

Statement by the Managing Director on the FY 2025 Work Program of the Executive Board
Executive Board Meeting
March 8, 2024

The global economy has been encouragingly resilient in the face of multiple shocks. With the tide turning in the fight against inflation amid steady growth, a soft landing appears increasingly likely and risks to the growth outlook are now more balanced. However, medium-term growth prospects remain weak, threatening to increase debt vulnerabilities, lessen resilience to shocks, and slow progress in raising living standards. While the recent signs of resilience are welcome, an uneven recovery and increasing fragmentation could deepen divergence within and across countries and hamper income convergence, with low-income countries under particular strain.

Against this backdrop, policymakers face complex challenges. These include successfully managing the final descent of inflation to target by calibrating monetary policy to country-specific circumstances, while renewing focus on rebuilding fiscal buffers to deal with future shocks, raising revenue for new spending priorities, and ensuring debt sustainability. Policymakers also need to safeguard financial stability and bolster inclusive medium-term growth with targeted and carefully sequenced structural reforms. In a more uncertain and shock-prone world, international cooperation is more critical than ever to strengthen the global financial safety net (GFSN) and the debt architecture, and to support the ongoing green and digital transitions.

This Executive Board Work Program (BWP) for FY 2025 (May 2024 to April 2025) is the first since the Executive Board has started to pilot a new strategic cycle, which aims at incorporating Directors' broader views on work priorities at an earlier stage in the planning process for the fiscal year. The BWP focuses on supporting the membership in responding to current challenges through prompt and tailored policy advice, financial assistance, and support for debt restructuring and capacity development.¹ It ensures that the Board can continue to closely monitor economic and financial developments and discuss macro policy responses. The BWP also provides opportunities to deliberate on key Fund policies and operations. The BWP will need to stay flexible to prioritize the membership's changing needs while operating within the Fund's constrained budget environment.

Policy advice. The Fund's tailored advice through surveillance and programs supports members' efforts in safeguarding stability and enhancing prosperity. Key policy priorities and analytical work on cross-cutting pressing issues will be covered in the flagship publications, regional reports, and Board briefings on country matters. The Board will discuss analytical work on the *Tradeoff between Price and Financial Stability* and an *Update on Financial Sector Regulatory and Supervisory Developments*.

¹ The BWP builds on guidance from the Board retreat in November 2023, the Managing Director's Global Policy Agenda ([Fall 2023](#) and [Spring 2023](#)) and the International Monetary and Financial Committee ([Fall 2023 Chair's Statement](#) and [Spring 2023 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.

Staff will also engage the Board on *Resilient Policy Frameworks* to help members better navigate the uncertain global environment. And the Board will discuss the report on *Macroeconomic Developments and Outlook for Low-Income Countries*.

Fund policy and outputs. The Board will assess Fund policies to ensure they remain relevant to support members' needs at the current juncture.

- **Surveillance.** To keep the Fund's surveillance focused on helping policymakers prepare for a transforming economic landscape, the Board will have initial informal engagements on the upcoming surveillance review. Following the reform of the Fund's Policy on Multi-Currency Practices (MCP), the Board will be provided with an *Annual Report on Current MCPs* and their approval status across the membership. And the Board will conclude the *Transparency Policy and Open Archives Policy Review* after extensive consultations.
- **Lending.** The BWP envisages major reviews of lending policies to ensure the Fund's continued ability to continue responding to members' financing needs in a shock-prone world.
 - Staff has initiated the *Review of Program Design and Conditionality* to identify areas for improvement to deliver strong, credible, and catalytic Fund-supported programs. The Board will engage in informal briefings, with the aim to conclude the formal review in 2025.
 - Following the approval of the quota increase at the 16th General Review of Quota (GRQ), the Board will discuss the *Review of GRA access limits* to better meet members' needs. After the review of precautionary balances, the Board will also discuss the *Review of Surcharge Policy*.
 - To ensure continued strong support to low-income countries, the Board will discuss the *Review of the PRGT Facilities and Financing* and *Review of Eligibility to Use the Fund's Facilities for Concessional Financing*.
- **Debt.** Given the urgency of dealing with debt vulnerabilities, the Board will be provided with an *Update on the Multi-Pronged Approach on Debt Vulnerabilities*. Staff will also engage the Board on the *Review of Debt Sustainability Framework for Low-Income Countries*, which is carried out jointly with the World Bank and aims at enhancing the Fund's debt sustainability analysis toolkit.
- **Trade.** Given the criticality of trade issues amid fragmentation risks, the Board will discuss a *Trade Policy Update and Implementation of Trade Strategy*.
- **Capacity development.** Following the completion of the 2023 Review of the Fund's Capacity Development Strategy, staff will prioritize the implementation of the recommendations and engage the Board on *Capacity Development Priorities* for the medium term (FY26–28).
- **Transformation and resilience.** Staff will continue to update the Board on key issues in emerging macro-relevant workstreams, while leveraging collaboration with partners. The Board will discuss the *Implementation Reports on Climate, Digital, Gender and Inclusion, and FCS Strategies*. The Board will be briefed on the *Multilateral Payment Platforms* and formally discuss *Digital Money and the International Monetary System*, with the aim to develop principles that help countries reap benefits and mitigate risks from digital money. Staff will also present the *Second Wave of Central Bank Digital Currency (CBDC) Handbook Chapters*, which focus on CBDC design

and adoption, implications for the payment system, monetary policy operation, and financial stability, as well as data policy and privacy protection.

Institutional work. The Board will discuss relevant internal policies and operations aimed at strengthening resources and governance, enhancing modernization, and communication:

- **Fund governance.** Following the approval of the quota increase under the 16th GRQ, the Board will have an early informal engagement on *Realignment under the 17th General Review of Quotas* to continue the Fund's governance reform.
- **Modernization and communication.** The Board will receive updates on *Key Transformation and Modernization Programs* and the implementation of the *Hybrid Work Model*. To strengthen the Fund's communications, the Board will also be engaged in the *Review of the Fund's Communication Strategy*.

Independent Evaluation Office. The Board will consider the IEO evaluations on *The Evolving Application of the IMF's Mandate* and *The IMF's Exceptional Access Policy*, as well as the *Fourth External Evaluation of the IEO*. The Board will also discuss the Management Implementation Plans (MIPs) responding to the IEO evaluation of *The Evolving Application of the IMF's Mandate* and the *Fourth External Evaluation of the IEO*.

Response to Risks

Enterprise risks. The Board will discuss key enterprise risks, the status of risk treatment actions, and the status of risk tolerance levels in the context of the *2024 Mid-Year Risk Update* and *2024 Risk Report*. The Board will also be briefed on continued monitoring of Risk Tolerance Levels and progress on further development of the Risk Tolerance Framework and associated Key Risk Indicators (KRIs) in the context of technical Q&A sessions on *Risk Tolerance Statements*.