



Executive Board Minutes 20/118-1

December 10, 2020–2:30 p.m.

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

Staff: Tsounta, SEC; Pazarbasioglu, SPR

Length: 2 hours, 15 minutes

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CEDA OGADA
Secretary

TABLE OF CONTENTS¹

Executive Board Attendance	3
Discussion Record	5
Annex	48
○ Managing Director’s Statement	
○ Gray Statements	
○ Staff’s Responses to Executive Director’s Technical Questions	
○ Constituency Codes	

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 Transparency Policy and Open Archives Policy.

EXECUTIVE BOARD ATTENDANCE¹

K. Georgieva, Chairman

Executive Directors

I. Mannathoko (AE)
A. Andrianarivelo (AF)

C. Huh (AP)
A. Bevilaqua (BR)
Z. Jin (CC)
P. Moreno (CE)
L. Levonian (CO)
D. Palotai (EC)
A. Buisse (FF)
R. von Kleist (GR)
S. Bhalla (IN)
D. Fanizza (IT)
T. Tanaka (JA)
H. Hosseini (MD)
M. Mohieldin (MI)
P. Hilbers (NE)
M. Poso (NO)
A. Mozhin (RU)
M. Mouminah (SA)
A. Mahasandana (ST)
P. Trabinski (SZ)

Alternate Executive Directors

L. Herrera (AG)

D. Ronicle (UK)

M. Rosen (US)

C. Ogada, Acting Secretary
S. Maxwell, Summing Up Officer
L. Briamonte / B. Zhao, Board Operations Officers
M. McKenzie, Verbatim Reporting Officer

Also Present

African Department: M. Kamel Farid Mohamed Farid, B. Loko, C. Purfield, D. Robinson.
Asia and Pacific Department: O. Brekk, A. Gulde, J. Ostry, S. Peiris, S. Roger. Change
Management Unit: G. Paone. Communications Department: N. Ismail, A. Kumar. Corporate

¹ For countries in each constituency, please see the Constituency Codes in the annex.

Services and Facilities: B. Christensen. European Central Bank: K. Nikolaou, R. Rueffer. European Department: R. Blavy, A. Kammer, M. Petri. Fiscal Affairs Department: C. Matsumoto, J. Toro Rivera. Finance Department: C. Gust, H. Hatanpaeae, T. Krueger, Z. Murgasova, A. Tweedie. Human Resources Department: K. Kochhar. Institute for Capacity Development: S. Coorey, M. Erbenova, R. Nord. Independent Evaluation Office: C. Collyns. Information Technology Department: E. Anderson. Legal Department: M. Henriquez, N. Kyriakos-Saad, G. Rosenberg, R. Weeks-Brown. Middle East and Central Asia Department: J. Azour, R. Bi. Monetary and Capital Markets Department: T. Adrian, P. Ananthakrishnan. Office of Budget and Planning: M. Albino Orjuela, M. Shannon. Office of Executive Directors: T. Abalala. Office of Internal Audit and Inspection: B. Fosu, P. Murugan, N. Onyango. Office of Risk Management: I. Ivaschenko, A. Jamaludin. Secretary's Department: E. Tsounta. Strategy, Policy, and Review Department: H. Chociay, A. Corbacho, P. Garcia Martinez, B. Joshi, S. Kim, K. Kostial, J. Mathisen, N. Meads, S. Nolan, S. Panth, C. Pazarbasioglu, N. Suryakumar, M. Takebe, C. Tovar Mora, T. Zheng, J. Ziegler. Statistics Department: L. Lusinyan, J. Rodriguez Delgado, P. Tumbarello. Western Hemisphere Department: P. Alonso-Gamo. Executive Director: M. Mahmoud (MI), S. Riach (UK), E. Shortino (US). Alternate Executive Director: B. Alhomaly (SA), H. Azal (EC), K. Chikada (JA), M. El Qorchi (MD), F. Fuentes (BR), S. Geadah (MI), A. Grant (AP), A. Guerra (CE), Y. Indraratna (IN), C. Just (EC), F. Mochtar (ST), W. Nakunyada (AE), R. N'Sonde (AF), F. O'Brolchain (CO), O. Odonye (AE), L. Palei (RU), M. Peter (SZ), P. Rozan (FF), B. Saraiva (BR), J. Sigurgeirsson (NO), F. Sylla (AF), C. White (AP), Z. Zhang (CC). Senior Advisors to Executive Directors: W. Abdelati (MI), M. Choueiri (MI), A. Ekelund (NO), M. Gilliot (FF), R. Goyal (IN), L. Johnson (AP), S. Keshava (SA), B. Lischinsky (AG), M. Maida (AE), Z. Mohammed (BR), S. Naka (JA), Son T. Nghiem (ST), S. Potapov (RU), C. Quaglierini (IT), F. Rivera Molina (CE), C. Sassanpour (MD), M. Scholer (NE), L. Smith (CO), N. Thiruvankadam (IN), G. Vasishtha (CO), R. Velloso (BR), J. Weil (CO), B. Yoo (AP), M. Zhunusbekova (SZ). Advisors to Executive Directors: F. Al-Kohlany (MI), P. Al-Riffai (MI), A. Arevalo Arroyo (CE), Dennis Bautista (ST), S. Belhaj (MD), E. Boukpepsi (AF), Campbell (UK), E. Cartagena Guardado (CE), T. Cham (AE), S. Chea (ST), D. Cools (NE), J. Corvalan (AG), O. Diakite (AF), F. Dogan (EC), R. Edwards (CO), J. Essuvi (AE), D. Fadhel (MI), K. Florestal (BR), J. Hanson (NE), Z. Huang (CC), G. Meizer (EC), M. Merhi (MI), P. Mooney (CO), R. Moral Betere (CE), T. Nagase (JA), L. Nankunda (AF), K. Nelson (UK), A. Olhaye (AF), B. Rankin (CO), B. Singh (IN), A. Tola (SZ), I. Valdes Fernandez (NO), J. Yoo (AP), J. Barroso (BR), M. Law (CC), F. Lopez (CE), D. Coelho (BR).

DISCUSSION RECORD²

The Chair:

Welcome to a very important meeting on the priorities of our work program. I want to recognize all Directors for issuing gray statements.

All gray statements share a common theme: a recognition that we are at a very critical juncture. There is hope on the vaccine front; but we know that the ascent from this point in the crisis is going to be difficult and uneven and that the word that is likely to be still very popular in 2021 is “uncertainty.” In uncertainty, the demand for the analytical work of the Fund, the surveillance work we do, and, of course, engagement with programs, is even higher. We have a lot of work to do in the next year. We have work to do that is short term on the recovery, how we transition from significant policy support to gradually withdrawing it. And we have work to do on what will be the world post-COVID and how we can have a more resilient, more inclusive future.

We have worked hard to strike the right balance among the multifaceted demands on the Fund. Many Directors have recognized that the burden on staff is really high. I want to thank the Board for that and ask the Board to keep that in mind as we advance the discussion today. We have to tightly prioritize, focus on the most critical tasks for our members, and that sometimes involves making difficult choices.

Let me recognize a second common theme: support for the priorities we laid out. Directors made many constructive suggestions, and I will comment, in the end, more on that issue. But what I want to move next to is to address a few areas in the gray statements where Directors really stress the importance for us to pay attention.

The first in this area—not in the order of listing but in the order of the complexity of the issues involved—is the lending options to support our members. We had a discussion in September on what should our choices be. At that time, we also explored establishing a Pandemic Support Facility and/or amending the Extended Fund Facility (EFF). Since then, we took to heart the advice that came quite uniformly from the Board to look at the flexibility we have, including in the EFF, and see whether this flexibility is going to be sufficient, as we explore it and apply it, so we will not need to do an

² Edited for clarity.

additional reformulation of lending options. This is what we intend to do. We will very attentively follow on the evolution of the needs of our members. Returning to the word that is so dominant, “uncertainty,” we want to steer through this uncertainty carefully. And, of course, as we see more and understand more, we will continue to consult with the Board. If any adjustment is necessary, we will swiftly come to the Board with a proposal for this adjustment.

A second theme that came very strongly from the gray statements—and it resonates also with us equally strongly—is the work on low-income and developing countries (LIDCs). Our plan is to discuss with the Board the report on Macroeconomic Developments and Prospects in LIDCs by the time of the Spring Meetings. We will examine the financial needs of low-income countries (LICs) in the coming years and discuss what are the elements of a sustainable financing strategy.

Let me be very clear. We risk divergence with low-income countries and a few of the emerging markets with weak fundamentals falling behind as the rest of the world recovers. It is paramount for us not to lose sight of this risk and to work on being a part of the solution to it, preventing it from happening.

We are going to have a discussion on the review of concessional financing and policies. There were a few Directors who said that they expected this to happen faster. We opted to sequence our engagement with the Board the right way, to talk about low-income countries and, in that context, to ask the Board for a decision on concessional financing, and how exactly we handle it. You can be sure that we all take this as a very important duty of service to the membership.

The third topic that came in many of the gray statements is on the Independent Evaluation Office (IEO), and our engagement with it. Let me say as firmly as I can: We value this work. When we engage, we engage wholeheartedly and with an open mind. We have no intention to deviate from this commitment. We do, however, need to prioritize how we deploy our skills. And it is in that context that we are proposing some adjustments of the delivery from our side. Not to lose on quality, not to lose on impact, but to put it objectively in a correct sequencing.

And, more specifically, for those who are following up on the evaluation of Fund-Bank collaboration, I want to tell you that we have established a cascading engagement with the World Bank. This is clearly an

evaluation that we cannot answer only on our own. It is like clapping only with one hand. The Board will see that this is really an evaluation that leads to very pragmatic actions, especially extending it in the area of climate change.

Let me finish with the big ask that I have, and that is for the Board to make your contribution to this tightness of prioritization in our work that we ought to follow, if we are to be effective.

I want to give the Board some numbers that are relevant for this meeting. We are grateful that we engage, but let me give the Board the size of this engagement. We got 82 pages of gray statements. They included 55 questions, 70 technical comments, and, most importantly, over 40 suggestions for additions to the work program. I know Directors are doing it because they care about the work we do, the service to the membership. And I know it is a diverse membership; so different members of the Board will come with different questions and different priorities. But I am so very keen that we have a compact in which we all show maximum discipline in terms of setting priorities, correcting these priorities when it is necessary but in a very prudent manner, and that the Board helps us to be asking the staff for what they must do. There will be a time when we can be more generous with our demands on the staff, and we can ask for things that are good to do or are just interesting to do. But right now, we have to help the staff stay focused.

I have seen so many of my colleagues working on virtual missions over not a couple of days, as they normally would be, but over a couple of weeks, sometimes more than a month, in different time zones, exhausted. We do not want the quality of work to suffer. And this is my last point to open the meeting, as Directors come up with interventions, let us, as a responsible Board, be as tight and disciplined in our asks so the quality of our work maintains an exemplary performance, as we have seen it up to now.

Somebody told me that this crisis is like a soccer game. We played the first part well. That was the immediate response to the crisis. But there is a second part. The second half of the game is still ahead of us. And I want to be sure that we win; and for that, I need the players to be strong and not exhausted mid-term of the second part.

The Director of the Strategy, Policy, and Review Department (Ms. Pazarbasioglu):

I would like to talk about the areas where Directors expressed a strong interest for additional Board engagement. I am going to talk about the Comprehensive Surveillance Review (CSR) and the Financial Sector

Assessment Program (FSAP) Review, the Office of Internal Audit and Inspection (OIA) audit of the Enterprise Risk Management (ERM) framework, the delay in policy reviews, and the work on the SDR.

On the CSR and FSAP Review, many Directors welcomed the resumption of work on the CSR and FSAP Review. We just discussed it. At the same time, there were calls for additional Board engagement before finalizing the discussions, including a joint CSR/FSAP discussion on macro-financial surveillance. In response to these requests and in line with the IEO recommendations, we suggest adding a Board meeting on the integration of systemic risk analysis and macroprudential policy advice in Article IV consultations.

Let me also note that prior to concluding the CSR next spring, the Board will have several opportunities to further engage on specific aspects of the report. The recent discussion on climate change and the forthcoming meeting on data are all a part of this important engagement. And, of course, we will be continuing our bilateral outreach to Directors before the conclusion of the CSR.

The last point I would like to make is that, as we have noted in the presentation on the CSR: COVID-19 Update, the CSR is expected to have a gradual approach to changing surveillance modalities. Even after it has been endorsed by the Board, there will be opportunity to adjust as we explore these new modalities.

On the OIA's audit of the Fund's enterprise risk management framework, OIA is making good progress, and space will be made on the calendar for Board engagement when the exact timeline becomes clearer.

A few Directors raised concerns about the delay in policy reviews, including on the framework for excessive delays in Article IVs, the transparency policy, the Framework for Enhanced Fund Engagement on Governance. As the Managing Director mentioned, we are expecting extremely high pressures on staff resources, so we had to make very difficult choices in responding to the most urgent work. The conclusion of the CSR, in the spring, will free up a few staff resources. At that point, we will give priority and seek to conclude other reviews, commensurate with available resources, beginning with the review of data provision. We will update Board on the schedule of the upcoming policy reviews in the next work program.

Finally, on the Special Drawing Right (SDR), the work program includes the case for a general allocation during the twelfth basic period. The timing of this work is mandated by the Articles of Agreement; therefore, we gave it priority over the review of the SDR valuation basket. The staff sees a case for postponing the review of the SDR basket to 2022 to also help resolve portfolio rebalancing difficulties. The current starting date for the new basket is October 1, when financial markets in China are closed; we will need to find a more suitable starting date. On the timing for the consideration of an SDR allocation, we would be happy to have an earlier discussion, if there are indications of broad support from an 85 percent voting majority, as required by the Articles for any allocation.

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

Directors had questions about the inclusion of country matters briefings led by all area departments in this work program.

All area departments provide regional briefings to Directors ahead of the Spring and Annual Meetings. In addition, all area departments will now provide at least one country matters briefing a year. The African Department was already doing this. These briefings respond to Directors' calls for more regular briefings on specific country issues that may not be covered in the regional briefings. For example, these country matters briefings would update Directors on program negotiations, on off-track programs in specific country cases, the experience in integrating capacity development (CD) work with surveillance and programs, and on thematic issues that are relevant for a specific group of countries in that region--for example, oil exporters, tourism-dependent economies. Country matters briefings are not a substitute for Article IV consultations, and they are not linked with the CSR reform proposal.

Mr. Mouminah:

As we noted in our gray statement, we broadly endorse the work program. We commend management and staff for the exceptional response to the COVID-19 crisis, as Chair mentioned. Since uncertainty is still exceptionally high, the focus should remain on delivering on the Fund's core mandate and helping members secure a durable exit from this crisis, and I underline the word "durable."

In this context, we join colleagues in underlining the need to adjust and reprioritize the work program, as needed. We are happy to adjust, as the

Chair mentioned, giving the staff more breathing room. But the membership is also under a lot of pressure, so if we need to hire a third team to support the current team that is needed, we are open to that. As we mentioned before, in the context of the budget, if that is needed, we are open to it.

We also thank management and staff for the Fund's continuous support during the Saudi G-20 presidency. Looking ahead, we are pleased that the Fund will continue to support the Italian G-20 presidency's agenda to catalyze a coordinated global response, building on the progress achieved in 2020.

We would like to comment on a couple of areas.

On debt issues, we fully support the ambitious work on this work agenda. In this connection, we appreciate the Fund's support to the G-20 Debt Service Suspension Initiative (DSSI) and look forward to the assessment of the need for an additional DSSI extension by the time of the 2021 Spring Meetings.

Given the scale of the COVID-19 crisis, the significant debt vulnerabilities, and the deteriorating outlook in many LICs, debt treatment beyond the DSSI may be required on a case-by-case basis. In this regard, we see the Fund playing an important role in operationalizing the Common Framework (CF). Effective, well-tailored capacity development is also key to address debt vulnerabilities, and we welcome continued attention to that.

Turning to the CSR and FSAP Review, we note that the main points of the Board's presentation on integrating climate change will be included in the reviews. In this regard, we consider that, pending the completion of the management implementation plan (MIP) on the IEO evaluation on collaboration with the World Bank, progress on strengthening the framework for collaborative work on climate should be provided at the time of the Board meeting. This is crucial for making an informed decision on the Fund's role on climate change issues, given its mandate, expertise, and the need to maintain a flat budget in the coming year, especially in light of our discussion earlier this week.

On diversity, we agree with Mr. Chikada, that ensuring diversity is necessary for the Fund to enhance its traction by conducting accurate analyses and providing useful policy recommendations based on a deep understanding of each region. In this connection, we note that the upcoming recruitment and retention paper will include a section on progress toward the diversity

benchmarks. We would also like the staff to continue updating the Board on the Fund's efforts on this important issue.

Finally, on the lending options since the Chair brought it up, and we thank her for the clarification. I would just urge that, during this uncertainty, we keep all options open. Flexibility on the Flexible Credit Line (FCL) window, if it does not work or if it is not enough, let's also consider this and revisit this pandemic facility option.

Mr. Moreno:

We welcome the ambitious work program and share the priorities. I also share Chair's soccer analogy.

We have issued a comprehensive gray statement, so let me just focus on a few issues that are particularly relevant for our constituency on policy advice and lending.

On the policy advice front, the next year, as Chair said, is going to be critical. We will transition in two main directions: on the one hand, on the pandemic, increasing the emphasis on the recovery but, on the other hand, on the advice for the next decade as we move from the CSR, the FSAP reviews, and also on a number of macroeconomic policy discussions, including, the new paradigm of fiscal policy in advanced economies, which we think the Fund should definitely get involved in. We will highlight three main caveats as we make these transitions.

First, on the macro advice, we think that it is key to communicate more clearly country differentiation and country-specific advice. We are a mixed constituency. Our authorities have very different macro challenges and concerns. Chair mentioned low-income countries. We have Poverty Reduction and Growth Trust (PRGT) countries in our constituency; but also, middle-income countries are being left behind. We think that there needs to be a clear distinction between advanced economies, which have a much larger macroeconomic margin, and the rest of the countries.

Our ministers have concerns that the broad sense of the Fund's advice comes across as over-expansionary, with not enough emphasis on the medium-term challenges. We would caution on our communications through 2021. Probably, the way forward should be to frame the fiscal debate in terms of a dynamic strategy to fiscal policy, a sort of forward guidance to fiscal policy.

On the monetary front, equally, we would caution against extending the work on framework reviews to emerging economies before the crisis is over. We would also welcome the paper on macro-financial surveillance just announced by Ms. Pazarbasioglu.

Second, we would caution against an excessive emphasis on risk-centric analysis. Here, the main focus should remain policy advice and overall resilience to shocks. The current context is mainly of uncertainty, and restoring confidence is endogenous to the recovery itself. We think that there is even a role for risk analyses to be countercyclical to foster that confidence.

Third, we would like to signal our strong support for social and environmental sustainability, really on equal footing with fiscal sustainability, on monetary and financial stability. Here, there is a need to re-evaluate the Sustainable Development Goals (SDGs) and the widening inequality gaps as a consequence of the pandemic.

On the lending front, as we move to upper-credit tranche (UCT) programs, the IMF's lending and its catalytic role will be key in providing fiscal space for countries. In this context, we miss a more specific mention in the work program of the cumulative access limits debate, both for concessional and non-concessional lending.

On the toolkit, we take note of Managing Director's comments on the pandemic facility; but we would like to echo Mr. Mouminah's words: Keep all options open. The staff made a very good case on the pandemic facility. Also, we see scope in reviewing the Short-term Liquidity Line (SLL) too, in terms of Precautionary and Liquidity Line (PLL) qualifications, to make it more usable and complementary.

Also, related to lending, we would highlight the importance of capacity development, in the sense that for many low- and middle-income countries, really meeting conditionality largely depends on having timely capacity development. We need to scale it up and include probably more internal Fund financing, and a role for the Strategy, Policy, and Review Department (SPR) in this area as well to coordinate the departments.

On the SDRs, we welcome the discussion. This is the main missing element of the IMF's response to the pandemic. The very basic review is welcome. We have to be imaginative, maybe targeted to low- and middle-income countries, maybe with sort of a gentleman's agreement

between advanced and emerging economies to commit the new SDRs, if we approve it, into PRGT financing.

I also welcome Chair's comments on the work of the IEO. We would like to see those reviews sooner, rather than later.

Finally, we share the principles of prioritization and streamlining; but at some point, we need to assess if the flat budget strategy is serving our membership well. The world has changed a lot in the last decade, and it will continue to do so in the coming years.

The Chair:

I take what both Mr. Moreno and Mr. Mouminah said to heart. This is what I wanted to present in my opening comments on the flexibility of how we think of lending options. And, in fact, that is exactly the discussion we have had with the staff, that we have flexibility; we do not know whether it is enough. And we have to be laser-focused on making sure we have what is needed for this crisis.

Secondly, excellent point: do not cookie-cut your advice. And recognize that even on relatively straightforward issues, like do not withdraw support prematurely, countries have very different fiscal space; we have to calibrate it accordingly.

Mr. Tanaka:

We broadly support this comprehensive and well streamlined work program to tackle the current crisis like no other and realize a resilient economic recovery.

As we issued a comprehensive gray statement, I would like to offer the following comments for emphasis.

Firstly, on surveillance, given that the pandemic situations are becoming divergent among countries, we would like to reemphasize that the Fund should conduct its analysis and provide policy recommendations, fully taking each country's situation into account through both bilateral and multilateral surveillance. In this context, we encourage the staff to improve the External Balance Assessment (EBA) model for the External Sector Report (ESR), as we have reiterated.

On climate change, we support the Fund to deepen its analysis based on macro-criticality and would encourage the staff to provide well-tailored policy advice, depending upon country-specific circumstances and political economies.

Regarding the debt issues, we reiterate that collecting accurate and detailed data on debt, including the borrowing from private creditors, is indispensable to realize debt transparency and debt sustainability. We encourage the staff to make further efforts on debt data reconciliation, together with the World Bank, to improve the debt transparency of the debtor countries.

As to the digital currency, we welcome that the Board will have an opportunity to discuss a framework to weigh the costs and benefits of central bank digital currencies (CBDCs), taking into account design features and countries' levels of development, as well as policy objectives. This kind of framework has important implications for the potential countries, both issuers and users.

Secondly, on CD, as the longest and largest partner of the Fund's CD work, we welcome the staff's plan to enhance the engagement of the Board on this agenda. We look forward to comprehensive discussions to make CD more effective and efficient, and to enhance the strategic integration of CD, lending and surveillance.

Lastly, on lending and the Fund's resources, as to the discussions on the General Review of Quotas (GRQ), we would like to reemphasize that the borrowed resources, which are flexible and can be used promptly, should hold a prominent position in the Fund's resources and lending capacity. We also believe the borrowed resources should be reflected in the Fund's governance structure.

Regarding concessional financing, as the current crisis has a significant impact on LICs, as the Managing Director said, it is important for the Fund to provide enhanced support to those member countries. Japan is willing to continue our contributions to the Fund on this front. However, given the significantly increased financial needs by those countries, it would be necessary for us to well consider a holistic fundraising strategy and strategies, which include priority, sequencing, volume, timing, structure, and outreach to donors. Furthermore, in light of the increasing importance of financial contributions by donor countries to support the Fund's work, we believe it is essential to incorporate a mechanism to incentivize voluntary financial

contributions, including those to CD. This should be also reflected in the Fund's governance structure.

All in all, we endorse the work program to enter into second half of the game without extra time.

Mr. Trabinski:

We welcome comprehensive and ambitious work program which, overall, sets right priorities for the Fund. We particularly welcome the emphasis on debt and financial vulnerabilities. As Managing Director mentioned, an emphasis on the most vulnerable will be equally important going forward, given the uneven impact this crisis has on the membership.

As Mr. Mouminah, we recognize the hard work done by staff, for which we are very grateful, and we are impressed by the leadership of the management. To say that the Fund rose to the challenge would not be enough.

We have issued a gray statement, in which we strongly support the proposed work on debt vulnerabilities, the Fund's greater focus on LICs, as well as the importance of the resumption of the surveillance function. I will make a few specific comments that will be brief, to allow enough time for others.

First, we strongly welcome and support the emphasis on debt and the work streams aimed at reducing debt vulnerabilities and improving the architecture for sovereign debt resolution. The rising debt distress across many countries can only be addressed by upgrading the current global debt architecture. The Fund must play a crucial role in this work, and the work program puts an appropriate emphasis on it.

Second, given the current and the future demand for Fund resources, we support the point made by Mr. von Kleist in his gray statement regarding the need for regular updates to the Board on the adequacy of Fund resources and the prospective demand for these resources. This will be particularly important, given the role the Executive Board plays in overseeing the Fund's resources, but it would also be helpful for us to better understand Managing Director's perspective. If such an update or briefing could take place before the end of this year, we would be very much grateful.

Third, like Ms. Levonian and Mr. Rosen, we would have liked to see more attention being paid to one of the key pillars of the Fund's work,

namely, capacity development. If we take into consideration that the Fiscal Affairs Department alone has received more than 200 technical assistance (TA) requests just during the Annual Meetings, it seems justified to put more emphasis on this issue. Having only one Board session on CD priorities and one on building capacity in monetary and financial policies in fragile and conflict-affected states (FCS) may not be enough for the Board to adequately assess the developments in these key IMF functions. And here, I also wanted to support the point raised just seconds ago by Mr. Tanaka on integrating CD with surveillance and lending. This will be very important.

Finally, we are glad to see two less pressing but, nevertheless, important topics on the agenda, namely, the global approach to digital data frameworks and the paper on CBDCs. I also see your point on the need for prioritizing and streamlining, which I fully support. But given the increased reliance on technology among the membership, their rapid digitalization and the requests for TA received so far, would Chair and staff see some scope to touching upon macro-critical digital-related topics, such as cybersecurity and the digitalization of public services in areas where there is no overlap with other IFIs? We would appreciate an update on any plans in this area.

The Chair:

Capacity development is hugely important. We do want to integrate surveillance, capacity development, and program work. We need to think about how we present this to the Board because maybe it is not about having more meetings on capacity development but paying more attention to capacity development when we talk about surveillance and programs. But the point is very valid.

As to cybersecurity, interestingly enough, this is the week of cybersecurity at the Fund. We have had numerous very serious engagements. The work is deepening. We have created a new division on cross-border payments. It is in that context that we will see how we can keep the Board fully apprised, again, recognizing that we want to be economical in our pressures on staff.

Ms. Levonian:

I would also just like to join colleagues in truly thanking staff for all their hard work. Just to acknowledge, I know how everyone is probably feeling, given the burden that they are carrying, with everything that is going on.

Our gray statement included suggestions on refining, not necessarily increasing, the work program; but I want to underscore that this was really in the context of a very solid work program. Our overall perspective is that we have to be careful not to let the perfect become the enemy of the good, especially over the next six months. This theme is going to carry through in what I am saying.

First, the membership continues to look to the Fund for advice to manage this crisis. Multilateral surveillance is a big part of the agenda, with bilateral surveillance slowly shifting into gear. Good ideas need to be shared in a timely way, and we need to resist the temptation of holding them back for, for example, the spring edition of the flagships. Let's continue to use all the vehicles at our disposal, including an upgraded COVID policy tracker to share advice and the lessons learned as this crisis unfolds.

Second, we understand why the discussion on the review of concessional financing was deferred. We may well end up with a more coherent policy response by doing so. But there are trade-offs, and we are also delaying a potential decision to increase access limits for our poorest members, right now at a time when they need it the most. I believe that in such cases—and Mr. von Kleist can correct me if I am wrong—the Germans sometimes say, “better a sparrow in the hand than a pigeon on the roof.”

Third, and last, on this theme, and related to Chair's remarks this morning, the politics of a potential pandemic facility should not stop us from formally endorsing a pandemic lending strategy. Such a strategy can provide clear and consistent advice to the staff on how to approach programs in the crisis and will also send an important signal to our membership. I think that much of this work is happening organically, but we and many others felt that this was a loose thread in our crisis agenda.

I want to close with a few thematic observations.

The work program includes a welcome discussion on issues facing poor and conflict-affected members, but we are forgetting small developing states. I did not see the work stream that is going on in the work program.

I could not have said it better than Mr. Huh who, in his gray statement, stressed that the Fund should seize the opportunity to transform the Fund's engagement with this group of the membership and consider how to better

assist them from the exacerbated and persistent vulnerabilities as a result of the pandemic.

Like Mr. Trabinski just mentioned, and others, we were very pleased to see important debt-related items anchored in the agenda. I would just say that it will be important for those work streams and potentially new ones on maybe debt transparency to aggregate into a coherent strategy.

Lastly, many Directors felt that there was possibly a deprioritization of the role of the IEO in the work program, and the Chair has covered that.

With that, we look forward to implementing this ambitious work program with all of us, collectively together, over the next six months.

The Chair:

On pandemic lending strategy, we will see how we can engage to not lose sight of the building blocks ahead.

On the point on not getting the increase of levels, we share this sentiment. And it was a tough conversation because we were ready to come only with this; but then we thought, let us at least put a frame around it. There would be possibly other asks, but we will try to be expeditious, though.

When I say we are aiming toward the Spring Meetings, we want to be much faster. We do not want to overpromise today because this decision needs to be taken for the low-income countries. And I take everybody's points that there are groups of countries that we have to be attentive to, beyond the low-income countries.

Mr. Ronicle:

Let me start, like others, by saying that we think this is an excellent work program. Like the best-designed UCT-quality programs, it is parsimonious and focused on what really matters, as we continue to grapple with the pandemic. Let me try to keep my own intervention as parsimonious as the work program and focus only on developments, since we issued a gray statement.

As Managing Director said, prioritizing under constrained resources is never easy. We recognize the strain that staff are under and the exceptional work that has been done. We fully support the streamlining in this work

program, including the delays on illicit and tax-avoiding flows and the SDR basket review. In that regard, we noted that there were a few further suggestions in several Directors' gray statements, but we think there are two instances where the wrong judgment was made.

The first of these was the briefing on systemic risk analysis and macroprudential advice. I was very pleased to hear just now from Ms. Pazarbasioglu that this will be reinstated. For this chair, this discussion was one of the missing elements in the CSR and FSAP Review, which we are otherwise very happy with.

Second, I heard Chair's arguments on evaluation activities. We share the strength of Chair's support for the work of the IEO. But unless I misheard Chair, we would still like to see that reflected more strongly in this work program. From this chair's perspective, independent evaluation is a core part of our governance. We would not think of delaying the Risk Report or the budget, nor should we think of delaying the Periodic Monitoring Report (PMR) or management implementation plans. For us, these are just core processes that need to be delivered.

There were two further areas I would like to address.

On low-income countries, the logic of the delays in concessional financing review is very clear, and Chair has just restated that very helpfully. It would allow the assessment being prepared for the IMFC on external financing needs to inform our discussions on how we best support our lowest-income members, and that must be the right sequence. But we also need to recognize that some of our members are already coming up against the existing access limits, particularly the cumulative access limits. We would like to see those addressed as a matter of urgency. As a minimum, I wonder if the staff could provide an update on the PRGT program pipeline, noting, in particular, those countries where these limits are the most binding, perhaps alongside the review of temporary access limits. That would complement the information on the General Resources Account (GRA) pipeline that will accompany the update on the New Arrangements to Borrow (NAB) activation next week.

Finally, on the lending strategy, this chair was open to exploring a new facility or a window in the EFF. We recognize that there was not a strong consensus on the Board for either of those options. We support that proposal, that staff attempt to apply existing flexibilities to new program requests, but we stand ready to revisit this discussion. And I welcome Chair's reassurance

that they will come back to us as soon as they need to if this approach is not working.

Mr. Hilbers:

The work program rightfully focuses on our continued crisis response and the transition to a better economy. I have issued an extensive gray statement, so I can be short. Let me give you some of the key elements, why we like the work program, as well as some suggestions.

First, the agenda on debt: it is a big agenda being rolled out, and we have strongly supported it throughout. One area where I know Chair has high ambitions is debt transparency. We have to think out of the box here. Let's, for example, think about linking debt authorization to debt data disclosure or about the public debt repository. We certainly look forward to discussing that.

Second, on the issue of revenue mobilization, we absolutely have the tone right. Often, we think of developing countries when we talk about revenue mobilization, but this crisis has ravaged public finances across the globe. Diversifying the tax base by making taxation a tool for a green and fair transition is one of the key political challenges of our times. It is a question not only of fiscal but also of planetary and societal sustainability. In that light, let me welcome the Fiscal Monitor's attention to tax policies for a fairer economy.

Third, on climate, we just had a key Board meeting on integrating climate in surveillance. More attention to climate in bilateral surveillance will require more in-house expertise, but it will also provide us a lot of expertise and food for thought. We will learn from national best practices, and we trust that this will feed back into working papers and into the work program.

Still, on surveillance, since the start of the CSR and the FSAP Review, we have made a case for integrating both exercises. The discussion on macro-financial surveillance in Article IVs and the discussion of the trade-offs between the surveillance envelope is a discussion that should be part of these strategic reviews. We certainly look forward, as was just announced by Ms. Pazarbasioglu, to a meeting to that effect, as also emphasized by Mr. Ronicle just now.

Finally, on resources, I understand that we will have a Board discussion on concessional financing in January. We are approving, later this month, an increase of the cumulative borrowing limit. This makes it all the

more urgent to ensure that the reserve account and the subsidy account are on a sustainable footing. This would imply a complex fundraising round, so we will need to get the ball rolling as soon as possible. Plus, it is good to keep the issue of an SDR allocation on the Board's agenda. And there, we welcome Ms. Pazarbasioglu's comments on that and the so-called main missing elements, as mentioned by Mr. Moreno.

The Chair:

It is important not just to worry about the volume of debt but of the structure and transparency of debt obligations. Several speakers like Mr. Tanaka said that very important role we would play by having clarity on what it would take and how to raise the money in a structured and disciplined manner. So, we have all the financial components of what this work program requires.

Mr. Buissé:

Let me say at the outset that we think this work program is very sensible and very well balanced.

I like the focus on exiting the crisis and supporting the recovery, while keeping in mind the need for a medium-term agenda. We have issued a very comprehensive gray statement; let me just highlight a few key priorities.

First, as others have stated and Managing Director stated very clearly, the next six months are key to design our financing package for LIDCs. The report to the IMFC on LIDCs' financing needs over the medium term is a key milestone. We will clearly need to work on the PRGT to ensure sufficient long-term funding to these economies. Of course, we need to preserve the catalytic role of the Fund, but we should not forget that financing needs have reason with the crisis, and the SDGs continue to stand very far in the distance. So, we need a bigger PRGT. And we need to think proactively of gold sales and, of course, of a new SDR general allocation. In the short-term, finally delivering on the cumulative access limits would be much needed and appreciated by membership. Mr. Ronicle's suggestion on the calendar ideas would be an option.

On LIDCs, I also look forward to more engagement at this Board on CD, as others have mentioned.

And beyond, we liked the focus on FCS countries. A key milestone will be the Sudan heavily indebted poor countries (HIPC) process. We will need to strongly mobilize the First Special Contingent Account (SCA-1), and I look forward to this discussion.

Second, on our lending strategy, I heard Chair. But following Mr. Mouminah, Mr. Moreno, and others, let's keep all options on the table, and let's deliver on this agenda in the next six months. Well, let's assess the needs, and let's move quickly, if we think we need.

Third, we sound like a broken record; but, of course, we have very strong expectations on implementing our climate agenda with our work and aligning our internal resources with this objective.

Fourth, we thank staff for the information provided, that 50 countries will undergo an Article IV in the next six months. I would have a strong expectation that the default mode for 2021 will be for most members to have an Article IV. It is too important, in particular, to reduce the level of risks and to properly advise countries on the design of their medium-term strategies. Advice on winding down fiscal support and supporting fiscal sustainability will be extremely complicated, and the advice of the Fund will be key.

Finally, let me repeat again that the IMF will be a key support in implementing the international debt agenda. We welcome the very heavy work plan at the Board in this regard. I would like to thank the staff and management for all the previous work, in excellent coordination with the creditors. Going forward, Fund staff's support in implementing the Common Framework will be very much needed and appreciated.

Mr. Hosseini:

Thanks for the streamlined and focused work program for the coming semester. The Fund frequently has to address new and often unpredictable challenges, as it did in the case of COVID-19; therefore, it is essential that the Fund maintains its flexibility and nimbleness to adjust to new circumstances.

We are heading into new environment post-crisis. We believe the work program is appropriately focused on the challenges, as we see them today, but we also should recognize how rapidly the situation can change and be ready to adjust and adapt.

We have issued a rather detailed gray statement but would like to stress a few points.

First, we are very encouraged by the start of the vaccinations and believe that the success of the program worldwide will be an important boost to global growth. The extended time frame for reaching a critical mass in global inoculations that would stop and ultimately eliminate the pandemic are, however, less certain. There are problems ahead. Yesterday the U.N. Secretary General warned about a vaccine nationalism that could be leaving many poor countries behind. We notice in regional country briefings that only in one case, the issue of vaccine adaptation has been explicitly mentioned. We urge its extension to all regions.

Second, one of the unfortunate outcomes of the COVID-19 crisis was the abrupt halt in the progress of many developing countries toward reaching their 2030 SDGs. For many, the targets were already beyond reach even before the crisis. We welcome the planned work in this area and suggest a thorough analysis of the developing countries' spending requirements to reach the SDGs and, more importantly, their financing options beyond revenue mobilization, which is often limited.

Third, like many other Directors, we see a greater sense of urgency than is reflected in the work program in advancing the agenda on the Sixteenth General Review of Quotas and the new round of general SDR allocations. The Fund responded commendably to the emergency financing needs of members during the crisis through a temporary increase in access limits and borrowed resources; but over the medium- to longer- term, we see a clear need for a larger Fund with more durable resources. We share the expectations reflected in the work program that demand for UCT-grade facilities is likely to rise sharply as countries begin to address the permanent scarring effects and structural challenges often exacerbated by the crisis. The Fund needs to rely on its own core resources, its quotas.

Finally, it is important to recognize that priorities differ across country groups as regards the work program. We recognize the difficulties that management and staff are facing in prioritizing various demands on Fund resources and staff, but the core mandate of the Fund has not changed. In the next six months, and well beyond that, the Fund's major responsibility is to help its members steer their way out of the crisis and toward a sustainable inclusive growth path through focused policy advice, financial support, and technical assistance.

A stronger, durable global recovery with positive spillovers benefits everyone. Work streams should support and backstop this key objective. We can identify several projects that could be afforded a priority. I am sure other Directors could identify others. We urge management to take a fresh look the work program, with the aim of postponing a few projects that are not critical, and to shift the staff's time and resources to reinforce areas of greater priority.

Mr. Bevilacqua:

As others, I would like to start by thanking the staff and management for putting together a work program proposal that is ambitious and very comprehensive and we broadly support it. However, as mentioned in our gray statement, and in line with Chair's opening remarks, given that we are in the middle of a pandemic, with a second wave possibly hitting several economies before vaccines are widely available, I believe we can and should make the program even more focused. In such pressing times, we need to make sure that we get our priorities straight. An urgency and proximity to the Fund's core mandates should be our guiding principle. To be concrete, let me stress four points.

First, as Mr. Hosseini, I missed more allotment to discuss Fund resources and governance issues. Let us not be mistaken. The global economy is at an unprecedented vulnerable situation. A properly funded IMF will be key to ensure a strong and cohesive international monetary system. Early engagement in both formal and informal settings is crucial if we want to avoid the very poor results of the Fifteenth General Review of Quotas. We must be prepared to constructively discuss, without delay, governance issues that would unlock the review process.

Second, and related to that, the Board needs time to discuss a general SDR allocation, the adequacy of the lending toolkit, as well as time allotted to accommodate the likely increase in the demand for UCT-quality programs, as our members struggle to move into the next stages of this unprecedented crisis. Again, let us not be mistaken. The crisis is still upon us, and it will require extensive Fund support to the membership, including through lending. And let's not forget that, on top of the lending operations, a top priority during the period covered by this work program will be to strengthen the Fund's surveillance activities, and the Board will need to engage in surveillance accordingly.

Third, the Board needs full attention and time allotted to the comprehensive review on core aspects of Fund policies. In our view, the

ongoing CSR and FSAP Review will likely require more than a single formal meeting. As Mr. Mouminah, I believe we should engage in those discussions with a very open mind, taking into consideration the divergent views around the table. Similarly—and I fully take note of Chair’s opening remarks—the PMR and MIP for IEO evaluations are also critical to Fund policies and should be addressed sooner, rather than later, and on well-specified dates.

Fourth, research topics must be prioritized and possibly streamlined to accommodate topics that are urgent and closely related to the core mandate of this institution. As highlighted in our gray statement, a few topics put forth by the staff clearly do not represent priorities at this juncture. If given a choice between such lower priority topics and surveillance, lending, and review activities, we should choose the latter without hesitation.

We very much look forward to engaging with management and staff on the work program in what promises to be, as Chair noted, another fully loaded and very intense period for this Board.

Ms. Mannathoko:

We find the strategic priorities chosen appropriate, especially given the ongoing crisis management and efforts to secure a recovery in member countries.

The timely analyses and policy advice in priority areas has been and remains critical. In this regard, we wanted to thank staff for their hard work during these trying times. They are trying times for staff as well. We also appreciate the detailed responses to our questions. As we issued a comprehensive gray statement that was broadly supportive of the work program, I will highlight several considerations.

For us, the ongoing work to address the rising debt vulnerabilities and improve transparency for all, as well as for sovereign debt resolution, for us, this is clearly important work. We are happy that it is proceeding. We also look forward to the Fund’s timely implementation of the G-20 Common Framework, with guidelines provided to both debtors and to non-G-20 creditors, including private creditors, as well as to country staff because we think that providing guidelines will really facilitate the implementation of the process and will ensure that it takes off quickly.

Capacity development is also another key area in debt and fiscal management. This remains a priority, especially for low-income countries that

need it, but also for middle-income countries, a few of which are struggling in this area, as emphasized by Mr. Moreno. Flexibility in instruments is also of increasing importance, as noted by both Mr. Mouminah and Mr. Moreno.

Like Mr. Trabinski, we wanted to appreciate Chair's comments on looking at support on cybersecurity and issues like cross-border flows in the context of fintech.

For financing, we are happy that discussions on the Sixteenth GRQ are starting this week. Work on the PRGT and the third tranche of the Catastrophe Containment and Relief Trust (CCRT) and just on the general adequacy of resources will, of course, be essential. We wanted to thank Managing Director for the opening comments on the issue of financing needs.

The review of concessional financing will be critical for PRGT countries. Especially in our constituency, a few of these countries are experiencing large financing gaps, with adverse implications for stabilization and growth. They are trying to look forward to how they are going to get out of this.

The post-pandemic assessment of the Sustainable Development Goals will also provide useful inputs in helping to design the recovery. We also wanted to welcome the planned discussion in the context of financing needs, the planned discussion of a general allocation of SDRs. We think this will go far in alleviating the balance of payments pressures for developing countries in general.

Like Mr. Bevilaqua and Mr. Mohieldin, we urge the staff to consider bringing this discussion forward. We note also that, for the SDR issue, the staff do hope to redirect some new SDRs from those members who do not really need them, to areas where there is still a shortfall in financing. We think the whole exercise will be beneficial.

We welcome the resumption of surveillance. We also look forward to the review of the Institutional View and its linkages with the Integrated Policy Framework (IPF). For emerging market and developing economies and also small open economies, they will need the revised frameworks really to address the challenges that we know are going to come in capital flow management in the middle of all the uncertainty at this point. This was emphasized by Mr. Bhalla and Ms. Mahasandana in their gray statements.

Related to this, for foreign direct investment (FDI) flows in the capital account, we do note staff's response. The Fund's research indicates that the share of safe FDI and total FDI is still rising, and this is despite the base erosion and profit shifting agenda and the Common Reporting Standard initiative. We recognize that this is probably not work that the staff could undertake in the current cycle, but we just wanted to encourage the staff to consider this work in the future because we think it would help to relieve balance of payments pressures for affected countries.

I will not say anything on the PMR, because we have already touched upon it and it was addressed, but I would just like to highlight that we do feel that we are seeing increasingly a situation where maybe we, in the Board, need to be cognizant of risks from a flat budget because, as we prioritize and we shelve a few tasks, new risks are generated as we delay even some core work. We do hope that the budget discussion will find ways to help address this issue.

The Chair:

There have been a couple of members who were clear about having an open mind on how we make sure that we have not only adequate resources to fund members but also adequate resources to do the work. We are committed to a very efficient and tight Fund. At the same time, the world changes. New priorities need to be embraced. And we talked about climate, for example. I appreciate Ms. Mannathoko's last point. I do not take it for granted that we will end one way or another, but I do take it as important to be honest in assessing our resources, vis-à-vis what needs to be done.

Mr. Herrera:

We broadly endorse the key priorities set up in the work program. We fully agree with Chair about the importance of staying focused on the main challenges of our time, repairing a world economy battered by the COVID-19 pandemic. We must prioritize those issues that are important, urgent, and where we can have the greatest impact.

As we say in our constituency, it is better to have one bird in your hand, rather than a hundred that are flying. Most of the items in the work program fit this characterization perfectly well. For example, we strongly support the comprehensive and ambitious agenda on debt-related issues, including vulnerabilities, transparency, and debt resolution. Also, the focus of the upcoming flagships on the priorities to minimize long-term scars, tackle

the legacies of the pandemic, and address emerging financial risks in the corporate and commercial real estate sectors. Also, the review of lending policies to the most vulnerable members is timely. In the same vein, we welcome the ramping up of the Article IV consultations and FSAP reports, as well as the preparations to shift from emergency lending to upper-credit-tranche-quality programs, when possible.

In the coming months, we believe that bilateral surveillance should prioritize systemic and vulnerable countries and remain focused on the many macro-critical legacies of the pandemic. I took notice of the staff's clarification about the gradual addition of new issues, like climate change, inequality, and the digital economy in the surveillance agenda.

Other items in the work program are important but seem less urgent at the current juncture. In this group, we would include the work stream on central bank digital currencies or digital data frameworks. These initiatives should and could be resumed gradually when we can free up resources from other more urgent tasks.

There are other areas of work where the contribution of the Fund may be comparatively less impactful. On some items, such as the ongoing review of the monetary policy framework, important research is already being conducted elsewhere. Other items are further removed from our core skills or policies, such as climate change mitigation policies, carbon pricing, or corporate market power.

To end my remarks, there are some areas where we would like to see faster progress, although we fully understand the time and resource constraints that we are facing right now. Some examples are the review on the flexibility of our lending toolkit, where we take notice of Chair's opening remarks. Other examples are laying the groundwork for a successful and timely completion of the Sixteenth General Review of Quotas and the case for a new general allocation of SDRs.

Finally, we want to take this opportunity to recognize the staff and management for their extraordinary work in providing a rapid and effective response to the COVID-19 crisis. Over the past nine months, the Fund has delivered timely analyses and policy advice, as well as extraordinary financial support to members of our constituency.

Mr. Palotai:

Let me join other Directors in saying that this is a very solid work program, which we gladly support. As we contributed to the 80-odd pages of gray statements by over a page and also one question, I will just add that we support Mr. Trabinski's point on the importance of capacity development, which definitely deserves our attention. I also join Mr. Herrera in saying that we need to keep working on digital currencies, as our resources enable.

We understand and support Chair's efforts--in the introduction Chair mentioned--to prioritize our resources and trust that this will enable us to win the second half of the game and possible extensions. We are pleased to be working together on this.

Mr. von Kleist:

We broadly support the key priorities of the work program and would like to reiterate our appreciation, like everybody else, for the staff's very hard work in tackling and helping countries overcome the COVID-19 crisis.

The program strikes a good balance between the immediate needs of fighting the crisis, while gradually resuming the regular but indispensable business of the Fund: to safeguard global financial stability and, in this context, you know, such as the Comprehensive Surveillance Review and the FSAP reviews, to which we attach great importance, should be closely coordinated, as others have also commented.

We also welcome the resumption of the Fund's work on other key issues, such as climate, inequality, governance, and, of course, debt, including on debt transparency. We support the well-chosen focus of the flagship reports in this regard, with a view to promoting a resilient, inclusive, and green recovery.

Climate change has emerged as a central issue of global concern, given its significant economic, financial, and social ramifications. Against this backdrop, we are looking forward to better integrating climate change-related risks into the Fund's surveillance and the staff's more concrete proposals to this end.

We are less convinced by the Fund's role regarding data privacy and data protection. Here is something where I say we can reduce. We would

welcome additional comments by the staff on its expertise and comparative advantage in this field.

In the context of emergency financing, we strongly welcome the planned update on compliance with commitments made in letters of intent on transparency and accountability in order to ensure that the Fund's financial assistance is used appropriately. More generally, we highly value the Fund's engagement on governance and corruption and are looking forward to the review of the framework, as well as the Board meeting on illicit financial flows once the immediate crisis-related work pressures abate.

We would, like many others, also like to highlight the important role that the IEO and its reports play in informing the Fund's work and welcome Chair's remarks on this.

The IEO is like a compass on a long march. If one has it, one should use it to make sure one does not continue in the wrong direction. That is why we have the IEO, to check whether our bearings are still right or whether we need to adjust--among other things, of course, input from the membership, and so forth.

As regards periodic updates on the demand for Fund resources, the regular updates provided by the Finance Department throughout this year, and their dedicated work overall, have been much appreciated. We would very much welcome if these regular briefings could take place, either in writing or in a very informal manner, just so that we have an eye on: where are the resources going, what is the pipeline doing, and how are we on forward commitment capacity. . We would appreciate that very much, but it does not need to be formal. Another update on this before the end of the year would be very welcome.

Lastly, we would suggest adjusting the language on the review of the temporary increase in Fund access limits to not prejudge the Board discussion. In our view, rather than raising access limits, we consider it crucial to rigorously apply the existing lending standards, which include appropriately ambitious conditionality, and ensure the catalytic financing role of the Fund, which is in the long-term interests of all members of the Fund, especially also members who might need Fund support in the future.

Mr. Huh:

I would like to start by reflecting on the Board program in the past few months and want to recognize the enormous efforts of the staff. As we have already issued an extensive gray statement, I will focus on some important points.

First, the importance of debt sustainability. As we are aware of it, the public debt-to-GDP ratio will increase globally, at least by more than 10 percent just during this year. If the pandemic persists, as in the case of the Spanish flu, it will be much more than expected. Along with the issue of debt transparency--which is very important, surely--debt restructuring will be also a very important issue. I hope that the IMF will be well prepared for the debt sustainability issue, in particular, the debt vulnerability of the LIDCs and small states. In this vein, the increase of resources of the Fund--for example, the general SDR allocation--needs to be addressed through the Sixteenth GRQ.

Second, this chair is a big supporter of the proposed work plan to support the most vulnerable members; but, like Ms. Levonian, we see scope for more. As many small states have been hard-hit and confront unique challenges, the staff must continue to think about how to best support small states. In particular, the CD for small vulnerable states should be well designed, considering its feasibilities and special demands.

Third, on the pandemic lending strategy, as we move to the next phase of the crisis, there is still considerable uncertainty around the demand for financial support to our members. Discussing a holistic and well-considered framework, supported by scenarios and regular analyses of the Fund's resources, will be important to keep members informed about the possible need for more resources.

Fourth, on the surveillance and policy advice, like Mr. Bevilaqua said in his gray statement, we agree that bilateral surveillance should resume at full steam as soon as is feasible. In the coming months, the finalization of the CSR and the FSAP Review will be important milestones. We must review our practices and consider what we can learn from the pandemic and how we should readapt our models. We also support the better integration of macro-financial advice into surveillance and hope that a separate Board discussion on this issue will be scheduled in the lead-up to finalizing these reviews.

Fifth, the importance of collaborating with other institutions. This is the age of collective intelligence. With its formidable intellectual potential, I think that the IMF will be the leader and the coordinator of the collaboration. The IMF should facilitate such kinds of cooperation not only with the Bank but also with other institutions, while sharpening its specialties. In this vein, the management implementation plan on the IEO evaluation on working with partners needs to be completed with a possible minimum postponement. In order to effectively respond to the ongoing crisis, collaborations should come on time.

Finally, like Ms. Mannathoko, we would welcome further Board engagement on the implementation of the Integrated Policy Framework and how this will feed into the review of the Institutional View on capital flows with the IEO's evaluation of the Fund's advice on capital flows.

The Chair:

I can see that we have a fairly strong constituency on the IPF and how it fits with the Institutional View. Just to say to all who are interested, of course, we recognize the importance Directors attach to that and the countries attach to these discussions.

Mr. Pösö:

The work program we are discussing today reflects high ambitions also going forward. We have issued a comprehensive gray statement, so I will only raise three brief points for emphasis.

First, rising inequality and climate change pose crucial challenges where the Fund needs to find ways to help the membership to achieve better outcomes. We very much welcome the prominence of these issues in the work program and hope this will include work on policies that could mitigate scars on educational outcomes among children, especially in vulnerable families and countries.

Second, something that is also crucial for a prosperous post-pandemic recovery, but is not very prominent in the work program, are efforts to support open trade and fight protectionism. This is one of the central purposes of the Fund. Without this topic on our agenda, we do not have a full team on the football field. We were happy to see, from the answers to technical questions, that the staff are considering more initiatives in this area and will keep the Board up to date on the developments.

Finally, while noting the opening remarks, we still regret that the review of the concessional financing and policies is further delayed. This is an important discussion, as securing a self-sustainable PRGT is a necessity for the Fund to be able to serve its members with concessional financing evenhandedly. While awaiting the full review, we would like to ask for an interim update at the earliest convenience.

Mr. Fanizza:

We issued a gray statement.

I would like to reiterate that we support the proposed work program, which is clear and well-focused. Moreover, we think that the work program reflects very well the priorities of the presidency of the G-20 in 2021. Nevertheless, let me mention a few areas of work that are quite important for the G-20 discussion. I would like to mention the staff's work on capital flows, digital currencies, and cross-border payments. These are areas which were not mentioned in my gray statement.

I have to make another observation that regards debt transparency and vulnerabilities, which we see, of course, as extremely relevant per se, but particularly under the current crisis. We would like to propose considering the inclusion in the work program of a new self-assessment exercise of the G-20 Operational Guidelines for Sustainable Financing because the self-assessment exercise completed in recent years was conducted by most but not all G-20 countries. We would see this proposal like a possible candidate for joint work with the G-20.

Ms. Mahasandana:

We issued a detailed gray statement and broadly support the Fund's priorities laid out in the work program. I would like to offer a few points for emphasis.

First, effective policy advice and surveillance are critical to promote resilience and a sustainable recovery for--of the membership, given the uncertainty around the duration and the scarring effect of the COVID-19 pandemic. While we welcome the resumption of the Fund's Article IV consultations, we would like to stress the importance of the work to enhance policy advice and surveillance frameworks and also the integration of the policy advice on the financial sector and CD through surveillance. In this

regard, we support the work program to finalize the review of the CSR and FSAP. Like Ms. Mannathoko and Mr. Huh, we also reiterate the importance of the further work on the IPF and the review of the IEO on capital flows management to enhance the policy advice for the members, especially for the emerging market and small open economies in dealing with the volatile capital flows.

As mentioned in our gray statement, and also Mr. Tanaka in his intervention today, we urge the staff to continue their work to improve the EBA model, taking into consideration the implications of the COVID-19 pandemic to the global external imbalance.

We also would like to echo Mr. Pösö on the need to focus on the reform and developments of the trade policy and multilateral trade system, which seemed to be absent from the work program.

With the rising public and private debt vulnerabilities from the COVID-19 pandemic, debt-related policy tools to support the Fund's advice, including the multi-pronged approach on debt vulnerabilities and the Debt Sustainability Analysis for Market-Access Countries (MAC DSA), as well as the International Financial Architecture to facilitate debt restructuring would be very important to help member countries in calibrating appropriate policies, with long-term implications to ensure debt sustainability and a resilient recovery.

Second, the work plan on related Fund lending programs, access limits, and resources is critical to enhance effective financial support to the members, especially to the most vulnerable ones, like the LIDCs and small states. In this regard, we are pleased that the Sixteenth General Review of Quotas and the discussions on a general allocation of SDRs are included in the work program, which is essential to ensure adequate financial resources to meet the financing needs of the members in the long term. On the lending strategies, we agree with Chair on the flexible approach, but we also share other Directors' views to keep this issue open for consideration, when needed.

Third, we encourage the Fund to further address issues that may potentially limit the Fund's ability to perform its mandate effectively, given the threat on many areas of concern, such as enterprise risks, budget, and human resources. All these play important roles in ensuring that the Fund could effectively deliver service to its members and achieve the intended outcomes that have been set out as key priorities in this work plan. We, therefore, welcome the work plan to strengthen risk mitigation in key risk

areas and would underscore the need for closer engagements with the Board to discuss strategies to enhance ERM and the other crucial operational activities of the Fund.

Finally, we also would like to echo Mr. Bevilaqua and other Directors in expressing our concern on the proposal to delay the PMR and the implementation of some of the IEO's recommendations.

Mr. Bhalla:

We commend the compact and ambitious fall 2020 work program in the backdrop of the COVID-19 crisis, as articulated in the buff statement. Indeed, we are excited to be involved in the second half, as well as beyond that.

We endorse the focus of the key work stream in restoring confidence to foster jobs and economic growth, assisting the most vulnerable members, supporting a transformational recovery, governance reforms, and ensuring the Fund's resource adequacy.

As the Fund has to deal with multifaceted challenges, ranging from advising countries on coping with COVID-19, to devising strategies in response to the long-term scarring effects, there may be a need to identify a clear hierarchy of the near-term, medium-term, and long-term challenges, and accordingly assign the priorities and resources of the Fund for achieving these outcomes.

Given the unprecedented challenges to macroeconomic management, the WEO may also need to explore how long the accommodative macroeconomic policy stance needs to continue. The WEO can provide analytical policy guidance for the normalization of macro policies to impart economic stability and ensuring that early withdrawal of support by countries does not jeopardize the economic recovery process, which seems to be uneven at this stage.

The Global Financial Stability Report may focus on the near-term priority of assessing the macro-financial risks posed by the epidemic. This can involve several useful dimensions: the identification of risk as long term versus transitory, common risks versus country-specific and sector-specific risks, and advice on how the membership can prudently respond to such risks.

It is also important to undertake a continuous assessment of the debt sustainability of emerging markets. We welcome the continued stress and emphasis on the illusive issue of debt transparency. We expect the forthcoming review of the Debt Sustainability Framework for Market Access Countries in the context of COVID-19 to provide a robust understanding of this key issue and its medium- to long-term manifestation.

We broadly support the IEO recommendations to build up monitoring, analysis, and research, and to strengthen multilateral cooperation on policy issues affecting capital flows, and look forward to the implementation of these recommendations.

The provision of emergency financing at a faster pace with limited ex post conditionality has brought about a higher level of enterprise-wide risks. This needs to be managed. This has involved a trade-off in risks and a prioritization of difficult choices in the Fund's decision-making process. Beyond temporary measures, the resumption of regular lending activities can help to provide a better assessment of members' needs.

The focus of the Sixteenth GRQ should essentially remain on the adequacy of Fund resources, governance reforms, and the realignment of quota shares. To achieve a substantial reduction in the out-of-lineness, there is a need to give more prominence to formula-based, selective, and ad hoc methods, as was done during the Fourteenth GRQ. The equally proportional increases and the realignment would leave the existing quota shares unchanged and should be avoided. In particular, we would welcome work on a new quota formula that could achieve a broad-based consensus amongst the membership.

Mr. Andrianarivelo:

We broadly agree with the proposed work program. Therefore, I will emphasize a few areas where we think further work could be done.

Given the current environment of policy uncertainties and the risks induced by the COVID-19 pandemic, as Managing Director stated, it is essential that the Fund remains agile and ready to respond appropriately to the diverse membership needs.

First, regarding policy advice, financial support and capacity development activities have to be adapted constantly and remain actionable. We recognize the challenges in elaborating the work program but balances for

various and competing demands on Fund resources. But while we consider that the work program is broadly balanced, continued effort should be made to ensure that the discussions on some relevant topics concerning a large segment of the membership are not postponed too long to be discussed.

Second, on debt issues, we continue to stress the need to strike the right balance between containing debt vulnerabilities and providing room to finance a large part of the membership's development needs. To sustain growth, countries need to invest in infrastructure, but balancing debt sustainability and addressing infrastructure gaps through investment is challenging. The Fund should assist LICs to tackle infrastructure gaps, while preserving debt sustainability. In this regard, bringing private sector creditors into the Common Framework process is key. For us, the meeting held by G-20 on December 15 is a really important step. However, the Fund should deepen its analysis of the concept of productive debt.

Third, we welcome the briefing on tax policy in the COVID, post-COVID, and expect the issues of enhancing domestic resource mobilization in LICs to be addressed. In this regard, the Fund should help tackle illicit financial flows from LICs. This issue is a priority for many countries. This point is also made in Ms. Mannathoko and Ms. Maidi's gray statement. Furthermore, the institution's contributions on addressing tax avoidance, base erosion, and profit shifting is called for. This is particularly important for many countries in our constituency, which are confronted with the resistance from a few multinational firms.

Fourth, on Fund resources, we look forward to the forthcoming discussions on the Sixteenth General Review of Quotas, as was said by other Directors, and on the adequacy of Fund resources. We continue to consider the option of expanding the allocation of SDRs as an appropriate avenue to help address global liquidity shortfalls, especially in this period of pandemic. In this regard, we support Mr. Mohieldin's request for informal meetings on this subject, ahead of the discussion scheduled for June 2021.

The Chair:

I just wanted to pick up on a point that Mr. Andrianarivelo made, and it is on debt not being bad, per se. It is good when it leads to growth and improvements in living standards. Mr. Andrianarivelo said that they are interested in more work on good debt. I just wanted to recognize that, in the context of a discussion that tends to be more about the risks and problems

associated with that, we do have to recognize that there is good debt, productive debt.

Mr. Palei:

I do not think there is any doubt that we all appreciate this hard work. We, of course, believe that the work program is very good. But when you called on the Board to be reasonable and not to suggest too many improvements, I think this call is basically in vain because we all want the Fund to work even better than it does, and the work program is one of the main vehicles for us to influence the direction of the Fund's development.

I looked through my comments, and none of our suggestions seemed to be new to me. They have been on the table for a while. We just did not want them to get lost during this unprecedented period that we are living in. At some point, we have to focus more on our approach, on how we work on strategy, and this process should be gradual. So if not today, maybe these suggestions will be useful in the spring or at some point.

Yes, the COVID-19 pandemic contributed to the already long delays, but we consider this issue to be of utmost priority. From this point of view, I very much welcome the comments made by the staff at the outset of today's meeting and the information about the intention to provide the Board with an updated policy review schedule in the spring so that we can discuss it and revisit this issue in a comprehensive manner.

One of the delays that worries us a lot is the delay in the review of the application of the governance framework. We are afraid that such a delay in the review will be detrimental to our work in this area. We know that the work program does have a briefing scheduled. This briefing will be on the conditionality in the emergency programs, and it will highlight some of the best practices, but we question whether this is enough. I would like to hear additional comments from the staff on how the decision to delay the governance framework review--how this decision was made, and what could be the likely timing for the Board to discuss it.

Another concern expressed by many is about the management implementation plan for the IEO's report on IMF-World Bank collaboration. Chair addressed this issue at the beginning of our meeting and the arguments are well taken. In fact, we were among those who favored delaying this management implementation plan. It is a reasonable approach. However, we are somewhat reluctant to leave the deadline open-ended. It would be useful, I

think, to set at least some time when we return to the discussion of this deadline. We may delay it by six months or so, but we should not leave it open-ended.

We also consider the knowledge exchange to be extremely important for the Fund, and the IEO report highlighted that once again. My question to staff is: What would be an appropriate occasion for the Board to better understand the progress in this area? And what are our plans here? Technology exchange is the basis for improvements in the Fund's work. It is the basis for collaboration with the World Bank and other international financial institutions, and it is a priority. It should be part of the work program.

The Bank and the Fund's expertise intersects in many areas, particularly in the area of structural reforms. One of the key challenges here is how to evaluate progress in the area of structural reforms. We reminded, in our gray statement, about the promise made by the staff to hold a briefing on the database on structural reforms indicators. We believe that such a briefing was already arranged for the staff, in general, but the Board has not heard about this database yet. It was not presented to the Board. I would invite the staff to comment on when we can have such a briefing down the road.

Finally, the whole group of questions related to debt vulnerabilities. There are many issues. And here, I would like to support Mr. Rosen and also Mr. Jin. They will make their interventions after me, so I look forward to their comments. In Mr. Rosen's gray statement, we noticed the proposal to have a special meeting on the perimeter of the debt. We asked this question the last time we discussed the work program, and we were told that it would be part of the lending into arrears discussions. These issues are longstanding. We have been promised to return to this issue at the time when the lending into arrears policy was approved for the sovereign debt, but we are still waiting for it. This is one good proposal. Mr. Jin made a very good point, that we made a holistic approach. The balance sheet should be counted, and growth considerations also should be taken into account. These are two proposals that should be revisited once again.

Mr. Rosen:

We support this ambitious work program as we get through this difficult crisis.

Firstly, we appreciate that the work program emphasized the importance of multilateral and bilateral surveillance, as well as the completion of the CSR and FSAP Review. We also want to emphasize the importance of a timely completion of the review of Article VIII, Section 5, on data provision to the Fund, and hope the formal Board discussion on this can take place shortly after the finalization of the CSR.

On lending, we would also welcome a discussion on the Fund's overall strategy to lending in the COVID era moving forward, but we were a little puzzled by the staff's response, that this strategy will be presented to the Board only after sufficient experience has been accumulated. Perhaps, they could clarify that for us.

We strongly support the continued work in the program on debt. In particular, it will be key for the Fund to support the implementation of the Common Framework. We were pleased to hear that an update on the DSSI and the Common Framework will be provided to the Board next year, which we hope will accelerate the process of countries achieving debt sustainability.

As we mentioned earlier this week, we would also very much welcome the exploration of voluntary standards on debt transparency in the coming months. We are very glad--as Chair said today--that debt issues generally are considered to be the key priority for the Fund.

With regard to the budget, we would agree with Mr. Huh and Mr. Chikada's call for a clear and well-justified case for any additional resources. We hope that the Board discussions early next year will include detailed scenarios and potential trade-offs associated with maintaining a flat real budget.

Like many others, we want to express some concern about the limited role of the IEO in this work program. We do hear Chair's comments on this and we are very sympathetic to the pressures the team is under. But we would still call for the IEO's work to resume as normal going forward and would share the comments made by Mr. Ronicle on this today.

I also want to echo the remarks of Mr. Bevilaqua, on his points regarding research at the Fund and the need to focus it on key issues, addressing the crisis right now, which will hopefully free up resources.

We also want to support Mr. von Kleist, and others, regarding his comments on the Framework for Enhanced Fund Engagement On Governance.

Mr. Jin:

We broadly support the work program and would like to make the following comments for emphasis, in addition to our gray statement that has already been issued.

First, it is good to note that the work program covers issues related to climate change, the digital economy, and COVID-19-related issues. A few macro-critical topics, such as cross-border data usage and the carbon pricing and carbon border adjustments, are very important and need to be more thoroughly analyzed and evaluated. I noticed that, in the work program, this issue has been included.

Another issue that was raised in the last Spring Meetings by the Fiscal Monitor but has been missed in this work program, the competitive neutrality also deserves some attention. The Fund can continue to work on this topic. All these issues are the focus of discussions and controversies on many occasions. Why shouldn't these countries concerned sit together to discuss their common interests and differences and work out commonly acceptable rules and principles? For this purpose, it is more appropriate for the International Monetary Fund, with its near universal membership, to play an important role to lead a comprehensive and objective discussion. The Fund's work could eventually lead to the formation of international codes, standards, and best practices governing these important and often controversial macro-critical issues. In doing so, it will be more effective and influential to set up specially designated working groups in the Fund. The topic of these working groups should avoid looking like a prejudgment or advice, such as carbon tax border adjustment. It is better to be changed into a more neutral topic to avoid biased prejudgments.

Other topics, such as the international code or standard of cross-border data usage and the principle of competitive neutrality of state-owned enterprises (SOEs) under an IMF framework will be also very necessary and important, in my view. The working groups should be broadly representative and be able to conduct a comprehensive and unbiased study and make recommendations to the Board.

Last, we find one important topic also missing here; that is trade. While the Fund's continuous efforts to advocate and advise for free trade and a rules-based multilateral trading system, we believe more could be done to demonstrate the benefits of a cooperative and integrated trading system and the damage and cost of a fragmented and distorted international trading system.

The Chair:

We note Mr. Jin's suggestions. In the area of trade, we have a lot of experience. In the area of climate policy, this is relatively new for us; so, indeed, we have to be careful not to get too early locked into a position. I listened very carefully. Mr. Jin's views are worth a very good reflection on our side.

Mr. Mohieldin:

We issued a gray statement, and we broadly supported the work program, as you presented. I have four issues to emphasize.

I am very much encouraged by this bold and balanced approach that was reflected in the work program. On being bolder, perhaps, I would like to refer to the recent statement and the article by the African Union President Ramaphosa, about debt. He refers to going beyond the DSSI. But now, on a very critical issue related to debt restructuring beyond the DSSI, he is reflecting an African voice that the G-20's new Common Framework is, indeed, a move in the right direction and that it seeks to facilitate orderly treatment for DSSI-eligible countries. However, its success will depend on whether there will be appropriate burden sharing by private sector creditors as well. So, in addition to the excellent work of the Fund, there is extra work for coordination by the Fund, given the trust that it has.

In addition to that--and, again, reflecting not just African voices but, as we heard from other Executive Directors today--is the necessity of moving forward to consider other aspects of debt vulnerability when it is related to other borrowers, including middle-income countries. I hope this will be under our radar screen within this work program.

The second point, I am happy about the frequent reference to the Paris Agreement and the climate change, along with Mr. Buissé and others. But can I just add to what he said: Could we put that as well in the overall framework of the SDGs? While sustainability, through the climate agreement and the

Paris Agreement is essential, the Sustainable Development Goals, especially for developing economies is essential. We welcome the planned briefing on the staff's long-term financing framework, for whether and how the SDG goals can be achieved by member countries. In this context, I would like to commend the good attempt by our Fiscal Affairs Department in trying to cost the Sustainable Development Goals at the country level. We need more of that going forward, more SDG-based budget resources to help decision makers.

The third point is about digitalization, in relation to the Fund's work. Let me quote a friend of mine who used to be the minister of communication and information technology of Egypt. It was last year when he told me: In the past, he would adjust the sector for those who are very much acquainted with the modern technologies. But today it is a way of life. It is about leveling the playing field. It is about access.

We are facing digital inequality and, what our colleagues at the World Bank warned us of about the risk of a digital divide. And there is a leading role for the IMF in this area.

Everything that was said earlier about paying attention to special cases, to the fragile and post-conflict countries and their cases, including the adequate support required, as mentioned by Ms. Mannathoko, matters related to dealing with illicit financial flows, while we are trying to support them is essential, as mentioned as well in the context of governance and fighting corruption by Mr. von Kleist.

Before I leave, I hope that within the forthcoming months, we will be seeing some good progress in the case of Sudan, as we have seen the great efforts earlier to push Somalia to be part of the international financial system. Sudan requires this kind of attention going forward.

The Chair:

On the issue of how we align with the SDGs, we actually had, today, a meeting of the multilateral development banks, which the IMF attends regularly. The main purpose of the meeting was to adopt and endorse a report, a decade on the SDGs. The Fund has been quite active in that regard. We were asked at one point to, in a sense, price the SDGs, and I think the Fund did a very good job. In fact, the way we think about sustainable and inclusive growth, it very much fits the SDGs.

We are not “the” institution to hold the accountability pen; but, of course, we will continue to think of ways in which we help countries not to lose sight of this longer-term development agenda.

Mr. Mohieldin brought up Sudan, which has come up before, too. This is going to be very pressing. The country still needs to do work. We do have a staff-monitored program. We are making progress. We will be coming to Board. And to flag already today, we will need a country to step forward and say, we are prepared to be the one to do the bridge loan when the moment comes. Since that topic was raised, let me also add the way forward in this very practical manner.

I recognize Mr. von Kleist for being prudent in also saying that one can do less of; but the balance, I think one would agree, tilted more toward a high level of ambition. And I appreciate that. I do not take it negatively. I see it as we are a good servant to the membership and the membership wants more from us. But we do have to be disciplined and stick to a prioritized work program. We will reflect carefully on what the Board said they see these priorities.

The Director of the Strategy, Policy, and Review Department (Ms. Pazarbasioglu):

I am going to take two issues and then ask my colleagues to comment on the other two questions.

First, on the issue of debt, as the Managing Director also said, this is a very important priority for us. This morning, we had a management town hall that the First Deputy Managing Director chaired with the Legal Department, the Monetary and Capital Markets Department, and SPR. We have a big agenda on debt, on debt transparency, on growth-enhancing debt; as some of you had mentioned, debt sustainability, and, of course, the work with the G-20 on the DSSI and Common Framework. This is a very important agenda for us, and several presentations to the Board are planned. We just had one on Monday, and several more are planned in the coming weeks and months. I very much appreciate all the comments. Please rest assured that this is a key priority for us when we are devoting our resources.

On the issue of a pandemic lending review, we have this in the work program for fiscal year 2022 Q4, but we are very happy to do a presentation to the Board earlier, if that is desired. That would take the form of an informal Board meeting, where we could make a presentation. As there is no decision to be made, perhaps that is one avenue we could follow.

The Deputy Director of the Strategy, Policy, and Review Department (Ms. Kostial):

On Fund resources, let me start out by saying that we take the call from the IMFC to continue monitoring Fund resources closely very seriously. On the GRA, the Board will receive, next week, a paper on the update on the reforms of the NAB status of consent and effectiveness. That paper will look into the pipeline of GRA arrangements and outline purchases and will also cover the latest developments on the demand for Fund resources. Just to give you a sneak preview, we had updated you before the Annual Meetings; and materially, that update is relatively unchanged.

The same applies to the PRGT. The financial outlook for the PRGT has also not changed significantly since before the Annual Meetings. We plan to provide an update during the first quarter of next year, most likely in the context of a broader discussion of PRGT policy reforms and financing options.

Now, there are a relatively few cases--and Chad is one of these, and the Board recently discussed it--where program requests from a country in the next few months would exceed the current PRGT access limits. What we see is that, in the short-term, any needs above these limits could be met by a temporary use of GRA resources.

In summary, we are closely monitoring the adequacy of Fund resources, both GRA and PRGT, and we will continue briefing the Board on these.

On governance and the reasons for the delay in review: when we did the new governance framework, the idea was that we would have three years of Article IVs, and then we would undertake that review. Even at that time, we thought that three years of Article IVs might not even be enough. Now, given that we have had basically a year without Article IVs, the only thing that we are doing is to extend then the review through the spring of 2022 because we really want to also have a critical mass of Article IVs so that we can come to the right conclusions.

Let me also note that, for such a review, we would do a lot of outreach and surveys to really understand how successful we have been. We do not think the current time would result in a successful survey because the authorities are very busy still in managing the crisis.

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

Briefly, on three additional points raised by Directors.

First, on the status of the structural reform database. We fully concur with the comments that structural reforms remain critically important, including to respond to the possible impact of the COVID-19 crisis. We have faced delays due to competing pressures, but we have been able to make progress on the database. I am happy to announce that our expectation is to be able to launch it early next year. We also take note of the request for a briefing to the Board. We will consider this alongside several other requests submitted during this meeting, as the Managing Director said.

There was also a comment on knowledge management and exchange in the Fund and how important it is. We are planning to brief the Board on the key digital and business modernization projects in February, and we will use that opportunity to provide an update on knowledge management.

Finally, there was a question on the role of the Fund and its comparative advantage when it comes to data frameworks and privacy policies. Here, we do see the pandemic as exacerbating the existing trends and particular challenges when it comes to the global coordination of data policy frameworks. Data policy frameworks have major implications for growth, for financial stability, and cross-border activities and could play an important role also when we think about the post-pandemic world in the areas of finance, trade, and growth. It is with this approach, looking at the macro-financial and the macroeconomic implications of data policy frameworks, that we embark in this work, and it is also in response to increasing demands from the members for a better understanding of these data policy frameworks, as well as the role of multilateral coordination.

The Chair:

Thank you for the very comprehensive answers. What I take from this meeting is that we are in a strong alignment, the Board, management, and staff.

I want to thank the Board for being generous with its praise for staff. We will make sure that this goes down to rank-and-file colleagues.

I also take to heart what the Board said about the symbolism of how we integrate in the work program the responses to the IEO. We will take action to demonstrate in the work program that we are very committed, and it is serious. We will be calibrating these actions and we promise high-quality work in a timely manner.

I also recognize that many Directors requested when this is going to be done and not to leave it open-ended. And that may also strengthen the credibility of our engagements.

There is a lot for us to work with. We will be zeroing in on: Do we have the resources? Do we have the tools? Do we have the lending practices? We will accelerate as much as possible what we owe you for Board decision on low-income countries. We will be extremely prudent in how we approach our discussion on budget which, of course, is linked to what we are agreeing on in the Work Program. I take very, very careful note of all the comments Directors have made around the equal footing of lending, programs, capacity development, and, most importantly, how we integrate those.

As it is the practice, we will come back to the Board with the revised Work Program, based on the discussion today. Assuming that nothing is changing in that sense, we will publish the Work Program statement, amended, of course, as appropriate—amended in light of today's discussion.

The Chair adjourned the discussion.

ANNEX

- Managing Director's Statement
- Gray Statements
- Staff's Responses to Executive Director's 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	Oct-2020
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) • 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 • Inequality and social spending • Fintech • Trade • Productivity and growth potential; competition policy 	
Global Solutions	
<ul style="list-style-type: none"> • Climate change including green infrastructure • Inclusive growth and SDGs • Fragile states 	
Fund Policies¹	
<ul style="list-style-type: none"> • Comprehensive Surveillance Review (CSR) • Review of the Financial Sector Assessment Program • 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 • 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 <ul style="list-style-type: none"> • 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 • Inf. Restricted Session (to Brief): Briefing on Risk Management	Sep. 15	Sep. 16 • 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 • Inf. Session (to Brief): Trade Developments
Sep. 21 • 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 • Staff Briefing on Impact of Low or Negative Interest Rates • Inf. Session (to Brief): Corporate Insolvency and Debt Restructuring	Sep. 24	Sep. 25 • Inf. Session (to Brief): FY20 Budget Outturn and Crisis Impact on the FY21 Budget
Sep. 28	Sep. 29 • WEO, GFSR, FM	Sep. 30 • 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/20/3562

December 7, 2020

**Statement by Mr. Moreno, Mr. Guerra, Mr. Villar, and Mr. Lopez on The Managing Director's Statement on the Work Program of the Executive Board
(Preliminary)
Executive Board Meeting 20/118
December 10, 2020**

We broadly support the outlined work priorities in the work program (WP). We welcome the Managing Director's Statement delineating the WP of the Executive Board for the next six months. We find that the WP adequately reflects the strategic priorities underscored in the last global policy agenda and IMFC Communiqué. We also commend staff for maintaining their high-quality work and continuing their efforts during the second wave of the pandemic.

IMF decisive engagement with member countries continues to be paramount. Although we are starting to see the light at the end of the tunnel after encouraging vaccine developments, the COVID-19 crisis continues to dent our societies and economies, while uncertainty remains high. Even if positive developments build up, it will take time for a worldwide distribution of vaccines, making world recovery uneven and challenging macroeconomic policy management everywhere. Therefore, IMF must continue to support the membership in full performance on its surveillance, lending, and capacity development mandates.

Resource constraints should not limit the engagement with membership. Given limited resources and high levels of uncertainty, Fund's work will need to continue to be guided by prioritization, streamlining and flexibility to adapt to new realities. Nevertheless, we must be mindful that this strategy has also its limits and could lead to mounting risks, especially to Fund's reputation and traction of policy advice. At some point in time, we will need to assess if the flat-budget strategy is serving the membership well. We also caution on an excessive use of LOT procedures; prioritization and the sense of urgency in the current crisis context should not prejudice the importance of topics that could be relevant to the Board.

Surveillance

In the short run, Fund surveillance will be constrained by pandemic developments. In the current context, IMF's surveillance work and policy advice should keep focusing on

crisis mitigation and limiting the scarring on the economy, while preparing the path for recovery. Therefore, we welcome the well-focused selected topics for the next multilateral flagships. We also want to emphasize the need to closely monitor private sector debt vulnerabilities and to upgrade the analytical tools for the risk analysis of the non-financial sectors and their linkages to economic and financial stability.

Considering crisis-related risks, we strongly encourage the ongoing reopening of bilateral surveillance. This activity is essential to help members secure a sustainable and resilient recovery and ensure lending activities can shift to UCT programs. In the post-crisis era, Governance issues should play a key role in surveillance and program design, and we encourage staff to continue working on this issue. Additionally, the Regional briefings and Briefings on Country Matters will provide a valuable tool to learn from cross-country experiences and cross-cutting issues to better tailor Fund’s advice to country-specific circumstances.

More broadly, IMF surveillance must reinforce its scope on past trends and adapt to the impact of the ongoing global crisis. In this regard, the finalization of the CSR and FSAP review should be instrumental to enhance Fund surveillance with a focus on: (i) introducing a more dynamic approach to policy space analysis, particularly to fiscal sustainability; (ii) strengthening macro-financial surveillance to respond to new risks and vulnerabilities; and (iii) expanding and deepening the analysis of climate change, digitalization and inequality. To this end, the discussion on Immediate Data Needs will be relevant, although more work on data needs and data gaps to deal with emerging issues and new challenges is warranted. Since the pandemic has especially affected some vulnerable groups of the population, such as women, we had also welcomed a mention in the WP on future work on gender issues—including gender budgeting, inclusion and inequality.

COVID-19 crisis shows the relevance of policy discussion in the frame of the EWE. The pandemic—and the last GFC—shows that tail risks are not imaginary scenarios. The analysis and policy debate around extreme events could help facilitate prompt and coordinated policy reactions. We encourage staff to explore ways to enhance the outreach and policy follow-up of tail risks discussions, specially related to new risks on climate, health and cyber security.

Despite the relevance of the emerging issues in Fund surveillance, the IMF’s core areas of expertise should continue to be the focus of our engagement and policy debate. We would like to see in the WP higher engagement with the Board on issues that will likely shape the future IMF’s fiscal and monetary policy advice, including discussions on new paradigms for fiscal policy in an era of low interest rates in advanced economies. At the same time, we welcome the engagement on monetary policy issues in a context of low inflationary expectations—including the analysis of unconventional tools in major central banks, policy frameworks review and digital currencies. With regards to the UMP work, we see merit in developing a playbook on policy responses drawing on cross-country experience, but caution that this exercise should avoid becoming a one-size fits all framework but rather be mindful of country specific characteristics. The projected discussion on capital flows and the institutional view should build on the IEO’s evaluation proposals and the MD’s MIP. We reiterate our position that the forthcoming review of the IMF’s Art. IV and the ongoing effort

to develop an IPF should acknowledge prevalence and optimality of exchange-rate flexibility and monetary policy independence over nuanced policy advice.

However, we find that the IMF needs to walk on leaden feet in some of these areas with a country-tailored approach. On fiscal policy, the advice should make a necessary distinction between country specificities. Broad recommendations could create fiscal sustainability problems down the line, especially in a scenario of asymmetric recovery from the pandemic between AEs and EMEs. We consider that the way forward should be to frame the debate in terms of designing credible dynamic strategies for fiscal sustainability—a sort of forward-guidance to fiscal policy—targeting spending and taxation composition, or a balanced approach to budget multipliers. All these topics are interconnected and should be treated as a package in future Board discussions. On the monetary front, we welcome the work on framework reviews, although we caution against extending this debate to emerging economies before the crisis is over.

We strongly support the inclusion of climate change analysis in the WP. Fund’s involvement should continue to be guided by the macro-critical principle. Nevertheless, country-specific characteristics and authorities’ needs should be taken into consideration when addressing this topic. Although the Fund is better prepared to deal with adaptation and transition policies, some countries may need more focused advice on mitigation. Furthermore, to gain traction and effectiveness, we must remember the importance of political economic considerations when delivering policy advice.

Debt issues

We support the comprehensive agenda on debt vulnerabilities, debt transparency, and sovereign debt resolution. The briefing on Sovereign Debt Restructuring in August provided an insightful overview and set the basis for a well-focused future engagement. We reiterate the importance of the work on debt transparency, which should be complemented with a clear definition and coverage of the perimeter of public debt and public creditors and fully supported with a comprehensive CD strategy. Debt restructuring is a very sensitive debate. We should be very cautious on the bad signaling this debate could introduce if communication is not well managed. We ask staff for an intense informal engagement with the Board ahead of any formal meeting on the matter.

Support to most vulnerable countries

We encourage the workstream on vulnerable countries and LIDCs since they have been hardly hit by the pandemic and confront significant challenges. The planned report on Macroeconomic Developments and Prospects in Low-Income Developing Countries should provide a clear picture of the financing challenges and kick-start the analysis on how to address them in a sustainable manner. This work should also be linked to the G20 Common Framework to provide a long-term vision of sustainable financing options for these countries.

Just like national policies, IMF’s engagement with most vulnerable countries should gradually transit from an emergency mode to a recovery mode. Countries where the

impact of the pandemic has been profound should transition from emergency facilities to UCT programs. In this context, it is time to discuss the revision of cumulative access limits. The next Review of Concessional Financing will be an opportunity to discuss the issue, but we miss a more specific mention in the WP on this topic that should include both concessional and non-concessional facilities. Additionally, we welcome the proposed update on Governance Safeguards in Crisis-Related Spending and ask staff to draw lessons from this experience for future program conditionality.

We still view a new SDR allocation as the main missing IMF’s response to the pandemic. We understand the difficulties to reach consensus within the Board, but we should keep exploring viable options and finding the political momentum to push in this direction. The meeting on the Case for a General Allocation of SDRs is a good opportunity to make the proposal more attractive. We think this meeting should be brought forward as early as possible. Meanwhile, we should work on creative solutions, such as targeting the issuance to LICs and some MICs through a sort of gentlemen’s agreement between AEs and EMEs to finance the PRGT.

Lending policies

We also miss in the WP a follow-up on the review of the lending toolkit post-COVID. The Board discussion on the Fund’s pandemic response is unfinished and should be addressed sooner rather than later. Although we think the current toolkit is flexible enough to accommodate many of member countries’ demands, the especial gravity of this crisis and the likely avalanche of future UCT program negotiations creates an urgent need to continue working on enhancing and adapting the lending instruments. The aim is to provide additional fiscal space for countries with special needs and scarring effects, including longer repayment periods.

We are concerned on some misconceptions on precautionary facilities and future discussions should address them. We caution against the bias introduced on the SLL as a transition instrument for FCL exit. We defend that both instruments are different in nature—medium-term insurance versus short-term liquidity provision—and can even be complementary. Further, in our view, the main problem of the SLL is its FCL-type qualification, we still believe that PLL-qualification has the potential to strengthen its usability and encourage demand.

Capacity Development

We reiterate our concern on Fund’s engagement on CD with MICs. A more active and deeper engagement with middle income countries is needed and going forward, we would encourage a stronger focus in these countries. We usually refer to the MICs as the missing-middle countries, in the sense that they are not large enough, nor low-income enough to attract the priorities of CD and surveillance activities. In the current juncture, with new post-pandemic UCT programs in the pipeline, the Fund should be mindful that these countries largely depend on timely CD to be able to meet conditionality requirements, and act consequently. More so, beyond UCT programs, enhancing the Fund’s engagement with these

countries will be instrumental in the recovery phase to address the consequences of the pandemic and increase resilience.

Resources

We take note of the workstream on the adequacy of Fund resources and the preparatory work on the 16th Review of Quotas. Nevertheless, given current priorities, the agreed calendar to the Review and the complexity and political implications of this work, moving forward future discussions on quotas and the formula is fully justified.

IEO's evaluations

Finally, we are concerned on the delays to the response to IEO's evaluations in the WP. We understand that, in very specific circumstances, one-off delays may be justified. Nevertheless, staff and the MD should ensure any delay is fairly justified and is limited and exceptional. We would prefer to discuss the Periodic Monitoring Report on an early schedule, since we consider monitoring the progress of past MIPs as a useful tool to improve Fund's work.

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GRAY/20/3567

December 7, 2020

**Statement by Ms. Levonian, Mr. O'Brolchain, and Mr. Weil on The Managing Director's
Statement on the Work Program of the Executive Board
(Preliminary)
Executive Board Meeting 20/118
December 10, 2020**

The Board Work Program (BWP) reminds us of the tireless efforts that staff and management devote in the service of the membership. Thank you.

We welcome the Managing Director's statement on the BWP which achieves the difficult task of balancing needs stemming from the ongoing crisis with the resumption of key initiatives. The membership continues to need advice and extraordinary financial support to stabilize their economies in the face the COVID-19 crisis. However, this is the right time to ramp-up research that can support a resilient recovery and to resume medium-term initiatives that will be critical to achieving the Fund's mandate going forward, including but not limited to: 16th General Review of Quotas; the Comprehensive Surveillance Review; the FSAP Review; and the review of Data Provision to the Fund. Given the continued uncertainty regarding the path of COVID-19, we should be flexible in revisiting the BWP as warranted.

Against the backdrop of a balanced and well-crafted BWP, below we have highlighted opportunities to refine the agenda and important considerations as it is implemented.

Surveillance

The Fund needs to help members learn from one another. We welcome the proposed topics for the Spring flagships, including policy priorities to limit scarring and set the stage for the recovery. Given continued uncertainty regarding the timing of an effective vaccine, the Fund should continue providing a range of scenarios for the path of the global economy. With a gradual resumption of bilateral surveillance, it will also be important for enhancements to the Policy Tracker to enable greater sharing of best practices across the

membership. Perhaps a synthesis paper could accompany the flagships and provide a high-level summary of best practices and the most efficient policy measures that are gleaned from the policy tracker, database of fiscal measures, special series on COVID-19, and early themes from Article IVs, etc.

Area departments' briefings can provide a very useful assessment of common challenges facing particular regions, associated policy prescriptions and best practices.

With the Caribbean experiencing the sharpest contraction globally, and potentially facing a longer recovery than others given the slow resumption of tourism, we encourage staff to provide a deep dive on this especially vulnerable region in their Spring outlook. This may help catalyze the extraordinary financial support needed to support their recovery.

The Fund should be implementing a risk-based resumption of bilateral surveillance. We strongly welcome the inclusion of many Article IV consultations in the tentative Board calendar. We recognize that countries' ability and readiness to engage in Article IV consultations amidst an ongoing crisis is an important factor in resuming bilateral surveillance, but we encourage staff to take a risk-based approach wherever possible. This includes focusing on systemic or regionally important economies and countries that have experienced the global crisis especially acutely.

Lending

We missed any reference to formalizing the Fund's pandemic lending strategy. The Board has held two informal discussions regarding ways in which lending can be made more flexible and responsive in the face of this unprecedented crisis, including fairly broad support for making enhancements to the toolkit. The formalization of a pandemic lending strategy could be an important signal to the membership, even without the introduction of a new or modified facility. If management still intends for a pandemic lending strategy to be deployed, it will be important to conclude this discussion before a potential spike in demand for UCT programs so that staff have clear and consistent guidance on adapting conditionality to this crisis.

We continue to advocate for a general SDR allocation and welcome the planned discussion of the Case for a General Allocation of SDRs during the Twelfth Basic Period. The June 2021 timeline seems long given still pressing financing needs. We would welcome an informal discussion in Q1 2021 that could gauge shareholders' views and support timely decision making.

It will be important to ensure that the PRGT remains adequately financed to meet the needs of the poorest members. We recognize that the informal discussion on the Review of

Concessional Financing and Policies has been postponed to allow time for a more holistic picture of the financing needs of low-income countries. This decision will delay consideration of a further temporary increase in PRGT access limits to support extraordinary financing needs in the crisis, which is quite unfortunate. We very much look forward to discussing the Macroeconomic Developments and Prospects in Low-Income Developing Countries in April 2021.

The BWP does not include further discussion of ways to support vulnerable states that aren't necessarily PRGT-eligible. The Managing Director's October 2020 Global Policy Agenda committed to exploring ways to expand liquidity assistance in the event of shocks and support national efforts to strengthen resilience to natural disasters for small states. In furtherance of that commitment, staff explored the potential for the creation of a multi-donor Trust Fund that could support liquidity and resilience-building needs of small developing states. The BWP should seize on this momentum by providing an opportunity for the Board to discuss options to support small developing states' extraordinary financing needs.

Capacity Development

CD is a core pillar of the Fund's operations. When done effectively, CD is also among the Fund's most impactful work. It is therefore regrettable that CD does not have a more prominent place in the BWP. We encourage management to consider opportunities for the Board to help set the strategic direction of Fund CD, as well as to better fulfill its oversight responsibilities.

Policies to Support a Sustainable and Resilient Recovery

The Fund needs to take a comprehensive approach to public debt issues. We welcome the very good coverage of debt issues in the BWP, including discussions of: the Review of Debt Sustainability Framework for Market Access Countries; Fund Support for Debt and Debt-Service-Reduction Operations; Issues in Restructuring of Sovereign Domestic Debt; and preliminary considerations around the Review of the IMF's Lending into Arrears Policies. It will be paramount for these discussions to coalesce into a coherent strategy. We therefore request more regular briefings on not only the Joint WB-IMF Multipronged Approach for Addressing Debt Vulnerabilities, but also broader issues around debt, particularly ahead of the Spring Meetings. The Review of Data Provision for Surveillance Purposes will be critical for improving debt transparency and should proceed as soon as possible, potentially in the first half of 2021.

There is a welcome focus on core monetary and financial sector issues, which we found to be a gap in the last edition of the BWP. New items on Unconventional Monetary Policy,

Monetary Policy Framework Reviews, Building Capacity in Monetary and Financial Policies in Fragile and Conflict-Affected States, and Developing an Analytical Framework for Central Bank Digital Currencies are most welcome in that regard. It will be important for the Review of the Institutional View on Liberalization and Management of Capital Flows to draw on the lessons learned from the COVID-19 crisis in addition to the insights from the Integrated Policy Framework and the IEO's evaluation of the Fund's advice on capital flows. We missed any reference to a planned joint CSR-FSAP Board paper on Systemic Risk and Macroprudential Policy Advice in Article IVs. *Staff comments are welcome.*

Climate change must remain high on the Fund's agenda. We welcome the proposed discussion on integrating climate change into surveillance and we expect that the CSR and FSAP review will provide avenues to mainstream the issue. To help members secure the grants and concessional financing needed to support their recovery, it will be critical to mainstream Climate Change Policy Assessments that can underpin Disaster Resilience Strategies.

The BWP missed an opportunity to highlight the importance of addressing gender inequality. While past recessions have tended to affect the goods sector more heavily, the COVID-19 crisis has hit service industries harder, with disproportionate impacts on women. 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

We must continue to strengthen business processes and change the way we work to ensure that we can continue delivering for the membership through the crisis and recovery:

- *Risk Management* – We look forward to the final report of the Office of Internal Audit on the Enterprise Risk Management framework, which will provide an important basis for reform, including of risk governance, risk acceptance and tolerance, and empowerment of the risk function. We missed any reference to this agenda in the BWP, including the timing of the associated management implementation plan.
- *Accountability* – The ongoing crisis calls for a pragmatic approach to the work program but is not a reason to weaken core accountability functions. Little information was provided in support of the proposal to postpone the Periodic Monitoring Report (PMR) and the management implementation plans in response to the IEO Evaluation on Working with Partners: IMF Collaboration with the World Bank on Macro-Structural Issues and on long-standing open actions. We need to better understand the rationale and risks associated with

such a decision to be comfortable endorsing this approach, particularly in relation to the PMR which is a core accountability tool of the Board.

- *Accounting* – We noted that the Board date for the discussion on the future role of the SCA-1 has not been finalized. This discussion should not be unduly delayed as it will need to be coordinated with annual budget/income discussions and will tie-into the process of Sudan’s arrears clearance under HIPC. We also encourage a timely discussion of ways to isolate the volatility of pension revaluations on the Fund’s financial statements.
- *Operations* – We continue to expect that every effort is being made to reprioritize and reallocate resources to support the crisis-driven workload surge. In time, we expect an assessment of the impact of a prolonged period of remote work on the Fund’s operational effectiveness which can provide lessons learned for the design of core business processes.

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GRAY/20/3570

December 7, 2020

**Statement by Mr. Mohieldin and Ms. Abdelati on The Managing Director's Statement on
the Work Program of the Executive Board
(Preliminary)
Executive Board Meeting 20/118
December 10, 2020**

Statement by the Managing Director on the Work Program – December 10, 2020

We thank the MD and staff for the Statement, which focuses on the additional efforts needed to help members restore confidence for a durable recovery, minimize long-term scarring, and to build a more sustainable and resilient economy—in line with the Fall 2020 GPA and the IMFC Communique. We broadly support the streamlined priorities as outlined, and we commend the improvements in format that make it more user-friendly.

Regarding the proposed **focus topics of the Spring flagship reports**, we look forward to discussing staff's views in the *WEO* on the policy priorities to limit persistent scarring and set the stage for an inclusive and green recovery. We would appreciate that this work be informed by an assessment of the effectiveness of policies implemented so far and tailor policy recommendations to peer country groupings. The **GFSR's** focus on challenges in the corporate sector and financial stability risks in the commercial real estate sector is timely and responds to the Board's requests. *Will it be possible for staff to go beyond G20 countries and provide insight for a broader range of countries, building on area department analysis?* We presume the work on the corporate sector will be informed by the corporate sector risk analysis tool that is being developed and could presumably be applied by a broad set of country teams, unless data constrained. When looking at various aspects of inequality, we expect the **Fiscal Monitor** to provide best practice examples and to identify low-hanging fruits, measures that are more feasible to implement from a political economy perspective, and yet can have a significant impact on improving outcomes.

The **regional briefings**, including their thematic focus, has been useful. *We would welcome staff elaboration of the early thinking of topics.* We would be particularly interested in thematic regional work in the areas of rising debt vulnerabilities, climate change mitigation and transition, social objectives and inclusiveness, and digital transformation. Approaching this work from a regional perspective could build on the institution-wide work and hone-in on the aspects most relevant for each region.

We support the plans to expand the work agenda on **reducing debt vulnerabilities**—in all the different aspects mentioned in the report and expect that staff resources will be shifted toward this in the next six months. On the MAC DSA we have previously highlighted concerns that in this heightened state of uncertainty, staff should provide caveats on their growth projections, or present downside as well as upside scenario, to avoid an unintended adverse confidence effect. alternative scenarios are important and justified in view of staff’s upward revision of the growth outlook for many countries in the October WEO relative to the April WEO forecast. We look forward to staff briefings on the Common Framework and Extension of the G-20 DSSI and would appreciate having an initial briefing early in 2021.

The Fund needs to play its part in **supporting the most vulnerable** and we appreciate work streams in this area, including the focus on external financing needs of developing countries and **sustainable financing options**. Our Governors have repeatedly emphasized the need for a more innovative approach to financing for vulnerable countries, as reflected in the IMFC and G24 Communiqués and the Memorandum from the African Caucus. We, therefore, welcome the planned briefing on staff’s novel long-term financing framework for whether and how the SDG goals can be achieved by member countries. But we missed the timing of this SDN (Staff Discussion Note) and informal briefing.

Fund engagement on **Fragile and Post Conflict** situations should continue to be strengthened along the lines of the IEO recommendations and benefiting from focused CD assistance. We also missed any reference to work on assisting countries deal with large refugee populations, as the issue that has been called for in successive IMFC communiqués. For fragile and conflict countries that are not eligible to borrow from the Fund, we would welcome consideration of ways in which the Fund could help, perhaps by drawing attention to the economic and humanitarian plight in those countries. We place considerable weight on redoubling efforts to raise adequate subsidy resources for the PRGT, which would support our call for higher cumulative access limits under the PRGT.

Strengthening the analytical framework underlying our advice remains a high priority for our effectiveness as a trusted advisor and for traction of our advice. The Integrated Policy Framework (IPF) is an important aspect toward this objective, together with the many

workstreams to enhance assessment methodologies by FAD and MCM, of which we take positive note, and the compilation of indicators by STA. *Regarding the IPF, is staff still working to incorporate fiscal policy into the framework, which has become more critical in view of its role in pandemic response?*

Adequacy of Fund resources has played an important role in preserving market confidence during the early stages of the pandemic, and the doubling of NAB, now well under way, prepares us for the next round of financing requests. However, a quota increase and realignment of quota shares becomes all the more urgent and critical for the institution's credibility and effectiveness. The informal session on the Sixteenth General Review of Quotas-- scheduled to take place later this month, will provide an opportunity to reassess member views and openness to work together in the spirit of multilateralism to ensure the IMF remains at the center of the global safety net. Relatedly, we see that a discussion on the *Case for a General Allocation of SDRs During the Twelfth Period* is not scheduled until June 2021. We would appreciate an opportunity to have informal discussions in the interim on the prospects and obstacles of a general SDR allocation as part of the Fund's role in covid-response, and to consider possible reallocations and innovative use of SDRs. *Could this be added in an informal setting?*

IEO work has provided valuable guidance to upgrade the effectiveness of Fund analytical work and traction. We appreciate the priority the Managing Director has given to this work, and the recent Board discussions on the IEO on collaboration with the World Bank on macrostructural issues. We are pleased the Statement mentions the Management Implementation Plan on unconventional monetary policies evaluation by March 21, within six months of the September Board discussion. It would be much appreciated to have a similar timeline for the MIPs on the evaluation of IMF collaboration with the World Bank, and on the timely discussion on longstanding open actions. Proceeding with the usual annual periodic monitoring report (PMR) on progress with past implementation plans would provide a signal of continued commitment and attention to due diligence.

The statement says that the “**Work Program will be adjusted from time to time** to introduce topics of a strategic, thematic and/or cross-cutting nature that are closely related to the crisis and its resolution.” How is this different from normal practice of adjustments made in the past 6 months--which items were added that were not in the June Work program? In principle, we support the agility and responsiveness of the Fund to member needs and emerging issues.

We support the ongoing work on **modernization** projects, on the assessment and mitigation of **enterprise risk**, on enhancing **governance safeguards** for Fund lending, and on the

medium-term budget. On the latter, the fund budget has been stretched even before the impact of the current pandemic. We and others continue to make additional demands on staff to provide extraordinary support to the membership—and we firmly believe that the institution’s budget should take into account these demands in order to ensure effective delivery and staff welfare.

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GRAY/20/3580

December 7, 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 20/118
December 10, 2020**

We broadly support the key priorities of the Work Program of the Executive Board for the first half of 2021 as set out by the Managing Director. We reiterate our assessment that the Fund and its staff have done commendable work tackling the global Covid-19 crisis.

The work program strikes a good balance between prioritizing work related to the Covid-19 crisis while resuming the “regular” business of the Fund, in particular regarding topics which are essential to the Fund and its members from a more medium to long-term perspective, such as the CSR, the FSAP review, or the Fund’s work on climate, inequality, governance, and debt-related issues.

We support the well-chosen focus of the flagship reports in this regard with a view to promoting a resilient, inclusive, and green recovery. We also welcome that the work program strives to include the latest experiences with the Covid-19 crisis into the works ahead.

While we are in broad support of the proposed priorities of the work program we would like to offer the following additional comments:

Integrating Climate Change into Article IVs and FSAPs

Climate change has emerged as a topic of major global importance, including for the IMF, given its significant economic, financial, and social ramifications. We welcome staff’s thoughts on how to integrate climate change related risks into the Fund’s surveillance and look forward to proposals at a more operational and concrete level. Thanks to its universal membership and the instruments at its disposal, the IMF is well-placed to play a substantial role in advising members on macroeconomic and financial stability issues relating to climate change. This would, however, require a better integration of these issues into Article IV consultations and FSAPs. As staff rightly points out, a key criterion in this endeavour is macro-criticality.

Governance Safeguards in Crisis-Related Spending

We strongly welcome the Fund’s ongoing work to find appropriate means to ensure the compliance with transparency and accountability commitments in Letters of Intent by members that received Fund emergency financing. We attach the highest importance to ensuring that financial assistance by the Fund is used for its intended purpose.

Illicit Financial Flows

While we take note that the completion of the review of the Framework for Enhanced Fund Engagement on Governance is now planned for Spring 2022, could staff comment on whether it still intends to have a formal board meeting on “Illicit and Tax Avoiding Financial Flows”, which was originally intended for September 2020, but is absent from the current work program despite its continued high relevance.

Sixteenth General Review of Quotas

A Board briefing on the Sixteenth General Review of Quotas may provide a good opportunity to recapitulate the state of play and serve as a perspective for upcoming work. However, given the very early stage of the process, upcoming discussions can only serve as a preliminary orientation in view of the first progress report to the BoG due by the 2021 Annual Meetings. We reiterate our commitment that the Fund should be a quota-based institution and we are looking forward to further discussions on the quota review.

Briefings on Demand for Fund Resources

We would like to underscore the importance of periodic updates on the demand for Fund resources during this crisis and have very much appreciated the regular updates by FIN throughout this year. In our view, the role of the Board in monitoring the adequacy of Fund resources through such regular briefings, i.e. every 2-3 months and ad-hoc if need be, should be spelled out more clearly in the work program. In these briefings, which can be provided in writing or in board meetings throughout the crisis, we would expect information regarding the expected number and volume of financing requests as well as an update of the scenario analyses, both for GRA and PRGT resources, informed by an updated vulnerability exercise.

Accordingly, we would very much appreciate if staff could provide another update on demand for fund resources before the end of the year. Staff comments would be welcome.

Fund Access Limits and enterprise risk

We consider the language on the review of the “Temporary Increase in Fund Access Limits” (p. 5) somewhat biased towards further increasing access limits. This is concerning, given that the overall risk situation for the Fund has further deteriorated as shown in the latest risk report, and that increases in access limits were only agreed to on a temporary basis as exceptional measures to respond to the COVID-19 crisis. While acknowledging pressures stemming from the pandemic, the role of risk mitigation in times of mounting overall risk for the Fund becomes even more vital. Therefore, we consider it crucial to rigorously apply agreed lending standards and to ensure the catalytic financing role

of the Fund as well as adequate safeguards for the temporary use of Fund resources, as called for by the Articles of Agreement. This would include phasing out the temporary increases of access levels (rather than further increasing access to Fund resources and adapting risk tolerance accordingly) and continuing to move from emergency assistance to fully-fledged UCT-programs, where needed, to address temporary balance of payments problems.

First Special Contingent Account (SCA-1)

We welcome a discussion on this important issue. Could staff give an indication when approximately the Board meeting on this issue is envisaged?

Streamlining and Prioritization Efforts

While we agree that some flexibility and prioritization is warranted given the heavy workload and time-criticality of the crisis response, we want to underscore that the Executive Board's oversight function, which remains crucial with a view to the Fund's governance and legitimacy, should not be impeded by streamlining procedures.

Briefings on Country Matters

Could staff elaborate on the item "Briefings on Country Matters" which is intended to "present in-depth analyses of common challenges for specific groups of countries" (page. 2)? Are these envisaged as common regional briefings (as they used to be) or as an early implementation of CSR proposals?

Bunching of country items

While we acknowledge the extraordinary circumstances of the Covid-19 crisis, the renewed bunching of country items in December seems unfortunate. Against this backdrop, it will be crucial to ensure the timely circulation of staff reports. Looking ahead, we strongly encourage staff to try to avoid bunching in the months ahead.

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GRAY/20/3594

December 7, 2020

**Statement by Mr. Bevilaqua, Mr. Saraiva, Mr. Velloso, and Mr. Barroso on The
Managing Director's Statement on the Work Program of the Executive Board
(Preliminary)
Executive Board Meeting 20/118
December 10, 2020**

We thank management and staff for the very good and ambitious work program proposal, which is quite comprehensive while trying to keep the focus on the most pressing issues. However, the current juncture requires the program to become even more focused and responsive to critical issues related to the global pandemic. Such unprecedented environment will certainly require extraordinary attention from the Board—on top of the attention already required to engage in the highly consequential policy reviews and lending operations.

Adequate room should be secured in the work program to deal with a likely surge in demand for upper-credit tranche quality programs to support macroeconomic stabilization and growth after the pandemic. Given the high level of uncertainty surrounding the next stages of the pandemic, the Board should have leeway in its work program to consider complex Fund-supported programs and, therefore, to allocate enough time for the discussion of new lending requests. Of course, lending operations should run in parallel with strong surveillance efforts, which should recover full steam as soon as feasible. It is also important to increase the attention in the work program to core issues consequential to economic development on the wake of the crisis, which seem under-represented vis-à-vis perhaps more fashionable research topics that are arguably much less urgent. We welcome the two proposed meetings on issues affecting countries in fragile and post-conflict situations. That said, we missed an allotment for resuming the discussion on the adequacy of the IMF toolkit in the post-pandemic context, in which the use of precautionary facilities could also be covered.

The work program should give priority to Fund resources and governance issues. The Fund must be ready for a short-term increase in demand for its financial resources. Given the ongoing crisis, there are clear limits on how far the IMF can go on borrowing resources from the membership. The most legitimate and stable solution is to increase the Fund's own resources and to anchor the institution solidly at the center of the global financial safety net. Hence, the Sixteenth General Review of Quota (GRQ) is unquestionably critical and,

although expected to be concluded only by end-2023, we cannot afford another failure as in the case of the 15th GRQ. The delicate balance that must be reached to attain consensus for a quota increase includes addressing governance issues, particularly the quota formula, as a precondition. Therefore, beyond the two informal meetings envisaged for the next semester, we encourage further early engagement in more informal settings to help build consensus on some of the more intricate issues. In addition, we urge timely attention to a general SDR allocation combined with proposals to facilitate the flow of liquidity to support members most in need—we are concerned that the discussion may have been pushed too late in the agenda.

We welcome that the report on Macroeconomic Developments and Prospects in Low-Income Developing Countries will focus on the external financing needs of developing countries and sustainable financing options to fulfill the IMFC’s request. This analysis should provide a basis to consider the role of the IMF vis-à-vis other IFIs and ensure adequate support for PRGT countries in the pandemic and post-pandemic environment. We look forward to this analysis being made available ahead of the IMFC Spring Meeting, and thereafter informing the now delayed Review of Concessional Financing. In the meantime, we recognize that some countries are near cumulative access limits and as such, the Fund’s potential to support much needed strong adjustment programs in these countries will be impeded. We therefore reiterate our call to increase cumulative access limits and ask for proposals to this effect to be considered in the context of January’s Board on Temporary Access limits. Accordingly, addressing the case for commensurate PRGT lending and subsidy resources also requires suitable attention from the Board.

We support the discussion of government safeguards on crisis related spending, both in the context of Fund lending and more broadly under surveillance. It is important for the Board to discuss how to ensure the application of a common set of rules that can adjust to country-specific circumstances without losing evenhandedness. We need to avoid situations where governance safeguards in emergency finance are not consistently applied across the membership. In the context of surveillance, it is important to have a Board approved framework.

Regarding research themes, we need to focus on topics with high impact on the economic outlook and close to the core mandate of the institution. In such cases, it is important to retain ample opportunities for Board engagement. To be concrete, unconventional monetary policy and monetary policy frameworks are clearly critical for the Fund, given the need to better understand how major central banks will be able to provide stimulus given constraints on transmission channels. On the other hand, it is open for debate whether digital data frameworks or corporate market power issues command the same level of urgency in the current juncture. Similarly, post-pandemic assessments would be opportune once the pandemic has fully run its course. In the case of staff discussion notes, it would be important to have them shared with the Board with enough time for a proper analysis, and perhaps coupled with the now usual pre-recorded presentation and talking points. This would provide enough information to allow a Board or otherwise more technical meeting to be scheduled ahead of the final publication.

The Board cannot delay the highly consequential ongoing reviews of core aspects of Fund policies, as well as IEO evaluations and related work. We see with reservation that for each of the CSR and FSAP reviews only one formal Board meeting is being envisaged. The Board may need more time to discuss issues that have not been fully resolved, and the work program should provide more leeway for the Board before the decision point. The issue of restructuring of domestic debt also seems to require additional room for discussion, to avoid adopting a one size fits all approach in case of a rushed decision. We are very concerned with the proposal to delay the periodic monitoring review (PMR) and some of the IEO evaluations and management implementation plans to a later, non-specified date. The work program should not interrupt the flow of evaluations that is critical for the success of the work of the Fund. In case of any PMR delays, we would need some form of reporting to sustain the Board's engagement.

In sum, while we thank management for the well-rounded work program, we suggest further streamlining, based on the economic urgency of the times and proximity to the Fund core mandate. This would be helpful not only to provide critical room for surveillance but also for an increase in the demand for Fund resources.

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GRAY/20/3598

December 8, 2020

**Statement by Mr. Huh, Ms. Johnson, and Mr. Yoo on The Managing Director's
Statement on the Work Program of the Executive Board
(Preliminary)
Executive Board Meeting 20/118
December 10, 2020**

We welcome the Managing Director's statement on the work program of the Executive Board, which is appropriately balanced to respond to the unprecedented global crisis arising from the COVID-19 pandemic while resuming some longer-term reviews. The pandemic is continuing to place unprecedented demands on staff and management to meet the needs of the membership, in a different operating environment and amidst new ways of working. We acknowledge these efforts, but it also reinforces the importance of the work program focusing on areas to support members still battling the crisis and other members as they look ahead towards recovery. The Fund must ensure its lending, surveillance and capacity development remains deeply integrated to ensure we can effectively serve our members. Given the significant uncertainty around the pandemic, we remain of the view that staff and management should be ready to further adjust the work program and reprioritize as needed.

Debt

We welcome the continued and comprehensive focus on debt in the work program. We look forward to finalizing the Debt Sustainability Framework for Market Access Countries review, the continual updates on the G20 Debt Service Suspension Initiative and the implementation of the G20 Common Framework as well as proposed discussions on the Review of the Fund's Lending into Arrears Policies and the Review of Immediate Data Needs for Surveillance, which will be important for debt transparency. We especially welcome the deeper engagement planned on debt operations and restructuring of sovereign debt. The Fund needs to continue to look beyond the DSSI and consider what policy advice it should provide to member countries who have become highly indebted and have large budgetary financing needs as a result of the crisis.

Surveillance

Surveillance and Fund policy advice play a critical role for our members. We continue to welcome and support strong multilateral surveillance through the flagship reports, economic and financial market briefings, country and regional briefings which are valued and highly beneficial to the membership, especially whilst bilateral surveillance is still gradually resuming. The Fund needs to continue to enhance knowledge sharing on policy approaches and country experiences. The policy tracker could be leveraged further by providing comparative analysis of effective policy tools and the circumstances in which they should be deployed.

The Fund should be advising members on when and how to unwind fiscal stimulus and this should be the focus of the upcoming Fiscal Monitor. Unwinding the significant measures taken will require difficult judgments about when to stop cushioning the impact on individual firms and switch instead to facilitating the reallocation of capital and labor to permanently changed circumstances. Exit too soon could be a big set-back. Members will need policy advice from the Fund on the most effective ways to transition their economy. *Staff comments welcome.*

We remain concerned that the resumption of bilateral surveillance is not guided by a ‘surveillance strategy’. We welcome and strongly support the resumption of Article IV bilateral surveillance, but we continue to seek Board consideration of a strategy to implement a risk-based approach to determine how to phase the return. We do not have a thorough understanding of how the countries that will undergo Article IV consultations have been chosen and there is little oversight by the Board to ensure evenhandedness. We maintain that for 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 should be prioritized for the resumption of bilateral surveillance. *Can staff please comment on the strategy underpinning the selection of members for bilateral surveillance and its operationalization?*

We must continue to be innovative and find ways to better engage with, and serve, our members. We look forward to the continuation and completion of the Comprehensive Surveillance Review (CSR) and the Financial Sector Assessment Program (FSAP) Review. It is appropriate that both reviews take lessons from the pandemic, especially with regards to how to engage with members and to improve traction, exploring ways to streamline, as well as considering alternative approaches and modalities. We were disappointed that there was no mention in the work program on how to improve macro-financial surveillance, to give effect to the Board endorsed Independent Evaluation Office (IEO) recommendations on financial surveillance, which could form part of these reviews. We also caution staff about implementing integration of climate change mitigation into bilateral surveillance ahead of the finalization of the CSR, given the Fund’s overall mandate, expertise and limited budgetary resources.

Capacity Development

It is important for the Fund to continue to identify and deliver appropriate capacity development (CD). Bilateral surveillance is often an avenue for members to seek out, and for staff to identify, possible CD needs. We welcome the update on the implementation of CD priorities, and we look forward to this considering how CD is changing as a result of the crisis. This update should cover the priorities including emerging trends, the ability of staff to deliver CD in a virtual environment, an assessment of the identification of CD needs and any difficulties in implementation as a result of the pandemic as well as its budgetary implications. We also encourage staff to continue efforts to integrate capacity building needs into bilateral surveillance, which should focus on recovery efforts. *We welcome comments on how staff are ensuring that CD needs of members that do not have regular engagement with the Fund (either through a Fund supported program or while bilateral surveillance is gradually resuming) are being identified and met.*

Lending and Fund resources

The Fund must continue to reassess its toolkit to ensure it can respond to the needs of its members; the follow up Board discussion on options to support lending during the pandemic was missing from the work program. In this highly uncertain environment and as we transition to the next phase of the crisis, ensuring members have an appropriate level of program flexibility is important. The Fund should formalize a decision on a pandemic lending strategy ahead of the expected influx of potential follow-on programs. It will be important for staff to have clear and consistent guidance on how and when to adapt program conditionality as well as ensuring all members have access to Fund resources in an evenhanded manner. Relying on the existing toolkit in the face of such an unprecedented crisis could result in reputational risk for the Fund.

Regular and candid communication on likely resource demands are critical. It is important that the Board is kept engaged on resourcing pressures (including the range of potential scenarios) so a case can be made to the membership for the mobilization of additional resources. To ensure sufficient financing for the poorest members, it is critical that the PRGT is self-sufficient and the Review of Concessional Financing and Policies will be an important discussion in this regard. Given the postponement of the discussion scheduled for December, an update on the adequacy of Fund resources and demand for resources would be welcome. An update on the general adequacy of resources and fundraising efforts will also be a useful precursor ahead of considering the third tranche of the Catastrophe Containment and Relief Trust.

We continue to support the need for a general SDR allocation and welcome the proposed discussion on the Case for a General Allocation of SDRs. Many members – especially small and low-income countries – face exceptional financing needs and would benefit from a general SDR allocation. The protracted and unpredictable nature of the crisis means that this will likely be a relevant consideration into 2021. Scheduling the discussion for June seems late given the financing needs of many now. Looking ahead, we very much welcome the commencement of the discussions on the 16th General Review of Quotas.

Support for most vulnerable members

The Fund needs to continue to support its most fragile and smallest members. We very much look forward to discussing the external financing needs for developing countries as part of the Macroeconomic Developments and Prospects in Low-Income Developing Countries. More broadly, we welcome the discussion on Fund Engagement with Countries in Post-Conflict and Fragile Situations. But the work program did not specifically mention further efforts to support small developing states, who have been severely affected by the pandemic. The Fund should grab opportunities to transform the Fund's engagement with this group of the membership and consider how to better assist them from exacerbated and persistent vulnerabilities as a result of the pandemic.

Monetary and financial sector

The increased focus on the monetary and financial sector is welcome. The new and expanded set of analytical work on Unconventional Monetary Policy, Monetary Policy Framework Reviews and Central Bank Digital Currencies is welcome. This will be important considering the limited monetary policy space many members have, the interplay with fiscal policy, and the implications of continued use of unconventional monetary policy as many look to the Fund for advice on how and when to unwind unconventional monetary policy. It will be important to continue to press ahead with the work on the Integrated Policy Framework (IPF) and the Review of the Institutional View on the Liberalization and Management of Capital Flows and the recommendations from the IEO Review of the Fund's Advice on Capital Flows will be most welcome in this regard. We also encourage staff to update the Board on the on-going work in the context of the IPF on a regular basis and in a communicative manner.

Organizational issues

We acknowledge the ongoing efforts to reprioritize and reallocate resources to ensure we deliver for our members. While we recognize the increased work pressures resulting from the pandemic, staff and management should continue to undertake efforts to reprioritize the work program and reallocate resources within the existing budget envelope. As part of the upcoming medium-term administrative budget discussion, staff should present a clear and justified case for additional resources including detailed scenarios and potential tradeoffs. Staff will also need to carefully consider the resource implications of the CSR and FSAP reviews in the context of the overall budget envelope.

Staff must continue to press on with outstanding actions and management implementation plans (MIP). The final report of the Office of Internal Audit on strengthening risk management will provide recommendations that should be judiciously discussed and implemented by the Fund to ensure adequate enterprise risk management. It was unfortunate that this was missing from the work program and we look forward to the timing of the MIP. The work program provided little rationale behind the delay in the Periodic Monitoring Report (PMR) and the MIP for the IEO Evaluation on Working with

Partners: IMF Collaboration with the World Bank on Macrostructural issues and other open long-standing actions from MIPs. The PMR is a core accountability tool of the Board and the IEO evaluation on collaboration MIP will be important to progress ahead of any further work on climate change. As such, the Board should make an explicit decision on whether to delay these MIPs, taking account of the risks associated with further delay.

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GRAY/20/3599

December 8, 2020

**Statement by Mr. Chodos, Mr. Herrera, Mr. Lischinsky, and Mr. Corvalan Mendoza on
The Managing Director's Statement on the Work Program of the Executive Board
(Preliminary)
Executive Board Meeting 20/118
December 10, 2020**

We thank the Managing Director for the comprehensive Buff statement on the Fall 2020 Work Program, with which we broadly agree and support the key priorities. Uncertainty remains exceptionally high. The call to serve the needs of the membership in these challenging times, with extraordinary financial support, an objective analysis of the situation, and timely policy advice have proved to be extremely useful for the authorities of our constituency. The Fund has provided an effective response to the COVID-19 pandemic crisis. The side effects of the extraordinary monetary, fiscal, and financial policies implemented worldwide will be seen in the coming quarters and will require our institution's best efforts to create an environment for a secure and durable exit from the crisis. The speed of many laboratories to create vaccines to handle the pandemic is certainly an outstanding achievement that may restore confidence to reignite growth, create jobs, and bring this crisis to a close once vaccines get distributed and administered. For this endeavor, close cooperation of the Fund with other forums like the G-20, international and regional institutions, and development partners will prove essential to allow for a quick, strong, green, and inclusive recovery for the whole membership.

We concur that, to deal with expectations and restore confidence to foster jobs and economic growth, the Fund must provide consistent policy advice. The Spring flagships are the means to reach not only the membership but also the global economic and financial audience. We support enhancing the Policy Tracker and the Database of Countries Fiscal Measures in Response to the COVID-19 Pandemic which have been so valuable to our membership. The External Sector Report and Regional Briefings with more granular views will be very useful to deal with common challenges.

The surge of fiscal support in all countries to deal with the pandemic increased the debt burden across countries, and we support the Fund to continue work to reduce debt vulnerabilities and improve the architecture for sovereign debt resolution. Furthermore, we continue supporting all the work related to debt, the review of the MAC DSA, debt and debt service reduction operations; restructuring sovereign domestic debt; lending into arrears policies; and the G20 DSSI and its extension. In this semester, as the Fund and the Board continue resuming their surveillance work, two important issues will be discussed: The Comprehensive Surveillance Review and the Financial Sector Assessment Program.

Assisting the most vulnerable members, as the Managing Director's Work Program proposes, is a must for the institution. Several Board meetings will focus on LICs and Fragile and Conflict-Affected states, and Sustainable Development Goals (SDGs) will be assessed after the pandemic. Capacity Development is as important as lending for LICs and we support the discussion at the Board. The temporary increase in Fund

access limits during the pandemic will be analyzed and reviewed to learn if changes and extensions are needed, as well as the CCRT-Third tranche of debt service relief and the review of concessional financing and policies.

International cooperation with other institutions is warranted to facilitate the spread of the gains and benefits the end of this crisis might bring. We embrace the idea described in the Buff statement under the title “support a transformational recovery for a more sustainable and resilient global economy”. This opportunity to test whether multilateralism works for all will be relevant. International cooperation should help prepare the groundwork to explicitly assess whether the benefits from the potential expansion of the economy can be equitably shared in society as the pandemic wanes, while protecting the environment from further degradation.

Robust economic recovery may be needed to dodge lasting scars on the social and political fabric. During the pandemic, some countries were able to act decisively and do “whatever it takes” to manage the impact, while others acted on the premise of “whatever they can”, given their monetary and fiscal constraints. For the latter, the Fund has provided an immediate response and deployed significant financial resources for their benefit. The Fund acted by its mandate and mitigated the risks of the membership in a time of urgent needs. The Work Program under consideration clearly puts an emphasis on strengthening the monitoring of the institution’s risk profile, and the *OIA’s audit of the Fund’s risk management framework* will be handy. We believe the possibility to shift emergency lending to Upper Credit Tranche (UCT) quality programs when possible is appropriate. In this regard, as was planned at the time of discussions on Lending and the Pandemic, UCT should be reviewed to prolong its maturity. UCT also envisages not only fresh financial resources, but it also plays a catalytic role in bringing in additional support to members in need, complemented with technical assistance to implement domestic policy actions, and most importantly, convey the political ownership to carry it out.

Keeping the Fund financially strong with adequate quota resources and a well-motivated staff is vital to better serve the membership in these times of uncertainty. As a quota-based institution, we are glad to see the next discussions on quotas and the adequacy of Fund resources and we look forward to the series of meetings ahead for the completion of the 16th General Review of Quotas, including a new quota formula as a guide, by December 15, 2023. The income and budget discussions are also in this semester and we would like to have the budget discussions at the Committee and Board meetings well in advance of the initiation of the new fiscal year in May, to be finished before the Spring Meetings and not at the last minute. The discussion on a General Allocation of SDRs will also be important. The process of key digital and modernization must continue, and the issues related to staff, on compensation, recruitment and retention, and the staff retirement plan should be reviewed bearing in mind the exceptional response of staff during the pandemic.

A good communication strategy may be useful at this juncture to mitigate the rising risks of protectionism, nationalism, and retaliation around the world. 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 socio-economic policy. By the same token, it is also relevant to keep an effective communication strategy with our members to secure traction on our policy advice. Communication should also help translate and explain, as much as possible, that multilateralism works for the good of the whole membership, and that countries are treated evenhandedly. A clear effort in this direction might protect the social capital that connects us all. We still have some concerns that geopolitics, reform fatigue, and domestic political discontent may disrupt the efforts and the ambitious Work Program as it is presented if not clearly communicated.

Our institution is strong in its core mandates, and the Fund has a strong reputation and credibility in these areas. Special consideration should be given when we broaden our scope to better understand social protection, inclusive growth, diversity, migration, and climate change. The Fund’s capacity may be stretching its limits and puts additional strain on our human capital, as illustrated by higher overtime rates and fewer annual leave days used. We would like to reiterate our call to better coordinate and collaborate with other institutions that have a strong expertise in areas where the Fund does not, to look for positive synergies going forward.

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December 8, 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 20/118
December 10, 2020**

We thank the Managing Director for a good statement on the Work Program that is concise, balanced, and well-focused. We welcome the stress on debt vulnerabilities, climate change, green recovery, and inequality. We underscore that conducting surveillance on monetary, fiscal, and financial policies remains essential. We would suggest devoting due attention to deflation risks and the continued underachievement of inflation targets, as well as to the financing needs of low-income countries. We take note of the absence of any reference to the review of the transparency policy that, we believe, has become long overdue.

- We welcome the focus on **debt transparency and debt vulnerabilities, climate change, resilient, inclusive and green recovery**, and digital transformation. The ongoing COVID-19 related crisis has made these issues even more relevant. It is worth noting that these topics rank high among Italy's priorities for the G20 Presidency, and we highly appreciate the staff's support for it.
- At this juncture, the resumption of bilateral surveillance activities is crucial to ensure that appropriate policies are in place to foster a sound economic recovery. We appreciate the ongoing **reviews of the CSR and FSAP** and reiterate the need to devote adequate **resources to assess financial sector stability**. On the impact of the **pandemic**, we congratulate staff for the success of the **Policy tracker** and the related work, which have enabled a useful peer-learning process. Similarly, we value the staff's analysis on **Governance Safeguards in Crisis-Related Spending**.
- We welcome that the report on **Macroeconomic Developments and Prospects in Low-Income Developing Countries** will focus on identifying the external financing needs and on the feasible options to fulfill these needs, as requested by the IMFC. This analysis should provide a basis to consider the role of the IMF vis-à-vis other IFIs in ensuring

adequate support for PRGT countries. We look forward to this analysis being made available ahead of the IMFC Spring Meeting, and thereafter informing the now delayed **Review of Concessional Financing**. In the meantime, we recognize that some countries have come near cumulative-access limits. We therefore reiterate our call to **increase cumulative access limits** and ask for proposals to this effect to be considered in the context of January's Board on Temporary Access Limits.

- On **monetary policy**, we would encourage more work on **deflation risks** that have been on the rise and may have a major impact on both the stability of financial systems and debt sustainability. There is an urgent need to understand the reasons why **inflation targets have proved elusive** for more than a decade.
- We would like to highlight the relevance of the **External Sector Report** to better understand the trends and drivers of the saving-investment imbalances across countries, and the policy implications of the current “saving glut” in advanced economies.
- We remain concerned by the decision to postpone the discussion of the implementation plan for the IEO recommendations to strengthen the **World Bank-IMF collaboration** on macro-structural issues, because of the increased needs for structural transformations as a result of the pandemic.
- We look forward to the discussion on the **Case for a General Allocation of SDRs during the Twelfth Basic Period**.

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December 8, 2020

**Statement by Mr. Pösö and Ms. Ekelund on The Managing Director's Statement on the
Work Program of the Executive Board
(Preliminary)
Executive Board Meeting 20/118
December 10, 2020**

We thank for the Statement on the Work Program of the Executive Board (WP) and agree overall with the prioritized agenda presented. We **appreciate the increased focus on inequality** and welcome the proposed scope of the Fiscal Monitor. Getting a better understanding of the depth, the persistence, and the people most affected by increased inequality will be central to find effective mitigation policies. We would also encourage focus on equal opportunities, in particular on the scars that the pandemic has caused on education outcomes among children especially in vulnerable families.

We call for further focus and analysis on the reform and developments of **trade policies and the multilateral trade system**, which are central purposes of the Fund, but completely absent in the WP. The global trade landscape will have to play an integral role in the post-pandemic recovery adapting to the increasing share of services and digitalization.

We thank staff for recently presenting some concrete steps on integrating **climate change** into Article IVs and FSAPs and we fully support taking the agenda forward in this area. *Could staff elaborate on the next steps planned, e.g. will this discussion be followed up by formal proposals in the CSR and FSAP reviews in 2021?* Further, we encourage staff to advance the analytical agenda to find effective policies and practices in adapting to climate change and managing the transition to a low carbon economy and look forward to the SDN on Border Carbon Adjustments. We would also welcome if the Board could be briefed on the status of work to reduce the Fund's own carbon footprint.

We concur with the view of **timely conclusion of the reviews on Fund surveillance (CSR) and FSAPs** and would welcome another informal engagement on the CSR prior to the formal meeting to get a more clear understanding of the proposed reforms e.g. on the planned changes to the role of the Board. Also, we note that the earlier announced assessment of integration of Systemic Risk Analysis and Macprudential Policy Advice is not included in the WP and hope it can be added. We welcome the addition of “Briefing on Country

Matters” and would encourage cross-country analysis on contemporary topics such as crisis response and recovery policies and climate mitigation policies. However, we note that this should not come at the cost of country-level AIV discussions, which are necessary to get a full understanding of the effects of the pandemic and crisis related policies at the country level.

The significant increase in **debt vulnerabilities** and recent advancements in the global debt architecture warrant continued focus in the WP. We welcome the discussions enhancing the Fund’s ability to support early and orderly restructurings to minimize the costs of unduly delayed and insufficient restructurings. Nevertheless, more could be done to clarify how follow-up of different work streams relate to the Fund's contribution to the recently agreed Common Framework on Debt Treatments beyond the DSSI. A related but separate point is **domestic revenue mobilization**, where we welcome the planned May briefing on Tax Policy but wonder if the WP could also stress that this issue will be actively covered in bilateral surveillance work.

Monetary policy is at the heart of the IMF’s mandate. The current macro-economic environment, the related evolution of monetary policy tools and the completed and on-going strategy reviews of major central banks warrant increased focus on the Fund’s agenda. Thus, we very much welcome the proposed briefings on unconventional monetary policy and the monetary policy frameworks and call for continued analysis and engagement in this area. Furthermore, to manage the risks arising from the “**low for long**” **environment** increased focus, analysis and cross-country comparison on prudential policies is needed.

On **anti-corruption work**, we welcome the planned briefing on governance safeguards in emergency financing in March. However, above and beyond this lone briefing, there is no further attention in the draft Board work program paid to transparency, governance, anti-corruption and AML/CFT issues. That is a bit surprising, not least given public assertions from Fund management that these issues are of highest priority and important factors underpinning substantial progress in meeting the 2030 Sustainable Development Goals. Introducing a Board briefing on anti-corruption elements also in non-emergency Fund-supported programs would be useful.

We welcome the recent attention to **enterprise risks and risk management** and see a clear need for continued strong focus on residual risks related to the Fund's extraordinary pandemic response. We look forward to the discussion on next steps in implementing the OIA’s recommendations to strengthen the Fund’s enterprise risk management framework. We believe that that the WP could more clearly stress that prudent management of risks associated with temporarily higher access limits will continue to be actively pursued, in addition to ensuring that there are sufficient safeguards/reserves in place for both concessional and non-concessional financing frameworks. In this context, we regret the continuous delay of the Review of the Concessional Financing and Policies and ask for an **interim update on PRGT resources in different plausible scenarios** at the earliest convenience. For the Board to be able to monitor and assess the adequacy of Fund resources, we would like to underscore the importance of periodic updates on the demand for Fund lending also when it comes to GRA resources.

We reiterate our position that the Fund should be a quota-based institution and are looking forward to further discussions on the **16th quota review** as envisaged in the WP, including the plan to report progress to the Board of Governors by the next Annual Meetings.

Lastly, the Fund should continue to learn from experiences and continuously improve its working practices, including when it comes to collaboration with other institutions such as the World Bank. In this regard, timely **implementation of lessons from the IEO** evaluations should be given proper priority, while at the same time, the Board should continue to monitor the progress of the IEOs past implementation plans.

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GRAY/20/3603

December 8, 2020

**Statement by Mr. Chikada, Mr. Naka, and Mr. Nagase on The Managing Director's
Statement on the Work Program of the Executive Board
(Preliminary)
Executive Board Meeting 20/118
December 10, 2020**

We thank the Managing Director and staff for the update of the Work Program (WP) of the Executive Board. As mentioned in the beginning of the Buff, the Fund has played crucial roles to help member countries tackle the COVID-19 crisis by providing extraordinary financing support as well as timely analysis and policy advices during the first phase of the crisis. We'd like to express our highest respect again for staff who have made great efforts to address the crisis. To address the pandemic's severe impacts on economy and society and realize sustainable and resilient economic recovery of the member countries, the continuous support by the Fund, utilizing strategically integrated Lending, Surveillance and CD, would be indispensable. In this sense, **we support focusing the WP on activities with most critical importance to the member countries based on the priorities specified in the latest GPA and IMFC Communiqué.**

Prioritization and Sequencing of the Fund's Work

Given the limitation of the human, time, and financial resources of the Fund, prioritization and sequencing of its works and realizing synergies among them would be necessary to utilize the utmost capacity of the Fund. On this point, we welcome the staff's streamlining and prioritization efforts on the WP. We believe the Fund should continue to focus on its core areas, including macro-critical issues on the fiscal, monetary and financial policies, and should promote the effective cooperation with and demarcation of roles between other international organizations. We also see the current high uncertainty and downside risks surrounding the crisis as well as the increased burden on staff of the Fund due to the COVID-19 responses may necessitate further prioritization and sequencing of the WP if the situation changes.

Surveillance

Analyzing the impact of the COVID-19 crisis on the global economy and its future risks and providing necessary policy recommendations along with the circumstances of each member country are fundamental role of the Fund. Today, given the current huge uncertainty, the international society are closely watching the information and messages provided by the Fund. In this regard, while the COVID-19 is a common challenge to the membership countries, we need to well take into account that the situations of pandemic infection, economy and public finance are different, and diverging among countries. Based on this understanding, we believe the Fund should conduct analysis and provide policy recommendations in accordance with divergent situations among countries not only through the Bilateral Surveillance, but also the Multilateral Surveillance. Bearing this in mind, the Fund should make accurate and tailored external communications to be understood and supported by the general public and market participants. *In this context, we would like to hear whether the staff have a plan to hold a Board meeting for the Fund's communication strategy, which had been usually held in January, in 2021.*

As to the flagship reports of the Fund, we welcome the proposal to continue to focus on the analysis of the COVID-19 crisis and the policy discussions to realize the resilient and inclusive economic recovery. Concerning the ESR, we would like to re-emphasize the necessity to review and improve the EBA-model to accurately reflect the exchange rate evaluation in accordance with each country's different structures of current account. In this regard, we encourage both the functional departments and area departments to further deepen their cooperation to improve their analysis. To enhance the traction of the Fund through the Surveillance, it is important to continue constructive and thorough discussions on the CSR and FSAP review, looking ahead to the post-pandemic world.

Lending

Regarding the Fund lending, it is important to smoothly pass the baton from pandemic-related emergency financing to the Fund programs to address the medium- to long-term impacts of the crisis and macroeconomic issues. As we have pointed out previously, in order to implement lending policy of the Fund more swiftly and effectively, it is important to establish comprehensive lending strategy based on the relevant information such as whereabouts of the financing gaps of member countries and their total amount, the total demand for each funding facility of the Fund, and the sufficiency of the resource of the Fund.

In this context, we note that a Board meeting to review the "Temporary Increase in Fund Access Limits" is scheduled in January. We encourage staff to deeply consider the role that the temporary increase in the access limits of the Fund's emergency financing and annual access limits of GRA/PRGT has played in the prompt and flexible support for the member countries. In addition, to ensure the proper use of the Fund resources provided to the member countries, we welcome to have a Board meeting to discuss the "Governance Safeguards in Crisis-Related Spending".

Capacity Development (CD)

Improving policy implementation capacities, including the public fiscal management and debt management capabilities, is the key to achieve the resilient and inclusive recovery and sustainable growth of the member countries. To realize this goal, the Fund's effective CD support is indispensable. Given the importance of the CD as one of the three pillars of the Fund's organizational role, the closer engagement and regular updates on this matter to the Board is essential, and we welcome the plan to hold a Board meeting on the "Implementation of CD Priorities" in February. In this meeting, we expect to have a comprehensive discussion on how to make CD more effective and efficient. Especially, the strategic integration of the CD and Lending/Surveillance will not only enable the Fund to provide effective support to a member country, but other countries could also benefit from best integration practices.

Fiscal Policy

Given the prolonged crisis, deep analysis and policy recommendations on the desirable fiscal policy, both expenditure side and revenue side, and fiscal consolidation path looking ahead to the post-crisis are necessary for the member countries. The member countries are facing difficult challenges to work on fiscal consolidation in the mid-term, while tackling the COVID-19 crisis by utilizing fiscal policies. In addition, it is indispensable for the member countries to strategically utilize the fiscal policy to address the key issues like demographics and inequality. In this regard, we welcome to have a Board meeting to discuss the "Tax Policy in the COVID/post-COVID World". However, careful discussion would be needed when we discuss tax policy because each member country has various existing tax system and its fiscal, economic, and social situations is different. In addition, we would like staff to conduct analysis on the ways to improve tax administration of the member countries to maximize their revenue and realize fair and equitable taxation.

Debt Issues

Tackling the debt issues is one of the key roles of the Fund. The current crisis has exposed the debt vulnerability of developing countries, which had been increasing before the COVID-19 due to the expansion of non-concessional borrowing and untransparent borrowing. To address this problem, it is critical to make further efforts to ensure the debt transparency and debt sustainability. From this point of view, we highly appreciate that the Fund is planning to continue to discuss relevant important matters, including the "Joint WB-IMF Multipronged Approach for Addressing Debt Vulnerabilities", "MAC DSA" and "Lending into Arrears Policies".

Collecting accurate and detailed data on debt from debtor countries is indispensable to realize debt transparency and debt sustainability. To this end, we encourage staff to

provide the necessary CD for those countries to enhance their capability to pull together the data, and we urge staff to obtain as much data and information related to debt as possible from them during Fund's program consultations (e.g. name of creditors including private creditors, borrowing conditions and amount). In this context, we welcome the decision agreed in the Board meeting for "the Policy on Public Debt Limits in IMF-Supported Programs" this October to ask the member countries to provide debt data beforehand as one of the Prior Actions (PAs) of Fund's program, and to include a table of the main debt holders in the Fund program documents to the Board. We expect the staff guidance notes will appropriately indicate the points necessary to implement these agreements by the effective date, March 2021. In addition, we recognize it is essential to secure the cooperation by the creditor countries to address the debt issues, and we encourage staff to make further efforts on the debt data reconciliation together with the World Bank to improve the debt data transparency of the debt countries.

Resource of the Fund

To sustain continued effective and efficient support for the member countries, holistic fundraising strategy should be considered. As the COVID-19 crisis has a significant impact on low-income countries, it is important for the Fund to provide necessary supports to those member countries, and Japan is willing to continue our contribution to the Fund on this matter. However, given the additional various needs by those countries, it would be necessary for us to well consider a holistic fundraising strategy, which includes priority, sequencing, volume, timing, structure and outreach to the donors. Furthermore, in light of the increasing importance of financing contributions by the donor countries to support the Fund's works to help the other member countries, we believe it is essential to incorporate a mechanism to incentivize voluntary financial contributions, including those to CD, which should be reflected in the Fund's governance structure.

On the budget of the Fund, although we understand the role that the Fund is expected to play in the current crisis has been increasing, **we recognize it is important for the Fund to maintain the basic principle of the "real flat budget"**. When we consider the temporary increase of the budget to tackle the crisis, it is necessary for the Fund to make every effort to reprioritize and reallocate the budget first, and staff should clearly explain the necessity of the increase to the Board.

A transformational recovery for a more sustainable and resilient global economy

The issues surrounding Central Bank Digital Currencies (CBDCs) are directly linked to the Fund's traditional core mandate, including the monetary policy and financial system of the member countries and international monetary system. Therefore, we would like the Fund to focus their analysis on this area utilizing its macroeconomic expertise, and we welcome the Board meeting on the "Developing an Analytical Framework for

CBDCs” to discuss a framework to weigh the costs and benefits of CBDCs, taking into account design features, countries’ levels of development, and policy objectives. This kind of framework is expected to play an important role not only for the potential issuing countries to consider a design of the system of CBDCs, but also for the potential user countries, including the developing countries, to decide the use of other countries’ CBDCs.

Considering the spreading and increasing economic and financial impacts on the member countries caused by climate change, we support the Fund to deepen their analysis on this matter. However, given the divergent situations among countries, including the existing policies related to the climate change and energies, we believe the Fund should avoid taking one-size-fits-all approach in the surveillance, but provide well-tailored policy advices to each member country to gain traction. To this end, we urge close communication and collaboration among the functional departments and area departments on this matter.

Diversity

Ensuring diversity is necessary for the Fund to enhance its traction by conducting accurate analysis and providing useful policy recommendations based on the deep understanding on each region, especially under the current crisis. In this regard, we welcome the update of the “Diversity and Inclusion” this November. We found any Board meetings related to diversity issues are not scheduled in the WP, but we would like staff to continue to update the Fund’s efforts on this matter to the Board.

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GRAY/20/3604

December 8, 2020

**Statement by Mr. Hilbers, Mr. Cools, and Mr. Hanson on The Managing Director's
Statement on the Work Program of the Executive Board
(Preliminary)
Executive Board Meeting 20/118
December 10, 2020**

We welcome the Managing Director's Work Program. We continue to support the strong focus of the Executive Board Work Program on the crisis and its consequences. With the full membership of the Fund facing major economic and financial challenges as a result of the Covid-19 crisis, we are pleased to see that the MD has tabled a proactive and well-prioritized agenda, touching on many of the membership's most important issues.

We welcome the focus on a sustainable and resilient recovery from the current crisis, which is a key priority at this juncture. In our view, the Fund should continue to help members provide targeted and effective support for as long as necessary, implement a sensible withdrawal of these measures when appropriate, and lock-in a resilient and green recovery. To that end, we stress the importance of regular surveillance and policy advice, as well as **taking initiatives to further integrate climate change related risks and policies into surveillance.** In this vein, we welcome the well-chosen topics for the flagship reports for the Spring Meetings.

Financial surveillance

In the context of surveillance, the health of financial sectors should be monitored closely as well. Withdrawal of fiscal support might have an impact on the financial sector at a later stage, so the crisis may affect financial stability with a lag. In light of the increased importance of the financial sector and financial spillovers, we strongly advocate for enhancing financial surveillance and we stress the importance of completing the FSAP Review in tandem with the completion of the Comprehensive Surveillance Review. We also believe the Fund should continue work on emerging developments in the financial sector, such as Fintech, cyber risks and central bank digital currency. In this light we welcome the briefing on Developing an Analytical Framework for Central Bank Digital Currencies.

We stress the importance of a joint CSR-FSAP discussion on macro-financial surveillance. The Board presentation on the CSR on November 23 announced this Board meeting as part of the roadmap towards finalizing the CSR but we note that it is not included in the work program. We believe such a meeting is critical to discuss follow-up on the Board-endorsed IEO recommendations on financial surveillance. Before finalizing the CSR and FSAP Review, the Board will need to discuss the analysis of macro-financial risks in Article IVs and FSAPs and address the question of resources for financial surveillance. We believe that such a meeting needs to be added to the work program ahead of further discussion on the CSR and FSAP Review.

Debt vulnerabilities

We welcome the focus of the work program on debt vulnerabilities. As we move to the next phase in the Covid-19 crisis, debt sustainability will take up an even more prominent role in the Fund's work. The crisis resulted in a further increase in debt vulnerabilities, and we stress the importance of rigorous Debt Sustainability Analyses based on realistic assumptions in program documents. In this context, we also look forward to the completion of the MAC DSA review at the beginning of next year.

We support the planned work on sovereign debt resolution and debt transparency. We look forward to the review of arrears policies, in which we welcome a discussion on the perimeter of public debt and a possible link with debt data disclosure. The review of data provision to the Fund will be important to address key gaps in debt transparency. We also look forward to a Board meeting on options to enhance debt transparency in H2 2021, focusing inter alia on linking debt authorization to debt data disclosure, and the merits of a standalone debt transparency policy. We would welcome an update on staff's work program on sovereign debt restructuring to discuss progress and follow-up.

The effects of the crisis call for efforts to increase revenue mobilization and address inequality. We support the Fund's work to support authorities make the transition to an inclusive and green economy, while helping them broaden their tax base and preventing debt vulnerabilities from arising. We also welcome the focus of the Fiscal Monitor on inequality, and tax and spending policies for fairer economies. *We would be interested to hear more from staff about the scope of the envisaged board meeting on Tax Policy in the Covid/Post-Covid world?*

Lending strategy

We believe a Board meeting on the Fund's overall lending strategy is warranted. We welcome the different planned Board engagements regarding Fund lending, but we see added value in an integrated discussion on the lending strategy. Such a Board meeting could follow-up on the previous two discussions on the lending strategy in July and September. *Does staff foresee any follow-up on the discussion on changes to the toolkit?* A Board meeting could help us draw lessons from the lending experience during the pandemic so far, comparing the catalytical role of the Fund (vis a vis other IFIs, RFI and the private sector), the type of conditionality, the phasing of financing, and contingency planning across different programs.

We very much welcome the planned Board on governance safeguards in crisis-related spending, as such governance safeguards are in our view a key element in ensuring program success. We hope the IMF will follow-up on these committed governance measures in upcoming programs and provide technical assistance where needed.

GRA and PRGT Resources

We very much value the staff briefings on Fund resources and would appreciate regular updates on this issue. Given the uncertainty of future demand for Fund resources, we would appreciate regular briefings on the near-term outlook for the GRA and PRGT, at a 2- to 3-month frequency. The Board presentations in October, July, May and April are an excellent template for such meetings. *Does staff see scope to provide an update on Fund resources before Christmas?*

We highlight the importance of maintaining the adequacy of Fund resources. We welcome the discussions that are foreseen on the 16th GRQ, the adequacy of Fund resources and the review of concessional financing and policies. We also welcome the Board discussion on the case for a general SDR allocation. *Could staff elaborate on the considerations and expectations for the latter? Would this formal Board be preceded by informal Board engagements?*

Risks

We welcome the attention paid to enterprise risk identified in the 2020 Risk Report and stress the importance of studying how to mitigate those risks. We look forward to the final recommendations by the Office of Internal Audit and Management's action plan to continue making good progress in this area.

Cooperation with other institutions

We support continued cooperation with other institutions, including the World Bank and the FSB.

We look forward to the management implementation plan in response to the IEO evaluation on IMF Collaboration with the World Bank on Macro-Structural Issues. In the area of climate change, we welcome the contributions of the IMF to the Network on Greening the Financial System and the Coalition of Finance Ministers for Climate Action.

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GRAY/20/3605

December 8, 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 20/118
December 10, 2020**

We thank the Managing Director and staff for the opportunity to discuss the Fund's Work Program. We recognize that staff remain under a significant amount of pressure and we are impressed that output remains consistently outstanding. With new Covid-19 cases increasing across most of the world, the immediate crisis response from the Fund is not yet over. However, even as the pandemic's course remains uncertain the Fund has an important role to play now in shaping policy and the long-term path for the global economy. This is a huge task and reinforces the need for thoughtful prioritization. We support the broad direction set out by the Work Program and provide some comments for consideration.

Crisis response

The pandemic has triggered supply and demand shocks and we are still in the midst of an unprecedented, deep, synchronized global downturn. Whilst a medical solution to the crisis is in sight, the economic path ahead remains difficult and prone to setbacks. We do not yet know what balance of payment needs will be faced by members in the next stage of the crisis and what therefore will be the appropriate lending modalities and features to ensure the Fund is able to fulfil its role at the center of the global financial safety net. We were therefore surprised that there was no further update to the Board scheduled on the lending strategy. We understand that there was no majority for a new Pandemic Crisis Facility; however, we think staff need to provide an update to the Board on the evolution of demand for programs and set out a strategy to respond to that demand. *Staff comments would be welcome.*

We welcome the update on governance controls in crisis-related spending. This will be especially important if fewer than anticipated members seek multi-year arrangements which would have been the appropriate way to address longer-term structural issues that underpin poor governance and corruption.

Surveillance

It is right that the Fund pivots its analysis and advice from crisis to recovery now, to avoid missing the moment of maximum traction. We therefore very much welcome the proposed focus of the spring flagships. *With regards to the GFSR, could staff comment on whether NBFIs risks will be covered given the vulnerabilities exposed at the start of the COVID-19 crisis and ongoing FSB efforts to address the regulatory gap in this area?*

The finalization of the CSR and the FSAP review are important milestones in the coming months. Both are crucial to ensuring that the Fund's surveillance is fit-for-purpose over the next decade and able to respond to future challenges facing members in a timely, effective and impactful way. This chair continues to be a strong supporter of more dynamic and joined-up surveillance.

With that in mind, we were disappointed that the SPR-MCM briefing on integrating macro-financial linkages into Article IVs was not featured in the draft calendar. This was promised as part of the roadmap towards finalizing the CSR review during discussions just a few weeks ago. At that stage we, like many chairs, refrained from commenting in detail on this important priority, given the explicit assurance of a separate Board discussion. Such a discussion is crucial to ensuring comprehensive follow-up to Board-endorsed IEO recommendations on financial surveillance. A clear and shared understanding of how financial sector issues will be incorporated into Article IV surveillance going forward – and how this links to the deeper and less frequent FSAPs – is critical if the surveillance reviews are to be completed in a satisfactory manner.

Integrating climate and environmental issues into the IMF's activities is important for long-run macroeconomic sustainability. We welcome the Fund's recent work in the flagships and in some bespoke bilateral surveillance. We look forward to climate being embedded systematically into surveillance work going forward. In addition to the CSR and the FSAP review, *we would welcome an update on timelines for the delayed review of CCPAs.*

Assisting the poorest and most vulnerable members

We strongly welcome the comprehensive agenda to reduce debt vulnerabilities, strengthen transparency and improve the architecture for sovereign debt resolution. In addition to the work set out here, we look forward to the Board update on debt transparency and to further discussion of a possible new standard for debt data transparency, as proposed by staff at the recent MPA update.

We welcome that the report on Macroeconomic Developments and Prospects in Low-Income Developing Countries will focus on the external financing needs of developing countries and sustainable financing options, to fulfill the IMFC's request. This analysis should provide a basis to consider the role of the IMF vis-à-vis other IFIs and ensure adequate support for PRGT countries in the pandemic and post-pandemic environment. We look forward to this analysis being made available ahead of the IMFC Spring Meeting, and thereafter informing the now delayed Review of Concessional Financing. *Could staff confirm these timescales.* In the meantime, we recognize that some countries are near cumulative access limits and as such, the Fund's potential to support much

needed strong adjustment programs in these countries will be impeded. We therefore reiterate our call to increase cumulative access limits and ask for proposals to this effect to be considered in the context of January's Board on Temporary Access limits.

We strongly welcome the proposed Board item on the Fund's Engagement with Countries in Post-conflict and Fragile Situations. This section of the membership requires particularly strategic and intensive Fund support. Drawing on experience so far, including during the COVID crisis, we look forward to considering a new strategy for future Fund engagement with this section of its membership in the pandemic and post-pandemic environment.

The Fund's Capacity Development will be particularly critical over the coming months and years and the Board will need to be sufficiently engaged to provide strategic oversight. In this regard, we encourage staff to ensure that the Board is regularly briefed on CD, including on progress to implement the recommendations from the last Review of CD, and on the rollout of CD-MAP.

Resources, prioritisation and governance

We appreciate staff's efforts to reprioritize and streamline the work program to focus on providing timely macroeconomic and financial updates and policy advice against the backdrop of additional Upper Credit Tranche quality programs and the resumption of surveillance. We broadly agree that the right work has been prioritized and we look forward to the budget discussion to carefully consider tradeoffs between work pressures and budget.

We welcome regular updates to the Board on demand for Fund resources and the timeline for the 16th GRQ. We continue to be supportive of a general allocation of SDRs and understand that the June 2021 discussion of the Case for a General Allocation of SDRs during the Twelfth Basic Period does not preclude an earlier discussion if there is sufficient Board support.

We are disappointed that once again the work of the IEO seems to have been deprioritized. We fully appreciate the need to prioritize across the Fund, but disproportionately squeezing out independent scrutiny and related commitments during busy times sends the wrong message. Delaying the Periodic Monitoring Report is not consistent with good governance: we expect and understand that actions are delayed, but the correct response to this should be transparency, not deferral. Reforms to long-standing open actions were on the verge of finalization a year ago, so a further delay in completion of that MIP is disappointing. Meanwhile, as stressed at the recent Board discussion, the COVID-19 recovery would be supported by enhanced collaboration with other institutions on macrostructural issues – including through some relatively simple recommended steps – and we worry that this opportunity will be missed if the new MIP is delayed.

Finally, we welcome efforts to improve risk management at the Fund, in particular the OIA Audit of the Fund's Enterprise Risk Management Framework. However, the work program does not provide specific dates regarding the Board engagement on the audit's recommendations. We consider it essential for the Board to be involved in the implementation process, ideally through a Board working group, and would welcome further detail on upcoming Board briefings.

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GRAY/20/3606

December 8, 2020

**Statement by Mr. Bhalla, Ms. Indraratna, Mr. Goyal, Mr. Natarajan, and Mr. Singh on
The Managing Director's Statement on the Work Program of the Executive Board
(Preliminary)
Executive Board Meeting 20/118
December 10, 2020**

1. We broadly agree with the key priorities outlined in the Fall 2020 Work Program as articulated in the Managing Director's statement with a focus on restoring confidence to foster jobs and economic growth, assisting the most vulnerable members, supporting a transformational recovery, governance reform, and ensuring Fund's resource adequacy. As the Fund has to deal with multifarious challenges ranging from advising countries on coping with Covid-19 to devising strategies in response to long-term scarring effects, **there is a need to identify a clear hierarchy of the near-term, medium-term, and long-term challenges and accordingly assign the priorities and resources of the Fund** for achieving these outcomes.
2. **WEO:** We agree with the proposed focus of the WEO on restoring employment and economic growth. With unprecedented challenges to macroeconomic management, WEO may need to explore how long the accommodative macroeconomic policy stance needs to continue. Extraordinary accommodative policies adopted to protect the lives and livelihood of the population has not only severely impacted the fiscal situation and increased debt vulnerability, but financial stability is also becoming a concern across the globe. WEO can provide analytical policy guidance for the normalization of macro policies to impart economic stability while ensuring sustained economic recovery.
3. **GFSR:** The GFSR should focus on the near-term priority of assessing the macro-financial risks posed by the pandemic, dissect the nature of the risk as durable versus transitory, and common risks versus the country or sector-specific risks and advise the membership on how to prudently respond to such risks. Given the strong sectoral divergence in the effects of the Covid-19 shock, the protracted effects would need to be monitored to detect the asset quality stress in specific sectors and the jurisdictions which are highly dependent on contact-intensive sectors and could take longer to recover in an uneven recovery scenario. While we

appreciate the GFSR's proposed focus on challenges in the corporate sector, it would be more insightful if the GFSR focusses on a granular analysis of differential effects on large and small enterprises. As we all understand that the SMEs and micro-enterprises have been the worst affected due to disruption of supply chains, lack of access to liquidity and financing, it would be interesting to understand how much risk it might have posed to the financial sector. Though we recognize that such an analysis could be constrained by the lack of availability of data.

4. **Fiscal Monitor:** The advocacy role played by the Fund in supporting stimulus measures and sharing of knowledge across the membership has been timely and useful. Going forward, additional fiscal support measures are expected to be taken by members depending on their capacity and necessity. The focus of the Fund should continue to play this advocacy role while closely monitoring the macro-economic stability. The fund can share knowledge and provide analytical support in an important and specific area including debt, remittances, public investment, and social support.
5. **Public Debt:** Public debt is growing dramatically in most countries causing high stress on debt sustainability in many of them. We agree that the Fund should continue to assess the impact of the implementation of the G-20 Debt Service Reduction Initiative on the debt sustainability of the beneficiary countries. It is also important to undertake a continuous assessment of debt sustainability of emerging markets with market access. We expect the forthcoming review of the debt sustainability framework of market access countries in the context of COVID-19 can provide a robust understanding of this key issue and its medium-to-long-term manifestation.
6. **Climate Change:** Climate change is the most challenging issue we are facing and is an area that has multifaceted dimensions. We need further analysis and studies to grasp the complexities of how countries may deal with the mitigation and adaptation challenges, given great divergence in their domestic financial, social and political-economy setting and constraints. While a deeper analysis and understanding of the climate change issues in multilateral surveillance should be encouraged to disseminate the knowledge, as the international climate change mitigation and adaptation regime are already under the mandate of the UNFCCC, it may not be appropriate to set up a parallel bilateral surveillance mechanism for monitoring, assessment, categorization of countries, outside the thematic Multilateral Environment Agreement. Thus, it should be driven by the authorities on a purely voluntary basis.
7. **IMF Advice on Capital Flows:** We welcome the priority placed on the review of the Fund's Institutional View (IV) on capital flows in the Board Work program. The recent research vis-a-vis the Integrated Policy Framework (IPF) and country experiences have brought into focus several issues relating to the IV framework and IMF advice on capital flow management. Against this background, the IEO has conducted an in-depth evaluation of IMF advice on capital flows and put forward

recommendations. We broadly support the recommendations to build up monitoring, analysis, and research and strengthening multilateral cooperation on policy issues affecting capital flows and look forward to the implementation of these recommendations at the forthcoming review of the IV scheduled for next year.

8. **Lending Activities and Temporary Access:** The temporary increase in access limits of emergency financing tools has helped many members to avail timely financial support in the aftermath of the pandemic. Since these are temporary measures, a frequent review is required to ascertain their effectiveness in helping members and safeguards. Fund has been proactive and agile in responding to members' needs during this exceptional crisis. Beyond these temporary measures, resumption of regular lending activities can help to provide a better assessment of member needs and respond with an appropriate medium-to-long-term support measure. Safeguards measures in these time-tested lending tools can help to address the risk to the Fund and members and mitigate them.
9. **The 16th general review of quotas (GRQ):** Efforts need to be front-loaded so that the 16th GRQ can be concluded within the envisaged time frame. The focus should essentially remain on the adequacy of fund resources, governance reforms, and the realignment of quota shares. To achieve a substantial reduction in the out-of-lineness, there is a need to give more prominence to formula-based selective and ad-hoc methods, as was done during the 14th GRQ. The equi-proportional increases under realignment would leave the existing quota shares unchanged. We would welcome work on a new quota formula that could achieve broad-based consensus among the membership.
10. **Enterprise risk management:** Lending initiatives taken during the pandemic to support the membership following the Fund's mandate have helped mitigate strategic and reputational risks to the institution. However, the provision of emergency financing at a faster pace with limited ex-post conditionality has brought about a higher level of enterprise-wide risks that need to be managed. This has involved a trade-off in risks and a prioritization of difficult choices in the Fund's decision-making process. Against this backdrop, **we welcome the focus of the Board Work Program on a review of the Temporary Increase in Fund Access Limits**, giving due consideration to any resultant enterprise risks that need to be managed. We also support **discussions on the Debt Sustainability Framework for Market Access Countries and Restructuring of Sovereign Domestic Debt to mitigate lending risks** as debt vulnerabilities have risen with increased borrowings. Moreover, the uncertainty associated with the duration and the extent of the pandemic has elevated risks to the adequacy of Fund resources. In this context, we welcome the periodic updates for the demand for Fund resources in the work program, and discussions on the 16th GRQ, the Fund's Liquidity Position, and Concessional Financing and Policies. We also welcome the focus of the Board's work program on risks to other core areas such as surveillance and capacity development and look forward to discussions on mitigating risks in these areas through policies such as the

Comprehensive Surveillance Review and the FSAP Review and the Implementation of CD Priorities. Meanwhile, the Fund has also adjusted its internal policies to respond nimbly to crisis-related priorities which have elevated operational risks. In this regard, we appreciate the regular risk updates to the Board along with proposed mitigation measures. **We await the recommendations of the OIA Audit of the Fund's Enterprise Risk Management Framework to guide the next steps in advancing risk management and the ORM's risk management roadmap.**

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GRAY/20/3607

December 8, 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 20/118
December 10, 2020**

1. We welcome the opportunity to discuss the work program of the Executive Board. The work program remains significantly affected by the crisis developments and the lack of budget resources to conduct the work on many critical policy issues. We welcome the fact that the Fund's crisis-related work is gradually moving from the initial emergency response to crisis management and recovery. We call for additional efforts to assist members in securing a recovery and minimizing long-term scarring. The best way to achieve this goal seems to be balancing immediate priorities with sharpening the focus on medium and long-term challenges.

Multilateral Surveillance

2. We believe that the IMF's flagship reports should be focused on the key challenges stemming from the COVID-19 crisis. It is paramount to strike a right balance between immediate priorities and the issues that have rather medium to longer-term perspective. *We would appreciate staff's comments on the key topics of the WEO/GFSR/FM chapters and the envisaged format of their discussion by the Board.*

3. We note that the work program already incorporates some of the recent preliminary proposals under the CSR, including informal briefings on country matters. We note that, at the time of the informal exchange of views, many Board members called for greater details on these new surveillance modalities, including on possible topic selection procedures, practical implementation, and cost implications. Several Board members also asked staff to examine possible ways to reflect the discussion at these meetings in the Fund's policy advice

and recommendations. *Could staff share their views on the effectiveness and usefulness of the regional informal briefings on country matters that were held in June 2020?*

Economic and Financial Research

4. We believe that the key issues in the work program's section on the Fund's stance on policy issues could be better coordinated with the ongoing CSR and FSAP reviews. In this context, we note that the informal briefing on unconventional monetary policies (UMPs) is scheduled after the formal Board meeting on the CSR. UMPs, including asset purchases, forward guidance, and negative interest rates, will continue to be necessary for most advanced economies (AEs) for a long time, leading to the major challenges in this area. *We would suggest having a Board meeting on UMP before the formal completion of the CSR.*

5. The Fund's stance on fiscal policy in AEs over the past decade requires a more explicit reflection, and such an analysis should not be delayed. We note that staff's views on the risks associated with high public debt have rapidly evolved from the need to bring the levels of public debt down to about 60 percent of GDP to the concept of fiscal space and now to, perhaps, fiscal outer space. *We believe that the Board should have an opportunity to discuss the Fund's stance on fiscal policy at a dedicated Board meeting, which could be included into the work program.*

6. The COVID-19 crisis has heightened the need for ambitious structural reforms in the Fund's membership. We recall that the October 2019 WEO Chapter 3 provided a thought-provoking analysis of structural reforms in the members' economies. More importantly, staff updated the Fund's internal database on structural reforms covering the main structural areas, including trade, domestic and external finance, product markets, and labor market regulation. The Board was promised to have a dedicated meeting on the updated database. *Given the importance of the topic in the current environment, we call for a Board meeting on structural reforms, including the update and a more detailed presentation of the structural reforms database.*

7. The indicators of structural reforms also point to a more general issue, which, we believe, should be a part of the work program going forward. The Fund has accumulated substantial expertise in the areas of fiscal transparency, AML-CFT, PIMA, and other areas. However, this information has not become the basis for assessing institutions and governance. Given a strong pressure to voice its opinion in the governance areas, the Fund chooses to rely on the inferior and much less informative third-party indicators. We believe that, at some point, the costs and benefits of various options in this area have to be discussed in a separate paper by staff and by the Board of Directors in a formal meeting.

Fund Policies

8. We thank staff for their efforts to advance the CSR and FSAP reviews, while taking into account the COVID-19 implications for the Fund's surveillance. We look forward to greater details on both reviews in the upcoming respective papers. At the same time, even after the Board's recent informal meetings the level of coordination between the CSR and the FSAP remains uncertain for us, in particular, in relation to the proposals to strengthen the Fund's financial surveillance and allocation of budget resources between various pillars of surveillance. *Perhaps, a special Board meeting to discuss jointly the CSR, the FSAP, and resource allocation between various surveillance products should be added to the work program? Staff comments would be appreciated.*

9. The potential implications of various staff's proposals under the CSR and the FSAP could be long-term and far-reaching. For that reason, these proposals will need to be thoroughly explored, comprehensively described, and transparently presented in the upcoming staff papers. Given the importance of these topics for the next five-to-ten years, we would be open to having the formal discussions not just once, to approve staff's proposals, but to split the discussion into two stages. The first formal discussion could be devoted to various options and their associated risks. The following discussion could be a final approval of the solutions commanding the broad support of the Board.

10. Another concern is related to the sequencing of a number of policy issues associated with the CSR, the FSAP, and debt agenda. First, as we already highlighted, some important topics under the Fund's stance section are scheduled after the expected completion of the CSR. Second, we share the concerns about the intention to introduce new data provision requirements under the CSR and other policies without having the Board's formal review of data provision to the Fund for surveillance purposes and under Article VIII issues. The proposed "informal to engage" presentation on immediate data needs cannot replace the formal process that should allow the Board to consult with the authorities and carefully review possible proposals. *Could staff elaborate on the timeline for the review of data provision to the Fund for surveillance purposes and under Article VIII issues?*

11. 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, review of the IMF's lending into arrears policies, domestic debt restructuring, and the Fund's support in debt reduction operations.

12. We are very concerned about the proposal to postpone the review of the framework for enhanced Fund engagement on governance. In our opinion, the work under the

framework should go beyond gauging compliance with commitments in Letters of Intent on transparency and accountability by members that received emergency financing and similar governance measures in other countries. The review should cover the key existing key governance elements, including fiscal transparency evaluations, PIMA, central banks safeguards assessments, as well as anti-money laundering frameworks.

Fund Governance and Membership

13. On many previous occasions, we expressed our reservations about the widespread delays in the key and mandatory policy reviews at the Fund. These delays undermine the role of the Board in the Fund's governance, as well as undermine proper enterprise risk management. According to our observations, the recent reviews being unduly delayed include:

- The review of the Fund's policy on multiple currency practices
- 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 under Article VIII issues
- The review of the Fund's transparency policy
- The review of experience with safeguard assessment
- The review of misreporting policies.

The list can be extended by highlighting the reviews that have been delayed for even more prolonged period, for example, the review of the guidance on assessing capacity to repay. We also note the dropping from the work program of some important topics, including systemic risk analysis and macroprudential policy advice in Article IV consultations, adapting national prudential approaches to the international reform agenda, and illicit and tax avoiding financial flows. *We would appreciate staff's comments on their plans to address the delays in the policy reviews and resume the work on other important issues.*

14. Given the growing prominence of climate issues on the Fund's agenda, we would ask staff to elaborate on their proposal to extend the 6-month time requirement to complete the MIP on the IEO Evaluation on working with partners: IMF collaboration with the World Bank on macro-structural issues. *While we can go along with extending the deadline, at this stage, it would be useful to specify the timeframe when the Board can consider this issue.*

Fund Finances

15. 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 resume discussion on the 16th General Review of Quotas and call for regular reviews of the adequacy of the Fund's resources. *Could staff also comment on their plans to conduct a review of the Fund's precautionary arrangements?*

Internal Support

16. We welcome the informal briefing on the key digital and business modernization projects. *Given the recent steps to strengthen knowledge management and exchange in the Fund, we call for a Board meeting devoted to this specific topic.*

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GRAY/20/3608

December 8, 2020

**Statement by Ms. Mannathoko and Ms. Maidi on The Managing Director's Statement on
the Work Program of the Executive Board
(Preliminary)
Executive Board Meeting 20/118
December 10, 2020**

1. We are in broad agreement with the Managing Director's Statement on the Work Program of the Executive Board, centered on strategic priorities established in the Fall 2020 Global Policy Agenda and the International Monetary Financial Committee communiqué. We support the focus on restoring confidence, assisting the most vulnerable, supporting a transformative recovery and ensuring that the Fund is adequately equipped to meet its obligations efficiently. We address these priorities below.

Restoring confidence to foster jobs and economic growth

2. We wish to commend staff on the success of the Policy Tracker, the Database of Country Fiscal Measures in Response to the COVID-19 Pandemic, and the continued dissemination of TA through the Special Series on COVID-19, all of which are helping authorities as they plan how to stabilize and recover. We welcome further work along these lines. The themes selected for the upcoming flagships are also appropriate. We encourage staff to consider how the WEO focus on policy priorities to limit persistent scarring can also offer insights to low income and other developing countries (LIDCs) on how to avoid procyclical fiscal policies during this recession, as some countries are currently deemed to have no alternative in the absence of fiscal space and financing. *We encourage staff to provide guidance that could help LIDC efforts to restore domestic confidence, and foster jobs and growth, noting the different context they face compared to advanced and large emerging market economies. For the GFSR, could staff clarify whether the discussion of drivers of the credit and leverage cycle will propose a response to growing risks in the non-bank financial sector as "low for long" and UMP fuel a widening disconnect between financial markets and the real economy? Could staff also confirm that the Fiscal Monitor analysis will address global inequality, as well as that at the country-level, as per our previous request? We also welcome comments on probable themes for the External Sector Report.*

3. As we noted in the Board discussion this week of the Joint WB-IMF Multipronged Approach for Addressing Debt Vulnerabilities (MPA), this initiative has helped build much needed debt reporting and debt management capacity and has our firm support. Nevertheless, the MPA may not be sufficient to address debt vulnerabilities and risks from global economic developments. Consequently, a meaningful strategy to deal with the latter is needed. The

sustained decline in sub-Saharan Africa's export to GDP ratio since 2008 comes in the wake of a series of shocks and is correlated with adverse debt dynamics. This, alongside depreciating currencies, is exacerbating debt vulnerabilities and we encourage staff to explore global solutions that will limit spillovers and shocks to the region and help resuscitate the export ratio. We also note the progress made in updating the LIC DSA, and look forward to the upcoming Review of the Debt Sustainability Framework for Market Access Countries.

4. We welcome the planned Fund Support for Debt- and Debt-Service-Reduction Operations and discussion of Issues in Restructuring of Sovereign Domestic Debt, as these are urgent for our constituency, as is the Review of the IMF's Lending into Arrears Policies scheduled for early next year. As we noted earlier this week, timely implementation with guidelines to both debtors and non-G20 (including private) creditors, of the G20 Common Framework is critical. We also welcome the extension and encourage effective guidance on implementation of the G-20 Debt Service Suspension Initiative (DSSI).

5. Given rising surveillance risks, the resumption of this important Fund function is especially important, and we look forward to more Article IV and FSAP discussions. In line with our recent interventions on the Comprehensive Surveillance Review, we note the arrangements made for systemic countries and urge staff to ensure that the non-systemic country prioritization for both surveillance instruments gives precedence to countries that suffered larger impacts from the crisis. We also thank management and staff for recent discussions on Integrating Climate Change into Surveillance. We look forward to the G-20 Analytical Note on Italy's Framework Working Group Priorities, and to upcoming G-20 Surveillance Notes.

Assist the most vulnerable members

6. Regarding financing the recovery, we welcome the scheduled Review of Concessional Financing and Policies. The extent of the financing gap for SSA over the next three years is a critical issue.¹ Without further assistance to fill this gap countries could be forced to adopt much more abrupt fiscal adjustments, resulting in weaker recovery and entrenched scarring.

7. We look forward to the Post-Pandemic Assessment of Sustainable Development Goals as it will provide helpful information on the extent of decline and help inform strategies on the way forward in a post-COVID-19 world. We welcome this year's focus in the annual report on Macroeconomic Developments and Prospects in Low-Income Developing Countries, on the external financing needs of developing countries and sustainable financing options. As noted, this is a central issue for recovery in developing countries. We also look forward to discussions on Fund Engagement with Countries in Post-Conflict and Fragile Situations, and progress on implementation of the associated MIP in the first half of next year.

Support a transformative recovery for a more sustainable and resilient global economy

8. The review of the Institutional View on Liberalization and Management of Capital Flows, informed by the IPF and the recommendations of the IEO Evaluation on IMF Advice on Capital Flows, will be essential to help developing countries and emerging markets navigate uncertainty and volatility as financial markets begin to respond to built-up vulnerabilities, and eventually when "low for long" is phased out. In the meantime, understanding the implications of unconventional tools such as forward guidance and quantitative easing, alongside "low for long" for all countries, regardless of income level, will be critical, and in this vein we look forward to discussing Unconventional Monetary Policy (UMP) and its macroeconomic impact and financial

stability risks. For the work on Monetary Policy Framework Reviews we thank staff for taking on board our previous questions on the implications of falling equilibrium real interest rates and declining inflation expectations. *Could staff clarify whether this work will also provide guidance to assist countries once the unwinding of UMPs eventually takes place?*

The latest estimates we have from AFR show that if private financial inflows to SSA remain below their pre-crisis levels—even taking into account existing commitments from international financial institutions and official bilateral creditors—the region could face a financing gap in the order of \$290 billion during 2020-23.

9. On Tax policy in post-COVID era, as countries in our region are compelled to resume domestic resource mobilization at this time, progress on the Fund's work on international corporate taxation is of significant importance and we once again urge staff to include follow up on a post-COVID international corporate tax framework in this work. Climate change also has significant fiscal implications and we thank staff for the SDN on Carbon Pricing and Border Adjustments.

10. We welcome the work on CBDCs, big data and rising corporate power, but would also like to *highlight the importance for our region of the Fund also being able to advise and provide TA or CD support to authorities in their efforts to address cyber security risks in the financial sector or on the fintech for financial inclusion agenda – as well on high remittance costs in the region and the generally slow speed and opacity of cross border payments - we hope provision of this support will continue.*

11. Given the substantial financing needs in SSA, that have been exacerbated by the fiscal impact of repeated shocks over the past decade, initiatives that save or recoup lost resources remain critical. *In this regard, efforts should also be made to enhance the efficacy of the Fund's work on illicit financial flows in order to secure meaningful outcomes. Some consideration should be given to this in the design of capital account policies and perhaps the external sector report could provide some analysis in this area. Staff comments are welcome.*

12. On tradeoffs and the need to delay some work, could staff clarify the reason for the 6-month delay in the PMR as we understood this to be a reporting tool informed by ongoing reporting to SPR. As discussion of the PMR would help the Board better understand the effects of and tradeoffs from ongoing prioritization, we encourage staff to schedule a discussion within the timeframe of this work program. *Could staff also clarify proposed timelines for the delayed MIPs?*

Continue efforts to ensure that the Fund remains adequately resourced

13. Risks to the medium to long-term adequacy of Fund resources are high. We have noted that these would be further exacerbated by the failure to pursue a general allocation of SDRs which would have alleviated external financing pressures for many countries, and are grateful that this discussion has been scheduled. Exploring additional measures in a timely manner is important and in this regard we welcome planned discussions pertinent to the Sixteenth General Review of Quotas and associated work including the quota data update and considerations on the Quota Formula and Realigning Shares, as well as meetings on the Adequacy of Fund Resources. We also welcome planned income and budget discussions.

14. For the PRGT, we thank donors for earlier contributions that bolstered the trust fund, addressing short-term adequacy concerns. However, in addition to the need to explore funding options for PRGT subsidy resources needed for self-sustainability, we see a need for a PRGT resource contingency plan and encourage this consideration. Reviews of the Fund access limits are also required to mitigate risks going forward.

15. Finally, as we noted in the risk discussion earlier this week, it is important for the Board to have an appreciation of the tradeoffs from delaying or shelving some activities, due to resource constraints. Parts of the pre-COVID work program are reemerging as priorities, as we adjust policies towards recovery, and continued delays could generate new risks.

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GRAY/20/3609

December 8, 2020

**Statement by Ms. Mahasandana, Mr. Nghiem, Mr. Bautista, and Mr. Chea on The
Managing Director's Statement on the Work Program of the Executive Board
(Preliminary)
Executive Board Meeting 20/118
December 10, 2020**

We thank the Managing Director's statement and the key priorities of the Work Program (WP) of the Executive Board for December 2020 to June 2021 which are in line with the Fund's priorities laid out in Fall 2020 Global Policy Agenda and the International Monetary and Financial Committee Communiqué.

We welcome the Fund's ongoing efforts to support the membership during the unprecedented crisis through effective policy advice and surveillance, financial support and capacity development. Given the uncertainty around the duration of the COVID-19 crisis, we agree that the approach outlined in the WP is appropriate and immediate policy response should focus on assisting the most vulnerable members and facilitating a sustainable and inclusive economic recovery. In this regard, additional efforts are imperative to help member countries secure a durable exit, minimize long term scarring, boost growth and build a more resilient economy.

We welcome the resumption of the work to enhance the Fund's surveillance framework drawing lessons from the COVID-19. In this context, we look forward to further engagement on the proposals under the CSR and FSAP review along with the review of data provision requirements before they are finalized in early 2021. Such discussion should incorporate the board's views in recent informal engagements including how the proposals would be operationalized and related resources implications. In addition, we encourage continued work to further refine the EBA model to better understand the drivers of external imbalances, particularly from the COVID-19 pandemic, and help provide more relevant external sector policy advice. Gradual resumption of the Article IV consultations and ongoing update of the policy tracker, including exit policies, help provide relevant policy

advice to the membership during the crisis while also laying the groundwork for a durable recovery.

In light of the rising debt burden across the membership, we support the proposed ambitious agendas to reduce debt vulnerabilities, strengthen transparency, and improve the process of sovereign debt restructuring. We also welcome the Fund's ongoing role in supporting the G-20 Debt Service Suspension Initiative (DSSI) and common framework for sovereign debt restructuring. The review of the debt-related policies such as the Market Access Countries (MAC DSA) and Lending into Arrears policy should also be completed without further delay. Amidst the rising distress in the corporate sector, we encourage staff to continue efforts to help member countries strengthen their corporate insolvency regimes to facilitate effective corporate debt resolution and promote a robust economic recovery.

We support the priorities to assist the most vulnerable members. We welcome the proposed streamlining of the forthcoming report on Macroeconomic Developments and Prospects in Low-Income Developing Countries, which includes the findings of the Staff Discussion Note (SDN) on Post-Pandemic Assessment of Sustainable Development Goals (SDGs). This should provide in-depth analysis on the challenges facing by the most vulnerable members and practical solutions on how LIDCs' external financing needs can be addressed in a timely manner. We also support the ongoing efforts to address the resource constraints of the Catastrophe Containment and Relief Trust (CCRT) and the Poverty Reduction and Growth Trust (PRGT). Capacity development (CD) remains critical for LIDCs and we therefore encourage staff to push ahead on the implementation of the COVID-19 CD priorities and the fund-raising efforts to help meet the third tranche of the CCRT debt relief. We also wonder about the progress of the Fund's work on lending options to support the members during the next stage of the crisis and the financing support for small developing states and how these works will be incorporated in the work program. *Staff comments are welcome.*

We view the work priorities to bolster a more sustainable and resilient global economy are appropriate. To this end, we strongly support the completion of the IPF work and in particular incorporating fiscal policy and spillover effects from the pandemic. Further engagements on the implementation of the IPF in Fund policy advices would also be warranted. Low for long interest rate environment would pose challenges of volatile capital flows for most Emerging Markets and small open economies. As such, these countries facing concurrent shocks would benefit from the IPF that provides a systematic analysis on policies trade-off and optimal policy mix to respond in such situations. In the Review of the Institutional View on Liberalization and Management of Capital Flows, we encourage staff to explore ways to allow more flexibility under challenging circumstances, taking into

consideration the outcome of the IPF work and the IEO's evaluation of the Fund's advice on capital flows.

We also support the review of the implications of the Unconventional Monetary Policy (UMP) tools adopted by many countries during the crisis to ensure any unintended consequences and spillover effects on macroeconomic and financial stability are effectively mitigated. We underscore the need for staff to provide appropriate advices on exit policies including strategies to mitigate risks posed on central bank balance sheets. We also welcome the review of the Monetary Policy Framework to ensure it remains attuned to recent declining inflation expectations and lower equilibrium real interest rates. As the crisis abates, pursuing fiscal consolidation and revenue mobilization would be critical to restore fiscal and debt sustainability. We therefore welcome the proposed discussion of Tax policy in the COVID/post- COVID world to guide well-tailored policy advice to countries while ensuring sufficient protection of the vulnerable population.

While we note CBDCs offer opportunities to enhance the efficiency of financial services and promote financial inclusion, it also poses challenges to financial stability and protection of customers. As such, we welcome the briefing on Developing an Analytical Framework for Central Bank Digital Currencies (CBDCs) to help countries better assess such risks and benefits. To enhance capabilities of member countries in this area, the Fund's collaboration with other IFIs and the private sector on experience sharing and capacity development are also encouraged.

Climate change is an urgent and unavoidable global challenge with long-term implications for the sustainable development of all member countries. The briefing on Integrating Climate Change into Article IVs and FSAPs is an important starting point for discussions on how this can be done in a more systematic manner and within the Fund's mandate. In this context, we reiterate the importance of ensuring the Fund's approach and policy advices related to climate change, especially on climate mitigation, are in line with the Fund's mandates, taking consideration of limited expertise and resources, as well as the political economy and tailored to country specificities. Therefore, we expect further work and engagement with the board on the issues related to climate change and Fund surveillance in the CSR and FSAP review.

Continuing of governance reforms becomes more important in the context of pandemic and we support the work priorities on governance. It is important that governance safeguards put in place to ensure the use of Fund financing and freed up resources from initiatives like the G20 DSSI, for pandemic-related spending, are effective and practical, taking into account countries' specific circumstances.

We are pleased that the work on the 16th GRQ is starting soon and underscore the need to continue the momentum to ensure this is concluded by the 2023 deadline without further delay. This is essential to ensure the Fund continues to be a strong quota-based and adequately resourced institution. To meet the membership's potential increasing financing needs in the face of the crisis, we also reiterate our support for the discussion of the feasibility of a general SDR allocation.

We welcome the continuing enhancements of the Fund's Work Program towards responding to risks. The activities of the Fund in the next six months in this area should be enhanced with its core and forward-looking elements and due attention to strengthening the Enterprise Risk Management (ERM) through incorporating the Office of Internal Audit (OIA) recommendations and deeper engagements with the Board on the review of key elements of the ERM, including risk acceptance, risk governance, and operationalizing and communicating risk management plan to embed risk management in the organization's culture.

On risk mitigation, efforts should focus on enhancing existing controls and safeguard measures on Fund programs and resources. In this context, the *Review of Temporary Increase in Fund Access Limits* is very timely along with the review of the general and non-concessional lending program policies. These would include the review of implementing governance measures including those adopted for the Fund's emergency financing and DSSI which would also support considerations of further extending the DSSI. We also look forward to the review of role of the future First Special Contingent Account in providing protection against risks of overdue obligations to the Fund. We continue to encourage effective risk management which is not to eliminate risks totally but to effectively manage the risks to ensure sustainability of the Fund resources for lending operations and core operational functions of the Fund.

Given the rising demand from the membership for crisis-related advice for support, we welcome the streamlined and well-prioritized WP focusing on macroeconomic and financial updates and enhancing the quality of policy advice. We also agree with the approach to continue to adapt the Fund's internal operational policies and initiatives through the crisis and beyond by reprioritizing work, temporarily augmenting budgetary resources, and modernizing work process including the greater use by the Board of lapse-of-time LOT procedures when criteria are met. These will help to minimize human capital risk such as staff burnout and the impact of an extended period of work from home.

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GRAY/20/3610

December 8, 2020

**Statement by Mr. Rosen and Ms. Shortino on The Managing Director's Statement on the
Work Program of the Executive Board
(Preliminary)
Executive Board Meeting 20/118
December 10, 2020**

We welcome the updated Work Program and recognize the extensive amount of staff work that has gone into responding to this crisis. Over the last nine months, the Fund's agenda has appropriately prioritized crisis response, rapidly adjusting IMF lending to make it more responsive and flexible to member needs and approving an unprecedented amount of emergency financing. Staff and management should be commended for effectively delivering on the IMF's core mission in the midst of a highly challenging and uncertain work environment.

We broadly support this Work Program and recognize the burdens on staff remain extremely high. A streamlined approach remains appropriate, and we agree that staff, management, and the Board need to work closely together to prioritize upcoming work. At the same time, we felt the Work Program could have placed greater emphasis on the next phase of crisis response. The document lacked recognition of the fact that the global economy remains in crisis, with a resurgence of COVID cases in many countries and the outlook for growth remaining highly uncertain. We would have liked to see a schedule for more frequent, shorter updates to the global outlook in advance of the flagship reports in April and the implications for IMF lending and resources, greater clarity on how the Fund will support members in designing fiscal and structural policies to restore growth, and more emphasis on capacity development efforts. We are also unclear as to the modalities for regular updates to the Work Program and would welcome an interim, informal Board discussion in 3 months on any adjustments that need to be made.

Surveillance: We welcome plans to complete the Comprehensive Surveillance Review and FSAP Review in March; these policy reviews will help enhance both a near-term and medium-term approach to surveillance. As we have repeatedly emphasized, accurate and complete data is a prerequisite to high-quality surveillance. The review of data required

under Article VIII Section 5 is long overdue, and we support the addition of a Board item on Immediate Data Needs as a first steps towards completing this review. *Can staff provide more details as to when there will be a formal Board review and update to the policy on the Article VIII Section 5 Data Provision to the Fund?* The temporary hiatus in bilateral surveillance over the last six months, while necessary, significantly increased risks to the Fund. A well-prioritized and strategic approach to a broad ramp-up in Article IV reviews, for example by targeting systemic or vulnerable economies, will be critical to mitigating these risks. We take note of the plan to provide more regional briefings and briefings on country matters, but the document lacked any discussion of staff's strategy for bilateral surveillance. *Could staff explain how they plan to sequence and prioritize the backlog of Article IVs? Could staff provide more details on how country matters briefings will supplement the Article IV process, and the extent to which such briefings could supplant individual country surveillance?*

Debt Sustainability: We strongly support the continued emphasis on debt transparency and sustainability. Rising debt levels combined with fiscal constraints, including the need for countries to maintain expenditures to ensure economic recoveries, will ensure that debt remains high on the Fund's agenda in coming years. We look forward to the conclusion of the MAC-DSA review and stress the importance of moving quickly to develop a Guidance Note to implement reforms to the policy. Likewise, next year's reviews of the Arrears Policies will be important to determine how the Fund engages in cases where official or private sector arrears do arise. We note that the perimeter of official and commercial debt is a key input to these reviews, but also factors heavily into the Fund's broader debt transparency agenda. We urge staff to conduct a standalone review of the perimeter of debt. As referenced in the Board discussion on the Multi-Pronged Approach for Addressing Debt Vulnerabilities, we look forward to further staff work on public debt transparency to tie this important workstream together across a range of policies, and we see merit in exploring voluntary standards for both borrowers and creditors.

Given the criticality of debt sustainability to the Fund's upcoming engagement in low-income countries (LICs), we would welcome an update on the implementation of the LIC DSF in the context of COVID. We also strongly urge staff to take a proactive role in supporting implementation of the Common Framework by encouraging countries to take advantage of this new framework, developing realistic DSAs, and providing support for member negotiations with creditors. We would welcome an update on the Multi-Pronged Approach this spring, or at a minimum an update to the Board on the G20 Debt Service Suspension Initiative and the Common Framework. Finally, while we appreciate the efforts to explore the Debt and Debt-Service Reduction Operations, we see this as lower priority relative to other, more pressing items on the debt agenda.

Support for Vulnerable Countries: We support upcoming reviews of concessional financing and plans to proceed with a third tranche of the CCRT. We also welcome plans to review

governance safeguards in crisis-related spending as critical to determining the effectiveness of IMF emergency programs. We would have liked to have seen greater emphasis on the strategy for capacity development (CD), however, particularly in light of the donor response to the COVID-19 initiative. We call for the upcoming Board on Implementation of CD Priorities to include a thorough discussion of how additional CD resources will be targeted to maximize effectiveness, especially given the ongoing constraints to physical travel.

Promoting a Resilient Economy: We welcome the plan to review the Institutional View (IV) next year but would like more information on how the Integrated Policy Framework (IPF) will be incorporated into the review. *Could staff provide an update on the status of the IPF and efforts to further develop the models in response to Board input?* We would encourage staff to brief the Board on updates to the IPF prior to any discussion on the IV. We also urge staff to appropriately prioritize work on issues that are not directly relevant to the crisis, including for example work on central bank digital currencies (CBDCs), digital data, and rising corporate market power. Given the pressures on staff resources and the urgent need to ramp up bilateral surveillance and respond to lending requests, work on medium to long-term issues may need to be temporarily deprioritized. One exception to this is the Management Implementation Plan on the IEO Evaluation of IMF Collaboration with the World Bank – given the need for heightened collaboration in the wake of the crisis we would suggest that this MIP be delivered to the Board on schedule.

Fund Resources and Budget: We note that there is just one update on the adequacy of Fund resources in this Work Program. Given the likelihood of an increase in GRA lending and the potential for a NAB activation, we would encourage staff to provide regular updates. Likewise, we were puzzled by the single, informal Board discussion on SCA-1 and the potential for Sudan to reach HIPC Decision Point next year; *what is staff's plan to finalize a strategy for SCA-1 and develop a strategy for debt relief for Sudan?*

We recognize that the crisis has resulted in a sharp increase in workload for many divisions within the Fund, and we support the decision to reallocate funding in FY 2021 to support additional staffing needs. However, we are concerned that the decision to hire new staff was taken without explicit support from the Board and holds direct implications for future budget decisions. We expect the Board discussions early next year on the Fund's Income Position and on Preliminary Proposals for the Medium-Term Budget to make clear the tradeoffs associated with maintaining a flat real budget in the coming years.

We note that staff plan to review the Case for an SDR Allocation in June but there is no mention of the Review of the SDR Basket, which is also up for review this year. We would encourage staff to keep this review on the agenda as scheduled.

Risk: Finally, while we welcome the section on response to risks in the Work Program, we would also call for a Board discussion the final Risk Audit report and the process for

implementation. We see this as a key workstream for the Fund in the coming months, and we urge management to incorporate regular updates to the Board on implementation of the Risk Audit in the Work Program.

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GRAY/20/3611

December 8, 2020

**Statement by Mr. Palotai, Mr. Azal, Mr. Just, and Mr. Meizer on The Managing
Director's Statement on the Work Program of the Executive Board
(Preliminary)
Executive Board Meeting 20/118
December 10, 2020**

We welcome the Managing Director's statement on the Work Program of the Executive Board, with its emphasis on the current crisis.

Given that the global economy still faces a long, uneven and uncertain recovery, the Fund continues to play a crucial role through its pertinent policy advice to help the membership overcome the crisis and build a more sustainable post pandemic world. We therefore support the key priorities in the work program. In this vein, we welcome staff's commitment to further develop the Fund's assessment tools as well as to facilitate peer learning and sharing good practices. Regional briefings can also provide useful additional information on crisis developments. In the period ahead, the authorities will have to balance short-term priorities of economic support against medium-term priorities of restoring policy space, for which the Fund's ambitious work agenda to reduce debt vulnerabilities, as well as the analytical chapters of the flagships, will be beneficial.

We fully concur with the emphasis on assisting the most vulnerable members and building capacities in economic policy making in fragile and conflict-affected states. During the initial stage of the crisis the Fund's emergency assistance not only helped to maintain the room for maneuver in the recipient countries but also made a significant contribution to maintaining global financial stability. We welcome the proposed discussion on governance safeguards and *would welcome comments whether this should be integrated into a general review of our emergency financial assistance framework*. The Fund should also be prepared for the likely increasing demand for upper-credit tranche arrangements. To this end, we look forward to the review of the temporary increase in Fund access limit. It will be equally important to assess the impacts of debt service reliefs and to operationalize the common framework.

As the Fund's surveillance activities remain crucial, we consider it important to relaunch the Article IV consultations, also facilitating a more in-depth assessment of economic policies and overall economic conditions, which we see as essential to mitigate risk. We also welcome that the work on enhancing the Fund's surveillance framework will restart and underscore the increasing need to integrate Capacity Development into surveillance. We reiterate the importance of continuous engagement with the Board on the evolving developments regarding the pandemic and its economic implications. Maintaining flexibility will be also crucial in the coming period, even with a thorough assessment of the risks.

We put a premium on the Fund's adequate budgetary resources to deliver on its reprioritized agenda. The Fund needs to maintain its commitment to the quota-based operation as well as the continuation of governance reform. We look forward to the discussion on the Sixteenth General Review of Quotas. We should be ambitious in the underlying analytical work and would propose to formulate milestones to focus our ambition.

Lastly, streamlining and prioritization should neither come at the expense of our internal review processes to ensure the continued high analytical quality of Fund work, nor at the expense of the Board's oversight function.

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GRAY/20/3612

December 8, 2020

**Statement by Mr. Mouminah, Mr. Alkhareif, Mr. Alhomaly, and Mr. Keshava on The
Managing Director's Statement on the Work Program of the Executive Board
(Preliminary)
Executive Board Meeting 20/118
December 10, 2020**

We thank the Managing Director for a **focused Board agenda** for December 2020 to June 2021, reflecting the priorities of the Fall 2020 Global Policy Agenda and the IMFC communique. We highly appreciate the remarkable agility shown by management and staff in the wake of the COVID-19 crisis to respond to the extraordinary requests for financial support as well as to provide timely analysis and policy advice. We also thank management and staff for the Fund's continuous support during the **Saudi G20 Presidency** for the G20 Agenda, including on priorities pertaining to debt sustainability, financial resilience and development, and access to opportunities. Looking ahead, we are pleased that the Fund will continue to support the G20 to catalyze a coordinated global response, building on the progress achieved in 2020. As uncertainty remains extremely high, we must ensure that we stay focused on issues critical to addressing the crisis especially on helping secure an exit from the crisis. We broadly support the work program and have the following comments:

Flagship reports: We welcome the information on themes to be covered in the Spring editions. We are especially encouraged by the plan in the **Fiscal Monitor** to “look into various aspects of inequality including inequality of access to basic services, and discuss tax and spending policies for fairer economies, and the role of public perceptions in determining support for redistribution”. This will be a timely contribution to policy discussions to address the challenges in post-COVID-19 era and support recovery in a more inclusive manner. The analytical work on inequality of access to basic services should include access to technology, which remains critical to advance economic inclusion goals. In view of the ongoing initiatives to integrate climate change into surveillance more systematically, we would urge comprehensive coverage of **climate finance** in the Fund's multilateral surveillance work

especially in flagship reports. In particular, the progress against the commitment made by the developed countries to the goal of mobilizing jointly USD 100 billion per year to address the needs of developing countries should be covered on a regular basis. Given the lack of fiscal space in many developing countries, it is essential to mobilize climate finance to help advance their adaptation and mitigation efforts, taking into consideration national circumstances as well as the Circular Carbon Economy (CCE) Platform, with its 4Rs framework (Reduce, Reuse, Recycle and Remove), recently endorsed by the G20 Leaders.

Debt Issues: In view of the rising debt levels and a deterioration in public finances, we support the ambitious work agenda to help reduce debt vulnerabilities, strengthen transparency, and improve the architecture for sovereign debt resolution. In this connection, we appreciate the Fund support to the G20 during the formulation and implementation of the Debt Service Suspension Initiative (DSSI) and look forward to the assessment of the need for an additional DSSI extension by the time of the 2021 Spring Meetings. Given the scale of the COVID-19 crisis, the significant debt vulnerabilities, and deteriorating outlook in many LICs, debt treatments beyond the DSSI may be required on a case-by-case basis. In this regard, it is critical to operationalize the G20 Common Framework for Debt Treatments promptly and effectively and we strongly believe that the Fund has an important role to play here, since the debtor countries will provide them with the relevant information on public sector financial commitments, and that the restructuring will be based on an Bank-Fund Debt Sustainability Analysis (DSA) and consistent with the parameters of an UCT program. Regular Board briefings on these issues will be critical.

LIDCs: We welcome the focus of the upcoming streamlined report on LIDCs on the external financing needs of developing countries and sustainable financing options. This work is particularly important as a new UNDP study has found that an additional 207 million people could be pushed into extreme poverty by 2030, due to the severe long-term impact of the pandemic, bringing the total number to more than a billion. At the same time, the study provides some hope that a tight focus on achieving the Sustainable Development Goals (SDGs) could slow the rise of extreme poverty and even exceed the development trajectory the world was on before the pandemic. Progress toward the SDGs would be especially important for **countries in post-conflict and fragile situations** and we welcome discussions on further enhancing future Fund engagement.

Surveillance: Conducting surveillance is a central responsibility of the Fund and we therefore appreciate the gradual resumption of Article IV consultations. We also welcome the plan to conclude the CSR and the FSAP review in the spring of 2021. While we note that the 6-month time requirement to complete the MIP on the IEO Evaluation on Working with Partners: IMF Collaboration with the World Bank on Macro-Structural Issues will be

extended, it will be important to inform the Board at the time of the CSR the interim progress on strengthening the framework for collaborative work.

Policy Tracker: We welcome the plan to enhance this platform, which has proved to be popular during the first phase of the crisis. Indeed, it needs to evolve as the crisis unfolds. Measurement of the impact of the policies would also help in facilitating peer learning and identifying good practice across the membership. Country portal, as being envisioned in the CSR, will be an ideal place to feature the upgraded policy tracker with impact assessment.

Governance: We have supported strong governance safeguards in crisis-related spending. We therefore look forward to briefing on the implementation of governance measures, including compliance with commitments in Letters of Intent on transparency and accountability by members that received emergency financing. *Can staff comment on the experience on the implementation of safeguards thus far? We would also welcome staff elaboration on their plan to share experiences in advanced and emerging economies with regard to similar governance measures.*

SDR: A new general allocation of SDRs will help serve members' needs at this exceptionally high uncertain period, especially the needs of LICs hit severely by the crisis. In this context, we look forward to the discussion on the "Case for a General Allocation of SDRs during the Twelfth Basic Period". At the same time, like Ms. Levonian, we feel that the June 2021 timeline is too long given the still pressing financing needs and we would welcome an informal discussion in Q1 2021.

Lending Options: In the September 25, 2020 Board meeting on Lending Options, we underlined that the existing toolkit, which have served us very well, was not designed for a pandemic shock, which has created deep global economic downturn and unprecedented uncertainty. We expressed our preference for creating a new Pandemic Support Facility (PSF). However, we missed any reference to any plan to bring to the Board the establishment of a PSF or a temporary pandemic window under the EFF. *Staff comments would be appreciated.*

Enterprise Risk Management: To further advance enterprise risk management, we look forward to the recommendations of the OIA report and management's views on it, along with resource implications.

Other Issues: The GPA supported modernizing the rules-based multilateral trading system, as part of efforts to promote international cooperation and open **trade** as an engine for restoring global growth. *However, we missed reference to any work on trade-related issues and would welcome comments.* The GPA also emphasized that the immediate priority is to

develop, produce, and distribute medical treatments and **vaccines** with accelerating universal access to medical solutions in the interest of all countries. *We were wondering if the Fund is supporting multilateral efforts in this area, especially those of the WHO, by providing analytical work and advice regarding economic implications as well as affordability of vaccination for LICs.* On harnessing the full potential of **digitalization**, the GPA noted that the Fund will support governments' digital transformation through advice and CD. However, the work agenda on this issue seems to have a very limited focus. *An elaboration in this regard would be appreciated.*

Diversity: We have underlined in earlier Board meetings that achieving the 2025 Diversity Benchmarks especially related to URR must remain at the forefront as the 2020 benchmarks for the MENA+ and East Asia were not met. *We would appreciate information on the Board work agenda in the next 6 months.*

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GRAY/20/3613

December 8, 2020

**Statement by Mr. Trabinski and Mr. Tola on The Managing Director's Statement on the
Work Program of the Executive Board
(Preliminary)
Executive Board Meeting 20/118
December 10, 2020**

We welcome the Managing Director's well thought-through statement on the Board Work Program, which appropriately reflects the priorities from this fall's IMFC Communique and Global Policy Agenda.

1. Restoring economic growth

Immediate action is still needed to stabilize global economic activity, prevent further reduction of incomes as well as long-term scarring. The Fund's work takes place in a context of high uncertainty caused by a crisis of unprecedented magnitude. Going forward, it will be key to lay the ground for strong, sustainable, and inclusive growth. In this light, the IMF's surveillance, capacity development, and lending remain more important than ever to support the membership's efforts. We want to underscore that the return to normal Fund operations and regular policy work must be one of the top priorities. To this purpose, the resumption of Article IV consultations is crucial as in-depth bilateral surveillance remains a cornerstone of tailored Fund advice. Timely policy advice through the flagship reports as well as other multilateral and bilateral surveillance activities is equally important.

Advice on the policy mix should help countries address challenges, some of which have increased in the wake of the pandemic, such as those related to financial vulnerabilities and globally unprecedented levels of public debt. In this context, we welcome the work on key Fund reviews, such as the FSAP Review, the Comprehensive Surveillance Review and the Review of the Institutional View on Liberalization and Management of Capital Flows. The latter should also take into account insights from the IEO's Evaluation of the Fund Advice on Capital Flows and the work on the Integrated Policy Framework.

2. Addressing debt vulnerabilities

We support the strong emphasis put on improving the overall global debt architecture.

Given elevated debt levels and an uneven debt burden across the membership, we are encouraged by the comprehensive coverage of this topic in the Work Program. We agree with the three main objectives of Fund work in this regard: (i) reducing debt vulnerabilities, (ii) strengthening debt transparency, and (iii) addressing sovereign debt resolution.

We welcome that Fund advice will also put a focus on medium- to long-term fiscal frameworks, which are necessary to maintain the credibility of fiscal sustainability and the confidence of private investors. Public investment should target specific areas and/or projects, which are conducive to higher future productivity, including digitalization and green technologies. Fund advice will need to be tailored to country-specific circumstances and consider the regulatory uncertainties investors may face in these areas. Mitigation and adaptation to climate change require above all conceptual work on policy instruments and sharing of country experiences.

3. Supporting the most vulnerable members

We very much welcome an ambitious work agenda on debt and support for low-income and developing countries (LIDCs). Lending activities should be guided by credible debt sustainability analysis and debt sustainability frameworks. It is also of utmost importance to bring forward the discussions related to enhancing sovereign debt resolution. Relatedly, Fund lending activities should systematically take into account risk implications, given the high-risk exposure to some particular regions. This will be particularly important in the discussion of Fund access limits.

We stress the importance of ensuring the self-sustainability of the PRGT to meet the needs of LIDCs in the longer term. In this context, we would welcome an update on PRGT resources, considering that the last update took place in July and the informal discussion on the Review of Concessional Financing and Policies has been postponed.

4. Streamlining and prioritizing work

We welcome further streamlining of the Board's work, yet we caution against undermining the Executive's Board oversight function. We see scope for prioritizing and streamlining the Board's work, including by more frequent use of the LOT procedure. Nevertheless, strong Board oversight is crucial for ensuring proper governance. Within this context, we were also concerned by the decision to postpone the Periodic Monitoring Report, which remains an important foundation for follow-up work of IEO evaluations as well as for providing this information to the Board, and would welcome an explanation on the rationale behind the decision to postpone its discussion.

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December 8, 2020

**Statement by Mr. Buissé and Mr. Rozan on The Managing Director's Statement on the
Work Program of the Executive Board
(Preliminary)
Executive Board Meeting 20/118
December 10, 2020**

We would like to thank the Managing Director for the very insightful work program that is being proposed. Priorities appear to be broadly aligned with the ones highlighted by the IMFC and through the Global Policy Agenda. Indeed, the Fund must deal with the challenges of transitioning from a crisis mode to assisting member cope with medium term challenges arising both from the crisis and from structural trends, in a context of very strong uncertainty. In this environment, specific attention has to be paid to the particular challenges faced by the most vulnerable.

As the work program rightfully sets out, the Fund has a foremost role to play to help restore confidence to foster jobs and economic growth. Resumption of bilateral surveillance, as set out in the prospective board agenda, is very much needed to reduce uncertainty and risks, and outline possible policy paths. We are of the view that regular timelines for bilateral surveillance should now be allowed to resume. *Could staff give us an indication of how many Article IV consultations will tentatively be discussed at the board in 2021?* The focus of the flagship reports appears appropriate, and we particularly welcome the forthcoming analysis on inequality, tax policies for fairer economies, and the role of public perceptions in redistribution. Regional briefings will be useful – a specific focus on programs and program pipeline in this context would be particularly warranted. This board has not had recent *Briefings on Country Matters*, which would be important for country cases that have not been discussed at the board in a long time. More broadly, we look forward to the completion of the Comprehensive Surveillance Review and the FSAP review, which should help us adapt and modernize our surveillance capability, while making sense of the developments related to the crisis. We wish to underline here the need to have a discussion on how to ensure sufficient resources to financial surveillance, in line with the IEO recommendations. Finally, we were surprised not to see any reference or engagement going forward on our lending strategy – we would wish to see how to work on the needed adaptation of our toolkit to the crisis period reach its conclusion.

More specifically, we very much welcome the very strong work program on debt issues. The IMF, in coordination with the Paris Club, G20, World Bank, and other stakeholders, has a key role to play to help countries implement sustainable borrowing practices and restore, when needed, their

debt sustainability. In this context, we generally support the items outlined in the paper, and look forward to the upcoming discussion announced at the Multipronged Approach board last Monday on transparency. We wish to particularly highlight the role that the Fund will have to play in assisting countries in implementing the DSSI, and even more crucially, the Common Framework. The next six months are really key to make this very important piece of the multilateral effort work to alleviate sustainability pressures. In parallel, strong capacity development should complement these efforts. Within the MPA, and going beyond countries in acute risk of debt distress, we would like to have an opportunity to discuss fiscal policy advice in an integrated manner, which could be important to outline fiscal consolidation paths and modalities.

Beyond debt issues, we also welcome the work program devoted to assisting the most vulnerable members. We welcome that the report on Macroeconomic Developments and Prospects in LIDCs will focus on the external financing needs of developing countries and sustainable financing options to fulfill the IMFC's request. This analysis should provide a basis to consider the role of the IMF vis-à-vis other IFIs and ensure adequate support for PRGT countries in the pandemic and post-pandemic environment. We look forward to this analysis being made available ahead of the Spring Meeting, and thereafter informing the now delayed Review of Concessional Financing. Could staff confirm these timescales? In the meantime, we recognize that some countries are near cumulative access limits and as such, the Fund's potential to support much needed strong adjustment programs in these countries will be impeded. We therefore reiterate our call to increase cumulative access limits and ask for proposals to this effect to be considered in the context of January's Board on Temporary Access limits. Accordingly, addressing the case for commensurate PRGT lending and subsidy resources also requires suitable attention from the Board. We reiterate here our support to looking at a wide range of options, and in particular, gold sales. We welcome the upcoming discussion on a General Allocation of SDRs during the Twelfth Basic Period and underline that there is a strong case for such an allocation at the current juncture.

Beyond these issues, work on FCS countries is warranted, and we welcome the upcoming follow up on this specific Management Implementation Plan and should outline a strategy for future Fund engagement. More specifically, as the institution needs to prepare for Sudan's HIPC process (and in particular, arrears clearance and debt relief), we wish to highlight that an upcoming discussion on the role of the SCA-1 account should be interlinked and informed by the development on Sudan's HIPC process (possibly through a single board discussion), so as to have a comprehensive view of the role SCA-1 should play.

We expect strong board oversight of Capacity Development issues over the next six months and beyond. The meeting on the implementation of CD priorities is welcome in this context, but we expect more attention over the period, given the strong importance that CD will have to assist members in implementing sustainable recovery policies. We expect such discussions at the board to cover issues related to funding, architecture of trust funds, priorities, integration into the surveillance-lending continuum, modalities of TA delivery and coordination with other stakeholders.

While we welcome the proposed discussion on the Internal Evaluation Office's work, we do feel that more attention could be paid to this in the board's activity over the next six months. While it is

legitimate to prioritize crisis and recovery-related work at the board in a context of work pressures, it is important not to lose sight of the very important evaluation and implementation work.

The work on supporting a more sustainable and resilient global economy has advanced, and the work program appears promising. The Fund has an important role to play to help countries develop smart, green and fair recovery plans. We wish to highlight here useful work related to tax policies and revenue mobilization, digital issues and rising corporate market power (which has important policy implications), governance, and of course climate change. This week's board on climate in surveillance should pave the way for a streamlining of such considerations into Article IV reports and FSAP. In particular, we look forward to the coverage of mitigation issues in the article IV of big emitters going forward, and wish to have a clear discussion on resources and tradeoffs as part of our upcoming budget discussion. Finally, we look forward to important discussions on capital flows, and on unconventional monetary policies, in a context of lower-for-longer. It is very important that the Fund works in depth on disinflationary pressures.

Finally, while this issue is absent in the work program, and pending a favorable evolution of the health situation in the greater DC area, we would wish that this six-month period will allow for at least a partial resumption physical board meetings. *SEC's comments on this would be welcome. More information on the possibility on the format of the Spring Meetings would also be welcome.*

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GRAY/20/3615

December 8, 2020

**Statement by Mr. Andrianarivelo and Mr. Diakite on The Managing Director's
Statement on the Work Program of the Executive Board
(Preliminary)
Executive Board Meeting 20/118
December 10, 2020**

We welcome the Managing Director's Statement on the Work Program (WP) of the Executive Board, and find it broadly consistent with the strategic orientations spelled out in the Fall 2020 Global Policy Agenda and the IMFC Communiqué. We find that this WP reflects the Fund's continued efforts to respond appropriately to the unprecedented challenges of restoring macroeconomic stability in the context of the Covid-19 crisis. It also keeps the focus on the need to strengthen the foundations for achieving a more resilient and sustainable economic recovery, as well as enhance the effectiveness of the Fund's governance and operations.

On the key priorities of the Fall 2020 Work Program, we support the full use of the Fund's surveillance, capacity development and analytical work, notably the flagship reports, WEO, GFSR, FM to convey pertinent policy advice. This will be important to prepare the membership for a resilient, inclusive and green recovery, while addressing the near-term challenges of the current difficult times. In particular, we view the theme of the next Fiscal Monitor on inequality of access to basic services as very timely and revealing of one negative aspect brought to light by the pandemic. We encourage staff to examine this issue in depth and come up with pertinent recommendations on how to enhance social safety nets for vulnerable and low-income groups hit by the crisis. In this regard, we are of the view that the analysis should be broad and encompass large segments of disadvantaged groups. We would be interested in further comments on the scope of this report.

We welcome the extensive work planned on debt issues and the agenda to reduce debt vulnerabilities. This issue is very relevant for many member countries as debt vulnerabilities have been exacerbated by the Covid-19 pandemic. That said, we continue to stress the need to always strike the right balance between containing debt vulnerabilities and providing room to finance the development needs of a large portion of the membership. In our sense, the two are not mutually exclusive and will require a careful balancing exercise on the part of staff to constantly have in mind the dual objectives of flexibility in the approach and safeguard of sustainability when it comes to tackling debt issues. We also look forward to the briefings on

the G-20's Debt Service Suspension Initiative and expect an identification of the implementation problems faced by some countries, and the ways to enhance and extend its framework to ensure full participation of public and private creditors in this important initiative. We also stress the importance of capacity development activities in the effort to improve debt management and contain debt vulnerabilities.

Regarding the assistance to the most vulnerable members, we look forward to the forthcoming report on macroeconomic developments and prospects in low-income developing countries. We reiterate our desire to see this report published regularly and would like it to become a self-standing flagship publication. In this respect, we note staff's intention to streamline the report and limit it to external financial needs. While we recognize the importance of this issue for many developing countries, this may limit traction as the theme may not be relevant for some other developing economies. *Does staff envisage the focus on a particular theme for each edition of the report and in that case, what would be the frequency of its publication?* We would be very interested in a discussion of the Post-Pandemic Assessment of the Sustainable Development Goals (SDGs) and the obstacles towards achieving them, as well as the response of the global community.

We see merit in a briefing on tax policy in the COVID/post-COVID World, and the examination of the role of taxation at different stages of the crisis, and for boosting the recovery. In this regard, domestic resource mobilization remains a central challenge, notably in low-income developing economies where fiscal policy need to support development objectives. As these countries face the daunting challenge of increasing spending to address important infrastructure gaps and achieve the Sustainable Development Goals (SDGs), while at the same time preserving debt sustainability, domestic revenue mobilization remains a key priority. We look forward to due consideration of these aspects in the forthcoming work on tax policy.

We welcome the discussion on the Fund's engagement with countries in post-conflict and fragile situations and the follow up to the Management Implementation Plan. The envisaged development of capacities in areas like monetary and financial sector is appropriate and should be strengthened. *We note however the lack of explicit items on the engagement with small states in the WP and would appreciate staff's clarifications.*

It will be important for the Board to be briefed periodically on issues related to the Fund's governance and operations. The WP rightly provides for important discussions on the sixteenth review of quotas and other issues related to quotas, and these will be key to help the membership monitor progress towards agreed objectives prior to the conclusion of the review.

The Fund's response to the crisis will continue to occupy a central priority in its activities. As countries continue to face the shock created by the Covid-19 pandemic, they will continue to require increased support from the Fund. In this regard, we look forward to the discussion on the third tranche of debt service relief under the CCRT and the means to ensure that donor contributions meet the target in terms of resource mobilization. Likewise, we welcome the review of the temporary increase in Fund access limits and expect bold

proposals to make this increase permanent to ensure that the emergency financing needs of the membership are effectively met. Beyond that however, we also call for increasing the normal annual and cumulative access limits under UTC-quality programs as countries move from the containment to the stabilization and the recovery phases. With the demand for Fund resources likely to increase, we continue to consider the option of expanding the allocation of SDRs as an appropriate avenue to help address global liquidity shortfalls.

It is clear that a number of enterprise risks assessments will need to be done in many aspects of its policies. However, it will be important that these assessments in areas such as the review of the temporary increase in Fund's access limits or lending policies should help inform the Fund's decision-making process in this period of crisis and the establishment of adequate safeguard but not bring the Fund to shy away from its important role in ensuring global macroeconomic and financial stability.

Given the intensive workload of the Board, especially in this period of crisis, we support greater streamlining and prioritization of the Board's activities. In particular, we agree that the use of LOT should be done as much as possible when the criteria are met, including for country programs.

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December 8, 2020

**Statement by Mr. Hosseini and Mr. Sassanpour on The Managing Director's Statement
on the Work Program of the Executive Board
(Preliminary)
Executive Board Meeting 20/118
December 10, 2020**

We thank management and staff for a streamlined and focused work program for the next six months. The last six months coincided with the worst of the COVID-19 pandemic and the work plan was appropriately driven by the unparalleled surge in demand on Fund resources and staff time. The institution rose to the challenge and delivered, thanks to the timely and proportional—albeit temporary—enhancement of access to its financial resources and the dedication and creativity of its staff. The unprecedented crisis called for unprecedented—and at times untested—measures, particularly in areas of fiscal and monetary policies, and financial market support. In the period ahead, the key challenge for the Fund is to provide members with sound policy advice to safely unwind the temporary measures as a part of a calibrated exit strategy, and to steer them towards sustained recovery. Although there are promising signs of economic recovery taking hold in 2021—bolstered in recent weeks by the roll out of vaccines—mass inoculation on a global scale is still many months and possibly 1-2 years away, and until the pandemic is stopped and ultimately eliminated, it is prudent to err on the side of caution. We are not completely out of the woods yet.

We believe that, in an environment of persistently elevated uncertainty and multiple global risk factors, the work program over the next semester would need to keep the focus squarely on the core mandates of Fund and the work streams that closely backstop them. The priorities of members clearly differ in some areas and, therefore, it is important that the work program keeps the priorities in balance. That said, a sustained global recovery benefits all.

We welcome the upcoming spring flagship, focusing on policies to underpin the recovery, limit scarring and boost potential growth (WEO); to promote financial stability as the impacts of the crisis continue to unfold in the banking sector, nonbank financial sector and the corporate sector, with the possibility of global spillovers (GFSR); and to explore the various aspects of inequality—including in some advanced economies—that had been brought

to surface and in most cases further exacerbated by the crisis, and the best way to address them (FM). The flagship reports are well placed to convey to the general public the innovative policies and the progress to deal with the crisis and the lessons learned, but more importantly the challenges lying ahead in the recovery period and beyond. The Policy Tracker and the Database of Countries Fiscal Measures in Response to the COVID-19 Pandemic continue to be valuable tools to disseminate the experience.

Surveillance work has just restarted and Article IV reports of only a handful of systemic countries have been brought to the Board in the current six-month work program. A clear priority in the next six months is to devote sufficient staff time and resources to catch up on the surveillance work, but with a clear prioritization. The conclusion of the Comprehensive Surveillance Review is timely to guide us through the process. Beyond surveillance, the demand for UCT facilities are also likely to rise—and possibly quickly—as membership emerges from the crisis and Fund-supported reform programs become pivotal to underpin the recovery and address the structural issues worsened by the crisis. That creates two sets of demands on the Fund: first, on its staff resources; and second, on its financial resources. We have full faith in the ability of Fund staff to rise to the occasion again, but we are far less certain about the adequacy of Fund resources.

We believe there is a sense of urgency for the Fund to address the issue of adequacy of its resources to meet the likely demand from membership in the near term, and more durably in the longer term. Accordingly, we attach great importance to the Review of the Temporary Increase in Fund Access Limits; Catastrophe Containment and Relief Trust, and Review of Concessional Financing and Policies that will help meet the resource demand of the current, and yet still unfolding, crisis. For longer term, however, there is no substitute for a permanent increase in Fund's core own resource base—its quota—that is also consistent with its role at the center of the global financial safety net. The 15th General Review of Quotas (GRQ) was a disappointment and we cannot afford another disappointment under the 16th GRQ. There should be a greater sense of urgency and, as such, we would support earlier and firmer scheduling of quota discussion and updates beyond what is envisaged in the Work Program. The time frame for the end-2023 completion of the 16th GRQ is already too tight. Fund's financial position should also be kept under close review to ensure its adequacy to serve the membership, consistent with the Articles of Agreement. We also strongly support early considerations of a general allocation of SDRs under the 12th Basic Period.

We commend the Work Program's emphasis on assisting the most vulnerable members, focusing on their external financing needs and financing options in response to the IMFC request. One of the major outcomes of the COVID-19 crisis has been the abrupt interruption of the progress of many developing countries towards achieving their SDGs; in fact, achieving the SDG targets by 2030 was already beyond the reach of many low-income countries even before the crisis. With that in mind, we look forward to staff's Post-Pandemic Assessment of Sustainable Development Goals, including the magnitude of spending needs

and external financing options to achieve the targets. We also welcome Fund's recognition of the difficult situation of conflict-affected countries and fragile states, and through enhanced engagement, we encourage staff to assess and meet their country-specific needs.

Fund's emergency financing during the COVID-19 pandemic was the lifeline for many emerging market and developing countries. Actions to ensure transparency and accountability in the use of pandemic-related spending evolved with experience and applied, at times not in a fully evenhanded manner. We look forward to a holistic assessment of Governance Safeguards in Crisis-Related Spending with the aim of establishing a coherent and evenhanded, Board-approved, framework for design and compliance of appropriate safeguards in the use of Fund resources as well as in surveillance.

We also believe it is important that the IEO evaluations are given the highest attention and the sense of urgency that they deserve. The IEO evaluation on Fund-Bank cooperation, recently discussed at the Board, provides an appropriate framework to be fully utilized in many areas of work that the two institutions overlap or complement each other, including debt vulnerabilities of low-income countries, climate change, and inequality.

Finally, the experience of the last few months has proven that the Fund is nimble, creative and pragmatic enough to adapt to new situations and address new challenges. It is important that we make full use of the positive experiences by applying them in the post-pandemic period, including streamlined work practices, focused Board documentation, use of LOT for approval, and CD provision.

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GRAY/20/3618

December 9, 2020

**Statement by Mr. Jin, Mr. Zhang, Ms. Liu, and Mr. Huang on The Managing Director's
Statement on the Work Program of the Executive Board
(Preliminary)
Executive Board Meeting 20/118
December 10, 2020**

We thank the Managing Director for a well-prioritized work program in line with the strategic directions outlined in the Global Policy Agenda and the IMFC Communique. As the pandemic moves into the next stage, the work program should shift its focus from immediate crisis response to supporting resilient and sustainable economic recovery while safeguarding the global financial stability. Many important but non-urgent works that were temporary suspended during the first phase of the crisis should be resumed gradually. We broadly support the work program and would like to make the following points for emphasis.

Surveillance

We would appreciate the Fund to continue closely monitoring the rapidly evolving situation and providing timely updates on the world economic and market development, given the exceptionally high uncertainties. With the pandemic creating long-lasting scars to the world economy, it is time for the Fund to deep dive into the structural implications of this unprecedented crisis, including its potential long-term impacts on economic output, global value chain, labor market, financial stability, and income inequality, among others. In this regard, we broadly support the main themes of the spring flagship reports. Rigorous, evenhanded, and multilaterally consistent assessments of external positions and exchange rates are crucial for the Fund's reputation and traction. We welcome the Fund's commitment to this.

We welcome the recent resumption of the focused Article IV consultations. The bilateral surveillance should continue focusing on the pandemic related issues, providing targeted policy advice and facilitating sharing of good practices. We commend the Fund's recent efforts to incorporate the pandemic experience into the Comprehensive Surveillance Review (CSR) and Financial Sector Assessment Program (FSAP) review. As staff continue to refine their recommendations in the CSR, it is crucial to adequately consult with the Board and

authorities. We look forward to the conclusion of the CSR and further discussion on FSAP review.

Addressing debt vulnerabilities

We welcome the ambitious work agenda related to debt. It is important for the Board to discuss the debt issue in a systematic and holistic manner, rather than a piecemeal way. In this regard, we suggest that the Fund conducts a periodic overview of the debt-related work and let the Board know how each Board discussion will contribute to the overall international debt architecture. Meanwhile, it is essential for the Board to set some fundamental principles and ground rules to guide all the debt-related works. One of these principles and rules, we believe, should be that the debt analysis framework is growth-friendly and based on a balance sheet approach.

While the work agenda mainly focus on public debt of low-income countries, we suggest that the Fund also closely monitor the high indebtedness of other countries. The work on corporate insolvency and debt restructure should also continue, given the high leverage in the corporate sector.

Fund resources

We would appreciate staff to continue keeping a close eye on the Fund resource adequacy and brief the Board in a timely manner. We welcome the upcoming discussion on the 16th General Review of Quotas (GRQ) and believe that the timely completion of the 16th GRQ and governance reform is the key to ensure the Fund's long-term resource adequacy and legitimacy. We call for swift action on a general allocation of SDRs, which could help to alleviate external financing pressures for many countries, especially those who still do not have access to the Fund's emergency financing. We would prefer bringing this to the Board as early as possible.

Regarding the Fund's income and budget, we also would like to see it presented to the Board in a more systematic and holistic way. An assessment of how each decision would affect the Fund's overall income and financial position would be appreciated.

Analytical work

As the pandemic accelerates the structural transformation of the global economy, the Fund's analytical work should not fall behind the curve. While we broadly agree with the ambitious work agenda, some topics are so macro-critical that we believe the Fund should go above and beyond analytical work. We encourage the Fund to fully solicit opinions from its membership and develop international codes, standards, and best practices in areas such as cross-border data usage, carbon board tax, and competitive neutrality. It is important to let international organizations, which are highly representative and authoritative, to establish international rules, so that every single member's voice could be heard, and no one is

excluded. This would also help to prevent market fragmentation and ensure a level playing field.

We also suggest better incorporating those macro-critical topics into the Fund's surveillance work. The integration of climate change into Article IV consultations and FSAPs is a good example and step in the right direction. We welcome the Fund's continuous focus on digital economy and look forward to the briefing on Central Bank Digital Currencies (CBDCs). Some topics are so important that we would prefer seeing them in a formal board meeting or informal to engage session rather than informal to brief, for example, the unconventional monetary policy.

Lastly, we find one important topic missing here, which is trade. Given the rapid changes in the global trade landscape over the past months and in the foreseeable future, we encourage staff to continue their briefing on the global trade policy, taking into account the recent completed regional trade agreements including the Regional Comprehensive Economic Partnership (RCEP).

Assistance to the most vulnerable members

We look forward to the report on Macroeconomic Developments and Prospects in Low-Income Developing Countries, as requested by the IMFC to assess the external financing needs for low-income countries. With financing needs estimated, the Board will be better informed to discuss the funding gap of the Poverty Reduction and Growth Trust (PRGT) and Catastrophe Containment and Relief Trust (CCRT).

We encourage the Fund to make an integrated funding strategy, with different approaches explored and increased number of member countries engaged.

Staff's Responses to Executive Directors' Technical Questions

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

EBM/20/118, December 10, 2020

Staff's responses to technical and factual questions are below. Broader policy questions in the areas of lending toolkit, IEO, CSR and FSAP review, delayed policy reviews, work on low-income countries and concessional financing, SDRs, and briefings on country matters will be addressed in staff's oral intervention at the Board meeting.

Multilateral Surveillance

1. *We would appreciate staff's comments on the key topics of the WEO/GFSR/FM chapters and the envisaged format of their discussion by the Board.*

Could staff also confirm that the Fiscal Monitor analysis will address global inequality, as well as that at the country-level, as per our previous request?

- WEO: The report will focus on policies to achieve a durable recovery, limit persistent damage to potential output, and deal with the economic, financial, and social legacies of the crisis.
 - GFSR: Two analytical chapters will focus on the near-term financial stability risks in the nonfinancial corporate sector and challenges in commercial real estate—a sector that has been hit hard by the crisis. A third analytical chapter will analyze the interaction between nonfinancial sector leverage, financial conditions, and macro-financial stability to evaluate the medium-term intertemporal tradeoff faced by policymakers against a backdrop of continued policy support.
 - FM: The analytical chapter will discuss fiscal policies to tackle inequalities—especially in access to basic public services—that were exacerbated by the pandemic and may cause income gaps to persist. It will also elaborate on the role of public perceptions in determining support for redistribution. The analysis will cover inequality both within and across countries.
2. *The GFSR's focus on challenges in the corporate sector and financial stability risks in the commercial real estate sector is timely and responds to the Board's requests. Will it be possible for staff to go beyond G20 countries and provide insight for a broader range of countries, building on area department analysis?*

- The analysis in the commercial real estate sector will mostly focus on major advanced and emerging market economies due to severe data limitations. However, part of the analysis would cover non-G20 economies.
3. ***For the GFSR, could staff clarify whether the discussion of drivers of the credit and leverage cycle will propose a response to growing risks in the non-bank financial sector as “low for long” and UMP fuel a widening disconnect between financial markets and the real economy?***

With regards to the GFSR, could staff comment on whether NBFIs risks will be covered given the vulnerabilities exposed at the start of the COVID-19 crisis and ongoing FSB efforts to address the regulatory gap in this area?

- The overview chapter will discuss vulnerabilities in the nonbank financial intermediation (NBFIs) sector, including how “long-for-long” policy rates and investor’s search-for-yield are pushing portfolios into riskier and less liquid assets. The analysis will focus on various non-bank institutions, including investment funds, insurance companies, and pension funds. Staff will also publish an analytical note analyzing the behavior of investment funds during the COVID-19 market turmoil in March 2020. Finally, staff are engaged with the FSB on NBFIs work, including the holistic review and the NBFIs interconnectedness mapping.
 - Relatedly, an analytical chapter will focus on the interaction between nonfinancial sector leverage, financial conditions, and macro-financial stability. However, this analysis is based on data for total debt held by the nonfinancial sector and does not distinguish between bank and non-bank lenders. Results may have implications for macroprudential measures that could help mitigate risks stemming from leverage buildups, but more detailed analysis would be needed to assess measures that could address growing risks in the specific groups of debtholders, such as the NBFIs lenders.
4. ***The Fund should be advising members on when and how to unwind fiscal stimulus and this should be the focus of the upcoming Fiscal Monitor. Unwinding the significant measures taken will require difficult judgments about when to stop cushioning the impact on individual firms and switch instead to facilitating the reallocation of capital and labor to permanently changed circumstances. Exit too soon could be a big set-back. Members will need policy advice from the Fund on the most effective ways to transition their economy. Staff comments welcome.***
- The January Update of the FM and the April FM will indeed discuss the appropriate fiscal measures to support people and firms during the pandemic, as well as how and when to adapt or unwind such measures, depending on country circumstances.

5. *We also welcome comments on probable themes for the External Sector Report.*

Given the substantial financing needs in SSA, that have been exacerbated by the fiscal impact of repeated shocks over the past decade, initiatives that save or recoup lost resources remain critical. In this regard, efforts should also be made to enhance the efficacy of the Fund's work on illicit financial flows in order to secure meaningful outcomes. Some consideration should be given to this in the design of capital account policies and perhaps the external sector report could provide some analysis in this area. Staff comments are welcome.

- The 2021 External Sector Report will assess global external developments during the COVID-19 crisis and analyze the effects of the global recession on trade and current account balances over the medium term. It will also discuss policy priorities, including capital account policies, to respond to the crisis and promote economic recovery, while reducing excess imbalances over the medium term.

6. *The regional briefings, including their thematic focus, has been useful. We would welcome staff elaboration of the early thinking of topics.*

- AFR: The briefing will update on developments and outlook for sub-Saharan Africa, policies to advance diversification, and measures to tackle regional inequality.
- APD: The thematic regional work will focus on the economic implications of a multi-speed adoption of the vaccine, trade and technological tensions, rising public and corporate debt vulnerabilities, and climate change.
- EUR: The briefing will discuss the latest developments and outlook; in particular how progress with the vaccine may affect short- and medium-term prospects, and policy priorities for a green and digitally-focused recovery.
- MCD: The briefing will update on the outlook, focusing on COVID-19 issues and the road to recovery. The thematic focus will be shaped by opportunities and challenges raised by the pandemic, as well as policies and reforms to manage these challenges, address preexisting vulnerabilities and support a more sustainable, greener, smarter, and fairer recovery. In addition to pandemic related issues, work on fostering macroeconomic stability and debt sustainability, supporting inclusive growth, addressing issues raised by climate change, and facilitating technological transformation will also inform the regional briefings.
- WHD: The briefing will cover the evolution of the pandemic in Latin America and the Caribbean, the impact on economic activity and labor market developments, an update on the corporate sector, and the policy responses.

7. *Could staff share their views on the effectiveness and usefulness of the regional informal briefings on country matters that were held in June 2020?*

- AFR: The regional briefing, based on the June 2020 REO update, provided much needed information for country teams, authorities in the region, and the donor community amid great uncertainty and limited data availability. In particular, the REO provided real time estimates of activity and countries' financing needs. COM's impact report showed a significant increase in the readership.
- APD: The regional informal briefing has been extremely useful to inform the Board about regional and country-specific developments, as well as to receive the Board's feedback on its views on policies priorities for the region and areas of interest to be covered in the thematic regional work.
- EUR: The briefing presented staff views on the likely impact of the pandemic, an overview of countries for which Fund arrangements were in place or were under discussion, and a summary of policies for managing and then emerging from the crisis. The discussion was useful to hear the Board's views on how the crisis was likely to evolve and on policy priorities.
- MCD: The presentation stimulated an interesting discussion on key issues such as: implications of lower-for-longer oil prices, diversification, migrant workers and remittances, among others. The grouping of diverse countries by their degree of vulnerability and availability of policy space, and providing tailored policy recommendations received strong recognition.
- WHD: Staff considers that the engagement was both helpful and productive and looks forward to future discussions.

8. *Could staff elaborate on the item "Briefings on Country Matters" which is intended to "present in-depth analyses of common challenges for specific groups of countries" (page. 2)? Are these envisaged as common regional briefings (as they used to be) or as an early implementation of CSR proposals?*

Could staff provide more details on how country matters briefings will supplement the Article IV process, and the extent to which such briefings could supplant individual country surveillance?

- An oral response will be provided at the Board meeting.

Economic and Financial Research

9. *For the work on Monetary Policy Framework Reviews we thank staff for taking on board our previous questions on the implications of falling equilibrium real interest rates and declining inflation expectations. Could staff clarify whether this work will also provide guidance to assist countries once the unwinding of UMPs eventually takes place?*
- The briefing on the Monetary Policy Framework review will provide an overview of the challenges facing central banks (e.g., low equilibrium real rates, falling inflation expectations), and how they are being addressed through innovative policies and more aggressive use of UMP tools. The focus will be on policies to provide additional monetary stimulus to spur the recovery rather than on unwinding them, as these policies may remain in place for a considerable period.
10. *We would be interested to hear more from staff about the scope of the envisaged board meeting on Tax Policy in the Covid/Post-Covid world?*
- The briefing aims to update the Board on developments prompted by the pandemic, such as the significant decline in revenues, including in low-income countries, tax policies, and the operation of revenue administrations. Some welcome changes include the increased use of technology in tax administrations; improvements in VAT policy and implementation; and risk analysis in customs. Staff will also discuss directions in revenue policy and administration in the recovery period that could support inclusive and green growth.

Global Solutions

11. *Relatedly, we see that a discussion on the Case for a General Allocation of SDRs During the Twelvth Period is not scheduled until June 2021. We would appreciate an opportunity to have informal discussions in the interim on the prospects and obstacles of a general SDR allocation as part of the Fund's role in covid response, and to consider possible reallocations and innovative use of SDRs. Could this be added in an informal setting?*

We welcome the discussions that are foreseen on the 16th GRQ, the adequacy of Fund resources and the review of concessional financing and policies. We also welcome the Board discussion on the case for a general SDR allocation. Could staff elaborate on the considerations and expectations for the latter? Would this formal Board be preceded by informal Board engagements?

We note that staff plan to review the Case for an SDR Allocation in June but there is

no mention of the Review of the SDR Basket, which is also up for review this year. We would encourage staff to keep this review on the agenda as scheduled.

- An oral response will be provided at the Board meeting.
12. *We welcome that the report on Macroeconomic Developments and Prospects in Low-Income Developing Countries will focus on the external financing needs of developing countries and sustainable financing options, to fulfill the IMFC's request. This analysis should provide a basis to consider the role of the IMF vis-à-vis other IFIs and ensure adequate support for PRGT countries in the pandemic and post-pandemic environment. We look forward to this analysis being made available ahead of the IMFC Spring Meeting, and thereafter informing the now delayed Review of Concessional Financing. Could staff confirm these timescales.*

We welcome that the report on Macroeconomic Developments and Prospects in LIDCs will focus on the external financing needs of developing countries and sustainable financing options to fulfill the IMFC's request. This analysis should provide a basis to consider the role of the IMF vis-à-vis other IFIs and ensure adequate support for PRGT countries in the pandemic and postpandemic environment. We look forward to this analysis being made available ahead of the Spring Meeting, and thereafter informing the now delayed Review of Concessional Financing. Could staff confirm these timescales?

Regarding the assistance to the most vulnerable members, we look forward to the forthcoming report on macroeconomic developments and prospects in low-income developing countries... While we recognize the importance of this issue for many developing countries, this may limit traction as the theme may not be relevant for some other developing economies. Does staff envisage the focus on a particular theme for each edition of the report and in that case, what would be the frequency of its publication?

- An oral response will be provided at the Board meeting.
13. *We note the lack of explicit items on the engagement with small states in the WP and would appreciate staff's clarifications.*

We also wonder about the progress of the Fund's work on... the financing support for small developing states and how these works will be incorporated in the work program. Staff comments are welcome.

- Staff has been exploring mechanisms to support small developing states (SDS). Preliminary staff analysis on possible options involving an SDS Trust Fund was circulated to Executive Directors on November 20. Following further discussion with

potential donors and beneficiaries, a proposal will likely be brought to the Board for an informal discussion.

14. *The GPA supported modernizing the rules-based multilateral trading system, as part of efforts to promote international cooperation and open trade as an engine for restoring global growth. However, we missed reference to any work on trade-related issues and would welcome comments.*

- Staff concurs on the importance of promoting more open, stable, and transparent trade policies and supporting the reform and modernization of the WTO as a key way to restore trade as an engine of global growth. While there are no specific items in the WP, staff are considering specific initiatives and outputs that could advance our advocacy for WTO reform and will update the Board as warranted.

15. *The GPA also emphasized that the immediate priority is to develop, produce, and distribute medical treatments and vaccines with accelerating universal access to medical solutions in the interest of all countries. We were wondering if the Fund is supporting multilateral efforts in this area, especially those of the WHO, by providing analytical work and advice regarding economic implications as well as affordability of vaccination for LICs.*

- Through research and multilateral engagements, the Fund is highlighting the benefits of widespread availability of vaccines, treatments, and diagnostics. In addition, the Fund is in contact with experts in the field of vaccine development and distribution, including academics, the Gates Foundation, WHO, and CEPI, to inform our views on the path of the pandemic. The Fund is also analyzing scenarios of global economic growth under different assumptions of how quickly the pandemic is controlled.

16. *While we take note that the completion of the review of the Framework for Enhanced Fund Engagement on Governance is now planned for Spring 2022, could staff comment on whether it still intends to have a formal board meeting on “Illicit and Tax Avoiding Financial Flows”, which was originally intended for September 2020, but is absent from the current work program despite its continued high relevance.*

- Due to resource constraints, work on illicit and tax-avoiding flows had to be postponed. Staff expects to resume work after the Spring Meetings.

Fund Policies

17. *Perhaps, a special Board meeting to discuss jointly the CSR, the FSAP, and resource allocation between various surveillance products should be added to the work program? Staff comments would be appreciated.*

We missed any reference to a planned joint CSR-FSAP Board paper on Systemic Risk and Macprudential Policy Advice in Article IVs. Staff comments are welcome.

We would appreciate staff's comments on their plans to address the delays in the policy reviews and resume the work on other important issues.

- An oral response will be provided at the Board meeting.

18. *Could staff explain how they plan to sequence and prioritize the backlog of Article IVs?*

Can staff please comment on the strategy underpinning the selection of members for bilateral surveillance and its operationalization?

Could staff give us an indication of how many Article IV consultations will tentatively be discussed at the board in 2021?

- Recognizing the constraints imposed by the crisis on both authorities and staff, the selection of members for upcoming Article IV consultations is guided by the three criteria laid out in the Board paper “Surveillance During the COVID-19 Crisis—Engagement on Country and Thematic Issues” (FO/DIS/20/133). The criteria include countries: (i) whose policies have global or regional systemic implications; (ii) have significant vulnerabilities; or (iii) have not been recently discussed at the Board in the context of Fund financing. Staff seeks to apply these criteria in an evenhanded manner and include members from different country groupings. Countries’ readiness to engage in Article IV discussions, while grappling with the immediate crisis response, is also taken into consideration.
- For the first half of 2021, around 50 Article IV consultations are scheduled to be considered by the Board. At this point, staff does not have a reliable estimate for the total Article IV consultations in the calendar year 2021. Staff will continue to periodically update the Board about forthcoming Article IV consultations, including as part of the WP Implementation updates.

19. *Could staff elaborate on the timeline for the review of data provision to the Fund for surveillance purposes and under Article VIII issues?*

Can staff provide more details as to when there will be a formal Board review and update to the policy on the Article VIII Section 5 Data Provision to the Fund?

- An informal to engage meeting on “Data Provision to the Fund for Surveillance Purposes—An Update” has been scheduled for March. The presentation would be

shared with Executive Directors about 2 weeks in advance and staff will also reach out to Directors informally. As discussed during the recent CSR Board, staff expects to incorporate the strategic feedback from EDs on priority areas for data provision into the final CSR documents, which will be considered by the Board in spring 2021. Drawing on inputs from Directors, staff will also prepare a more comprehensive set of proposals for changes to data provision that could be considered by the Board later in 2021.

20. *Could staff provide an update on the status of the IPF and efforts to further develop the models in response to Board input?*

Regarding the IPF, is staff still working to incorporate fiscal policy into the framework, which has become more critical in view of its role in pandemic response?

- Work is underway to explore the role of fiscal policy. Both tax and expenditure policies will be considered. Extensions will include the role of fiscal policy in the presence of the effective lower bound or fixed exchange rate regimes; how the fiscal stance affects the monetary stance and the use of IPF tools; and the impact of the fiscal stance on vulnerabilities (e.g., to sudden stops).
- Regarding multilateral aspects, multi-country models are being adapted to assess how IPF tools, including unconventional monetary policies, affect other economies. In addition, a conceptual model will be developed to analyze the cross-border transmission of global and country-specific shocks and the global implications of the use of IPF tools via trade/finance linkages.
- In addition to modeling, empirical and operationalization work will be conducted to help translate the analytical results into implementable policy advice. This work involves developing metrics and safeguards to prevent misuse, and considering the long-term consequences of using the IPF tools.

21. *Can staff comment on the experience on the implementation of safeguards thus far? We would also welcome staff elaboration on their plan to share experiences in advanced and emerging economies with regard to similar governance measures.*

- A comprehensive update on the implementation of governance-related commitments in emergency financing operations will be provided during the March briefing. In the meantime, information is being provided in country staff reports as relevant. The discussion of governance and transparency in crisis-related spending in non-program countries is expected to be broad-brush, covering some good practices and other selected issues.

22. *We welcome the proposed discussion on governance safeguards and would welcome comments on whether this should be integrated into a general review of our emergency financial assistance framework.*

- The proposed briefing is for the Board's information and not part of a general review of the emergency financial assistance framework. The briefing will also be preliminary in the sense that implementation of governance-related commitments in emergency financing will continue through at least 2021.

23. *We thank staff for recently presenting some concrete steps on integrating climate change into Article IVs and FSAPs and we fully support taking the agenda forward in this area. Could staff elaborate on the next steps planned, e.g. will this discussion be followed up by formal proposals in the CSR and FSAP reviews in 2021?*

- A background paper summarizing the main points of the Board presentation on integrating climate change into Article IVs will be circulated to the Board together with the CSR. On FSAPs, we will cover the main points of the Board presentation in the FSAP Review.

24. *We look forward to climate being embedded systematically into surveillance work going forward. In addition to the CSR and the FSAP review, we would welcome an update on timelines for the delayed review of CCPAs.*

- The CCPA review is advancing on two pillars: (i) a backward-looking pillar that is near completion; and (ii) a forward-looking pillar that will focus on institutionalizing cooperation with the World Bank, expected to be completed by end-2021.

25. *We welcome the different planned Board engagements regarding Fund lending, but we see added value in an integrated discussion on the lending strategy. Such a Board meeting could follow-up on the previous two discussions on the lending strategy in July and September. Does staff foresee any follow-up on the discussion on changes to the toolkit?*

We understand that there was no majority for a new Pandemic Crisis Facility; however, we think staff need to provide an update to the Board on the evolution of demand for programs and set out a strategy to respond to that demand. Staff comments would be welcome.

We also wonder about the progress of the Fund's work on lending options to support the members during the next stage of the crisis ... Staff comments are welcome.

We expressed our preference for creating a new Pandemic Support Facility (PSF). However, we missed any reference to any plan to bring to the Board the establishment

of a PSF or a temporary pandemic window under the EFF. Staff comments would be appreciated.

- As agreed by the Executive Board, staff have been working within the existing flexibility in the lending toolkit and policies to tailor UCT-quality programs to the unique nature of the pandemic and associated uncertainty, while applying well-calibrated additional safeguards. Staff will propose a presentation on lending during the pandemic once sufficient experience has been accumulated.

26. *Could staff also comment on their plans to conduct a review of the Fund's precautionary arrangements?*

- The next Review of the FCL/PLL is scheduled to take place in 2022, i.e., within five years of the previous review, which took place in December 2017.

27. *We welcome comments on how staff are ensuring that CD needs of members that do not have regular engagement with the Fund (either through a Fund supported program or while bilateral surveillance is gradually resuming) are being identified and met.*

- Staff has been able to maintain active engagement with members throughout the crisis using several channels. The roll out of Release 1 of CDMAP in August is allowing a centralized capture of all CD demand and facilitating prioritization and budgeting.
 - CD needs were carefully considered in the context of the emergency financing discussions and these generated a significant flow of demand. In surveillance cases, engagement with country authorities has continued, including through Resident Representatives, even without formal Article IV missions.
 - Regional CD Centers have also been crucial in channeling demand to HQ.
 - CD departments have maintained engagement through existing projects and CD relationships, adapted to new circumstances. Outreach—such as FAD's CD on demand initiative, webinars to discuss COVID notes, discussions at international fora such as FATF, and RTC courses—has been another channel that often resulted in specific demand for CD.

28. *On harnessing the full potential of digitalization, the GPA noted that the Fund will support governments' digital transformation through advice and CD. However, the work agenda on this issue seems to have a very limited focus. An elaboration in this regard would be appreciated.*

- Staff has been extensively engaging on digitalization issues, including in the following areas:

- Public financial management (PFM): Staff aims to support the modernization of fiscal management by: (i) developing key functional and technological principles to guide public sector practitioners on the implementation of digital PFM IT solutions, including for public service delivery; (ii) using Hackathons to identify country-tailored technologies that reduce inefficiencies and support fiscal policy formulation and implementation; and (iii) delivering CD and analytical work in payments infrastructure and government treasury single accounts.
- Revenue administration: Staff is advising tax administrations on the design, functionality, and management of IT systems that are critical for their operations, leveraging digitalization to broaden the tax net and ensure compliance.
- International Taxation: Staff continues to pursue analytical, policy and CD work on international taxation, which is increasingly influenced by the digitalization of multinational businesses. Staff plans to update the Board in FY22 on global developments and emerging staff's views.
- Expenditure policy: Staff is developing a diagnostic tool to help country teams assess members' readiness to operationalize and/or scale up mobile money government transfers, including through the iLab COVID-19 Call for Ideas Challenge on sustainable government-to-person mobile money transfers.
- Digitalization of finance: Staff's work covers payments, digital currencies, infrastructures, and fintech regulation. Demand for CD is surging, particularly on central bank digital currencies, cross-border payments, and the regulation of nonbank payments and other financial service providers. This work has been buoyed by unprecedented international cooperation driven by technological innovation, including from private sector solutions. The G20 has endorsed an ambitious multi-year roadmap for new solutions and wide-ranging reforms to existing cross-border arrangements and has called on the Fund to play a central role. In addition, cyber risk has become a permanent feature of financial sector risk management, with potential systemic implications for countries.

Fund Governance and Membership

29. Given the growing prominence of climate issues on the Fund's agenda, we would ask staff to elaborate on their proposal to extend the 6-month time requirement to complete the MIP on the IEO Evaluation on working with partners: IMF collaboration with the World Bank on macro-structural issues. While we can go along with extending the deadline, at this stage, it would be useful to specify the timeframe when the Board can consider this issue.

Could staff also clarify proposed timelines for the delayed MIPs?

On tradeoffs and the need to delay some work, could staff clarify the reason for the 6-month delay in the PMR as we understood this to be a reporting tool informed by ongoing reporting to SPR.

- An oral response will be provided at the Board meeting.

Fund Finances, Risk Management and Internal Support

30. *Accordingly, we would very much appreciate if staff could provide another update on demand for fund resources before the end of the year. Staff comments would be welcome.*

- The Board Paper “Update on the Reform of the New arrangements to Borrow—Status of Consents and Effectiveness Conditions” will provide an update on the pipeline of GRA arrangements and outright purchases, and cover the latest developments on the demand for Fund resources. This paper is expected to be issued to the Board next week. More broadly, staff continues to closely monitor the adequacy for Fund resources and will brief the Board as warranted.

31. *First Special Contingent Account (SCA-1). We welcome a discussion on this important issue. Could staff give an indication when approximately the Board meeting on this issue is envisaged?*

We were puzzled by the single, informal Board discussion on SCA-1 and the potential for Sudan to reach HIPC Decision Point next year; what is staff’s plan to finalize a strategy for SCA-1 and develop a strategy for debt relief for Sudan?

- Staff is aiming for an informal Board discussion on the SCA-1 early in 2021. In parallel, staff is developing a strategy for debt relief for Sudan, and the first Board engagement on this topic is also planned to take place early next year. Given the interlinkages between these topics, a strategy for the SCA-1 and a strategy for debt relief for Sudan will then be finalized in light of these initial discussions.
32. *Based on this understanding, we believe the Fund should conduct analysis and provide policy recommendations in accordance with divergent situations among countries not only through the Bilateral Surveillance, but also the Multilateral Surveillance. Bearing this in mind, the Fund should make accurate and tailored external communications to be understood and supported by the general public and market participants. In this context, we would like to hear whether the staff have a plan to hold a Board meeting*

for the Fund's communication strategy, which had been usually held in January, in 2021.

- Staff plans to hold an informal Board meeting on the Fund's communication strategy in May 2021. The original January timeline was delayed due to the crisis.

33. *We have underlined in earlier Board meetings that achieving the 2025 Diversity Benchmarks especially related to URR must remain at the forefront as the 2020 benchmarks for the MENA+ and East Asia were not met. We would appreciate information on the Board work agenda in the next 6 months.*

- The Recruitment and Retention paper, scheduled for Board discussion in March, will include a section on progress toward the diversity benchmarks. The next update to the Board from the Diversity & Inclusion Office will take place at the end of 2021, with a formal report covering 2020 and 2021. In the meantime, as work on the new HR system continues, diversity data will become more readily available and staff will inform ED offices as soon as they are able to access this information.

34. *While this issue is absent in the work program, and pending a favorable evolution of the health situation in the greater DC area, we would wish that this six-month period will allow for at least a partial resumption physical board meetings. SEC's comments on this would be welcome. More information on the possibility on the format of the Spring Meetings would also be welcome.*

- Our current approach remains a "phased reopening" and we continue to suggest that Board meetings remain virtual through phases 1 and 2. In phase 3, we would consider resuming physical Board meetings, with a hybrid physical/remote approach.
- We will continue to assess the health situation and evaluate our plans, depending on the availability of testing, the development of vaccines, guidance from health experts, and the concerns of staff. We will provide another briefing at end-January, when we hope to also brief the Board on the format of the Spring Meetings.

35. *The statement says that the "Work Program will be adjusted from time to time to introduce topics of a strategic, thematic and/or cross-cutting nature that are closely related to the crisis and its resolution." How is this different from normal practice of adjustments made in the past 6 months--which items were added that were not in the June Work program?*

- The Spring WP has been broadly implemented as planned but with agility, with meetings added as warranted by conditions. For example, to better address members' needs, a Board engagement on PRGT resource needs and funding options and regular updates on Fund resources were added to the Board calendar. The Board was also

briefed on the implementation and extension of the Debt Service Suspension Initiative and on other debt-related issues; the externally-financed IMF capacity development and the COVID19 Capacity Development Initiative; risk acceptance; and monetary policy issues. Regular briefings were also added on plans for the return to HQ. Going forward, the WP will remain flexible, as needed, to accommodate evolving needs in the uncertain environment.

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