

**Statement by the Managing Director  
on the Work Program of the Executive Board  
Executive Board Meeting  
June 10, 2021**

*An unprecedented policy response and rapid progress in vaccinations have helped pull the global economy from a deep recession, but the outlook is marked by high uncertainty and great divergence. Against this background, the Fund continues its efforts to achieve a durable exit from the crisis, minimize long-term scarring, and build a more sustainable, resilient, and inclusive global economy. In line with the strategic directions laid out in the Spring 2021 [Global Policy Agenda](#) and the International Monetary and Financial Committee (IMFC) [Communiqué](#), this Work Program puts forward a prioritized Board agenda focused on activities of most critical importance to our members.*

*To gradually resume planning for a year-long horizon, this Work Program covers the remainder of FY2022.<sup>1</sup> It aims to provide timely macroeconomic and financial updates and policy advice on crisis response as well as advance priority areas for a resilient recovery. At the same time, the Fund's core work on country operations continues, including responding to program requests, continuing focused Article IV consultations, and delivering capacity development (CD). The Work Program also includes Board engagement on a possible budget augmentation so that the Fund can be well-equipped to serve its membership in areas of continued and increasing importance. Staff and management will continue to work closely with the Board on prioritization and streamlining practices, including considering greater use of lapse-of-time procedures when criteria are met, and exploring innovative, efficiency-enhancing modes of Board engagement.*

## **Key Priorities of the Work Program**

### **A. Securing a Safe Exit from the Crisis**

With the pandemic still creating considerable challenges for the membership, the Fund will continue to provide policy, financial, and capacity building support. The Fall flagship reports will be discussed ahead of the Annual Meetings. The **World Economic Outlook (WEO)** will discuss prospects for global growth and inflation, policies to support the recovery and ensure gains are equitably shared, and measures to enhance resilience, including to mitigate climate change. The **Global Financial Stability Report (GFSR)** will focus on the challenges faced by emerging and frontier market economies as they emerge from the pandemic. A chapter on climate change will assess risks and provide a conceptual framework on how the transition to a low-carbon economy could affect the

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<sup>1</sup> In light of the uncertainties ahead arising from the pandemic and its consequences, the Work Program will be adjusted from time to time to introduce relevant topics of a strategic, thematic, and/or cross-cutting nature that are closely-related to the crisis and its resolution.

investment fund sector and financial stability, as well as discuss the rise of sustainable finance. As the pandemic will leave countries with historically high levels of public debt, the Fall ***Fiscal Monitor (FM)*** will ask how countries can reinforce the credibility of public finances and outline considerations on how to revise fiscal objectives and reform fiscal frameworks. The ***World Economic and Market Developments Updates*** will continue to provide interim information. As usual, the Fund will also provide multilaterally consistent assessments of external positions for the full membership, including through the ***External Sector Report (ESR)***, and will brief the Board on ***External Sector Developments and Assessments for the Wider Membership (ESA-WM)***, focusing on the impact of COVID-19. On macro risk work, the Board will continue to be engaged on the ***Early Warning Exercise*** in October and April.

***Regional briefings*** will provide further in-depth analyses and tailored policy recommendations for each region, while ***Briefings on Country Matters*** will present in-depth analyses of common challenges for specific groups of countries or select countries where Board engagement has been limited or delayed. In light of the specific challenges facing emerging market economies, particularly in the context of a potentially divergent recovery, ***Emerging Markets: Landscape, Prospects and Risks*** will inform the Board on developments, prospects, and risks in emerging and frontier markets.

The Board will discuss a ***Proposal for a General Allocation of Special Drawing Rights (SDRs)*** to help meet a long-term global need to supplement existing reserve assets in a transparent manner, followed by a draft report to the Board of Governors; the allocation will come into effect after the Board of Governors' vote. The Board will also discuss preliminary options for a ***Voluntary Post-Allocation Channeling of SDRs***.

On lending policies, the Board discussed ***Temporary Modifications to Access Limits Under the Large Natural Disaster Window for the Rapid Credit Facility and Rapid Financing Instrument***, which proposes temporary increases in access limits of the RFI/RCF large natural disaster windows through end-2021 to align them with the other temporary changes in access limits under the emergency financing instruments. The Board will also discuss ***Vaccine Financing***. Given potential use across a range of emerging issues, staff will engage Directors in an informal session on ***Floating Tranches: Possible Applications in Fund-Supported Programs***. The Board will also discuss ***Review of Temporary Access Limit Increases***, on the temporary increase in PRGT and GRA annual access limits and access limits under the RCF and RFI, before the temporary increases expire at end-2021. The ***Review of the Lending into Arrears Policies*** will take stock of its application, including the good faith criterion, discuss the Fund's role in pre-default restructurings, and review the official/private perimeter. To ensure adequate support to low-income countries, the Board is expected to conclude the ***Review of Concessional Financing and Policies***.

On the debt agenda, the Board will consider ***Catastrophe Containment and Relief Trust (CCRT)—Fourth Tranche of Debt Service Relief in the Context of the COVID-19 Pandemic*** if additional grants are secured. The Board will also receive updates on the ***Debt Service Suspension Initiative (DSSI) Fiscal Monitoring***; the experience with the ***Implementation and Extension of the G20 DSSI and Common Framework***; and the ***Multipronged Approach for Addressing Debt Vulnerabilities***. Finally, the Board will discuss ***Issues in Restructuring of Sovereign Domestic Debt*** and receive

briefs on *A New Debt Sustainability Tool Based on the IMF'S Sovereign Risk and Debt Sustainability Framework*, an *Update to the Contractual Approach for Sovereign Debt Restructuring*, and on *Debt Transparency*.

Following the recent conclusion of the Comprehensive Surveillance Review (CSR) and the Financial Stability Assessment Program (FSAP) Review, work on enhancing the Fund's surveillance framework will continue through the *Review of Data Provision to the Fund for Surveillance Purposes*. In addition, the Board will be kept abreast on the implementation of the CSR and FSAP review recommendations, with updates provided in the context of future semiannual Work Program discussions. The *Tenth Review of the IMF's Data Standards Initiatives* will further promote data transparency as a global public good. The Board will also review the *Institutional View on Liberalization and Management of Capital Flows* informed by the work on the Integrated Policy Framework and the Independent Evaluation Office (IEO)'s evaluation of the Fund's advice on capital flows.

As part of the implementation of the CD Strategy, the Board will be briefed on *CD Evaluations and Impact*, including results from evaluations, results-based management, and other assessments. The Board will be updated on the review of the *CD Information Dissemination Framework*, which covers the sharing of CD information with various stakeholders, including the Executive Board, financing partners, and the public. Also scheduled is the annual informal engagement on *Capacity Development Priorities for FY23-25*.

## **B. Facilitating a Transformational Recovery**

In line with the Fund's efforts to support a green, digital, and inclusive global recovery, the period ahead envisages work on developing strategies for three priority areas.

**Climate.** The overarching *Strategy for IMF Engagement on Climate Change Issues* will explain why, when, and how the Fund should be engaged in climate change issues, including collaboration with stakeholders. Follow up work will cover the *Integration of Climate Change in the Public Investment Management Assessment Framework*, the *Review of Climate Change Policy Assessment Pilots*, and *Financial Stability Implications of Climate Risk*. A *New G-20 Data Gaps Green Initiative (DGI Green)* is also expected to kick-off in 2022.

**Digitalization.** The *Digital Money Strategy* will lay out the IMF's operational work, including a review of activities, partnerships, and resource implications. The *International Monetary System and Digital Money* will lay out the Fund's work agenda on the potential implications of the widespread adoption of digital money for the smooth functioning of the international monetary system. The Board will also be briefed on the *Analytical Framework for Central Bank Digital Currency*. A series of Staff Discussion Notes (SDNs) will cover digital data frameworks, artificial intelligence in finance, and women and fintech.

**Inclusion.** Following an initial engagement on *Inequality, Gender, Financial Inclusion, and Social Spending: Proposals for Enhanced Fund Engagement* to update the Board on work to date, the forthcoming agenda, and options for further engagement, the Board will be briefed on a *Gender*

**Strategy.** Building on work following the 2018 IEO report, a strategy for *Enhancing the Fund's Engagement in Fragile and Conflict-Affected States (FCS)* will provide an operating framework and priority actions for the next three years. The Board will also be engaged on *Fragile and Conflict-Affected States: Financing Reform Options* and the *Update on FCS Strategy and its Resource Needs*.

This Work Program will resume discussions on the *Periodic Monitoring Report*, and present the *MIPs* on *Long-standing Open Actions* and *Bank-Fund Collaboration*. There will be two additional IEO evaluations—*Adjustment and Growth in IMF-Supported Programs* and *IMF's Engagement with Small States*—and the respective *MIPs* are expected within six months from the Board discussions.

### **C. Bolstering Fund Resources and Advancing Governance Reform**

Work on the *Sixteenth General Review of Quotas* has started with a briefing on key issues at the end of last year and informal engagements on the adequacy of Fund resources and on quota formula and realignment of shares. The Committee of the Whole will convene twice this year for initial considerations on the adequacy of Fund resources, and formula and realignment. The outcome of these discussions will inform the first semi-annual progress report to the Board of Governors by the Annual Meetings, and the work ahead of the second report, by the 2022 Spring Meetings, with a view to concluding the 16<sup>th</sup> Review by no later than mid-December 2023.

Staff will keep the demand for Fund resources under close review, including by briefing the Board as warranted, and continue to assess the need for a possible activation of the New Arrangements to Borrow (NAB) in the period ahead.

### **D. Modernizing the Workplace**

To ensure that the IMF has the resources and skillset needed to respond to current and future challenges, the Board will be engaged on the possibility of a *Proposed Budget Augmentation* to consider resources for new areas of priority work based on the strategies discussed above. This will be complemented by regular Board engagement on the *FY2023-FY2025 Medium-Term Budget* and income discussions. In addition, the Board will discuss the *Review of the Investment Account and Trust Assets: Initial Considerations*.

To enhance operational efficiency and streamline work processes, the Board will continue to be briefed on information security and the *Modernization Projects*. The Board will regularly discuss human resource issues, including in the context of the *2022 Review of Staff Compensation, Staff Recruitment and Retention Experience for CY2021*, and the *2020-2021 Diversity & Inclusion Report*. As the Fund considers and adapts to new ways of working, the Board received a briefing on *Roadmap to the Future of Work at the Fund*, and will continue to be engaged in the new ways of working and updates on preparations for HQ resumption as needed.