

**FOR
INFORMATION**

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To: Members of the Executive Board

From: The Secretary

Subject: **Managing Director's Report to the Executive Board on Her Recent Travels to Germany, United Arab Emirates, Morocco, and Saudi Arabia—February 13–23, 2020**

Board Action: Executive Directors' **information**

**Managing Director's Report to the Executive Board on Her Recent Travels to Germany,
United Arab Emirates, Morocco, and Saudi Arabia
(February 13–23, 2020)**

1. The Munich Security Conference

During February 14–15, I participated in the Munich Security Conference. This year's theme was "Westlessness" an idea which animated and sparked important conversation during the conference. The argument was that the US-European transatlantic alliance is fracturing in fundamental ways that will have repercussions for the global economy and global security.

Not all participants agreed with this framing. However, there was wide consensus on the need for broader international cooperation on a range of global challenges – from trade to technology to climate change.

Coronavirus was a major topic of conversation both during the sessions and between attendees during the breaks. The other takeaway was a more aggressive tone by the US and some European leaders when it came to Chinese technological challenges, including Huawei.

The IMF's role in this conference was to bring an economic dimension to many of these national security conversations and call for multilateral solutions to the world's pressing problems.

My major public engagement was the keynote panel on the future of international trade. The other panelists, including Senator Mitt Romney and Oliver Zipse (CEO of BMW), expressed their optimism for a Phase 2 deal over the next year. There was consensus on the need to pursue larger trade reform, including in the areas of services and e-commerce. In my intervention I expressed how uncertainty had become the new normal, from coronavirus to climate to geopolitics. Given this situation, I said it was incumbent on leaders at the conference to do everything in their power to reduce "man-made" uncertainty, including uncertainty about the future of the trading system.

I also participated in a roundtable on Somalia with representatives from the World Bank, International Committee of Red Cross, African Union, and the US. I highlighted that helping Somalia secure debt relief is a priority for the Fund. It was a good platform for the Fund and many around the table noted with appreciation that the IMF typically would not be in these sessions. The takeaway from other participants was that Somalia is in a somewhat better, though still precarious position. Many expressed grave concern about AMISOM's planned withdrawal from the country by the end of this year.

I also used the opportunity of the conference to hold a series of productive bilateral meetings including with President Zelensky of Ukraine, Dr. Tedros the Director General of the WHO, former UN Secretary General Ban Ki Moon and Prime Minister Rutte of the Netherlands.

Finally, I held media interviews with CNBC, with Germany's public international broadcaster, Deutsche Welle, and German news magazine, Der Spiegel, to convey our messages on the outlook for the global economy, the euro area and Germany, as well as other topical issues including coronavirus, Argentina, and debt in Sub-Saharan Africa.

2. The Global Women's Forum and We-Fi MENA Regional Summit

On February 16, I participated in the Global Women's Forum which was combined with a regional summit of the Women Entrepreneurs in Finance (We-Fi), the joint initiative by the World Bank and the US, who were represented by President Malpass and senior presidential advisor Ivanka Trump, respectively.

I participated in a keynote conversation, the We-Fi MENA Summit Luncheon, and the We-Fi Ministerial Roundtable discussion. I used my various interventions and media engagement to highlight the Fund's work on gender issues, notably the recent SDN "Women in the Labor Force: the Role of Public Finance" which we launched at this occasion. In particular, I highlighted the enormous economic potential of boosting female labor force participation in the region, the need to lower legal barriers to female employment, and ways to strengthen access to finance for women-owned SMEs—themes echoed strongly by other speakers and picked up by the media such as CNN.

The countries in the MENA region are in fact making progress to bring more women into the labor force, all be it from a low initial level. And they are seeking our help to do so. The UAE authorities, for example, asked me for the Fund's support in establishing a gender budgeting unit in the Ministry of Finance.

I also had the opportunity to meet with Crown Prince of Abu Dhabi and Deputy Supreme Commander of UAE Armed Forces, Mohammed bin Zayed Al Nahyan; Vice-President and Prime Minister of the UAE and Ruler of Dubai, Mohammed bin Rashid Al Maktoum; and Finance Minister Al Tayer and Governor Al Mansoori. Given the UAE's close trade and travel links with China, the spread of the corona virus and its possible economic implications were high on the authorities' mind, who have promptly initiated several actions to mitigate potential risks. Looking further into the future, we also discussed the region's diversification away from hydrocarbon and the UAE's progress in this endeavor, with focus on education, access to finance and technology, to promote further inclusion, in addition to their efforts in reducing carbon emission. The authorities very much appreciate our advice in this area, including our TA on the introduction of a VAT, gender budgeting, and the recent MCD departmental paper on fiscal adjustment in the face of the projected decline of oil demand. More broadly, the authorities welcomed the IMF's attention to climate issues and the mainstreaming of the inclusive growth agenda, highlighting that such focus would help improve the image of the Fund in the region, which is often seen as an austerity institution.

I thank the UAE authorities for their warm hospitality and for hosting a high-level event to promote gender equality.

3. Morocco – Launch of “Marrakesh 2021”

I visited Morocco between February 18–20, 2020, to discuss preparations for the 2021 Annual Meetings in Marrakesh and the Moroccan economy. All in all, these discussions showed the strength of the partnership between Morocco and the Fund. I was very encouraged by preparations for the 2021 Annual Meetings, which will be the first to take place on the African continent since 1973, and I had very rich discussions with Moroccan officials and various groups representing a cross section of the Moroccan society.

In Marrakesh, I met with Wali (Governor) Karim Kassi-Lahlou of the Marrakesh-Safi region to discuss preparations for the 2021 Annual Meetings. Hosting the Meetings will be a great opportunity for Marrakesh to show to the world its unique culture and hospitality. The Wali emphasized the priority put by Morocco on creating the conditions for its youth and entrepreneurs, especially women, to fill the jobs of the future, which are yet unknown. He stressed in particular the importance of greater reliance on new technologies, including through e-government. I agreed that transparent and open government was a key condition to create trust in society.

I also met with the Morocco Planning Team (MPT) at the Bab Ighli site where the 2021 Annual Meetings (AMs) will be held. The Bab Ighli site was used for other international meetings, including the COP22, and is conveniently located in the vicinity of major hotels and the Médina (old city). The authorities plan to build semi-permanent structures to host the Meetings, and I was able to see prototypes of these structures and event rooms. The MPT also gave a presentation on the campus design, the overall organization of the Meetings, and their communications strategy. I came away impressed by the team’s professionalism and innovative approach to the planning for the Meetings, and the attention to environmental sustainability and social inclusion. We will continue our close partnership with the authorities to ensure that the Meetings will be a great success and an opportunity to bring the world to Morocco and for Morocco to showcase to the world its economic progress, unique culture and hospitality—and its role as a gateway to Africa, Europe, and the Middle East.

I visited école Riad Zitoun a non-governmental organization in Marrakesh, whose mission is to educate small children and young women in the countryside, as well as provide vocational training for young women in cooking, baking, sewing. I was truly inspired by the remarkable work this charity is doing to empower girls and young women and help to build a very bright future for Morocco, and to support their efforts. I made a charitable donation of \$15,000 in the name of IMF staff.

In Rabat, I met with Minister of Economy, Finance and Administration Reform Mohamed Benchaâboun. The Minister noted that the authorities were fully committed to making the 2021 AMs a success, including by highlighting the importance of balanced economic development and inclusive growth. He noted that about 100,000 jobs may be created for Moroccan youth as part of preparations and organization of the event. The Minister emphasized Morocco's recent reform achievements, including in attracting foreign investment and increasing the economy's reliance on alternative and sustainable energy sources. He also welcomed Morocco's strong partnership with the Fund, including through successive Precautionary and Liquidity Line (PLL) arrangements that have served as additional insurance against external shocks. Looking ahead, the Minister stressed Morocco's determination to chart a new path to inclusive, sustainable growth and pursue major structural reforms so that its economy can meet the aspirations of the Moroccan people. I noted that the IMF was ready to collaborate fully with the authorities, who are currently reflecting on a growth and development model for the future.

In my meeting at Bank Al-Maghrib, I complimented Governor Abdellatif Jouahri on the major role the central bank has played in ensuring macroeconomic and financial stability, and policy predictability. The Governor highlighted recent reform achievements, while noting that the road remained long to meet the needs of a truly inclusive economy and society. He welcomed the increasing focus put by the Fund on inclusion, reduced inequality, gender issues, and addressing corruption. He also stressed the strength of the partnership between Morocco and the Fund, highlighting for example the close and fruitful engagement with staff on the preparation and implementation of the current exchange rate transition.

My meeting with Head of Government, Saad Eddine El Othmani was an opportunity to discuss Morocco's long-term vision to strengthen the economy and its environmental sustainability, as well Morocco's role as a gateway between Europe, Africa and the Middle East. Given the difficult and uncertain international context, the Head of Government emphasized the importance of strong cross-border cooperation, including to better face the challenges from regional migration and from trafficking and terrorism networks. I noted that Morocco had been an anchor of stability in the region and agreed on the critical importance of a country having a clear vision of its growth and development priorities in a fast-changing world.

I held a very engaging town hall with about six hundred students from International University of Rabat, University Mohammed V of Rabat, and Ibn Tofeil University of Kenitra, where we discussed a range of topics—from the impact of the coronavirus on the economy, to policies to increase female labor force participation, to jobs and opportunities for youth especially in Africa and the Middle East. I enjoyed meeting with students and invited them to the Annual Meetings in Marrakesh in 2021.

I participated in a roundtable discussion on Strengthening Governance in the Middle East, North Africa and Central Asia with Minister Benchaâboun, the head of Transparency International for the Middle East in Jordan Ms. Sawsan Gharaibeh, and the Governor of the National Bank of

Georgia Koba Gvenetadze. The discussion focused on challenges and policy lessons in improving economic governance. My main message was that priorities should include government transparency and accountability, strong fiscal institutions, and central bank independence. I also noted that Morocco was making great strides in strengthening governance with its e-government initiatives, which helped bring about greater transparency in policy making, simpler and more efficient administrative procedures, and reduced scope for bribery and corruption.

During my trip, I also took part in several outreach and media events, and met with Moroccan CSOs, with whom I had a stimulating discussion on inequality, taxation, corruption, and gender equality.

I would like to thank the Moroccan authorities for their very warm welcome and hospitality.

4. G20 Finance Ministers and Central Bank Governors

I visited Riyadh during February 22-23 to participate in the G20 Finance Ministers and Central Bank Governors meeting under Saudi Arabia's presidency, as well as the G7 Ministerial meeting organized by the US. The COVID-19 outbreak was on everybody's mind as new cases were reported outside China. In my intervention on the global economy, I pointed out that many scenarios can play out, depending on how fast the Chinese and other affected economies return to normal. If the virus spreads wider and over a longer period, we would be looking at more dire scenarios with deeper and more protracted growth consequences. I issued a public [statement](#) with my intervention, which was widely picked up in the media, including on the possible downside risks to our forecast.

More and better international cooperation was a recurring theme during the meeting. Many speakers urged the G20 to come together to help contain the COVID-19 outbreak. But the need for cooperation was also voiced on other issues, including to reduce uncertainty over global trade and to scale up climate change mitigation and adaptation measures. The FMCBG communiqué for the first time has now a reference to the climate change, if only in a factual statement on the work on financial risks being conducted by the FSB. On international taxation, G20 members agreed to continue efforts to reach a consensus-based solution by 2020 but noted "remaining differences" in the communiqué.

We also discussed ways to enhance access to opportunities for all, a key priority of the Saudi G20 Presidency. Closing gaps in access to education and healthcare and ensuring greater access to technology and finance, especially among women and youth, is critical to achieve inclusive growth. Policies to level the playing field would help address gaps. To this end, the G20 will develop a menu of policy options that countries can draw from to enhance access to opportunities. We are working with the World Bank on a background paper to support this work stream.

The Fund's contributions were much appreciated. We received strong support for our work with the World Bank on increasing debt transparency and addressing vulnerabilities through the multipronged approach and on developing capital markets. Also, the G20 Surveillance Note that was shared with the Board on February 12 was helpful background in support of the discussions.

I concluded the meeting by issuing a public [statement](#) summarizing our views on the economic conjuncture, calling for increased global cooperation to resolve global challenges.

I also attended a G 7 Ministerial meeting organized by the U.S. Presidency. The discussion covered issues such as global economy, digital economy, and international taxation.

The G20 meeting also provided an opportunity for me to participate in:

- A one-on-one conversation with CEO Tim Adams at the International Institute of Finance G20 Conference on February 21. We exchanged views on the global economy, the impact of COVID-19, debt sustainability issues, empowering women, and risks from climate change. The media picked up our discussion on COVID-19 and my call for cooperation.
- An Informal Gathering with Saudi Women also on February 21. I enjoyed this very inspiring gathering with about ten Saudi women, including entrepreneurs, medical doctors, and a filmmaker. Our discussion focused on the impact of Saudi reforms on women and constraints to gender equality. The main takeaway was that as part of the Saudi Vision 2030, significant progress for women has been achieved, but more work remains to be done.

I had useful bilateral meetings at the sidelines of the G20 meeting, including with Argentina, Australia, Canada, France, Italy, Mexico, South Africa, U.K., and U.S. In particular, I had a fruitful exchange of views Minister Guzmán on Argentina's challenges, and the path forward in which I welcomed the authorities' commitment to deepen our engagement including through an Article IV Consultation and steps toward a Fund-supported program in the future (see my [statement](#)).