

**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.

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 once there is more clarity on how the evolution of the pandemic will impact crisis-related work.

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

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

On debt, staff will continue to operationalize the G-20 Debt Service Suspension Initiative (DSSI). Following a briefing on **G20 DSSI Implementation** in May, staff recently provided a second update, 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.

The Board will also be briefed on the **Role of the Fund in Debt Restructuring** ahead of a briefing on **Sovereign Debt Resolution** which will look at 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** on debt analysis, transparency, management, and policy; 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, there will be frequent briefings on macroeconomic and financial developments. Against the backdrop of weak and uncertain outlook of the Emerging Market Economies, the Board was recently briefed on **Emerging Markets: Landscape, Prospects, and Risks**. The Board received **Staff Briefings on the Global Economic Outlook** and **Global Financial Markets Developments** and 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, in addition to **The Covid-19 Crisis and Low-Income Developing Countries: Impact, Policy Response and Policy Tradeoffs**.

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, including one in July. 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. Staff is exploring options to make better use of the existing SDRs to support members in need and will update the Board in due course.

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*** 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. The Board will be briefed on ***Global Stress Testing*** to assess the effects of the pandemic shock on bank solvency in a group of large advanced economies and emerging markets. Staff will also brief the Board on ***Policies to Support Economic and Financial Stability in Response to COVID*** and ***Financial Sector Regulatory Policies During the COVID Crisis***. A discussion of ***Corporate Insolvency and Debt Restructuring*** will look into options 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 received the ***G-20 note on Access to Opportunities*** which outlines 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 discuss a paper on the ***Integrated Policy Framework (IPF)—Results***. 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 as central banks have increasingly taken an active and broader role including with respect to the COVID-19 policy response.

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***.

The Board will discuss the ***IEO Evaluation—The IMF Advice on Capital Flows*** which, taken together with the analytical work on the IPF, will set the stage for an eventual review of the Institutional View on capital flows in 2021. An informal seminar on the ***IEO Evaluation on IMF Collaboration with the World Bank on Climate Change Issues*** will help inform how the two institutions can partner efficiently and effectively on climate-related work with a formal discussion to be scheduled before the Board will consider the Comprehensive Surveillance Review (see below). An informal seminar on the ***IEO Evaluation on the IMF and Small States*** is also scheduled.

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. 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. While work on IEO evaluations will continue, the 6-month time requirement to complete the related Management Implementation Plans will be extended in light of ongoing crisis work.

5. Through the crisis and beyond, the Fund will continue to adapt by reprioritizing work, ensure adequate budgetary resources, and modernize work processes to obtain efficiency gains

The Board will be briefed on the ***FY20 Outturn and FY21 Administrative Budget Review***, and if agreed by the Board, followed later by a proposal for a ***Supplementary Budget to Address COVID-19 Related Needs***.

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 receive another update on the implications of COVID-19 on internal operations following the recent briefing on ***Planning for Return to Offices during COVID-19***.