

### **Appendix III**

#### **Press communiqués of the International Monetary and Financial Committee and the Development Committee (October 2015 and April 2016)**

##### **Development Committee Communiqué**

Joint Ministerial Committee of the Boards Of Governors of the Bank and the Fund on the Transfer of Real Resources to Developing Countries

Lima, Peru, October 10, 2015

1. The Development Committee met today, October 10, 2015, in Lima.
2. Global growth remains weak, and the downside risks for the second half of 2015 and 2016 have risen. A moderate recovery in high-income countries is still continuing, but prospects of tighter financing conditions, slowing trade, and renewed weakness in commodity prices are weighing on confidence in many developing countries. We call on the World Bank Group (WBG) and the International Monetary Fund (IMF) to monitor risks and vulnerabilities closely, to enhance their assistance to countries to support growth and build resilience, and to play their countercyclical role when needed.
3. Given the scale of the current refugee and migrant crisis, we call for targeted support, in collaboration with the UN and other partners, in addressing the challenges for countries and regions in turmoil, especially in the Middle East and North Africa, but also in other fragile and conflict states.
4. The Sustainable Development Goals (SDGs) chart a new course for development for the next 15 years. The SDGs are universal, integrated, and align with the WBG's corporate goals. Building on the Billions to Trillions discussion at the last Spring Meetings we endorse the WBG's role and support for the 2030 Agenda for Sustainable Development. This will involve convening, connecting and coordinating with governments, UN, IMF, MDBs, and the WTO, private sector and civil society to mobilize the financing needed; deliver development solutions at country, regional, and global levels, including through South-South cooperation. We stress the need to focus on inclusive growth, jobs, infrastructure, human development and health systems, and to deepen the WBG's engagement in fragile and conflict states. Private sector development is crucial to achieving the SDGs. We call on the IFC and MIGA to play a more catalytic role to mobilize private sector investment and finance for development. We welcome the steps the WBG has taken to enhance its effectiveness and delivery to respond to strong demand, through operational reforms and optimizing the use of its balance sheets and external resources. We recognize that the WBG must remain adequately resourced to meet its goals and to contribute to the SDGs and climate agendas.
5. IDA remains a critical tool to achieve the WBG's goals and the SDGs and we look forward to continued strong IDA replenishments and further consideration of options to generate additional IDA financial capacity while ensuring continued focus on the poorest countries.
6. We welcome the IMF's support for the 2030 Agenda, including its decision to increase access to concessional lending facilities, and its work to boost economic resilience and sustain global economic and financial stability.
7. We urge the WBG and the IMF to scale up their support to developing countries to improve domestic resource mobilization, public financial management and to curb illicit

finance. Illicit finance and the underlying activities, including tax evasion, corruption, criminal activities, collusion, represent a major drain on the resources of developing countries. We welcome their plans to work jointly to build capacity for developing countries, including on international tax issues.

8. Climate change and natural disasters put hard-earned development gains at risk, particularly for the poor and vulnerable. Smart policy and investment choices can help transition to economic growth paths that reduce poverty while preserving the environment. We urge the WBG to scale up its technical and financial support and mobilize resources to assist countries in assessing climate risks and opportunities, to address the drivers of climate change, and to build resilience. We look forward to an updated report on Disaster Risk Management in Spring 2016. We call on the WBG to enhance its support for small states in building resilience against and mitigating the impact of natural disasters and climate change, which are among the greatest challenges faced by these countries. We look forward to a successful COP21 meeting in Paris.

9. We reaffirm our commitment to gender equality, critical to ending poverty, boosting shared prosperity, and building more inclusive societies. We look forward to the implementation of a new WBG gender strategy aimed at closing persistent gender gaps.

10. The Global Monitoring Report has proven its value in tracking progress in achieving the MDGs and we are confident it will play a similar role for the SDGs. The latest GMR shows that changes in global demography will profoundly affect the trajectory of global development during the 2030 Agenda period. With the right policies, demographic change can help growth both in developing and developed economies. We urge the WBG to take demographic challenges into account in its work to support development policies.

11. We stress the importance of strengthening data quality and coverage, and its availability for policy making and for monitoring and implementing the SDGs. We call on the WBG and the IMF to increase their support to developing countries in building national data capacity and investing in evidence.

12. We welcome the Report of the 2015 Shareholding Review and agree to the shareholding review principles and the Roadmap for its implementation, including further consideration of the WBG's long term role. We commit to implementing the Roadmap, including agreement on a dynamic formula by the 2016 Annual Meetings, based on the guidance set out in the report. We stress the critical importance of wider reforms to strengthen WBG responsiveness to its members and their voice and representation in its governance. We will continue to promote diversity and inclusion to reflect better the global nature of the WBG.

13. Delivering transformative development solutions requires a focus on results, support for implementation, and fiduciary and safeguards policies to manage risks. This will ensure responsiveness to client needs and deliver sustainable development outcomes. We welcome the new procurement framework approved in July 2015 and look forward to successful completion of the review and update of the World Bank's environmental and social framework.

14. The Committee expressed its appreciation to the Government of the Republic of Peru for hosting the Annual Meetings. We thanked Mr. Marek Belka, President of the National Bank of Poland, for his valuable and outstanding leadership and guidance as Chairman of the Committee during the past four years, and welcomed his successor, Mr. Bambang Brodjonegoro, Minister of Finance of Indonesia.

15. The next meeting of the Development Committee is scheduled for April 16, 2016, in Washington, D.C.

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

Chaired by Mr. Agustín Carstens, Governor of the Bank of Mexico  
October 9, 2015, Lima, Peru

#### Global economy

The global recovery continues, but growth remains modest and uneven overall. Uncertainty and financial market volatility have increased, and medium-term growth prospects have weakened. In advanced economies, the recovery is expected to pick up modestly, supported by lower commodity prices, continued accommodative monetary policies, and improved financial stability, but underlying productivity growth remains weak and inflation remains generally below central bank objectives. While growth prospects differ across emerging market and developing countries, the overall outlook is affected by uncertainties around commodity prices and global financial conditions.

Risks to the global outlook have increased. With stronger fundamentals, buffers, and policy frameworks, emerging market and developing countries are generally better prepared than earlier for a less favorable environment. Nevertheless, many emerging market economies are exposed to tighter financing conditions, slowing capital inflows, and currency pressures amid high private sector foreign currency indebtedness. Further declines in commodity prices could weaken the outlook for commodity exporters, many of which are low-income countries. Developments in several countries connected with large refugee flows have created economic and humanitarian challenges for both source and host countries. China's ongoing rebalancing toward more sustainable growth is welcome, while vigilance is necessary with regard to external challenges that might arise. In advanced economies, a sustained recovery in the euro area, positive growth in Japan, and continued solid activity in the United States and the United Kingdom are positive forces, although spillovers from increased market volatility may pose financial stability challenges in the near term. In many advanced economies, the main risk remains a decline of already low growth, particularly if global demand falters further and supply constraints are not removed. More broadly, high levels of debt remain a concern. Global imbalances are reduced from previous years but a further rebalancing of demand is still needed.

#### Global policy priorities

The key policy priorities are to take further measures to lift short-term and potential growth, preserve fiscal sustainability, reduce unemployment, manage financial stability risks, and support trade. We reaffirm our commitment to cooperation to implement this agenda forcefully in order to secure strong, sustainable, inclusive, job-rich, and more balanced global growth. Careful calibration and clear and effective communication of policy stances are essential to help limit excessive market volatility and negative spillovers. We also reiterate our commitment to refrain from all forms of protectionism and competitive devaluations.

*Support growth today:* Advanced economies should maintain an accommodative monetary stance, where appropriate, consistent with central bank mandates. We are mindful of

financial stability risks. We will implement fiscal policies flexibly to take into account near-term economic conditions, so as to support growth and job creation, while putting debt as a share of GDP on a sustainable path. Emerging market and developing countries should use available policy space to smooth the adjustment to less favorable external conditions, while pursuing efforts to remove bottlenecks to stronger growth. In economies with limited policy space, fiscal policies should ensure sustainability while preserving efficient social and infrastructure spending. Commodity-exporting countries with worsening terms of trade and limited buffers may need to reassess their fiscal policies in the face of lower commodity-related revenue.

*Invest in resilience:* The global financial regulatory reform agenda should be completed and implemented in a timely and consistent manner and further developed, including through monitoring and addressing issues raised by financial activities outside the banking system, as necessary. Priorities in many advanced economies are to repair balance sheets, tackle nonperforming loans, and monitor and, if necessary, address market liquidity issues. Emerging market and developing countries should continue to enhance policy frameworks and maintain adequate buffers. Foreign currency exposures warrant special attention, while exchange rate flexibility, where feasible, can act as a shock absorber. Appropriate, well targeted macro-prudential tools as well as strong supervision are important to preserve financial stability. When dealing with risks from large and volatile capital flows, necessary macroeconomic policy adjustment could be supported by macro-prudential and, as appropriate, capital flow management measures. A strong global financial safety net remains important in order to provide liquidity in times of need.

*Secure sustainable long-term growth:* Timely-implemented and well-sequenced structural reforms remain critical to raise productivity, potential output, and living standards; bolster confidence; and reduce inequality. There is a need to identify new sources of growth; address supply bottlenecks, infrastructure gaps, and population aging; and promote inclusive, environmentally sustainable growth. Further trade liberalization could complement and reinforce other reforms. Lower oil prices provide an opportunity to reform inefficient energy subsidies and energy taxes, as needed, while strengthening targeted social safety nets. In advanced economies, invigorating productivity growth will require a combination of policies to stimulate labor demand as well as labor supply—for example by raising female labor force participation—boost innovation, and enhance resource allocation in services sectors and investment. In emerging market and low-income countries, improving business conditions, institutions and governance, and closing education and infrastructure gaps can support continued convergence to higher income levels and help reduce inequality.

#### IMF operations

We welcome the IMF's initiatives to be even more agile, integrated, and member-focused. Countries are facing an increasingly uncertain global environment. Economic and financial linkages are becoming more complex and difficult to predict. In this global context, the IMF has to deepen its analysis and surveillance activities, and broaden the scope of its policy advice on macro-critical issues.

*Policy advice and surveillance:* We ask the IMF to help members calibrate policies to overcome the twin challenges of addressing vulnerabilities and enhancing strong, sustainable, and balanced growth. We welcome progress in implementing surveillance

priorities, including ongoing work on risk and spillover analysis, examining the links between monetary policy and financial stability, analyzing and addressing, as appropriate, “de-risking” pull-backs by international banks, strengthening exchange rate analysis, deepening macro-financial analysis, and closing data gaps—which should continue. We encourage the IMF, in cooperation with other international institutions, to continue to play its role with regard to international tax issues. Following the adoption of the IMF’s institutional view, we support a stocktaking of members’ policies in handling capital flows. The IMF should help emerging market and developing countries reap the benefits of foreign financing, including through advice to strengthen policies in order to mitigate risks of capital flow reversals. We look forward to expanded work on macro-critical structural reforms, including by leveraging the expertise of other institutions. Attention should also be given to the macroeconomic consequences of demographic transitions, as well as migration and large-scale refugee flows in particular in the Middle-East and Africa. We welcome the IMF’s contribution to the global framework for sustainable development and look forward to its implementation. We also look forward to the IMF’s active contribution—including through the assessment of macroeconomic implications of climate change—to a positive outcome of the Conference of Parties 21 (COP21) in Paris, consistent with its mandate.

*Lending:* We call on the IMF to continue to stand ready to respond promptly to future demand for financial assistance, including on a precautionary basis, for appropriate adjustments and reforms and to help protect against risks. In this regard, we look forward to the forthcoming stocktaking of the international monetary system, including a review of the adequacy of the global financial safety net architecture. We welcome the progress made in enhancing access to concessional resources. We look forward to the completion of the follow-up crisis program review; continued work on sovereign debt issues so as to facilitate timely and orderly debt restructuring; the review of the exceptional access framework; and completion of the review of the method of valuation of the SDR. We call on the IMF to continue to work closely with the World Bank and other international institutions to support the countries affected by the humanitarian and refugee crises, especially in the Middle East and Africa, in order to mitigate the adverse effects on the economies of the regions and spillovers to the global economy.

*Capacity building:* We support more integration and synergies between surveillance, program work, technical assistance (TA), and training, and the increased use of a results-based management framework. We welcome a shift in focus of capacity building and TA to bolster resilience, maintain debt sustainability, improve governance, and support global sustainable development goals within the IMF’s mandate, including boosting domestic revenue mobilization and financial deepening in developing countries and small and fragile states, and deepening the dialogue with developing countries on international tax issues while closely collaborating with other development partners. This will also help countries tackle illicit flows. We look forward to IMF initiatives to boost peer learning and facilitate the transmission of best policy practices among its membership.

#### Governance and representation

We remain deeply disappointed with the protracted delay in implementing the 2010 IMF quota and governance reforms. Recognizing the importance of these reforms for the credibility, legitimacy, and effectiveness of the IMF, we reaffirm that their earliest implementation remains our highest priority and urge the United States to ratify the 2010 reforms as soon as possible. Mindful of the aims of the 2010 reforms, we call on the IMF

Executive Board to complete its work on an interim solution that will meaningfully converge quota shares as soon as and to the extent possible to the levels agreed under the 14<sup>th</sup> General Review of Quotas. We will use the 14<sup>th</sup> Review as a basis for work on the 15<sup>th</sup> Review, including a new quota formula. We remain committed to maintaining a strong, well-resourced, and quota-based IMF. We reiterate the importance of enhancing staff diversity in the IMF and encourage further progress.

We thank the government and the people of Peru for hosting our meetings and for their warm hospitality. Our next meeting will be held in Washington, D.C. on April 15-16, 2016. Attendance can be found at <http://www.imf.org/external/am/2015/imfc/attendees/index.htm>

### **Development Committee Communiqué**

April 16, 2016, Washington, D.C.

1. The Development Committee met today, April 16, in Washington, D.C.
2. Global growth continues to disappoint in 2016. Substantial downside risks to growth remain, including weak demand, tighter financial markets, softening trade, persistently low oil and commodity prices, and volatile capital flows. We call on the World Bank Group (WBG) and the International Monetary Fund (IMF), within their respective mandates, to monitor these risks and vulnerabilities closely, and update the Debt Sustainability Framework for Low-Income Countries. We also call on them to provide policy advice and financial support for sustained, inclusive and diversified growth and resilience.
3. We are encouraged by progress on the Forward Look exercise on the medium to long term future of the WBG, which aims to ensure that the Group remains a strong global development institution in an evolving development landscape; and we expect a final report by the Annual Meetings. The Board and management shall develop proposals to ensure that the WBG remains responsive to the diverse needs of all its clients; leads on global issues and knowledge; makes the “billions to trillions” agenda a reality; partners effectively with the private sector; becomes a more effective and agile development partner; and adapts its business model accordingly. The Board and management should continue to consider ways to strengthen the financial position of the WBG institutions, including by optimizing the use of their existing resources, so that they are adequately resourced to accomplish the Group’s mission.
4. Fragility and conflict have displaced millions of people, significantly impacting both origin and host countries. We look forward to WBG and IMF action in this area, within their respective mandates and in partnership with humanitarian and other actors, to mitigate the vulnerabilities of forcibly displaced persons, to help host communities manage shocks, and to tackle the root causes of forced displacement. We urge the international community to take action in supporting these vulnerable populations who largely live below the poverty line. We recognize the sacrifices and generosity of host countries and the lack of adequate instruments to support them. We welcome Islamic Development Bank, UN and WBG efforts to develop the financing facility for the Middle East and North Africa and donor commitments to this initiative. We ask the WBG to explore options to develop a long term global crisis response platform. We look forward to the upcoming first World Humanitarian Summit and the Summit on Refugees at the UN General Assembly.

5. IDA remains the most important source of concessional financing for the poorest countries. We advocate for a strong IDA 18 replenishment with the support of traditional and new donors that ensures continued focus on the poorest countries. We look forward to a concrete and ambitious proposal on IDA leveraging options in the context of the replenishment.

6. In 2016, we begin the task of implementing in earnest the challenging program we committed to in the 2030 Development Agenda. In line with their comparative advantage, the IMF, MDBs, UN and WBG should partner to support developing countries' efforts to meet the SDGs, while adjusting to a slower growth environment and reduced private capital flows. We support collaboration among MDBs on developing high quality financing for sustainable and growth-oriented infrastructure investments. The WBG and IMF should also step up efforts to implement the Addis Ababa Action Agenda on Financing for Development, in particular, crowding in the private sector and boosting domestic resource mobilization, including by tackling illicit financial flows.

7. The private sector is critical to achieve our ambitious development objectives. Inclusive job creation is central to shared prosperity. We encourage all WBG institutions to work together in support of this agenda. In particular, we call on IFC and MIGA to do more to catalyze sustainable economic growth, including by mobilizing funds and providing guarantees in the most challenging environments, and to small and medium enterprises. We also urge IFC, IBRD and IDA to help countries undertake reforms and invest in the quality infrastructure needed to establish business environments that support private investment and local entrepreneurs.

8. Achieving gender equality is central to the 2030 Agenda for Sustainable Development. We welcome the WBG's recent adoption of the renewed gender strategy and look forward to its effective implementation.

9. The WBG should continue to deliver evidence-based development solutions at the country, regional, and global levels, including through improved country data systems, and South-South cooperation both in low- and middle-income countries. We urge the WBG and IMF to become more effective in fragile and conflict situations, through strengthened operational capacity in affected countries, better-tailored capacity development activities, incentives and enhanced security for staff, and innovative financing and resourcing.

10. We stress the need to strengthen country institutions and health systems, including enhancement of pandemic prevention and preparedness, in close collaboration with the World Health Organization and other stakeholders. We urge the WBG to finish the preparatory work on the Pandemic Emergency Facility as soon as possible and foster a new market for pandemic risk management insurance.

11. We applaud the historic Paris Agreement, which set the stage for ambitious climate action for all stakeholders. The WBG's recent Climate Change Action Plan sets out its commitment to help operationalize, based on client demand, climate-smart policies and projects as well as to scale up technical and financial support for climate change mitigation and adaptation, consistent with UNFCCC. Small states, the poor and the vulnerable are among the most exposed to the negative impacts of climate change and natural disasters and we urge the WBG and IMF to continue to step up their support to build resilience in these countries.

12. We welcome the Progress Report on Mainstreaming Disaster Risk Management. We call on the WBG to implement actions and policies using the principles of prevention and preparedness and to continue to build capacity for disaster response guided by the Sendai Framework for Disaster Risk Reduction, in particular, in Small Island Developing States. We look forward to an update on the Progress Report in two years.

13. We encourage management and the Board to finalize the modernization of the World Bank's Environmental and Social Framework by August 2016.

14. We welcome the interim report on the Dynamic Formula and stress the need for the planned further work aiming to reach an agreement by the 2016 Annual Meetings in line with the Shareholding Review principles and the Roadmap agreed in Lima.

15. The next meeting of the Development Committee is scheduled for October 8, 2016.

### **Communiqué of the Thirty-Third Meeting of the IMFC**

Chaired by Mr. Agustín Carstens, Governor of the Bank of Mexico

April 16, 2016, Washington, D.C.

#### **Global economy**

The global economy continues to expand modestly. Global growth, however, has been subdued for a long time, and the outlook has weakened somewhat since October. Although recent developments point to some improvements in sentiment, financial market volatility and risk aversion have risen, reflecting partly the reappraisal of potential growth. The significant slowdown in global trade growth also persists. Recoveries in many advanced economies are restrained by a combination of weak demand, low productivity growth, and remaining crisis legacies. Activity in emerging market and developing economies has cooled down, although it still accounts for the bulk of world growth. Globally, lower commodity prices have adversely affected exporters, while their short-term growth impact on energy importers has been less positive than expected.

Downside risks to the global economic outlook have increased since October, raising the possibility of a more generalized slowdown and a sudden pull-back of capital flows. At the same time, geopolitical tensions, refugee crises, and the shock of a potential U.K. exit from the European Union pose spillover risks. Against this backdrop, it is important to buttress confidence in our policies.

#### **Policy response**

We reinforce our commitment to strong, sustainable, inclusive, job-rich, and more balanced global growth. To achieve this, we will employ a more forceful and balanced policy mix. Implementation of mutually-reinforcing structural reforms and macroeconomic policies—using all policy tools, individually and collectively—is vital to stimulate actual and potential growth, enhance financial stability, and avert deflation risks. Clear and effective communication of policy stances will be key to limit excessive market volatility and negative spillovers.

- *Growth-friendly fiscal policy is needed* in all countries. Fiscal strategies should aim to support the economy, providing for flexible use of fiscal policy to strengthen growth, job creation, and confidence, while enhancing resilience and ensuring that debt as a share of GDP is on a sustainable path. Tax policy and public spending needs to be as



growth-friendly as possible, including by prioritizing expenditure in favor of high-quality investment.

- *Accommodative monetary policy should continue* in advanced economies where output gaps are negative and inflation is below target, consistent with central banks' mandates and mindful of financial stability risks. Monetary policy by itself cannot achieve balanced and sustainable growth, and hence must be accompanied by other supportive policies. In a number of emerging market economies, monetary policy will need to address the impact of weaker currencies on inflation. Exchange rate flexibility, where feasible, should be used to cushion the impact of external shocks, including terms-of-trade shocks.
- *Structural reforms need to be advanced*, benefitting from synergies with other policies to support demand. Structural reforms should be appropriately prioritized and sequenced in each country. Commodity exporters and low-income developing countries should implement policies to promote economic diversification.
- *Timely, full, and consistent implementation of agreed financial reforms*, including the Basel III and Total Loss-Absorbing Capacity (TLAC) standard, remains important to boost the resilience of the financial system. Efforts must continue to facilitate the repair of private sector balance sheets. Advanced economies must deal with remaining crisis legacy issues. Emerging market economies need to monitor foreign currency exposures and bolster their ability to withstand financial shocks. Further analysis and solutions are needed, as appropriate, with the aim to prevent de-risking from unduly impeding access to financial services, including correspondent banking relationships.
- *Global cooperation is needed* on several fronts, including ensuring a well-functioning international monetary system; reinvigorating global trade integration; combating corruption and improving governance; addressing international tax issues including transparency; coping with challenges of non-economic origin, including those pertaining to refugees; and consistently implementing and completing the financial regulatory reform agenda—including policies to transform the shadow banking sector into a stable source of market-based finance. We reiterate our commitment to refrain from all forms of protectionism and competitive devaluations, and to allow exchange rates to respond to changing fundamentals.

### **IMF operations**

The IMF has a key role to play in supporting a stronger policy response by the membership.

- *Policy advice and surveillance*: We support efforts to deepen analysis of the impact of macro-critical structural reforms, including the new initiative to increase the efficiency of infrastructure investment, and on principles to guide prioritization. To improve the policy mix for strong, balanced, and sustainable growth, we support work to identify country-specific priorities for fiscal policy based on a careful assessment of fiscal positions, and to identify areas where fiscal policy can play a larger and more effective role, consistent with maintaining debt sustainability. We look forward to the review of members' experiences and policies in dealing with capital flows, and welcome plans to bring together the work on capital flow management and macro-prudential policies to

inform financial and macroeconomic risk management. We look forward to the analysis of the implications of negative policy rates. We welcome efforts to strengthen exchange rate analysis. We also welcome plans to examine a framework of options to reduce risks from rising corporate and household indebtedness and unresolved crisis legacies in banks.

- *International Monetary System (IMS):* We welcome the recent stocktaking of the IMS and the global financial safety net (GFSN) to determine what areas need further consideration. We reiterate that strong policies and effective IMF surveillance remain the cornerstone of crisis prevention. We agree that a strong and coherent GFSN—with an adequately resourced IMF at its center—is important for the effective functioning of the IMS, safeguarding stability, and helping reap the benefits of further financial integration. We call on the IMF to continue to explore ways to further strengthen the GFSN, including through more effective cooperation with regional financing arrangements. The IMF will discuss the case for a general allocation of SDRs and the reporting of official reserves in SDR. We support the examination of the possible broader use of the SDR.
- *Revisiting the lending toolkit:* We emphasize the IMF’s central role in supporting adjustment and fostering effective implementation of sound policies. In this context, and in light of the risks that have been identified, we call on the IMF to explore ways to strengthen its approach to helping members manage volatility and uncertainty—including through financial assistance, also on a precautionary basis. We recognize the particular challenges for commodity exporters and emphasize the IMF’s role in assisting them in their adjustments. We also look forward to work on non-financial instruments, such as a policy signaling instrument covering emerging market and advanced economies.
- *Support for low-income countries:* We welcome the IMF’s continued work in support of the implementation of the 2030 Agenda for Sustainable Development, as well as continued efforts to support growth and boost resilience in fragile states. 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). We also look forward to the successful conclusion of the current efforts to mobilize additional loan resources for the PRGT and to broadening the group of contributors. We support efforts to integrate capacity development and policy advice more closely, in particular, plans to assist low-income countries in boosting their domestic resource mobilization efforts, alongside international tax issues. We welcome the ongoing review of the IMF and World Bank Debt Sustainability Framework for low-income countries.
- *Addressing other challenges facing members:* We call on the IMF to continue to collaborate with the Financial Stability Board, the World Bank Group, and other relevant bodies to help solidify a view on the drivers, magnitude, and impact of de-risking by global financial institutions on developing and emerging market economies, and provide advice and capacity development, where warranted. We welcome the

IMF's growing engagement with small states. We welcome proposed work on other challenges facing the membership—within the IMF's mandate and where they are macro-critical—including migration, income inequality, gender inequality, financial inclusion, corruption, climate change, and technological change, including by leveraging the expertise of other institutions. To support countries managing spillovers from non-economic sources, such as large refugee flows and global epidemics, the IMF should be prepared to contribute within its mandate, including to global initiatives. We look forward to a review of the Guidance Note on *The Role of the Fund in Governance Issues*. We encourage the IMF to continue helping countries to strengthen their institutions to tackle illicit financial flows. We welcome progress made in Argentina's effort to end a decade-long dispute and regain access to international capital markets. We also welcome its efforts and those of other countries to normalize relations with the IMF.

### **IMF resources and governance**

We strongly welcome the effectiveness of quota increases under the 14<sup>th</sup> General Review of Quotas and of the Seventh Amendment on the Reform of the IMF Executive Board. We call on the Executive Board to work expeditiously toward completion of the 15<sup>th</sup> General Review of Quotas, including a new quota formula, by the 2017 Annual Meetings, and look forward to a progress report for our next meeting. Any realignment under this Review is expected to result in increases in the quota shares of 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. We are committed to protecting the voice and representation of the poorest members. We reaffirm our commitment to maintain a strong, quota-based, and adequately resourced IMF. We reiterate the importance of maintaining the high quality and improving the regional, gender, and educational diversity of the IMF's staff, and of promoting gender diversity in the Executive Board.

We welcome the appointment for a second five-year term of Ms. Christine Lagarde as IMF Managing Director, and of Mr. David Lipton as IMF First Deputy Managing Director. We look forward to their continued excellent and unwavering leadership in the challenging period ahead.

Our next meeting will be held in Washington, D.C. on October 7–8, 2016.

Attendance can be found at

<http://www.imf.org/external/spring/2016/imfc/attendees/index.htm>.