



## Statement by Rodrigo de Rato, Managing Director of the International Monetary Fund, on the Work Program of the Executive Board November 13, 2006

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### Overview

1. The Annual Meeting of the IMF Board of Governors and the meeting of the International Monetary and Financial Committee (IMFC) in Singapore in September 2006 represented an encouraging level of international monetary cooperation, reaffirming our membership's strong belief in the Fund's continued relevance as the center for international monetary cooperation. The Board of Governors approved the Resolution on Quota and Voice Reform developed by the Executive Board on the basis of a constructive and cooperative spirit, while the IMFC reviewed and endorsed the progress we have made in implementing the Medium-Term Strategy (MTS). The key challenge facing us in the period ahead is to harness the momentum of Singapore, both in pressing forward with the further steps in the quota and voice reform and in putting into action the remaining elements of the MTS, including in particular further strengthening the surveillance framework and improving the focus of surveillance activities, and designing policies to enhance the IMF's support for emerging market countries and low-income members.

2. Given the challenging work program for the period ahead, we must prioritize and sequence our work program carefully. This will require not only an ambitious agenda for the Executive Board but also a proactive outreach effort, particularly on quota and voice reform, the reform of the surveillance framework, and in reaching agreement on the best way forward to enhance support for emerging market economies and improve our crisis prevention tools.

### Highlights of Progress to Date on Key Elements of the Medium-Term Strategy

**Surveillance:** launch of the multilateral consultation on addressing global imbalances; preliminary consideration of the review of the 1977 Decision on Surveillance over Exchange Rates; stocktaking of the Treatment of Exchange Rate Issues in Bilateral Surveillance (seminar); discussion on setting a new surveillance remit; review (informal) of CGER methodology; and establishment of the Monetary and Capital Markets Department.

**Fund Governance:** discussions on quotas and voice reform leading to the adoption of a resolution providing for a first round of ad hoc quota increases, and agreement on the main elements of a second round; discussions continued on proposal on the implementation of a risk management framework at the Fund; an informal briefing addressed technical issues on functional paylines; the Investment Account was established and a committee of eminent persons began work on the sustainable long-term financing of the Fund.

**Emerging Market Economies:** preliminary discussions were held on: the purposes and performance of precautionary arrangements; country insurance—the role of domestic policies (informal seminar); and on the consideration of a new liquidity instrument for market access countries (seminar).

**Low-Income Countries:** discussions on issues related to debt sustainability, the sunset clause for the HIPC Initiative, and the Doha development agenda and aid for trade. The work of the External Review Committee on IMF-World Bank Collaboration advanced, taking into account Governors' responses to a questionnaire.

**Streamlining Fund Operations:** proposals for making misreporting policies less onerous in de minimus cases.

3. This work program statement is in two parts: Part I highlights the continued implementation of the Medium-Term Strategy in line with these goals in the period up to the 2007 Spring Meetings (Section A) and thereafter (Section B), and Part II outlines other key noncountry Board items in the period ahead. In view of the ambitious and comprehensive calendar that lies ahead, it will be useful to take stock informally of the progress in the work program early in the new year to ensure that objectives set for the Spring Meetings and the 2007 Annual Meetings remain realistic.

### Part I — Taking the Medium-Term Strategy Forward

#### A. Discussions Ahead of the 2007 Spring Meetings

4. Work on elements of the Medium-Term Strategy in the period immediately ahead will primarily focus on surveillance and on quota and voice reform, while the strands of the strategy covering capacity building, emerging market members, and support for low-income members will also be given a prominent place. The previously circulated road maps for implementation of the MTS provide a useful guide for work to be carried out over the coming months.<sup>1</sup>

### Surveillance

<b>Surveillance—Key Actions</b>	<b>Nov.</b>	<b>Dec.</b>	<b>Jan.</b>	<b>TB2</b>
Review of the 1977 Decision on Surveillance over Exchange Rate Policies			DIS	
Review of the 1977 Decision on Surveillance over Exchange Rate Policies—Possible Amendments				DIS
Assessing the Effectiveness of Surveillance—Methodological Issues		SEM		
Assessing Underlying Vulnerabilities and Crisis Risks in Emerging Market Countries				ISEM
Financial Sector Issues in Country Surveillance			ISEM	
Fiscal Policies, Financial Sector and Capital Flows				ISEM
Multilateral Consultation			Update	

5. **Modernizing the framework of surveillance** will remain a central focus of the work program. A discussion on the **review of the 1977 Decision on Surveillance over Exchange Rate Policies** planned for January will build on the preliminary discussion that was held ahead of the 2006 Annual Meetings. Depending on the outcome of the January discussion, **specific proposals to update the 1977 Decision** would be brought to the Board in time band 2.

6. Following up on the Board's request, staff has undertaken further methodological work on how to assess the effectiveness of surveillance. This topic will be discussed in a seminar on **assessing the effectiveness of surveillance** and clarifying accountability in its exercise, planned for January, which will provide an opportunity for reflection on the accountability-independence framework associated with the exercise of surveillance. This discussion will constitute an essential building block for consideration of a surveillance remit, an item for discussion after the next IMFC meeting.

7. An informal seminar on **assessing underlying vulnerabilities and crisis risks in emerging market countries**, in time band 2, will outline the new methodology of the vulnerability exercise being undertaken by staff. The seminar will focus on the distinction between underlying vulnerabilities and crisis risks, the use of systematic indicator analysis, the role of judgment in assessing risks, and the information on cross-country and aggregate trends in key vulnerability indicators produced by the exercise.

8. An informal seminar on the development of a framework for addressing **financial sector issues in country surveillance**, in January, will reflect the recommendations of the task force led by Messrs. Caruana, Lipschitz, and Rajan.

9. An informal seminar on **fiscal policies, financial sector, and capital flows** in time band 2 will focus on the implications of increasing international financial integration for national fiscal policies, and on the linkages between financial sector structure and development and fiscal policies and institutions.

10. Work on the first **multilateral consultation on global imbalances** is proceeding. The multilateral phase has begun and will continue over the next few months. The Board will be kept abreast of progress on the consultation. It is planned to bring the results of the first multilateral consultation to the Board following its conclusion. I believe it will be most useful subsequently to have an informal stocktaking exercise with the views of Directors. In addition, we will look for a suitable opportunity prior to the Spring Meetings to consider a topic for a **second multilateral consultation**, in which governments have already shown considerable interest.

## Capacity Building

<b>Capacity Building—Key Actions</b>	<b>Nov.</b>	<b>Dec.</b>	<b>Jan.</b>	<b>TB2</b>
Implementing the Medium-term Strategy for Capacity Building				DIS
Training as Part of Capacity Building—Strategic Considerations		SEM		
Resource Options for Capacity Building				ISEM/DIS

11. Capacity building and surveillance are mutually dependent. Fund surveillance and improved policy performance depend on the capacity of national authorities to implement sound policies effectively. The Financial Sector Assessment Program, for example, provides a cornerstone for Fund surveillance over financial sector vulnerabilities across the membership. The assessment process has improved the quality of Fund advice, which, in turn, has led to an increased recognition of the importance of work on international financial standards. Accordingly, a discussion in time band 2 on **implementing the Medium-Term Strategy for technical assistance** will report on actions that have been taken to implement recommendations in this area, as set out in the report of the Working Group on Standards and Codes and Capacity Building.

12. A seminar on **training as part of capacity building**, in December, will explore medium-term issues and considerations related to Fund training activities.

13. In time band 2, an informal seminar will explore **options for raising additional external financing for capacity building**, including trust funds and user fees. Relevant recommendations of the Committee of Eminent Persons to Study the Sustainable Long-Term Financing of IMF Running Costs chaired by Mr. Andrew Crockett will also be taken into account (see paragraph 21 below).

## Quota and Voice Reform

<b>Quota and Voice Reform—Key Actions</b>	<b>Nov.</b>	<b>Dec.</b>	<b>Jan.</b>	<b>TB2</b>
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Quota & Voice Reform—Further Thoughts on a New Quota Formula		ISEM		SEM
Quota & Voice Reform—Staffing Resources		LOT		
Quota & Voice Reform—Basic Votes			DIS	
Thirteenth General Review of Quotas			LOT	

14. In approving the Resolution on Quota and Voice Reform, the Board of Governors has initiated an integrated set of reforms leading up to the 2007 Annual Meetings and to be completed no later than by the 2008 Annual Meetings. The quota increases approved for China, Korea, Mexico, and Turkey are important first steps in the process of realigning quota shares with members' relative positions in the world economy, and, equally important, the Board of Governors agreed that we must strengthen the voice and participation of low-income countries.

15. The work program mandated by the Board of Governors is ambitious, with the Executive Board expected to move forward on the following principal elements of the reform: (i) to reach agreement on a **new quota formula** to guide the assessment of the adequacy of members' quotas in the Fund before the 2007 Annual Meetings, and not later than by the Spring 2008 meeting of the IMFC; (ii) to recommend to the Board of Governors by the 2007 Annual Meetings, and no later than by the 2008 Annual Meetings, **further increases in quotas** of those members that have requested that their quotas be increased, based on the new quota formula;<sup>2</sup> (iii) to propose to the Board of Governors by the 2007 Annual Meetings, and no later than the 2008 Annual Meetings, an **amendment of the Articles of Agreement at least doubling the basic votes** that each member possesses, so as to protect the voting power of low-income countries as a group, while also including provisions that **safeguard the proportion of basic votes in total voting power**; and (iv) to act expeditiously to increase the **staffing resources** available to those Executive Directors elected by a large number of members, and to consider the merits of an amendment of the Articles that would enable each Executive Director elected by a large number of members to appoint more than one Alternate Executive Director.

16. Work on a **new quota formula** will be complex and challenging, and will require several rounds of discussion, beginning in early December with an informal seminar on **technical considerations on a new quota formula**. Follow up discussions—which may progressively take the form of further seminars(s) leading up to formal Board Discussion—are tentatively penciled in for time bands 2 and 3.

17. It is proposed that the issue of an increase in **staffing resources** for Executive Directors elected by a large number of members be taken up in the Executive Board's Committee on Executive Board Administrative Matters (CAM) in December, to allow the Executive Board to move expeditiously on decisions in this area (most likely on a lapse of time basis).

18. An initial discussion of the issues relating to the design of an amendment of the Articles of Agreement on **basic votes** is planned to take place in January. This will allow us to develop the legal framework for an amendment in parallel with the work on the quota formula.

19. Directors will recall that the IMFC has urged us to work constructively and expeditiously on all elements of the reforms so as to garner the broadest possible support while underlining the importance of timely implementation of the program. It is clear that progress on quota and voice reform will require intensive work at both the technical and political levels, and the same spirit of collaboration that has prevailed in the lead-up to Singapore. I am confident that in my **status report to the IMFC** for its Spring 2007 meeting, I will be able to report once again on the positive progress that the Executive Board will have made.

20. The **Thirteenth General Review of Quotas** must be initiated by January 31, 2007 through a decision, to be taken on a lapse of time basis, to establish the Committee of the Whole.

#### Other Governance—Operation of the Fund

Other Governance—Key Actions	Nov.	Dec.	Jan.	TB2
Development of More Stable Sources of Income				DIS
The Fund's External Communications Strategy	ISEM			DIS

21. Steps are underway to ensure **the development of more stable sources of income for the Fund**. The Committee of Eminent Persons is expected to provide a report to the Managing Director in the first quarter of 2007. Depending on its recommendations, this topic—and consequential discussions on financing of specific activities such as capacity building (see paragraph 13 above)—will be taken up on several occasions in the Executive Board. A discussion on **stable sources of income** is envisaged for time band 2, either separately or together with the review of the Fund's income position for FY2007 and FY2008. Subsequent discussions will be scheduled as needed.

22. An informal seminar on **the Fund's external communications strategy**, in November, will seek inputs for the further development of the Fund's communication strategy and guidance on the Board's role in communications and outreach. This will be followed by a discussion in time band 2 of the Fund's communications strategy, including links with the Fund's operational strategy and the incorporation of outreach activities in the medium-term budget framework.

#### Emerging Markets

Emerging Markets—Key Actions	Nov.	Dec.	Jan.	TB2
A New Liquidity Instrument for Market Access Countries—Design Issues				DIS
Experience with Regional Pooling Arrangements	Info			

Review of the Fund's Lending into Arrears Policy				ISEM
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23. Building on the earlier analytical discussions and the Board seminar in August 2006 on a **crisis prevention financing instrument**, further outreach is planned for the coming months to assess the interest of the membership in adding such an instrument to the Fund's toolkit, and on its appropriate design. Based on this, a Board discussion is planned for early next year, to be followed by additional discussions as required.

24. A paper on **regional reserve pooling arrangements**, which will be issued for information in November, will take stock of their basic elements and explore possible ways in which the Fund could assist members through them.

25. An informal seminar on the **lending into arrears policy** in time band 2 will provide an opportunity to clarify the scope of the subsequent review on this issue (see paragraph 37).

### Low-Income Countries

Low-Income Members—Key Actions	Nov.	Dec.	Jan.	TB2
Follow-up Report on the Joint Debt Sustainability Framework	DIS			
Role of the Fund in the PRSP and Donor Coordination				DIS

26. Consistent with the objective of working within its areas of core competence to support the achievement of the Millennium Development Goals (MDGs), the Fund must help low-income members ensure that the beneficiaries of debt relief do not again accumulate excessive debt. In this light, a **Follow-up Report on the Joint Debt Sustainability Framework** is planned for a Board discussion in November, moving forward from the April 2006 Board discussion.

27. In time band 2, the Board will consider the appropriate level and means of involvement of Fund staff in the **PRSP and donor coordination processes**. The parameters of the Fund's involvement will be defined more clearly, as will the limits of Fund accountability and responsibility in the PRS process and in the broader context of the MDGs. The aim will be to support the focus of the Fund's involvement in the PRSP process on macroeconomic and financial sector issues, with the objective of shaping a set of best practices to guide interactions with its low-income members.

### Streamlining

Streamlining—Key Actions	Nov.	Dec.	Jan.	TB2
Streamlining Policy Reviews and Other Streamlining	DIS			
Review of Fund/World Bank Collaboration				DIS

28. As part of continuing efforts to enhance the Fund's efficiency and flexibility, the **streamlining** of policy review and other streamlining issues will be taken up in November. As envisaged in the MTS, the discussion will focus on the frequency of policy reviews, suggesting a lengthening of their cycle from, typically, two years to, in most cases, five years. It will also be proposed that the Surveillance Review be put on a triennial cycle, and that the next review of the implementation of surveillance take place in 2008. This timeline should allow for an adequate assessment of the initial results of the initiatives taken to implement the MTS as well as follow-up to the recommendations of the 2004 review of surveillance.

29. The External Review Committee on **IMF-World Bank Collaboration** chaired by Mr. Pedro Malan is expected to present its report to the Fund and Bank managements before the end of the year. Shortly thereafter an informal institution will be organized. This will be followed by a period of consultation with Executive Directors and staffs of the two institutions, which will allow Fund management to develop plans for moving forward on this matter. A formal discussion on the topic of Bank-Fund collaboration is expected in time band 2, with proposals for better defining the division of labor and effective collaboration with the World Bank and other agencies, and for further focusing Fund support on macro-critical issues. It is envisaged that a parallel process will be followed in the World Bank.

### B. Discussions after the 2007 Spring Meetings

30. A significant part of the objectives set out under the MTS will be realized ahead of the 2007 Spring Meetings. In light of this, the agenda for the following period, in time bands 3 and 4, should aim to bring closure on a number of items for which the scope will have been set, or initial understandings reached in earlier discussions.

### Surveillance

Surveillance—Key Actions	TB3	TB4
Setting a Surveillance Remit—Further Considerations	DIS	
Financial Globalization—Measurement, Causes, Consequences, and Policy Implications	ISEM	
Streamlined Consultations	SEM	
Data Provision to the Fund		DIS

31. Following the Spring Meetings, work in the area of surveillance will continue to aim at **strengthening the surveillance framework, refining its focus, and assuring the adequacy of information for its effective implementation**.

32. Building on the conclusions of the September 2006 discussion on a possible surveillance remit, the review of the 1977 Decision, and the discussion of surveillance effectiveness and accountability issues, a discussion on **setting a surveillance remit-further considerations** will examine a proposal on remit-independence-accountability. This discussion could provide the basis for a framework to be presented for the endorsement of the IMFC by the 2007 Annual Meetings.

33. An informal seminar on **financial globalization** in time band 3 will provide an opportunity to discuss ongoing staff work covering several aspects, including its measurement, determinants, and consequences for growth, volatility, and vulnerability, and to draw possible policy implications, including for emerging market members.

34. After some experimentation with the **streamlined consultations**, a seminar is planned in time band 3 to take stock of the experience to date.

35. A discussion on **data provision to the Fund** in time band 4 will review the policy on data provision to the Fund for surveillance purposes. Building on previous reviews the discussion will elaborate on the key challenges distilling from the implementation of the Medium-Term Strategy.

#### Quota and Voice Reform

Quota and Voice Reform—Key Actions	TB3	TB4
Quota and Voice Reform—Technical Considerations on a New Quota Formula	DIS	
Quota and Voice Reform—Quota Increases	DIS	
Quota and Voice Reform—Basic Votes	DIS	

36. Following the Spring Meetings, work on **quota and voice reform** will need to maintain a strong momentum in order to meet the Board of Governors' call for us to present proposals on the quota formula, basic votes, and the second round of quota increases based on broad support of the membership in time for the 2007 Annual Meetings. Board discussions will include one (or more) formal Board discussions on **a new quota formula** and on **basic votes**. Discussions on **further quota increases** are tentatively planned for time band 3. The Board of Governors has requested the Executive Board to report on progress with the reform package by the time of the 2007 Annual Meetings.

#### Emerging Markets

Emerging Markets—Key Actions	TB3	TB4
Review of the Fund's Lending into Arrears Policy	DIS	
Review of Access Policy and the Exceptional Access Framework	DIS	
Charges and Maturities: Follow-Up		DIS

37. A Board discussion in time band 3 on the **lending into arrears policy** will follow up on the informal seminar in time band 2.

38. The next review of **access policy and the exceptional access framework**, in time band 3, among other topics, will make recommendations to amend the exceptional access framework to clarify the coverage of noncapital account cases.

39. The **follow-up on charges and maturities**, in time band 4, will present specific proposals on the alignment of surcharges for exceptional access across facilities and elimination of the policy on time-based repurchase expectations.

#### Support for Low-Income Members

Low-Income Members—Key Actions	TB3	TB4
The Role of the Fund in Managing Aid Flows and the Impact on the Design of Fund-Supported Programs	DIS	
Promoting the MDGs with Sound Fiscal Policies in a Context of Scaled Up and/or Volatile Aid	SEM	
Assistance to Post-Conflict/ Fragile Countries	DIS	

40. **The management of aid flows in Fund-supported programs**, which will be taken up in time band 3, will cover the coordination of fiscal, monetary and exchange rate policies in response to large changes in aid flows, along with an examination of aid volatility and its implications for program design.

41. Complementing the above discussion, a seminar on **promoting the Millennium Development Goals with sound fiscal policies in a context of scaled up and/or volatile aid**, in time band 3, will focus on the challenges for managing fiscal policies posed by scaled up and/or volatile aid disbursements. The paper will look at issues that arise for overall fiscal policy design, expenditure quality and efficiency, and the management of public finances in countries that seek to use the additional "fiscal space" from aid toward meeting the MDGs.

42. In time band 3, the Board will review **the Fund's support to post-conflict countries and fragile states**, including under Emergency Post-Conflict Assistance and staff-monitored programs, and consider the potential for an instrument with more flexible conditionality and a larger capacity-building component to deliver support to these countries.

Streamlining

Streamlining—Key Actions	TB3	TB4
Elimination of the JSAN	DIS	

43. In line with the discussion on streamlining in the Medium-Term Strategy, a discussion on **the elimination of Joint Staff Advisory Notes (JSAN)** is planned. The timing of this discussion will be coordinated with the World Bank in the context of the wider review of Bank-Fund collaboration.

Part II — The Continuing Work of the Fund

44. The continuing work program, which will include a range of discussions, briefings, and seminars, will complement initiatives under the Medium-Term Strategy, and/or support the regular operations of the Fund. This work program is set out comprehensively in the attached Table 1, which covers the period through April 2007, and Table 2, which covers the period thereafter. This section provides selected highlights from that part of the work program.

45. As part of Fund surveillance, the Spring 2007 **World Economic Outlook** will address cross-border spillovers through trade and financial sector linkages, the role of exchange rates in the adjustment of global imbalances, and the emerging global labor market, as well as continuing to extend analysis of energy sector issues. The **Global Financial Stability Report** will take up the globalization of financial services and institutions, and global capital flows. These discussions will be supplemented by sessions on World Economic and Market Developments and Financial Markets Update. The first Consultative Group on Exchange Rates note that broadens country coverage—that is, includes key emerging markets—will be sent to the Board for information shortly.

46. In time band 2, a seminar on **strengthening debt management practices** will look at areas for further developing advice on public debt management and ways to strengthen further debt management practices. Also in time band 2, a seminar on **preferential trade agreements** will examine the Fund's approach to policy on such agreements with an emphasis on surveillance at the country and regional level, and report on their treatment in program cases. The discussion on the **Global Monitoring Report**, prepared with the World Bank, will assess the efforts of developing countries, donors, and the international financial institutions to meet the Millennium Development Goals. The usual discussion of the **administrative and capital budget**, prepared in light of preceding committee meetings, will take place in time band 2.

47. Further work following up on elements of the compensation review is underway. **An informal briefing on functional paylines**, in November, will be an opportunity to provide Directors the results of the observations and initial findings of an external panel of experts. Reflecting the feedback provided in the informal briefing, a subsequent formal discussion will take up the final recommendations in this area, with Board decisions serving as an input into the FY08 budget and compensation cycle. A discussion on **the indexation methodology** employed in staff compensation reviews in January will provide a basis for decisions on indexation to be taken in the context of the compensation system.

48. Before the end of the year, management will come back to the Board with a paper on the scope of the risks to be assessed under the **risk management exercise**, which will also discuss proposals regarding the respective roles of the Board and management in risk oversight. Time band 2 will include a number of Fund governance issues including the **staff compensation review**, and discussions of the **annual risk assessment report** and an informal briefing on **audit and control-related matters**.

49. The **Independent Evaluation Office (IEO)** is embarked on an ambitious work program. The Executive Board will have opportunities to discuss three IEO reports in time bands 1 and 2. The topics of evaluation are: IMF Structural Conditionality (time band 1); the Role of the IMF in the Determination of the External Resource Envelope in Sub-Saharan Africa (time band 1); and IMF Advice on Exchange Rate Policy (time band 2). Over the subsequent two years, IEO's work program will include: Aspects of IMF Corporate Governance—including the Role of the Board, the IMF's Interactions with its Member Countries, the Fund's Research Agenda, and the Fund's Approach to International Trade Issues.

Table 1. The Continuing Work of the Fund before the Spring Meetings

Title and Subject/Description
Time Band 1—October 2006-January 2007
Surveillance
<i>Seminar</i> —Review of Exchange Arrangements, Restrictions, and Markets: trends and developments in exchange systems, the existing classification of exchange rate regimes, and analytical aspects of capital, exchange, and other administrative controls and restrictions (November).
Governance
<i>Brief, Discussion</i> —Functional Paylines: a brief on the initial findings and observations of the external panel of experts in this area will be followed by formal discussion taking up final recommendations in this area. (Brief: November; Discussion:

January).

*Discussion*—Indexation Methodology for Staff Compensation Reviews: a discussion of the basis for decisions on indexation to be taken in the context of the compensation system (January).

*Discussion*—Study on A1-A8 salaries (December).

*Discussion*—Determining and allocating merit pay resources (December).

*Informal Brief*—Spouse Employment Assistance (December).

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## Time Band 2—February–April 2007

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### Surveillance

*Informal Seminar*—Preferential Trade Agreements: this informal seminar will provide an overview of bilateral and regional trade agreements, which have proliferated in recent years, and the possible economic implications for participating countries, third parties, and the multilateral trade system. It will also outline the evolving Fund policy on these trade agreements and the associated risks and benefits, with emphasis on surveillance at the country and regional level, and report on their treatment in program cases.

*Discussion*—World Economic Outlook/WEMD.

*Discussion*—Global Financial Stability Report: special coverage of the globalization of financial services and institutions, and global capital flows.

### Capacity Building

*Seminar*—Strengthening Debt Management Practices: highlights the importance of the debt management function, in general, and the need for more technical and operational guidance for member countries; addresses the overall governance framework for decision-making, as well as the technical and methodological issues, and links debt management with the debt sustainability work of the Fund and the Bank. Areas for further developing advice on public debt management and ways to strengthen further debt management practices will be identified (joint with the World Bank).

### Governance

*Discussion*—Staff Compensation Review-FY2007; Staff Recruitment & Retention Experience: for 2006.

*Discussion*—MBP contribution rate for FY08.

*Discussion*—Annual Risk Assessment Report: this report, along with Management's assessment of it and proposals for mitigating measures, will form the basis for the Board's annual review of the key risks facing the Fund.

*Informal briefing*—Audit and Control-related Matters: briefing on audit and control-related matters will also cover OIA operations.

*Discussion*—Review of Fund's Income Position for FY2007 and FY2008.

*Discussion*—FY2008-FY2010 Medium-Term Administrative and Capital Budgets.

### Low-Income Countries

*Discussion*—Consideration of MDRI Eligibility for the Protracted Arrears Cases: consideration of modalities of access to and financing of MDRI assistance for the protracted arrears cases.

*Informal Seminar*—Financial Markets in Small and Medium-Sized Countries-Policy Options: an examination of policies for the development of money, foreign exchange, government securities, and equity markets; topics to be addressed will include: government- and private sector-led market development, stability implications of market development, capital account issues, and regional integration; the analysis will inform financial market surveillance and technical assistance, and should help policy formulation in central banks and government agencies.

*Discussion*—Global Monitoring Report: prepared with the World Bank, the report will monitor the efforts of developing countries, donors, and the international financial institutions to meet the Millennium Development Goals. This year's special topic will be gender. There will also be an added focus on fragile states.

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**Table 2. The Continuing Work of the Fund after the Spring Meetings**

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### Title and Subject/Description

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## Time Band 3—May-September 2007

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### Surveillance

*Discussion*—Financial Soundness Indicators: the paper will report to the Board on the outcome of the Coordinated Compilation Exercise (CCE) for Financial Soundness Indicators (FSIs) and on proposals for future work of the Fund on FSIs, including considerations for including FSIs in the SDDS. The report will reflect the CCE participating countries' views and experience in compiling FSIs and lessons learned in carrying out the exercise. It will also reflect the conclusions of analytical work carried out by Fund staff on FSIs.

*Seminar*—The Caribbean: Selected Regional Issues and Prospects: the Caribbean-wide regional surveillance exercise will focus on issues with strong regional dimensions beyond coverage in the individual country Article IV consultations, that are not to be addressed in the Fund's multilateral surveillance activities.

*Discussion*—World Economic Outlook/WEMD.

*Discussion*—Global Financial Stability Report.

### Governance

*Discussion*—Integrated disability management plan.

*Informal briefing*—Headquarters 2 Building Project—Closeout Report: a report on the final outturn of the HQ2 capital building project.

*Discussion*—IMFC Agenda.

*Discussion*—The Managing Director's Report on the Fund's Policy Agenda.

### Emerging Markets

*Discussion*—Review of Access Policy: regular review of access and exceptional access.

### Low-Income Countries

*Discussion*—Review of Financing of the Fund's Concessional Assistance and Debt Relief to Low-Income Member Countries: review of the adequacy of financing available to support concessional assistance to low-income countries.

*Discussion*—HIPC Initiative and MDRI Initiative-Status of Implementation: review of progress under the HIPC Initiative and the MDRI.

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## Time Band 4—October 2007 and after

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### Surveillance

*Discussion*—Triennial Surveillance Review: proposed for a new triennial cycle starting 2008 to accommodate the initial results of initiatives taken to implement the MTS and relevant recommendations of the 2004 surveillance review).

### Emerging Markets

*Discussion*—Review of the Compensatory Financing Facility: regular review of the CFF.

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<sup>1</sup> The Managing Director's Report on Implementing the Fund's Medium-Term Strategy, Tables 1-6 provide a summary of recommendations related to the Medium-Term Strategy.

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<sup>2</sup> The Resolution provides that any such increases in quotas shall not become effective until the amendment of the Fund's Articles of Agreement relating to "basic" votes of each member has entered into force.

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### Abbreviations used in this Statement

**Brief:** informal briefing  
**DIS:** discussion  
**INFO:** for information

**LOT:** lapse of time  
**ISEM:** informal seminar  
**SEM:** seminar

**Time band 1** (TB1): now through January 2007  
**Time band 2** (TB2): February-April 2007  
**Time band 3** (TB3): May-September 2007

**Time band 4** (TB4): October 2007 and after

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