items, and that efforts should be made to avoid such bunching. Furthermore, given the prevailing circumstances,<sup>3</sup> publication of the Work Program should be speeded up to demonstrate that the Fund remained fully operational.

Mr. Hendrick supported the proposal to include a discussion on sovereign debt restructuring issues in the Work Program.

The staff representative from the Strategy, Policy, and Review Department (Mr. Teja), in response to questions and comments from Executive Directors, made the following statement:<sup>4</sup>

First, let me start with the Consolidated Multilateral Surveillance Report, and in particular the issue of why we have proposed it to be a report from the MD rather than from the Board, and why it is proposed to be discussed by the Board informally rather than formally.

This decision reflects three considerations. First, as noted by many Directors, we viewed this new product very much as a tool of ministerial engagement. We do not see it as a definitive viewpoint that has already been pre-endorsed by ministerial proxies, i.e., the Board. We do not see it as a mere summary of the WEO/GFSR but hope it will be something much more than that. Rather, the staff conceives this product as a distillation of the tensions and risks and policy implications for ministerial engagement. Ms. Lundsager asked what exactly do we have in mind on that, and I am afraid at this point that the staff is still working on a prototype. As soon as we have a better idea we can certainly talk about it.

The second reason why we thought it should be a report from the MD is that the report is based on the Early Warning Exercise and the WEO/GFSR—that is something that brings together messages from staff products rather than views that have been approved by the Board.

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<sup>2</sup> The third gray supporting the proposal was issued after the cut-off time and thus was not included in the EDs' version of the main themes in grays.

<sup>3</sup> The immediate aftermath of the resignation of the former Managing Director Dominique Strauss-Kahn.

<sup>4</sup> Prior to the Board meeting, SEC circulated the staff representatives' additional responses by email. For information, these are included in an annex to these minutes.

Finally, it is a new and relatively difficult product for us to write. We do not want to get into a communiqué style drafting mode, which is a problem that we might have to face if it were a formal document. So, we thought something that is a little more informal, like a report from the MD, would give us a little more leeway. As we do with all reports from the MD, we will have Directors' comments and we will take them into account. In fact, in the past, in cases that I have worked on, such as governance, we have re-circulated the reports for last-minute objections. Directors will have plenty of opportunity to provide inputs into this when it is done.

Let me also touch on a related issue of the Consolidated Spillover Report, which we are planning for late July. Some Directors asked why it was listed as an informal Board meeting. Our goal here was to provide something overarching at the time Directors have in their hands the five individual spillover reports, because the problem with doing these five individual spillover reports with the Article IVs—which we had recognized at the start—was that there might be a certain scatter to them, and we would need to be able to distill the messages and bring them together. So we are proposing that this be done in this overarching chapeau paper. It is experimental, and that is the main reason why we have put it as an informal item. If the Board strongly feels it should be a formal meeting, we do not have any problem with that.

Finally, on the issue of sovereign debt and Europe, let me just say three things. First, there will be an opportunity for the Board to look at the analytical issues relating to debt sustainability in the context of the SPR/FAD paper—which is on the schedule—called “Modernizing the Framework for Fiscal and Debt Sustainability Analysis.” In response to Mr. He, in this paper, we propose to have an analysis of different thresholds for debt sustainability. So the issue of metrics and thresholds will be covered in this paper.

The second point is that debt sustainability issues have been taken up, and they will continue to be, in the context of the program reviews that come to the Board, as well as during Article IV consultations. We think this country-by-country approach to debt restructuring is appropriate.

Third, on the wider issue that I think Mr. Virmani and Mr. Eapen are raising on crisis response, there will be an opportunity to discuss this in the context of the euro area Article IV consultation, which will cover all the issues having to do with ECB support, the ESM, and so on. This will be an opportunity for both the staff to talk about these issues, and for the Board to respond.

Let me take two other issues that came up this morning. First, Ms. Lundsager suggested that staff had promised a metrics paper. I think what we had said during the meeting on precautionary reserves was that an analysis of non-precautionary reserves is a lot harder and would have required a different paper; we did not say that we actually propose to write such a paper. This requires a lot more work. The staff is doing analytical work on this and, from the Research Department, there will be analytical papers on non-precautionary demand, but we are not ready for a Board paper on this subject.

Mr. He also asked about the integration of various products, especially in multilateral surveillance. It is hoped that the consolidated report will be one answer, if a partial one, to this deeper issue. One of the important themes for the Triennial Surveillance Review is precisely this integration, both across the multilateral products, multilateral to multilateral, but also multilateral to bilateral, and we might have some more to say on this in the context of the briefing Directors will have in June on the Triennial Surveillance Review.

The staff representative from the Strategy, Policy, and Review Department (Mrs. Mateos y Lago) in response to comments and questions from Executive Directors, made the following statement:

Let me start with a few questions that were raised on the Work Program on capital flows, where we are very much committed to a comprehensive agenda that looks at source and recipient countries, and the relations between all of them. As Directors will have seen in the period up to the Annual Meetings, there are two papers on this. The one that will have the most comprehensive coverage will be the one on multilateral aspects of policies affecting capital flows, and part of what it will do is document who is a source country, a recipient country and what are the linkages between them and how the policies of recipient countries affect others and how the policies of source countries affect both other source countries and recipient countries.

The other paper, the cross country one, is where we zoom a spotlight on one particular aspect, which is cross-border banking exposures. The technical answer on this point might have been slightly misleading in the sense that it will not be looking at just one country. It will be looking at a range of advanced country linkages to emerging market countries between them, but one of these pairs will be from advanced to advanced.

Turning to the questions regarding the Fund's work on the macroprudential policy work, this is an agenda that is developed in close

collaboration with the FSB and the BIS, and the respective areas of comparative advantage are determined jointly with them. Obviously for the Fund, having access to a large array of country experiences firsthand is a key consideration. More broadly, the Triennial Surveillance Review is looking at the issue of how the Fund's work in the broader macro financial surveillance area fits with what other institutions are doing. So that will be another opportunity for a strategic discussion on that front.

Turning now to the SDR work agenda, some Directors suggested it may be too broad. Let me just clarify, there are two items on SDRs in the Work Program. One specifically follows up on something requested by the IMFC communiqué, and that is the work on the SDR basket composition. The other is something that is a requirement under the Articles of Agreement. This is a discussion that has to take place by June 30, 2011, and about which we have no choice. It has to take place. It is scheduled as an informal thing, in part with a view to not making a big deal out of it, but of course if Directors prefer a formal discussion that can be done.

Finally, there were questions about when the Board will see work on vulnerabilities in low-income countries, including some of the results from the vulnerability exercise for LICs. The idea here is to present a lot of the results from this work in the paper on macroeconomic management in the context of global volatility that will come to the Board in October.

Ms. Lundsager followed up on the staff's remark that the Research Department was working on some papers on non-precautionary reserves and enquired when those papers would be available to the Board and whether they would be publicly circulated. Such research would be useful even if it was not discussed formally by the Board.

The staff representative from the Strategy, Policy, and Review Department (Mr. Teja) responded that work on non-precautionary reserves would take the form of working papers and journal papers, and thus would be published.

The Acting Secretary (Mr. Lin), in response to comments and questions from Executive Directors, made the following statement:

I would like to respond just very briefly to a few questions on bunching, the lapse-of-time process, and the 2010 reform.

First, on bunching, we very much appreciate Directors' concerns and also thank Directors for their inputs and suggestions. Bunching of Board items in the month of June and July is quite difficult to avoid, and this year it also

applies to the period leading up to the Annual Meetings. This reflects two reasons: the recess in August, and the consultation cycles for Article IV items and program quarterly reviews. We have had more policy items so far in 2011 than the same period in 2010. The unusually short time between the recess and the Annual Meetings also makes it even more difficult to avoid bunching.

However, we have tried to smooth out the workload by moving some of the items to after the recess, as well as considering more items this year than last year for LOT consideration. As a result, the work load for June and July this year is quite similar to the same period last year. In fact, the work load is lighter based on the numbers of items. Clearly, we will continue to make progress, and make an effort in this regard in the weeks ahead.

There was a question as to how we determine LOT cases. As Directors may recall, the criteria for determining LOT cases were discussed in detail in the context of the new Board reform. The LOT for items in the period ahead are based on the inputs from mission chiefs and departments for the time being. Clearly, this is only for planning purposes and is subject to revision and changes going forward. The final decision on LOT cases will depend on the consultation with Executive Directors and in light of the final assessment by mission chiefs. We will keep the Board updated. Careful consideration of LOT cases is a very important component to reduce or balance the Board schedule, addressing some of the work pressures faced by the Board.

Finally, on the 2010 quota and governance reform, there has been a request for a quarterly report and a formal discussion. I would just like to note the first quarterly report was issued on April 14, 2011, about a month and a half ago. And we plan to continue doing so going forward. We are, however, open to the idea—if Directors so wish—of having a formal discussion.

Mr. Legg made the following statement:

On the issue of a formal discussion on European debt issues, I am less interested in having a formal discussion per se, because I can see how that itself could generate some problems in terms of managing expectations about this issue. However, it is important that management find ways to engage regularly on how the thinking about a comprehensive solution in Europe is evolving.

To this end, management should look to using regional briefings and formal meetings to keep the Board in the loop on this, because it is crucial when considering individual programs. It is not useful to just talk about them



in the context of the program. We need to be creative and make sure we are in the loop, but also respect the fact that a formal discussion about this in itself could create problems in managing expectations.

On the issue of the multilateral surveillance product, I am very sympathetic to what the staff is saying about the need to try and use this as a tool of ministerial engagement and I am very keen for this to work. I am less concerned about it being a formal Board document. I wonder if any thought had been given to it being an IMFC chair's document. How would that work? I think it is important that the IMFC chair has some ownership of this.

Mr. Gibbs was comfortable with the staff proposal on handling the new multilateral surveillance report, largely due to the reasons given by Mr. Teja. It should be noted that the multilateral surveillance report had its origins in the ministerial discussion at the IMFC of both the Early Warning Exercise and other multilateral products. Ministers wished to have better-focused backward-looking and forward-looking discussions of risks and of policy responses. Issuing the multilateral surveillance report as a report from the MD would actually be more consistent with the origin of the idea in staff products. Furthermore, producing it as a Board report would entail the risks mentioned by staff, as the Board would have to find ways to draft around policy differences or use summing up language, and this would provide a less positive starting point for an engaged discussion.

Mr. Weber made the following statement:

I would like to make a comment on the Acting Secretary's remarks on the use of LOT criteria. I think the purpose of the newly agreed LOT procedures is not only to reduce the volume of Board discussions. The new procedures should also be used in a risk-oriented way.

So, management should be able to decide which cases are critical for the Board to discuss regarding the Article IVs and which are not, regardless of the size of the economy or country concerned. I would like to highlight the importance of this risk-oriented approach to the use of LOT procedures.

As touched upon by Mr. Legg, the staff mentioned that the multilateral surveillance report is more or less a discussion paper for the IMFC. Has staff thought about involving the IMFC Deputies, especially as the target audience is the IMFC, and a successful policy discussion at the Annual Meetings will come through them? Maybe some thought could be given to that.

The Acting Chair (Mr. Lipsky) responded that some thought has been given to involving IMFC Deputies with regard to work on the Consolidated Multilateral Surveillance Report.

Mr. Hendrick asked for comments on the proposal to include the G-20 MAP indicators as an annex to the IMFC report. Furthermore, he requested clarification on the implementation of LOT procedures, observing that some countries that were stronger candidates for LOT than many countries in his own constituency had not been discussed on an LOT basis, when many members of his constituency had been considering going on LOT. The Fund should be careful in ensuring consistent treatment of members.

The Acting Chair (Mr. Lipsky) noted the suggestion with regard to the G-20 MAP and would take it into consideration.

Mr. Chia noted that as the forthcoming Consolidated Multilateral Surveillance Report was going to be prepared for the first time and would involve a fair amount of experimentation, he supported calls for engagement with the Board to get input on the report, as well as from the IMFC Deputies. As the Fund was producing the report for the first time, it might not be advisable to go too fast into formalizing it. There was some merit in having it as a Chairman's report at maybe some point in the future, but it should not preclude a Chairman's summing up of the IMFC discussions of that report, to distill what ministers actually thought were the most important messages and the appropriate follow-up measures.

Mr. Fayolle underlined the sensitive nature of the debt restructuring issue, and thought that the staff's remarks on the issue were convincing. There would be a significant number of opportunities to discuss the issue in certain euro-area country Article IV consultations and in the discussion on modernization of the DSA.

Mr. Mojarad made the following statement:

After the recess from August 22 to September 16 there are five weeks. I look at the schedule and I notice that the first two weeks after the recess there are very light items, especially the country items and maybe reviews.

So, I was wondering, as I said, in the two weeks preceding the Annual Meetings, on all the five days of the week, including Tuesday and Thursday, there are policy discussions on very important issues. I was wondering if we could switch some of the country items to the weeks after the recess—the week starting August 22—or to other places.

In the week starting August 29, there are three days we have no items. On August 24, there is only one item, Iceland. So, I think switching of maybe

country items to these two weeks could really lighten the two weeks preceding the Annual Meetings.

The Acting Chair (Mr. Lipsky) remarked that the suggestion would be looked into.

Mr. von Stenglin thought the Board should be involved in the Consolidated Multilateral Surveillance Report, at least in the same degree as it was in the Early Warning Exercise. This implied the need for a formal meeting.

The staff representative from the Strategy, Policy, and Review Department (Mr. Teja) clarified that the staff would circulate a draft for the Board to comment on, and the Board's comments would be incorporated. Directors would have the opportunity to make detailed comments, including drafting comments.

Mr. von Stenglin enquired whether the draft report would be discussed in a formal Board meeting along the lines of the one on the Early Warning Exercise.

The staff representative from the Strategy, Policy, and Review Department (Mr. Teja) responded that the discussion would take place in an informal session.

Mr. von Stenglin enquired whether the discussion on the Early Warning Exercise also took place in an informal session.

The Acting Chair (Mr. Lipsky) indicated that Early Warning Exercise was discussed in an informal meeting. In any case, Directors' input and comments on content, format et cetera would be sought. The Consolidated Multilateral Surveillance Report at that stage was an experiment that could potentially be useful, and thus a lot of flexibility was necessary. As per the usual practice, the Secretary would prepare a follow-up memorandum for Executive Directors to address the points and questions raised during the discussion. The Work Program statement would be amended as appropriate in light of the discussion.

APPROVAL: March 14, 2012

JIANHAI LIN  
Acting Secretary

## Annex I

The staff representatives from the Strategy, Policy, and Review Department, in response to technical questions from Executive Directors, circulated the following written answers prior to the Executive Board meeting:

1. *Work planned by FAD and RES in the area of quality of growth and employment.* FAD plans to draw on the existing literature to derive broad policy conclusions on how budgets (taxes and spending) impacts on income distribution. RES will prepare a staff discussion note on the link between income inequality and the sustainability of growth provide inputs into ILO work on social protection floors, assessing the available fiscal space for such initiatives in selecting countries, and examining how labor market policies, beyond the usual deregulation measures, can promote job growth.
2. *Possible gaps in surveillance.* The staff will brief the Board in late June on progress made in the ongoing work for the Triennial Surveillance Review, including on this issue.
3. *Enhanced oversight of risks related to shadow banking activities.* The staff is (i) conducting its own analysis on this issue; (ii) participating in the FSB Task Force on Shadow Banking; and (iii) is undertaking a review of how to measure leverage and maturity mismatches in the shadow banking system as part of the G-20 information gaps process. Progress with this work is expected to be reported to the Board towards year end.
4. *Work on macroprudential policymaking and Fund contribution to the joint IMF/BIS/FSB Report to the G-20 on a Macroprudential Policy Framework.* The work tabled for informal Board discussion in September is a follow up to the Board paper on macroprudential policies discussed in April. It will examine countries' experience with the effectiveness of various macroprudential policy instruments and institutional set ups (and is meant to be subsequently published, likely as SDN(s)). The research conducted in this context will also feed into our contribution to the joint G-20 progress report on macroprudential policies. The latter will be sent to the Board for information only, as is the case with other papers produced for the G-20.
5. *With regard to the paper addressing capital account liberalization, would it only review past country experience, or also propose policies?* The paper will review both past country experiences and draw policy lessons from it, building on earlier staff work in this area.
6. *Why is the paper "Systemic Policy Aspects of Cross-Border Financial Exposures" limited to exposures to emerging markets?* This paper complements the work done on capital flows from advanced to emerging markets, in this specific case through cross-border investment in banking networks. However, staff plans to look at least on one case of advanced economy banking links as a reference case. As in the past, we attempt to focus on these reports on countries that do not receive as much attention in traditional

multilateral surveillance reports, so we do not cover, e.g., links between the large advanced economies.

7. *Country coverage of the paper entitled “Multilateral Aspects of Policies Affecting Capital Flows.”* This paper will look at both source and recipient countries, and at multilateral effects within and across these groups.
8. *Fund work on global financial safety nets.* The staff will shortly issue a Board paper on analyzing past systemic crises—their triggers, propagation, and policy responses—to gauge whether the global financial safety net is adequate to deal with systemic liquidity crunches. This paper, however, does not contain specific proposals for new lending instruments. Depending on feedback from Directors, a follow up paper could be brought to the Board for discussion before the Annual Meetings.
9. *Discussion of FCL/PCL.* A review of the PCL and FCL is planned for the summer of 2012; the concept note for this review is to be discussed with the Board in February 2012.
10. *Fund work with regional financing arrangements.* The staff is actively engaged with some of the regional arrangements, particularly in Asia and Europe, discussing broad principles and operational aspects of regional financing, and the role of the Fund. We will take stock of these discussions around the time of the Annual Meetings.
11. *SDR allocation.* The scheduled informal discussion is in the context of the requirement under the Articles that the Managing Director must ascertain no later than six months before the end of a basic period, i.e., in this case, by June 30, 2011, whether there is broad support among participants in the SDR department for an allocation/cancellation of SDRs. There is no prescribed format for this consultation. Should the consultation reveal there is such broad support, a proposal could be made, that would require the formal concurrence of the Board. Otherwise, the Managing Director would only provide the Board of Governors with a report indicating the outcome of the consultation.
12. *Economic Data Management Initiative.* The staff task force will submit a final report to the steering group chaired by Ms. Shafik at the end of this month. The report will include specific recommendations on how to improve data management at the Fund.

## Annex II

The Secretary submitted the following supplementary note following the Executive Board meeting:

At the Board discussion on May 20, 2011, Executive Directors broadly endorsed the priorities and work plan set out in the Statement by the Acting Managing Director on the Work Program (BUFF/11/61). Directors welcomed the focus on pursuing growth consistent with macro-financial stability, strengthening the international monetary system, and continued support for low-income countries. Some Directors suggested a rephrasing of policy and country items to lighten the workload in July and in the period preceding the Annual Meetings. In response to Executive Directors' requests, this note updates and outlines adjustments made to the Work Program. It also provides information on the progress on the acceptance of the 2010 Governance and Voice Reform. A follow-up report on the implementation of the Work Program will be provided in early July. A revised table of anchor items (Table 1) and an updated calendar projection through the Annual Meetings (Table 2) are attached.

#### Scheduling

Several adjustments were made to the schedule of items under the Work Program in response to Executive Directors' demands to smoothen the workload in peak periods.

The following policy items were moved from July to late August to relieve the workload in July:

- *Systemic Policy Aspects of Cross-Border Financial Exposures to Emerging Markets*, moved to August 24 (previously scheduled for July 15); and
- *Modernizing the Framework for Fiscal Policy and Public Debt Sustainability Analysis*, moved to August 29 (previously scheduled for July 25).

The following items were moved forward to alleviate the Board's workload in the weeks immediately preceding the Annual Meetings:

- *The Multilateral Aspects of Policies Affecting Capital Flows*, moved to September 2 (previously scheduled for September 9);

- *Benin—ECF*, moved to September 7 (previously scheduled for September 14); and
- *Use of Gold Sale Profits—Further Considerations and Options*, moved to September 9 (previously scheduled for September 12).

The following items were moved to the period after the Annual Meetings to ease the workload between the recess and the Annual Meetings:

- *Informal Session (to Brief)—Staff Compensation*, previously scheduled for August 25;
- *Informal Session (to Brief)—Overview of IMF Technical Assistance Strategy*, previously scheduled for September 8;
- *Central African Republic—ECF*, previously scheduled for September 7;
- *Pakistan—Article IV Consultation*, previously scheduled for September 16; and
- *Romania—UFR*, previously scheduled for September 16.

Other changes:

- *Macroeconomic and Operational Challenges in Countries in Fragile Situations*, moved to July 6 and was removed from the list of anchor items due to delays in the preparation of the report (previously scheduled for June 3);
- *Informal Session (to Engage)—SDR Allocation MD’s Report to the Board of Governors*, moved to June 24 (previously scheduled for June 22);
- *Informal Session (to Brief)—SDR Basket Composition—Preliminary Considerations*, moved to July 5 (previously scheduled for July 6);
- *Informal Session (to Brief)—Triennial Surveillance Review: Preliminary Update*, moved to July 5 (previously scheduled for June 28);
- *Informal Session (to Engage)—Key Themes from Spillover Reports*, moved to July 29, to allow the completion of all the Article IV consultations of countries with individual spillover reports (previously scheduled for July 27); and

- Informal Session (to Engage)—Quota Formula Review: Data Update and Issues Note, moved to August 30 (previously scheduled for August 22).

**Table 1. "Anchor" Policy and Administrative Items, Revised <sup>1</sup>**

Dept	Subject	Date
<b>SPR</b>	<b>Macroeconomic and Operational Challenges in Fragile Situations</b>	<b>6/24/2011</b>
FIN	Broadening the Fund's Investment Mandate--Further Considerations	7/22/2011
RES	World Economic Outlook	9/1/2011
MCM	Global Financial Stability Report	9/1/2011
FAD	Fiscal Monitor	9/6/2011
FAD/MCM/ RES/SPR	Report to Board on the Early Warning Exercise	9/7/2011
<b>FIN</b>	<b>Use of Gold Sales Profits--Further Considerations and Options</b>	<b>9/9/2011</b>
SPR	2011 Triennial Surveillance Review and Review of the 2007 Surveillance Decision	9/12/2011

<sup>1</sup> Changed items in bold.

## 2010 Governance and Voice Reform

As regards the 2010 Governance and Voice Reform, authorities were reminded during the Spring Meetings of the commitment set out in Board of Governors Resolution No. 66-2, and an inter-departmental working group has been established to facilitate the entry into force of the proposed Seventh Amendment to the Articles of Agreement. In addition, mission teams are expected to raise this subject with members on an ongoing basis. To date, 14 members, representing 11.1 percent of the Fund's voting power, have accepted the proposed Amendment to the Articles of Agreement, and eight members have consented to the increase in quota under the 2010 Reform. The first quarterly status report on acceptances was submitted to the Board on April 14 (SM/11/72), and the next report is expected to be issued in early July.



Table 2 Executive Board Calendar – May (Tentative Board Dates)

May				
16	17	18	19	20
* Ireland–UFR		* Monitoring Financial Interconnectedness, Including the Data Template for Global SIFIs ■  * Switzerland–A4 * Papua New Guinea–A4		* Statement by the Managing Director on the Work Program of the Executive Board ■  * Portugal–UFR (3 pm) ★ * Slovenia–A4 * Seychelles–ECF (LOT)
May				
23	24	25	26	27
* Inf. Session (to Engage): Preliminary Consideration of Options to Address Excessive Delays in the Completion of Article IV Consultations * Kyrgyz Republic–EPA * Bolivia–A4		* St Kitts and Nevis: Informal Restricted Session ★ * Ghana–A4 and EPA ★ * Guinea Bissau–ECF (LOT) * Costa Rica–A4 and EPE ■ * Latvia–UFR		* Bhutan–A4 * Slovak Republic–A4 (LOT) ■
May				
30	31			
Holiday				

■ Date change from work program tables ★ Item added

Executive Board Calendar -- June (Tentative Board Dates)

June			
	1	2	3
	* Anti-Money Laundering - Report on Effectiveness of Program * Zimbabwe-A4 ■		* Review of the Fund's Involvement in the G-20 MAP ■ * Iceland-UFR ★ * Seychelles- UFR (LOT) ■
June			
6	7	8	9
* Senegal-PSI ■		* 2011 Report on Risk Manag'mt ■ * Georgia-UFR ■ * Hungary-PPM and EPE ■	10 * Netherlands-A4 ■
June			
13	14	15	16
* Research at the IMF (IEO) ■ * Albania-A4 * Mali-ECF and EPA		* Inf. Session (to Brief): WEMD Quarterly Update ■ * Inf. Session (to Brief): Fiscal Monitor Update ■ * Mozambique-A4 and PSI ■	17 * Greece-UFR * Comoros-ECF ■
June			
20	21	22	23
* Analytics of Systemic Crises and the Role of Global Financial Safety Nets * Kyrgyz Republic-ECF ■ * Zambia-ECF and EPA		* Liberia-ECF ■ * Mauritania-ECF * Rwanda-PSI (LOT)	24 * Inf. Session (to Engage): SDR Allocation: MD 's Report to the Board of Governors * Romania-A4 and UFR * Cameroon-A4 * Croatia-A4 * Kazakhstan-A4 (LOT) ■
June			
27	28	29	30
* Congo, Republic of-ECF * Bosnia and Herzegovina-UFR * Dominican Republic-UFR EPE ■ * Grenada-ECF ■		* Solomon Islands-SCF * Armenia-ECF ■ * Egypt-UFR * Uganda-PSI ■ * Kenya-ECF (LOT) ■	

■ Date change from work program tables ★ Item added

Executive Board Calendar -- July (Tentative Board Dates)

July			
			1
			* Poland–A4 * Bulgaria–A4 * CEMAC–Regional Surveillance ■
July			
4		5	6
Holiday		* Inf. Session (to Brief): 2011 Triennial Surveillance Review, Preliminary Update ■ * Inf. Session (to Brief): SDR Basket Composition— Preliminary Considerations■	* Macroeconomic and Operational Challenges in Countries in Fragile Situations ■ * Kosovo–A4 and UFR * Ukraine–A4 and EPE * Germany–A4
			7
			8
			* Lao PDR–A4 * Niger–A4 * Djibouti–ECF * Côte d'Ivoire–RCF ■ * Sweden–A4 (LOT)
July			
11		12	13
* Italy–A4 * Angola–UFR * Maldives–UFR * Iraq–UFR ■			* China–A4 ■ * Japan–A4 * Burundi–ECF ■ * Serbia, Rep. of–EPA and EPE ■ * Moldova–ECF (LOT) * Honduras–UFR (LOT)
			14
			15
			* Burkina Faso–ECF * Brazil–A4 * Sudan–A4 and SMP ■
July			
18		19	20
* Briefing by the External Audit Committee * Euro Area–Regional Surveillance * Saudi Arabia–A4 * Kuwait–A4		* Inf. Session (to Brief): Financial Deepening and Currency Internationalization of Emerging Market Economies ■ * Colombia–A4 * Togo–A4 and ECF * Iran, Islamic Republic of–A4 ■	* Broadening the Fund's Investment Mandate— Further Considerations * Spain–A4 * United States–A4 * Dominica–A4 (LOT)
			21
			22
July			
25		26	27
* South Africa–A4 * France–A4 * St. Kitts and Nevis–UFR		* Cape Verde–PSI * United Kingdom–A4 * Mexico–A4 * Botswana–A4	* Inf. Session (to Engage): Key Themes from Spillover Reports ■ * Korea–A4 * Antigua and Barbuda–UFR * Paraguay–A4 (LOT)
			28
			29

■ Date change from work program tables ★ Item added

Executive Board Calendar -- August (Tentative Board Dates)

<b>August—Board Recess</b>				
1	2	3	4	5
<b>August—Board Recess</b>				
8	9	10	11	12
	* Sudan—UFR: Overdue Fin Obl (LOT)			
<b>Board Recess: Aug 1-19</b>				
<b>August—Board Recess</b>				
15	16	17	18	19
<b>August</b>				
22	23	24	25	26
		* Systemic Policy Aspects of Cross-Border Financial Exposures to Emerging Markets ■ * Iceland—UFR ★		* Bangladesh—A4 and ECF * Lebanon—A4 * Afghanistan—A4 and ECF ■
<b>August</b>				
29	30	31		
* Modernizing the Framework for Fiscal Policy and Public Debt Sustainability Analysis * Turkmenistan—A4 * Belarus—A4 and PPM * Ireland—UFR ■	* Inf. Session (to Engage): Quota Formula Review—Data Update and Issues Note ■	* Ethiopia—A4 * Austria—A4 * FYR Macedonia—UFR		

■ Date change from work program tables ★ Item added

Executive Board Calendar -- September (Tentative Board Dates)

September			
		1	2
		* WEO * GFSR	* Multilateral Aspects of Policies Affecting Capital Flows ■ * Turkey--A4 and PPM * Sierra Leone--ECF * Chile--A4 (LOT)
<b>September</b>			
5	6	7	8
Holiday	* Fiscal Monitor	* Inf. Session (to Brief): Report to the Board on the EWE ▽ * Benin--ECF ■	* Use of Gold Sale Profits--Further Considerations and Options ■ * Greece--A4, UFR and EPA * Russia--A4 ■
<b>September</b>			
12	13	14	15
* 2011 Triennial Surveillance Review and Review of the 2007 Surveillance Decision		* Inf. Session (to Brief): The Managing Director's Consolidated Multilateral Surveillance Report to the IMFC	* Inf. Session (to Engage): Macroprudential Policymaking: Country Experience with Objectives, Tools, and Institutional Arrangements
<b>September</b>			
19	20	21	22
			<b>Annual Meetings</b>

■ Date change from work program tables ★ Item added ▽ Change of format

## Annex III. Statement by the Managing Director on the Work Program of the Executive Board (BUFF/11/61, 5/6/11)

**Table 1. "Anchor" Policy and Administrative Items**

Dep	Subject	Date
SPR	Macroeconomic and Operational Challenges in Fragile Situations	6/3/2011
FIN/LEG	Broadening the Fund's Investment Mandate—Further Considerations	7/22/2011
RES	World Economic Outlook	9/1/2011
MCM	Global Financial Stability Report	9/1/2011
FAD	Fiscal Monitor	9/6/2011
FAD/MCM/ RES/SPR	Report to Board on the Early Warning Exercise	9/7/2011
SPR	2011 Triennial Surveillance Review and Review of the 2007 Surveillance Decision	9/12/2011
FIN/LEG/SPR	Use of Gold Sales Profits—Further Considerations	9/12/2011

Table 2. Work Flow Distribution (Two-Week Periods)

Weeks start date	16-May	30-May	13-Jun	27-Jun	11-Jul	25-Jul	8-Aug	22-Aug	5-Sep	Total
<b>Board Days</b>	<b>6</b>	<b>5</b>	<b>6</b>	<b>5</b>	<b>6</b>	<b>3</b>	<b>0</b>	<b>6</b>	<b>5</b>	<b>42</b>
<b>Total Items</b>	<b>13</b>	<b>15</b>	<b>22</b>	<b>19</b>	<b>19</b>	<b>12</b>	<b>0</b>	<b>18</b>	<b>12</b>	<b>130</b>
Items with Grays	12	15	19	16	19	11	0	16	9	117
Country	10	11	17	16	16	10	0	14	4	98
Policy (formal)	2	4	2	0	3	1	0	2	5	19
Informal Policy (to Brief)	0	0	2	3	0	0	0	1	2	8
Informal Policy (to Engage)	1	0	1	0	0	1	0	1	1	5
<b>Lapse-of-Time</b>	<b>4</b>	<b>0</b>	<b>3</b>	<b>1</b>	<b>6</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>4</b>	<b>22</b>
<b>Total Items per Board Day</b>	<b>2.2</b>	<b>3.0</b>	<b>3.7</b>	<b>3.8</b>	<b>3.2</b>	<b>4.0</b>	<b>-</b>	<b>3.0</b>	<b>2.4</b>	<b>3.1</b>
Items with Grays	2.0	3.0	3.2	3.2	3.2	3.7	-	2.7	1.8	2.8
Country	1.7	2.2	2.8	3.2	2.7	3.3	-	2.3	0.8	2.3
Policy (formal)	0.3	0.8	0.3	0.0	0.5	0.3	-	0.3	1.0	0.5
Other	0.2	0.0	0.5	0.6	0.0	0.3	-	0.3	0.6	0.3

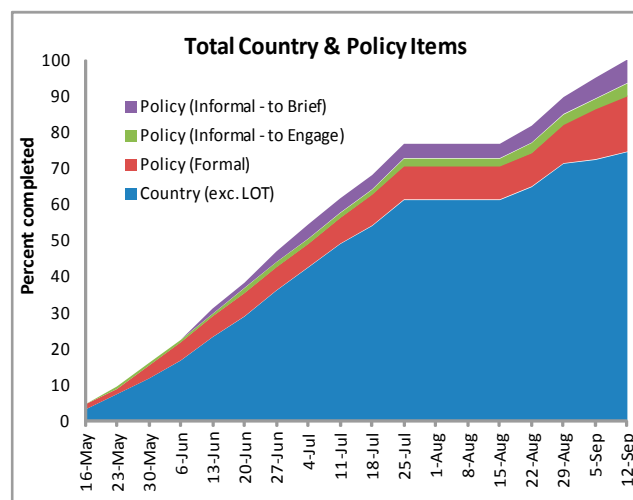
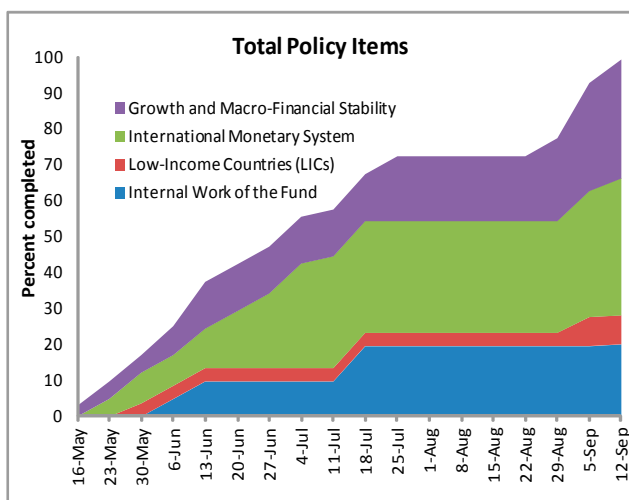
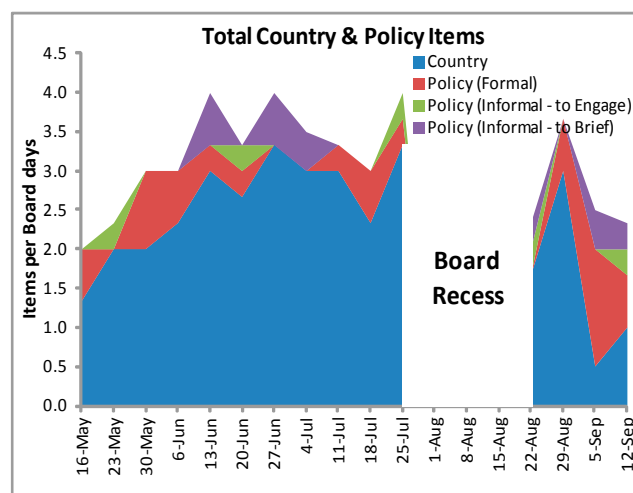
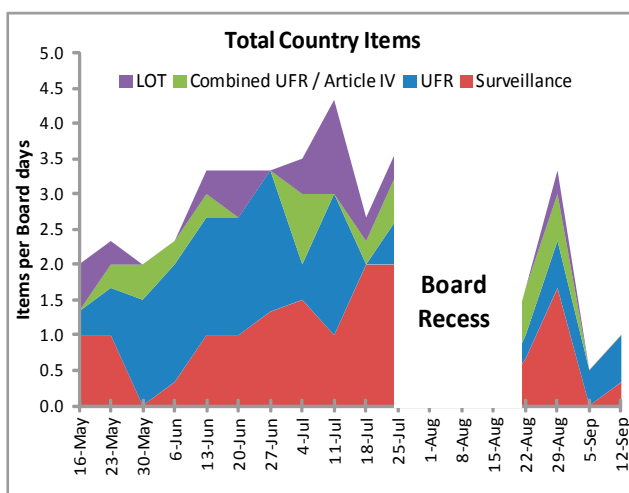


TABLE 3. WORK PROGRAM LISTING -- POLICY ITEMS (BY SECTION HEADINGS)<sup>1</sup>

Dept	Title of paper	Description	Proposed Meeting format	Date
<b>I. Growth and Macro-Financial Stability</b>				
STA	Monitoring Financial Interconnectedness, Including the Data Template for Global Systemically Important Financial Institutions	Describes the design and implementation of the SIGFI data template, created as part of the Fund's collaboration with the FSB to fill data gaps, and will contain a staff proposal for future work.	Formal Board Meeting	20-May-11
SPR/LEG/RES	Review of the Fund's Involvement in the G-20 MAP	Reviews the nature, scope and internal arrangements of the Fund's involvement in the G-20 Mutual Assessment Process since December 2009.	Formal Meeting	8-Jun-11
MCM/RES	WEIMD , Quarterly Update	Discusses world economic and market developments	Informal Session (to Brief)	14-Jun-11
FAD	Fiscal Monitor Update		Informal Session (to Brief)	14-Jun-11
SPR/FAD	Modernizing the Framework for Fiscal Policy and Public Debt Sustainability Analysis	Explores directions to strengthen the framework for assessing fiscal policy and public debt sustainability in market-access and low-income countries.	Formal Meeting	25-Jul-11
SPR	Key Themes From Spillover Reports	Summarizes of the main themes of the individual spillover reports.	Informal Session (to Engage)	27-Jul-11
RES	WEO		Formal Meeting	1-Sep-11
MCM	GFSR	Focuses in its analytical chapters on the risk associated with recent changes in global asset allocation on and efforts to operationalize macroprudential policies.	Formal Meeting	1-Sep-11
FAD	Fiscal Monitor	Provides an update and analysis of recent fiscal developments and medium and long term trends.	Formal Meeting	6-Sep-11
FAD/MCM/RES/SPR	Report to the Board on the Early Warning Exercise	Provides the half-yearly update of the Early Warning Exercise.	Formal Meeting	7-Sep-11
FAD/MCM/RES/SPR	The Managing Director's Consolidated Multilateral Surveillance Report to the IMFC	Distills key messages from our various surveillance products and draw their implications both for members' and Fund policies	Informal Session (to Brief)	14-Sep-11

<sup>1</sup> Items after the Annual Meetings are indicated by shaded text.



WORK PROGRAM LISTING -- POLICY ITEMS (BY SECTION HEADINGS) <sup>1</sup> (Continued)				
Dept	Title of paper	Description	Proposed Meeting format	Date
MCM	Macroprudential Policymaking: Country Experience with Objectives, Tools, and Institutional Arrangements	Draws lessons from existing country practice in the use of macroprudential instruments and related institutional arrangements, including coordination across policies to address systemic risk. (These issues will be addressed in two separate notes).	Informal Session (to Engage)	16-Sep-11
SPR/MCM	Understanding Global Financial Interconnectedness 2.0	Discusses the operational and macroeconomic policy implications of increased cross-border financial interconnectedness.	Formal Meeting	October 2011
FAD	The Challenges of Pension Reform in Advanced and Emerging Economies	Reviews the factors underlying past and future trends in public pension spending in advanced and emerging economies over the coming decades and options for reform.	Informal Session (to Engage)	December 2011
II. The International Monetary System (IMS)				
LEG/SPR	Preliminary Considerations of Options to Address Excessive Delays in the Completion of Article IV Consultations	Clarifies the legal framework governing members' obligations to consult with the Fund under Article IV, and discusses options to address delays in consultations.	Informal Session (to Engage)	23-May-11
LEG	Anti-Money Laundering and Combatting the Financing of Terrorism	Examines the effectiveness of the Fund's AML/CFT program, along with proposed policy plans, including the role of the AML/CFT in strengthening Fund Surveillance and capacity building.	Formal Meeting	1-Jun-11
SPR	Analytics of Systemic Crises and the Role of Global Financial Safety Nets	Examines if any residual gaps remain in the global financial safety net in mitigating and/or responding to systemic crises.	Formal Meeting	20-Jun-11
FIN /SPR/LEG	SDR Allocation: MD's Report to the Board of Governors	Examines the case for an allocation/cancellation of SDRs in the next basic period (2012-2017) as a basis for the MD's Report to the Board of Governors.	Informal Session (to Engage)	22-Jun-11
SPR	2011 Triennial Surveillance Review, Preliminary Update	Presents a preliminary broad update from the various tools and sources used to conduct the TSR.	Informal Session (to Brief)	28-Jun-11

<sup>1</sup> Items after the Annual Meetings are indicated by shaded text.

WORK PROGRAM LISTING -- POLICY ITEMS (BY SECTION HEADINGS) <sup>1</sup> (Continued)				
Dept	Title of paper	Description	Proposed Meeting format	Date
SPR/MCM	Financial Deepening and Currency Internationalization of Emerging Market Economies	Presents preliminary results on cross-country patterns of financial deepening in emerging markets, and assess the potential for greater international use of EM currencies, and the impact on the stability of the IMS system. The results will be later issued in two SDNs.	Informal session (to Brief)	30-Jun-11
FIN/SPR	SDR Basket Composition--Preliminary Considerations	Considers Criteria for Expanding the SDR Basket.	Informal Session (to Brief)	6-Jul-11
SPR	Systemic Policy Aspects of Cross-Border Financial Exposures to Emerging Markets	Analyzes the experiences of selected advanced economies having strong banking sector links with emerging economies, with particular attention to the macroeconomic policy and regulatory drivers of such cross-border activities. The objective is to draw lessons for the future.	Formal Meeting	15-Jul-11
MCM/RES/SPR	Multilateral Aspects of Policies Affecting Capital Flows	Provides a multilateral perspective on the key analytical issues and policy concerns related to capital controls and associated prudential policies, including its effects on third tier countries, covering both source and recipient countries.	Formal Meeting	9-Sep-11
SPR	2011 Triennial Surveillance Review and Review of the 2007 Surveillance Decision	Takes stock of the broader range of recent surveillance initiatives, assesses experience with bilateral and multilateral surveillance since the beginning of the crisis, and recommends further steps for improvement. The legal framework for surveillance will also be reviewed.	Formal Meeting	12-Sep-11
SPR	Review of Conditionality and the Design of Fund-Supported Programs	Covers themes discussed by the Board in the concept note in January 2011.	Formal Meeting	October 2011
FIN/LEG	Review of the NAB	Reviews the size of participants' credit arrangements in light of the quota increases under the 14th General Review and operational experience to date with the amended NAB	Formal Meeting	October 2011
FIN/SPR	Review of the SDR Valuation Framework	Considers the criteria for expanding the SDR basket and other aspects of the SDR work program.	Formal Meeting	October 2011
MCM/LEG/MCM	Policies to Manage Capital Outflows, and Capital Account Liberalization	Complements earlier staff work on managing capital inflows. Analyzes country experiences, with an emphasis on the past decades.	Formal Meeting	October 2011
SPR/FIN/LEG	Review of FCL and PCL—Concept Note	Sets out the main themes for the review of the FCL And PCL	Formal Meeting	February 2012

<sup>1</sup> Items after the Annual Meetings are indicated by shaded text.

WORK PROGRAM LISTING -- POLICY ITEMS (BY SECTION HEADINGS) <sup>1</sup> (Continued)				
Dept	Title of paper	Description	Proposed Meeting format	Date
III. Low-Income Countries (LICs)				
SPR	Macroeconomic and Operational Challenges in Countries in Fragile Situations	Considers how the Fund's engagement should be tailored to meet the unique challenges of countries in fragile situations, including through technical assistance and revamped LIC facilities.	Formal Meeting	3-Jun-11
SPR	Macroeconomic Management in the Context of Global Volatility—Challenges for LICs	Discusses emerging macroeconomic risks and vulnerabilities for LICs from changes in the external environment.	Formal Meeting	October 2011
SPR/FAD/MCM/RES	Managing Volatility in Low-Income Countries: The Potential for Contingent Financial Instruments	Looks at options to facilitate development and use of contingent financial instruments for LICs, including market-based instruments such as hedging, and instruments from official creditors.	Informal Session (to Engage)	October 2011
SPR/World Bank	Highly-Indebted Poor Countries (HIPC) Initiative and Multilateral Debt Relief Initiative (MDRI)—Status of Implementation	Provides the annual status of implementation report in its current form. It will present specific recommendations on the future of the HIPC Initiative based on the informal discussion of the Board on February 28, 2011.	Formal Meeting	October 2011
SPR/FIN	Review of PRGT Eligibility	Reviews the list of PRGT-eligible countries (the last review was completed in January 2010).	Formal Meeting	January 2012
SPR/FIN	Review of Concessional Facilities—Concept Note	Sets out the main themes for the review of the Fund's new concessional lending facilities, which became effective in January 2010.	Formal Meeting	January 2012
IV. Internal Work of the Fund				
OIA	Report on Risk Management		Formal Meeting	10-Jun-11
IEO	Research at the IMF	Evaluates the relevance and utilization of Fund research, particularly by member countries and the quality of that research.	Formal meeting	15-Jun-11
FIN	Briefing by the External Audit Committee	Review of findings of annual audit.	Formal Meeting	18-Jul-11
FIN/LEG	Broadening the Fund's Investment Mandate—Further Considerations	Follows up on the Executive Board's earlier discussion on broadening the Fund's investment mandate.	Formal Meeting	22-Jul-11
FIN	Quota Formula Review—Data Update and Issues Note	Presents the results of updating the data set used for quota calculations, and discusses the issues for the review of the quota formula.	Informal Session (to Engage)	22-Aug-11
OTM	Overview of IMF Technical Assistance Strategy	Briefs the Board on the Fund's TA strategy.	Informal Session (to Brief)	8-Sep-11
FIN/LEG/SPR	Use of Gold Sale Profits—Further Considerations and Options	Follows up to the Executive Board's April 6 discussion on the potential uses of the windfall profits from the gold sales.	Formal Meeting	12-Sep-11

<sup>1</sup> Items after the Annual Meetings are indicated by shaded text.

WORK PROGRAM LISTING -- POLICY ITEMS (BY SECTION HEADINGS) <sup>1</sup> (Concluded)				
Dept	Title of paper	Description	Proposed Meeting format	Date
OIA	Report by the External Panel to Assess the Risk Management Framework		Formal Meeting	October 2011
FIN	New Rule for the Margin on the Rate of Charge	As part of the new income model reforms, proposes a new rule for setting the margin for the basic rate of charge applied to GRA credit.	Formal Meeting	October 2011
OBP	Update on Key Budget Issues: Status of ACES Project and Analysis of Temporary Crisis-Related Budget		Board Committee	November 2011
TGS	HQ1 Renewal Program	Staff will present to the CAM the proposed office layouts for OED.	Board Committee	December 2011
<sup>1</sup> Items after the Annual Meetings are indicated by shaded text.				

**TABLE 4. WORK PROGRAM LISTING -- POLICY PAPERS TO BE TAKEN UP ON A LAPSE-OF-TIME BASIS OR ISSUED FOR INFORMATION**

Dept	Title of paper	Description LAPSE OF TIME	Proposed format	Date
HRD	The Fund's Separation Grant	Presents a proposal to discontinue separation grant for new staff.	Lapse-of-time	Mid June 2011
HRD	Plan Design for the Voluntary Savings Plan		Lapse-of-time	Jun-11
HRD	Amendments to the Staff Retirement Plan		Lapse-of-time	Jun-11
FIN	Status of Voluntary SDR Trading Arrangements and the SDR Designation Plan August–October 2011	Provides an update on trading arrangements and proposes SDR designation plan	Lapse-of-time	22-Jul-11
FIN	Financial Transactions Plan, Use of Bilateral Borrowed Resources, and NAB Resource Mobilization Plan August–October 2011	Proposes plans to finance use of Fund credit using quota and borrowed resources; proposes allocation of receipts in currencies among FTP members.	Lapse-of-time	29-Jul-11
FIN	Annual Review of the Fund's Strengthened Cooperative Strategy on Overdue Financial Obligations	Reviews the Fund's strategy and country-specific developments.	Lapse-of-time	26-Aug-11
FIN	Selection of Member of the External Audit Committee	Proposes selection of a new member of the External Audit Committee.	Lapse-of-time	16-Sep-11
FIN	Update on the Financing of the Fund's Concessional Assistance and Debt Relief to Low-Income Member Countries	Provides a semi-annual review of the status of financing of PRGF-ESF lending, subsidization of emergency assistance, and HIPC/MDRI debt relief.	Lapse-of-time	16-Sep-11
FIN	The Fund's Liquidity Position—Review and Outlook	Regular and semi-annual review.	Lapse-of-time	16-Sep-11
FOR INFORMATION				
SPR/TGS	IT Strategic Directions	Presents updated and new business priorities for the IT Capital Program	Issued for information	16-Jun-11
HRD	2009 Quadrennial Benefits Survey	Presents a periodic survey of major benefits provided by World Bank and key national markets.	Issued for information	Mid June, 2011
SPR	The Changing Patterns of Global Trade	Examines the evolution of global trade patterns and structures to analyze the potential impact of changes in relative prices on international trade flows, and consequently on external rebalancing.	Issued for information	25-May-11
OIA	Report on OIA's Activity for the Period November, 1 2010 to April 30, 2011		Issued for information	9-Jun-11

WORK PROGRAM LISTING -- POLICY PAPERS TO BE TAKEN UP ON A LAPSE-OF-TIME BASIS OR ISSUED FOR INFORMATION (Concluded)				
Dept	Title of paper	Description	Proposed format	Date
SPR	Cross-Border Linkages: Implications for the Design of Global Financial Safety Nets	Takes stock of cross-border linkages across different types of economies with a view to deriving implications for the design of global financial safety nets	Issued for information	June 2011
SPR/RES	Vulnerability Exercise for Emerging Markets—Methodology Update	Updates the methodology for the vulnerability exercise for emerging markets (VEE) extending the model to cover the recent crisis years, introduces new indicators to help gauge vulnerabilities, and streamlines less informative indicators.	Issued for information	June 2011
SEC/FIN	Update on Acceptance of the 2010 Governance And Voice Reform	Provides an update on the progress in the acceptance by members of the 7th Amendment of the Articles of Agreement and their consent to increase in quota under the 14th General Review.	Issued for information	June 2011
STA	Progress Report on the G-20 Data Gaps Initiative	Reports on progress and work going forward in addressing data gaps in the context of the G20 Data Gaps Initiative endorsed by the IMFC	Issued for information	16-Jun-11
SPR	Update on Status of the Doha Round		Issued for information	11-May-11
SPR	Annual Report on Structural Conditionality		Issued for information	11-May-11
MCM	Reports to G20 on (i) Macroprudential Policy Framework and (ii) Financial Stability Issues in Emerging Market and Developing Countries	Joint with BIS/FSB and FSB/World Bank, respectively.	Issued for information	Late September 2011
TGS	Schematic Design of HQ1 Renewal Program	Briefs the Board and presents the schematic design for the HQ1 Renewal.	Issued for information	Late September 2011
MCM	Assessing Regulatory and Supervisory Capacity and Effectiveness: Findings from the FSAP and Recommendations for Enhancing Tools to Identify Risks and Vulnerabilities	Examines the findings from the financial sector standards over time to give a global picture of compliance. The paper will consider common weaknesses against the global regulatory reform agenda with a view to identifying	Issued for information	September/October 2011
LEG/MCM	Islamic Banking: Key Legal and Prudential Issues for Financial Stability	Discusses international best practices for building an effective legal and prudential framework for Islamic banking to ensure its soundness and integration into the global financial system.	Issued for information	October 2011
FAD	Fiscal Transparency, Risk, and Accountability in the Post-Crisis Environment	Revisits fiscal transparency, risk, and accountability in light of the recent global financial crisis, drawing some lessons and pointing to possible remedies.	Issued for information	February 2012

Table 5 Executive Board Calendar -- May (Tentative Board Dates)

<b>May</b>				
16	17	18	19	20
* Statement by the Managing Director on the Work Program of the Executive Board * Ireland—UFR		* Switzerland—A4 * Papua New Guinea—A4		* Seychelles—ECF (LOT) * Slovak Republic—A4 (LOT) * Slovenia—A4 * Monitoring Financial Interconnectedness, Including the Data Template for Global SIFIs
<b>May</b>				
23	24	25	26	27
* Inf. Session (to Engage): Preliminary Consideration of Options to Address Excessive Delays in the Completion of Article IV Consultations * Costa Rica—A4 * Kyrgyz Republic—EPA		* Guinea Bissau—ECF (LOT) * Latvia—UFR		* Bhutan—A4 * Sao Tome and Principe—A4 and ECF * Zimbabwe—A4
<b>May</b>				
30	31			
<b>Holiday</b>				

Executive Board Calendar -- June (Tentative Board Dates)

June			
	1	2	3
	* Anti-Money Laundering and Combating the Financing of Terrorism * Guinea—RCF * Hungary—A4 and PPM * Senegal—PSJ		* Macroeconomic and Operational Challenges in Countries in Fragile Situations
June			
	7	9	10
* Malawi—ECF		* Netherlands—A4 * Liberia—ECF * Jamaica—SCF * Review of the Fund's Involvement in the G-20 MAP	* Report on Risk Management * Mozambique—A4 and PSI * Georgia—UFR * Armenia—ECF
June			
	14	16	17
* Mali—ECF * Sierra Leone—ECF * Albania—A4	* Inf. Session (to Brief): WEMD Quarterly Update * Inf. Session (to Brief): Fiscal Monitor Update	* Comoros—ECF * Grenada—ECF * Kenya—ECF (LOT) * Research at the IMF (IEO)	* Greece—UFR * Kyrgyz Republic—A4 and UFR * Kazakhstan—A4
June			
	21	23	24
* CEMAC—Regional Surveillance * Zambia—ECF * Serbia, Republic of—EPA (LOT) * Analytics of Systemic Crises and the Role of Global Financial Safety Nets		* Rwanda—PCI (LOT) * Mauritania—ECF * Dominican Republic—UFR * Inf. Session (to Engage): SDR Allocation: MD's Report to the Board of Governors	* Croatia—A4 * Cameroon—A4 * Central African Republic—ECF * Romania—UFR
June			
	28	30	
* Congo, Republic of—ECF * Uganda—PSI * Bosnia and Herzegovina—UFR	* Inf. Session (to Brief): 2011 Triennial Surveillance Review, Preliminary Update	* Inf. Session (to Brief): Financial Deepening and Currency Internationalization of Emerging Market Economies	



## Executive Board Calendar -- July (Tentative Board Dates)

July			
			1
			* China-A4 * Poland-A4 * Bulgaria-A4
July			
4	5	6	7
Holiday		* Inf. Session (to Brief): SDR Basket Composition—Preliminary Considerations  * Kosovo-A4 and UFR * Ukraine-A4 and EPE * Germany-A4	* Lao PDR-A4 * Niger-A4 * Djibouti-ECF * Sweden-A4 (LOT)
July			
11	12	13	14
* Italy-A4 * Angola-UFR * Maldives-UFR		* Côte d'Ivoire-RCF * Japan-A4 * Djibouti-ECF  * Moldova-ECF (LOT) * Honduras-UFR (LOT)	* Zimbabwe-UFR-Review of Overdue Financial Obligations (LOT)
			* Systemic Policy Aspects of Cross-Border Financial Exposures to Emerging Markets * Burkina Faso-ECF * Brazil-A4 * Burundi-ECF * Somalia-UFR Overdue Fin Obl (LOT)
July			
18	19	20	21
* Briefing by the External Audit Committee  * Euro Area-Regional Surveillance * Saudi Arabia-A4 * Kuwait-A4		* Colombia-A4 * Togo-A4 and ECF	* Broadening the Fund's Investment Mandate—Further Considerations  * Spain-A4 * United States-A4 * Dominica-A4 (LOT)
July			
25	26	27	28
* Modernizing the Framework for Fiscal Policy and Public Debt Sustainability Analysis * South Africa-A4 * France-A4 * St. Kitts and Nevis-A4 and UFR		* Inf. Session (to Engage): Key Themes from Spillover Reports * Cape Verde-PSI * United Kingdom-A4 * Sudan-A4, SMP and EPA * Mexico-A4	* Korea-A4 * Russia-A4 * Antigua and Barbuda-UFR * Paraguay-A4 (LOT)

## Executive Board Calendar -- August (Tentative Board Dates)

<b>August—Board Recess</b>				
1	2	3	4	5
<b>August—Board Recess</b>				
8	9	10	11	12
	* Sudan—UFR: Overdue Fin Obl (LOT)			
<b>August—Board Recess</b>				
15	16	17	18	19
<b>August</b>				
22	23	24	25	26
* Inf. Session (to Engage): Quota Formula Review—Data Update and Issues Note		* Afghanistan—A4 and ECF * Ireland—UFR	* Inf. Session (to Brief): Staff Compensation	* Bangladesh—A4 and ECF * Botswana—A4 * Lebanon—A4
<b>August</b>				
29	30	31		
* Turkmenistan—A4 * Nepal—A4 * Belarus—A4 and PPM		* Iran, Islamic Republic of—A4 * Ethiopia—A4 * Macedonia, former Yugoslav Republic of—UFR * Austria—A4		

