

**Statement by the Managing
Director on the Interim Work
Program of the Executive
Board**

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Interim Work Program of the Executive Board
Executive Board Meeting
December 14, 2007**

The Work Program Discussion

This interim work program statement reflects the imperative of accelerating the process of reform that has been underway in the Fund for some time. The upcoming work program discussion will offer me the first formal opportunity to discuss jointly with the Executive Directors the priorities, rationale, and sequencing of Board discussions in the period ahead. As proposals for significant change may emerge as we move forward, we will need to be ready to be flexible in carrying out the work program. I suggest also that we leave open for now the specific shape of the work program in the period following the spring 2008 meetings

Overview

1. Since my arrival at the Fund, I have aimed to impart a renewed sense of urgency to the reform of the Fund. I am pleased to observe the shared understanding among the Fund's Executive Directors, staff, and members that we need to act swiftly to reform. Enhancing the Fund's relevance and legitimacy and ensuring the Fund's financial soundness are our two critical priorities in the period ahead. Addressing these challenges concurrently will provide an opportunity to re-establish the Fund as a focused, lean, and responsive organization.
2. Increasing the Fund's relevance will require refocusing our activities to serve better the needs of members individually and as a whole, building on the significant headway made in this direction over the past 2½ years as the Medium-Term Strategy advanced. As the global financial system has evolved, and new players and risks have surfaced, the Fund must now adapt. Our financial sector work must be based on pioneering analysis carried out by a staff with the right mix of skills and expertise. Surveillance must be effective and responsive at the country, regional, and multilateral levels. Questions regarding the introduction of a new crisis prevention facility must be resolved. Technical assistance must remain an essential service provided by the Fund that responds efficiently to members' requirements, rather than being supply driven. Finally, as the situation and needs of our low-income members change, so must the Fund change in tandem.
3. Quota and voice reform remains a cornerstone of the effort to enhance the Fund's legitimacy. While progress has been made over the past two years, time is running out if the reform is to be substantially concluded by the 2008 spring meetings. The support and understanding of the membership, and flexibility from staff, management, and the Executive Board, will be required to move forward together to meet this deadline.

4. The issues surrounding the Fund's finances are clear. Thanks to the good work of the Committee of Eminent Persons led by Andrew Crockett, there is agreement that the Fund's current income model based on lending is no longer tenable. At the same time, it is inevitable that expenditure reductions will need to contribute to closing the budget gap. This will not be easy, and will require substantial efficiency gains and job cuts. At the same time, I believe that the drive to cut spending can, and should, play a constructive role in helping us to move faster to prioritize our activities and focus on what matters. Effective prioritization, in turn, will reinforce our efforts to enhance the Fund's relevance and legitimacy.

5. I believe that we need to move on several fronts to ensure that the specific steps we need to take in support of greater relevance and legitimacy and financial soundness are both quickly and competently identified. Fund staff, who are already playing a key role in moving reforms forward, will continue to have a crucial contribution to make, including, in particular, through the working group on Quota and Voice Reform. In addition, I have asked experienced department heads to chair four other working groups on: Assessing Budget and Human Resource Options, Effective Bilateral, Multilateral, and Regional Surveillance; Delivering Capacity Building Efficiently; and Key Issues in Low-Income Country Work. These groups will aim to set out proposals for a coherent framework for institutional change that links spending decisions to refocused and more efficient Fund activities. I have also set up 10 smaller staff task forces led by senior staff, which, drawing on inputs from diverse departments and grades, will address several specific issues that will contribute to ensuring greater effectiveness and efficiency.

| Working Groups | Task Forces |
|---|---|
| 1. Quota and Voice Reform 2. Assessing Budget and Human Resource Options 3. Effective Bilateral, Multilateral, and Regional Surveillance 4. Key Issues in Low-Income Work 5. Delivering Capacity Building Efficiently | 1. Flexible Working 2. Internal Communications 3. Simplifying the Review Process 4. Modernizing Document Publication and Distribution 5. Reviewing the Size of Divisions and Support Across the Fund 6. Fundraising 7. Assessing Subsidies and Outsourcing 8. Streamlining Fund Structures and Overlaps 9. Resident Representative Program--Rationale and Cost 10. Rationalizing Budget and Personnel Processes Across Departments |

6. The recommendations of the staff working groups and task forces should, I believe, meet objective tests of a high standard. I have accordingly decided to seek the wisdom and counsel of three respected, independent, and well-informed individuals who know both the Fund and public institutions more broadly very well. I am grateful that Stanley Fischer, Alassane Ouattara, and Timothy Adams have kindly consented to provide their views on what needs to be done in light of the work on reform that is underway within the institution. The insights provided by these individuals will allow us to strengthen and deepen the ideas under consideration while helping us to avoid mistakes.

7. In the lead-up to the March 2008 budget discussion and in line with the aim of coming up with proposals on developing a new income and expenditure framework for the IMFC at the spring meetings, I will present some preliminary proposals at a meeting of the Committee on the Budget in January. We should aim to complete a large part of the Fund's restructuring during FY 2009, with full implementation over the course of the medium-term budget.

8. Given the immediacy of the agenda just ahead and to retain flexibility, the work program outlined below is being presented as an interim plan for the period through April 2008. By the time of the 2008 spring meetings, we will be able to provide the IMFC with a solid basis for taking stock of the Medium-Term Strategy and for assessing whether its priorities need renewal, as suggested by the IMFC Chairman, Mr. Tommaso Padoa-Schioppa.

9. This work program statement is organized in three parts. Part I provides a broad overview of work on current developments, and on the elements of the Medium-Term Strategy planned for Board discussion. Part II outlines other selected noncountry Board items that are to be scheduled. Part III, comprising Tables 1-3, provides a comprehensive listing of work program items and their descriptions.¹

¹Abbreviations used in this Statement

Brief: informal briefing

DIS: discussion

Inf.: informal session

ISEM: informal seminar

LOT: lapse of time

SEM: seminar

※=New Item

COB: Committee on the Budget

Time band 1 (TB1): now through January 2008

Time band 2 (TB2): February—April 2008

PM: The spring 2008 meeting of the IMFC is scheduled for April 12, 2008.

PART I—ASSESSING CURRENT DEVELOPMENTS AND IMPLEMENTING THE MEDIUM-TERM STRATEGY

Current Developments—Analysis and Policy

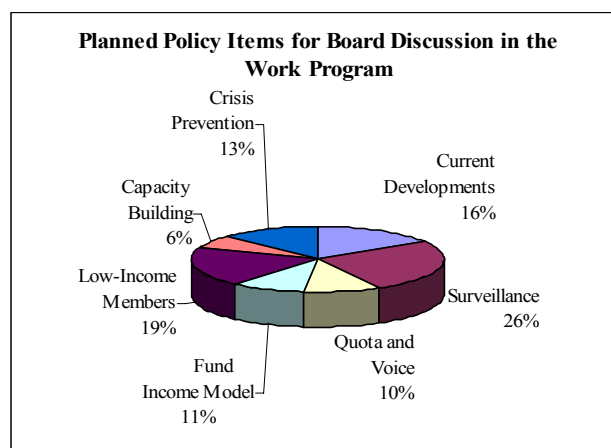
10. Recent events in advanced country credit markets have shown that domestic and international financial stability cannot be taken for granted. The Fund has a key role to play in helping members limit the impact of the recent credit market crisis, and in drawing policy lessons from this episode, which has slowed world growth and exposed weaknesses in the global financial infrastructure. During the coming months, Fund staff, working with other institutions, will address issues relating to off-balance sheet instruments, including their transparency, valuation, and accounting. Other issues to be addressed include the risk management practices and incentive structures related to complex structured products, the treatment of complex products by ratings agencies, the principles of prudential oversight for regulated financial entities, and liquidity management. The Board will be kept informed of the work in these areas as it develops, with the timing of any briefings or discussions to be established in due course.

| Current Developments | Type | Month/Time Band |
|---|------|-----------------|
| World Economic Outlook | DIS | TB2 |
| Global Financial Stability Report | DIS | TB2 |
| WEMD, WEMD/FMU | Inf. | TB1, TB2 |
| Globalization, Financial Markets, and Fiscal Policy | SEM | DEC-07 |
| Sovereign Wealth Funds* | DIS | TB2 |

11. Assessments of current economic and financial market developments and prospects will be provided in the **World Economic Outlook** (WEO) and the **Global Financial Stability Report** (GFSR), as well as in the context of Article IV consultations and informal sessions on country matters. The topics planned for the spring 2008 WEO are: housing cycles and monetary policy; globalization and low-income countries; and the macroeconomic channels through which climate change is likely to affect the global economy in the coming decades. The spring 2008 GFSR will follow up on issues highlighted in the fall 2007 GFSR, with its specific focus to be shaped in light of the potential repercussions of the still ongoing financial market turbulence. Interim updates on World Economic and Market Developments and Financial Markets will be provided as usual. A discussion, in Time Band 2, will examine issues for investors and recipients related to **Sovereign Wealth Funds**, including the best practices that may be identified. The Board will be kept apprised of developments in the **Doha round**, following the recent resumption of the trade negotiations.

The Medium-Term Strategy Going Forward

12. The work of the five staff working groups will be aimed at producing



concrete recommendations that should give a renewed impetus to the implementation of reforms of the Fund under the Medium-Term Strategy. The Board's work program will need to take account of the recommendations, and the degree to which they reshape the work program already in the pipeline in the areas of surveillance, quotas and voice, Fund financing, low-income countries, and capacity building. The following paragraphs describe the key elements of the work program in the pipeline, with the understanding that management, staff, and the Executive Board will need to be flexible in adapting it in light of further discussions in these areas in the coming weeks and months.

Surveillance

13. The objective of making surveillance more effective and efficient at the country, regional, and multilateral levels will be within reach provided the recently updated surveillance framework is implemented in a consistent and evenhanded manner, and issues are framed in a global context to make better use of the Fund's comparative advantage—its universal reach and macro-financial expertise. The 2007 Decision on bilateral surveillance over members' policies established the promotion of external stability as an overarching objective of bilateral surveillance. A **revised surveillance guidance note** based on the 2007 Decision and drawing on the experience with initial implementation is under preparation. Staff will brief Directors informally prior to the issuance of the guidance note.

14. **The Triennial Surveillance Review (TSR)** is expected to be taken up just ahead of the 2008 Annual Meetings. It will provide an opportunity to assess comprehensively the effectiveness of surveillance, using the strengthened methodology discussed by the Board earlier this year, and the progress made since the 2004 Biennial Review of the Implementation of the Fund's Surveillance. The TSR will also provide an opportunity to assess the early implications of implementation of the 2007 Decision, as well as the context for a discussion of surveillance priorities, leading to the adoption by the Board of a statement of surveillance priorities for 2008-2010. These discussions will be preceded by an informal briefing in January based on an **Issues Note**.

| Surveillance | Nov. | Dec. | Jan. |
|---|------|------|-------|
| Triennial Surveillance Review—Issues Note | | | Brief |

Quota and Voice Reform

15. There is agreement that enhancing the legitimacy of the Fund will require emerging market and developing countries as a whole to have a larger voting share, as well as greater voice and more effective representation in the Fund. In this regard, Resolution 61-5 on Quota and Voice Reform approved by the Board of Governors in September 2006 mandated actions (see box on next page) that are to be completed no later than by the 2008 Annual Meetings. In its fall 2007 communiqué, the IMFC noted the progress made on several elements of the program since the Annual Meetings in Singapore, and urged that work continue to achieve an

| Quota and Voice Issues | TB1 | TB2 |
|---|-----|-----|
| Quota and Voice Reform: Further Considerations | DIS | |
| Recommendations to the Board of Governors on Quota and Voice Issues | | TBD |

agreement within the timetable and objectives set forth in Resolution 61-5 and to allow agreement on all elements of the package by spring 2008.

16. At end-October, the Executive Board had a further discussion on **Amending the Articles of Agreement to Increase the Number of Alternate Executive Directors in Certain Cases—Preliminary Considerations. Discussions on Quota and Voice Reform: Further Considerations**, aimed at moving towards agreement on the package of reforms, including a new quota formula, the modalities for the second round of quota increases, and the increase in basic votes, will continue in Time Bands 1 and 2.

17. With steady progress in this area, it should be possible to take up **Recommendations to the Board of Governors on Quota and Voice Issues** in Time Band 2. This discussion will set out recommendations to the Board of Governors, as called for under Resolution 61-5.

Mandate under Resolution 61-5

(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;

(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.

Setting the Fund on a Sustainable Financial Footing

18. The work program reflects the IMFC's recognition that the Fund needs more predictable and stable sources income to finance its activities. Progress made thus far in developing operational guidelines for implementing the recommendations of the Committee of Eminent Persons chaired by Mr. Andrew Crockett will provide a stepping stone for moving forward.

19. Further work on the technical aspects of a new income model is underway to allow specific proposals to be submitted to the membership for the necessary broad approval. In Time Band 1, discussions are planned to cover the main technical issues to be addressed, including the modalities for gold sales; further consideration of governance arrangements for the Fund's investment activities; and the role of a dividend policy. Other issues to be taken up include setting the margin on the rate of charge in a more stable and predictable manner, and the level of precautionary balances. In Time Band 2, a paper will bring together the main proposals for Board approval, in advance of the 2008 spring meetings.

| Securing Sustainable Financing for the Fund | TB1 | TB2 |
|---|------------------------|------------|
| Developing a New Income Model for the Fund—Additional Considerations | Brief, DIS (as needed) | |
| Progress towards an Integrated Income-Expenditure Framework (Budget Committee)* | COB | |
| Proposals for a New Income Model for the Fund | | DIS |

20. Efforts to improve efficiency and reduce administrative expenditures must parallel progress towards a new income model. The greater efficiency and savings through Fund-wide priority setting called for by the IMFC should be achieved within a new medium-term budgetary envelope, while preserving the effectiveness of the Fund in fulfilling its core mandate. In line with this, specific proposals on additional expenditure retrenchment will be needed by the time of the spring 2008 meeting of the IMFC. We will also need to agree on a new and detailed medium-term budgetary envelope that is consistent with the emerging income and expenditure framework.

Low-Income Members

21. The Fund will remain active in low-income countries, and work in this area will need to adapt to the changing of these members. In their endeavor to better integrate into the world economy, low-income

| Low-Income Members | Dec. | Jan. | TB2 |
|---|------|------|-----|
| Fund Assistance to Post-Conflict Countries and Fragile States | | DIS | |
| Proposal to Modify the JSAN | | DIS | |
| The Role of the Fund in Low-Income Countries | | | DIS |

members must be able to count on the Fund's support. Efforts will be required to ensure that the Fund's policy advice, capacity building, and financial assistance are efficient and focused.

22. In January, a discussion on **Fund Assistance to Post-Conflict Countries and Fragile States** will review the Fund's support in this area, including under Emergency Post-Conflict Assistance and staff-monitored programs, and consider the scope for a more flexible and longer-term approach to delivering support, with greater emphasis on capacity building. Also in January, a **Proposal to Modify the Joint Staff Advisory Note (JSAN)** will follow up on recommendations made in the Medium-Term Strategy and in work on Fund-Bank collaboration. In Time Band 2, the Board will take up the **Role of the Fund in Low-Income Countries**, which will provide a comprehensive statement on the Fund's role in these countries.

Capacity Building

23. The work program continues with efforts to align capacity building with the evolving needs of members. This will require a strengthened effort encompassing a more coherent and integrated approach that combines the objectives of member countries, the expertise of functional departments, and the perspectives of area departments, with particular focus on the financial sector, public finance, and statistics.

24. In January, a discussion on **Implementing the Medium-Term Strategy for Technical Assistance** will consider the work undertaken on the prioritization, monitoring, costing, and evaluation of technical assistance (TA), and will explore options for expanding financing for

| Capacity Building | Nov. | Dec. | Jan. |
|--|------|------|------|
| Implementing the Medium-Term Strategy for Technical Assistance; Dissemination of Technical Assistance Information* | | | DIS |
| Training as Part of Capacity Building—Strategic Considerations | | | SEM |

technical assistance. This will be taken up together with a discussion of the current framework for the **Dissemination of Technical Assistance Information**, including TA reports. Also in January, a seminar on **Training as Part of Capacity Building—Strategic Considerations** will review features of the training program for member country officials and assess strategic options for the future.

Crisis Prevention/Use of Fund Resources

25. The Fund's support for crisis prevention must evolve to take into account developments in international capital flows and market access. This entails a greater emphasis on financial and capital market issues, as well as continued country focus in the context of the Financial Sector Assessment Program and the Fund's work on standards and codes.

| Crisis Prevention | TB2 | TBD |
|--|-----|-----|
| Financial Crises of the Future* | DIS | |
| Follow-Up on the Review of Charges and Maturities | DIS | |
| A New Liquidity Instrument for Market Access Countries | | DIS |

26. In Time Band 2, a discussion of **Financial Crises of the Future** will provide an overview of the main themes and conclusions of the working group on future financial crises, which is looking at how recent developments and innovations in global financial markets may affect the transmission channels of financial crises, and their potential implications for the Fund's future role in crisis prevention and resolution. As consultations are ongoing, the timing for a Board discussion on a **New Liquidity Instrument for Market Access Countries** will be determined at a later date.

Part II—Continuing Work of the Fund

27. Selected highlights related to the continuing work of the Fund are presented below.

Surveillance

28. Among the recurrent reviews that are scheduled for consideration in the period ahead, the **Review of Data Provision to the Fund for Surveillance Purposes**, in Time Band 2, will assess recent trends in data provision and discuss evolving data needs. This will also include a review of Annex A to the Decision on Strengthening the Effectiveness of Article VIII, Section 5, previously expected to take place by end-2009.

| Recurrent Reviews: Surveillance | |
|--|-----------|
| | Time Band |
| Data Provision to the Fund for Surveillance Purposes and Review of Data Requirements under Article VIII, Section 5 | TB2 |
| Review of Experience with the General Data Dissemination System after 10 Years | TB2 |

29. In Time Band 1, a series of discussions will focus on steps towards further strengthening Fund surveillance. In December, a discussion of **Public Enterprises and Fiscal Risk: Lessons from the Pilot II Country Studies** will address the appropriate fiscal treatment of public enterprises, taking account of concerns that fiscal indicators and targets may unduly constrain public enterprise investment. In January, a discussion of the **Classification of Exchange Rate Arrangements** will propose changes to the Fund's methodology for classifying de facto exchange rate regimes. In Time Band 2, a seminar on

the **Fiscal Implications of Climate Change** will assess fiscal aspects of measures to mitigate climate change and their possible implications for the work of the Fund.

Low-Income Members

30. The continuing work of the Fund in this area will include, in Time Band 1, a **Review of Access under the PRGF**, which will be taken up as part of the regular review of access policy, and a discussion of **Proposals to Modify the PRGF-HIPC Trust Instrument—Further Considerations**, which will aim at facilitating debt relief for Liberia and other similarly situated members. In Time Band 2, the **Global Monitoring Report**, to be prepared jointly with the World Bank and likely to be featured at the spring 2008 Development Committee meeting, will focus on strengthening monitoring, and environmental sustainability.

Use of Fund Resources

31. In addition to the review of access under the PRGF mentioned above, the regular review of **Access Policy in the Credit Tranches, the Extended Fund Facility, and Review of Exceptional Access Policy** is planned for Time Band 1. A review of the policy of **lending into arrears** is presently scheduled to be completed by end-2007. However, in light of recent developments in financial markets, this item will be taken up after the work on Financial Crises of the Future is completed (paragraph 26).

Other Fund Governance

32. The work program will reflect ongoing efforts to strengthen the administration of the Fund and to improve its efficiency. External Audit Committee members will hold informal meetings with groups of Executive Directors in January, to ascertain their views and comments on control- and audit-related matters. In Time Band 1, Directors will be briefed with an **Update on Risk Management** and on the **Report of the External Audit Committee**. In Time Band 2, the **2008 Staff Compensation Review** will apply indexation for A9-B2 staff under existing rules and new rules for A1-A8 staff, for which a decision will be taken.

33. The **Independent Evaluation Office's (IEO)** work program identifies two items that are to be brought to the Executive Board agenda ahead of the 2008 spring meetings. The **Evaluation of Structural Conditionality in IMF-Supported Programs**, in Time Band 1, will address the effectiveness of the Fund's structural conditionality in promoting medium-term structural reform in member countries, and the impact of the streamlining initiative of 2000 and the 2002 Conditionality Guidelines. The IEO evaluation of **Aspects of IMF Corporate Governance—Including the Role of the Board**, in Time Band 2, will focus on the Fund's institutional structure, as well as the formal and informal rules, regulations, practices, and procedures that govern the institution's activities and decision-making.

34. As previously agreed, the Executive Board will have an opportunity to consider, in December, the staff's **First Periodic Monitoring Report** on the implementation of

recommendations from the IEO's previous evaluations that were endorsed by the Executive Board.

Part III—Comprehensive Listing of Work Program Items

35. A comprehensive listing of items included in this interim work program is set out in Tables 1–3, which follow.

**Table 1. Fall 2007 Work Program Statement—
Current Developments and Surveillance Items**

| Title | Type | Description | Dept. | Date |
|--|---|--|--|--|
| 1.1 Current Developments — Analysis and Policy | | | | |
| World Economic Outlook | DIS | Provides an update of global and regional economic developments and prospects, and studies: the economic consequences of global warming; housing corrections, business cycles, and monetary policy; and globalization and low-income countries. | RES | TB2 |
| Global Financial Stability Report | DIS | Follows up on issues highlighted in the fall 2007 GFSR that have arisen from the recent financial turbulence. | MCM | TB2 |
| WEMD/WEO Quarterly Update, WEMD/FMU | Inf. | Presents world economic and financial market developments and updates on conditions in financial markets. The WEO quarterly update will also update growth forecasts for key countries. | MCM/ RES | TB1/ TB2 |
| Globalization, Financial Markets and Fiscal Policy | SEM | Examines the influence of globalization and financial deepening on the design and implementation of fiscal policy. | FAD | Dec-07 |
| Sovereign Wealth Funds * | DIS | Examines sovereign wealth fund-related issues for investors and recipients, including a look at the identification of best practices. | FAD/ MCM/ PDR/ RES | TB2 |
| 1.2 Medium-Term Strategy Related: Surveillance | | | | |
| Triennial Surveillance Review—Issues Note | Brief | Examines issues to be considered in the Triennial Surveillance Review. | PDR | Jan-07 |
| 1.3 Continuing Work of the Fund: Surveillance | | | | |
| Financial Soundness Indicators | DIS | Reports 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. | STA | Nov.7, 07 |
| Public Enterprises and Fiscal Risk: Lessons from the Pilot II Country Studies * | DIS | Presents conclusions from the Board-mandated pilot studies of public enterprises and makes recommendations for next steps. | FAD | Dec-07 |
| Classification of Exchange Rate Arrangements * | DIS | Proposes changes to the Fund's methodology for classifying de facto exchange rate arrangements. | MCM | Jan-08 |
| Offshore Financial Centers (OFC): a Report on the Assessment Program and a Proposed Merger with the Financial Stability Assessment Program * | DIS | Responds to the Executive Board request for a comprehensive review of the OFC program will be undertaken. The OFC program will be updated, including a stocktaking and consideration of its future direction. A merger with the FSAP will be proposed. | LEG/ MCM | Jan-08 |
| Data Provision to the Fund for Surveillance Purposes and Review of Data Requirements under Article VIII, Section 5 | DIS | Reviews data provision to the Fund for surveillance purposes, including the adequacy of data provision and analysis of evolving data needs. | PDR/ STA | TB2 |
| Review of Experience with the General Data Dissemination System after 10 Years | ISEM | Reviews experience with the GDDS, focusing on the differential performance of participating countries. Options for the way forward will be discussed, in advance of the Seventh Review of the Fund's Data Standards Initiatives, in TB4. | STA | TB2 |
| Fiscal Implications of Climate Change * | SEM | Analyzes of the possible nature and fiscal consequences of measures to mitigate climate change (carbon taxes and the like) and adapt to it. The implications for the work of the Fund will be assessed. | FAD | TB2 |
| <i>Abbreviations:</i> * = New Item | | | | |
| DIS: discussion | | SEM: seminar | | Inf.: Informal Session |
| FAD: Fiscal Affairs | | LEG: Legal | | MCM: Monetary and Capital Markets |
| PDR: Policy Development and Review | | RES: Research | | STA: Statistics |
| Time band 1 (TB1): now through January 2008 | Time band 2 (TB2): February–April 2008 | | Time band 3 (TB3): May–September 2008 | Time band 4 (TB4): October 2008 and after |

**Table 2. Fall 2007 Work Program Statement—
Other Medium-Term Strategy Related Items**

| Title | Type | Description | Dept. | Date |
|---|---|---|--|-------------|
| 2.1 Quota and Voice Reform | | | | |
| Quota and Voice Reform: Further Considerations | DIS | Takes forward work on a new quota formula and the modalities for the second-round increases and increase in basic votes during this period. | QVG | TB1/ TB2 |
| Recommendations to the Board of Governors on Quota and Voice Reform | DIS | Proposals to the Board of Governors, as called for under Resolution 61-5. Timing dependent on progress made. | QVG | TB2 |
| 2.2 Securing Sustainable Financing for the Fund | | | | |
| Developing a New Income Model for the Fund—Additional Considerations | Brief/ DIS | Considers further the elements of a new income model for the Fund, including the modalities of gold sales and governance arrangements for investment. | FIN/ LEG | TB1 |
| Progress Towards an Integrated Income-Expenditure Framework * | COB | Establishes an administrative budget that declines in real terms over the medium-term, consistent with an integrated income-expenditure framework. | FIN/ OBP | TB1/ TB2 |
| Proposals for a New Income Model for the Fund | Brief/ DIS | Makes proposals regarding a new income model to secure sustainable long-term financing for the Fund. | FIN/ LEG | TB2 |
| 2.3 Low-Income Members | | | | |
| Proposal to Modify the JSAN | DIS | Follows up on earlier recommendations in the Medium-Term Strategy and the work on Bank-Fund collaboration. | LEG/ PDR | TB1 |
| Fund Assistance to Post-Conflict Countries and Fragile States | DIS | Reviews the Fund's support to post-conflict countries and fragile states, including under Emergency Post-Conflict Assistance and staff-monitored programs, and considers the potential for an instrument with conditionality that is more flexible and that has a larger capacity-building component. | PDR | Jan-08 |
| The Role of the Fund in Low-Income Countries (LICs) | DIS | Reviews comprehensively the enhancements to Fund support for LICs under the Medium-Term Strategy, including an updated statement on the Fund's role in these countries. | PDR | TB2 |
| 2.4 Capacity Building | | | | |
| Implementing the Medium-Term Strategy for Technical Assistance; Dissemination of Technical Assistance Information | DIS | Reviews the work undertaken on the prioritization, monitoring, costing, and evaluation of technical assistance, and explores options for expanding financing for technical assistance; Examines the current framework governing the dissemination of TA information, and presents measures to promote wider dissemination, facilitate effective monitoring, and enhance accountability. | LEG/ OTM | Jan-08 |
| Training as Part of Capacity Building | SEM | Examines current features of the training program for member country officials and strategic issues for the future. | INS | Jan-08 |
| 2.5 Crisis Prevention/Use of Fund Resources | | | | |
| Financial Crises of the Future * | DIS | Presents an overview of the main themes and conclusions from the working group on future financial crises. | MCM/ PDR/ RES | TB2 |
| Follow-Up on the Review of Charges and Maturities | DIS | Proposes the alignment of surcharges in exceptional access across facilities, the elimination of the policy of time based repurchase expectations, and the setting of the rate of charge. | FIN/ PDR | TB2 |
| A New Liquidity Instrument for Market Access Countries | DIS | Takes up the issue of a new lending instrument for market access members, following ongoing consultations. | PDR | TBD |
| <i>Abbreviations:</i> * = New Item | | | | |
| Brief: informal briefing | | DIS: discussion | | |
| COB: Committee on the Budget | | FIN: Finance | LEG: Legal | |
| OBP: Office of Budget and Planning | | QVG: Working Group on Quota and Voice Reform | RES: Research | |
| Time band 1 (TB1): now through January 2008 | Time band 2 (TB2): February-April 2008 | Time band 3 (TB3): May--September 2008 | Time band 4 (TB4): October 2008 and after | |

**Table 3. Fall 2007 Work Program Statement—
Continuing Work of the Fund: Low-Income Members, Use of Fund Resources, Other
Fund Governance, and IEO-Related Items**

| Title | Type | Description | Dept. | Date |
|---|---|---|--|--------|
| 3.1 Low-Income Countries | | | | |
| Proposals to Modify the PRGF-HIPC Trust Instrument—Further Considerations and Proposed Decisions * | DIS | Proposes possible modifications to the HIPC policy that would facilitate the provision of Fund assistance to Liberia and other similarly situated countries. | LEG/ PDR | TB1 |
| Global Monitoring Report | DIS | Monitors progress towards the Millennium Development Goals. The thematic focus for 2008 will be on strengthening monitoring, and environmental sustainability. | PDR/ WB | TB2 |
| Update on the Financing of the Fund's Concessional Assistance and Debt Relief to Low-Income Member Countries | DIS | Undertakes the regular review of the adequacy of financing for concessional lending and debt relief. | FIN | TB2 |
| 3.2 Use of Fund Resources | | | | |
| Review of Access Policy in the Credit Tranches, the Extended Fund Facility and the Poverty Reduction and Growth Facility, and Review of Exceptional Access Policy | DIS | Undertakes the regular review of access and exceptional access policy. | FIN/ PDR | TB1 |
| 3.3 Other Fund Governance | | | | |
| Control- and Audit-Related Matters | Brief | Provides an informal briefing on control- and audit-related matters. | FIN | Nov-07 |
| Thirteenth General Review of Quotas--The Adequacy of Fund Resources | DIS | Assesses the adequacy of Fund resources. | FIN | Dec-07 |
| Thirteenth General Review of Quotas—Draft Report to the Board of Governors and Proposed Resolution | DIS | Reports on the Executive Board's consideration of the 13 th General Review of Quotas to the Board of Governors, and proposes a resolution on the completion of the review. | FIN | Jan-08 |
| Update on Risk Management | Brief | Updates progress made since the 2007 risk management exercise. | OIA | TB1 |
| Report of the External Audit Committee to the Executive Board | Brief | Briefs the Executive Board on the planning of the FY 2008 audit. | EAC | TB1 |
| Staff Recruitment and Retention Experience in 2007 | DIS | Provides background for the 2008 staff compensation review. | HRD | TB2 |
| 2008 Staff Compensation Review | DIS | Applies indexation for A9-B2 staff under existing rules and new rules for A1-A8, for which a decision will be taken. | HRD | TB2 |
| Review of the Fund's Income Position for FY 2008 and FY 2009 | DIS | Provides the regular review of the Fund's income for FY 2008 and the outlook for FY 2009. | FIN | TB2 |
| The FY2009-FY2011 Medium-Term Administrative and Capital Budgets | DIS | Discusses the medium-term administrative and capital budgets. | OBP | TB2 |
| 2008 Report on Risk Management | DIS | Report by the Advisory Committee on Risk Management on risk management issues and activities, including the results of the 2008 Fund-wide risk assessment. | OIA | TB2 |
| Control- and Audit-Related Matters | Brief | Provides an informal briefing by OIA on internal audit matters. | OIA | TB2 |
| Review of the Adequacy of the Fund's Precautionary Balances | DIS | Undertakes the regular review of the adequacy of the Fund's precautionary balances. | FIN | TB2 |
| Report of the Managing Director to the IMFC on the IMF's Policy Agenda | DIS | Reviews the work of the Fund since the 2007 Annual Meetings and the priorities for the period ahead. | PDR | TB2 |
| IMFC – Draft Provisional Agenda | DIS | Takes up the draft provisional agenda for the spring 2008 IMFC meeting. | SEC | TB2 |
| <i>Abbreviations:</i> * = New Item DIS: discussion SEM: seminar FIN: Finance INS: IMF Institute LEG: Legal MCM: Monetary and Capital Markets OTM: Office of Technical Assistance Mgt PDR: Policy Development and Review RES: Research WB: World Bank TBD: To Be Determined | | | | |
| Time band 1 (TB1): now through January 2008 | Time band 2 (TB2): February–April 2008 | Time band 3 (TB3): May–September 2008 | Time band 4 (TB4): October 2008 and after | |

**Table 3. Fall 2007 Work Program Statement—
Continuing Work of the Fund: Low-Income Members, Use of Fund Resources, Other
Fund Governance, and IEO-Related Items
(concluded)**

| Title | Type | Description | Dept. | Date |
|---|--|---|---|--------|
| 3.4 IEO-Related Items | | | | |
| First Periodic Monitoring Report | DIS | Reviews progress in implementing Board-endorsed recommendations on the stock of IEO evaluations that were discussed by the Board prior to the introduction of the implementation plans. | PDR | Dec-07 |
| Abbreviations: | | ※ = New Item | | |
| Brief: informal briefing | | DIS: discussion | | |
| EAC: External Audit Committee | | FIN: Finance | HRD: Human Resources | |
| OBP: Office of Budget and Planning | | OIA: Office of Internal Audit & Inspection | PDR: Policy Development and Review | |
| SEC: Secretary's | | WB: World Bank | | |
| Time band 1 (TB1): now through January 2008 | Time band 2 (TB2): February-April 2008 | Time band 3 (TB3): May--September 2008 | Time band 4 (TB4): October 2008 and after | |