



Executive Board Minutes 20/70-3

June 11, 2020–2:30 p.m.

The Managing Director's Statement on the Work Program of the Executive Board

Staff: Tsounta, SEC; Muhleisen, Mathisen, Kostial, and Corbacho, SPR

Length: 2 hours, 11 minutes

ISSUED: June 9, 2022

APPROVAL: June 16, 2022

CEDA OGADA
Secretary

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¹ Minutes are the official record of a formal Board meeting in which the Board may adopt decisions and reach understandings related to the business of the Fund. Staff background documents issued before the meeting are the principal basis for the meeting. Preliminary “gray” or “buff” statements by Executive Directors and staff’s responses to Directors’ technical questions are circulated prior to the meeting. Adopted decisions and/or summings up—the Chair’s “sense of the meeting” or policy conclusions/recommendations—are issued after the meeting. The minutes include all these elements, as well as the discussion record (a verbatim transcript of the discussion lightly edited for clarity). Minutes are made public consistent with the IMF’s Open Archives Policy.

EXECUTIVE BOARD ATTENDANCE²

K. Georgieva, Chair

Executive Directors

D. Mahlinza (AE)

M. Raghani (AF)

N. Ray (AP)

A. Bevilaqua (BR)

Z. Jin (CC)

L. Villar (CE)

L. Levonian (CO)

R. Kaya (EC)

A. Buisse (FF)

R. von Kleist (GR)

S. Bhalla (IN)

D. Fanizza (IT)

T. Tanaka (JA)

J. Mojarrad (MD)

H. Beblawi (MI)

A. De Lannoy (NE)

M. Poso (NO)

A. Mozhin (RU)

M. Mouminah (SA)

A. Mahasandana (ST)

P. Inderbinen (SZ)

S. Riach (UK)

M. Rosen (US)

Alternate Executive Directors

B. Lischinsky (AG)

J. Lin, Secretary

P. Cirillo, Summing Up Officer

A. Bala, Board Operations Officer

L. Nagy-Baker, Verbatim Reporting Officer

Also Present

African Department: M. Kamel Farid Mohamed Farid, D. Robinson, A. Selassie. Asia and Pacific Department: O. Brekk, K. Harada, S. Peiris. Communications Department: O. Stankova. European Central Bank: R. Rueffer. European Department: R. Blavy. Fiscal

² For countries in each constituency, please see the Constituency Codes in the annex.

Affairs Department: C. Matsumoto, G. Preston. Finance Department: C. Gust, T. Krueger, A. Tweedie. Institute for Capacity Development: M. Davies, R. Nord. Independent Evaluation Office: C. Collins. Information Technology Department: E. Anderson. Legal Department: Y. Liu, G. Rosenberg, R. Weeks-Brown. Middle East and Central Asia Department: C. Serra Ronceros. Monetary and Capital Markets Department: P. Ananthakrishnan, P. Kongsamut. Office of Budget and Planning: R. Brofft, A. Schimmelpfennig, M. Shannon. Office of the Managing Director: M. Muhleisen. Office of Risk Management: V. Arora. Research Department: G. Dell'Ariccia. Secretary's Department: M. Mehmedi, E. Tsounta. Strategy, Policy, and Review Department: A. Corbacho, P. Garcia Martinez, S. Kim, K. Kostial, J. Mathisen, N. Meads, N. Shenai, M. Takebe, C. Tovar Mora, J. Ziegler. Statistics Department: D. Ostojic, J. Rodriguez Delgado, P. Tumbarello. Western Hemisphere Department: P. Alonso-Gamo. Executive Directors: A. Andrianarivelo (AF), I. Mannathoko (AE), P. Moreno (CE), P. Trabinski (SZ). Alternate Executive Directors: R. Alkhareif (SA), K. Chikada (JA), M. El Qorchi (MD), S. Geadah (MI), A. Guerra (CE), C. Just (EC), K. Merk (GR), W. Nakunyada (AE), R. N'Sonde (AF), O. Odonye (AE), L. Palei (RU), D. Ronicle (UK), P. Rozan (FF), B. Saraiva (BR), J. Sigurgeirsson (NO), F. Sylla (AF), C. White (AP). Senior Advisors to Executive Directors: W. Abdelati (MI), S. Buetzer (GR), M. Choueiri (MI), J. Damgaard (NO), A. Ekelund (NO), R. Farber (US), M. Gilliot (FF), L. Johnson (AP), Y. Liu (CC), Z. Mahyuddin (ST), M. Maidi (AE), S. Potapov (RU), C. Quaglierini (IT), C. Sassanpour (MD), G. Vasishtha (CO), J. Weil (CO). Advisors to Executive Directors: A. Abdullahi (AE), F. Al-Kohlany (MI), P. Al-Riffai (MI), A. Arevalo Arroyo (CE), M. Bangrim Kibassim (AF), Campbell (UK), E. Cartagena Guardado (CE), L. Cerami (IT), T. Cham (AE), T. Chrimes (UK), D. Cools (NE), J. Corvalan (AG), R. Edwards (CO), J. Essuvi (AE), D. Fadhel (MI), A. Grohovsky (US), J. Hanson (NE), G. Khurelbaatar (AP), M. Merhi (MI), P. Mooney (CO), T. Nagase (JA), A. Nainda (AE), K. Nelson (UK), A. Park (AP), B. Rankin (CO), A. Ribeiro Mateus (IT), S. Senich (US), I. Skrivere (NO), D. Susiandri (ST), J. Yoo (AP), J. Al Saud (SA), F. Antunes (BR).

DISCUSSION RECORD³

The Chair:

Let me formally start this meeting on the work program of the Executive Board with my gratitude to Executive Directors for their engagement. Executive Directors not only have provided gray statements, but there have been very constructive bilateral discussions between ED offices and the staff prior to this meeting. This focus is justified given the increased pressure being in the midst of a crisis creates for Executive Directors, the Board, and, of course, for the staff and management.

We agree we are aligned on the criticality of having a work program that zeros in on overcoming the crisis. We recognize that while we have done quite a lot to reprioritize work, the sheer volume of requests to the Board and requests for engagement, leads to a larger work program. It is just about one-third larger than what we had in the same period last year.

With this qualification that we do have to do more, let me concentrate my opening comments on what has guided us in defining the main priorities of the work program and what we are taking from the gray statements and from Executive Directors' engagement. In terms of defining the main priorities of the program, until now and for the next month, responding to the requests from the membership has been a priority. Now with 75 percent of the countries reopening, restarting economies, and focusing on the recovery, it would take a significant amount of our time too. When we look at the demands coming at us from having this foresight, how to make the recovery strong, the economy on the other side of this crisis more resilient, how to accelerate transformation towards a digital and green economy, how to make sure that there is growth that is also pro-poor to not allow for inequalities to deepen on the other side of this crisis--all this will be taking a significant place in the work of the staff and, of course, the engagement with the Board.

Secondly, we recognize that prior to this crisis, we have already had high debt levels in many countries. Now, this issue of debt sustainability is becoming even more pressing, and therefore we will engage with you systematically on that topic. We will discuss with the Board, in an informal meeting in July, the role of the Fund in sovereign debt restructuring, and we will refine our work program further so the Fund can play its role on this very important issue.

Last but not least, we will talk about resources. We plan to update Directors in July on the Fund resources, which would follow the World Economic Outlook (WEO) and the vulnerability exercise. Right now, I am

³ Edited for clarity.

carrying out, with the senior management, rounds of discussions with the area departments to see more granularly what is to be expected over the next six months or a year, and we will integrate it in our informal discussion with Board. We are progressing on making effective the doubled New Arrangements to Borrow (NAB) and the new round of bilateral borrowing. We will update the Board in due course, and we will start building the foundation for the 16th quota review. We will schedule an engagement on the direction of this very important topic for the Fund. We are very carefully monitoring where we are in terms of the availability of quota resources. We will engage the Board on the dynamics that might call us to possibly activate the NAB sufficiently in advance so Directors and the authorities would be well prepared for it.

In the context of resources, as we have been urged to look into what more we can do on the activation of SDRs, we have started informal rounds with the Board on how to use existing SDRs and received feedback from your offices. We look at the Poverty Reduction and Growth Trust (PRGT): Could it be more reinforced? That's a concern, particularly, for small states, especially small island states.

Let me finally reflect on a few of Directors' requests. Directors made a few important points. First, on the Independent Evaluation Office (IEO), I have said it many times, and I hope Directors have seen it in the way we work, we value--I personally value very much--the work of the IEO, and we have consulted on it already. We will have a discussion on the Fund's advice on capital flows. It is important in the context of the Integrated Policy Framework (IPF) discussions. We will possibly set the stage for an eventual review of the Institutional View (IV) next year. We will have an informal seminar on the evaluation of the IMF-World Bank collaboration, clearly even more important these days. It is on the issue of climate change, and how we can, in partnership with the Bank, avoid having to build parallel skills and capacities but simultaneously pursue the integration of climate change in our work, especially in surveillance. We will have a formal discussion scheduled in sync with the Comprehensive Surveillance Review (CSR). We will aim to hold the seminars before the August Board recess, of course, schedule permitting.

Let me finish by recognizing that we are operating under rather intense pressure and in a new modality. We have made a conscious decision, in consultation with Directors, to pause our surveillance work. Obviously, it cannot go on forever. We will restart surveillance, and we would like to have a good plan around how we do that. We would be very interested in how we go about shifting gears from emergency to more regular type of work. We have made, with the help of Directors, a few shifts on the procedural side, such as, time taken to review emergency financing and so forth. We promise to reassess these procedures by July 5. We will stick to this timeline to get an

understanding and an agreement on how we go about our work. All of it is going to be done in the context of what we promised, and it will be tied to how we use resources. To be able to reallocate resources, we will cancel things that are not top priority in this new environment and reschedule or reshape items that we can deal with at a later point or at a lower intensity. We also agreed that we will come to the Board with a supplemental budget should that not be enough.

This is where we are: a lot to do, a huge amount of effort to prioritize and deploy appropriately and, of course, that has to continue over time. Let me now turn to staff. There may be a few comments that would be helpful in reflection to the engagement we have had in this last round with the gray statements.

The Director of the Strategy, Policy, and Review Department (Mr. Muhleisen):

Three quick comments from me, including one on surveillance. The Board welcomed plans to restart the bilateral surveillance, calling for clarity on the scope and speed at which we can resume our engagement with members. We will shortly send a proposal that outlines options and solicits Directors' views on the way forward. Assuming the gradual recovery from the crisis continues, we would also resume later this year the work on the CSR and in parallel, the review of the Financial Sector Assessment Program (FSAP). This would include assessing the merits of briefings on country matters that would cover countries from multiple regions, a proposal put forward in the midpoint note of the CSR. We are trying to use a few of the elements of the CSR to inform our surveillance going forward. That will be a part of the note.

We will also draw lessons from the crisis, and as some of the Directors suggested. It might be useful to have an additional informal Board meeting on this topic. We will need to reflect on it, and we expect to have a more definite timeline in the next Work Program.

I would also like to mention climate change in the context of surveillance. Many Directors supported our plans to further integrate climate change into surveillance. There was also a call for more emphasis in the next months on climate change issues. I would like to assure that we have a broad and ambitious Work Program. The upcoming Board discussion will present elements of a strategy to integrate climate change more systematically into the IMF surveillance, especially in the Article IV consultations.

We have also done work already, for example, on publishing under the COVID-19 Special Series Notes on greening the recovery, and we are also at the moment talking quite intensely with country teams so that they can incorporate climate issues in their program and also surveillance work.

The upcoming Fiscal Monitor (FM) will feature a box on the greenness of fiscal response measures and showcase the hybrid terms to investing in climate resilience. We will also engage with the Board once preliminary lessons can be drawn, but we would expect this to happen a bit later in the year.

Lastly, my third area is the lending strategy where there were lots of questions about the timing and substance. We will shortly circulate a lending strategy paper for discussion in the next few weeks. We will take stock of the extraordinary measures adopted since the onset of the crisis and then look ahead to additional stages coming out of the emergency into a consolidation and recovery phase. There, we need to draw lessons together with the Board in key areas, such as program design, international collaboration, and debt issues, especially.

We will also, of course, follow-up on our discussion on access limits by circulating a paper proposing adjustments, again, in the next few weeks. It is in the internal review process right now, and we are working speedily on it. Given our exposure to many countries and the risks we are taking in this situation, we will, of course, strengthen our enterprise risk management (ERM) and further integrate risk considerations into our operations.

The staff representative from the Secretary's Department (Ms. Tsounta):

If I may, a couple of procedural issues mentioned in Executive Directors' gray statements. One has to do with document circulation, and the second has to do with the scheduling announcements.

On document circulation, Executive Directors emphasized the need for adherence to the circulation period, especially for lesser time-sensitive items. SEC will continue to work with departments to ensure that the deadlines are met, especially for less urgent items to the extent possible.

On the second issue on board scheduling, as suggested by some Directors, we will aim to announce Board meetings at least two weeks in advance, but our overarching goal would be to announce items as far as four weeks in advance, but those dates will obviously be less firm, given the situation.

In addition, similar to the pre-crisis practice, we will start circulating the tentative Board calendar for the next two months in our weekly calendar update, like we did yesterday by circulating the June and July calendar. The calendar obviously will be tentative and subject to change, given the current uncertainties.

To conclude, I want to emphasize that we truly appreciate Directors' flexibility and support in these very difficult circumstances.

Mr. De Lannoy:

The Fund has two critical tasks at this stage. The first one: play its role as a lender of last resort. The second is to advise countries on how to ensure the recovery is done right. Both the tasks are well represented in the Work Program. I will focus on a few remarks.

First of all, on the crisis response, we agree with those Directors who argued that the lending strategy should be discussed sooner. Our policy response needs to be in line with the evolving nature of the crisis, as we expect to increasingly see protracted balance of payments needs and concerns about debt sustainability. As you mentioned, a key partner in our crisis response is the Independent Evaluation Office (IEO). We request member countries for safeguards on how emergency funds will be spent as well as ex post evaluations. We would be sending the wrong signal if we were to weaken the Fund's internal safeguards and postpone our own evaluations. The IEO's work on capital flows and on the collaboration with the World Bank will provide key inputs for our discussions. While not a substitute for a formal Board meeting, we can support the suggestion to organize seminars to discuss the IEO's interim findings. We are happy that an informal seminar to discuss IMF collaboration with the World Bank on climate issues has been planned for June 30. We were surprised, though, to learn that this is not expected to be discussed in a full Board meeting until 2021. Given that the IEO is independent from management and staff, I do not recollect the Board having decided to postpone Board meetings on IEO topics until 2021.

As the crisis has unfortunately increased the probability of sovereign debt distress, which is bound to lead to debt resolution cases, we, therefore, thank you for planning a dedicated Board meeting on the role of the Fund in debt resolution.

On the supplemental budget, we agree with those who argue that staff should make a clear case for a supplemental budget. Like Mr. Buisse, we would also welcome a strategic discussion on the HR response to the crisis, including the reinforcement of certain departments with staff from other departments.

Secondly, on the recovery, we could not agree more with the Chair's repeated call that the recovery should be transformational and green. Like Ms. Riach, Mr. Buisse, Mr. Fanizza, and Mr. von Kleist, we request a Board meeting on how to realize such a green recovery, possibly based on insights from the Policy Tracker. We also look forward to a discussion of structurally integrating climate change into surveillance.

The recovery will also have to be more equal in order to be sustainable. Again, this is an area where we appreciate the Chair's leadership as well as a discussion on the G20 note on access to opportunities. On the basis of our strategy on social spending, we should help authorities craft policy plans to address increased social vulnerability and inequality.

To conclude, we have a momentous agenda ahead of us. To ensure successful implementation, buy-in from our authorities is key, therefore, early informal discussions will be important to garner consensus and to maintain the base of decision making in these challenging times.

Mr. Bevilaqua:

I would like to start by thanking the Chair and the whole team that put together the Work Program. For the coming period, the global economy is likely to remain in crisis mode. These are probably the most uncertain and dramatic times for the world economy, since the Bretton Woods Conference. The global recession resulting from the health crisis caused unthinkable job losses, threatening hard-won social gains and disproportionately hit the poor and the young. Rising public debt, deflation pressures and financial stability are growing concerns. This is a particularly challenging environment for defining a Work Program. Comprehensiveness and ambition must be carefully balanced with the obligation to focus on the most pressing issues. Therefore, we broadly agree with the proposed approach from the Board's Work Program for the near term. Against this background, priority should be given to the emergency financial assistance to the analysis of several macroeconomic and financial dimensions of the crisis and to the design of appropriate policy responses.

This brings me to the main point I would like to raise today. Amid the unprecedented crisis, financing from the Fund has never been so necessary for so many members. Under the leadership of the Managing Director, the Fund has shown commitment and readiness in the current crisis, including with initiatives such as the debt relief to the poorest members, the temporary doubling of access limits for emergency financing and the creation of the SLL. However, it is not time to celebrate yet. On the contrary, there is still much that the Fund can and must do to help the membership during these truly exceptional times.

Lending by the Fund has been decisive in the initial stages of the ongoing crisis and it will probably remain crucial for still some time. That is why, we look forward to the upcoming discussion of the overarching framework to guide the Fund lending. Meanwhile, we should move faster with the discussion of the normal, annual and cumulative access limits, including reviving the carving out option. Furthermore, if the crisis proves more severe

and prolonged than anticipated back in early April when the Board increased its limits, we should remain open to consider yet another temporary increase in the access limits of emergency facilities. Of course, the Fund cannot lend if it has no resources and we commend staff for the considerable progress achieved so far on PRGT, CCRT, NAB doubling, and the new round of BBAs.

However, if the crisis worsens, we should be ready to accelerate the calendar for the 16th General Review of Quotas (GRQ). We welcome the frequent briefings to the Board by the economic and financial counsellors, and we look forward to the updates of the area departments on country matters. In parallel, we fully agree with many colleagues that it is essential to resume regular bilateral surveillance work and have a clear plan to bring it to the Board for discussion.

Last but not the least, we applaud the recent understanding about the IEO. This chair strongly values the contribution of the IEO, which provides essential inputs for the decision-making process at the Board. The IEO has a fundamental role in the indispensable process of learning from experience and this is true not only in times of relative normalcy. In this regard, we look forward to discussing soon not only the evaluations that are ready or close to colleagues but also the issues papers for new evaluations.

Mr. von Kleist:

We broadly support the key priorities and we have commented on them in our gray statement. Just to once again praise the Fund and its staff for the great lengths they have gone to in the past few months and the commendable and unprecedented efforts they have taken as part of a rapid and comprehensive crisis response.

As the crisis will recede in the coming weeks and months, hopefully, we support the intended refocusing on other issues that are essential to members from a more medium- to long-term perspective, including the advancement of work on key surveillance reviews.

As we have highlighted in other recent Board meetings, we are very concerned with regard to the substantially increased risks to Fund resources. We had a good meeting on it this morning, and while we welcome the increased reporting of risks, we also need to have a discussion on concrete proposals on how to mitigate them, especially those stemming from increased lending activities.

Accordingly, questions regarding the Fund's lending strategy, debt sustainability, and governance issues, as well as the review of the adequacy of the Fund's precautionary balances are key topics for the Executive Board going forward.

We fully agree with the Chair's comments, that we have to further reflect upon the IMF's role in debt restructuring, and the envisaged briefing on the G20 Note on Sovereign Debt Restructuring provides a welcome opportunity to do so. Moreover, we are looking forward to engaging with the staff on how we can best address debt overhangs in substance. In this vein, we would like to underscore the need for involvement of the private sector and fair burden-sharing with a broad participation of creditors. A renewed Vienna Initiative-style approach might be helpful in this regard, and we would be happy to explore the suggestion further.

Lastly, like others, we believe that climate change should remain high on the IMF's agenda, and we welcome the MD's recent messaging on the need for greening the recovery. The Fund can support the membership by identifying and promoting policies within the Fund's mandate that contribute to a green recovery, and we encourage staff to deliver timely and substantive work on this. As the Chair has said, close cooperation with the World Bank on these important issues will be needed to make sure that scarce resources are used in the most efficient manner.

Ms. Mahasandana:

We issued a gray statement, and we broadly support the Fund's priorities laid out in the Work Program. We have four points for emphasis.

First, it is very critical for the Fund to be nimble and flexible in dealing with the uncertainty around the crisis. To meet this expectation, the staff should remain proactive in engaging key international partners and stakeholders to closely monitor the pandemic and its impact to economic development at global and country levels. We should also remain open to address our assessments on outlook and to elicit discussion on the flagship reports, lending policy, and the Fund risk assessment more regularly than in the past.

Like Mr. Rosen and Mr. Mouminah stated in their gray statements, interim Board meeting on the Work Program will be helpful, and we should stand ready to have more frequent Work Program adjustments, if needed.

Second, while we agree on the need to continue prioritized agenda related to the immediate crisis response, we also welcome MD's opening remarks that a lot of Board Work Program will be focused on the Fund role to support resilience and green recovery. Here, we reiterate the need for a comprehensive plan. In our view, we need to have a better understanding on the implications of the spillover effects of the various crisis response measures, such as unconventional monetary policy, large fiscal response, and flexibility on financial sector regulatory policy as well as the long-term impact

of the crisis to globalization, including global chain, tourism, as well as the movements of migrant labor and remittance flows. We welcome that this issue will be discussed in the upcoming External Surveillance Review (ESR), as reflected in the staff response. It will be a good starting point to guide more policy discussions, especially on the appropriate strategies under difficult circumstances and preparations for effective risk mitigation measures. High-level sovereign and corporate debt could threaten economic recovery. Hence, like Mr. von Kleist, we view that it is important that the Fund enhance its role in supporting debt resolution and provide policy advice to help member countries address debt vulnerabilities in both public and private sector.

Third, we are very supportive of the work on the IPF and look forward to the upcoming Board discussions. We hope that prioritizing this work can help member countries reap the benefits immediately, and we also expect that the country teams make use of the key findings in their policy advice, both in the program and non-program countries. We view that this work is not only pertinent during the crisis but also helps countries to carefully consider appropriate policy mix during the recovery and normal period.

The progress of the IPF so far is promising but the challenge remains on how the Fund should proceed in rethinking its policy advice on the optimal policy mix.

Lastly, let me reiterate our view on the IEO work. It is very relevant to this current situation and should not be lagging from the current Work Program. We look forward to having discussions on IEO findings, particularly on the capital flows and on small states, as they would be beneficial in guiding many important discussions on the Board work agenda.

The Chair:

To respond to Ms. Mahasandana and others on a possible interim Board meeting on the Work Program, I will be very open to this to ensure that we are staying ahead of the curve and not behind. Circumstances change, and we ought to be able to adjust accordingly.

Ms. Riach:

Let me start by thanking the Managing Director and staff for the proposed Work Program and for the introductory comments today. We think that the proposed Work Program very much addresses the appropriate priorities, and we welcome the focus on crisis-related work.

Today, management and staff have been very effective in focusing the Fund's efforts on the most immediate and crisis priority. Obviously, those

judgments become more difficult as we move into a new normal, whatever that looks like, and hopefully into a recovery phase. It becomes much harder to make difficult decisions about what the most important issues are. For all of us, there are things that we would like to see going forward on a faster timetable but which we accept that in the current circumstances are simply not possible.

For the large part, the proposed Work Program does a really excellent job of prioritizing the most important issues. I very much welcome the Managing Director's remarks today on the work of the IEO. As Mr. De Lannoy said in his gray statement, the IEO's independent view is critical for the Board's operation and for the Fund's governance. We see that view from the Board reflected in the gray comments. We very much welcome the Chair's commitment to the work of the IEO and the proposed way forward as set out today.

On climate, I very much welcome Mr. Muhleisen's comments, and we offer our full support to this proposed effort. The necessary delays in the Comprehensive Surveillance Review and the FSAP review should not necessarily delay us from starting to bring climate more systematically into the surveillance work that the Fund does. We also believe, as the Managing Director has said in public statements, that it is really important that as an institution, we support countries' efforts to build sustainability into the recovery phase.

More generally on surveillance, I resisted saying anything in the gray statement about the CSR review and the FSAP review because they definitely come into the category of things that we would very much like to see progress quickly but where we recognize that delay is possible and therefore, hard to put a very firm timetable on them. I do welcome Mr. Muhleisen's comments today that they will be taken forward as quickly as possible. In the meantime, seeing the use of the more regional focused approach in discussions coming to the Board is really helpful, and the more that the reviews can learn lessons from the current situation, I think the more rich and effective they will be.

On the lending strategy, as we said in our gray statement, we believe that consideration of an overarching framework for lending will provide a really helpful background to many of the decisions that the Board is grappling with. We, therefore, welcome Mr. Muhleisen's comments on the timeline for this. Like Mr. Bevilacqua, we look forward to finalizing consideration discussions on access limits, which will be an important area.

Finally, on Fund resources, the level of Fund resources can be potentially challenging and multifaceted issue for us over the coming months, both the overall level of resources, when and if the NAB needs to be activated, and whether the PRGT is sufficient to provide support for the poorest and

most vulnerable members. Therefore, we welcome the commitment to provide regular updates to the Board on this. It is incredibly important that the Board be fully informed of staff and management's thinking, but we also recognize it is difficult to perceive exactly what is going to happen and when. We are happy with the idea that there should be a little bit of flexibility on exactly when the update will be.

Mr. Poso:

We agree with the priorities set in this crisis-focused Work Program supporting crisis mitigation and finding a path to recovery. Needless to say, the continued uncertainty will require flexibility. I see merit in the point raised by Ms. Mahasandana and several other Directors in their gray statements to be ready to revisit the Work Program, if adjustments are needed to stay ahead of the curve, as stated by the Managing Director. We have issued a comprehensive gray statement. I will only raise three points for emphasis.

First, as soon as possible, the Fund support to members should gradually evolve towards fostering a strong and sustainable recovery where successor upper credit tranche (UCT) programs are taking precedence over emergency facilities. We, like many other Directors, very much welcome the opportunity to discuss how to better integrate climate change into implementing policies for a green recovery. As the Chair said in a recent speech, we should concentrate our attention on the opportunities that the recovery will present.

Fund surveillance will need to focus on the increased indebtedness across members and provide clear advice on the necessary policy responses. Improved revenue mobilization, tax policy, and fighting protectionism will be key to create means to tackle future challenges, but we note that this part of the equation is not very prominent in the Work Program. In fact, revenue mobilization, tax policy, and fighting protectionism are not even mentioned. I would be interested in hearing the staff's reflections on this.

Second, the crisis and the high demand for Fund support warrant increased focus on Fund resources. We highly value the recent updates on Fund resources and the commitment to continue to hold these updates regularly. It is important to ensure that the ability of the Fund to respond to the needs of its members and the global community is secure. We also welcome the upcoming discussion on Fund's concessional assistance and the Fund's precautionary balances.

Lastly, a few internal matters. As mentioned by others too in their gray statements, the discussion on the supplementary budget proposal needs to be based on thorough assessments before any decisions could be made. Thank you, Madam Chair, for remarks on this in the opening statement. We also

welcome the indication received earlier today to attend the informal seminar about the IMF collaboration with the World Bank on climate issues led by the IEO. It is important to bring the work of the IEO to the Board in a timely manner to inform ongoing workstreams.

Mr. Buisse:

At the onset, let me underline my appreciation for the work done by management and staff over the past three months. I know staff is tirelessly working long hours, often on the weekends, and we are grateful and proud of their commitment.

I generally agree with the many elements of the Work Program, and I welcome the Chair's introductory remarks and Mr. Muhleisen's. As I wrote a gray statement, I just want to emphasize a few points.

First, we are entering a new phase of the crisis, and our work program will need make clear how we are accompanying this change. Lending will continue to be a strong focus with continued provision of emergency financing, as well as a rise in successor UCT-quality arrangements. This will be a welcome move. However, it will very important that we are proactive on the discussion on the lending strategy. There are many parameters that this strategy needs to take into account: the need to provide sufficient financing support to cushion the impact of the crisis on the most vulnerable and to boost medium-term growth prospects, just to mention a few aspects.

Second, the Fund needs to make clear how it will support the recovery for all its members, from advanced economies to the most fragile members. This recovery needs to be sustainable; it needs to take into account rising inequality, climate objectives, the impact of new technology, as many have said. The recent blog post on The Great Reset, Managing Director, was perfectly to the point. Building back better, as we say on the other side of the street, should not just be a slogan but should really be part of our policies. In this regard, bilateral surveillance plays a key role, and we hope that we can resume it quickly.

We need meaningful engagement with country authorities while they design the recovery policies. We stress the importance of the Fund's work on debt in this regard and very much welcome the focus on this topic in many of my colleagues' gray statements, and I will support Mr. von Kleist that this work on the substance is key.

Multilateral surveillance will also have to examine the long-lasting impact of the crisis, for instance, on global value chains, trade, capital flows. We welcome the focus on the forthcoming Fiscal Monitor on fiscal policy and public investment.

Finally, we need to continuously ensure that we are able to serve our membership as best we can. Our tools should remain adequate. The issue of additionality and concessional lending are key agenda items, in my view, and they are going in the right direction. However, we need to reflect on two additional issues. First, on SDR, which needs to be taken on board in the weeks and months to come. Let's not waste any more time, frankly.

Second, there are lots of discussions among governments or in the economic circles on how to best help emerging economies and in particular the adequacy of our toolkit for emerging economies for those who cannot qualify for the Flexible Credit Line (FCL) and the Short-Term Liquidity Line (SLL). We are going to have a presentation on emerging economies on the 15th, and I wonder if we are sufficiently equipped to help these countries. I am still wondering why no countries have requested the Precautionary and Liquidity Line (PLL) when financing gaps are widening. I would be interested in staff comments.

Mr. Tanaka:

We thank the Managing Director for the introductory comments and the update of the Work Program, which focus on the priorities specified in the latest Global Policy Agenda (GPA) and IMFC communiqué. As we broadly support this Work Program, I would like to offer a few points for emphasis.

First of all, we would like to pay our respects to the great work of the management and staff so far by quickly and steadily addressing vast challenges in the current exceptional circumstances. It is essential for the Board to share and be fully informed of the latest information on the world economy analysis by staff and core messages announced by management to the public. At the same time, given the limitation of resources, it would be also important to prioritize the items focusing on traditional core idea of the Fund. Effective cooperation of roles with other international organizations is critical in the context of tackling newly emerging issues of greener, smarter, and fairer topics.

As to surveillance, it is a fundamental role of the Fund to analyze the impact of the COVID-19 crisis on the global economy and to provide necessary policy recommendations, along with circumstance of each member country. On this point, we look forward to hearing thoughtful plans and ideas by the staff at the Board meeting next week on surveillance during the COVID-19 crisis.

Concerning the lending policy, we would expect to discuss a comprehensive lending strategy in the coming Board meeting. We would like to point out in the advance that it is important for us to articulate the roles of

each facility to support member countries. We have navigated through the first stage of the crisis using rapid finance facilities. For the second stage, we have to improve our lending strategy to those affected countries over the medium-term. In relation to the lending policy, we have to think about debt issues. We welcome that a Board discussion regarding the debt issues is planned. In this context, on the Debt Service Suspension Initiative (DSSI), we highly appreciate the proposal of the joint assessment with the World Bank as well as the proposals in the G20 note on data collection and reconciliation. We strongly encourage all member countries to participate in this process and expect the Fund to encourage them too.

Let me move on to the third pillar of Fund functions—capacity development (CD). We recognize that the COVID-19 crisis revealed spending and debt vulnerabilities in low-income countries. It is a critical role of the Fund to improve countries' public finance management and debt sustainability by providing capacity development.

As for the Board meeting on digital currencies, we expect high-quality analysis by the staff on how digital currencies can make an impact on the international monetary system and monetary sovereignty associated with macroeconomic implications. International taxation should also be a focal point after the pandemic subsidies, especially with the surge in e-commerce.

Last but not least, we would like to reemphasize the importance of ensuring diversity at the Fund and strongly encourage HRD to make every effort to address this problem and expect to hear more about a concrete strategy.

Finally, I was moved by the MD's speech on June 3 at the World Economic Forum to build a memorial to those who have lost their lives in the pandemic.

Mr. Rosen:

I am also pleased that the program focuses on crisis-related work. We have been strong proponents of the Work Program on debt and debt sustainability over the last few years, and we see this work as even more critical given the effects of the COVID-19 crisis on debt levels in many countries. The work staff does to improve its ability to assess debt sustainability is very limited in its value if staff does not have access to the appropriate data, so the review of the data provision to the Fund for surveillance purposes should be a key priority, and we do not think that this review should wait until after the completion of the CSR.

The staff has explained to us that improving data provision to the Fund is the most important step that needs to be taken to make a material

improvement on debt transparency, therefore, this really cannot wait. Following every major crisis since the 1980s, the Fund has seen a need to strengthen the provision of data. We should consider now where debt data needs to be improved before we are in the midst of a debt crisis.

On debt, I want to join Mr. von Kleist in welcoming the Board discussion on sovereign debt restructurings and the IMF's role. We strongly support the work of the IEO and agree with Mr. De Lannoy and Mr. Bevilaqua that the IEO's independent view is critical to the Board's operation and Fund's governance. I am very glad to hear that the Managing Director confirm this afternoon that she will continue to work with the IEO through this crisis.

Lastly, I want to welcome the Managing Director's comments that there is no presumption in the Work Program that the Board will approve a supplemental budget for the FY20-21. So far this week our office received four working papers for comment, and though most presented interesting academic research, they did not focus on the current needs of the crisis. We think there is still room to shift the staff work further to crisis-related work.

Mr. Mouminah:

I would like to start by acknowledging the hard work and dedication of the IMF management and staff who have demonstrated exceptional resilience throughout this personally and professionally challenging period.

We think the Work Program is thoughtful and well balanced overall. I want to emphasize the need for us to continue to take a forward-looking approach in our thinking. We must stay focused on the role of the IMF in helping the membership to throughout the stability and the recovery phase of the crisis, as the Chair highlighted, in her opening remarks, which addressed many of the points that I would raise in my intervention.

We need to ensure that we continue to anticipate the set of challenges that will face the membership and how the Fund can best play its role as a trusted advisor. Here the Fund's advice and support in the context of the G20 agenda, including initiatives to reduce debt vulnerabilities and access to opportunities, will be a very important for the recovery phase.

I would like to make four points, on lending, surveillance, prioritization, and the role of the IEO.

On lending, one of the ways we support the membership is to ensure that there is appropriate availability and access to Fund resources. This means we need to move quickly to create additional headroom, including by reviewing the annual access limits and preparing the shareholders for the steps

involved in the NAB activation, and I take note of the Chair's comments on this. We should also continue exploring opportunities to advance discussion on a possible further SDR allocation, as mentioned by many other Directors.

On surveillance, multilateral surveillance remains critical, and like others, we reiterate the need for regular updates, including to ensure the information feeds into the Board lending decisions.

On restarting bilateral surveillance, we think that there is a clear need for a targeted and risk-based approach. We support Mr. Ray's view that we should build on the success of recent experiences with targeted missions and shorter reports and avoid purely returning to previous practices. We look forward to the note that Mr. Muhleisen has mentioned in his intervention.

On prioritization and the budget, we must manage the work pressures by staying focused on issues that are critical to address the current crisis while managing the demand on staff, as Mr. Rosen just mentioned. This means that we will need to take hard decisions to be ready to adjust the Work Program as warranted to deliver within the approved budget.

My colleagues have offered a suggestion about the lower priority items and what it looks like. We emphasize that it needs to be targeted and realistic. While not preferable, it is not feasible to finalize a few of the reviews and to deliver on the non-time critical crisis work for some time. We agree with Mr. von Kleist that the Work Program needs to be flexible enough to accommodate the expected surge in UCT programs within sufficient lead times to consider the program.

Finally, on the IEO, we agree with Mr. Rosen, Mr. Buisse, and Ms. Mahasandana and Mr. Kaya and others that the IEO key components to the Fund's operational efficiency and more immediate engagement on selected IEO work is warranted. Thank you, Chair, for reaffirming this in the opening statement, particularly the IMF advice on capital flows and collaboration with the World Bank on climate and macrostructural issues.

Like Mr. De Lannoy, we were surprised that the IEO evaluation was postponed to 2021 and a clarification on this will be appreciated.

Ms. Levonian:

As always, in our gray statement we proposed certain refinements in the Work Program, but I just wanted to reinforce that our suggestions are in the context of a program that we felt was very thoughtful and that will no doubt serve the membership very well in this crisis.

The Managing Director has already touched on many of the issues that I wanted to raise, including things like the IEO, climate change, and advice for the recovery. Others have touched on this as well, so I will try to be brief. Overall, we think that the program for the next five to six months is very well calibrated. Like others, we strongly welcome the planned discussion on how to restart bilateral surveillance, as well as the planned reflection on lending in the time of COVID. We were also looking for a few more clues on how and when the CSR and FSAP review might move forward, so we were very appreciative of Mr. Muhleisen's comments in that respect.

We would like to underscore the importance of not setting aside the work of the IEO during this crisis, and again we were comforted by the comments today. We understand that this Board Work Program is primarily about getting us through the fall. However, it is critical that we start gearing up to provide advice for the recovery, as has been discussed again. Advice in an area such as debt and how we will address the looming crisis in that area, or climate change, inequality, will all be crucial to support a strong, sustainable recovery; and the scope of the Fund's ambitions in these areas did not quite come across in the work plan, but even if they are not yet anchored in the Work Program, we expect that work is now underway in all these areas.

We also did not see much in the Work Program that would go towards supporting small and particularly vulnerable states in their recovery. I would love to hear your perspective on that as well. I would be remiss if I did not flag a few areas that we could offer up as flexibility in the Work Program. We cannot always just ask for more, so these are things that would need less prioritization. Feedback from a few of our capitals is that they did not have the bandwidth to engage very deeply on the thematic chapters of the April flagship. This suggests the need to keep the upcoming edition as streamlined and priority focused as possible.

Regarding digitization, while stable coin and cross-border digital currency issues were top of mind for policymakers before the crisis, I would ask what the priorities would be in the current context.

Lastly, we continue to stress the need to be, again, focused and prioritized in the area of research that is undertaken and brought forward to the Board, like Mr. Rosen said. And I think that the conversation we just had and the timely updates on the research that is being conducted will help focus in this area.

The Chair:

On the small states, I can tell you that we are concentrating on it. Before this meeting, I had a meeting with the Western Hemisphere

Department (WHD), and a big chunk of our attention was on the Caribbean. We will be seeking pragmatic ways to step up what we do for them.

Mr. Mahlinza:

Let me also thank you for your opening remarks and Mr. Muhleisen for providing further clarification on the Work Program. We broadly concur with the Work Program, which is appropriately focused on the need to respond to the COVID crisis. We want to emphasize a few points.

First, we consider the planned discussion on the lending strategy as important in reinforcing the Fund crisis management function. We consider it timely to take stock of emergency measures taken in the last few weeks and to plan appropriately for the next stages of the crisis in terms of both policy and instruments.

Further, we view the discussion on modification of access limits as critical to support the additionality of emergency financing while creating room for follow-up UCT-quality programs. We appreciate the Chair's opening remarks on the SDR allocation and encourage staff to continue its exploring options in this regard.

Second, we welcome the prominence of attention to debt issues in the Work Program. We particularly look forward to the discussion on improving the architecture for sovereign debt restructuring in view of the shifting debt landscape. We also look forward to the update from the joint World Bank-IMF multipronged approach for addressing emergency debt volatilities.

We would also like to emphasize the need to finalize discussions between the World Bank and the IMF on the difficulties presented by the application of negative interest rates. Furthermore, we look forward to further briefings on the DSSI implementation and the planned assessment. We view this initiative as important to create fiscal space, and we call for urgent action to remove constraints to the uptake, as well as address concerns regarding the slow response to requests.

Third, we support an early discussion on the strategy to resume bilateral surveillance activities to help foster long-term economic stability and sound policies. To this end, we welcome the planned briefings on country and thematic issues as an important step towards bilateral surveillance.

Fourth, as the economies begin to open up, we feel there is a need to assist countries to prepare for economic recovery and ensure resilience. To this end, stronger emphasis should be placed on restoring trade and financial flows, as well as tailored advice and social protection, inequality, climate change, and supporting the informal sector. We look forward to the planned

briefing on trade developments and related policy issues, and we hope that this discussion will assess the trade policy measures taken during the crisis with a view to assist responses to future crises.

Finally, like several other Directors, including Mr. De Lannoy and Mr. Bevilaqua, we underscore the importance of the IEO's independent view in the Board's operations and Fund governance. In this regard, we would urge that important crisis-related IEO workstreams be prioritized in the Work Program. To this effect, the Board agenda should prioritize the evaluation of IMF advice on capital flows which benefits the IPF work. We also positively note the invitation to the informal seminar to discuss IMF collaboration with the World Bank on climate change.

Mr. Villar:

We broadly support the outlined work priorities. We welcome the emphasis of the agenda on issues related to the need to continue adjusting lending policies in order to respond to the crisis, and we support an early discussion on the strategy to restart bilateral surveillance activities.

We also support the emphasis on governance, which is timely and appropriate. In the same vein, we look forward to the briefing on trade developments and related policy issues, which will be key for a sustainable recovery. Pertinent policy topics include climate change, and accelerating the pace of digitalization triggered by the lockdowns. These will be extremely relevant in the recovery phase.

Given the high degree of uncertainty we still have about this crisis, we regard the frequent briefings on global and regional outlooks of utmost importance. Depending on the evolution of the pandemic and its economic impact, we may need a high degree of flexibility in the agenda.

We issued a gray statement in which we mentioned a few issues that we feel are missing or lack the appropriate emphasis in the agenda. I will not repeat them here, but I want to highlight three points for emphasis.

First, we missed any mention of advancing towards an SDR allocation or at least towards a better and more effective use of the existing SDRs that are held by reserve currency issuers. This could be included together with a continuation of updates on the adequacy of Fund resources.

Second, we value the announcement and the introductory remarks by the Chair this afternoon on a discussion of preliminary findings of the IEO evaluation of IMF advice on capital flows. Such an evaluation would be very useful in the context of the steps that are being taken towards an Integrated Policy Framework.

Third, we would appreciate further work on inequality in the wake of the COVID-19 outbreak. In our view, this issue is closely related with unemployment trends both inside and outside the region, with remittances flows, and migration. Although these topics may be considered in regional briefings, we suggest these are included more broadly in the Fund's research agenda and in the Board calendar for the following months.

Mr. Raghani:

We broadly support the Work Program and appreciate its focus for the next few months on helping members mitigate the impact of the COVID-19 crisis, to safeguard macro stability and pave the way for sustainable recovery. I will limit my intervention to four points related to priorities for the immediate period.

First, the Fund must ensure its lending toolkit is robust and its capacity development delivery continues and is effective in the current circumstances. We view the forthcoming paper on lending strategy as central, and we would like to see it programmed for an early date. We welcome the clarification by Mr. Muhleisen that this should take place in the next few weeks.

Second, the adequacy of Fund resources is fundamental in the context of high demand for emergency support but also the prospect of medium-term arrangement to tackle the legacy effects of the crisis. We join others in asking staff to bring to the Board an early paper on SDR allocation and welcome assurances on looking at the SDR's issue, Madam Chair. We expect updates on efforts to mobilize resources for the PRGT. We would like to see schedule to advance the 16th General Review of Quotas beyond the date.

Third, we highly value the role of the IEO in informing the work of the Executive Board, and we would like to see a nearly completed evaluation moving forward in the Board program. This includes work on capital flows, small states, and collaboration with the World Bank on climate issues. We are reassured, Managing Director, by your clarification in this regard.

Finally, on the agenda of Fund work reprioritization, supplementary budget resource, and adaptation of the work process, we agree. We appreciate the plan to make further progress towards a more diverse and inclusive workforce through timely engagement on the 2025 Diversity and Inclusion Benchmarks. We expect this proposal to be ambitious and offer actionable and monitorable measures to address the geographical underrepresentation issue. With these remarks, we wish to reiterate our appreciation for the strong leadership in these exceptional times, Madam Managing Director.

Mr. Kaya:

We would like to thank you and staff for a Work Program which appropriately reflects priorities specified in the latest GPA and IMFC communiqué. The Work Program is strategically framed and adequately adjusted to best help member countries to mitigate the crisis impact while also preparing the way for a sustainable recovery.

As to lending strategy, we welcome the Chair's and Mr. Muhleisen's remarks. We are looking forward to an integrated discussion on the resource needs and credit risk under various scenarios and assumptions to ensure that the Fund's resources remain adequate, keeping in mind the catalytic role of the Fund financing while enforcing proper safeguards. Like other Directors, we also prefer to conclude this discussion prior to the expected acceleration in demand for upper credit tranche arrangements.

We expect the discussion on surveillance on country and thematic issues during the COVID-19 crisis to be highly beneficial for the way forward and agree with Mr. Ray and most other Directors that Fund bilateral surveillance should resume for all members.

We underscore that the CSR and FSAP review will need to incorporate lessons learned from the current crisis. In view of high and rising debt vulnerabilities across the membership, we very much appreciate the focus on debt issues in the Work Program. In this vein, we look forward to the staff proposal and their views of the MAC-DSA framework and the Debt Limits Policy as well as the update on the joint multipronged approach with the World Bank. This should be complemented by work on how to deal with the debt overhang and vulnerabilities in a non-disruptive manner. We also look forward to regular updates on the implementation of the G20 Debt Service Suspension Initiative.

Regarding the IEO, as Mr. Ray and most Directors emphasized, the input of the IEO at the current juncture is even more valuable and the postponed meetings on the evaluation on collaboration with the World Bank on macrostructural issues and IMF advice on capital flows should be included in the Work Program as these two will complement staff work on the Integrated Policy Framework and integration of climate change into surveillance.

Lastly, we are ready to consider a temporary augmentation of budgetary resources to ensure that adequate resources are available for the Fund to address COVID-19-related needs.

Mr. Ray:

I would like to start by reflecting on the substantial Board Work Program of the past few months and take this opportunity to recognize the enormous efforts that staff have made and management as well, but I want to focus on staff if I may.

Like others, we think that the Work Program put before us is very well focused on the critical issues, and therefore welcome that. That said, given the uncertainties, and as Ms. Mahasandana emphasized and the Chair acknowledged, we will need to remain agile and continuously assess our priorities to ensure that we continue to meet the needs of the membership in what is a very fluid situation.

On lending, the proposed strategy will hopefully provide a framework for the next phase, and we support it coming to the Board as soon as possible. It might just be my bias, but I prefer to have a strategy rather than proceed on an ad hoc basis in this area. The framework will likely underpin other policies that are envisaged in the program.

Second, on surveillance, I agree with Ms. Riach that this is a global public good, and it, indeed, is the bedrock of international financial systems. On multilateral surveillance, we very much welcome the more frequent financial market briefings that are coming to the Board and so do our authorities. Similarly, the relatively concise and focused flagships are welcome, and we consider that the flagships provide an opportunity for staff to consider a few of the broader impact of the pandemic on globalization, not just trade, but also of capital and labor.

While we value the regional economic outlooks, we do see value in cutting the membership in different slices, and the upcoming briefing on emerging markets is particularly welcome, especially given the risks. We would also value a dedicated discussion on small states, and I took note of the Chair's response to Ms. Levonian. Both face unique challenges, and it is something where I think the Fund can do a lot more.

On bilateral surveillance, we very much look forward to next week's discussion on how we might resume it. While I agree that we should take a risk-based approach to the resumption, we should also consider who benefits the most from surveillance. Again, this is often some of the smallest members, so while we should have a strategy to resume it for the whole membership, I could envisage a sort of little and large approach in the initial phase, systemically important and small and fragile.

Given the highly uncertain outlook, we should be also prepared for more frequent surveillance. Given the times, we should look to streamline us

in terms of the missions, in terms of getting staff reports to the Board and published, and in terms of the reports themselves. I would much rather see 5 pages of timely and focused analysis than 50 pages that is out of date or irrelevant to the immediate crisis and recovery.

Given that travel restrictions could remain in force for some time, I do wonder at some point we should start to think about our footprint, particularly in a world with more programs.

Regional offices might, for example, be less useful if you cannot travel in the region for the provision of services, particularly as Mr. Tanaka stressed, capacity development. More broadly, we may want to have more people in the field, and we should probably start to think about that.

On the IEO, like others, I welcome the Chair's opening remarks, but I do tend to agree with Mr. De Lannoy's remarks, and I also agree with Ms. Mahasandana that the IEO's evaluation on small states should not slip. This is nearly a quarter of the membership we are talking about, and we should not let that go by.

Lastly, I couldn't agree more with Mr. Rosen's observation on staff working papers. Indeed, while we have been having this meeting, I received the second working paper in a couple of weeks on central bank digital currencies, asking us to get our Australian authorities to check references for them, in a case in which they do not have any intention of introducing a digital currency.

Mr. Mojarrad:

We have already issued a fairly comprehensive gray statement but would like to make a few comments for added emphasis. Given the work schedule focused on crisis-related issues, we favor a more intensive and accelerated workstream on issues of concern to LIDCs and fragile states, particularly as regards concessional lending, debt relief, and adequacy of Fund resources in case of a protracted crisis.

We welcome the Chair's opening remarks on a greater role for the IEO evaluation to inform the staff work and Board decisions. Like most other Directors, we believe the recently completed IEO evaluation of Fund advice on capital flows is a critical input into the ongoing work on the Integrated Policy Framework. There are also several issues of a macrostructural nature in the Work Program that call for close cooperation and coordination between the Bank and the Fund staff, as the Chair too acknowledged in the opening remarks.

For this reason, we believe that the IEO's completed evaluation of Fund-Bank relations is important and should be considered by the Board at an early date. More broadly speaking, the IEO evaluations are always critical in informing Board decisions but especially during these challenging periods.

On climate change issues, we support Fund involvement to help members, particularly LICs and small states, to build resilience toward natural disasters that seem to be occurring with more frequency. We look forward to Board consideration of the integration of climate change issues in surveillance activities based on clear Board-approved guidelines, including consideration for macrocriticality and issues of coordination with other development partners.

The heavy drawing on Fund resources for emergency funding and the succession of exceptionally high access FCL cases over the past few months calls for regular assessment of the adequacy of Fund resources. While meeting short-term needs, we should not lose sight of the adequacy of Fund resources over the long term. With that in mind, we were expecting a more accelerated timeframe for the IMF quotas review and consideration of a general SDR allocation.

Finally, we could support a supplementary budget to ensure that the Fund has sufficient resources to meet its mandate and carry out its work priorities.

Mr. Beblawi:

We issued a gray statement where we broadly supported the Managing Director's statements on planning the priority crisis work for May-October of this year and beyond. I would like to add the following points for emphasis and to support the points made by Board colleagues in their grays statement.

We recognize the staff resource constraints and very much welcome the plan to provide the Board with the preliminary findings of some of the complete IEO evaluation. We therefore welcome the announced seminar on June 30, as we learned from the Secretary this morning.

Like other Directors, we see scope to support some work such as the Central Bank Transparency Codes, the G20 Note on Access and Opportunities, and digital currencies.

On the paper on lending strategy, we join others in asking for an early discussion of the review of GRA access limits in line with the size of the world economy and that of trade and financial transactions. We also want to see an early discussion of the temporary modification of normal cumulative access to GRA lending.

We join several other Directors in calling for an acceleration of the 16th General Review of Quotas and would support the considerable increase in the overall size of the Fund's quota resources in this context. We also see merit in a general SDR allocation, which could be useful as countries face debt pressures.

We would welcome clarification of what is contained in the work Sovereign Debt Resolution, that is, to brief the Board on improving the architecture for resolving debt crises.

Regarding the intention to look into policies relevant for the acceleration pace of digitalization triggered by the lockdowns, we ask if the staff could draw on early work by external experts through a virtual talk series. We welcome the information and the staff responses on the new ICD series called "Digitalization 2.0: New Opportunities and Risks" led by internal and external digital experts, and we hope this will be expanded.

In the upcoming update on the implementation of the Framework for Enhanced Fund Engagement on Governance, we hope to see a variation in the coverage and scope consistent with the intention for selectivity. A case should be made that is macrocritical for the country. We support supplementary budget and see a need for a substantial increase in the Fund's budget envelope.

Mr. Inderbinen:

We are grateful to both management and staff for the hard work under these unprecedented circumstances. This is fully recognized and appreciated also by this chair.

We support the Work Program's broad direction and the focus on crisis mitigation. As noted by Ms. Mahasandana and others, there might, of course, be need for some flexibility depending on further developments and changes, as well as renewed Board engagement may be called for on the Work Program, and thank you, Chair, for the openness in this regard.

We very much appreciate the emphasis on debt issues. Like others, I am grateful for the Chair's readiness to include a dedicated Board meeting on the role of the Fund in sovereign debt restructuring.

We support an early discussion on how to restart bilateral surveillance, and we have had good interim discussions in the countries of our constituency over the past weeks, which I think was beneficial for both sides. As Mr. Mahlinza has emphasized, we should think about bringing things forward in a

more structured way, and we do look forward to SPR's paper on options to this end.

On lending, we noted with interest the paper that Mr. Muhleisen was mentioning on access levels, and on this topic, like Mr. Rosen states in his gray, we would emphasize the need to discuss annual and cumulative limits as a whole.

It will also be important to start preparing for the eventual recovery phase, and similar to Mr. Poso's remarks, I would mention here that facilitating the recovery of international trade will be critical, and the Fund's voice on this will be very important.

Lastly Chair, thank you for your commitment on the IEO's work. I am glad that we will be engaging on collaboration with the World Bank on climate issues soon given the ambition of SPR to include climate change into surveillance. Like Mr. De Lannoy, I think we should be engaging formally with World Bank on macrostructural issues soon since this will have to feed into the CSR, on which staff is going to take up work again. This said, I very much welcome the intention to hold a formal meeting on the IEO's work on capital flows, as you did state in your opening remarks.

Mr. Fanizza:

I would like to thank staff for the excellent work. We liked the Work Program. It is very good. We should thank everybody for the excellent work done so far with response to the crisis. I have very few comments.

Let me start with the point on surveillance. We are not just advocating resuming bilateral Article IV missions. More generally, we should make an effort to provide constructive input in the policy tradeoffs the authorities face, and this should be done with Article IVs, with program work, and with multilateral surveillance. It is not the only way we should do it, but we should stick our neck out, make it clear what the position is. The point is not to write a paper; it is to make an effort to influence policy choices and to be constructive with that.

We fully support the emphasis on climate change, and we believe that energy provision should become the big engine of the economic recovery. Extremely low fossil fuel prices create a different environment, which might lead to opportunities but might also create problems toward greening the economy.

Similarly, we should bring a lot of emphasis on the opportunities in the crisis that came from technology, in particular digitalization. Four months ago, we would not have imagined that we would have to work remotely. In the

same way, I suppose that many people are going through the same experience, and that means that maybe there will be a jump in the way in which technology is tied to production.

I would like to stress the importance of the work on debt sustainability. The most important thing to be aware of in order to succeed and to make sure that the recovery is strong and sustainable is to fully understand how the debt landscape has changed and what role the private sector plays. Let me say that I share what has been said on the importance of the work of the IEO.

Mr. Lischinsky:

We issued a gray statement; therefore, we would like to share a few points for emphasis.

We broadly agree with and support the proposed Work Program and the call to serve the needs of the membership in these challenging times. Overall it is clear that the COVID-19 pandemic is far from over and the public and private responses to mitigate the negative shock have put visible strains on sovereigns and facilities on the balance sheets of private companies, particularly on micro, small and medium enterprises (SMEs) and a few corporations. These compounded effects are having a direct impact on global financial stability. To restore the financial system landscape, which is still evolving with many questions not fully answered or understood, we support the idea of a crisis-focused Work Program, until the pandemic wanes. The recovery will find poor and medium-sized countries, as well as several advanced economies, severely in deficit. We support the work on lending and on debt sustainability issues. We also support close engagement between the Fund and standard-setters in the context of the FSAP, as Mr. Muhleisen mentioned, and work on the Integrated Policy Framework, to help countries identify risks in financial and macrofinancial surveillance, to support the economic recovery.

We also believe that further analysis will be needed to determine how to spread the gains and benefits arising from future economic growth, advances in technology, and a different form of globalization. International organizations should prepare the groundwork to explicitly assess whether the benefit from the expansion of the economy and the financial systems in the future can be equitably shared in our society. While protecting the environment from further degradation, international institutions as ours will be put to the test on whether multilateral relations works for all.

Keeping the Fund financially strong with well-motivated staff is vital to better serve the membership in these times of uncertainty. With regards to resources, discussion should be accelerated on the 16th General Review of Quotas and the issuing of SDRs. We support the supplementary budget related

to COVID-19. As the Managing Director, Mr. De Lannoy, Mr. Bevilaqua and others said, we believe that the work and reports of the IEO plays a very important role in IMF governance. In this sense, it is essential that the Management Implementation Plans fully support and implement the IEO recommendations endorsed by the Board.

On a less positive note, we have some concerns that geopolitical COVID-19 lockdown fatigue and domestic political discontent might disrupt the efforts and the ambitious Work Program as it is presented. Our institution is strong in its core mandates, and the Fund has gained a reputation and credibility in these areas. However, we must broaden our scope to better understand and work on social protection, inclusive growth, gender, migration, and climate change.

Finally, the risk of a wave of protectionism and nationalism around the world seems to have increased, and the current pandemic resulted in a perfect excuse to close borders. In order to preserve the gains from trade, capital movements, global collaboration and coordination, we would like to emphasize the need to increase our efforts to better communicate what works and what does not in terms of economic policies. Capacity development and collaboration with other institutions will be critical at this juncture to assist national authorities to boost economic opportunities and seek more broadly shared economic gains. A clear effort in this direction might mitigate the social discontent, especially in several industrialized and emerging economies.

Mr. Bhalla:

At the outset we would like to commend the dedication of IMF staff and management during these challenging and thought-provoking times. In fact, coming up with a Work Program in this dynamic and uncertain situation is, indeed, praiseworthy, and we fully support the crisis recovery focus.

As rightly pointed out in gray statements, we do expect the Work Program to remain a living document and one which will need frequent updates to adapt to the unfolding uncertain scenario. We have issued a gray statement and would like to mention a few key points.

First, on lending, the Fund has extended timely assistance to nearly 70 member countries, and more are expected to follow. As we move from firefighting mode to a new normal, we need to look ahead. In the planned paper on the lending strategy, we would like to have a holistic assessment of the debt capacities, lending risks, as well as lessons emerging from single large disbursements versus staggered ones and the associated and augmented limits.

As the length of the crisis is still unknown, judgment on lending will need to be guided by multiple considerations, including the Fund's ability to provide enhanced support. We would suggest that the Board be continuously updated on the Fund's resource position, the bilateral commitment, the status of NAB and BBA and the utilizations under PRGT.

Second, we believe that the Fund must not further defer from its core mandate of surveillance. We see this as a necessary complement to the lending and capacity building and to managing the risks of debt. There is a strong messaging content here as well, that of Fund's leadership in building a synchronized global response to the crisis. The communication that needs to emerge from the Fund is a resurrection, recovery, and action, not of waiting and watching. The focus should be on steering the economy to recovery in a tailor-made manner, delivering policy advice, and addressing the financial needs and restoration. Most critically, the debt landscape warrants enhanced vigilance, and Fund toolkits should be well adapted and alert to the evolving scenario.

Regarding the possible evolution of debt, in this regard, it is timely and useful to remind ourselves of our Keynesian origins. It is also useful to recall that prior to the Second World War the world was characterized by long-term stability of the price level and short-term volatility in the inflation rate. Post-World War II, the world has been characterized by stable inflation and volatility in the price level. It is very likely that the world has returned to the pre-World War II reality of a stable price level. This fact has profound implications for the sustainability of debt and the need for aggressive growth support and aggressive loan policies, especially for the bottom half, approximately 4 billion of the world's population. The reason we very much support the Work Program is because it broadly recognizes this changed world reality, one we need aggressive Keynesian policies for.

Mr. Jin:

We broadly support the Work Program. Since we have issued a comprehensive gray statement, I would like to briefly touch on several points for emphasis.

First, we support a gradual resumption of financial surveillance, especially in a few of the systematically important economies. Some resident representatives in a few of the key economies and financial centers are also encouraged to return and work locally if conditions there are at least as good as in the United States.

Second, we support strong efforts for an adequately resourced IMF. Like several other Directors, we see a need to include SDR allocation in the Work Program. A general SDR allocation is perhaps the most effective

response to the current crisis given the balance of payments distress in many low-income countries and the fact that so much money has been distributed to individuals and households in developed countries.

Thirdly, it is important for the Fund to reiterate its commitment to our rules-based, multilateral trade system and allocate necessary resources to issues related with this topic.

Finally, we welcome the consultation and communication between the management and IEO and are happy to see some responsive adjustment in the work program.

Mr. Mozhin:

We are very encouraged by the Fund's rapid and efficient crisis response so far, and we commend the management and staff for their strong efforts in the current very challenging and unprecedented environment. We broadly support the proposed crisis-focused Work Program. We have issued a comprehensive written statement, and I will try to be parsimonious.

We recognize the challenge of finding a right balance in the Work Program between focusing on the immediate crisis response and dealing with other critical issues, including key policy reviews and long-term topics. We believe that the right balance cannot be reached under the current hard budget constraints. The longstanding hard budget constraints are preventing the Fund from addressing many important issues, in particular the long delays in key policy reviews, such as the Comprehensive Surveillance Review, FSAP review, Conditionality Review, communication policy review, Transparency Policy review, and several others. This has aggravated risks for the Fund and diminished the role of the Board. In this context, we support the supplementary budget that would ensure that the Fund can continue to fully deliver on its mandate. The Office of budget and Planning (OBP) and OMR have already provided compelling evidence for the urgent need of a sustainable and sustained increase in the Fund's structural budget envelope.

We welcome that the Fund's crisis-related work is expected to gradually move from the initial emergency response to ongoing crisis management and recovery support. We support the resumption of work on debt issues, trade, system developments, the Integrated Policy Framework, low or negative interest rates, the Central Bank Transparency Code, and the digitalization.

On many previous occasions we expressed our concern about the delays in the Fund surveillance that may create substantial challenges for the Fund and its membership. In this context, we look forward to the Board

discussion on surveillance during the COVID-19 crisis, engagement on country and thematic issues.

We also note that the Work Program incorporates the recent preliminary proposals under the CSR, including such as informal briefings on crosscutting issues and country matters. We believe that the current situation offers a good opportunity to test these proposals and draw on the lessons of their implementation.

We also welcome the Work Program's focus on debt issues. We would encourage management to put forward the date for the formal Board discussion on the mock DSA and the Debt Limits Policy (DLP). We also would call for a more formal approach to the upcoming report on sovereign debt resolution.

Finally, on the engagement with the IEO, we strongly welcome the Managing Director's introductory remarks on this subject. Like many other members, we would like to see more engagement with the IEO. It is important that we move forward with discussing in the Board those reports, which are already ready and circulated. At the same time, I would also mention the rule that after the IEO report, that management has to come up with what we call the Management Implementation Plan, and the management is given six months for that. I would suggest that under the circumstances perhaps this rule can be made less strict, and we could accept a more delayed response from management, if it is this that is holding up Board discussions on those IEO reports that are ready.

The Director of the Strategy, Policy, and Review Department (Mr. Muhleisen):

First of all, thanks to Directors for the feedback. We are very pleased that overall Directors found it a balanced and well-prioritized Work Program. We are glad we seem to have hit the right kind of nerve here. As always, we will look carefully at Directors contributions to the debate, and we will try to incorporate suggestions, to some extent subject to the resources that are at hand.

The Managing Director already responded to a few points; let me focus on the remaining questions and pass them on to my colleagues.

First, on the lending strategy, and if we can move faster on the access limits. We are moving as fast as we can. There was a question on whether the lending toolkit is sufficiently equipped to serve emerging markets and why have we not had a PLL case so far. There has been quite a strong differentiation across countries in the crisis, and it is still evolving. We may see a few emerging markets getting to a point where they want to approach us; so far it has not happened. In fact, a few emerging markets have so far

responded by drawing down reserves for which they had some space, but obviously it would have been welcome and a few countries have done so, if they avail themselves of the available instruments to avoid exactly that.

Staff in the area departments continues to reach out to countries and discuss the options that are available, but in case there are any hesitations, for example, on the types of conditionality that would be applied, that is precisely what the lending strategy paper will address.

On the resumption of bilateral surveillance, there were a few voices that said they preferred a short report with the key issues rather than a lengthy one with a lot of formal ingredients, and that is precisely what we would also like to see. Again, in the midpoint engagement we had on the Comprehensive Surveillance Review, this is precisely one of the options discussed, and that would seem very appropriate in the current environment.

The staff representative from the Strategy, Policy, and Review Department (Ms. Kostial):

I would like to respond to a couple of questions related to our IEO work. Let me, at the outset, reiterate that this is very important work and we take it very seriously.

On the question of why the Board meeting on the IEO evaluation on the collaboration with the Bank is not formal, this is actually something that we have discussed with Mr. Collins, and this is his preference. Let me explain where he is coming from. The idea is that the informal seminar would inform the Board meeting on integrating climate change into surveillance, and that informal seminar will focus on the climate aspect of collaboration with the Bank. As many Directors encouraged us, we would like to resume work on the CSR and the FSAP as soon as possible, but that work will also need to take into account lessons from the crisis. That is also what Mr. Collins would like to do in his evaluation on the collaboration with the Bank so that he can update it as input into the CSR.

Mr. Mozhin reminded us that the MIPs are due six months after the Board's discussion of the evaluation, and we are already taking the Board up on the offer to delay these. In particular, we had a Board discussion on the open outstanding actions where the Board asked us to reformulate eight actions. That was supposed to be due in August, and we will resume that work as soon as possible.

Following up on a question on why issues of revenue mobilization and tax policy are missing from the Work Program, here I would like to respond, that while they are missing from the Work Program, they are not missing from our day-to-day work. What is very important to note is our capacity

development in that area is ongoing, and I also would like to note that FAD in program country engagement is closely advising teams to ensure that they can provide good advice to the authorities. This is work that is not seen directly at the Board but is ongoing.

Let me end by saying that there were two engagements on the tax policy area. First, an update on our work on revenue mobilization and then also our collaboration with the platform on collaboration on tax. There were Board items planned to discuss illicit and tax avoiding financial flows. These are important areas, and we would like to resume that work as soon as possible and will do so.

The staff representative from the Strategy, Policy, and Review Department (Ms. Corbacho):

There were comments by Executive Directors on the need to see further work on inequality, including in our research agenda. Let me say that we continue to attach very high priority to the work on inequality, not only in our analytical work, but also in country operations. The Fiscal Monitor is planning to examine how poverty and inequality is likely to increase with this pandemic and the large negative economic shock that is affecting so many countries. It will discuss policy options, including strengthening safety nets to limit the long-term impact on the most vulnerable population groups.

Mr. Muhleisen also mentioned several special series notes on COVID-19 that are focused on protecting households during the pandemic, that are also assisting the governments in their policy design.

In terms of our country operations, we continue our work with close engagement on social spending issues, giving priority to program engagement and our surveillance dialogue through a remote modality. As time permits, we plan to make progress on sectoral background papers that will eventually underpin the guidance note on the Fund engagement on social spending.

There was a question or call to make sure our Work Program remains nimble and agile. We fully agree as we go through the coming weeks and months, we may need to adjust the Work Program further, and if we do so, we will do in consultation with the Board. If the adjustments are significant, we will certainly consider an interim meeting to discuss the Work Program update. As is usual practice, we would come back nonetheless, with a regular update of the Work Program after the Annual Meetings.

The staff representative from the Strategy, Policy and Review Department (Mr. Mathisen):

I will be brief and answer a few of the remaining questions on work on digitalization. In the briefing on sovereign debt resolution, we will cover the existing debt landscape and how it is affecting the resolution of debt crisis, taking stock of the experience in recent debt restructurings. It will also identify gaps in the contractual framework for sovereign debt resolution that are emerging and discuss various techniques and proposals to address these gaps.

There was also a question regarding the date for the MAC-DSA as well as the Debt Limits Policy. We do not have specific dates just yet, but we expect to schedule these items sometime between August and December.

Finally, on digitalization, as Directors might recall from the previous Board engagement, the Fund has engaged in a broad set of work on the digital economy such as financial services, digitalization of revenue administration, and the AML/CFT. Staff is also resuming or will be resuming analysis on the trends and major possible structural shifts that have been brought about by the pandemic.

Let me just conclude by saying that we have started a webinar series on digitalization, to which the EDs are welcome to join, if they are interested.

The Chair:

Thank you very much to all who have responded to questions and comments, and for the work that was done to prepare the draft Work Program. I want to stress to Executive Directors it was done with very active engagement by the senior management of the Fund, including Department Directors and many of the staff that are on the frontline of this crisis.

I want to conclude with two points. The first one is it is important for us while adopting a clear and focused Work Program to remain vigilant of any changes that may occur, and I am very much in favor of what a few Directors suggested of reviewing the Work Program midpoint to see whether it is what we need for this time.

We have seen over the last couple of months incredibly dynamic developments: a tremendous shock caused by the lockdowns, tremendous suffering because of the pandemic and an incredibly strong response from advanced and emerging economies that has effectively put the floor under the world economy. We have seen significant shifts in access to finance. In April when we were at the Spring Meetings, we were very worried about the flight to safety and the fact that markets practically closed for emerging markets,

that they could not issue either at all or not at reasonable costs. That has changed because of the tremendous injection of liquidity by major central banks and actions by central banks in emerging markets, and the fiscal measures that have been taken. The picture now is radically different in the last two months. Emerging markets with good fundamentals issued 77 billion dollars, and that changed the posture we had at the Fund. The massive and rapid increase of demand for Fund resources is primarily for emergency financing and mostly in countries that do not have access, and that will continue to be the case. Ms. Riach brought up the issue of whether the PRGT is sufficiently resourced, and it is, indeed, a question we need to ask ourselves.

We also have to think of the role we can play on debt—a major problem for many countries. I am very grateful for your support on that. Mr. von Kleist brought up the Vienna Initiative. What is the kind of engagement we can pursue to help countries on a very critical issue, what is it that we need to look forward to?

My second point is to those Directors who have been stressing the importance of thinking more creatively about the provision of precautionary facilities and access to precautionary lending. Yes, this is something that SPR and the area departments have been engaged on. We need to recognize that we have the objective factors that determine what the country will do. We also have this subjective shadow, normally the stigma of going to the Fund. Obviously, we have work to do to put this where it belongs, back in history, because the Fund has evolved to be a prudent lender of the last resort, not of the first resort, but also one that offers countries opportunities to prevent risks and damage and not just to respond when it is already happening. We certainly listened very carefully to Directors' comments in that regard.

I need to say to Mr. Rosen, there is no need to send me the titles of the paper. Staff has already sent them to me. The good news is two of the four papers are related to issues that are on our program, and they are helpful. Not so good news, two of the other papers, not so pressing to have them, but they were written before the crisis. We put them on ice, and then we thought, well, at some point the work has been done; we should let them out. I promise Mr. Rosen, we will scrutinize very carefully not only what we do but what we ask you to do because obviously your time is incredibly valuable. We want not only staff but also the Board to be focused on priorities. That is ultimately the objective of having such a thoughtful discussion on the Work Program. Time has opportunity cost. We want your time and the time of staff to go towards what matters the most.

We are going to have the Annual Meetings where the shape of the recovery will likely be top of mind. We have a short period of time between now and the Annual Meetings to shape up messages and improve engagement with the membership and our service to the membership in a most meaningful

manner. We will work on Directors' comments. We will send the Board a revised Work Program, as has always been our practice, in the spirit of transparency to which we are committed.

The Chair adjourned the discussion.

ANNEX

- Managing's Director Statement
- Gray Statements
- Staff's Responses to Executive Directors' Technical Questions
- Constituency Codes

**Statement by the Managing Director
on the Work Program of the Executive Board
Executive Board Meeting
June 11, 2020**

The COVID-19 crisis continues to take a heavy human and economic toll. The outlook remains highly uncertain as many countries are facing the economic fallout of the pandemic. This has led to an unprecedented surge in demand for Fund support and a strain on staff resources. Against this backdrop, and in line with the strategic priorities laid out in the Spring 2020 Global Policy Agenda and the International Monetary and Financial Committee Communiqué, this crisis-focused Work Program (WP) lays out essential work during May to October aimed at helping countries to mitigate the crisis, restore stability, and prepare for a strong and sustainable recovery (Table 1).

The WP implies a large increase in Board items compared with last year, reflecting mostly informal and more frequent updates on how this rapidly evolving crisis affects economic and financial developments and relevant policies. Other work streams are delayed; they are outlined in the WP and will be included in the Board agenda if and once there is more clarity on how the evolution of the pandemic will impact crisis-related work (Table 2).

I. Key Priorities of the Spring 2020 Work Program

1. The Fund is working swiftly on a rapid crisis response to protect people and economies, limit contagion, and smooth adjustment

During the immediate crisis phase, the Fund will continue to prioritize emergency financial support, analysis of the impact of the crisis and policy responses, and timely and targeted Capacity Development (CD). Staff has been [tracking policy actions](#) across 193 economies¹ to help members share good practices and is disseminating policy advice through the [Special Series on COVID-19](#). The Board was recently briefed on **CD Developments and Outlook**, and more briefings will be scheduled as needed.

On the lending toolkit, the paper on the **Lending Strategy** will discuss an overarching framework to guide Fund lending in the context of inherent uncertainty and mounting debt and other pressures. The paper on the **Temporary Modification of the Access Limits to Fund Resources** will present options for a temporary increase in access limits to provide additional room for emergency financing and follow-up Upper Credit Tranche (UCT)-quality arrangements, while managing related risks. The Board will also discuss the adequacy of concessional and debt relief resources in the **Review of the Financing of the Fund's Concessional Assistance and Debt Relief to Low-Income Member**

¹ These include 189 member countries and Macao SAR, Hong Kong SAR, West Bank and Gaza, and Kingdom of the Netherlands Aruba.

Countries and consider **Policy Safeguards for Countries Seeking Access to Fund Financial Support that Would Lead to High Levels of Combined GRA-PRGT Exposure**.

On debt, staff will continue to operationalize the G-20 Debt Service Suspension Initiative (DSSI). Staff has briefed the Board on **G20 DSSI Implementation** and later this year will prepare an assessment, jointly with the World Bank (WB), on a possible extension of the DSSI. Work on the **Review of the Catastrophe Containment and Relief Trust (CCRT) and Second Tranche of CCRT Debt Relief** will include proposals for extending the second tranche of CCRT debt relief subject to available financing. **Sovereign Debt Resolution** will brief the Board on options for improving the architecture for resolving debt crises in light of a shifting debt landscape. Staff will provide an **Update to the Joint WB-IMF Multipronged Approach for Addressing Emerging Debt Vulnerabilities** and continue to work on the reviews of the **Debt Sustainability Framework for Market Access Countries** and the **Debt Limits Policy** following recent Board engagements.

With this crisis evolving rapidly, the Fund will frequently brief the Board. Against the backdrop of weak and uncertain outlook of the Emerging Market Economies, the Board will be briefed on **Emerging Markets: Landscape, Prospects, and Risks**. The Board recently received **Staff Briefings on the Global Economic Outlook** and **Global Financial Markets Developments** and will get a further briefing on **World Economic and Market Developments Update**. **Regional Economic Briefings** and **Briefings on Country Matters** will be stepped up to provide updates on the conjunctural circumstances and tailored policy advice for each region.

The flagship reports will focus on crisis-related policies. The Fall **World Economic Outlook (WEO)** will discuss policies to navigate the crisis and work toward a more sustainable global economy after the crisis. The Fall **Global Financial Stability Report (GFSR)** will analyze recent financial market developments and key vulnerabilities in the global financial system. The **Fiscal Monitor (FM)** will update on the state of the public finances and analyze the role of public investment in the fiscal policy strategy for recovery. On macro risk work, the Board will be engaged on the **Early Warning Exercise**.

The Board recently received an **Update on Fund Resources** and an **Update on PRGT Financing and Resources** and further updates will be scheduled in line with developments. As warranted, the Board will discuss the **Activation of the New Arrangements to Borrow**. The Board will also be engaged on the **Review of the Adequacy of the Fund's Precautionary Balances** in light of the upswing in Fund lending.

2. The Fund will support members' efforts to restore macroeconomic stability and foster a strong and inclusive recovery

Under the assumption that the pace of direct crisis work will relent somewhat in the months ahead, **Surveillance During the COVID-19 Crisis: Engagement on Country and Thematic Issues** will propose how to gradually restart bilateral surveillance activities.

Given the importance of reigniting trade flows, the Board will be briefed on **Trade Developments** and related policy issues. The **2020 External Sector Report (ESR)** will provide a multilaterally-consistent assessment of the largest economies' external positions.

The Fund will examine financial sector developments and risks and recommend regulatory and supervisory approaches to reinforce stability. Staff will brief the Board on **Policies to Support Economic and Financial Stability in Response to COVID** and **Financial Sector Regulatory**

Policies During the COVID Crisis. The Board will also discuss **Corporate Insolvency and Debt Restructuring** to minimize the economic and financial impact of rising defaults.

The Fund will continue to support the G-20 to catalyze a coordinated global response. The Board will receive the **G-20 note on Access to Opportunities** which will outline policies to help address a likely increase in inequality in the wake of the crisis. As customary, **G-20 Surveillance Notes** and the **G-20 Report on Strong, Sustainable, Balanced, and Inclusive Growth** will be shared ahead of G-20 Meetings.

3. The Fund will continue its agenda to help build more resilient economies

The crisis offers an opportunity to reshape the global economy and put it on a sound, sustainable, and greener footing. It will be important to now resume work on long-term global and country economic health, resilience, and preparedness for future shocks.

Against the backdrop of substantial capital flow pressures, the Board will engage on the **Integrated Policy Framework (IPF)—Initial Considerations**. In view of monetary policy responses to the crisis, the Board will be briefed on **Impact of Low or Negative Interest Rates**. The **Central Bank Transparency Code** will support the Fund's broader call for greater transparency with respect to the COVID-19 policy response, where central banks have taken an active and critical role including through unconventional measures.

The Fund will look into policies relevant for the accelerating pace of digitalization triggered by lockdowns. The Board will be engaged on **Macro-Financial Implications of Cross-Border Use of Digital Currencies**, which will inform a **G20 note on Macro Implications of Stablecoins for Monetary Sovereignty**. The Board will also be briefed on the Staff Discussion Note (SDN) **Developing a Global Approach to Data Policy Frameworks**, and discuss cyber risks and challenges for small and developing countries in a briefing on **Cyber-Security Risk and Financial Stability**.

With the sharp increase in lending, the Fund continues to place a high priority on governance issues. Following a **Briefing on Governance Safeguards for Emergency Financing**, the Board will be provided with an **Update on Implementation of the Framework for Enhanced Fund Engagement on Governance**, including measures taken in the context of emergency lending related to the current crisis.

To support a green recovery, the Board will be engaged on **Integrating Climate Change into Surveillance**.

4. Depending how the crisis develops and the evolving demand from the membership, work on other priorities will resume later in the year

Other work priorities will be included in the Board agenda for the remainder of the fiscal year once there is more clarity on the evolution of the pandemic and how it will impact crisis-related work (Table 2). As the crisis recedes, work on key surveillance reviews will pick up, drawing on lessons from the crisis and considering potentially significant structural shifts in the post-crisis economic landscape. The Board agenda will be refocused to advance work on fragile states, broader climate change issues, gender, and fintech. Work on IEO evaluations and related Management Implementation Plans will then also resume.

5. Through the crisis and beyond, the Fund will continue to adapt by reprioritizing work, temporarily augmenting budgetary resources, and modernizing work processes

The Board will be briefed on the *FY20 Budget Outturn and the Crisis Impact on the FY21 Budget*, followed later by a discussion of a *Supplementary Budget to Address COVID-19 Related Needs* to ensure that the Fund can continue to deliver on its commitments to the membership.

To streamline processes and enhance operational efficiency, the Board will be briefed on the *Big 5 Modernization Agenda, Including iData Cost Benefit Analysis* and *Integrated Digital Workplace—Cost Benefit Analysis*. The Board will also receive an update on *Knowledge Management*. To support the ongoing efforts to increase the diversity of the staff workforce, the Board will engage on the *2025 Diversity and Inclusion Benchmarks* and receive a *Diversity and Inclusion Update*.

The Board will continue to receive updates on the implications of COVID-19 on internal operations following the recent briefing on *Planning for Return to Offices during COVID-19*.

II. Response to Risks

The *2020 Mid-Year Risk Update* notes that the COVID-19 crisis has heightened the Fund's enterprise risk profile, both directly and through its impact on members. It also provides an update on risk mitigation needs, which are within the scope of the Spring 2020 Board Work Program:

- The *Review of the Debt Sustainability Framework for Market Access Countries*, the *Review of the Debt Limits Policy*, and ongoing work on *Lending Policies* and *Access Limits* will help mitigate lending risks by further aligning the lending toolkit with members' needs and strengthening Fund policy advice. The proposals may in turn raise enterprise risks that would need to be managed. The severity of the crisis, with repercussions on the level and sustainability of sovereign debt, would place a premium on the *Update to the Joint WB-IMF Multipronged Approach for Addressing Emerging Debt Vulnerabilities*.
- To mitigate risks to core functions, analytical work encompasses topics of relevance to members such as *Cyber-Security Risk and Financial Stability*, *Digital Currencies*, and the integration of *Climate Change*. Macro risk work continues to advance with the *IPF* helping countries address identified risks in financial and macro-financial surveillance.
- On the adequacy of Fund resources, opportunities for discussing risks and their mitigation include updates as developments warrant, the *Fund's Liquidity Position—Review and Outlook*, possible Board engagements on the *Borrowing Agreements*, and the *Review of the Financing of the Fund's Concessional Assistance and Debt Relief to Low-Income Member Countries*.
- The outlook for new program engagements as a result of the COVID-19 crisis will require additional budget resources beyond the FY21 budget that was based on pre-crisis priorities. Some of these needs can be met through reprioritization and realizing further savings and efficiency gains. The *Supplementary Budget* will provide an opportunity to consider potential needs to ensure that the Fund can continue to deliver on its reprioritized agenda.

The net impact of new policies on the Fund's risk profile will become clearer once they are fully integrated into the Fund's operations. In the meantime, efforts continue toward articulating more clearly ex ante the enterprise risk implications of key policy proposals by identifying the risks the

proposals seek to address, the risks they may raise, how these are mitigated, and the residual risks that may remain. Management is carefully considering enhancements to the risk management function and these deliberations will be informed by the internal audit recommendations and discussions with the Board.

Table 1. Near-Term Priorities (May 2020-October 2020)

Table 1. Near-Term Priorities (May 2020-October 2020)					
Department ¹		Title	Format	Classification	Tentative schedule ²
I. Multilateral Surveillance					
Global outlook	FAD/MCM/RES	WEO, GFSR, FM	Formal	Board paper	Sep-2020
	MCM/RES	World Economic and Market Developments Update	Informal to Brief	Board paper	Jun-2020
	MCM	Staff Briefing on Global Financial Markets Developments	Informal to Brief	Presentation	May-2020
	FAD/MCM/RES	Staff Briefing on WEO, GFSR, FM Thematic Chapters	Informal to Brief	Presentation	TBD
	RES	2020 External Sector Report	Formal	Board paper	Jul-2020
	RES	Staff Briefing on the Global Economic Outlook	Informal to Brief	Presentation	May-2020
Economic outlooks and reports by country groupings or themes	SPR	Emerging Markets: Landscape, Prospects, and Risks	Informal to Brief	Presentation	Jun-2020
	AFR	AFR Briefing on Country Matters	Informal to Brief	Presentation	Jun-2020
	APD	APD Briefing on Country Matters	Informal to Brief	Presentation	Jun-2020
	EUR	EUR Briefing on Country Matters	Informal to Brief	Presentation	Jul-2020
	MCD	MCD Briefing on Country Matters	Informal to Brief	Presentation	Jun-2020
	WHD	WHD Briefing on Country Matters	Informal to Brief	Presentation	Jun-2020
	AFR	AFR Regional Briefing	Informal to Brief	Presentation	Oct-2020
	APD	APD Regional Briefing	Informal to Brief	Presentation	Sep-2020
	EUR	EUR Regional Briefing	Informal to Brief	Presentation	Oct-2020
	MCD	MCD Regional Briefing	Informal to Brief	Presentation	Oct-2020
	WHD	WHD Regional Briefing	Informal to Brief	Presentation	Sep-2020
	Macro risk work	Taskforce	Early Warning Exercise	Informal to Engage	Presentation
II. Economic and Financial Research					
Fund stance on policy issues	MCM	Financial Sector Regulatory Policies During the COVID Crisis	Informal to Brief	Presentation	Jul-2020
	MCM	Policies to Support Economic and Financial Stability in Response to COVID	Informal to Brief	Presentation	Aug-2020
	MCM	Staff Briefing on Impact of Low or Negative Interest Rates	Informal to Brief	Presentation	Sep-2020
	LEG	Corporate Insolvency and Debt Restructuring	Informal to Brief	Presentation	Sep/Oct-2020
Surveillance and lending toolkits	MCM/RES/SPR	Staff Technical Briefing on the Integrated Policy Framework	Informal to Brief	Presentation	May-2020
	MCM/RES/SPR	Integrated Policy Framework—Initial Considerations	Informal to Engage	Board paper	Jul-2020
Analytical work representing staff and departmental views	ITD/LEG/MCM	Cyber-Security Risk and Financial Stability	Informal to Brief	Presentation SDN	Sep-2020
	LEG/MCM/SPR	Developing a Global Approach to Data Policy Frameworks	Informal to Brief	Presentation SDN	Sep-2020

¹ Authoring departments are listed in alphabetical order.

² Due to unprecedented uncertainty and the need to prioritize urgent country items, Board dates are listed by month, rather than exact date. Staff will keep the Board informed on the schedule on an ongoing basis.

Table 1. Near-Term Priorities (May 2020-October 2020) (continued)					
	Department ³	Title	Format	Classification	Tentative schedule ⁴
III. Global Solutions					
Rules-based international system	SPR	Briefing on Trade Developments	Informal to Brief	Presentation	Sep-2020
Public goods	LEG/MCM/RES/SPR	Macro-Financial Implications of Cross-Border Use of Digital Currencies	Informal to Engage	Board paper	Sep-2020
Support to international fora	RES	G-20 Note on Access to Opportunities	For Information	G-20 Note	May-2020
	LEG/SPR	G-20 Note on Sovereign Debt Resolution	Informal to Brief	Presentation	Jul-2020
	MCM	G-20 Note on Macro Implications of Stablecoins for Monetary Sovereignty	For Information	G-20 Note	Oct-2020
	RES	G-20 Report on Strong, Sustainable, Balanced, and Inclusive Growth	For Information	G-20 Note	Oct-2020
	RES	G-20 Surveillance Notes	For Information	G-20 Note	Jul-2020
IV. Fund Policies					
Surveillance policies	SPR	Surveillance During the COVID-19 Crisis: Engagement on Country and Thematic Issues	Informal to Engage	Board paper	Jun-2020
	FAD/LEG/SPR	Briefing on Governance Safeguards for Emergency Financing	Informal to Brief		May-2020
	FAD/LEG/SPR	Update on Implementation of the Framework for Enhanced Fund Engagement on Governance	Informal to Brief	Presentation	Jun-2020
	MCM	The Central Bank Transparency Code	Formal	Board paper	Jul-2020
	FAD/MCM/RES/SPR	Integrating Climate Change into Surveillance	Informal to Engage	Presentation	TBD
General and non-concessional lending program policies (GRA)	FIN/LEG/SPR	Temporary Modification of the Access Limits to Fund Resources	Informal to Engage Formal	Presentation Board paper	Jun-2020 Jun-2020
	FIN/LEG/SPR	Lending Strategy	Informal to Engage	TBD	TBD
Concessional lending program policies (PRGT)	FIN/LEG/SPR	Policy Safeguards for Countries Seeking Access to Fund Financial Support that Would Lead to High Levels of Combined GRA-PRGT Exposure	Formal	Board paper	TBD
Non-financial instruments and debt relief	FIN/LEG/SPR	Review of the CCRT and Second Tranche of CCRT Debt Relief	Informal to Engage Formal	Presentation Board paper	Sep-2020 Oct-2020

³ Authoring departments are listed in alphabetical order.

⁴ Due to unprecedented uncertainty and the need to prioritize urgent country items, Board dates are listed by month, rather than exact date. Staff will keep the Board informed on the schedule on an ongoing basis.

Table 1. Near-Term Priorities (May 2020-October 2020) (continued)

Department ⁵		Title	Format	Classification	Tentative schedule ⁶
Debt policies	SPR	Update to the Joint WB-IMF Multipronged Approach for Addressing Emerging Debt Vulnerabilities	Formal	Board paper	Jun-2020
	SPR	Briefing on G20 Debt Service Suspension Initiative Implementation	Informal to Brief	Presentation	May-2020
	SPR	Review of the Debt Sustainability Framework for Market Access Countries	Informal to Engage Formal	Presentation Board paper	May-2020 TBD
	SPR	Review of the Debt Limits Policy	Informal to Engage Formal	Presentation Board Paper	May-2020 TBD
Capacity development policies	ICD	CD Developments and Outlook	Informal to Brief	Presentation	May-2020
V. Fund Governance and Membership					
Institutional risk management and internal audit	ORM	2020 Mid-Year Risk Update	Formal	Board paper	Jun-2020
	ORM	Enterprise Risks Associated with COVID-19	Informal to Brief	Presentation	May-2020
	ORM	Quarterly Risk Update	TBD	TBD	Sep-2020
VI. Fund Finances					
Non-concessional lending operations (GRA)	FIN/SPR	Staff Update on Fund Resources	Informal to Brief	Presentation	May-2020
	FIN	Review of the Adequacy of the Fund's Precautionary Balances	Formal	Board paper	Jul-2020
	FIN	The Fund's Liquidity Position—Review and Outlook	For Information	Board paper	Oct-2020
	FIN	Financial Transactions Plan for the Period August 2020 to January 2021	LOT	Board paper	Jul-2020
Concessional lending operations (PRGT)	FIN	Staff Update on PRGT Financing and Resources	Informal to Brief	Presentation	May-2020
	FIN	Review of the Financing of the Fund's Concessional Assistance and Debt Relief to Low-Income Member Countries	Informal to Engage Formal	Presentation Board paper	Jul-2020 Sep-2020
Fund income position and financial planning	FIN	The Fund's Income Position for FY 2020—Actual Outcome	For Information	Board paper	Aug-2020
	FIN	Provisioning for impairment losses in the context of the Fund	Informal to Engage	Board paper	Jul-2020
Investment account and trust account	FIN	Annual Report of the Investment Account and Trust Accounts for FY2020	For Information	Board paper	Jul-2020
	FIN	Staff Briefing on the Annual Report of the Investment Account and Trust Accounts for FY2020	Informal to Brief	Presentation	Aug-2020
Borrowing by the Fund	FIN/LEG/SPR	Recurrent–2020 Borrowing Agreements	LOT	Board paper	TBD
	FIN/LEG/SPR	PRGT Borrowing Agreements	For Information	TBD	TBD
	TBD	Activation of the New Arrangements to Borrow	TBD	TBD	TBD

⁵ Authoring departments are listed in alphabetical order.

⁶ Due to unprecedented uncertainty and the need to prioritize urgent country items, Board dates are listed by month, rather than exact date. Staff will keep the Board informed on the schedule on an ongoing basis.

Table 1. Near-Term Priorities (May 2020-October 2020) (concluded)					
	Department ⁷	Title	Format	Classification	Tentative schedule ⁸
External Audit Committee	FIN	Briefing by the External Audit Committee	Formal	Board paper	Jul-2020
	FIN	Staff briefing on the Fund's Financial Statements	Informal to Brief	Presentation	Jun-2020
VII. Internal Support					
Human resources	HRD	2025 Diversity and Inclusion Benchmarks	Informal to Engage	Presentation	Jul-2020
	HRD	Diversity and Inclusion Update	Informal to Brief	Presentation	Oct-2020
Budget planning, financial operations, and reporting	OBP	FY20 Budget Outturn and the Crisis Impact on the FY21 Budget	Informal to Brief	Presentation	Sep-2020
	OBP	Supplementary Budget to Address COVID-19 Related Needs	Formal	Board paper	Oct/Nov-2020
Knowledge, data, info and technology management	ITD/SPR	Integrated Digital Workplace—Cost Benefit Analysis	Informal to Brief	Presentation	Jun-2020
	ITD/STA	Big 5 Modernization Agenda, Including iData Cost Benefit Analysis	Informal to Brief	Presentation	Jul-2020
	KMU	Knowledge Management	Informal to Brief	Presentation	Oct-2020
General services and other internal support	CSF	Staff Briefing on Planning for Return to Offices during COVID-19	Informal to Brief	Presentation	May-2020

⁷ Authoring departments are listed in alphabetical order.

⁸ Due to unprecedented uncertainty and the need to prioritize urgent country items, Board dates are listed by month, rather than exact date. Staff will keep the Board informed on the schedule on an ongoing basis.

Table 2. Priorities for the Remainder of the Fiscal Year (November 2020-April 2021)	
Work agenda	
Multilateral Surveillance	
<ul style="list-style-type: none"> • Flagships (WEO, GFSR, FM) 	
<ul style="list-style-type: none"> • High frequency surveillance of global financial markets (Global Markets Monitor) 	
Economic and Financial Research	
<ul style="list-style-type: none"> • External financing for Emerging and Frontier Market Economies 	
<ul style="list-style-type: none"> • Inequality and social spending 	
<ul style="list-style-type: none"> • Fintech 	
<ul style="list-style-type: none"> • Trade 	
<ul style="list-style-type: none"> • Productivity and growth potential; competition policy 	
Global Solutions	
<ul style="list-style-type: none"> • Climate change including green infrastructure 	
<ul style="list-style-type: none"> • Inclusive growth and SDGs 	
<ul style="list-style-type: none"> • Fragile states 	
Fund Policies¹	
<ul style="list-style-type: none"> • Comprehensive Surveillance Review (CSR) 	
<ul style="list-style-type: none"> • Review of the Financial Sector Assessment Program 	
<ul style="list-style-type: none"> • Governance, anti-corruption and AML/CFT 	
Fund Governance and Membership	
<ul style="list-style-type: none"> • IEO evaluations and Management Implementation Plans 	
Internal Support	
<ul style="list-style-type: none"> • Knowledge Management 	
<ul style="list-style-type: none"> • Reducing the Fund's carbon footprint 	

¹ On surveillance policy, the Board will also finalize the Review of the Fund's Policy on Multiple Currency Practices and discuss Systemic Risk Analysis and Macroprudential Policy Advice in Article IV Consultations. Other policy reviews will proceed following the completion of the CSR, including: The Review of the Framework for Excessive Delays in Completion of Article IV Consultations and Mandatory Financial Stability Assessments, the Review of Data Provision to the Fund for Surveillance Purposes and Article VIII Issues, and the Review of the Fund's Transparency Policy.

Annex I. Abstracts of Main Items in Table 1

Department(s) ¹	Title	Abstract
FAD/MCM/RES	WEO, GFSR, FM	<p>WEO: Discusses policies to navigate through the crisis and work toward a more sustainable global economy after the crisis.</p> <p>GFSR: Analyzes recent financial market developments and key vulnerabilities in the global financial system. The specific topics to be covered in the thematic chapters are to be determined.</p> <p>FM: Updates on the state of the public finances and analyze the role of public investment in the fiscal policy strategy for recovery.</p>
RES	2020 External Sector Report	Provides a multilaterally-consistent assessment of the largest economies' external positions.
SPR	Emerging Markets: Landscape, Prospects, and Risks	Provides updates on Emerging Market Economies and challenges they face. Despite an unprecedented policy response, the outlook is weak and uncertain for many countries with eroding policy space and rising debt challenges. These constraints will amplify if adverse shocks materialize. The Fund may need to strengthen its financing support for a wider group of Emerging Market Economies going forward.
Area Departments	Briefing on Country Matters	Provides an update on country matters in selected countries, including the impact from the COVID-19 and policy response.
Area Departments	Regional Briefing	Takes stock of the COVID-19 crisis impact so far, and provides updates on forecasts, outlook, and risks.
MCM	Financial Sector Regulatory Policies During the COVID Crisis	Distills lessons learned from countries' experiences with regulatory and supervisory policies taken during the crisis.
MCM	Policies to Support Economic and Financial Stability in Response to COVID	Considers the potential benefits and costs of a range of policy tools in response to COVID – including, but not limited to, FX intervention and capital flow measures – and distills lessons from the actions that countries have taken thus far.
MCM	Staff Briefing on Impact of Low or Negative Interest Rates	Assesses the impact of negative interest rates through modeling work on unconventional monetary policies. Complements the modeling work with empirical analysis of how negative rates transmit to financial markets and the broader macroeconomy.
LEG	Corporate Insolvency and Debt Restructuring	Discusses the role of extraordinary measures and corporate insolvency and debt restructuring tools in addressing the COVID-19 crisis.

MCM/RES/SPR	Staff Technical Briefing on the Integrated Policy Framework	Provides an overview of IPF models and their key preliminary findings, including implications for policy responses to the COVID-19 shock.
MCM/RES/SPR	Integrated Policy Framework—Initial Considerations	Discusses the motivation for and the overarching approach to the IPF, including how modeling work, empirical analysis, and country case studies can provide a robust approach to policy advice in response to volatile international capital inflows across countries with diverse characteristics.
ITD/LEG/MCM	Cyber-Security Risk and Financial Stability	Outlines the link between cyber risk and global financial stability, and identifies work being done by policy makers and supervisors on cyber mapping, network analysis, scenario analysis and stress testing, and regulatory, supervisory and crisis management frameworks. Points to gaps and challenges for small and developing countries.
LEG/MCM/SPR	Developing a Global Approach to Data Policy Frameworks	Presents a conceptual framework for understanding the implications of data for macroeconomic growth, equity, stability, and integrity. Describes the state of data policies in the membership, focusing on finance and cross-border activities, and discusses the importance of modernizing these frameworks using an integrated approach across agencies at the national level and with global coordination.
SPR	Briefing on Trade Developments	Provides a briefing on global trade policy developments and key policy issues over the next several months.
LEG/MCM/RES/SPR	Macro-Financial Implications of Cross-Border Use of Digital Currencies	Investigates the potential macro-financial implications of cross-border use of digital currencies (DCs). Discusses the economic reasons for such currencies to arise, to what extent they can fulfill the functions of international monies, and economic forces that may shape their adoption. Assesses the implications of the rise of DCs for monetary and financial stability, financial integrity, and the international monetary system.
RES	G-20 Note on Access to Opportunities	Studies the ex-ante drivers of inequality (access to opportunities in labor, finance, education, etc.) and links to social mobility and economic growth. Contributes to supporting the identification of policies to close gaps in the access to opportunities across multiple dimensions including gender and age.

LEG/SPR	G-20 Note on Sovereign Debt Resolution	Reviews the shifting debt landscape and how it is affecting the resolution of debt crises, takes stock of the experience with recent debt restructurings, identifies key gaps in the contractual framework for sovereign debt resolution that are emerging, and discusses the various techniques and proposals to address these gaps. Notes the interaction of this new landscape with the Fund's current policy framework to support debt resolution, when necessary.
MCM	G-20 note on Macro Implications of Stablecoins for Monetary Sovereignty	Based on the Board paper "Macro-Financial Implications of Cross-Border Use of Digital Currencies," focuses on the implications of domestic adoption of global stablecoins for monetary policy, particularly in Emerging Market and Developing Economies.
RES	G-20 Report on Strong, Sustainable, Balanced, and Inclusive Growth	Assesses progress toward strong, sustainable, balanced, and inclusive growth and provides policy recommendations.
SPR	Surveillance During the COVID-19 Crisis: Engagement on Country and Thematic Issues	Proposes the gradual resumption of Article IV consultations focused on crisis-related priorities, beginning with systemic and other highly relevant non-program cases. Proposes to complement formal bilateral surveillance by informal country and surveillance issues briefings to allow for a timely and focused engagement with the Board on cross cutting issues.
FAD/LEG/SPR	Briefing on Governance Safeguards for Emergency Financing	Briefs on measures that staff are taking to reduce risks of misuse of Fund resources in the context of emergency lending related to COVID-19.
FAD/LEG/SPR	Update on Implementation of the Framework for Enhanced Fund Engagement on Governance	Provides an interim update on implementation of the framework adopted in April 2018, including how it has affected surveillance, program, and CD, with a formal review scheduled for mid-2021. Covers measures taken both in the context of regular multi-year arrangements since 2018 and measures taken in the context of emergency lending related to COVID-19.

MCM	The Central Bank Transparency Code	Sets a transparency standard for central banks regardless of institutional setup, income level, or region. Building on experiences with the original Monetary and Financial Policy Transparency Code, lessons from the global financial crisis, and emerging best practices and developments in other relevant international standards, serves as a tailored diagnostic tool for CD, and provides input for surveillance and programs.
FAD/MCM/RES/SPR	Integrating Climate Change into Surveillance	Presents elements of a strategy to integrate climate change more systematically into IMF surveillance, especially Article IV consultations.
FIN/LEG/SPR	Temporary Modification of the Access Limits to Fund Resources	Presents options for a temporary increase in access limits to provide additional room for emergency financing and follow-up UCT-quality arrangements, while managing related risks appropriately.
FIN/LEG/SPR	Lending Strategy	Discusses an overarching framework to guide Fund lending in the context of inherent uncertainty and mounting debt and other pressures.
FIN/LEG/SPR	Policy Safeguards for Countries Seeking Access to Fund Financial Support that Would Lead to High Levels of Combined GRA-PRGT Exposure	Discusses safeguards for countries with high combined access under the GRA and PRGT.
FIN/LEG/SPR	Review of the CCRT and Second Tranche of CCRT Debt Relief	Reviews experience with the CCRT since its establishment in 2015 and proposes to extend the second tranche of CCRT debt relief, provided sufficient financing is available.
SPR	Update to the Joint WB-IMF Multipronged Approach for Addressing Emerging Debt Vulnerabilities	Presents the updated strategy of the Fund and Bank for dealing with debt vulnerabilities and debt transparency. Proposes a set of monitoring indicators.
SPR	Briefing on G20 Debt Service Suspension Initiative Implementation	Summarizes progress in implementing the DSSI and the challenges as of mid-May 2020 (Joint with the WB). Also outlines how the IMF and the WB seek to implement the debt transparency and fiscal monitoring components of the initiative and makes recommendations for the next steps.

SPR	Review of the Debt Sustainability Framework for Market Access Countries (MAC DSA)	Discusses the MAC DSA performance since its inception in 2013 and possible options to strengthen the framework.
SPR	Review of the Debt Limits Policy	Reviews implementation of the Debt Limits Policy since its June 2015 introduction and aims to identify any gaps impeding full realization of policy objectives and its refinement.
ICD	CD Developments and Outlook	Briefs on CD developments during the COVID-19 crisis.
ORM	2020 Mid-Year Risk Update	Updates on risk mitigation.
FIN/SPR	Staff Update on Fund Resources	Briefs on demand for and supply of Fund resources.
FIN	Review of the Adequacy of the Fund's Precautionary Balances	Conducts the biennial review of the adequacy of Fund's reserves and proposes adjustments (if any) to the indicative medium-term target and the minimum floor for Precautionary Balances.
FIN	The Fund's Liquidity Position—Review and Outlook	Looks at recent developments and outlook related to the demand for IMF financing and the supply of Fund resources.
FIN	Staff Update on PRGT Financing and Resources	Briefs on demand developments, status of loan resource mobilization, lending scenarios, resource analysis and next steps.
FIN	Review of the Financing of the Fund's Concessional Assistance and Debt Relief to Low-Income Member Countries	Reviews recent developments in the financing of the Fund's concessional lending and debt relief operations since the last update in May 2019.
FIN	The Fund's Income Position for FY 2020—Actual Outcome	Provides information on Fund's actual income position after the completion of the external audit.

FIN	Annual Report of the Investment Account and Trust Accounts for FY2020	Reports on investment activities in the Investment Account and Trust fund assets.
FIN	Staff Briefing on the Annual Report of the Investment Account and Trust Accounts for FY2020	Briefs on investment activities in the Investment Account and Trust fund assets, based on the forthcoming Annual Report for FY2020.
FIN/LEG/SPR	Recurrent–2020 Borrowing Agreements	Proposes individual borrowing agreements under the 2020 bilateral borrowing framework for Executive Board’s approval.
FIN/LEG/SPR	PRGT Borrowing Agreements	Seeks to share finalized effective PRGT loan agreements in the context of the 2020 loan mobilization round.
TBD	Activation of the New Arrangements to Borrow	Seeks Board approval for a NAB activation.
FIN	Briefing by the External Audit Committee	Briefs to provide results from its oversight work of the Fund's external audit process.
HRD	2025 Diversity and Inclusion Benchmarks	Engages the Board to validate the 2025 Diversity Benchmarks and policy recommendations to achieve the Fund’s diversity and inclusion objectives.
HRD	Diversity and Inclusion Update	Briefs the Board on developments in the Diversity and Inclusion program.
OBP	FY20 Budget Outturn and the Crisis Impact on the FY21 Budget	Briefs FY20 Output Cost Estimates and Budget Outturn.
OBP	Supplementary Budget to Address COVID-19 Related Needs	Proposes a supplementary budget to provide adequate budget resources for the Fund’s crisis response, while reprioritizing activities in light of crisis needs and continuing to realize efficiency gains and savings.
ITD/SPR	Integrated Digital Workplace—Cost Benefit Analysis	Updates the Board on the Integrated Digital Workplace, including a cost-benefit analysis.

ITD/STA	Big 5 Modernization Agenda, Including iData Cost Benefit Analysis	Briefs on the update of the Big 5 Modernization Agenda and provides cost-benefit analysis for the iData Program. The iData program is critical to mitigate the operational risks stemming from the aging, highly customized data lifecycle platform that currently supports the Fund's flagship multilateral databases, including the World Economic Outlook and the International Financial Statistics. It will replace the existing platform with a modern solution that will facilitate access to relevant and timely data and improve users' experience.
KMU	Knowledge Management	Provides updates on the work of the Knowledge Management Unit.

¹ Authoring departments are listed in alphabetical order.

June 2020^{1,2}

Tentative

Monday	Tuesday	Wednesday	Thursday	Friday
Jun. 1 . Honduras - 2nd SBA/SCF Rev . Solomon Islands - RCF/RFI Req . Bahamas - RFI Req . (3:00 PM) Economic Counsellor's Informal Conversation with Executive Directors	Jun. 2 . (10:00 AM) Inf. Session (to Engage): Temporary Modification of the Access Limits to Fund Resources . (2:00 PM) Pension Committee Meeting	Jun. 3 . Mongolia - RFI Req . Barbados - 3rd EFF Rev . Sierra Leone - RCF Req	Jun. 4 . (4:00 PM) Committee on the Rules for the 2020 Regular Election of Executive Directors	Jun. 5 . Liberia - RCF req . Papua New Guinea - RCF Req
Jun. 8	Jun. 9 . (10:00 AM) Q&A Session on Audit-Related Matters . (2:30 PM) Ukraine: - Restricted Meetings; EPE	Jun. 10 . Guatemala - RFI Req . Rwanda - 2nd RCF Req . United Republic of Tanzania - CCRT	Jun. 11 . (9:30 AM) 2020 Mid-Year Risk Update . (2:30 PM) MD WP Statement	Jun. 12 . (9:30 AM) Inf. Session (to Brief): Emerging Markets: Landscape, Prospects, and Risks . Staff Briefing on the Fund's Financial Statements
Jun. 15	Jun. 16	Jun. 17 . Inf. Session (to Engage): Surveillance During the COVID-19 Crisis: Engagement on Country and Thematic Issues	Jun. 18	Jun. 19 . (9:30 AM) Inf. Rest. Session (to Brief): WEMD Update . Guinea - RFI Req . Montenegro - RFI Req
Jun. 22 . Inf. Session (to Brief): iDW Cost Benefit Analysis . WHD Briefing on Country Matters . Guinea-Bissau - RCF Req . Angola - 3rd EFF Rev	Jun. 23 . (2:30 PM) Membership Committee Meeting	Jun. 24 . AFR Briefing on Country Matters . MCD Briefing on Country Matters . Kingdom of Lesotho – RCF/RFI Req	Jun. 25	Jun. 26 . APD Briefing on Country Matters . Seychelles - 5th PCI Rev . Myanmar - RCF/RFI Req . Fiji - RFI Req
Jun. 29 . Inf. Session (to Brief): Update on Implementation of the Framework for Enhanced Fund Engagement on Governance . Ethiopia - 1st ECF Rev . Belize - RFI Req . Madagascar - RCF Req . Niger - 6th ECF Rev	Jun. 30			

July 2020^{1,2}

Tentative

Monday	Tuesday	Wednesday	Thursday	Friday
Jun. 29	Jun. 30	Jul. 1 <ul style="list-style-type: none"> • The Central Bank Transparency Code • Pakistan - 2nd & 3rd EA Revs • Kingdom of Eswatini – RFI Req 	Jul. 2	Jul. 3 HOLIDAY
Jul. 6 HOLIDAY	Jul. 7	Jul. 8 <ul style="list-style-type: none"> • Rwanda - 2nd PCI Rev 	Jul. 9	Jul. 10 <ul style="list-style-type: none"> • EUR Briefing on Country Matters • Inf. Session (to Engage): Review of the Financing of the Fund's Concessional Assistance/Debt Relief to LICs • Sri Lanka - RFI Req
Jul. 13 <ul style="list-style-type: none"> • Madagascar - ECF Req 	Jul. 14 <ul style="list-style-type: none"> • (9:30 AM) Briefing by the External Audit Committee 	Jul. 15 <ul style="list-style-type: none"> • Update to the Multipronged Approach for Debt Vulnerabilities • Inf. Session (to Engage): Provisioning for Impairment Losses in the Context of the Fund 	Jul. 16	Jul. 17
Jul. 20 <ul style="list-style-type: none"> • Inf. Session (to Engage): 2025 Diversity and Inclusion Benchmarks • Senegal - 1st PCI Rev • Ghana - 1st PPM • Burkina Faso - 4th ECF Rev • Burundi – CCRT Req 	Jul. 21	Jul. 22 <ul style="list-style-type: none"> • Inf. Session (to Brief): Big 5 Modernization Agenda, Including iData Cost Benefit Analysis • São Tomé and Príncipe - 1st ECF Rev • Chad - 6th ECF Rev 	Jul. 23	Jul. 24 <ul style="list-style-type: none"> • External Sector Report
Jul. 27 <ul style="list-style-type: none"> • Guinea - 5th ECF Rev 	Jul. 28	Jul. 29 <ul style="list-style-type: none"> • Review of the Adequacy of the Fund's Precautionary Balances • Sierra Leone -3rd ECF Rev 	Jul. 30	Jul. 31 <ul style="list-style-type: none"> • Inf. Session (to Engage): IPF-Initial Considerations • Inf. Session (to Brief): Sovereign Debt Resolution • DRC - ECF Req

August 2020^{1,2}**Tentative**

Monday	Tuesday	Wednesday	Thursday	Friday
Aug. 3 Recess	Aug. 4 Recess	Aug. 5 Recess	Aug. 6 Recess	Aug. 7 Recess
Aug. 10 Recess	Aug. 11 Recess	Aug. 12 Recess	Aug. 13 Recess	Aug. 14 Recess
Aug. 17	Aug. 18	Aug. 19	Aug. 20	Aug. 21
Aug. 24	Aug. 25	Aug. 26 . Inf. Session (to Brief): Staff Briefing on the Annual Report of the Investment Account and Trust Accounts for FY2020 . Serbia - 4th PCI Rev	Aug. 27	Aug. 28
Aug. 31				

September 2020^{1,2}

Tentative

Monday	Tuesday	Wednesday	Thursday	Friday
	Sep. 1	Sep. 2	Sep. 3	Sep. 4 HOLIDAY
Sep. 7 HOLIDAY	Sep. 8	Sep. 9	Sep. 10	Sep. 11
Sep. 14 <ul style="list-style-type: none"> Inf. Restricted Session (to Brief): Briefing on Risk Management 	Sep. 15	Sep. 16 <ul style="list-style-type: none"> Review of the Financing of the Fund's Concessional Assistance/Debt Relief to LICs Staff Briefing on Cyber-Security Risk and Financial Stability 	Sep. 17	Sep. 18 <ul style="list-style-type: none"> Inf. Session (to Brief): Trade Developments
Sep. 21 <ul style="list-style-type: none"> Inf. Session (to Engage): Macro-Financial Implications of Cross Border Use of Digital Currencies Inf. Session (to Engage): Review of the CCRT and Second Tranche of CCRT Debt Relief 	Sep. 22	Sep. 23 <ul style="list-style-type: none"> Staff Briefing on Impact of Low or Negative Interest Rates Inf. Session (to Brief): Corporate Insolvency and Debt Restructuring 	Sep. 24	Sep. 25 <ul style="list-style-type: none"> Inf. Session (to Brief): FY20 Budget Outturn and Crisis Impact on the FY21 Budget
Sep. 28	Sep. 29 <ul style="list-style-type: none"> WEO, GFSR, FM 	Sep. 30 <ul style="list-style-type: none"> APD Regional Briefing WHD Regional Briefing Mali - 2nd ECF Rev Cabo Verde – 2nd PCI Rev 		

October 2020^{1,2}

Tentative

Monday	Tuesday	Wednesday	Thursday	Friday
			Oct. 1	Oct. 2 <ul style="list-style-type: none"> EUR Regional Briefing AFR Regional Briefing
Oct. 5 <ul style="list-style-type: none"> MCD Regional Briefing Inf. Session (to Engage): EWE 	Oct. 6	Oct. 7 <ul style="list-style-type: none"> Draft IMFC Agenda Inf. Session (to Engage): GPA - Update 	Oct. 8	Oct. 9
Oct. 12 HOLIDAY ANNUAL MEETINGS WEEK	Oct. 13	Oct. 14	Oct. 15	Oct. 16
Oct. 19	Oct. 20	Oct. 21 <ul style="list-style-type: none"> Burkina Faso - 5th ECF Review 	Oct. 22	Oct. 23 <ul style="list-style-type: none"> Informal Session (to Brief): Diversity and Inclusion Update Staff Briefing on GFSR Background Chapters
Oct. 26 <ul style="list-style-type: none"> Review of the CCRT and Second Tranche of CCRT Debt Relief Somalia - 1st ECF Rev 	Oct. 27	Oct. 28	Oct. 29	Oct. 30 <ul style="list-style-type: none"> Supplementary Budget to Address COVID-19 Related Needs

¹ Items in black have been confirmed with the Executive Director and management. Colored items are tentative (blue = country items, red = non-country items).

² The tentative Board calendar is subject to substantial uncertainty and likely changes, and therefore should be considered in a preliminary and provisional manner, especially for items that have not yet been confirmed.

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GRAY/20/2319

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 20/70
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.

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GRAY/20/2342

Revised: 6/9/20

June 8, 2020

**Statement by Mr. Rosen, Mr. Farber, Ms. Pollard, Ms. Crane, Mr. Grohovsky, Mr. Harris, Ms. Senich, and Mr. Shenai on The Managing Director's Statement on the Work Program of the Executive Board
(Preliminary)
Executive Board Meeting 20/70
June 11, 2020**

We commend and appreciate the dedication of IMF staff and Management during this difficult time. While global crises have always placed increased pressure on staff, this one has presented unique challenges as staff manage an unprecedented number of financing requests through virtual missions across time zones while juggling increased family responsibilities as a result of the lockdown. It is thus important to be cognizant of the demands on staff and to focus on issues that are critical to addressing the current crisis. We welcome the Managing Director's statement on the Work Program of the Executive Board, and think it addresses the appropriate priorities. Given the continued high degree of uncertainty around the depth and duration of the crisis, we will need to be ready to adjust the work program as warranted to focus on critical issues cognizant of our human and financial resource constraints. Thus, it would be useful to have an interim Board meeting on the work program (e.g., in September) to determine if it needs to be adjusted.

Lending

Developing an appropriate lending strategy is critical to safeguarding IMF resources, supporting members' financing needs, and prioritizing key near-term macroeconomic reforms. Although the focus on emergency financing over the past few months has been appropriate, member countries with less-temporary balance of payments needs would benefit from the structure of upper credit tranche programs. **We are pleased to see discussion of the Lending Strategy included in the work program but are concerned that this is scheduled as "TBD." We would like a Board discussion before the August recess, with further engagement if needed, in the fall.**

More immediately, the Board needs to finalize its consideration of a temporary increase in access limits. **We call for holistic consideration of annual and cumulative access limits**

rather than separate decisions. It is important that this issue be finalized in a timely manner that safeguards the IMF's resources – in our view before the end of June.

Surveillance

Surveillance is a cornerstone of the Fund's mission. It plays a critical role in flagging risks to prevent the need for financing and in highlighting capacity constraints that can limit the ability of governments to implement sound policies. **Thus, it is essential to reinstate surveillance in its proper place in the toolkit as soon as feasible both through engagement with member country authorities and with the Board.** We welcome the country matters updates scheduled for several regions later this month as a good first step. We also look forward to the discussion on the strategy for surveillance during the crisis, which is also scheduled for later this month. At this Board meeting, we would like an update on the revised timeline for the Comprehensive Surveillance Review and the FSAP Review. We see both reviews as strategically important and expect both will need to incorporate lessons from the crisis. For this reason, another informal Board discussion on these items may be necessary before the final reviews are brought to the Board.

Turning to multilateral surveillance we think the topics for the fall flagship reports are well suited to policymakers as they navigate the crisis and its aftermath. The Early Warning Exercise was created in the aftermath of the Global Financial Crisis to engage policymakers in a discussion of tail risks to the global economy. *We would appreciate staff's elaboration on how the Early Warning Exercise may evolve as a result of the COVID-19 crisis.*

Capacity Development

Work programs in recent years have included a substantial focus on capacity development issues as the Board has approved the Results Based Management framework and CDMAP for capacity development and completed the review of capacity development. The reduced focus in this work program is understandable as the focus shifts to implementation. The recent Board briefing on CD developments and outlook was useful, particularly given the challenges associated with remote TA and member capacity constraints due to COVID-19, and we welcome the commitment to keep the Board updated.

Debt Issues

We support the continued attention to debt issues in the work program. The crisis is increasing sovereign debt levels across most of the membership. Opacity in debt data increase the risks of debt distress. We have pressed repeatedly for increased coverage, transparency, and disclosure of debt data and the crisis is making this a more urgent concern. **Thus, we urge Management to prioritize the Review of Data Provision to the Fund for Surveillance Purposes.** *Could staff indicate when this review was last conducted?* Past crises have highlighted the importance of greater data transparency resulting in key improvements. The Multipronged Approach developed by the Fund and the World Bank represents an important step in this regard, and we look forward to an update on its progress.

We have the opportunity to further strengthen staff's ability to assess debt risks helping members to address risks before they become insurmountable. The work on the Debt Limits Policy and the MAC-DSA are also important to reduce debt risks. We are concerned that the finalization of these reviews have not been scheduled in the work program through October. *Could staff indicate when these will be brought to the Board for approval?*

We look forward to the Board discussions of sovereign debt resolutions and corporate insolvencies. Developing policies to address these issues will minimize the negative effects of the COVID-19 crisis. Ahead of the meeting on sovereign debt resolutions, we would like to request a Board meeting on the role of the Fund in sovereign debt restructuring. Such a meeting would provide an opportunity to discuss policies and practices regarding Fund involvement in the sovereign debt restructuring process.

Resilience

Prioritizing crisis-related work is appropriate, but we recognize the need to better understand the longer-term implications of the crisis and how to help members recover and build resilience to future crises. We would encourage staff to consider structural changes that are likely to occur or accelerate as a result of the crisis. This may require a modification of some ongoing work. For example, the crisis may result in lasting changes in trade patterns, capital flows, and tourism that could have implications for current accounts. The Fund's digital work may need to shift from its focus on the financial and central bank sectors to consider implications for the way we work.

Ongoing work by the IEO may also need to be adjusted to reflect the implications of the crisis. This includes its work on Bank/Fund collaboration, capital flows, and small states. Rather than bringing these reports to the Board for a formal discussion and implementation of recommendations, we would prefer to discuss the work in informal meetings which could include a discussion by the IEO of its preliminary findings and how it may adjust its research in light of the crisis. In addition, we think input from the IEO on crisis related issues including debt, within its mandate, could be extremely helpful to the Board.

IMF Resources and Risk Management

The elevated demand and heightened uncertainty over the medium-term draw on Fund resources increases the need for the Board to stay informed on the likely use and risks to those resources—both PRGT and GRA. The recent Board meetings on resources were helpful, but we would like to be kept informed of potential requests for financing on a regular basis. This can be done in a manner that preserves the confidentiality of enquiries by focusing on the potential effects on the forward commitment capacity and the PRGT. Similarly, as the NAB has not been activated in over 4 years, a discussion on its activation should occur with sufficient time for members to refresh their domestic activation policies. We also would like to see an update in the early fall on the status of the NAB increase and

bilateral borrowing agreements, including information on members' domestic ratification processes. This update can be done through a short report to the Board.

The increased demand for Fund financing and the uncertainty over the depth, persistence, and aftereffects of the crisis have increased risks to the Fund. Frequent updates on global economic and market prospects help the Board better understand the global environment into which we are lending. Safeguards and transparency requirements, even in emergency lending, reduce the risk of a misuse of Fund resources. The forthcoming review of the Fund's Precautionary Balances will help the Board determine if further action is needed to mitigate risks.

Assessments by the Office of Risk Management are vital to the Board's oversight responsibilities especially in this time of heightened risks. Steps taken in recent years to strengthen risk management at the IMF, including the creation of ORM, have improved our ability to analyze and manage risks. We look forward to the Office of Internal Audit's report on risk and encourage Management to work with the Board to respond to the report's recommendations to further enhance enterprise risk management and capabilities.

Administrative Budget

As we stated at the beginning of this Gray, we recognize the increased work pressures resulting from the crisis. It is, therefore, important to prioritize work and look for efficiencies to reduce the strain on staff and to serve the needs of the membership. We also think it is important for the Board to consider the effects of the crisis work on the FY21 budget and appreciate the scheduled discussion for late September. **Nevertheless, we reject the presumption in the work program that a supplement to the FY21 budget is needed.** The heading for point I.5 states "the Fund will continue to adapt by reprioritizing work, ***temporarily augmenting budgetary resources.***" The Board has not determined that a temporary augmentation is necessary. Thus, this statement and the scheduling in June of a Board meeting in October to consider a supplementary budget is unwarranted. If the Board decides in September that a supplement is needed, then Management can quickly schedule a meeting to approve the increase. We ask Management to adjust the statement in the work program and to remove the October meeting from the calendar.

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GRAY/20/2348

June 9, 2020

**Statement by Mr. Bevilaqua, Mr. Fachada, and Mr. Saraiva on The Managing Director's
Statement on the Work Program of the Executive Board
(Preliminary)
Executive Board Meeting 20/70
June 11, 2020**

1. We thank the Managing Director for the comprehensive and ambitious work program for the next four months until the Annual Meetings in October, and the outline of the main topics to be examined during the remainder of the current fiscal year. The priority given in the period ahead to help member countries navigate the impact of the Covid-19 crisis and prepare for the recovery is highly appreciated. We broadly support the core of the work program proposal. Having said that, we want to offer some remarks on specific elements as presented in the document.
2. We agree that during the ongoing phase of the crisis, priority should be given to emergency financial assistance, analysis of the impact of the crisis and its policy responses, and targeted Capacity Development. The Fund has so far provided support to more than 70 members to cope with the fallout of the crisis, including approving the first two new Flexible Credit Lines (FCL) since the global financial crisis in 2009. However, this support seems to have been insufficient in many cases, and some countries were left with no support at all at a time of need, when alternative sources of financing are limited and progress on Upper Credit Tranche (UCT)-quality programs is extremely difficult to achieve. We invite management and staff to maintain an open attitude towards the rapidly evolving needs of the membership, including by, if needed, reconsidering again the temporary access limits of the emergency financing facilities. More generally, we welcome the scheduling of a meeting to assess the overarching framework to guide Fund lending in the current context of uncertainty and raising debt. However, given the urgency of the matter we would rather favor having a formal meeting scheduled within the work program period.

3. We look forward to concluding the discussion on the temporary increase of normal access limits, which is fundamental not only to provide room for emergency financing in some countries that have already reached their annual and/or cumulative limits, but also to allow follow-up UCT-quality arrangements. We expect a comprehensive analysis for the upcoming formal Board discussion, including to consider how the ratio of access limits to relevant global economic metrics such as global GDP, trade, external liabilities and gross financing needs evolved over time. As we have stated in the Board meeting on June 2, annual and cumulative normal access limits are not commandments written in stone. They are policy decisions which need to be reassessed whenever warranted. We recall that access limits to the Fund's GRA were expected to be reviewed in early 2021, in line with the standard 5-year review cycle, but we believe the current global outlook calls for this review to be brought forward.
4. In the current uncertain environment, maintaining the engagement with the Board on IMF resources (both GRA and PRGT) is paramount. We look forward to the updates on the progress regarding the PRGT and the CCRT fund raising efforts, as well as on the doubling of the NAB and the new round of BBAs. We also welcome the intention to discuss from a more holistic perspective the funding of the IMF concessional lending. In addition, we underscore that the Fund must remain a quota-based institution and previous crisis have often been windows of opportunity to catalyze support to general quota reviews, as happened in 2009-2010. This is particularly relevant as the crisis may push demand towards the ceiling of the Fund total resource envelope. Regrettably, the work program is muted on this issue. *Could staff inform when the next annual quota data update would be complete?*
5. We welcome the focus of the Fall 2020 flagship publications on crisis-related policies. We also welcome the commitment of management and staff to frequently brief the Board on economic and financial developments. Further, we agree that it is important that the Board remains informed about emerging debt issues, including developments in market access economies and low-income countries and the implementation of the G20 Debt Service Suspension Initiative (DSSI). The conclusion of the review of the Debt Sustainability Framework for Market Access Countries should bring important improvements to the way the Fund approach such analysis. We look forward to the continuation of the debate on the Integrated Policy Framework and on the assessment of the impact of prolonged low or negative interest rates, areas in which past and ongoing IEO evaluations will be very useful to inform staff's work. The evolving work on the Central Bank Transparency Code is also welcome, albeit perhaps not a priority at this point. Although we are not fully convinced that the pace of direct crisis work will relent in the short-term, we also look

forward to the discussion on surveillance during the Covid-19 crisis and more generally on the resumption of regular surveillance work.

6. We would expect more Board engagement with the IEO in the proposed work program. Over the years, the IEO has been instrumental to foster an internal learning culture and improve the external perception of IMF work. We fear that, by sidelining the activities of the IEO in the current work program, recent gains brought by the independent evaluation process to the institution could be put at risk. In our view, the IEO is as fundamental to the Fund in periods of crisis as it is in periods of stability. As we stressed in the informal session to brief on the Integrated Policy Framework last May, it would be important to count with inputs from the IEO on this topic based on the conclusions from its evaluation on the IMF policy advice on capital flows.
7. Management, staff and the Board have responded aptly to the challenges posed by the Covid-19 crisis, but we recognize that the workload has increased substantially, and this has only been possible thanks to staff's dedication and commitment to the Fund's mandate. As the Board has already discussed in some occasions, the Fund should be open to temporarily increase its workforce, including by the recruitment of new talents and the exceptional summoning of experienced staff that have already retired. We are open to consider possible HR initiatives in this direction, as warranted.

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GRAY/20/2357

June 9, 2020

**Statement by Mr. Jin and Ms. Liu on The Managing Director's Statement on the Work
Program of the Executive Board
(Preliminary)
Executive Board Meeting 20/70
June 11, 2020**

We thank the Managing Director for a crisis-focused work program reflecting the strategic priorities outlined in the Global Policy Agenda and the IMFC communique. Given the large increase in Board items, we support to focus more on crisis related work at this challenging time. We broadly support the work program and would like to make the following points for emphasis.

Crisis Response

It is important for the Fund to continue adapting to changing circumstances amid the unprecedented challenges posted by the COVID-19 pandemic. The Fund should play its role in promoting closer coordination and cooperation across the membership to find a global solution to restore global growth. We welcome the forthcoming Integrated Policy Framework□IPF□that can strike a balance between innovative improvement and maintaining robust classical policy advice. We also encourage the Fund to play a more important role in sending early warning signals on capital flows, and to ensure that macroprudential measures are in place for EMDCs.

Surveillance

The Fund should closely monitor developments and strive to provide timely assessments, given the rapidly evolving circumstances and substantial uncertainties surrounding the COVID-19 pandemic. We would appreciate continued timely briefings on economic and financial market developments and look forward to more comprehensive discussions on the World Economic and Market Development Update. We welcome the intended focus of the flagship reports on crisis-related policies. In this regard, we encourage staff to gather experiences learned from the membership and share them with members for better policy actions. At the same time, we encourage staff to adopt a forward-looking approach, considering both upside and downside scenarios, as well as policy implications.

Given the importance of trade, we encourage staff to continue to support a multilateral rules-based trade system to greatly reduce trade restrictions. We look forward to a multilaterally consistent and even-handed assessment of the large economies' external positions in the 2020 External Sector Report.

Lending and the DSSI

We welcome the Review of the Financing of the Fund's Concessional Assistance and Debt Relief to Low-Income Member Countries. It is good to see that the PRGT fundraising goes smoothly and we encourage more countries to join this effort. Meanwhile, we see merit in a holistic analysis by staff regarding the possible resource need of both the PRGT and GRA during the COVID-19 crisis. We welcome the Board meetings on Debt Sustainability Framework for Market Access Countries and the Debt Limit Policy. A growth-oriented approach is very important, and we encourage staff to make more efforts to distinguish productive from non-productive debt. We also encourage staff to have a better recognition of innovative debt financing including collateralized lending and central bank swaps.

On the DSSI, China has announced the suspension of debt repayment for 77 developing countries. China will implement the initiative in line with other members of the G20.

Fund Governance and Resources

The current crisis has once again demonstrated the need to boost the Fund's resources through quota increase. We welcome the recent updates on the Fund's resources and encourage staff to closely monitor resources adequacy. For this purpose, a general SDR allocation is perhaps the most effective response to the current crisis, especially given the fact that many countries have distributed subsidies to their citizens for their survival in the COVID-19 crisis. The Fund's governance reform should also be advanced. We urge timely discussions and completion of the 16th general review of quotas.

Digitalization

We welcome the plan to look at digitalization in the context of the recent lockdowns. The pandemic and strong containment measures have accelerated the pace of digitalization. At the same time, risks may also have increased. A balanced approach is therefore needed as staff continue to pursue work in this area. We encourage the Fund to conduct a comprehensive study to explore the use of e-SDR.

Diversity and Inclusion

We welcome the Board meeting on 2025 Diversity and Inclusion Benchmarks. As the gap from the 2020 benchmark for East Asia is the widest among all the three underrepresented regions, we urge staff and the management team to set explicit recruitment targets for East Asia for FY 2021-2025. Representation in senior positions is also important for under-

represented regions (URR). In this vein, we see room in improving B-level recruitment for URR through strengthened efforts in internal promotion and external recruitment.

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GRAY/20/2361

June 9, 2020

**Statement by Mr. Fanizza and Ms. Quagliarini on The Managing Director's Statement on
the Work Program of the Executive Board
(Preliminary)
Executive Board Meeting 20/70
June 11, 2020**

We appreciate the Managing Director's statement on the work program, which is rightly focused on the pandemic and its effects. We particularly welcome the proposed emphasis for the upcoming Fiscal Monitor on the use of fiscal policy and public investments, which are crucial in the current recession. We believe the Fund should step up its surveillance efforts by providing policy advice to countries about how to best address the unprecedented budgetary financing needs created by the pandemic. We also suggest a stronger emphasis on climate change, clean energy, trade and global value chains, inequality, social protection, and inclusive growth. We wish to offer the following comments.

- We share the clear priorities identified by the work program that reflect the urgency of the crisis caused by the COVID-19 well. We welcome that the Comprehensive Surveillance Review and the FSAP Review will incorporate the lessons of the current crisis and reiterate our position that such reviews should not be rushed. We consider the Review of Concessional Financing paramount at this difficult juncture for LICs that have weaker health-care systems to address the pandemic. Overall, we encourage a more coordinated approach in the Fund's interventions in support of LICs.
- The emphasis on the use of fiscal policy under the current circumstances points into the right direction. We would also highlight the topics of tax progressivity, social protection and income inequality, as the latter is bound to rise as a result of this unprecedented crisis.
- **We believe the Fund should restart surveillance** – in a virtual manner until safety conditions are back to normal – going beyond producing growth projections. We should

provide countries with policy advice about **how best to address the large budgetary financing needs** stemming from governments' efforts to contain the impact of pandemic on living conditions and foster the chances for a speedy recovery of economic activity. On monetary policy, while we appreciate the proposed analytical work on low and negative interest rates, we encourage a broader discussion about the extent to which monetary authorities have room to continue using unconventional tools and its implications on how long governments can sustain their fiscal stance. We would appreciate more analysis on how much farther negative interest rates can move into negative territory. What are the conditions under which policy makers should consider moving toward “*aggressively*” targeting negative rates? We believe that an explicit discussion of both inflation and deflation risks remains urgent. At the current juncture, the Fund should be more explicit on the devastating costs that a deflation could bring about.

- We do not see the urgency of resuming the early warning exercise, under the current circumstances. We are amid a major crisis and should focus on how to fight it, and maybe at a later stage reflect on what we have learned from the crisis for the usefulness of the exercise.
- We remain open to consider arguments in favor of a supplementary budget discussion, but we reiterate our position that a case for it should be made and we should not take it for granted. We would like to see the arguments for a supplementary budget fully spelled out, taking into account the already achieved savings from the use of new technologies and whether they can be sustained.
- Finally, we look forward to the incoming review of the Fund's transparency policy on page 10 and encourage a broad discussion on the external communication policy that we think should be coordinated with the Board on a systematic manner.

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GRAY/20/2370

June 9, 2020

**Statement by Mr. Villar, Ms. Arevalo Arroyo, Mr. Cartagena Guardado, and Ms. Mulas
on The Managing Director's Statement on the Work Program of the Executive Board
(Preliminary)
Executive Board Meeting 20/70
June 11, 2020**

We thank staff and the Managing Director for her Statement outlining the work program of the Executive Board through next October. This is a period of huge challenges in which we expect to see the transition from the worst part of the current COVID-19 crisis towards a recovery phase.

We broadly support the outlined work priorities. Given the high degree of uncertainty we still have about the crisis, we particularly regard the frequent briefings on global and regional outlooks of utmost importance. We also welcome the emphasis of the agenda on issues related to the need to adjust surveillance and lending policies in order to effectively respond to the crisis. In this regard, we welcome and support an early discussion on the strategy to gradually restart bilateral surveillance activities. The emphasis on Governance Safeguards and Enhanced Fund Engagement on Governance is timely and appropriate.

The discussions on policies to Support Economic and Financial Stability, as well as Financial Sector Regulatory Policies and Corporate Insolvency and Debt Restructuring will be particularly important in the context of the post COVID-19 crisis. Many countries have supported policies that include temporary credit payment relief for a few months. How to have a smooth transition to phase out these policies will be instrumental for economic recovery. In the same vein, we look forward to the briefing on Trade Developments and related policy issues, which will be key for a sustainable recovery and which continue to have relevance in a juncture where global cooperation remains crucial. The topics related to policies pertinent to the accelerating pace of digitalization triggered by the lockdowns and the future of work will also be extremely relevant in the recovery phase.

Although we understand that some workstreams had to be delayed because of the crisis response, we have some specific remarks on issues that we feel are missing or lack the appropriate emphasis in the agenda.

First, we miss any mention of advancing towards an SDR allocation or at least towards a better and more effective use of the existing SDRs that are held by reserve currency issuers. This could be included together with the continuation of updates on the adequacy of Fund resources. We welcome that a discussion of the Activation of the New Arrangements to Borrow, as warranted, is envisaged in the Work Program.

Second, we also miss a discussion on the preliminary findings of the IEO Evaluation of IMF Advice on Capital Flows, which would be very useful in the context of the steps that are being taken towards an Integrated Policy Framework.

Third, we would appreciate further work on inequality in the wake of the COVID-19 outbreak. The negative impact of the pandemic is expected to have more scarring effects in the least advantaged in society, particularly through its disproportionate impact on low-skilled workers. We believe that a Board briefing on the G20 Note on Access and Opportunities could offer an opportunity to discuss the policies to close gaps in the access to opportunities across multiple dimensions including gender, particularly on the aftermath of the COVID-19 outbreak. Moreover, considering the relevance of this topic, we strongly believe there is scope to include it in the Fiscal Monitor.

Fourth, we miss research and briefings to the Board on topics related to remittances flows and migration. The pandemic has contracted labor markets in remittance source countries creating negative spillovers for recipient countries that will reduce a source for consumption of the most vulnerable population and hinder its economic growth. On the other hand, the hard-economic shock that LICs and MICs are experiencing, as a result of this pandemic and natural disasters, may create new waves of migration. Although these topics may be considered in regional briefings, we suggest them to be included in the MD WP and more broadly in the Fund's research agenda, briefing the Board on the results.

Fifth, parallel to addressing the challenges of the COVID-19 pandemic, we will also need to continue efforts in the fight against climate change. We underscore the importance of this topic to remain high on the IMF's agenda. The GPA rightly stresses the need to seek synergies between the recovery and addressing shared challenges. Moreover, the Managing Director has been very vocal about the importance of promoting a green recovery. In this regard, we believe the IMF can support the membership by identifying and promoting policies that contribute to a green and sustainable recovery. We would support the proposal of an informal board meeting on cross-country experiences with greening the recovery. The Board meeting on Integrating Climate Change into Surveillance will be an appropriate opportunity to discuss progress on the efforts to structurally integrate climate change mitigation and adaptation into Fund's surveillance.

Finally, while we understand the crisis continues to evolve, we consider there is a lack of focus on monetary policy issues and more broadly on the monetary policy response to the pandemic. That said, we welcome staff's briefing on the Impact of Low or Negative Interest Rates and that the document states it will consider the recent crisis response. However, as this briefing was envisaged prior to the crisis, we consider that additional work regarding the

preliminary or potential implications of the monetary policy response in view of the COVID-19 developments should be considered.

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GRAY/20/2375

June 9, 2020

**Statement by Mr. De Lannoy, Mr. Cools, and Mr. Hanson on The Managing Director's
Statement on the Work Program of the Executive Board
(Preliminary)
Executive Board Meeting 20/70
June 11, 2020**

We welcome the Managing Director's Work Program, which balances the need of an immediate crisis response, as well as dealing with the longer-term issues. We agree that the primary focus of the Work Program should be the crisis response, and we look forward to the discussion on the Lending Strategy as an opportunity to assess the effectiveness of our revamped toolkit to deal with a protracted crisis. The discussion on the Lending Strategy will also allow us to have an integrated discussion on credit risk and resource needs under various scenarios. The Fund's work is inherently high-risk. A discussion on the Fund's Lending Strategy would allow a more articulate discussion on how the Fund can manage those risks, the required safeguards for the Fund's resources, and the catalytic role of Fund lending in light of the current crisis.

Debt Issues

We welcome each of the proposed agenda items on debt and would invite management to put forward a date for the formal Board discussions on the MAC DSA and the Debt Limits Policy. In light of its importance for debt transparency, we also look forward to an early discussion of the Review of Data Provision to the Fund.

We look forward to the Board meeting on the G20 note on sovereign debt resolution. Ahead of that meeting, we would like to request a Board meeting on the role of the Fund in sovereign debt restructuring. Such a meeting would provide an opportunity to discuss policies and practices regarding Fund involvement in the sovereign debt restructuring process.

We would welcome regular Board updates on current debt challenges and initiatives to address those, including updates on progress with the G20 Debt Service Suspension Initiative. The Board meeting on the Multipronged Approach for Addressing Emerging Debt Vulnerabilities may be an opportunity to have such a discussion.

Financial Sector Issues

We look forward to further analysis of financial sector vulnerabilities laid bare by the Covid-19 crisis. Increased vulnerabilities, especially in the non-banking sector will undoubtedly require enhanced financial surveillance. We therefore invite staff to integrate the lessons of the unfolding crisis in the postponed FSAP review, including the expected need for more resources.

IEO Work Program

The Independent Evaluation Office terms of reference state that it “will be independent of Fund management and staff” and that “its structure and modalities of operation must protect its operational independence - both actual and perceived.” Therefore, we are surprised by the proposed postponement of IEO related work. The IEO’s independent view is critical for the Board’s operation and the Fund’s governance.

We believe that in light of this unprecedented crisis, the IEO’s work is even more important than before. An evaluation of the Fund’s crisis response should take the form of several sub-evaluations which can be delivered subsequently, so that they can still prove their usefulness as the crisis continues to unfold. A key evaluation would be the appropriateness of the Fund’s Emergency Facilities in the current crisis.

We were also wondering when the evaluation on collaboration with the World Bank will be discussed the Board? In light of scarce resources, collaboration between to Fund and the World Bank, making use of each institution’s expertise and strengths, e.g. in the field of climate change, is key.

Climate

Climate change must remain high on the Fund’s agenda. The GPA rightly stresses the need to seek synergies between the recovery and addressing shared challenges. The Managing Director has been impactful in her public messaging, saying that “we must do everything in our power to promote a green recovery”. Besides, the exceptional situation in which we are today also creates possibilities for sustainable transitions, such as moving away from fossil fuel subsidies thanks to low oil prices. The challenge for staff is to deliver substantive and timely work to support this. The Fund can support the membership by identifying and promoting policies that contribute to a green recovery and hence help governments which want to make the most out of coming out of this crisis in a sustainable way. With the COVID-19 policy tracker, the IMF has a unique and comprehensive overview of policy responses to the crisis. We would welcome if staff could identify both measures that can be classified as green and those which should be avoided since they harm the environment. Building on this, we would be interested in an informal Board meeting on cross-country experiences with greening the recovery. We also look forward to the Board meeting on Integrating Climate Change into Surveillance, which provides an opportunity to discuss how to structurally integrate climate change mitigation and adaptation into the Fund’s surveillance.

Risk

Finally, we welcome the mention in the Work Program to continue articulating more clearly ex ante the enterprise risk implications of key policy proposals, and look forward to further improvements in the Fund’s enterprise risk framework. For instance, providing a risk impact assessment of proposed decisions within accompanying Board documentation should become common practice in the short-to medium-term.

Budget

We recognize the increased work pressures resulting from the crisis. We are open to consider a temporary augmentation of budgetary resources, as we acknowledge that adequate resources are necessary for the Fund to deliver on its mandate. However, we would like to re-iterate our call for staff to make a clear case for additional resources, as agreed during the FY2020 budget Board discussion. These discussions should not be pre-empted but be held in due time with all the necessary information available – including the financial outcome by department for FY2020. We believe the wording in the Work Program should be adjusted accordingly.

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GRAY/20/2379

June 9, 2020

**Statement by Ms. Riach and Ms. Campbell on The Managing Director's Statement on the
Work Program of the Executive Board
(Preliminary)
Executive Board Meeting 20/70
June 11, 2020**

We thank the Managing Director and staff for the opportunity to discuss the Fund's Work Program. We recognize the enormous pressure that staff are under responding to this unique crisis and how hard they are working, many in exceptionally difficult conditions balancing work and home lives. This only reinforces the importance of agreeing a work program that is focused on the things that really matter to support countries in the crisis and as they turn to recovery. We support the broad direction set out by the Work Program and provide some comments for consideration.

Lending

The economic fallout from the pandemic is putting strain on members' fiscal positions, debt trajectories and recovery prospects. These will all be crucial and challenging issues for the Fund as countries begin to seek multi-year programs to support their efforts to rebuild. We are therefore very pleased to see the proposal for a lending strategy item to discuss an "overarching framework to guide Fund lending in the context of inherent uncertainty and mounting debt and other pressures". However, the document does not specify when this discussion will take place. Given many other policy issues are (on access limits, conditionality, debt sustainability etc.) are inextricably linked to this, we see merit in this discussion happening sooner rather than later, so it can inform more discrete policy decisions.

Debt

We welcome the continued focus on debt in the work program. With the COVID-19 shock resulting in increasing sovereign debt levels and exacerbated debt vulnerabilities for many

countries, IMF engagement on debt is now more critical than ever. For many countries, debt restructurings will be required to close financing gaps and ensure the viability of IMF programs. However, greater complexity in the creditor landscape over the past decade is increasingly challenging the international community's ability to deliver orderly and effective debt restructurings. In this regard, we look forward to July's discussion on the G20 Note on Sovereign Debt Resolution. The role of the Fund in restructuring efforts will be crucial and should be carefully considered. More broadly, we also look forward to the update on the Fund-Bank Multi-Pronged Approach, particularly on actions to boost debt transparency. Finally, we note that the dates for Board approval on the DLP and MAC DSA reviews are yet to be decided. We consider the finalization of these reviews to be urgent if upcoming augmented and new Fund arrangements are to effectively safeguard against vulnerabilities whilst ensuring room for pro-development and pro-growth investments in the post-COVID stabilization and recovery phases.

Surveillance

IMF surveillance helps identify emerging risks and challenges in individual members and globally. Quality, timely assessments by IMF staff – alongside considered, candid policy advice – are a global public good and highly valued by the membership. Bilateral surveillance operations have, rightly, been temporarily suspended to focus on lending needs. But this brings risks. Increasing the frequency of multilateral surveillance products, covering both financial sector and real economy developments, and with rich context-specific policy advice, would help fill some of the gap left by the absence of bilateral surveillance, not least in a context of multiple common global shocks. We therefore welcome recent macroeconomic and financial sector updates and look forward to the WEMD discussion later this month. We also support plans to have more frequent regional economic briefings as well as briefings on country matters.

We note the reference to the Board agenda being refocused to advance work on fragile states later in the year. The impact of, and response to COVID-19 risks will elevate existing social, economic and political fractures in fragile states. This has the potential to worsen instability and yield longer-term negative consequences. To counteract this, staff will need to ensure that fragility and stability perspectives are effectively factored into its COVID-19 response for the stabilization and recovery phases. We would strongly welcome a Board engagement on fragile states as soon as possible, potentially taking a similar shape to the Board briefing on Emerging Markets: Landscape, Prospects and Risks.

Looking ahead, we welcome plans to gradually restart bilateral surveillance once the pace of crisis work slows down and look forward to the briefing on surveillance during the COVID-19 crisis.

Building more resilient economies

It is right that the priority right now is on the immediate crisis. However, we agree that it is also important for the Fund to resume work on the long-term global and country economic health, resilience and preparedness for future shocks. We need to ensure the Fund is focused enough on the recovery agenda to avoid missing its moment of maximum leverage.

In that vein, climate change must remain high on the IMF's agenda. The GPA rightly stresses the need to seek synergies between the recovery and addressing shared challenges. The Managing Director has been impactful in her public messaging, saying that "we must do everything in our power to promote a green recovery". The current exceptional situation creates possibilities for sustainable transitions, such as moving away from fossil fuel subsidies thanks to low oil prices. The challenge for staff is to deliver substantive and timely work to support this. The IMF can support the membership by identifying and promoting policies that contribute to a green recovery and hence help governments which want to come out of this crisis in a sustainable way. With the COVID-19 policy tracker, the IMF has a unique and comprehensive overview of policy responses to the crisis. We would welcome if staff could identify both measures that can be classified as green and those which should be avoided since they harm the environment. Building on this, we would be interested in an informal board meeting on cross-country experiences with greening the recovery. We also look forward to the board meeting on Integrating Climate Change into Surveillance, which provides an opportunity to discuss how to structurally integrate climate change mitigation and adaptation into the Fund's surveillance.

We welcome the focus on crisis-related policies in the autumn flagships. Nonetheless we also see value in using the flagship publications to address longer-term issues, such as the broader implications of COVID-19 on globalization, trade and global value chains. More broadly, we see the next set of flagships as an opportunity to further develop the narrative building back better from the crisis as well as to directly inform countries as they are taking crucial recovery policy decisions before bilateral surveillance resumes. The inclusion of a climate chapter in the WEO is an important step in this direction.

We continue to emphasize the importance of an analytical spotlight on LIDCs as part of the Flagships. In this regard, we encourage that the work program includes a Macroeconomic Developments and Prospects in LIDCs report, covering subject matters of pertinence for the post-COVID stabilization and recovery phases.

Prioritization

We recognize the extraordinary pressure staff are under and the challenge of deprioritizing work at this time. We encourage management and staff to look for efficiencies to reduce the strain on staff whilst still serving the needs of the membership. We also agree that it is appropriate that the Board consider the effects of the crises on the FY21 administrative budget so appreciate the scheduled discussion for late September. There should not be a presumption that additional budget resources will be needed. The supplemental budget should clearly set out where trade-offs and prioritizations have been made and provide a clear evidence base for any consideration of additional resources.

Finally, we were very concerned by the treatment of IEO assessments in the proposed work program. As in all areas, some prioritization is clearly necessary but the IEO must continue to contribute to the Board's agenda in priority areas and must not be subject to a blanket postponement. We want to emphasize the importance we attach to independent evaluation informing emerging Fund policy thinking, as per the conclusions of the 2018 external evaluation of the IEO. Management must ensure they send the right signal, demonstrating "in words and in actions" that "the work of the IEO is core to the learning and governance of the IMF", including during crisis periods and to inform policy development.

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GRAY/20/2382

June 9, 2020

**Statement by Mr. Tanaka, Mr. Chikada, Mr. Harada, and Mr. Nagase on The Managing Director's Statement on the Work Program of the Executive Board
(Preliminary)
Executive Board Meeting 20/70
June 11, 2020**

We thank the Managing Director and staff for the update of the Work Program (WP) of the Executive Board well focused on the response against the COVID-19 crisis and reflects priorities specified in the latest GPA and IMFC Communiqué.

Regular Update to the Board

In order to quickly and steadily tackle various challenges in the current exceptional circumstances, it is essential for the Board to keep the relevant information and analysis by staff updated at this critical juncture. While we note the fact that there is a large increase in Board items compared with last year, the increase of the Board items should be recognized as a positive achievement of the Fund. We would like to pay our full respect to the great work of staff so far and expect them to continue their efforts.

Prioritization of the Work and Cooperation with Other International Organizations

Given the limitation of the human, time, and financial resources, **prioritization is indispensable to utilize the utmost capacity of the Fund and therefore the Fund should continue to focus on the traditional core area, including macro-critical issues on the fiscal, monetary and financial policies.** This is also critical in the context of effective cooperation with and allocation of roles between other international organizations such as the World Bank (WB), the WHO and the WTO. For example, we expect that the Fund continues to contribute to the debt problems and climate change issues under collaboration with the WB, and to participate in the discussion of the trade developments led by the WTO, utilizing its macro-economic expertise.

Communication with the Board and the Public

Earlier circulation of the Board discussion materials could contribute to fruitful and efficient discussions and right decision under the current exceptional circumstance, by ensuring sufficient time for consultation with the authorities of the member countries. We would encourage staff to continue to make further efforts on this issue.

The Board should be informed about core messages by the management which includes economic analysis and policy advice by the Fund to the member countries prior to their publication. The Board should play a role of ensuring the Fund's messages to be well-considered and consistent. We must recognize that people have been paying more attention to information provided by the Fund under the current uncertainty.

Surveillance

It is fundamental role of the Fund to analyze the impact of the COVID-19 crisis on the global economy and to provide necessary policy recommendations along with the circumstance of each member country. On this point, we look forward to hearing thoughtful plans and ideas by staff at the Board meeting for Surveillance During the COVID-19 Crisis next week. We welcome the proposal to focus again on the crisis-related policies in the flagship reports which will be published in this fall.

Lending

Noting the Board agenda of the Lending Strategy, we should discuss this issue with keeping in our mind that the Fund's lending is expected to play two different types of roles to support member countries, based on its catalytic role. One role is to provide a short-term rapid financing to respond to external shocks, and the other is to improve their balance of payment in the medium and long term through helping them address macro-economic policy challenges.

In order to implement lending policy of the Fund more swiftly and effectively, it would be important to establish comprehensive lending strategy. It should be planned with contemplating following points: 1) whereabouts of the financing gaps of member countries and their total amount, 2) the total demand for each funding facility of the Fund, and 3) the sufficiency of the resource of the Fund. We expect staff to provide such analysis to the Board when discussing relevant issues, including the Access Limits, resource of the PRGT and CCRT, and Activation of the NAB. In addition, in order to ensure the effectiveness of the lending policy of the Fund, it would be also important to properly monitor how supported countries use the Fund's lending resources.

Capacity Development (CD)

The COVID-19 crisis revealed debt vulnerability of low-income countries. Against this backdrop, we recognize the critical importance of the CD to help those countries improve

their capacity to manage public finance and debt. We expect that staff utilize this finding to actively discuss the way to conduct the CD more efficiently and effectively with the Board.

Debt Issues

Debt policy is one of the most important fields which should be tackled by the Fund.

The Fund is expected to provide necessary support to the debt vulnerable countries by utilizing its three pillars: 1) monitoring their debt situation and risk by surveillance, 2) supporting them for their BOP issues through lending program, and 3) enhancing the authorities' capacities of public finance and debt management through the CD. We welcome the Board discussion regarding the debt issues, including the Joint WB-IMF Multipronged Approach, the Debt Limits Policy and the Debt Sustainability Framework for Market Access Countries.

On the DSSI agreed by the G20 and Paris Club, we highly appreciate the proposal of the joint assessment with the WB as well as data collection and reconciliation proposed in the G20 note on this issue. To this end, highly transparent, specific, and in-depth data from both creditor and borrower sides would be indispensable. Therefore, we strongly encourage all member countries to participate in this process and expect that the Fund also encourage them to do so.

Digital currencies

As to the Board meeting for the Macro-Financial Implications of Cross-Border Use of Digital Currencies, we expect high-quality analysis by the staff on how the digital currencies can make impact on the international monetary system and monetary sovereignty. In this regard, we would like to point out that the G20 note for this matter should cover not only the issues related to monetary sovereignty, but also the macroeconomic implications of digital currencies, including monetary and financial stability and financial integrity, which is discussed in the Press Release of the G20 issued last October. Moreover, we would like staff to conduct research on both stablecoins and other similar arrangements.

Diversity

Ensuring diversity is important for the Fund to enhance its traction, especially under the crisis. We are concerned that the restrictions on the mobility caused by the COVID-19 may have negative effect on the HR policy and recruitment of the Fund. We strongly encourage HRD to make every effort to address this problem and expect to hear concrete strategy, policy recommendations and update on this matter at the Board meetings scheduled in July and October.

Budget

We note the Supplementary Budget to Address COVID-19 Related Needs is planned to be

held later this year. **On this point, we are expecting that the management will plan to allocate the adequate but not excessive budget and consequently staff and divisions engaging in emergency policies will appropriately use the resources.**

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GRAY/20/2385

June 9, 2020

**Statement by Mr. Inderbinen and Mr. Heim on The Managing Director's Statement on
the Work Program of the Executive Board
(Preliminary)
Executive Board Meeting 20/70
June 11, 2020**

We thank the Managing Director for her Statement on the Work Program, which adequately reflects the priorities of the spring 2020 Global Policy Agenda and the IMFC Communique. The work program puts the right emphasis on the challenges the Fund faces amid the COVID-19 pandemic. Mitigating the economic fallout of the pandemic, restoring stability and preparing for a sustainable recovery remain the Fund's top priorities. We welcome the institution's rapid crisis response and leadership. We would also like to reiterate our sincere gratitude to management and staff for their tireless efforts in the current difficult environment of extended remote work.

Besides emergency financing assistance, surveillance remains key in the current situation, including regular and timely WEO updates and subsequent public communication. Also, we stress the importance of capacity development and a gradual resumption of bilateral surveillance to contribute to long-term economic stability and sound policies to ensure resilience against future shocks. In this context, we support the continuous work on the Comprehensive Surveillance Review (CSR) and the FSAP review, which will be key to enhance the relevance of Fund surveillance and policy advice. Given the recent crisis-related developments, additional informal Board meetings taking into account the lessons from the crisis should be considered.

Increasing debt levels and a significant deterioration in public finances worldwide require vigilance. Against this background, the ongoing work on debt sustainability and transparency remains highly important. We look forward to the conclusion and timely launch of the Review of Debt Sustainability Framework for Market Access Countries and the Review of the Debt Limits Policy. Moreover, the continued efforts by the Fund, together with the World Bank, to implement the "multipronged approach" to address public debt vulnerabilities are welcome, as is the work on sovereign debt resolution.

We look forward to the Board briefings on financial stability and financial sector regulatory policies during the COVID-19 crisis, given that banks are taking increased risks on their balance sheets. While banks should be allowed to make use of current flexibility within regulatory frameworks, we stress that this is not the time for weakening existing or agreed rules and regulations. Policymakers should thus explore options to ensure financial stability, also in the medium term. In this context, the Fund's close coordination with the FSB will be important, particularly to avoid duplication of work.

We welcome the Board briefing on global trade policy developments. The "great lockdown" has had a significant impact on trade, and there is a risk that, over time, restrictions will be extended from essential medical supplies to other goods, which would disrupt global supply chains. Hence, we stress that avoiding further trade restrictions should remain a high priority. Continued messaging from the Fund on this will be important.

We take note of staff's intention to table a Board meeting to discuss a supplementary budget amid the pressures resulting from the crisis. We agree that it is important for the Board to consider the effects of the crisis work on the FY21 budget on a timely basis. Staff should clearly articulate and justify the case for additional resources, taking stock of the efforts that have been undertaken to reprioritize and reallocate resources within the existing budget envelope. We also stress that any increase should be temporary. Hence, we are somewhat surprised by the presumption in the work program that a supplement to the FY21 budget is needed by scheduling a formal meeting in October. Should the Board decide in September to do so, Management could still schedule a meeting by the time, and we ask Management to adjust the work program accordingly.

Readiness for crisis-related work is essential for the Fund, and, given what we know today, we continue to believe that the IMF is adequately funded. Nonetheless, in light of the high uncertainty regarding the economic outlook and, as a consequence, of the Fund's financial commitments, frank discussions on the use of Fund resources are important, including on an overarching framework to the IMF's lending strategy. Regarding the temporary modification of the access limits or the adequacy of concessional and debt relief resources, we favor a cautious approach, so as not to excessively strain Fund resources. Furthermore, we look forward to the conclusion of work on bilateral borrowing agreements.

Lastly, and while mindful of the busy Board agenda, we underline the importance of the ongoing work of the IEO, in particular on the collaboration with the World Bank on macrostructural issues, as well as on capital flows. We are of the view that conclusion of this work should not be delayed further than necessary and brought to the Board on a timely basis.

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GRAY/20/2387

June 9, 2020

**Statement by Mr. Mozhin, Mr. Palei, and Mr. Potapov on The Managing Director's
Statement on the Work Program of the Executive Board
(Preliminary)
Executive Board Meeting 20/70
June 11, 2020**

1. We welcome the opportunity to discuss the proposed crisis-focused work program of the Executive Board. The COVID-19 crisis has substantially increased the risks for the Fund, heightened budget pressures, and led to the unduly delays in the Fund's surveillance activities and further delayed many important policy reviews. We are very concerned about the risks of excessive and sustained pressures on staff, their safety and health in the times of intensive program engagement combined with additional challenges from WFH. We broadly support the work priorities for the immediate period of six months and look forward to greater details on other critical policy issues that are expected to be postponed till the remainder of the fiscal year.
2. The Fund's rapid response to the crisis has helped mitigate the immediate pandemic impact on the global economy and support the membership. We broadly agree that the immediate focus should remain on prioritizing emergency financial support, examining the impact of the crisis and policy responses, and providing timely and targeted capacity development. At the same time, the Fund is facing an increase in complex and sizeable Upper Credit Tranche (UCT)-quality arrangements, which requires a resumption of the surveillance activities. *Could staff elaborate on a right balance between a possible second wave of emergency financing facilities and a more active use of UCT-quality programs in the current uncertain environment?*
3. We welcome the fact that the Fund's crisis-related work is expected to gradually move from the initial emergency response to ongoing crisis management and recovery. We support the resumption of work on debt issues, trade developments, the integrated policy framework (IPF), low or negative interest rates, the central bank transparency code, and

digitalization. At the same time, the work program could have shed more light on those policy issues that are being put temporarily on hold. *Could staff elaborate on the key factors underpinning their choice of issues that are proposed to be resumed or postponed?*

4. We believe that the work program should retain some flexibility in accommodating a possible urgent need to discuss the postponed and/or new issues if warranted by the circumstances. *Like Mr. Beblawi and Ms. Abdelati, we wonder when the Board can be engaged on the key conclusions of the IEO evaluation of IMF advice on capital flows. Could staff also comment on a series of SDNs that were postponed in the beginning of March, including the SDN on dominant currencies and external adjustment?*

5. We look forward to the paper on the Lending Strategy that is intended to propose an overarching framework to guide Fund lending in the context of inherent uncertainty and mounting debt and other pressures. *Could staff elaborate on the key specific issues that are expected to be addressed in this paper and the timeline of its preparation?*

6. On many previous occasions, we expressed our concerns about the delays in the Fund's surveillance that may create substantial challenges for the Fund and its members at the time when they are actively seeking the Fund's policy advice and when debt sustainability and financial vulnerabilities are being exacerbated. In this context, we look forward to the Board discussion on "Surveillance During the COVID-19 Crisis: Engagement on Country and Thematic Issues". We understand that staff will propose a gradual resumption of Article IV consultations focused on crisis-related priorities, beginning with systemic and other highly relevant non-program cases. We also note that the work program incorporates the recent preliminary proposals under the CSR, including informal briefings on cross cutting issues. We believe that the current situation offers a good opportunity to test these proposals and draw on the lessons when the crisis abates.

7. Given the mounting debt vulnerabilities across the Fund's members, we welcome the prominence of the debt issues in the work program. We look forward to further discussions on the debt sustainability framework for market access countries, debt limits policy, and IMF-WB multipronged approach to addressing emerging debt vulnerabilities. We also believe that the Board should have a more comprehensive and formal engagement on the report on sovereign debt resolution. Strengthening approaches to debt restructuring remains an important priority for the Fund and should not be sidelined in the agenda. *Staff's comments would be appreciated.*

8. Risks to the adequacy of the Fund's resources have increased substantially due to COVID-19 and the necessary modifications of the Fund's lending toolkit. We welcome the

plans to have regular reviews of adequacy of the Fund's resources. In our view, it is also paramount to explore a contingency plan for the Fund's resources.

9. The rapid expansion of emergency financing has increased the governance-related risks for the Fund members and the Fund itself, its resources, and its reputation. We certainly agree that the Fund should continue its work on strengthening governance in line with the enhanced governance framework. Moreover, we should adjust it to the rapid pace of the COVID-19 developments and the scale of anti-crisis measures. We reiterate our proposal to create a separate safeguards policy tracker similar to the one the Fund already uses for other areas/policies. We look forward to the interim paper and the upcoming meeting on the enhanced governance framework.

10. We welcome the recent steps to strengthen knowledge management at the Fund, including the creation of the COVID-19 Knowledge Hub and the COVID-19 High-Frequency Data Hub. We believe that these initiatives can be very useful in supporting the efforts to address the current unprecedented crisis. Since the creation of the Knowledge Management Unit, our chair has been actively calling for expeditious improvements in various knowledge platforms to facilitate and speed up the dissemination of knowledge, policy advice, and best practices across the Fund and its members. In this context, we remain concerned about the limited access of the Board to the Fund's knowledge.

11. Finally, the Fund is facing an unprecedented surge in demand from the membership for financing, policy advice, and high-quality surveillance. The scope for spending reallocations and prioritizations without adverse implications for the quality of the Fund's work and policy advice had waned even prior to the COVID-19 crisis. The crisis dramatically highlighted the pitfalls of the past decisions on delaying key policy reviews, to a large extent, due to the rigid budget constraints. Rising budget pressures point to the urgent need for a substantial structural increase in the Fund's budget envelope, as was confirmed by the OBP and the ORM.

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GRAY/20/2389

June 9, 2020

**Statement by Mr. Mahlinza, Mr. Nakunyada, Mr. Cham, and Mr. Essuvi on The
Managing Director's Statement on the Work Program of the Executive Board
(Preliminary)
Executive Board Meeting 20/70
June 11, 2020**

1. We welcome the Managing Director's Statement on the Work Program (WP) of the Executive Board, which broadly reflects the strategic priorities articulated in the Spring 2020 Global Policy Agenda (GPA) and the IMFC communiqué. Specifically, we support the focus on crisis-centered workstreams geared to help countries restore macroeconomic stability and create conditions for strong recovery.
2. We support the high priority devoted to emergency financing and efforts to adapt the Fund's lending toolkit to the rapidly evolving needs of the membership. We, therefore, view discussions on the lending strategy, review of the financing of the Fund's concessional assistance, and policy safeguards, as important. We also consider the formal Board discussion on the temporary modification of access limits scheduled for June 2020, as essential to create room for emergency financing and borrowing under follow-up UCT quality arrangements. That said, in view of recurrent questions on the general allocation of SDRs, we urge staff to consider including this important item in the Work Program. Further, in view of the increased demand for Fund resources, we wonder if it would be possible to bring forward the initial engagement on quota resources. *Staff comments are welcome.*
3. The increased access to emergency financing occasioned by the pandemic and the shifting debt landscape, has seen debt emerging as a critical risk. In this regard, we view planned Updates to the Joint WB-IMF Multipronged Approach for Addressing Emerging Debt Vulnerabilities, as important. That said, we emphasize the importance of collaborative work between the two institutions to complete outstanding work on the application of the negative pledge clause. In the same vein, we support the Fund's work to spearhead debt relief initiatives under the CCRT. Further, we emphasize the need for more work to ensure broad-based participation of creditors and removal of existing obstacles in accessing debt relief under the G20 Debt Service Suspension Initiative (DSSI). While we appreciate the planned assessment of the DSSI scheduled for the later part of the year, we hope that efforts will be

made to tackle impediments to the uptake of the DSSI, including the slow response by creditors to requests for debt relief.

4. The re-opening of several economies has highlighted the need for the preparation of a proactive strategy to support the resumption of bilateral surveillance. In this vein, we regard the discussion on Surveillance during the COVID-19 Crisis: Engagement on Country and Thematic Issues, as essential to outlining concrete steps to resume surveillance. We also view the discussion on Trade Developments as important given the recent rise in protectionist policies and the need to unlock trade and financial flows and promote a more trade-integrated world to anchor a strong recovery. We hope that this work will also focus on specific challenges faced by small countries during the COVID crisis, especially with the imposition of restrictions. In addition, work on financial stability would be essential to support a strong and inclusive recovery. Relatedly, we view planned work on digital currencies, Cyber-Security Risk and Financial Stability for Small and Developing Countries as important to help policymakers in resolving identified challenges. On multilateral surveillance, we support continued Board briefings in this area and emphasize the need for the flagship reports to achieve a more balanced coverage of crisis-related policy priorities across all regions.

5. The Fund should sustain efforts to make global growth more inclusive, durable, greener, and resilient to future shocks. We, therefore, support work on the Integrated Policy Framework (IPF), to guide policy responses to the COVID shock, amid volatile capital flows and exchange rate volatility in developing, emerging market, and frontier economies. We look forward to the application of IPF tools to ensure adoption of optimal policies in the context of widespread utilization of fiscal policies to respond to the crisis. Furthermore, we emphasize the need to prioritize complementary work on the IEO evaluation on capital flows to inform work on the IPF. To further entrench economic resilience, we support efforts to systematically integrate climate change issues into surveillance. Nevertheless, before this briefing, consideration should be given to the discussion on the IEO evaluation on climate change.

6. Finally, the impact of the crisis on economies, underscores the increasing need to integrate Capacity Development (CD) into surveillance. We positively note that sharing good practices through the Special Series on COVID-19 and other training sessions, afforded member countries the opportunity to reinforce their crisis response. That said, we encourage further work to improve the effectiveness of CD delivery including in low income countries, especially fragile and conflict affected states that face infrastructure challenges, including the remote delivery of CD during the crisis. In addition, further work is required to determine the immediate CD needs of governments to address continuity plans and crisis management.

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GRAY/20/2393

June 9, 2020

**Statement by Ms. Levonian, Ms. McKiernan, and Mr. Weil on The Managing Director's
Statement on the Work Program of the Executive Board
(Preliminary)
Executive Board Meeting 20/70
June 11, 2020**

We welcome the Managing Director's statement on the Board Work Program (BWP), which we found to be comprehensive and appropriately focused on this unprecedented crisis. The BWP puts into perspective the monumental challenge that lies ahead in terms of supporting the membership through this downturn and towards a resilient recovery. It also serves as an important reminder of the hard work and dedication of Fund staff whose tireless efforts in the service of the membership are deserving of special recognition in these tumultuous times. We may need to revisit the BWP more frequently than in the past given the pervasive uncertainty in the global conjuncture.

The BWP is an excellent opportunity for management to outline their approach to prioritizing and to ensure that the BWP is framed in a strategic way. This crisis has appropriately forced us to refocus the work plan on COVID-19 related mission critical activities and has necessitated important tradeoffs. We felt that the BWP ultimately achieved this quite well, albeit in a somewhat implicit way.

Surveillance

The Fund's multilateral surveillance is one of the most important ways it can support the membership through the crisis. As this crisis and associated uncertainty endure, it will be important for the Fund's economic updates to provide a range of scenarios for the path of the global economy.

The Fund should be planning for a risk-based resumption of bilateral surveillance. We strongly welcome the addition of the item on 'Surveillance During the COVID-19 Crisis: Engagement on Country and Thematic Issues'. We would emphasize the need to resume

bilateral surveillance using a risk-based approach that considers the depth of crisis impacts in a given economy and not only its size. We very much welcome plans to accompany formal surveillance with informal country briefings, which are more important than ever, and we expect this to include sensitive country cases, such as Argentina.

The crisis has delayed the completion of the CSR and FSAP reviews. We would have welcomed a high-level critical path for the completion of these signature reviews. Once these reviews resume, we expect an informal Board touch point to reflect on how the crisis has impacted the direction of the reviews before they are finalized.

As we are in the midst of an unprecedented crisis, the traditional approach to the Early Warning Exercise may need to be considered. Staff should reflect on how to make the upcoming Early Warning Exercise as relevant as possible for Governors.

Lending

We welcome the addition of a discussion of the Fund's lending strategy to guide the Fund's lending activities during the downturn and the recovery. We note that this item is still listed at TBD and stress that we should avoid delaying this discussion. It will be important to conclude this discussion before the expected acceleration in demand for UCT programs. In the meantime, staff should not shy away from sharing broader insights on 'lending in the time of COVID-19' in an ad hoc way, as part of program reviews.

It will be important to quickly address proposals to temporarily increase access limits. This is a major element of the Fund's crisis response, in particular for small economies for whom even a modest increase in access would have a major impact. We welcome the June timeline for completing this important item.

The BWP needs to be flexible enough to accommodate the expected surge in UCT programs. Sufficient lead-times will need to be provided to the Board to consider these programs. The Board has grown accustomed to compressed timelines for the consideration of emergency financing requests, but the same process cannot apply to new UCT program requests. We would also welcome regular updates on off-track programs and contentious programs in development.

Capacity Development

The BWP is (understandably) much lighter than usual in its coverage of capacity development (CD). Following the update in May, we are prepared to accept an 'as needed' approach to Board engagement on CD. However, in time the Board will need reassurance that the current CD strategy remains relevant in supporting technical assistance that is tailored to best managing the crisis and supporting an eventual recovery in low-capacity

countries. We will be engaging closely with donors and low-capacity members of our constituency to hear their perspectives on this issue.

Research

We encourage the Flagship Reports to continue their focus on crisis-related policies.

The proposed topics for the Fall editions are well-chosen, and if executed in an accessible way they will be of high value to decision-makers. The relatively light coverage of financial stability issues in the BWP emphasizes the importance of the GFSR identifying vulnerabilities emerging from the crisis and providing concrete analysis and policy options to address them. More broadly, we expect to be kept closely apprised of the Fund's evolving research agenda.

Policies to Support a Resilient Recovery

The BWP could have more comprehensively framed the elements of a strong and sustainable recovery. We understand that this BWP is focused on agenda items related to containment and crisis response. That said, this is also an opportunity to outline the building blocks of a sustainable recovery and signal the Fund's intention to scale up work in these areas. Work to support the membership to "build back better" from this crisis should already be underway and should encompass a range of issues including debt vulnerabilities, climate change, digitalization, and addressing gender gaps and inequality to support an inclusive recovery.

- *Debt vulnerabilities* – The BWP provided good coverage of debt issues, notably through two key items – Corporate Insolvency and Debt Restructuring and the G-20 Note on Sovereign Debt Resolution. The corporate debt overhang must be addressed before it threatens the recovery, and more than ever debt-fueled economies need the Fund's advice to avoid a protracted debt crisis. Work on the evolving debt situation and how to address it is crucial. *How will the work streams of the joint IMF-WB Multipronged Approach evolve based on the crisis?* We would emphasize the importance of the MAC DSA and Debt Limits Policy coming to the Board for formal approval as soon as possible.
- *Climate Change* – This macrocritical issue must remain high on the Fund's agenda. We welcome the proposed discussion on integrating climate change into surveillance and emphasize that climate change needs to be integrated into every Fund workstream. The November-April agenda should signal the Fund's plans to advise on policies that will promote a green recovery with more sustainable and resilient economies. To help vulnerable members -- such as small island states -- secure access to the grants and

concessional financing needed to support their recovery, it is critical to resume Climate Change Policy Assessments that can underpin Disaster Resilience Strategies.

- *Digitalization* – We welcome the Fund’s near-term digital workplan. However, this BWP was an opportunity to signal how the Fund’s medium-term digital agenda will be shaped by the crisis. This includes policy advice on how the membership can harness the benefits of the broader digital transformation that has been accelerated by the “Great Lockdown”.
- *Inequality* – The BWP includes a welcome discussion of policies to close gaps in access to opportunities across a number of dimensions. Policy advice to support an inclusive recovery will be key as the COVID-19 crisis exacerbates issues of inequality and, in particular, gender inequality.

Organizing Ourselves to Deliver

The crisis is straining Fund operations making it more important than ever to strengthen our business processes and change the way we work to ensure that we can continue delivering at a high level for the membership through the crisis and recovery.

- *Administrative Budget* – The language in the BWP is somewhat presumptuous with regard to a potential temporary increase in the administrative budget. Our position is that a business case remains to be made in support of a potential increase and that efforts should be ongoing to reallocate and reprioritize, where possible, to avoid recourse to such an increase.
- *Resources* – We welcome the plans for an update on fund liquidity in October and note the potential for a discussion of NAB activation before that time. We welcome regular discussions of GRA and PRGT liquidity, including potential pressures arising under a range of scenarios.
- *Risk Management* – We welcome that risk coverage in the BWP is comprehensive. We look forward to the outcome of management’s deliberations regarding potential enhancements to the risk management function, including input from OIA’s audit of the Fund’s Enterprise Risk Management Framework.
- *Independent Evaluation Office* – It would not be appropriate in all instances to wait until November-April to consider IEO evaluations. Where the IEO contributes to the development of policies or advice on issues scheduled to come to the Board, their work needs to move in tandem. For example, the IEO’s evaluation of Fund policy advice on capital flows is a relevant input for the Integrated Policy Framework, and the evaluation of collaboration with the World Bank is relevant to Fund advice in the recovery. We expect

that through this crisis the IEO will continue playing a key role in strengthening the Fund's external credibility and supporting the Executive Board's governance and oversight responsibilities.

- *Fund Operations* – In time, we expect to see an assessment of the impact of a prolonged period of remote work on the Fund's operational effectiveness and efficiency, potentially as part of a discussion of the administrative budget. The BWP should also include an update on plans for a phased return to offices.

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GRAY/20/2395

June 9, 2020

**Statement by Mr. Poso and Ms. Ekelund on The Managing Director's Statement on the
Work Program of the Executive Board
(Preliminary)
Executive Board Meeting 20/70
June 11, 2020**

We **broadly agree with the priorities** presented in this crisis-focused Work Program (WP) supporting crisis mitigation and finding a path to recovery. The continued uncertainty of the evolving pandemic and its implications for the membership will necessarily require flexibility in the WP. We hope that this flexibility will be accompanied by active and early information-sharing from staff on developments impacting the priorities in the Board's agenda. Furthermore, we would want to highlight the importance of distributing the documents and other material early enough to allow for consultation with capitals.

These exceptional times demand us to focus on the near term to mitigate the impact of the health, economic, and debt crises. However, the Fund's support to members regarding policy responses should gradually evolve towards greater focus on fostering a strong and sustainable recovery and building a path towards a resilient, inclusive, and green economy in the longer term. We welcome the opportunity to engage in "Integrating **Climate Change** into Surveillance" and encourage focus on supporting the membership in developing policies for a green recovery.

We encourage staff to bring forward the policy work related to improving debt sustainability. The current situation will warrant a discussion to improve the architecture for sovereign debt restructuring. We welcome the briefing on the sovereign debt resolution landscape, including the introspective elements regarding Fund policies in this regard. We would like to request a dedicated board meeting on the role of the Fund in sovereign debt restructurings ahead of that meeting. Such a meeting would provide an opportunity to discuss policies and practices regarding Fund involvement in the sovereign debt restructuring processes. Furthermore, we call for speedy approval and implementation of the revised MAC-DSA framework and Debt Limits Policy to ensure that the best possible tools are at hand when assessing and managing the risks related to increased indebtedness.

Related to increasing debt levels, we would encourage focusing on the implications of and required policy responses to the **increased indebtedness** across members once the immediate crisis period has passed. It is important that fiscal sustainability is maintained to ensure resilience and the ability to respond both to future shocks and to the long-term implications of aging and climate change. Particular focus on the difficult **debt situation in LICs** is warranted. The crisis has also led to large dislocations and asymmetric sectoral impacts and has accelerated some previous trends, such as digitalization. We would welcome the Fund's analysis of these various **longer-term structural consequences of the current crisis**, both to the demand and supply side. We would also encourage focusing on the longer-term implications of the crisis on **international trade**, global value chains, and resilience of trade connections as well as finding ways to facilitate the recovery of international trade.

Understanding the structural effects should be complemented by examining the macroeconomic and financial effects following the COVID 19 shock and related policy responses. During the spring, **capital outflows** from emerging and developing countries have been unprecedented in scale and speed. This has further elevated the importance of the Fund's work on the **Integrated Policy Framework (IPF)** and the IEO's evaluation on the IMF's Advice on Capital Flows. At the same time, we urge caution in pushing this complex work stream too quickly not to compromise the quality of the analysis. Furthermore, the crisis and related monetary policy responses amplify the dynamics related to **the low-for-long environment** and thus we encourage staff to continue the related work and welcome the proposed briefing on the impact of low or negative interest rates.

The crisis and high demand for Fund support warrant increased focus on Fund resources. We highly value the recent updates on Fund resources and the commitment to continue to hold these updates regularly. It is important to ensure that the ability of the Fund to respond to the needs of its members and the global community is secured. We welcome that the Review of the **Fund's concessional assistance** focuses on restoring the funding framework for PRGT and we also look forward to discussions on the adequacy of the **Fund's precautionary balances**. *We would furthermore strongly welcome if staff could provide more information on the purported scope of discussions on the Fund's Lending Strategy which is mentioned briefly in the draft WP.*

We note that staff intends to return to the Board with a **supplementary budget** later this year to ensure sufficient resources to manage the large increase in Fund financing. For a fully informed decision, we call for the budget request to include a **thorough assessment** of resource reallocations already made within the existing budget envelope, an analysis of the allocation of the additional carryforward approved with the budget proposal and clear justification for any additional resources, grounded in the Board's crisis work program.

We note that the WP features **Briefings on Country Matters**, in line with the stated objectives of the ongoing 2020 Comprehensive Surveillance Review to provide more focus on cross-cutting issues. The groupings of the selected countries are region-based. *In*

the long-run, does staff plan carrying-out briefings on Country Matters that would cover different countries from multiple regions, as suggested by discussions on the CSR?

Finally, we note that the **IEO** has been working and is ready to report to the Board on several pertinent issues. This include the collaboration with the World Bank on macrostructural issues, IMF engagement with small states and IMF advice on capital flows. We would find it useful if these postponed meetings could be brought forward in order not to miss the opportunity to further inform Board discussions. Board seminars could be an option if formal meetings are not possible in a timely way. *Staff comments would be appreciated.*

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GRAY/20/2397

June 9, 2020

**Statement by Mr. Lischinsky and Mr. Corvalan Mendoza on The Managing Director's
Statement on the Work Program of the Executive Board
(Preliminary)
Executive Board Meeting 20/70
June 11, 2020**

1. **We thank the Managing Director for the Statement and broadly agree with the proposed Work Program and the call to serve the needs of the membership in these challenging times.** Overall, it is clear that the COVID-19 pandemic is far from over, and the public and private responses to mitigate the negative shock have put sizeable strains on sovereigns and led to fragility in the balance sheets of private companies. These compounded effects are having a direct impact on global financial stability. To restore the financial system landscape, which is still evolving with many questions not fully answered or understood, we support the idea of a crisis-focused work program until the pandemic wanes. Therefore, close engagement of the Fund and the standard setting bodies in the context of the FSAP and the IPF helping countries address identified risks in financial and macro-financial surveillance will prove useful.

2. **We also believe that further analysis will be needed to capture the feasibility to spread the gains and benefits** arising from future economic growth, advances in technology, and globalization, more broadly. International institutions such as ours, as well as the World Trade Organization, OECD, World Bank, BIS, and United Nations, will be put to the test on whether multilateralism works for all. These international organizations should help prepare the groundwork to explicitly assess whether the benefits from the expansion of the economy in the future can be equitably shared in our society, while protecting the environment from further degradation.

3. **To objectively demonstrate that multilateralism works for the good of the membership, a clear communication should be deployed.** Communications strategy might need further emphasis in the Work Program, and we look forward to the Board meeting to keep track of its implementation. Keeping the Fund financially strong with well-motivated staff is vital to better serve the membership in these times of uncertainty. To that end, during and after the pandemic, we note that the Fund will continue to adapt, among others, by

reprioritizing work. We believe that too-frequent reprioritization for budgetary purposes may conspire with the quality of delivery and the compliance with the Fund's mandate.

4. **On a less positive note, the legacies from the Global Financial Crisis and the still evolving COVID-19 pandemic may slow down globalization efforts.** We have some concerns that geopolitics, reform fatigue, and domestic political discontent might disrupt the efforts and the ambitious work program as it is presented. Our institution is strong in its core mandates, and the Fund has gained its reputation and credibility in these areas. However, when we broaden our scope to better understand social protection, inclusive growth, gender, migration, or climate change, the Fund's capacity may be stretching its limits. In this regard, we would like to reiterate to staff, *how shall we better prepare to coordinate and collaborate with other institutions in order to deliver the message that economic gains and benefits are for all?*

5. **The risk of a wave of protectionism, nationalism, and retaliation around the world seems to have increased** and the current pandemic resulted in the perfect excuse to close borders. In order to preserve the gains from trade, capital movements, global collaboration, and coordination; we would like to emphasize the need to increase our efforts to better communicate what works and what doesn't in terms of economic policy. Capacity development and collaboration with other institutions could be critical at this juncture to keep assisting national authorities to boost economic opportunities and seek more broadly shared gains on economic activity. A clear effort in this direction might mitigate the social discontent, especially in some industrialized and emerging economies.

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GRAY/20/2398

June 9, 2020

**Statement by Mr. Ray, Ms. Johnson, and Mr. Shin on The Managing Director's
Statement on the Work Program of the Executive Board
(Preliminary)
Executive Board Meeting 20/70
June 11, 2020**

We welcome the Managing Director's statement on the Work Program of the Executive Board, which is appropriately targeted to respond to the unprecedented global crisis arising from the COVID-19 pandemic. As staff, management and the Executive Board have pivoted to swiftly respond to the crisis to support the membership, this has unsurprisingly led to an increased workload. And the increased workload is also set in unusual circumstances, which have changed the way in which the Fund delivers surveillance, policy advice and capacity development and has also seen the need for staff to change their operating environment and adapt to new ways of working. We therefore consider that it is essential that the work program remains focused on the needs of the membership for this current crisis. A joined-up approach will be required to enable the Fund to be effective. This will require putting in place an appropriate lending strategy supported by candid analysis of its implications for the Fund's resources, buttressed by effective surveillance and practical capacity development. Further, given the significant uncertainty around the pandemic, staff and management should be ready to further adjust the work program and reprioritize as needed.

Crisis Board work priorities

We welcome the focus on crisis related work in the Work Program – focusing on lending, the adequacy and appropriate use of Fund resources, debt issues, multilateral surveillance, emerging themes and regional issues.

We strongly support fast-tracking the discussion of the Fund's lending strategy, which could provide the umbrella framework to guide subsequent discussions, including on access limits, the review of concessional financing, as well as broader Fund resourcing issues including PRGT financing and the review of precautionary balances. We encourage staff and management to keep a wide lens on these reviews. Staff are encouraged to be innovative and consider all available options to meet members' needs. The sequencing of these policy items

is also important – to ensure that the Fund is able to respond in a timely way to meet members needs, while also balancing the risks for the Fund. *Can staff comment on when the lending strategy is likely to come to the Board?*

Regular and candid communication on likely resource demands are critical. The uncertainty of the crisis, the increased demand for Fund resources and anticipated modifications to the lending toolkit give rise to significant risks around the adequacy of the Fund’s resources. It is important that the Board is kept engaged on the resourcing pressures so a case can be made to the membership for the mobilization of additional resources, if needed. The use of safeguards measures and attention to governance considerations can mitigate concerns over the use of Fund resources but should be balanced against the risk of unduly delaying financing.

We welcome the continued focus on debt issues in the Work Program but see value in a broader agenda being considered. We welcome and support the progress on the Review of Debt Limits Policy, the Debt Sustainability Framework for Market Access Countries and the joint World Bank-Fund multipronged approach to debt vulnerabilities as well as looking ahead to consider corporate insolvency and debt restructuring. Ahead of that meeting, we would support a Board meeting on the role of the Fund in sovereign debt restructuring. We also see value in a broader agenda on debt issues being considered in the Work Program, which would move beyond debt assistance to heavily indebted poor countries to what Fund advice would be to those countries needing to finance large fiscal exposures as a result of the pandemic. *Staff comments are welcome.*

We endorse the continued focus on the Integrated Policy Framework, but consider that the finalization of this framework needs to be informed by the Independent Evaluation Office (IEO) evaluation on capital flows. More broadly, Fund policy must be informed by the work of the IEO where relevant and work from the IEO should be brought to the Board where it can usefully contribute to the Board’s work agenda. We do not consider that it is appropriate to sideline the IEO during this time of crisis and we support ongoing strong, independent evaluation for the Fund’s policy work.

We welcome that the flagship reports will continue to be dedicated to the crisis. We continue to support ongoing efforts to streamline the flagships to be more concise and targeted, and both analytical and thematic chapters should focus on the current economic environment or policies required for a robust and inclusive recovery. We welcome proposed analysis of the trade developments as a result of the pandemic, but we consider that the Work Program misses an opportunity to consider the broader impact of the pandemic on globalization. This could include the impact of COVID-19 on cross border flows of capital, labor and goods and services, including supply chain disruptions and its implication on global imbalances, remittances, tourism or structural changes such as lower international travel or higher saving rates and lower investment. *Staff comments are welcome.*

Moving towards recovery

As we see the immediacy of the crisis hopefully wane, the Fund's operations will likely shift from supporting members needs through emergency financing to supporting members through programs, while gradually resuming bilateral surveillance.

The Board should consider a 'surveillance strategy' which uses a risk-based approach to determine how to phase the return of bilateral surveillance. While we acknowledge the critical role that bilateral surveillance can play in bringing to the fore potential risks and helping the Fund to monitor global stability, we do not consider that Fund bilateral surveillance should resume only for systemic countries. Instead, the focus should be on those members with programs, as well as non-program members such as important emerging markets and small and fragile states (especially those on a 24-month cycle) that benefit most from, and rely on, Fund advice.

The resumption of bilateral surveillance should consider how to better engage with members; the pandemic is providing an opportunity to explore alternative approaches and modalities. Recent experience has demonstrated that streamlined engagements through targeted missions and shorter staff reports can be effective in engaging with members and we should look to build on these experiences rather than returning to previous practices. We also encourage staff to continue efforts to integrate capacity building needs into bilateral surveillance, which should focus on recovery efforts.

The Fund can make important contributions to the ongoing discussion on climate change, within the limits of its mandate and expertise. The integration of climate change into surveillance should be guided by the concept of macro criticality. Any integration into surveillance should take into account the expertise and responsibilities of other institutions: here the IEO's evaluation on collaboration with the World Bank on macro-structural issues should be discussed by the Board as a precursor. The Fund has an important role to play in rallying broader international financial institution support, particularly for small states where adaptation to climate change is critical and access to financing is challenging. As time allows, we continue to support a review of the pilot and potential for a wider rollout of Climate Change Assessment Programs.

Continued efforts will be needed to prioritize

A strategy is required to guide the prioritization and sequencing of the Board agenda. In our view the Comprehensive Surveillance Review and Review of the Financial Sector Assessment Program will be critical and should be resumed as soon as feasible, informed by lessons learned from the pandemic. The Review of the Fund's policy on Multiple Currency Practices should also be finalized as the delay in completion of this review is leading to continued unproductive conversations with time-poor authorities during a crisis.

Given the significant changes in the global trade environment and potential difficulties in presenting a multilaterally consistent assessment, we question the usefulness of undertaking an External Sector Report in 2020. We could see some merit in the exercise,

if it were tailored to the impact of the crisis on global imbalances and countries' external sector adjustments.

Staff and management should be more selective in the work program to support the G20 and broader research papers (e.g. working papers and SDNs). These should be brought to the Board in the most efficient way while maintaining continued Board oversight. There appears to be a significant work agenda around digitalization and fintech that does not appear time critical. We also question whether the Central Bank Transparency Code, Developing a Global Approach to Data Policy Frameworks and Cyber Risks could be postponed as they are not critical to the crisis response.

While we acknowledge all the efforts being made by staff faced with a busy policy agenda and increased workloads, we do not consider that staff have made a clear case for a supplemental budget. Indeed, management's decision to seek a large pay increase suggests that there is no case for a supplemental budget, for management must have calculated that the pay rise was affordable. Staff should continue to undertake efforts to reprioritize and reallocate resources within the existing budget envelope.

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GRAY/20/2399

June 9, 2020

**Statement by Mr. Kaya, Mr. Benk, Mr. Just, and Mr. Mehmedi on The Managing Director's Statement on the Work Program of the Executive Board
(Preliminary)
Executive Board Meeting 20/70
June 11, 2020**

We thank the Managing Director and staff for the Work Program (WP) of the Executive Board which is well-aligned with and translates the policy priorities and strategic directions outlined in the Global Policy Agenda (GPA) and the IMFC Communiqué. We note that this is a crisis-focused WP which appropriately puts a premium on how best to help member countries mitigate the COVID-19 crisis, restore macro-economic stability, and lay the foundations for a strong and sustainable recovery. We broadly support the key priorities and sequencing of the deliverables of the WP, with the following observations and suggestions.

1. Considering that the pandemic is still prevailing in many parts of the world, and many member countries have yet to fully move to phase II of the great lockdown and ease containment measures, the continuation of the Fund's work on rapid crisis response, including through emergency financing, and setting the conditions for recovery, is essential to help members adjust their policies. To this end, we look forward to the formal discussion and approval of the *Temporary Modification of the Access Limits to Fund Resources*, as well as on the *Lending Strategy* and how an overarching framework could guide Fund lending in the context of inherent uncertainty while containing risks to the Fund's resources and liquidity position. We also look forward to the long-overdue discussion on the review of the *Adequacy of the Fund's Precautionary Balances*. As countries make further progress towards easing containment measures and re-opening their economies, it is imperative that the Board discusses *Surveillance During the COVID-19 Crisis: Engagement on Country and Thematic Issues* and decides on how to restart bilateral surveillance activities.
2. We recognize that the flagship reports will focus on crisis-related policies. The *WEO* analyses on policies to navigate through the crisis and for laying the foundations for a strong and inclusive recovery are warranted and timely. At the same time, analyses of the effectiveness of the lockdown measures, and the impact of the COVID-19 crisis on mobility, capital flows, trade, and disruptions to global value chains (GVC), including the possibility of near-shoring of on-shoring, are essential. While the

specific topics to be covered in the thematic chapters in the *GFSR* have not been determined, we note the importance of analyzing the impact of COVID-19 on asset prices, including real estate, and the impact of low interest rates on exacerbating risks in the financial sector, including risk allocation, market structure, and the nexus to fiscal and prudential policies. We expect that the thematic focus of the *Fiscal Monitor* analysis on the role of public investment in the fiscal policy strategy for recovery will reflect the limited fiscal space and increasing debt vulnerabilities in many member countries, and the importance of enhancing public investment management.

3. Given the exceptional uncertainty surrounding the outlook and the fluid economic situation, continuous engagement with the Board on the evolving developments regarding the pandemic and its economic fallout, including through regular updates on the global forecasts is essential. To this end, we appreciate the planned staff briefings on the *Emerging Markets, the Global Economic Outlook and Global Financial Markets Developments, regional Economic Briefings, and Briefings on Country Matters*.
4. We underscore the importance of the Independent Evaluation Office (IEO)'s evaluations and its engagement with the Board. We would prefer that the Board discussion on the *IEO Evaluation on Collaboration with the World Bank on macrostructural issues*, which has been postponed since March, be scheduled before the Board recess since the evaluation contains important findings and inputs on the integration of climate change in surveillance and would serve as an input to staff's ongoing work on *Integrating Climate Change into Surveillance*. Similarly, we call for advancing the work on the IEO's evaluation on "*IMF advice on capital flows*" as it is essential that this IEO's evaluation moves in sync with staff's work on the *Integrated Policy Framework*. *Staff's comments are welcome*.
5. We look forward to the reviews on the *Financing of the Fund's Concessional Assistance and Debt Relief to Low-Income Countries, Debt Limits Policy, and Debt Sustainability Framework for Market-Access Countries* and the *Update on the PRGT Financing*. We also take note of the upcoming briefing on the progress recorded under the joint *IMF-WB Multi-Pronged Approach to Address Emerging Debt Vulnerabilities* and underscore that this work should feed into the *Review of the Debt Sustainability Framework for Market Access Countries and Debt Limits Policy*. We expect that the *Review of the Debt Limits Policy* will address several of the identified gaps in the policy, while taking into account the developmental priorities of low-income countries as well as the evolution of debt and the changing landscape of official financing for LICs.
6. We attach great importance to ensuring that budgetary resources are adequate for the Fund to deliver on its reprioritized agenda. To this end, we look forward to the discussion on the *Supplementary Budget to Address COVID-19 related needs*.

7. We appreciate the Board's engagement on the detailed business cases and cost-benefit analyses of the Big 5 Modernization Agenda, including on *iData and Integrated Digital Workplace* and look forward to the discussion on the *2025 Diversity and Inclusion Benchmarks*.

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GRAY/20/2407

June 9, 2020

**Statement by Mr. von Kleist and Mr. Buetzer on The Managing Director's Statement on
the Work Program of the Executive Board
(Preliminary)
Executive Board Meeting 20/70
June 11, 2020**

We thank the Managing Director for her Statement on the Work Program and broadly support the key priorities. Over the past few months, the Fund and its staff have gone to great lengths and undertaken commendable and unprecedented efforts in mounting a rapid and comprehensive crisis response.

As the crisis recedes in the coming weeks and months, we support the intended re-focus on other issues that are essential to members from a more medium to long-term perspective, including drawing lessons from the crisis and our response and considering new or intensified challenges that emerge in its wake. In this regard, we welcome the advancement of work on key surveillance reviews. While the Fund's core tasks should continue to be the primary focus of the Fund, we also look forward to further work on important topics such as climate change, fintech, and fragile states.

Budgetary Resources

We value the ongoing re-prioritization to make efficient use of the current available budget. In case the ongoing efforts are not sufficient to manage the crisis-related work and at the same time maintain the real flat budget, we are open to enter discussions about a temporary and targeted increase of the budget to cope with crisis-related expenses.

Responses to Risk

As we have highlighted in other recent Executive Board meetings, we are highly concerned with regard to substantially increased risks to the Fund's resources. We stress the importance of an effective response to deal with the Fund's risk profile, which has deteriorated, directly because of the crisis and the resulting increased demand for Fund resources, but also as result of some of the policy and procedural changes made by the Fund with the aim to better address

crisis-related needs of its members. Against this background, we welcome the increased reporting of risks, including in the context of this work program. We also support the ongoing efforts "toward articulating more clearly ex ante the enterprise risk implications of key policy proposals by identifying the risks the proposals seek to address, the risks they may raise, how these are mitigated, and the residual risks that may remain"

However, we need to go beyond just reporting these risks and have a discussion of concrete proposals on how to mitigate them, especially those stemming from increased lending activities including in the context of emergency financing provision.

Accordingly, questions regarding debt sustainability and governance issues, as well as the review of the adequacy of the Fund's precautionary balances, are key topics for the Executive Board's work going forward.

Lending Strategy

Given that the current Mid-year Risk Update classifies risks to the Fund's UFR portfolio as "extremely high", we look forward to the planned Board discussion of a paper on the "Lending Strategy". The discussion of an "overarching framework to guide Fund lending in the context of inherent uncertainty and mounting debt and other pressures" appears a useful and very timely undertaking.

In this context, we call for a cautious approach, given the fact that past changes to the Fund's toolkit have exhibited a clear tendency to shift the balance between providing financial support for members and safeguarding of Fund resources to the former, at the expense of the latter. This holds also true for the current discussions on further increasing access limits, which carries the risk of undermining the catalytic financing role of the Fund given its preferred creditor status.

We strongly doubt that, as noted in the Work Program, lending risks can eventually be mitigated "by further aligning the lending toolkit with members' needs", given that this mostly implies an increase of access to the Fund's resources - and thus increased levels of country debt - and more "flexible" conditions for their use. *We thus would welcome comments from staff on how to mitigate existing and prevent future "extremely high" lending risks as well as further information on the content and (preliminary) proposals of the planned paper on the Lending Strategy.*

Sovereign Debt

Relatedly, we might want to further reflect upon the IMF's role in debt restructurings and the envisaged briefing on the G20 Note on Sovereign Debt Resolution provides a welcome opportunity for that. Ahead of that G 20 meeting, we would like to request a board meeting on the role of the Fund in

sovereign debt restructuring. Such a meeting would provide an opportunity to discuss policies and practices regarding Fund involvement in the sovereign debt restructuring process.

We are also looking forward to engaging more intensively with staff on how we can address debt overhangs in substance, including potential renewed discussions on a sovereign debt restructuring mechanism, fair burden sharing with broad participation of creditors, the assumptions underpinning staff's debt sustainability analyses, and the implications of climate change.

Climate Change

Climate change must remain high on the IMF's agenda and the Managing Director has been impactful in her public messaging on promoting a "green recovery". The current exceptional situation also creates opportunities for sustainable transitions, such as moving away from fuel subsidies in view of low oil prices. The Fund can support the membership by identifying and promoting policies within the Funds mandate that contribute to a green recovery and we encourage staff to deliver timely and substantive work on this. We would be interested in an informal board meeting on cross-country experiences with greening the recovery and also look forward to the board meeting on Integrating Climate Change into Surveillance, which will provide an opportunity to discuss how to structurally integrate climate change mitigation and adaptation into the Fund's surveillance when these are deemed macro-critical.

Board Procedures

Lastly, we appreciate the significant challenges in managing the Board Calendar and the circulation of documents for Board meetings in the current extremely busy period. Yet we encourage staff to observe minimum circulation periods in cases beyond the provision of emergency financial assistance (which are already subject to a temporary shortening of circulation periods), in particular for those country or policy items that are not extremely urgent timewise. The preparation for Board meetings would also be greatly facilitated if items could be put on the Calendar with a bit more lead time than is presently the case in some instances.

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GRAY/20/2412

June 9, 2020

**Statement by Ms. Mahasandana, Mr. Tan, Mr. Mahyuddin, and Ms. Susiandri on The
Managing Director's Statement on the Work Program of the Executive Board
(Preliminary)
Executive Board Meeting 20/70
June 11, 2020**

We thank the Managing Director for her Statement on the Work Program (WP) of the Executive Board. The WP is aligned with the Fund's priorities laid out in the Spring 2020 GPA and the IMFC Communique, which focus on supporting member countries to deal with the global pandemic crisis.

We broadly support the Work Program and offer the following comments.

Work Prioritization

This unprecedented crisis has led to a surge in Fund workload due to intensifying demand for Fund support. In this light, effective work prioritization that is supported by a well-balanced resource allocation is crucial. We agree that the immediate policy response should focus on mitigating the crisis impact and facilitating a smooth economic recovery, while other work programs could be reprioritized depending on the evolution of the crisis. In this regard, the approach outlined in the first section of the WP is appropriate.

The work priorities to ensure the Fund's swift responses during the immediate crisis phase should continue to prioritize emergency financial support, analysis of the impact of the crisis and policy responses as well as timely and targeted capacity development (CD). In addition, we underscore the importance of precautionary lending as part of the Fund's comprehensive lending toolkit. The *Lending Strategy* should continue to adequately cover the merits of precautionary financing such as the FCL, PLL and SLL, particularly in the current context of uncertainty and potential capital flow pressures.

While we agree on the need to reprioritize various research work, we urge caution in doing so based solely on the 5 categories of research work. The WP should look deeper into the specific content of the research work vis-à-vis the evolving crisis. For example, the topic on climate change could be relevant to different phases of the crisis if we were to segregate and tailor different aspects of this research topic accordingly.

On a similar note, more immediate engagement on selected IEO work is warranted. In particular, the IEO findings on IMF advice on capital flows and on small states could provide valuable guidance on how staff should engage and advise members more effectively during and beyond the crisis. The current approach of aggregating all the IEO evaluation work under the fourth category of work priorities may lead to a negative signaling on the importance of the IEO's role in supporting Board oversight and the misperception that the IEO evaluation work could hinder crisis response by line departments.

Multilateral Surveillance

We welcome the regular updates on global economic outlook and financial market development, given the high uncertainty. The work should be accompanied by continued close engagement with the authorities to build a robust understanding of the assumptions that underpin the Fund projections. While we appreciate the upcoming regional updates, more granular assessment based on specific challenges such as the heterogeneity of economic characteristics and policy space should be considered to facilitate better tailoring of policy advice by the Fund.

We agree that the flagship reports should focus on crisis-related policies. These reports should also be drafted in a coherent manner as they play an important communication tool to the public on current developments, latest projections and scenarios, and key policy recommendations. On this note, the 2020 External Sector Report (ESR) can help complement the other flagship reports if the Fund could make the ESR more focused on the implications of the COVID-19 crisis on global imbalances and countries' external adjustments.

Economic and Financial Research

We look forward to further work by the Fund that will continuously enhance its analytical toolkits, and policy advice to respond to the rapid-changing global economic landscape. We also encourage staff to maximize the usefulness of high frequency data and utilize alternative data sources to adapt to the fast-evolving environment and provide more timely assessment.

To foster a strong recovery, we welcome the work on Corporate Insolvency and Debt Restructuring which is critical for the Fund to understand the risks of scarring and help develop mitigating measures. Likewise, we encourage the Fund to consider discussions on other research work that are relevant to the risks of scarring such as rising structural unemployment, including the specific challenges associated with returning unemployed migrants.

The WP should not focus only on the completion of research working papers, but to quickly update the Board on critical findings from the ongoing research that could benefit the Fund's work and members' policies formulation in dealing with the crisis and ensuring a smooth adjustment. Some ongoing research such as on fintech, climate change and trade could provide meaningful insights sooner rather than later. For example, selected elements of fintech work under the "Bali Fintech Agenda" could support members to restore macroeconomic stability effectively. In this regard, we encourage staff to be more proactive and flexible in engaging the Board to discuss preliminary findings of their research work that are critical such as IPF, the impact of the pandemic on globalization, particularly on the global value chains, tourism and

remittances, as well as near-term policy issues related to monetary policy such as the unwinding of low interest rates and greater digitalization.

To this end, the timely briefing on IPF in the context of Covid-19 and the upcoming Board discussion on the initial considerations for IPF is a good example of being flexible in highlighting findings from ongoing research work. Furthermore, while the current crisis involves greater reliance on fiscal policy actions, we encourage staff to conduct further work on for the IPF policy framework to flexibly consider the interaction of fiscal policy and to guide the policy mix for central banks and policy makers.

Global Solution

We welcome the Fund's active role in catalyzing the coordinated global response to the crisis, including the initiatives driven by the G-20. While we note that the Fund's collaborative work with the G-20 form most of the global solution agenda, we underscore the need to be clear on the Fund's role to manage stakeholders' expectations. A case in point is the G-20 DSSI, where we encourage staff to continue supporting our member countries on the DSSI implementation.

In addition, there are other global coordination initiatives where the Fund can play a key role as the center of the Global Financial Safety Net and should be considered as part of the WP. In particular, stronger cooperation with the RFAs and countries bilaterally could be critical in meeting members' financing needs such as swap arrangements. In addition, stronger cooperation with IFIs and regional partners could facilitate a more coordinated approach in ensuring sufficient financial support, robust analysis on the impact of the crisis and policy responses as well as more targeted and efficient CD delivery.

Fund Policies

We underscore the importance of the Fund to resume its surveillance work and engagement with its membership, particularly on the Article IV consultations where practical during the Covid-19 crisis. We support that the gradual restart should cover non-program countries, particularly those from the emerging and developing economies that could benefit more from the Fund's technical assistance and policy advice that are tailored to their specific circumstances and CD needs. We urge the Fund to consider various alternative approaches that can strike the right balance and cover a wider spectrum of the membership.

On climate change, we support the work on integrating climate change into surveillance as a priority to build more resilient economies. In supporting a green recovery, the Fund should also support countries that are struggling with natural disasters amidst the Covid-19 crisis and other developmental challenges. The integration of climate change into surveillance should help authorities strike the right balance on implementing their immediate and longer-term policy measures.

While we support and value the work on the Central Bank Transparency Code (CBT), we urge staff to adjust the statement on CBT on page 3 of the WP. We view that the coverage and discussion on CBT are broader and it serves to guide central banks' choice of transparency

framework in a voluntary manner. We should avoid the presumption that the CBT is intended to assess policy transparency related to COVID-19, including through unconventional measures. We also view that the formal board meeting date should be flexible and can be reprioritized if needed, for more urgent COVID-19 related work agenda.

The Spring 2020 GPA and IMF communique call on the IMF to explore additional tools that could serve its members' needs as the crisis evolves, drawing on relevant experiences from previous crises. Several directors have requested the Fund to explore the potential benefits of a Special Drawing Rights allocation as part of the additional tools. *Could staff provide an update on this work and their plan to engage with the Board?*

Fund Finances

We welcome the continuous assessment by staff and close engagement with the Board on the adequacy of the Fund resources. While current assessment suggests that the GRA resource is largely adequate, continuous discussion on risks and mitigation measures remains important as the situation could change quickly.

As such, the commitment to discuss the Activation of the New Arrangement to Borrow in the WP should be reflected in a more proactive tone to reflect the Fund's readiness to act. The current statement indicating that the Board will discuss as warranted could be seen as too reactive. That said, the revised statement should also avoid any misrepresentation that the Fund has exhausted its quota resources.

Given the strong commitment on delivering the goals of the 16th GRQ, we would like to see early engagement with the Board on this. There are important lessons from the current crisis that could guide future discussions related to the 16th GRQ.

Internal Support

The WP's approach to continue to adapt its internal operational policies and initiatives through the crisis and beyond by reprioritizing work, temporarily augmenting budgetary resources, and modernizing work process is appropriate. We take positive note that the Fund continue to recognize the importance of diversity in the current recruitment and budget considerations. We appreciate the commitment to address issues related to the Under Represented Regions as it remains critical to ensure greater diversity in thoughts, skills and experiences that would benefit the Fund in adapting to the diverse needs of the membership.

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GRAY/20/2413

June 9, 2020

**Statement by Mr. Mouminah, Mr. Alkhareif, and Ms. Preston on The Managing Director's Statement on the Work Program of the Executive Board
(Preliminary)
Executive Board Meeting 20/70
June 11, 2020**

In the face of unprecedented uncertainty, the IMF has once again impressively stepped up to play the crisis firefighting role for which it was designed. This is possible because of the hard work and dedication of IMF management and staff who have shown outstanding leadership and resilience throughout this personally and professionally challenging period. We recognize and appreciate the responsiveness and agility of the institution to swiftly respond to members' needs. To this end, we thank the Managing Director and Staff for a thoughtful and well-balanced work program that appropriately translates the priorities in the Global Policy Agenda into an ambitious work program. Given the uncertainty around the depth and severity of the crisis, we must ensure we manage burn-out and stay focused on the issues **critical** to addressing the current crisis, being cognizant of the demands on staff.

Immediate Response: The Work Program appropriately reflects the work done to rapidly and swiftly respond to the crisis: to protect lives and livelihoods, limit contagion and smooth adjustment. Much of the immediate high priority policy work fits under this banner and it is right that this work is front and center of the Fund's response. It is also appropriate that much of the work listed has been completed or is substantially underway. We emphasize the ongoing importance of multilateral surveillance and the need to keep the Board regularly updated on staff's outlook for the global economy to ensure that the latest thinking is integrated into lending decisions. We look forward to the Fund's flagship products and wonder how the Early Warning Exercise might be re-shaped by the experience of the pandemic so that it provides the same valuable opportunity to consider extreme scenarios and stretch policy thinking. *Staff comments are welcome.*

Forward Looking and Future Preparedness: Maintaining a forward-looking approach to the Work Program is necessary so that Fund is adequately prepared to support the membership as a trusted advisor in the next phase of the crisis. Here, we think it is

important to keep focused on the stabilization and recovery phases of the crisis, an issue complicated by the fast-moving environment and uneven impact that COVID-19 is having across members, especially in terms of timing and severity. Fund policy advice on how to reignite demand and support the recovery is important and should be expedited to the extent possible. In this connection, we wonder whether there is scope to build on the success of the COVID-19 response policy tracker to also track recovery responses in the next phase. This will help ensure cross-country experiences can continue to be shared. *Staff comments are welcome.*

- **We welcome the Fund’s support of the G20 Agenda, including various debt initiatives and ensuring access to opportunities, that will be very important as we move into the stabilization and recovery phases of the crisis.** In addition to work on Sovereign Debt Resolution, we look forward to the full implementation of the G20 Debt Service Suspension Initiative and call for the continued participation of all creditors. We welcome joint efforts by the IMF and the World Bank to construct a database to improve debt transparency and reporting by both creditors and debtors. We look forward to further discussions about options for a potential extension of the initiative to ensure that support is targeted towards those that need it most.
- **Fine tuning the Fund’s lending arrangements to ensure our support is appropriately tailored to members needs while managing risks to IMF resources is paramount.** We welcome the opportunity to comprehensively discuss the Fund’s lending strategy. Within this, we think a broader approach to assessing lending risk is needed to ensure the Board is aware of the cumulative impact of decisions in real-time as program decisions are taken. We also welcome important but challenging discussions on the adequacy of concessional financing arrangements including modifications to access limits, precautionary balances safeguards for lenders and resources. We look forward to a comprehensive paper that weighs up all options and does not prejudge the outcome of the Board’s deliberations. We also view it as critically important that the conversation about a further SDR allocation continues as another avenue to help the membership navigate the unprecedented challenges of this crisis. As the Fund moves into a period where emergency financing requests decline and UCT program requests increase we wonder if the use of streamlining procedures for program consideration remains appropriate. UCT programs involve higher access to Fund resources and programs prepared under shorter timeframes with less time for review and scrutiny by staff and the Board, also expose the Fund to greater risks. *Staff comments are welcome.*
- **A future that involves more UCT Fund programs and larger debt vulnerabilities means work to finalize reviews on key Fund policies should be accelerated.** Working expeditiously to finalize work on the MAC DSA, Debt Limits Policy and Sovereign Restructuring Framework is appropriate to ensure we are well placed addressing debt vulnerabilities and able to appropriately (and safely) respond to members’ needs. A continued focus on governance, transparency and AML/CFT issues will remain important, especially as lending risks and levels are expected to increase.

- **Capacity Development activities need to continue to play an important role.** We ask that engagement with the Board continue on a regular basis as CD activities account for an increasingly significant share of the Fund's business. Since the crisis, CD delivery has appropriately pivoted towards supporting the immediate needs of members in the crisis. We underscore the importance of supporting those members requesting emergency assistance, particularly those subjected to increased transparency and accountability requirements.

Continued Prioritization

Ensuring we focus on issues that are critical to addressing the current crisis means we may need to take hard decisions. Given the continued high degree of uncertainty around the depth and duration of the crisis, we will need to be ready to adjust the work program as warranted.

- It would be useful to have an interim Board meeting on the work program to determine if it needs to be adjusted. This may mean we need to de-prioritize other important work that would have otherwise needed to come to the Board on a time-based arrangement. We should weigh up the costs of a longer deferral period for cyclical or regularly scheduled reviews like the CSR and FSAP Reviews compared with the alternative.
- It will be important to think about how and when we best restart surveillance and the appropriate length of the delay. We should also think carefully about how it is best integrated into lending activities and the depth of issues covered, carefully balancing for longer term issues covered in selected issues papers with more urgent work in program countries. Work on climate change should be focused on macro-criticality and natural disaster vulnerability.
- We also think it is important for the Board to consider the effects of the crisis work on the FY21 budget and appreciate the scheduled discussion for late September. Nevertheless, we reject the presumption in the work program that a supplement to the FY21 budget is needed.

Future preparedness: To ensure future preparedness there is some ongoing work that must continue to ensure that the Fund remains equipped to deal with the next crisis.

This includes continued efforts on the modernization agenda of the Fund. Making progress on Fund Diversity and Inclusion benchmarks is more important than ever to ensure we are able to best serve the diverse membership while providing opportunities to people from different backgrounds, especially from under-represented regions (URR). In this context, it is important to develop a clear strategy and implementation plan to recruit nationals from URR in a timebound manner. *Staff comments on the progress on this front are welcome.*

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GRAY/20/2414

June 9, 2020

**Statement by Mr. Buisse and Mr. Rozan on The Managing Director's Statement on the
Work Program of the Executive Board
(Preliminary)
Executive Board Meeting 20/70
June 11, 2020**

We would like to thank the Managing Director and staff for giving us the opportunity to discuss the work program. Over the past few months, the IMF has focused its work on the response to the crisis, and has managed to do so in a timely and efficient manner, in no small part thanks to the dedication of staff. The Fund has been able to fulfill its mandate by providing assistance to an unprecedented number of countries. Following the last couple of months, when the Board was mostly focused on emergency financing and the Fund's toolkit, and as we enter a new phase of the crisis, the work program will now need to carefully balance evolving priorities (i) continued provision of emergency support, in particular to vulnerable countries that are seeing a deepening of the crisis ; (ii) support for an inclusive and sustainable recovery (including through longer term financial support), as many economies are now exiting the most acute phase of the health crisis ; (iii) the need to ensure that the Fund continues to have the adequate tools to face the current environment and downside risks. **We generally agree with the thrust of the work program but wish to offer the following specific comments.**

1. On lending, going forward, the Board will examine both emergency requests, in the context of the crisis, and more medium term, successor arrangements.

- The IMF will continue to play a key role to assist countries in closing their widening financing gaps. As the recovery from the crisis will take time and will feature protracted domestic weaknesses, we stress the importance of the Fund being able to provide substantive follow up upper-credit tranche arrangements, in support of meaningful policy engagements. In this context, we very much welcome the forthcoming paper on the lending strategy. It should provide adequate guidance on the right mix to support a sustainable recovery, ensure medium term fiscal sustainability, cushion the impact of the crisis on the most vulnerable, and implement structural reforms to boost growth prospects.

- On the financial assistance toolkit, there remain some unresolved issues that we hope will be addressed shortly. We hope that the temporary modification of the access limits will swiftly address the issue of additionality, which is key for successor programs. We also would like to request a Board engagement on the issue of an SDR general allocation, which could provide significant financing to all Fund members, and which could usefully be a part of the Fund's response in the months to come.

- Going forward, ensuring the adequacy of the Fund's resources will be essential to support our lending, and we welcome regular update to the Board, both for the GRA and the PRGT. In this

regard, we very much look forward to the Review of the Financing of the Fund's concessional assistance to LICs.

- Beyond, this Board should continue to assess the adequacy of the toolkit, beyond the emergency financing and the creation of the SLS. We are surprised in particular that no country has requested a PLL since the beginning of the crisis, and wonder whether if the Fund's toolkit is currently adapted to the needs of every type of emerging economies.

2. More broadly on country engagement, we welcome the multiple regional as well as country matters briefing that will take place over the next few months, which should be used to focus on the most fragile members. Going forward we would favor more engagement on the most difficult country cases, which have been precluded from Fund financing (in particular due to debt sustainability issues) but are nonetheless hit by a severe economic crisis. These briefings offer an opportunity to inform the Board on these difficult cases. Beyond, it will be important for the Fund to continue to address the specificities of fragile and conflicted countries to tailor the Fund's approach.

3. The work program of the Fund on debt issues is of particular importance at the current juncture, with countries likely to emerge from the crisis with a heavier debt burden and more difficult sustainability assessment. We look forward to the finalization of the work on the DLP and on the MAC DSF, as well as continued progress on the WB-IMF multipronged approach. Staff's support in implementing and coordinating with country authorities is key for the success of the G20-Paris Club Debt Suspension Initiative.

4. As some countries exit the most acute phase of the crisis and the attention shifts to recovery, the work program of the Board should set the pace for meaningful engagements on the recovery and longer-term Fund priorities.

- The strong focus on country work over the last few months was very much warranted by the depth of the crisis and the need to assist countries. Going forward, we would appreciate to have a clearer sense of how, in the next few months, regular operations and priorities of the Fund will resume, for instance on key issues such as climate, gender and fintech.

- Going forward, advising country authorities out of the crisis will require a strong focus on surveillance and engagement. We look forward to the board meeting on bilateral surveillance, which should set a clear roadmap for a gradual resuming of this importance part of the Fund's mandate. Multilateral surveillance products will also be key to inform policy makers, and we would welcome a focus on building back better resilient economies. There needs to be a strong sense that the IMF will push for a proactive agenda to ensure a strong growth, fair social outcomes, and a transition towards a low-carbon economy in the context of climate change.

- More specifically, climate change must remain high on the IMF's agenda. The GPA rightly stresses the need to seek synergies between the recovery and addressing shared challenges. The Managing Director has been impactful in her public messaging, saying that "we must do everything in our power to promote a green recovery". Besides, the exceptional situation in which we are today also creates possibilities for sustainable transitions, such as moving away from fossil fuel subsidies thanks to low oil prices. The challenge for staff is to deliver substantive and timely work to support this. The IMF can support the membership by identifying and promoting policies that contribute to a green recovery and hence help governments which want to make the most out of coming out of this crisis in a sustainable way. With the COVID-19 policy tracker, the IMF has a unique and comprehensive overview of policy responses to the crisis. We would welcome if staff could identify both measures that can be classified as green and those which should be avoided since they harm the environment. Building on this, we would be interested in an informal board meeting on cross-country experiences with greening the recovery. We also look forward to the board meeting on Integrating Climate

Change into Surveillance, which provides an opportunity to discuss how to structurally integrate climate change mitigation and adaptation into the Fund's surveillance.

- We think that the IEO is key component of the Fund's operational efficiency, and the IEO should continue to contribute to the Board's agenda in key priority areas, as necessary. In this regard, having selected engagements in the next few months, for instance an engagement in June on the collaboration with the World Bank and a discussion on capital flows in September would strike an appropriate balance.

5. Finally, on the budget, we note management's mention that the crisis will require additional budget resources beyond the FY21 budget. As stated during the budget discussion, we could be open to discussing an additional budget request, though we insist on the need to clearly justify the need for it, showing clearly that all other options have been exhausted. In addition, the amount and use of funding requested would need to be detailed and justified. Beyond budget issues, we would welcome a briefing on how the Fund's human resources have been adapted in the context of the crisis (reallocation, training, recruitment, hiring of retired staff members).

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GRAY/20/2417

June 9, 2020

**Statement by Mr. Bhalla and Ms. Dhillon on The Managing Director's Statement on the
Work Program of the Executive Board
(Preliminary)
Executive Board Meeting 20/70
June 11, 2020**

1. In recent months, the COVID-19 crisis has hit both the global health and economic fronts. The uncertainty on the severity and the duration of crisis puts greater responsibility on the Fund. Beginning with its role as a stabilizing force, Fund must take the leadership in helping the membership explore how to build a safer and more sustainable world. Against this backdrop, we welcome the focus of the Managing Directors Work Program on the Covid Crisis and the recovery. We support the Work program and would like to emphasize on a few aspects.

2. To fight the tide, we fully support the Fund prioritizing emergency financial support, analysis of the impact of the crisis, and timely and targeted Capacity Development. The Policy tracker across 193 economies has been immensely useful as platform for sharing best practices alongside the Special Series on COVID-19. With this crisis evolving rapidly, we would urge the Fund to continue its momentum on frequently briefing the Board. That along with positive communication on recovery from the Funds platform would be critical for messaging and sentiments.

3. With this spirit, we welcome the focus of the flagship reports on crisis-related policies. World Economic Outlook, covering policies to navigate the crisis should prioritize the macro critical and existential issues to aid recovery. *Could staff elaborate on the elements the Fund will cover for sustainable growth? Will there be an enhanced focus on health?* As our current experience has shown, a “new normal” will be built after the crisis, integrating the lessons learned and the traditional policy advice may have little traction. We note that the Fiscal Monitor will update on the state of the public finances and analyze the role of public investment in the fiscal policy strategy for recovery. Many countries are confronted with unparalleled unemployment, stalled economic sectors and a “flight to safety” in terms of asset classes and financial markets. We would urge the flagships to take on board the emerging realities, development stages of countries and offer balanced and innovative solutions.

4. Overall, the Covid Crisis demands an enhanced vigilance on the Debt landscape. So, we particularly welcome the debt focus, including on the G-20 Debt Service Suspension Initiative, Sovereign Debt Resolution and Update to the Joint WB-IMF Multipronged Approach for Addressing Emerging Debt Vulnerabilities. With countries facing higher debt burdens, rapid responses alongside greater transparency of the complete debt position will be paramount. *In this context could we hear more details on the work agenda the Fund is planning in terms of robust monitoring or in developing early warning signals on debt distress?*

5. Being a core mandate of the Fund, surveillance merits a rejuvenated and nonstop focus. In a severe scenario where the crisis lasts longer, it may become more difficult to drive a surveillance agenda. We note that the work program mentions that as the crisis recedes work on key surveillance will pick up. We would urge an early resumption of surveillance as highly challenged economies would need timely policy advice to find their footing and build the foundation for the new normal. This is especially pertinent for reviews of ongoing programs, the effectiveness of emergency financing and to better manage debt sustainability.

6. The world will never be the same, after the crisis abates, and neither should be the Fund. Behaviors will change fundamentally, and a high level of digital interaction is likely to overtake the pre-crisis level of physical interaction. We welcome the focus on policies relevant for the accelerating pace of digitalization triggered by Lockdowns. We recognize the need for a supplemental budget. *We would like to know if this would be an additional budget (a departure from the flat real budget) and whether the budget will cover implications of COVID-19 on Funds internal operations, including more hybrid working and remote surveillance exercises?*

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GRAY/20/2422

June 10, 2020

**Statement by Mr. Raghani and Mr. N'Sonde on The Managing Director's Statement on
the Work Program of the Executive Board
(Preliminary)
Executive Board Meeting 20/70
June 11, 2020**

We thank the Managing Director for her statement on the Work Program (WP) for the next twelve months. Consistent with the strategic priorities laid out in the recent Global Policy Agenda and IMFC Communiqué, the proposed WP adequately focuses on helping member countries mitigate the Covid-19 crisis, safeguard macroeconomic stability and pave the way for a sustainable recover when the crisis abates while addressing challenges to Fund operations.

Key priorities in the immediate crisis period

We stress the importance of ensuring that the Fund's lending toolkit is robust to face adverse scenarios. In this regard, we view the forthcoming paper on ***Lending Strategy*** as central and urgent to guide Fund lending not only in the context of heightened uncertainty, mounting debt and other pressures, but also under constrained PRGT resources. *Can staff elaborate on the timeframe envisaged for the informal discussion on this item?*

The discussion on ***Policy Safeguards for Countries Seeking Access to Fund Financial Support that Would Lead to High Levels of Combined GRA-PRGT Exposure*** is set for a date to be determined. *We would have expected an informal discussion on this issue prior to the proposed formal meeting. Staff's comment will be appreciated.*

Fund support to members to alleviate their debt service burden is also invaluable in the current circumstances. We welcome continued assistance to be provided through a *possible extension of the G-20's Debt Service Suspension Initiative* as well as consideration of the *second tranche of CCRT debt relief*. In our view, the ongoing *Review of Debt Limits Policy* should be completed as soon as possible but not before fully integrating the legacy of the current global shock.

We agree with the focus of the upcoming *flagship reports* on crisis-related policies. In particular, the Fiscal Monitor—which is to update on the state of the public finances and analyze the role of public investment in fiscal policy strategy for recovery—should also undertake an overview of debt developments. We expect the forthcoming Early Warning Exercise to look closely at tail risks associated with the pandemic and their potential impact as most analyses provided by the Fund in the context of country reports have been allusive at best regarding such risks.

The adequacy of Fund resources remains a central issue, even more so in the current environment. We look forward to the *Review of the Adequacy of the Fund's Precautionary Balances* as well the *Activation of the New Arrangement to Borrow*. On the latter, a specific timeframe would help make better projections on Fund resource needs.

We attach high price to helping members restore macroeconomic stability, build resilience and promote robust and inclusive growth. We agree that the opportunity should be seized to reshape economies and prepare them to face permanent or future challenges such as those related to volatile capital flows, digitalization, governance, and climate change. In this connection, we welcome the discussion on *Surveillance During the Covid-19 Crisis: Engagement on Country and Thematic Issues* to restart bilateral surveillance activities, the work on *Integrated Policy Framework*, and that on *Integrating Climate Change into Surveillance*.

Regarding external sector developments, in parallel to the *2020 External Sector Report*, we expect the continuation of the report dedicated to countries other than the largest economies.

While recognizing the potential macro-criticality of cross-border use of **digital currencies**, we wonder whether the related discussions cannot be pushed back to the period after October 2020, considering the Board bunching in the immediate environment. *Staff's view is welcome.*

Other Priorities Proposed for Later in the Year

We broadly agree with the priorities for the remainder of the fiscal year assuming a significant diminution of the pandemic. We appreciate the planned resumption of the *workstreams on fragile states, climate change, fintech, and gender*.

We are somewhat concerned with the proposed late programming of all *IEO evaluations and Management Implementation Plans* towards the end of the year. *We see merit in moving forward to the next weeks the IEO evaluations related to small states and climate issues. Staff's elaboration will be appreciated.*

Fund Adaptation and Response to Risks

Fund work to help members cope with the unprecedented situation implies an adaptation of the institution's budget and internal organization. Therefore, the proposed agenda on work reprioritization, temporary increase in budgetary resources and modernization of the work processes is warranted. We stress the importance of discussing the *Supplementary Budget to*

Address Covid-19 Related Needs to ensure that the institution continue to meet its mandate in an effective manner while contributing to alleviate heightened corporate risks. We also look forward to regular updates on the implications of the pandemic on internal operations.

Finally, we appreciate the plan to make further progress towards a more diverse and inclusive workforce through timely engagement on the *2025 Diversity and Inclusion Benchmarks*.

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GRAY/20/2432

June 10, 2020

**Statement by Mr. Mojarrad, Mr. El Qorchi, and Mr. Sassanpour on The Managing Director's Statement on the Work Program of the Executive Board
(Preliminary)
Executive Board Meeting 20/70
June 11, 2020**

We welcome the Managing Director's statement on the Work Program (WP) of the Board and support its emphasis on the Fund's near term response to this unprecedented crisis, while continuing work on longer-term issues that will be naturally reshaped by our collective experience from the crisis. There are important trade-offs in work priorities, and while the workstreams in the WP are appropriately focused on the near term and the current crisis, we should not lose sight of the ultimate recovery and possible major structural shifts in the global economy that the Fund would need to respond to. In the months ahead, however, and within the multi-faceted crisis-related workstreams outlined in the WP, we attach great importance to the works related to the Fund's lending strategy, particularly on concessional lending; the adequacy of Fund resources in case of a protracted crisis; and debt relief for low-income countries.

We highly appreciate staff's regular Board briefings on global **economic and financial developments, and regional updates**, and expect them to continue. We agree that the Fall **flagship reports** should focus on the multi-dimensional impacts of the crisis, but should also delve in additional supportive policies in the event that the crisis proves to be longer and deeper. The nature, depth and the speed of the spread of the pandemic have been truly unprecedented and could not have been foreseen. We wonder how the framework of the **Early Warning Exercise** that has been broadly geared to the crises emanating from the financial sector could be refined to anticipate future crises of unconventional nature. *Staff comments are welcome.*

On **lending policy and access limits**, management and staff's nimble response to the crisis has been highly commendable. There has never been such a large demand on Fund resources in such a short period of time. But the Fund has risen to the occasion, including by doubling the access limits under the emergency facilities in the early stages of the crisis. In view of an

exceptionally uncertain outlook, we look forward to the discussion of the papers on temporary modification of access limits and review of Fund's concessional assistance to LICs and PRGT financing.

On debt issues, we have supported the **Catastrophe Containment and Relief Trust** and look forward to consideration of its second tranche. Although we have been supportive of the G20 DSSI, we have noted its mixed reception among the LIDCs. The upcoming assessment of the DSSI, including its possible extension, should carefully review these concerns. We also place great importance on the joint Fund-Bank work on addressing **emerging debt vulnerabilities**. In fact, there are a number of important macrostructural areas in the WP where close Fund-Bank staff cooperation is imperative. The **IEO** has already completed an evaluation of this issue that merits early and serious consideration by the Board.

The work on the **Integrated Policy Framework (IPF)** began well before the current crisis, but is being appropriately reshaped in reaction to the crisis and against the backdrop of substantial capital flow pressures. As underscored by many Chairs, it is crucial that the IPF incorporates fiscal policy as well as structural factors and issues in its analytical framework to be able to provide a holistic analysis. . Furthermore, we were surprised that there was no recognition in the WP of the **IEO's recently completed work on IMF advice on capital flows** that in our view would provide critical input into the IPF work. *Staff comments are welcome.*

The deluge of member requests for emergency financing under the RFI/RCF facilities, and a succession of exceptionally high-access FCLs, call for close monitoring and regular reassessments of the **adequacy of Fund resources** and Fund's precautionary balances. The IMF quotas remain the main source of Fund financing and we are expecting a more accelerated timeframe for the review of the overall size of the **IMF quotas** and considerations of a **general SDR allocation**, as already discussed by the Board on a number of previous occasions and supported by a number of Chairs, including ours.

This Chair has been one of the early and vocal advocates of Fund's engagement in **climate change** issues and we have supported the integration of these issues into the surveillance exercise based by clear guidelines. Building infrastructure and economic resilience to climate change, particularly in low-income countries and small island nations, is an important issue that should be kept under close consideration at all times.

On **surveillance**, we support the WP's emphasis on thematic issues and regional assessment of the impact of the crisis until conditions permit the resumption of bilateral surveillance activities. *Are staff country teams in a position to commence surveillance discussions on short notice? And how will surveillance activities be prioritized and to what extent are they coordinated across the departments?* Surveillance discussions should not only carefully assess the economic and social impacts of the crisis, and their spillovers, but also lay out

country-specific strategies for the recovery phase. During the crisis and the subsequent recovery, we urge staff to devote special attention to the impact of the crisis on the vulnerable population and the unemployed, especially among the youth. The crisis has also exposed the vulnerabilities of the population working in the informal sector. In many LIDCs the difficult social conditions that already existed before the crisis have been amplified by the crisis, requiring urgent attention and greater financing.

There are a number of important issues that predate the crisis, **including trade restrictions** and a general retreat from globalization. The Fund should never cease its tireless efforts within a multilateral framework to preserve the hard-earned gains of globalization. The COVID-19 pandemic is truly a global human tragedy in terms of loss of lives and livelihoods of common people. There is no room for bilateral trade restrictions on essential medical supplies that would save lives. We share the concern expressed by Mr. Inderbinen and Mr. Heim in that there is a risk that over time bilateral restrictions on essential medical supplies will be extended to other goods, without impunity.

Capacity development has made an important contribution to members' policy formulation and implementation during the crisis, and will need to be practical and continue to adapt to the changing circumstances as the crisis evolves. Post-crisis, as the demand for CD is likely to rise and its nature to change, the Fund should stand ready to respond accordingly.

As flagged by the WP, new program engagements and augmentation of the existing arrangements resulting from the COVID-19 crisis may call for additional budget resources beyond FY21. While internal savings and work reprioritization could meet part of the higher demand, we would support a **supplementary budget** to ensure that the Fund has sufficient resources to meet its mandate and carry out its work priorities, especially under these difficult conditions.

We urge an acceleration of Fund efforts to improve **gender and regional diversity**, particularly from underrepresented regions, and look forward to regular updates. We note that the issue of MENA+ underrepresentation has been raised by Chairs and acknowledged by Management for decades, but no tangible progress has been made so far.

Finally, the crisis has taught us a few important lessons on **streamlining the work procedures and improving the work-life balance**—including working remotely and shorter and better focused staff reports—which we should assess, refine, and adopt to the extent practical.

Managing Director's Statement on the Work Program of the Executive Board
EBM/20/70—June 11, 2020

Staff's responses to technical and factual questions are below. Broader policy questions, including on IEO work, supplementary budget, Fund resources, SDR, surveillance policy, and lending strategy will be addressed in staff's oral intervention at the Board meeting.

Multilateral Surveillance

1. We welcome the focus of the flagship reports on crisis-related policies. Could staff elaborate on the elements the Fund will cover for sustainable growth? Will there be an enhanced focus on health?
 - The WEO will examine the macroeconomic implications of measures to bring global net carbon emissions to zero by 2050. Further topics are under discussion and will be shared with the Board in due course.
 - Regarding the health sector, WEO forecasts have benefited from close dialogue with epidemiologists and medical researchers to get a better understanding of the evolution and prospects for the pandemic. Staff will continue drawing on these expert inputs in future forecast rounds.
2. We would appreciate staff's elaboration on how the Early Warning Exercise may evolve as a result of the COVID-19 crisis.

We wonder how the Early Warning Exercise might be re-shaped by the experience of the pandemic so that it provides the same valuable opportunity to consider extreme scenarios and stretch policy thinking. Staff comments are welcome.

We wonder how the framework of the Early Warning Exercise that has been broadly geared to the crises emanating from the financial sector could be refined to anticipate future crises of unconventional nature. Staff comments are welcome.

- Our plan is to continue with the Early Warning Exercise at the Annual Meetings, focused on prompting relevant discussions for Governors. The topic and format are under consideration, including how to adapt to potential logistical limitations.
3. We wonder whether there is scope to build on the success of the COVID-19 response policy tracker to also track recovery responses in the next phase. This will help ensure cross-country experiences can continue to be shared. Staff comments are welcome.
 - The Policy Tracker was created to collect information on policy responses to the crisis and share that information with the membership and the public. It currently covers policies to both mitigate the impact of the pandemic and support the recovery as economies reopen. As the situation evolves, the focus of the Policy Tracker may evolve as well. In particular, a sustainable and green recovery is a top priority for the

Fund and our surveillance will continue its emphasis on climate related issues. In this context, the Policy Tracker is an important complementary tool and consideration could be given to expanding its coverage to green policies.

Economic and Financial Research

4. We welcome proposed analysis of the trade developments as a result of the pandemic, but we consider that the Work Program misses an opportunity to consider the broader impact of the pandemic on globalization. Staff comments are welcome.
 - Staff will aim to explore longer-term issues relating to the post-COVID 19 recovery and rebuilding in the October and April WEOs.
 - The 2020 External Sector Report will discuss the impact of the COVID-19 crisis on external developments, including, among other issues, trade and Global Value Chains, capital flows, currency movements, remittances, and tourism.
5. 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?
 - The Fund has been engaged in a broad set of work related to the digital economy, for instance on digital financial services, digitalization of revenue administration, central bank and monetary law considerations, and AML/CFT. While many parts of the digital economy have been boosted by the lockdown—such as Zoom—other parts that rely on personal contact have not done as well—such as Uber and Airbnb. Staff will in due course resume analyzing trends and major possible structural shifts brought about by the pandemic.
 - Regarding the Fund response, in addition to general economic analysis, ITD has started a new ICD Webinar Series called “Digitalization 2.0: New Opportunities, and Risks” led by internal and external digital experts and open to OED staff attendance. The goal is to provide training about the role and risks of technology on eCommerce, digital governments, mobile payment platforms and other digital topics relevant to the post-COVID19 world.
6. Could staff also comment on a series of SDNs that were postponed in the beginning of March, including the SDN on dominant currencies and external adjustment?
 - As part of the re-prioritization of staff resources in the wake of the COVID-19 crisis, a number of SDNs planned for completion after March have been postponed. In cases where the work was at an advanced stage, the Board was informed that SDNs will be circulated for EDs’ information ahead of their publication. In particular, we plan to release the SDN on dominant currencies in July.

Global Solutions

7. While recognizing the potential macro-criticality of cross-border use of digital currencies, we wonder whether the related discussions cannot be pushed back to the period after October 2020, considering the Board bunching in the immediate environment. Staff's view is welcome.
 - The digital currency landscape is moving fast and has gained momentum lately, in part reflecting a renewed recognition of the role of the digital economy during the COVID-19 crisis. Private sector initiatives could be launched anytime, calling on governments and multilateral institutions to have a good understanding of their implications in a range of areas. Other IFIs such as the FSB have proceeded with their work on digital currencies and cross-border payments, and staff considers critically important that the Fund continues its lead contribution in global fora on its core areas of expertise on the international monetary system.
8. We would like to reiterate to staff, how shall we better prepare to coordinate and collaborate with other institutions in order to deliver the message that economic gains and benefits are for all?
 - Staff agrees on the importance of collaboration with other institutions and continues to seek synergies in these areas. For example:
 - On climate, we are cooperating with the World Bank, including in the context of supporting The Coalition of Ministers of Finance for Climate Action, and through the joint Climate Change Policy Assessments.
 - On social protection/social spending, we have significantly strengthened collaboration with key partners and continued to do so through participation in the Social Protection Inter-Agency Collaboration Board, enhanced dialogue with the ILO, and more frequent seminars and discussions at the country level with the World Bank.
 - On gender, we continue to collaborate with UN Women on capacity building and work with the World Bank at the country level.
 - Building on these and other examples of the Fund's external collaboration, the CSR midpoint note recommended further enhancing cooperation through institution-to-institution Memoranda of Understandings on specific issues. This proposal will be revisited as part of the CSR.

Fund Policies

9. We urge Management to prioritize the Review of Data Provision to the Fund for Surveillance Purposes. Could staff indicate when this review was last conducted?
 - The last review of Data Provision to the Fund for Surveillance Purposes was completed in 2012. Staff engaged informally with the Board in March 2019, with an understanding that the next review would be informed by the surveillance priorities

set by the CSR. As mentioned in the Work Program, this and other important policy reviews will proceed following the completion of the CSR.

10. As the Fund moves into a period where emergency financing requests decline and UCT program requests increase, we wonder if the use of streamlining procedures for program consideration remains appropriate. UCT programs involve higher access to Fund resources and programs prepared under shorter timeframes with less time for review and scrutiny by staff and the Board, also expose the Fund to greater risks. Staff comments are welcome.
 - The streamlined procedures apply through July 5, after which the Board would need to decide whether to renew or discontinue them. These procedures only apply to (i) requests for support under the RCF, RFI, and CCRT; and (ii) the completion of program reviews or requests for changes in access in cases where the requested financing is considered to be a key component of external support to contain the impact of the pandemic.
11. The discussion on Policy Safeguards for Countries Seeking Access to Fund Financial Support that Would Lead to High Levels of Combined GRA-PRGT Exposure is set for a date to be determined. We would have expected an informal discussion on this issue prior to the proposed formal meeting. Staff's comment will be appreciated.
 - The informal-to-engage Board discussion on Policy Safeguards for Countries Seeking Access to Fund Financial Support that Would Lead to High Levels of Combined GRA-PRGT Exposure already took place on February 28.
12. 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"?

We also believe that the Board should have a more comprehensive and formal engagement on the report on sovereign debt resolution. Strengthening approaches to debt restructuring remains an important priority for the Fund and should not be sidelined in the agenda. Staff's comments would be appreciated.

We also see value in a broader agenda on debt issues being considered in the Work Program, which would move beyond debt assistance to heavily indebted poor countries to what Fund advice would be to those countries needing to finance large fiscal exposures as a result of the pandemic. Staff comments are welcome.

- A briefing on sovereign debt resolution will review the shifting debt landscape and how it is affecting the resolution of debt crises, take stock of the experience with recent debt restructurings, identify key gaps in the contractual framework for sovereign debt resolution that are emerging, and discuss the various techniques and proposals to address these gaps.
- A separate informal briefing on the role of the Fund in sovereign debt resolution will be added to the Work Program for discussion in July. The focus will be on the

resolution of private sector debt of sovereigns, including recent developments and implications for the international financial architecture.

- Other related work in progress that the Board has prioritized includes the review of the Debt Limits Policy and the review of the MAC DSA. Those discussions are expected to outline further work related to sovereign debt resolution.
- 13.** How will the work streams of the joint IMF-WB Multipronged Approach (MPA) evolve based on the crisis?
- We are reviewing how the work streams will evolve as we prepare an update of the MPA. Broadly, the MPA has two main thrusts: (i) supporting stronger sustainable lending practices; and (ii) supporting timely and efficient debt resolution. The latter will have more weight going forward.
- 14.** The work on the Debt Limits Policy and the MAC DSA are also important to reduce debt risks. We are concerned that the finalization of these reviews has not been scheduled in the work program through October. Could staff indicate when these will be brought to the Board for approval?
- We expect to schedule the Board discussions for these sometime between late August and December.
- 15.** Could we hear more details on the work agenda the Fund is planning in terms of robust monitoring or in developing early warning signals on debt distress?
- The main item of the agenda regarding the monitoring of debt distress is the continuing review of the MAC DSA, on which there was in informal Board session on May 29. The new MAC DSA framework includes indicators that provide signals for debt distress over a range of time horizons.
 - Regarding low-income countries, the Board was briefed on the evolution of public debt vulnerabilities in January 2020, with over half of the countries covered in the report assessed at high risk of or in debt distress. Staff continues to update assessments of debt sustainability in the context of the large volume of requests for Fund financing.

Fund Finances, Risk Management and Internal Support

16. Could staff inform when the next annual quota data update would be complete?

- The 2019 quota data update paper was issued to the Board on February 4, 2020, with additional annexes issued on April 28. In addition, data for the 2019 update were circulated to Executive Directors on April 30.
- The work for the 2020 quota data update is ongoing. Staff expects to finalize the update in September.

17. It is important to develop a clear strategy and implementation plan to recruit nationals from URR in a timebound manner. Staff comments on the progress on this front are welcome.
- Staff continue to focus on diversity of its hires across all career streams as an integral part of the recruitment strategy. The recently concluded selection process for the 2020 EP cohort provides a successful example on regional diversity representation. The same framework has been put in place for the expected hiring of fungible economists in crisis-related positions that were recently approved for departments.

CONSTITUENCY CODES

OEDAE

Angola, Botswana, Burundi, Eritrea, Eswatini, Ethiopia, The Gambia, Kenya, Lesotho, Liberia, Malawi, Mozambique, Namibia, Nigeria, Sierra Leone, Somalia, South Africa, South Sudan, Sudan, Tanzania, Uganda, Zambia, and Zimbabwe

OEDAF

Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Comoros, Democratic Republic of Congo, Republic of Congo, Côte d'Ivoire, Djibouti, Equatorial Guinea, Gabon, Guinea, Guinea Bissau, Madagascar, Mali, Mauritania, Mauritius, Niger, Rwanda, São Tomé & Príncipe, Senegal, Togo

OEDAG

Argentina, Bolivia, Chile, Paraguay, Peru, and Uruguay

OEDAP

Australia, Kiribati, Korea, Marshall Islands, Federated States of Micronesia, Mongolia, Nauru, New Zealand, Palau, Papua New Guinea, Samoa, Seychelles, Solomon Islands, Tuvalu, and Vanuatu

OEDBR

Brazil, Cabo Verde, Dominican Republic, Ecuador, Guyana, Haiti, Nicaragua, Panama, Suriname, Timor-Leste, and Trinidad and Tobago

OEDCC

China

OEDCE

Colombia, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, and Spain

OEDCO

Antigua and Barbuda, The Bahamas, Barbados, Belize, Canada, Dominica, Grenada, Ireland, Jamaica, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines

OEDEC

Austria, Belarus, Czech Republic, Hungary, Kosovo, Slovak Republic, Slovenia, and Turkey

OEDFF

France

OEDGR

Germany

OEDIN

Bangladesh, Bhutan, India, and Sri Lanka

OEDIT

Albania, Greece, Italy, Malta, Portugal, and San Marino

OEDJA

Japan

OEDMD

Afghanistan, Algeria, Ghana, Islamic Republic of Iran, Libya, Morocco, Pakistan, and Tunisia

OEDMI

Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Maldives, Oman, Qatar, United Arab Emirates, and Yemen

OEDNE

Andorra, Armenia, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Georgia, Israel, Luxembourg, Moldova, Montenegro, Netherlands, Republic of North Macedonia, Romania, and Ukraine

OEDNO

Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway, and Sweden

OEDRU

Russian Federation and Syrian Arab Republic

OEDSA

Saudi Arabia

OEDST

Brunei Darussalam, Cambodia, Fiji, Indonesia, Lao People's Democratic Republic, Malaysia, Myanmar, Nepal, Philippines, Singapore, Thailand, Tonga, and Vietnam

OEDSZ

Azerbaijan, Kazakhstan, Kyrgyz Republic, Poland, Serbia, Switzerland, Tajikistan, Turkmenistan, and Uzbekistan

OEDUK

United Kingdom

OEDUS

United States