**Appendix III**
**Press communiqués of the International Monetary and Financial Committee and the Development Committee (October 2016 and April 2017)**

**Development Committee Communiqué**
October 8, 2016, Washington, DC

1. The Development Committee met today, October 8, in Washington, DC.

2. Global economic growth remains sluggish in 2016, with only a modest pick-up expected in 2017. Demand has remained soft despite highly stimulative monetary policies, foreign direct investment to developing countries has decreased, commodity exporters are adjusting to declines in exports, and wider geopolitical and economic uncertainties are weighing on confidence. We call on the World Bank Group (WBG) and the International Monetary Fund (IMF) to work jointly with countries to enhance synergy among monetary, fiscal, and structural reform policies, stimulate growth, create jobs, and strengthen the gains from multilateralism for all.

3. We share a vision of the WBG as a premier development institution: it plays a key role in advancing policies essential for sustainable growth, poverty reduction, and economic transformation; leads on global agendas; and helps ensure that the benefits of globalization are widely shared. During the next 15 years, the development landscape will face critical shifts, including climate change, natural disasters, pandemics, fragility, conflict and violence, migration and forced displacement, urbanization, and demographic changes. Meeting these challenges, and rising to the ambition of the Twin Goals, the Sustainable Development Goals (SDGs), and the COP21 Agreement, will require a better, stronger, and more agile WBG. This task will also require deeper engagement and collaboration with international financial institutions and global partners, additional private funds, the ability to harness technological change, and increased country capacity to raise domestic resources. In this regard, we welcome the report to Governors on the Forward Look: A Vision for the WBG in 2030.

4. We value the commitment to a more efficient and agile WBG that follows a risk-based approach, upholds standards, exploits synergies across its institutions, and has a culture that supports these shifts. Resources should be strategically deployed to meet global and client needs and targeted to areas of the world that most need funding and have least access to capital, with a tailored value proposition to the full range of clients. The WBG should strengthen the knowledge agenda, including through enhanced monitoring, learning, and evaluation frameworks and South-South flows, and help enhance countries' crisis preparedness, prevention, and response frameworks. We expect a progress update on the Forward Look with clear results indicators at the 2017 Spring Meetings.

5. The private sector is essential to creating jobs and delivering higher living standards. Public policies that improve governance and regulation, make markets more competitive, and increase openness and predictability are prerequisites to higher investment and better development outcomes. We urge the WBG to take a Group-wide approach to help create

markets, particularly in the most challenging environments, and to mobilize private resources, including through guarantees, especially for quality infrastructure, and for small and medium enterprises. Bringing together the joint capabilities of all WBG institutions is crucial to mobilizing finance for development and delivering global public goods. We encourage the WBG to expand its strong collaboration with other multilateral development banks (MDBs), in line with their recent declaration on infrastructure. We welcome the Global Infrastructure Connectivity Alliance, announced in September 2016.

6. Mobilizing domestic resources and addressing illicit financial activities will be vital to unlocking finance for development: we urge the WBG and IMF to foster policies and transparent institutions that advance these efforts and improve public expenditure management. We applaud the WBG support to the Stolen Asset Recovery Initiative. We welcome the progress that the IMF and WBG have made in reviewing the Debt Sustainability Framework for Low-Income Countries. We stress the important role that technology and the private sector can play in achieving the Universal Financial Access 2020 goal.

7. An ambitious replenishment of the International Development Association in 2018 (IDA 18) is key for delivering the 2030 agenda. We advocate for a strong IDA18 replenishment, with a broadened donor base. We welcome the innovative financing and policy package, including the proposal to enable IDA, which has recently received milestone triple-A ratings, to tap into capital markets to complement its resources. We urge the WBG to ensure a smooth transition as countries graduate from IDA. We also welcome the enhanced Crisis Response Window and the proposal to scale up private sector activities, including an International Finance Corporation (IFC) and Multilateral Investment Guarantee Agency (MIGA) Private Sector Window.

8. Large movements of people constitute a shared, long-term challenge for countries at all levels of development. More than half the world's poor live in countries affected by fragility, conflict, and violence (FCV), where IDA support is particularly important. We welcome proposals to double financial resources in these countries and to support, through efforts tailored to their specific needs, refugees and the communities that host them. The WBG and the IMF should help tackle drivers of fragility, by improving investment climates, strengthening local governance, rebuilding state institutions, broadening access to finance, and fostering conflict prevention and resilience. The WBG should increase resources allocated to these efforts, enhance its capacity to work in these environments, expand its work on forced displacement and migration, and work closely with humanitarian partners.

9. We welcome the Global Crisis Response Platform, announced at the Leaders' Summit on Refugees in September 2016, and urge its rapid implementation. We expect it to provide scaled-up, systematic, and better coordinated support to address crises, including those arising from forced displacement, natural disasters, and pandemics. The Global Concessional Financing Facility, the IDA Crisis Response Window, and the proposed subregional window for refugees in IDA18 will be important for this effort. As part of the Platform, we also welcome the launch of the Pandemic Emergency Financing Facility and look forward to its early start-up. It will, together with upgraded efforts toward universal health coverage, fill a critical gap in health financing architecture.

10. We look forward to implementation of the WBG Climate Change Action Plan and support countries' nationally determined contributions under the COP21 agreement. We urge the WBG to continue to focus on building resilience while expanding insurance schemes and increasing investments in climate-smart land use, green infrastructure, and sustainable cities. Small states are disproportionately affected by natural disasters, including rising sea levels and extreme weather events. We ask the WBG and IMF to continue supporting efforts to facilitate these countries' access to climate finance for adaptation, mitigation, and improved disaster risk management.

11. Women still lag behind in most measures of economic opportunity, undermining national and global growth prospects. The ambitions enshrined in the Twin Goals and the SDGs cannot be realized unless countries make significant progress in closing gender gaps in key sectors. We strongly support the continued implementation of the WBG 2015 Gender Strategy and the progress in diversifying WBG staff.

12. We welcome the approval of the Bank's new Environmental and Social Framework, which reflects the most extensive consultations ever conducted by the WBG. The standards expand protections for people and the environment in Bank-financed investment projects and are part of a far-reaching effort by the WBG to improve development outcomes. We now ask the Bank to focus on effective implementation, ensure appropriate financial and human resources to build staff and client capacity, establish a robust accountability framework, and provide hands-on support where needed.

13. As part of the voice reform, we remain committed to the roadmap for implementation of the shareholding review that was agreed to at the 2015 Annual Meetings. We thank Executive Directors for completing their work on a dynamic formula that reflects the evolution of the global economy and contributions to the WBG's mission. We look forward to the next stage of discussions, based on agreed shareholding principles, formula guidance, and the package of commitments in the Report to Governors on the Dynamic Formula.

14. We also look forward to considering options to strengthen the financial position of the WBG institutions. We aim to conclude these discussions no later than the 2017 Annual Meetings in line with the Roadmap endorsed in Lima.

15. We thank Mr. Bambang Brodjonegoro for his valuable leadership as Chairman of the Development Committee, and welcome his successor, Ms. Sri Mulyani Indrawati, Minister of Finance of Indonesia, as its first female Chair. We congratulate Dr. Kim for his reappointment as President of the World Bank Group for a second term.

16. The next meeting of the Development Committee is scheduled for April 22, 2017.

## Communiqué of the Thirty-Fourth Meeting of the International Monetary and Financial Committee (IMFC)

Chaired by Mr. Agustín Carstens, Governor of the Bank of Mexico
October 8, 2016, Washington, DC

### Global economy

The global economic recovery continues slowly and unevenly, and growth is expected to pick up only slightly next year, mostly on account of emerging market economies. Economic performance and resilience have improved in some economies and near-term risks in financial markets have largely abated. Still, the outlook remains subdued against the backdrop of modest global demand growth and remaining output gaps; a slowdown in global trade, investment, and productivity; and rising geopolitical uncertainty and medium-term financial risks. The persistently low growth has exposed underlying structural weaknesses, and risks further dampening potential growth and prospects for inclusiveness. Lower productivity growth and remaining crisis legacies in advanced economies, challenges from ongoing adjustments and vulnerabilities in some large emerging market economies, and the effects of lower commodity prices on exporting countries continue to weigh down the outlook. Overall, uncertainty and downside risks are elevated, while longstanding headwinds persist.

The global economy has benefited tremendously from globalization and technological change. However, the outlook is increasingly threatened by inward-looking policies, including protectionism, and stalled reforms. We commit to design and implement policies to address the concerns of those who have been left behind and to ensure that everyone has the opportunity to benefit from globalization and technological change.

**Policy response**

We reinforce our commitment to strong, sustainable, inclusive, job-rich, and more balanced growth. We will use all policy tools—structural reforms, fiscal and monetary policies—both individually and collectively. We are strengthening policies to bolster confidence and resilience, safeguard financial stability, and ensure that all members of society have the opportunity to benefit from globalization and technological change. We encourage countries hit hard by a persistent decline in their terms of trade to proceed with their policy adjustment. We recognize that excessive volatility and disorderly movements in exchange rates can have adverse implications for economic and financial stability. We will refrain from competitive devaluations and will not target our exchange rates for competitive purposes. We reaffirm our commitment to communicate policy stances clearly and resist all forms of protectionism. We will also redouble our commitment to maintain economic openness and reinvigorate global trade as a critical means to boost global growth. Our priorities include:

*Growth-friendly fiscal policy.* All countries should use fiscal policy flexibly and make tax policy and public expenditure more growth-friendly, including by prioritizing high-quality investment, while enhancing resilience and ensuring public debt as a share of GDP is on a sustainable path. Appropriate and credible fiscal policies along these lines will support growth, job creation, and confidence. Well-designed tax structures, as well as income policies where appropriate, can promote stronger growth, protect the vulnerable, and reduce inequality.

*Continued supportive monetary policy.* In advanced economies where inflation is still below target and output gaps remain negative, monetary policy should remain accommodative, consistent with central banks' mandates, mindful of financial stability risks, and underpinned by credible policy frameworks. Monetary policy by itself cannot achieve sustainable and balanced growth, and hence must be accompanied by other supportive policies.

*Prioritized structural reforms.* Structural reforms are key to raising potential growth and would benefit from synergies with other policies to support demand. Tailored to country-specific circumstances, reforms must be reinvigorated, carefully chosen, and appropriately sequenced to yield the maximum growth benefits, raise productivity, and create opportunities for all, while assisting those who bear the burden of adjustment to globalization and technological change.

*Effective financial sector policies*. To help ensure that the financial sector is robust enough to support growth and development, we will intensify efforts to address remaining crisis legacy issues in some advanced economies and vulnerabilities in some emerging market economies, while monitoring potential financial stability risks associated with prolonged low or negative interest rates, systemic market liquidity risks, and nonbank intermediation. Timely, full, and consistent implementation of the agreed financial sector reform agenda remains an important priority, as well as finalizing remaining elements of the regulatory framework as soon as possible.

*Stronger global cooperation.* Concerted effort at the international level is key to boost global trade; sustain progress on global rebalancing; manage spillovers from economic and non-economic shocks; ensure a fair, efficient, and transparent international tax environment; tackle the sources and channels of terrorist financing, corruption, and illicit financial flows; and address the decline in correspondent banking relationships. Comprehensive, coordinated, and time-consistent policy actions that exploit synergies would amplify positive cross-border spillover effects of individual policy actions. We will continue strengthening the international financial architecture, including the global financial safety net.

**IMF operations**

The IMF has a key role to play in supporting the membership at this challenging time.

*Policy advice and surveillance.* To improve the policy mix for strong, sustainable, inclusive, job-rich, and more balanced growth, we support the work to: further enhance the consistency of the IMF's fiscal policy advice, including on medium-term fiscal frameworks and by finalizing the work on assessing fiscal space, consistent with debt sustainability, and integrating it into country consultations; analyze how tax systems could have an effect on macroeconomic stability risks; and examine the implications of very low or negative interest rates, including their side effects. We support efforts to identify high-priority structural reforms in line with country-specific macroeconomic circumstances and structural factors, and encourage the IMF to continue to explore synergies and tradeoffs of different domestic policies in Article IV discussions. In this context, we take note of the ongoing work on developing a toolkit to support the formulation and implementation of structural reform recommendations in surveillance, and on expanding the infrastructure policy support initiative to more pilot countries. We support the IMF's examination of the drivers of the global productivity slowdown and the intention to provide policy recommendations. We look forward to the review of countries' experience with the IMF's institutional view on the liberalization and management of capital flows, with a view to identifying emerging issues, as well as the future work on macroprudential policies, which taken together will help provide tailored and consistent policy advice in addressing macroeconomic and financial stability risks. We support the analysis of macro-financial linkages in bilateral surveillance, drawing on the recent pilot cases.

*The international monetary system (IMS) and the support of multilateralism.* We reiterate that strong domestic policies and effective IMF surveillance remain the keystone of crisis prevention. We welcome the recent work on further strengthening the global financial safety net, and call on the IMF to intensify cooperation with regional financing arrangements, including through the joint test run between the IMF and the Chiang Mai Initiative Multilateralization. We look forward to work by the IMF and other institutions on state-contingent debt instruments. We look forward to finalizing the ongoing review of the IMF's lending toolkit to further enhance its effectiveness. We welcome the recent inclusion of the renminbi into the Special Drawing Right (SDR) basket, and look forward to the forthcoming examination of the possible broader use of the SDR. We call on the IMF to work toward enhancing international economic cooperation, including to facilitate the global adjustment process. We look forward to the IMF's analysis of the drivers and policy implications of the global trade slowdown and the economic benefits of trade.

*Opportunities for all.* We look forward to further work on the impacts of globalization, emerging technologies, and digitalization. We welcome further work identifying the reasons behind rising inequality in some countries, including analyzing the causes behind the declining share of labor in output and understanding the impact of policies on inequality in both advanced and developing economies.

*Low-income countries (LICs).* We call on the IMF to continue efforts, in cooperation with other relevant international organizations, to help countries meet the 2030 Sustainable Development Goals and to integrate deliverables under the post-2015 development agenda into the IMF's work. Work on LICs should focus on continued efforts to support growth and boost resilience in fragile states, and on helping those countries hardest-hit by commodity price shocks, including by designing a consistent set of policies that support growth. We call on the IMF to support LICs in their efforts to address investment needs, and provide advice on striking the appropriate balance between financing development needs and preserving debt sustainability. In this context, we support the work in progress to review the debt sustainability framework for LICs. We look forward to discussions on how to enhance countries' access to precautionary financial support and reviewing current practices in regard to blending resources between the General Resources Account and the Poverty Reduction and Growth Trust (PRGT) under IMF programs. We look forward to the findings of the forthcoming review of social objectives in PRGT-supported programs. We welcome the extension of zero interest rates on all IMF concessional lending facilities for at least the next two years, through end-2018. We welcome the support received so far, including by new contributors, to mobilize additional loan resources for the PRGT, and call on members' further support to the successful conclusion of these efforts.

*Capacity building.* We welcome the IMF's focus on providing technical assistance and training to complement policy analysis, especially supporting LICs as well as fragile states and small states to boost their policy formulation and implementation capacities and strengthen economic institutions. Priorities for capacity building include: enhancing domestic revenue mobilization; building fiscal capacity in small and fragile states; broadening work on international taxation, including through the Platform for Collaboration on Tax; expanding capacity to strengthen monetary and financial stability; and supporting financial sector deepening.

*Addressing other challenges facing members.* We support the IMF's work with other international organizations to address the decline in correspondent banking relationships and preserve access to financial services. This would include intensifying anti-money laundering and combating the financing of terrorism (AML/CFT) and supervisory capacity development support in respondent banks' jurisdictions, clarifying regulatory expectations, and promoting industry solutions; promoting greater financial inclusion; and helping countries strengthen their institutions to tackle illicit financial flows. We also support work by the IMF to continue integrating inequality, gender analysis, and climate change in surveillance, when macro critical; help commodity exporters and LICs promote economic diversification; help building resilience to natural disasters and climate change; and strengthen analysis and support for countries managing spillovers from non-economic sources, such as large refugee flows and global epidemics. We welcome the entry into force of the Paris Agreement on climate change. We look forward to the forthcoming review of the Guidance Note on the *Role of the Fund in Governance Issues.*

We extend our sympathy to the governments and people of the Caribbean, especially Haiti, as the region grapples with the impact of Hurricane Matthew. We welcome the IMF's readiness to help countries deal with the aftermath of this catastrophe.

**IMF resources and governance**

To help maintain the current lending capacity of the Fund, we welcome the pledges of SDR260 billion ($360 billion) received from 26 members to ensure the IMF's continued access to bilateral borrowing under the strengthened governance framework approved by the Executive Board; support the need for continued access to multilateral borrowing agreements; and call for broad participation of the IMF membership including through new agreements.

Looking ahead, we reaffirm our commitment to a strong, quota-based, and adequately resourced IMF to preserve its role at the center of the global financial safety net. We are committed to concluding the $15^{th}$ General Review of Quotas and agreeing on a new quota formula as a basis for a realignment of quota shares to result in increased shares for dynamic economies in line with their relative positions in the world economy and hence likely in the share of emerging market and developing countries as a whole, while protecting the voice and representation of the poorest members. To provide adequate time to build the necessary broad consensus, we support the Managing Director's proposal to reset the timetable for completing the $15^{th}$ Review in line with the above goals by the Spring Meetings of 2019 and no later than the Annual Meetings of 2019, subject to adoption by the Board of Governors. We call on the Executive Board to establish a concrete work agenda to achieve this goal.

We support the efforts of the IMF to harness new technologies—including by improving knowledge management—to increase its agility and effectiveness. We reiterate the importance of maintaining the high quality and improving the diversity of the IMF's staff. We also support promoting gender diversity in the Executive Board.

Our next meeting will be held in Washington, DC, on April 22, 2017.

Attendance can be found at http://www.imf.org/external/am/2016/imfc/attendees/

**Development Committee Communiqué**

April 22, 2017, Washington, DC

1. The Development Committee met today, April 22, in Washington, DC.

2. The global economy is gaining momentum, but risks remain tilted to the downside. Further improvements in the global outlook will require policies that foster inclusive and sustainable growth, address financial vulnerabilities, and create jobs and economic opportunities for all. Actions to tackle the adverse impact of the decline in correspondent banking relations are an important priority for many countries. World Bank Group (WBG) and International Monetary Fund (IMF) advice and support are important to advance such policies, deliver the 2030 agenda, and protect the most vulnerable.

3. Reducing inequality is necessary to ensure long-term and sustainable growth. Technological change, trade, financial flows, and economic integration have helped boost incomes and have narrowed the economic gaps between countries. But these gains have not always been shared evenly within countries. We urge the WBG and IMF to redouble efforts to eradicate poverty and ensure that the benefits of international economic integration are shared widely.

4. We welcome the implementation update on the WBG Forward Look. In October, we endorsed a vision for a better, stronger, and more agile WBG and identified areas for improvement. We recognize the progress so far in becoming a better WBG. We encourage continuing efforts, in coordination with development partners, to implement and report on the Forward Look commitments and associated policies to (i) prioritize private sector solutions when deploying scarce public resources, including for infrastructure; (ii) strengthen domestic resource mobilization; (iii) support global public goods; (iv) assist all WBG client segments; (v) be more agile, responsive, and results-focused in working across the public and private sectors; and (vi) pay special attention to stabilizing the economy and supporting growth in situations of fragility, conflict, and violence, as well as to the development needs of small states.

5. We support the WBG's scaled-up activities in the area of crisis preparedness, prevention, and response, through investments to address the root causes and drivers of fragility by helping countries build institutional and social resilience. We encourage further efforts to mobilize and rapidly disburse support for countries, communities, and refugees that are affected by famine or forced displacement, in close coordination with the United Nations and

other partners. We acknowledge the various initiatives by the WBG to strengthen the Humanitarian-Development-Peace nexus.

6. We are encouraged by the WBG's efforts to become more efficient through reforms of its operational and administrative policies and its People Strategy. We welcome the budget discipline introduced by the Expenditure Review, acknowledge WBG efforts to ensure transparency and accountability in tracking and reporting how it uses its scarce resources, and urge continued commitment on these fronts.

7. We also welcome progress and discussions to strengthen the WBG's financial capacity. We are greatly encouraged by the successful IDA replenishment negotiations. IDA18 delivered a record $75 billion thanks to the generosity of partners and the plans to leverage IDA's equity. Innovative measures introduced, such as the Private Sector Window, will help catalyze additional resources for IDA countries. We look forward to successful implementation that maximizes development impact.

8. We take note of the ongoing discussions to enhance the WBG's financial capacity and enable it to deliver on the ambition of the Forward Look. We ask the Board and Management to develop a set of options by the Annual Meetings in October 2017.

9. We welcome the progress made in the Shareholding Review and recall our commitment to the principles we endorsed in Lima toward a WBG that reflects the evolution of the global economy and contributions to the WBG's mission. We are encouraged by progress on diversity and inclusion in WBG staff and management, and we support similar progress on gender diversity in the Executive Board.

10. The next meeting of the Development Committee is scheduled for October 14, 2017.

**Communiqué of the Thirty-Fifth Meeting of the IMFC**
Chaired by Mr. Agustín Carstens, Governor of the Bank of Mexico
April 22, 2017, Washington, DC

**Global economy**

The global economic recovery is gaining momentum, commodity prices have firmed up, and deflation risks are receding. While the outlook is improving, growth is still modest and subject to heightened political and policy uncertainties. Crisis legacies, high debt levels, weak productivity growth, and demographic trends remain challenging headwinds in advanced economies while domestic imbalances, sharper-than-expected financial tightening, and negative spillovers from global uncertainty pose challenges for some emerging market and developing countries.

Trade, financial integration, and technological innovation have brought significant benefits, improving living standards and lifting hundreds of millions out of poverty. However, the prolonged period of low growth has brought to the fore the concerns of those who have been left behind. It is important to ensure that everyone has the opportunity to benefit from global economic integration and technological progress.

We reinforce our commitment to achieve strong, sustainable, balanced, inclusive, and job-rich growth. To this end, we will use all policy tools—monetary and fiscal policies, and structural reforms—both individually and collectively. We reaffirm our commitment to communicate policy stances clearly, avoid inward-looking policies, and preserve global financial stability. We recognize that excessive volatility and disorderly movements in exchange rates can have adverse implications for economic and financial stability. We will refrain from competitive devaluations, and will not target our exchange rates for competitive purposes. We will also work together to reduce excessive global imbalances by pursuing appropriate policies. We are working to strengthen the contribution of trade to our economies. Our priorities include:

*Accommodative monetary policy.* In economies where inflation is still below target and output gaps remain negative, monetary policy should remain accommodative, consistent with central banks' mandates, mindful of financial stability risks, and underpinned by credible policy frameworks. Monetary policy by itself cannot achieve sustainable and balanced growth, and hence must be accompanied by other supportive policies. Monetary policy normalization, where warranted, should continue to be well-communicated, also to mitigate potential cross-border spillover effects.

*Growth-friendly fiscal policy.* Fiscal policy should be used flexibly and be growth-friendly, prioritize high-quality investment, and support reforms that boost productivity, provide opportunities for all, and promote inclusiveness, while enhancing resilience and ensuring that public debt as a share of GDP is on a sustainable path.

*Tailored, prioritized, and sequenced structural reforms.* We will advance structural reforms to lift growth and productivity and enhance resilience, while assisting those bearing the cost of adjustment. The design, prioritization, and sequencing of reforms should reflect country circumstances; aim to boost investments in infrastructure, human capital development, and innovation; promote competition and market entry; and raise employment rates.

*Safeguarding financial stability.* We will further strengthen the resilience of the financial sector to continue to support growth and development. This requires sustained efforts to address remaining crisis legacies in some advanced economies and vulnerabilities in some emerging market economies, as well as monitoring potential financial risks associated with prolonged low or negative interest rates and with systemic market liquidity shifts. We stress the importance of timely, full, and consistent implementation of the agreed financial sector reform agenda, as well as finalizing remaining elements of the regulatory framework as soon as possible.

*A more inclusive global economy.* We will implement policies that promote opportunities for all within our countries, sustainability over time, and cooperation across countries. We will implement domestic policies that develop an adaptable and skilled workforce, assist those adversely affected by technological progress and economic integration, and work together to ensure that future generations are not left to pay for the actions of the current one. Recognizing that every country benefits from cooperation through a collaborative framework that evolves to meet the changing needs of the global economy, we will work to tackle common challenges, support efforts toward the 2030 SDGs, and ensure the orderly functioning of the IMS. We will support countries dealing with the consequences of conflicts, refugee and humanitarian crises, or natural disasters. We will work to promote a level playing field in international trade and taxation; tackle the sources and channels of terrorist financing, corruption, and other illicit financial flows; and address correspondent banking relationship withdrawal.

**IMF operations**

We welcome the Managing Director's *Global Policy Agenda*. The IMF has a key role in supporting the membership at this challenging time to:

*Sustain the recovery.* Based on the three-pronged approach—with monetary, fiscal, and structural policies—we welcome the IMF providing country-specific advice on the policy mix to sustain the ongoing recovery and address excessive global imbalances. We support the work on fiscal rules and medium-term frameworks and the application of the fiscal space framework in bilateral surveillance. We support work to review the Public Investment Management Assessment framework, expand the Infrastructure Policy Support Initiative, and explore reforms toward growth-friendly, sustainable, and equitable fiscal policy. We also support further work on how fiscal policy could better mitigate short-term costs and enhance long-term benefits of structural reforms.

*Lift productivity and tackle vulnerabilities.* We welcome the recent work on the causes behind weak productivity growth and the new toolkit to identify structural policy gaps, and look forward to the IMF's further work and specific recommendations for high-priority structural reforms to boost productivity, investment, and resilience to economic shocks. We look forward to further work on tackling debt overhangs and reducing financial sector vulnerabilities, and on the measurement challenges of the digital economy. We support a continued active role for the IMF to help countries address the decline in correspondent banking relationships.

We call on the IMF to promote policies that will:

*Expand opportunities.* We support the work to sharpen the understanding of macroeconomic and distributional effects of technological progress, trade, and capital flows. We welcome the work of the IMF, along with other international organizations, to help improve governance, fight corruption, upgrade the business environment, and promote competition. We look forward to the forthcoming review of the Guidance Note on the *Role of the Fund in Governance Issues*.

*Facilitate multilateral solutions to meet global challenges.* We support the IMF's increased efforts to provide a rigorous and candid assessment of excessive global imbalances and their causes, and of exchange rates in both Article IV consultations and the *External Sector Report*. We reiterate the importance of ensuring effective and consistent implementation of the Institutional View on capital flows, paying greater attention to capital flow management measures and taking a clear position based on country circumstances on whether they are warranted, while exploring the role of macroprudential policies to increase resilience to large and volatile capital flows. We support the strengthened analysis of spillovers from domestic policies to the global economy. We welcome the IMF's analysis of macro-financial linkages in bilateral surveillance. We also welcome the IMF's collaboration with other multilateral institutions in pursuit of shared objectives. We welcome the IMF's work with international standard setters to support the global financial regulatory reform agenda and to address data gaps. We also support the IMF's role in addressing international taxation issues, including through the Platform for Collaboration on Tax; assisting jurisdictions to enhance financial sector integrity and AML/CFT regimes; and helping countries strengthen their institutions to tackle illicit financial flows. We call on the IMF to continue to assist countries in dealing with macroeconomic problems arising from shocks, including those shouldering the burden of conflicts, refugee crises, or natural disasters.

*Strengthen the IMS.* Strong domestic policies, supported by effective IMF surveillance, are the keystone of crisis prevention. We will explore options for further strengthening the global financial safety net (GFSN), including by collaborating with regional financing arrangements, and examine the possible broader use of the SDR. To further enhance the effectiveness of the IMF's lending toolkit, we support the scheduled review of precautionary instruments and the ongoing work to develop proposals for a possible new short-term liquidity facility and a non-financial policy instrument to provide monitoring and signaling of member policies. We welcome the ongoing work to examine the current debtor-creditor engagement framework in sovereign debt restructurings and the recent study of state-contingent debt instruments.

*Assist low-income countries (LICs), commodity exporters, and small and fragile states.* We welcome the IMF's continued support, in cooperation with other relevant international organizations, of the 2030 SDGs, including the Financing for Development agenda, by helping fragile states and supporting LICs and small states to strengthen domestic revenue mobilization and public financial management systems and to deepen financial markets. We also welcome the IMF's help, including through financial support and technical assistance, strengthening policy frameworks, and supporting economic diversification and adjustment strategies in LICs and commodity exporters. We welcome the IMF's recent clarification of access to the resources of the General Resources Account for those members also eligible for the Poverty Reduction and Growth Trust (PRGT). We look forward to the review of the LIC debt sustainability framework, and welcome the IMF's support of the G20 Compact with Africa initiative to foster private sector investment. We look forward to the forthcoming discussions on social safeguards and program design in PRGT- and Policy Support Instrument–supported programs. We welcome the pledges totaling SDR 11.8 billion received from 16 members, including by new contributors, to mobilize additional loan resources for the PRGT, and call for broad participation of the membership to support these efforts.

*Promote sustainable policies over time.* We look forward to the review of experiences with debt management strategies, and encourage the IMF to continue its work on the sustainability of pension systems. We continue to support integrating into surveillance the analysis of other challenges facing members, where macro-critical.

*Integrate capacity development with surveillance.* We welcome the IMF's focus on providing technical assistance and training to complement policy analysis, especially supporting LICs as well as fragile and small states.

We reaffirm our commitment to a strong, quota-based, and adequately resourced IMF to preserve its role at the center of the GFSN. We are committed to concluding the 15th General Review of Quotas and agreeing on a new quota formula as a basis for a realignment of quota shares to result in increased shares for dynamic economies in line with their relative positions in the world economy and hence likely in the share of emerging market and developing countries as a whole, while protecting the voice and representation of the poorest members. We call on the Executive Board to work expeditiously toward the completion of the 15th General Review of Quotas in line with the above goals by the Spring Meetings of 2019 and no later than the Annual Meetings of 2019. We look forward to a report on progress toward this goal by the time of our next meeting. We call for full implementation of the 2010 reforms.

We welcome the bilateral agreements and commitments of about SDR 300 billion ($400 billion) received from 35 members to ensure the IMF's continued access to bilateral borrowing under the strengthened governance framework approved by the Executive Board and call for broad participation of the IMF membership including through new agreements. We also welcome the renewal of the decision on the New Arrangements to Borrow.

We reiterate the importance of maintaining the high quality and improving the diversity of the IMF's staff. We also support promoting gender diversity in the Executive Board.

Our next meeting will be held in Washington, DC, on October 14, 2017.

Attendance can be found at
http://www.imf.org/external/spring/2017/imfc/attendees/index.htm