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June 5, 2020

**Statement by Mr. Beblawi and Ms. Abdelati on The Managing Director's Statement on
the Work Program of the Executive Board
(Preliminary)
Executive Board Meeting
June 11, 2020**

We thank the Managing Director for the Statement outlining the priority crisis work for May-October of this year, and the continuation of long-standing work beyond October. Significant uncertainty remains, and we agree on the need for the Fund to remain focused on supporting countries with a rapid crisis response to limit contagion and allow for a smooth transition to recovery. The policy tracker developed early on has been a helpful reference tool for many countries. We broadly support the work priorities, as outlined, for the immediate period and for the remainder of the fiscal year with few exceptions, as indicated below. We have the following specific remarks:

While recognizing staff resource constraints, we would be interested in learning about the preliminary findings of some of the **IEO evaluations** in the event that completed evaluations are to be postponed. In particular, the *IEO Evaluation of IMF Advice on Capital Flows* would be very useful for the discussion on the *Integrated Policy Framework*, as was intended. *We trust that this can be accommodated.* It is also not clear why some other work should not be postponed, such as the *Central Bank Transparency Code*, the *G20 Note on Access and Opportunities*, and digital currencies.

The paper on **Lending Strategy** is to provide an overarching framework to guide Fund lending in the context of the inherent uncertainty and mounting debt and other pressures. *We understand that this work will address the issue of the normal cumulative access for GRA lending, as was discussed last week. What other key issues will this paper address?* We would be interested in an update of the adequacy of Fund resources relative to the size of the world economy and that of trade and financial transactions.

Several staff reports will address issues related to **debt pressures and debt sustainability**. *What is being envisaged for the paper on Sovereign Debt Resolution that is to brief the Board on “improving the architecture for resolving debt crises”?* In a recent Board discussion, staff said that extra scrutiny, as part of the DSA framework, is intended to help countries by providing advice to improve their debt sustainability through debt workouts, reprofiling, etc. We expect staff advice to be carefully balanced and sensitive to its repercussions.

The **WEO** plans to propose policies to navigate the crisis and work toward a more sustainable global economy. We understand that the Fall WEO will analyze the impact of lockdowns on economic activity and have a chapter on climate mitigation policies that can also support recovery from the COVID crisis. The lockdown contributed to reducing our carbon footprint. Resuming travel and returning to work would reverse that. We would be interested in additional information on the envisaged work.

We look forward to staff proposals on the gradual resumption of **surveillance work**. Some prioritization would seem to be called for, with focus on most systemic economies, large emerging economies, especially those critical to supply chains, and perhaps to group smaller economies into thematic reports. The thematic reports could provide useful updates until all Article IV Consultations can be carried out. *Is this staff’s intention?*

We like the intention to “look into policies relevant for the accelerating pace of **digitalization** triggered by the lockdowns.” This is certainly relevant for the future of schooling, commerce, business, and work in general. *Is there something specific planned besides the paper on iDW, data policy, and reports on cyber-risks, and digital currencies? If not, perhaps we could draw on any--early work by external experts through a virtual talk series—after October?*

In the upcoming ***Update on the Implementation of the Framework for Enhanced Fund Engagement on Governance***, we hope to see variation in the coverage and scope in different countries, consistent with the intention for selectivity. A case should be made that it is macro-critical for the country.

We welcome the **updates on global economic and market developments** and look forward to their continuation, along with regional updates.

We also look forward to the continuation of **updates on the adequacy of Fund resources**. *We missed any mention of advancing work on the overall size of the Fund’s quota resources, or of the merits of a general SDR allocation—which could be a useful element, as countries face debt pressures.*

We support a ***Supplementary Budget*** that will ensure that the Fund can continue to deliver on its mandate and reprioritized agenda.