

Statement by the Managing Director on the FY 2023 Work Program of the Executive Board
Executive Board Meeting
June 8, 2022

The global economy is facing a crisis upon a crisis, due to the war in Ukraine on top of the pandemic. As a result, the membership must urgently tackle multiple and complex challenges—first among them, increased concerns about high inflation, along with elevated debt levels, energy and food security, and risks of fragmentation. The Executive Board Work Program (BWP) for FY 2023 (May 2022 to April 2023) therefore aims to respond to these challenges and their impact on members amid unprecedented uncertainty, focused on advice on the appropriate macro-policy mix for members.¹ In addition to discussing policy advice, financial assistance, and capacity development to provide critical support to the countries affected by these compounding crises, the Board will continue to monitor closely the economic and financial developments, new challenges and risks, and discuss policy responses. FY 2023 will also mark the start of the implementation of the strategies endorsed by the Board to support a more resilient, inclusive, digital, and green global economy. Given continued high uncertainty, the BWP will remain flexible and adaptable to prioritize the membership's changing needs.

Policy advice. The Fund will support the membership in navigating the spillovers from the pandemic and the war and addressing the evolving and complex macroeconomic policy challenges facing members. In many countries where inflation is becoming a clear and present danger, central banks need to act decisively to restore price stability, which is essential for future growth and financial stability. More broadly, policymakers will need to ensure that the mix of monetary and fiscal policies are well aligned to manage the complex range of policy challenges. In addition to coverage through bilateral surveillance and programs, these issues and the appropriate policy mix will be emphasized in the flagships, regional reports, and Board briefings on country matters. Staff will also advance analytical work on pressing policy issues. The Board will be briefed periodically on financial and economic developments as circumstances evolve.

Fund policy and outputs. The Board will review policies for the Fund to be able to continue to provide sound macro policy advice to members, including on critical crisis-related issues.

- **Surveillance.** The Board will be updated on the *Institutional View and the OECD Codes of Liberalization* and will review the *Framework for Enhanced Fund Engagement on Governance* and the *Central Bank Transparency Code*. *Country Matters Meetings (CMM)* will brief the Board on relevant policy topics drawing on country cases.

¹ The work program builds on guidance from the Managing Director's Global Policy Agenda ([Fall 2021](#) and [Spring 2022](#)) and the International Monetary and Financial Committee ([Fall 2021 Communiqué](#) and [Spring 2022 Chair's Statement](#)). The scope of this statement is policy and administrative work, and the Board is also expected to be heavily engaged in country work.

- **Lending.** The Board will engage on the *Review of the Flexible Credit Line, Precautionary Liquidity Line, and Short-Term Liquidity Line*. Staff will continue to assess the implications of the war and food insecurity for the Fund's lending toolkit and will engage the Board as needed. Prior to the *Operationalization of the Resilience and Sustainability Trust* (RST), staff will also brief the Board on fundraising activities, pilot cases, and the coordination framework on pandemic preparedness.
- **LIC issues.** The report on *Macroeconomic Developments and Prospects in Low-Income Countries* will include, among others, a discussion on debt management capacity challenges. The Board will also be briefed on *Climate Change and Food Insecurity in Sub-Saharan Africa*.
- **Debt.** As part of the Fund's ongoing comprehensive debt agenda, the Board will be briefed on *Making Public Debt Public: Ongoing Initiatives and Reform Options* and receive an *Update on Debt Vulnerabilities*, particularly in the context of rising debt burdens and risks given the crisis. The Board will be updated on the *Contractual Approach for Sovereign Debt Restructuring* and receive the G20 note on *Guidance on Collateral in Debt Financing*.
- **Capacity development.** The Board will have initial engagements on the *CD Strategy Review*. The Board will also consider the *Capacity Development Priorities* for the medium term (FY 2024-26).
- **Trade.** To guide the Fund's work on trade policy, which is critical at the current juncture, given risks of fragmentation and supply chain disruptions, the Board will discuss the *Review of the Role of Trade in the Work of the Fund*.

Transformation and resilience. The Board will also discuss key issues in emerging workstreams, supported by the first implementation reports on individual strategies.

- **Climate.** Ahead of COP27, staff is exploring Board briefings on the impact of current developments on climate transition; climate finance; and mitigation, including on equivalence of carbon pricing versus other measures and reducing methane emissions. The new *G20 Data Gaps Initiative*, which prioritizes climate-change data, will complement a deepening of our surveillance. The Board will also consider modalities for the new *Climate Macroeconomic Assessment Program*.
- **Digitalization.** *Capital Flow Management in the Digital Age and Implications for the International Monetary System* will take stock of the challenges posed by digital currencies and crypto assets for the effectiveness of capital flow management measures. A joint IMF-BIS-CPMI-FSB-WBG paper on *Cross Border Digital Payments and the International Monetary System* will look at the feasibility of improving cross-border payments, including by linking CBDCs. The Board will also formally discuss a paper on *Elements of Effective Policies for Crypto Assets*. These work strands will be brought together and expanded upon in a wider paper on *Digital Money and the International Monetary System*, which will support the Fund's efforts to develop principles to guide policies and foster global cooperation to mitigate risks.
- **Inclusion.** The Board will consider a *Gender Strategy* to support greater focus of gender issues in IMF advice, lending and capacity development.
- **Fragile and conflict-affected states (FCS).** The FCS agenda will focus on implementing the recently approved strategy and enhancing engagement with countries.

Institutional work. The Board will also discuss key internal policies and operations.

- **Resources and governance.** With a view to concluding the *Sixteenth General Review of Quotas* Review by no later than mid-December 2023, work will continue through discussions in the Committee of the Whole and Reports to the Board of Governors. The Board is also expected to consider the one-year extension of *2020 Borrowing Agreements* through end-2024.
- **Modernization and diversity.** The Board will be briefed on the *Hybrid Work Model* and receive semi-annual updates on *Key Transformation and Modernization Programs*. Diversity issues will be discussed in the informal *Diversity & Inclusion Update*.
- **Fund finances.** The Board will consider the reviews of *Precautionary Balances* and *Strategy on Overdue Financial Obligations*, and staff is exploring how a broader review of the New Income Model could be best incorporated in the Board's Work Program going forward.
- **Institutional safeguards.** The findings of the review of institutional safeguards will be presented by Management and the Board Steering Group to the Board in June 2022.

Independent Evaluation Office. The pipeline includes the evaluations of *Capacity Development* and the *IMF's Early Response to COVID-19*, with the respective MIPs expected within six months after the Board discussions, including the MIP following the recently concluded evaluation of the *IMF's Engagement with Small States*.