



Executive Board Minutes 22/7-5

January 24, 2022–2:47 p.m.

FY2020-FY2021 Diversity and Inclusion Report

Documents: EBAP/21/61, and Cor. 1

Staff: De Bruxelles and Purfield, HRD; Rossignol, SAC

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CEDA OGADA
Secretary

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¹ Minutes are the official record of a formal Board meeting in which the Board may adopt decisions and reach understandings related to the business of the Fund. Staff background documents issued before the meeting are the principal basis for the meeting. Preliminary “gray” or “buff” statements by Executive Directors and staff’s responses to Directors’ technical questions are circulated prior to the meeting. Adopted decisions and/or summings up—the Chair’s “sense of the meeting” or policy conclusions/recommendations—are issued after the meeting. The minutes include all these elements, as well as the discussion record (a verbatim transcript of the discussion lightly edited for clarity). Minutes are made public consistent with the IMF’s Open Archives Policy.

THE CHAIR'S SUMMING UP

Executive Directors welcomed the opportunity to discuss the FY2020 – FY2021 Diversity and Inclusion Report, which provides a comprehensive update on the Fund's diversity and inclusion efforts. They reiterated the importance of diversity and inclusion (D&I) as a priority for the Fund to ensure a level playing field and equitable treatment for all staff. While welcoming the good progress made in some areas, Directors noted the challenges in reaching the FY2025 diversity benchmarks. They broadly supported the proposed approach in the report, including the two-year framework and strengthening of managerial accountability in achieving D&I objectives.

Directors were encouraged by the progress made on the representation of women in managerial roles, particularly at the most senior levels, as well as the achievement of the benchmarks for two of the under-represented regions (URR), East Asia and Sub-Saharan Africa, at the individual contributor level. Directors expressed concern, however, regarding the limited progress in the representation of MENA+ nationals and the low representation of URRs in managerial roles, and encouraged staff to think of innovative ways to source, attract, and retain diverse candidates.

Directors welcomed the analyses on promotions and noted improvement in the rates of promotion for some URRs. However, they noted with concern the trends of certain groups receiving much higher rates of promotions, and the low number of URR women getting promoted at certain levels, in particular those from Sub-Saharan Africa. In addition, a number of Directors noted the lower than average promotion of MENA nationals from A14 to A15 in the economist stream. Directors noted the recently introduced pilot Sponsorship Program for staff from URRs and looked forward to discussing lessons from the program in due course.

Directors welcomed the analysis on educational diversity and appreciated the expansion of outreach to a larger number of universities, with a focus on those in URRs, facilitated by the significant increase in virtual recruitment missions. They expressed hope that this would eventually result in more educational diversity in the coming years and saw merit in continuing virtual missions to all regions beyond the pandemic.

Directors appreciated the efforts made on inclusion, particularly the Fund's commitment to foster a more inclusive and equitable work environment. They welcomed the expansion of the scope of the Fund's D&I portfolio in the areas of racial equity and disabilities. With regard to disabilities, Directors saw much scope to improve inclusion through concerted efforts to address this diversity dimension. Some Directors highlighted difficulties in relation to visas and work permits for spouses and for partners, in particular of LGBTQ+ staff.

Directors commended the efforts to increase managerial accountability for achieving D&I results through the departmental D&I action plans and the emphasis during Accountability Framework discussions and encouraged continued progress in this area.

Directors considered the D&I Survey an important assessment tool to help monitor changes in the work environment. Noting the concerns expressed by staff in the 2021 survey results, Directors looked forward to details on the Departmental Action Plans to address staff's concerns, with a few Directors emphasizing the importance of conducting regular surveys.

Directors broadly welcomed many of the proposed actions set out in the two-year framework. In this regard, they emphasized the opportunity to sustain progress in the representation of URR nationals and women through leveraging the hiring space provided to address Fund priorities and the anticipated increase in retirements in the coming years. At the same time, a few Directors underscored the importance of looking beyond URR and gender to enhance staff diversity.

Many Directors underscored the importance of increasing the representation of women at the Executive Board.

EXECUTIVE BOARD ATTENDANCE²

K. Georgieva, Chair

Executive DirectorsI. Mannathoko (AE)
A. Andrianarivelo (AF)

C. Huh (AP)

D. Palotai (EC)
A. Buisse (FF)

T. Tanaka (JA)

M. Mahmoud (MI)

M. Poso (NO)
A. Mozhin (RU)
A. BinZarah (SA)
R. Lim (ST)
P. Trabinski (SZ)
S. Riach (UK)
E. Shortino (US)**Alternate Executive Directors**

I. Bustillo (AG), Temporary

B. Saraiva (BR)
Z. Zhang (CC)
J. Romero (CE)
F. O'Brolchain (CO)A. Rieck (GR)
C. Amarasekara (IN)
C. Quaglierini (IT), Temporary

M. El Qorchi (MD)

L. Dresse (NE)

C. Ogada, Secretary

S. Maxwell, Summing Up Officer

A. Lalor / D. Al-Jarbou, Board Operations Officers

M. Eddy, Verbatim Reporting Officer

Also Present

African Department: F. Aliu, A. Cebotari Ouanes, A. Fedelino, M. Kamel Farid Mohamed Farid, C. Mira Salama, M. Newiak, S. Singh, A. Viseth. Asia and Pacific Department: A. Gulde, A. Oeking, M. Souleyman, K. Srinivasan, Y. Wong, R. Xu. Communications

² For countries in each constituency, please see the Constituency Codes in the annex.

Department: N. Saber. Corporate Services and Facilities: B. Christensen, M. Rossignol-Winner. European Department: J. Decressin, C. Di Bella. Fiscal Affairs Department: K. Baer. Finance Department: C. Kadama, B. Lauwers, Z. Murgasova. Human Resources Department: P. Aloys, M. Barbarrosa Fuentes, P. de Bruxelles, H. Gimba, R. Guimaraes Filho, C. Kamunge, M. Lambert, J. Maloney, C. Purfield, A. Reid, B. Sloboda, R. York. Independent Evaluation Office: C. Collyns. Information Technology Department: T. Rolim. Legal Department: P. Morris, E. Robert. Monetary and Capital Markets Department: N. Griffin, A. Pancorbo de Rato, G. Pasricha. Office of Budget and Planning: J. Tyson. Office of Executive Directors: R. Alhawas, A. Marcussen. Office of Internal Audit and Inspection: L. Croppo, P. Murugan, N. Onyango. Office of Innovation and Change: G. Paone. Office of Risk Management: B. Boulwood. Statistics Department: E. Bese Goksu, B. Bowling, L. Ducharme, A. Kitili, A. Richter. Western Hemisphere Department: M. Goretti, G. van Selm, M. Villafuerte Almeida. Executive Director: A. Bevilaqua (BR), S. Bhalla (IN), P. Moreno (CE). Alternate Executive Director: A. Alhosani (MI), H. Azal (EC), A. Grant (AP), A. Guerra (CE), C. Just (EC), M. Kashima (JA), F. Mochtar (ST), W. Nakunyada (AE), R. N'Sonde (AF), L. Palei (RU), O. Parkyn (AP), C. Roman (FF), F. Sylla (AF). Senior Advisors to Executive Directors: W. Abdelati (MI), H. Andrianometiana (AF), E. Cartagena (CE), M. Choueiri (MI), A. Ekelund (NO), O. Hendrick (AG), L. Johnson (AP), S. Naka (JA), T. Nguema-Affane (AF), D. Ong (ST), J. Rojas (CE), C. Sassanpour (MD), S. Senich (US), L. Voinea (NE), B. Yoo (AP), M. Zhunusbekova (SZ). Advisors to Executive Directors: A. Abdullahi (AE), T. Abdygulov (SZ), F. Al-Kohlany (MI), P. Al-Riffai (MI), A. Arevalo Arroyo (CE), Bah, R. (AF), B. Boostani (MD), E. Boukpepsi (AF), F. Brotons (FF), Campbell (UK), D. Cools (NE), J. Essuvi (AE), D. Fadhel (MI), K. Florestal (BR), D. Hamzah (MI), W. Hteik (ST), P. Khademi (GR), Y. Kikucji (JA), T. Krahnke (GR), C. Kuth (SZ), V. Lankester Campos (CE), C. Mastrapasqua (IT), M. Merhi (MI), P. Mooney (CO), R. Moral Betere (CE), A. Nainda (AE), L. Nankunda (AF), A. Olhaye (AF), B. Piasecki (SZ), A. Rao (US), A. Ribeiro Mateus (IT), D. Shestakov (RU), A. Zaborovskiy (EC), Y. Zhao (CC), F. Lopez (CE).

DISCUSSION RECORD³

The Chair:

It is our opportunity to present to the Board a high level of data on progress we have made in the two years since the last formal report, talk about the challenges that remain and recommendations on what needs to be advanced in the coming years so we can meet the 2025 benchmarks.

There has been a lot of engagement on the topics of diversity and inclusion (D&I). And the results are visible. We have surpassed the benchmarks for representation of nationals from East Asia and from Sub-Saharan Africa at the individual contributor level.

We have increased the share of women in managerial roles, with further progress especially over the last two years and progress since the end of 2021. We have increased the share of nationals from under-represented regions (URRs) being recruited through the mid-career process to over 50 percent in the last two years.

The five-year average rate of promotion for women economists from under-represented regions into the managerial level has seen an increase of about 4 percentage points over the last five years. The average rate of promotions for Middle East and North Asia plus (MENA+) nationals in both the economists and in the specialized career streams has far exceeded the Fund average.

Finally, we have a very strong representation of women at the most senior level at the Fund, and that is also mirrored at the head-of-department level, with the most recent hire being the Chief Information Officer (CIO) of the Fund.

I want to stress that we have performed in a very rigorous manner the attention of management to diversity and inclusion, holding heads of departments more accountable and heads of department at their end holding their managers accountable. Twice a year during the accountability framework discussions, we monitored how departments progressed. This is a really significant part of our discussion each time.

³ Edited for clarity.

We have a new sponsorship program for under-represented nationals that the Diversity and Inclusion Office launched. And as we promised in the 2019 report, we are broadening the scope of and work on initiatives under diversity and inclusion so we can pay more attention to race, to inclusion of Lesbian, Gay, Bisexual, Transgender, and Queer plus (LGBTQ+), and to disabilities.

I am not going to sugarcoat our conversation today. We still have many challenges. We still are wrestling with the objective to get 50 percent of women at managerial roles, especially for economists. We still are struggling to get MENA+ nationals and especially women, to get them up into the pool of our staff.

We are considerably below our objectives for the representation of under-represented nationals and particularly women in some core lower-level managerial jobs. In other words, we are still building that pipeline, and we have more work to do.

I have received some indication that the under-represented nationals, especially in our assistant streams, are concerned about the attention being paid to their career development and that there is still need for more progress to be done.

I am the first one to recognize that the issue of inclusion is way beyond recruitment and promotion. It is about how the voice of each and every one of us in staff is integrated in our work. Is there any discrimination or disempowerment that is holding participation back? It is part of what the Board is engaged with for the next number of months.

The representative from the Staff Association Committee (Ms. Rossignol):

In 78 years of existence, the Fund has evolved into a respected organization of true international stature. Yet despite efforts, our institution still falls short of representing its membership in all its diversity and richness. Today, our poorest and most vulnerable member countries are disproportionately affected by the triple challenge of a pandemic, a climate emergency, and the threat of economic downturn. In this extraordinary context, it is unlikely that Fund business as usual will be enough to address the depth of members' plight. For that we need a diverse, inclusive Fund workforce that can relate to and emphasize with our members' issues and resolve them as a result. SAC is encouraged to see progress on several diversity benchmarks, particularly regarding the under-represented national

regions. However, despite an acceleration of reforms over the last few years, a significant number, much remains to be done on gender. Statistics for women from URRs as well as women in managerial positions show improvement, but more is needed. For example, in this very boardroom and despite a recent increase, just 17 percent of Executive Directors are women. We see a case for intensifying recruitment and mentoring efforts in order to reach the D&I 2025 target.

On inclusion, we welcome notable progress, particularly after the comprehensive staff training against bias. Yet still too many racial minorities groups report feeling undervalued and discriminated against. In terms of hierarchy, the A1 to A8 cohort continues to see its promotion opportunities limited by the prejudice attached to their original hiring point.

The Fund is also depriving itself of the unique and rich experience that disabled colleagues could bring. These limitations weaken the Fund's ability to fulfill its mission. We asked the Board to build on the recent progress and support both in word and indeed the Diversity and Inclusion Council in management in their efforts to effect deep meaningful changes within the Fund. Some promising initiatives like accountability and training at the managerial level, mentoring and sponsorship programs, and pulse surveys to monitor targeted progress along with full staff surveys could be prioritized.

The Fund owes it to its members to have an ambitious diversity and inclusion agenda. I look forward to an ambitious discussion on how to carry the Fund past the 2025 diversity and inclusion goal lines.

The Chair:

I want to pick up on a point Ms. Rossignol made about race; we created a senior race expert position. The Racial Equity Advisory Group has a clear focus and engages staff and management. We will have their first report in the first quarter of next year, but before we even get the report, we are seeking recommendations that can be pragmatically included in our work.

Also, we have a unique opportunity. The recently approved budget augmentation, and we have said loud and clear, cannot be left under-utilized for the objective of diversity at the Fund.

*The Diversity & Inclusion Advisor (Ms. de Bruxelles)*⁴:

I have met with most constituencies over the last few weeks, and our conversations have been very engaging. Many points were raised during our discussions as well as in the gray statements, the majority of which staff have addressed in the responses to the technical questions; I would like to focus on those related to promotions.

Firstly, I want to thank the eagle-eye constituents who spotted an oversight in the report. Indeed, the MENA+ region was omitted from the list of regions on which focus needs to be given for economists' promotions from A14 to A15. This will be corrected prior to the report being shared more widely.

Now, promotions play a key role in helping us achieve our benchmarks. The 2025 diversity benchmark working group had lengthy discussions on the missing middle, which included other Western Hemisphere and transition countries, but the Working Group decided to recommend that the focus of the Fund's effort should be on regions that have more acute representation challenges based on economic size, number of Fund programs, and number of members. In other words, East Asia, MENA+, and Sub-Saharan Africa. We monitored the average rates of promotions for all regions and have noted the other Western Hemisphere and in some instances transition countries are lagging against the Fund average, particularly for managerial promotions.

Staff will need to undertake further analysis to understand the reasons for these trends, as well as the lack of promotions for staff from Sub-Saharan Africa and hopes to provide the Board with greater insights in the next D&I update.

Promotion is one tool to reward and recognize staff for their current and future contributions to the organization. At the Fund, promotions are awarded in two ways. Firstly, through the annual talent management exercise and, secondly, when a staff member applies to a higher-level role.

It is critical that promotions are driven by merit and the perceived potential of good performance at a higher level. Departments take seriously the need to ensure that promotions are fair and unbiased. In this regard, it is worth mentioning that, even in the absence of ratings these past two years,

⁴ The staff's full presentation was circulated prior to the meeting and posted online.

staff still received a performance assessment, which focused on strengths and areas of development.

This past year, managers did a comprehensive assessment of staff's performance using the IMF's competency framework. And for managerial grades, performance reviews also reflected multisource input from direct reports and peers. This information was taken into account as one factor in promotion nomination.

Additionally, and consistent with previous years, most departments held some form of departmental roundtable or other department-wide vetting process for promotions. This ensures that diversity indicators were considered, and a more holistic approach was taken. For all managerial promotions, extensive due diligence was and will continue to be conducted, including taking into consideration how the candidate has incorporated feedback from the leadership assessment they have gone through.

And now turning more specifically to promotions based on vacancy selections, all managerial selection panels must be diverse, and there is also a diversity requirement for short-listed candidates. Looking ahead, we will be requiring departments to indicate how each selected candidate for a managerial vacancy will impact the diversity within the department.

The B list, which is the list of economists at A15 approved for managerial positions, staff notes an improvement to URR nominees and they now have a higher chance of being endorsed once nominated. Indeed, for the past round in financial year 2021, two out of three or 67 percent of URR nominees were endorsed compared to 44 percent for non-URR nominees. But the issue and the biggest challenge remains the stock of A15. As such, a key focus is promotion from the A14 to the A15 level. Efforts we are making include the expansion of the number of Management Development Center (MDC) sessions, which is a prerequisite for applying to an A15 role. The list of nominations for participants in the MDCs are monitored to ensure each session includes diverse talent.

For financial year 2022, the representation of URR nationals in MENA sessions has increased by 24 percentage points over FY2021, going from 23 to 47 percent, and more significantly up from only 4 percent in financial year 2017.

In terms of gender, the share varies year on year but on average over the last five years has been 42 percent. Ultimately, this leads to more staff,

including women, and those from URR being eligible to apply for A15 positions when they become available.

In addition, staff have implemented more targeted support through more diligent follow-up, particularly for diverse candidates who make the short list but are not selected for A15 vacancies, and this is to increase their chances of being more successful in the future.

Diversity in the nominations to participants in the suite of leadership development programs is also being monitored closely, and departments report on this in their annual D&I action plans.

On the question related to conscious and unconscious bias in the attribution of career-enabling assignments and other people management decisions and training to mitigate biases, at the end of FY2021, the D&I office updated the mandatory and unconscious bias training to include a course on the impact of micro behaviors, which takes the theory of unconscious bias and turns it into a more practical perspective. In addition, staff who participate in interview panels are offered inclusive skills training, and inclusive leadership is an integral part of the leadership development program.

In the context of remote working and the move to a hybrid work model, managers are taking part in workshops on leading and managing hybrid teams as well as performance management in a hybrid environment and have access to a large package of resources, including guidance notes and bite-size videos on topics such as avoiding proximity bias, communication in the hybrid environment, empowering team members, and coaching.

Ms. Rieck:

We have not issued a gray statement. We are very grateful for the importance the Fund and Managing Director attach to the topic and for the scrutiny applied to employment data to track progress on diversity targets and detect remaining gaps.

This fits very well with the goal we have in my home country. The new German government's aim is to achieve fully equal opportunities for men and women by the end of the decade. The new Managing Director just recalled that with the new First Deputy Managing Director (FDMD) taking office today, the majority of the top management team is now female. We appreciate the progress made in increasing the share of women at the

management level and encourage staff to keep up their efforts to achieve full equality, including by broadening the pool of potential job applicants.

New areas of the IMF expertise, such as economics of climate change, provide an opportunity to also increase diversity among IMF economists. It seems that the share of female economists is a bit larger in these fields compared to classic macro assignments.

In a similar vein, we echo the call for gender diversity at the Board. It is important that IMF governors are aware of the need for greater diversity and balance when appointing Office of Executive Director (OED) positions. Diversity is not only a matter of gender or passports. It is also a cultural and educational perspective. Addressing a more diverse pool of applicants, also from non-United States (U.S.) or United Kingdom (U.K.) universities, has the potential to detect talent that would otherwise have been missed out on. This is also conducive to the IMF's merit or credit approach. We therefore support Ms. Lim and similarly Mr. Moreno's suggestion to take a more proactive approach when working with other educational institutions. Staff comments on how hiring practices could be adjusted to improve the regional academic diversity of candidates is welcome.

In the context of recruiting, we also appreciate the efforts made towards achieving regional diversity, but it is a cause for concern that the regional recruitment benchmark for FY2025 is far from being met and progress has been slow, unfortunately. To further strengthen efforts and ultimately outcomes, we support the virtual recruitment events to reach more potential applicants in non-traditional regions and universities. We recommend maintaining such virtual outreach in the prospective new normal work environment.

Further efforts are also needed to strengthen regional diversity at the management level. We, thus, appreciate the ongoing pilot for a performance-based sponsorship program. Given that benefits of the sponsorship will probably take time to be realized, we would see merit in launching the program earlier than two years. If there is need to readjust the program, this can also be done while running the program.

Last, we attach the highest importance to all employees feeling comfortable at the Fund. We are looking forward to hearing more about the results of the D&I survey in the D&I update to the Board. We would be interested to get insights on why the general perception of inclusiveness at the Fund differs from those of the direct managers.

We welcome measures that staff has taken to alleviate any lack of inclusiveness, such as the fact that it is now possible to include in the email signature the preferred pronoun. In this context, we support Mr. Dresse, Mr. Voinea, and Mr. Cools in their gray statement on the difficulties faced by the LGBTQ+ staff and their spouses. When it comes to work permits and G4 visas for dependents, and this applies to all spouses, irrespective of gender, sexual orientation, we join Mr. Dresse, Mr. Palotai, and others in urging staff to follow up on the request for support by the Staff Association and effective colleagues.

We also support the call on staff to educate a return to the pre-2018 regime on same-sex policies in their outreach to the U.S. authorities.

Ms. Riach:

I agreed very much with Ms. Rossignol's comments. We like this report a lot. It seems to be somewhat more rounded than some of the D&I reports that we were getting a few years ago, so we welcome the update with the benchmarks but also the discussion of accountability, of the importance of belonging and inclusion of race and disability. It is very welcome to have this broader range of issues covered in the report.

On the substance of the report, we welcome that progress has been made towards the 2025 benchmarks, but we recognize that performance has been met. As Ms. Rossignol said, it still falls short of what the Fund needs to be achieving to truly represent our membership.

In particular, we note that we are not achieving recruitment targets for women and that we are still lagging on under-represented regions and in particular the progress on recruitment from the MENA+ region. We must do better on this. And as the Managing Director said, we must take advantage of the recently-approved staff augmentation and to improve the diversity of our recruitment.

We strongly welcome the framework to make managers more accountable for the D&I agenda. As noted in the report, we have seen improvement on gender at the very most senior levels at the Fund. Personally, I think this is tied to the Managing Director and the personal accountability that she has taken for making progress here. We need to make sure that managers throughout the organization have that same sense of ownership and accountability.

Holding those who are responsible for making hiring and recruitment decisions responsible is key, so we must cascade responsibilities from Directors to direct reports and hiring managers. Accountability is essential. I am pleased to hear Ms. de Bruxelles's comments this afternoon about the provision of diversity training for recruiting managers on criteria for short-listing panels, but this training should not be optional. It should be a core purpose in the recruitment process of the Fund. Also, people need to be held accountable for this in their annual performance appraisals and in feedback discussions that are being held with staff.

In the presentation, Ms. de Bruxelles said that there was consideration of D&I objectives being brought into managerial and annual performance appraisals. I really think this should happen and it should happen immediately.

On racial inclusion and broader diversity metrics, it is essential that we make progress here. We welcome the coverage in the report. These are serious issues, and they were raised in the staff survey, and we must do more to create an inclusive culture where all staff can thrive and maximize their contribution to the Fund's work.

There was a question about how we measure progress here. I hope that it will be possible to extend the 2025 benchmarks, but I know that there were question marks about the legality of recording other metrics, including on disability and on LGBTQ+. One option to do this and what we have done in the U.K. is to make recording these characteristics voluntary, so it is up to staff whether they record them or not, but staff are heavily encouraged to do that. At a minimum, we must be doing annual staff surveys to look at the progress here.

Finally, I just want to say a word on the Executive Board. It is obviously disappointing that we have not made more progress on gender on the Board. We absolutely recognize Ms. Lim's comments in her gray statement that Executive Director nominations are done by capitals and are not within the remit of the Board, but I do think that we have an influence here. We have a responsibility to raise awareness in capitals and particularly for single-country seats like my own, we can have a significant influence on recruitments for Alternates and for their own staff, so I call on all Board members to make progress here. And in the report, itself, staff refer to the Board Working Group on gender diversity. This Working Group has not existed since the last Board election, so I would really urge the Secretary's

Department to come back to this and to see whether it is possible to reestablish that group because I do think that they did a lot of important work.

The Chair:

I support Ms. Riach's call to reestablish the Board's work on diversity.

Mr. Pösö:

This chair continues to support the ambitious efforts to make the Fund an even more diverse and inclusive workplace. This is an area where we can never become complacent, as meaningful change does not happen overnight and there is a constant risk of backtracking if we do not stay vigilant.

There are many important points raised in the report, and I will pick up on some that have also been raised by my colleagues in their gray statements. Like Mr. Hendrick, Mr. Romero, Ms. Shortino, Mr. Huh, Mr. O'Brolchain, and others in their gray statements, we are pleased to learn that the gender balance has improved, but we also see that more needs to be done, especially when it comes to women being promoted to managerial roles, including women from under-represented regions. Ensuring and encouraging a strong pipeline of candidates is important and more efforts are warranted to increase the share of women in the economist stream.

Related to this, we very much agree with staff and Ms. Riach that the Offices of Executive Directors also needs to set an example by increasing gender balance at the Board. In this context, I am very happy to inform that my constituency will contribute to this objective when we welcome our new Alternate Executive Director from Denmark next week, Ms. Anne Marcussen.

Even if we reach all diversity targets in recruitments and promotions, we need to ensure that the organizational culture reflects inclusion and diversity. In this respect, we are deeply concerned by the preliminary results of the latest D&I survey and strongly support initiatives to mitigate all forms of unacceptable behavior.

Finally, like Mr. Dresse and his colleagues in their gray statement, and like Ms. Rieck and Ms. Riach today, we invite the Fund to help LGBTQ+ staff and their spouses to obtain the necessary visas. This is important to ensure that all LGBTQ+ staff from all countries can apply for positions in international institutions, and we believe that possible outreach efforts would benefit from coordination with other international financial institutions (IFIs).

Mr. El Qorchi:

We have issued a joint gray with six other Executive Director Offices, and here I will focus on the following points. First, I would like to reiterate our continued support of the Fund's policy of diversity and inclusion. As an international institution, the Fund staff should mirror the diversity of its membership. That said, we welcome the improvement in the Fund's diversity and inclusion in 2020 and 2021 even though they remain insufficient.

Second, we welcome progress towards recruitment targets. However, as stated in the report, MENA+ still runs far behind its peers and benchmarks. It is disheartening for MENA staff. This admission of failure has been in every single report on diversity at the Fund since the start. What Fund management and the Executive Board have been admitting is the lack of progress for URR and definitely for MENA for decades, but things continue to be bad. I have witnessed this statement for 30 years at the Fund. What is the moral of the story? In any case, this raises a serious issue.

The report mentions the higher rate of separation of MENA+ compared to other regions. Is that surprising? I recall vividly that the MD asked the Board members to help in the recruitment efforts. Indeed, that could help in bringing in new staff. But it cannot help staff from MENA+ and other regions, male as well as female staff, who are already in the institution performing well but see themselves lagging.

We noticed recently that some modest progress has been made on the gender front, albeit not on females from MENA+. Some heads of departments recognize that they cannot afford not proposing female colleagues up to a senior staff position or in the front office because they know that management and the Managing Director are watching. That is a demonstration that when management is serious about something, it happens. I just hope heads of departments will say one day we need to propose staff from MENA+ and other under-represented regions to very similar positions because management and the MD are very serious about representation at the senior-level positions and because a remedy is long overdue. I do not hear that as of yet. We know there are very able, qualified staff from URR who have proven themselves. They apply. The luckiest ones wait and wait for a long and languishing time before the position is re-advertised.

Finally, on the issue of dual citizenship, I find it amusing that an institution substitutes itself to staff members in choosing their citizenship. It

sounds like an exceptional recourse to addressing the issue of diversity at the Fund and a convenient way to tilt the outcome in one direction rather than the other. It sounds like an act of despair in front of an arduous, unstable realism.

The Chair:

During the last round of accountability framework discussions, I can assure the Board that MENA+ was top of the list. And I hear the message that the Board wants to see it much more prominent when we are discussing the most senior jobs at the Fund.

Mr. Andrianarivelo:

I commend management for forcefully taking one of these issues with failures, initiatives, and actions, including the Racial justice and equity seminar surveys and the recruitment of a senior race expert. This offers aspects of diversity in which progress is encouraging but much more remains to be done.

We have issued a joint statement with Mr. BinZarah, Ms. Mannathoko, Mr. Mohieldin, Mr. Mozhin, Mr. El Qorchi, and Mr. Zhang, and I would like to make the following points for emphasis and for addition.

While some progress has been made on the diversity front, I cannot help but notice that half of the entries in the benchmark status in slide 9 are in red, which stresses the need to sustain and accelerate efforts to recruit, retain, and promote staff from under-represented region. Therefore, we find appropriate the priority actions in that regard and appreciate in particular recognition of the need to address shortcomings related to women from URRs, which will be essential to advance on both geographical and gender diversity fronts.

We reiterate our call to seize the opportunity in the next few years to make significant strides toward the 2025 benchmarks. The centralized recruitment process has been effective in developing pipelines and supporting recruitment of diverse candidates. We encourage staff to strengthen that process while also supporting and broadening the access to career-enabling opportunities.

As we address transparency, a promotion mechanism will be critical to build strong pipelines of diverse staff to take up managerial roles and achieve

diversity at managerial levels where there remains significant room for improvement.

We also see merit in reestablishing the B-level program. On the expansion of the special appointment program, we agree with Mr. Bevilaqua and his colleagues that the program should continue to focus on fragile and conflict-affected states (FCS) and small-developing states. Many of them are still to be represented at the Fund.

We welcome the strengthening of the accountability framework and look forward to a detailed assessment of its impact on diversity in the next report. We also welcome collaboration on how management intends to make departmental managers more accountable based on the framework outcomes. We find appropriate as well the priority accorded to recognizing disability as a diversity and inclusion issue. We look forward to the 2022 Action Plan on how to bring the Fund in line with the United Nation's convention on the rights of people with disabilities.

The sentiment of non-inclusion, discrimination, and bias among diverse staff in the recent staff survey is particularly concerning. I am afraid that the sentiment is even stronger among the local staff versus IMF representation offices. We would appreciate if Chair could look into this matter and ascertain whether we treat our local staff adequately and how we could draw lessons from the other institutions.

To conclude, we very much appreciate the content of this report and Chair's leadership in this issue. And we believe that going forward, engagement with the Board could benefit from a technical Q&A session prior Board meeting on diversity and inclusion.

The Chair:

I take good note of Mr. Andrianarivelo's suggestion to allow the Board to have a Q&A session prior to a Board discussion.

Ms. Mannathoko:

We appreciate the notable progress that has been made since our last discussion. We also know that significant work remains to reach a staff complement that can be seen as diverse and representative of our Fund membership, adding diversity of thought and experience in the Fund.

Various issues are priorities for our under-represented constituency, including the lack of internal progression, the low benchmark for our region, and the urgent need to address all issues of various discrimination, including harassment that was mentioned in the report. We think this is especially important that it be prioritized.

We issued a long joint gray statement with six other chairs and appreciate the responses that we have had from staff. I will just follow up with a couple questions and some suggestions that we hope can be accommodated in the two-year framework to address ongoing challenges.

First, just the fact that the recruitment benchmark for Sub-Saharan Africa is really low relative to the region's population. We feel this explains why the benchmark was met years ago. We were somewhat a bit disappointed that the 8 percent recruitment benchmark for the region was not increased in the 2025 benchmark exercise, though the previous MD at the time that it was met, the 2020 benchmark was met, had indicated that this would be treated as a flaw, so we do hope that a positive view of moving forward is still there.

We also see this as really taking population, among other things, into consideration, can be sort of considered when staff work to strengthen representation and voice in the URR benchmarking exercise in the future.

On progression, the promotion outcomes for Sub-Saharan Africa for the period have been disappointing, and a special concern to us was that promotion of Sub-Saharan African staff within the specialized career streams were virtually nonexistent—Chair mentioned this in her opening remarks. We look forward to work to rectify this and to improve the outcomes at the next update as staff work gives attention to this.

On measures we have taken to reduce unconscious bias and all bias in career-enabling and promotion decisions, we appreciate the update from staff. Could staff clarify, though, whether they are possibly extending these measures beyond the awareness training and the impact training and whether staff is concerned about teaching managers and staff how to manage their biases, change behavior and incorporate mechanisms to track their progress.

We were wondering if staff could update us on measures to ensure that diversity by interview panels in the recruitment process. I know that staff mentioned that it welcomed the diversity training but note that consideration could also be given to how diversity is tracked, whether cross-functional

panels of interviewers are used, whether the training by the interviewers includes effective debiasing techniques, things like that.

Similarly, maybe commenting also on broader diversity measures with respect to panels, such as the mid-career panel, the internal progression panels would be of value.

Finally, we think an OIA assessment in the future on the effectiveness of the decision-making structure between the area and functional departments and the Human Resources Department (HRD) and others, but impact, progression, and promotions would be of value. Also, a closer look at structural changes that may be geared to policies and operations to reduce bias in internal progression.

We wanted to encourage the ongoing work in this area.

Mr. Tanaka:

We appreciate Managing Director for your leadership in this important agenda, D&I, which is essential for the Fund to serve its membership with more effective support and to further motivate staff. In particular, we would like to underscore the regional and geographical diversity and accommodate the sense of inclusion under the current crisis to provide well-considered policy advice for our members with deep understanding of each region and country. As we issued a comprehensive gray statement, I would like to offer the following four comments for emphasis.

First, regarding the fiscal year 2025 diversity benchmarks, we welcome the ongoing progress on individual contributor grades for both gender and diversity benchmarks. On the other hand, we are concerned that the managerial benchmarks for all three URRs are well below the targets. This clearly indicates the necessity of broad decisive actions to increase the managerial-level staff from URRs. In this context, we would make a proposal to accelerate the consideration on reintroducing the B-level diversity program, which was proposed in the informal Board meeting in July 2020.

Second, on recruitment, it is a precious opportunity to fully leverage higher recruitments under the planned budget augmentation to enhance D&I further, as the MD also recognizes.

We encourage management and staff to continue the ongoing efforts, such as expanding engagement with universities in URRs for their economic

program (EP) and focusing more on sourcing candidates from URRs from the mid-career program.

Third, on promotion, it is necessary to accelerate the promotion to managerial level for staff from URRs. Given that the department accountability remains key for its achievement, we encourage management and staff to evaluate the effectiveness of the departmental D&I action plans launched in November 2020 in an appropriate and timely manner. An evaluation of the pilot sponsorship program is also needed to make a future formal program more effective to increase URR staff.

We commend management and the HRD team for their efforts on broader D&I issues, such as racial equity and disabilities, especially on the inclusion side beyond the stated targets. We believe these efforts will make the Fund a more diversified and inclusive organization, which will lead to better serving our membership through collective support and wisdom.

Lastly, for your reference, in terms of the completion of our Executive Director Office, six members out of nine, 67 percent, are female, led by our Assistant Executive Director (AED), Ms. Kashima.

Mr. O’Brolchain:

We issued a comprehensive gray statement with Mr. Huh, so I will keep my remarks brief.

Firstly, I wish to reiterate that our constituency is fully supporting the ongoing work in this important area. In order for the Fund to provide the best value to our membership, it is vital that a variety of perspectives are represented.

Secondly, like Ms. Shortino, we support the broadening of the scope of the Fund’s diversity and inclusion activities to include disability. It is disappointing that the Fund remains behind in diversity and inclusion as an institution.

Thirdly, we agree with Mr. Fanizza’s observation in his gray that protracted uncertainty about spousal employment negatively affects the appetite to work for the Fund. Staff should make every effort to address this issue to ensure that this does not remain a critical issue.

Finally, the pandemic and consequent restrictions on returning to headquarters (HQ) have had a negative impact on the mental health of staff. Therefore, like Mr. Tanaka and Ms. Kashima, we would be supportive of HRD playing a central role in facilitating networking opportunities for staff, particularly those who have joined the Fund since the onset of the pandemic.

Mr. Dresse:

We strongly support the work of the D&I advisor, Ms. de Bruxelles, and the Managing Director, whose work has managed to place diversity and inclusion efforts at the head of the Fund's operations. We issued a comprehensive gray statement and would like to emphasize the following points.

First, we welcome the progress made on gender and diversity in geographical representation and recognize there is still a lot of work to be done to reach the 2025 benchmarks, especially in getting promotions for managerial positions. We also welcome the increased attention paid to the transitioning countries as a separate group. We support the findings regarding the higher share of women from these countries as the need for increased representation of regional managerial positions.

We thank staff for sending the written responses that the group of transitioned countries as a group is not under-represented. However, given the trajectory of development stages within the group, we would suggest further disintegrating the category, using the taxonomy from the Regional Economic Outlook to check for inadequate representation and debt level.

Second, in line with Ms. Shortino and Mr. Fanizza, we have concerns about the preliminary results of the recent D&I survey and support the initiatives against unconscious bias, discrimination, and varying harassment. We consider the related trainings to be very useful, but more can be done to improve the organizational culture and invite staff to extend the discussion on this topic in the next iteration of the D&I report of the Area Department.

Third, like Mr. Tanaka, Mr. Hendrick, and Ms. Bustillo, we appreciate the outreach to enhance diversity and inclusion beyond gender and geography to account for disabilities where the Fund is behind the curve and to enhance visibility on issues of biracial equity.

Finally, we thank staff for their answers on visas and work permit issues. Some of these issues affect staff at large, but some affect the LGBTQ

group, Fund staff, and experts in particular. And this can be an impediment to working for the Fund and impact the diversity of staff. We invite staff to consider these issues as a matter of priority and to keep the Board regularly informed on progress made.

The Chair:

I recognize that many Directors have expressed their concerns about what we learned from the latest diversity and inclusion survey.

Mr. Palotai:

We have issued a detailed gray statement, and Directors before me have already eloquently expanded many points I could not agree with more, so I will only elaborate on one exceptional point. Changing the Fund's diversity profile can be considered in a stock-flow perspective, like an adjustment exercise in Fund-supported programs. The current profile and imbalances are given. We are aiming at adjusting this talk along with well-defined targets. We are influencing the flows through our hiring, promotion, and separation policies. Competition with other players, factors beyond the Fund's control, and the need to rapidly boost competency in the new areas will not make the task easier.

Like the Fund programs, we should ensure that the adjustment of the Fund's D&I profile is realistic, people friendly, and gradual enough to avoid placing all the burden of past imbalances on the current generation of staff.

The Fund's D&I strategy should be well-communicated and fully owned not only by senior management and the Board but by staff across the Fund. Transparency could be further enhanced if the diversity and inclusion advisory would present in a more structured way a full picture of where we stand in the flows vis-a-vis the benchmarks, not only the stocks where we already have a full understanding.

We caution against two mechanical interpretations of goals, benchmarks, and action plans in the diversity and inclusion regime. It is a well-known and well-cited fact that D&I can bring a lot of benefits to organizations, as Ms. Shortino made this point in her gray statement. Also, there is also an important caveat. These benefits materialize only in organizations where culture is strong enough and employee morale is high. For the Fund, this means that its core merit objective values has not been comprised and staff morale should be constantly in check. In this regard, as

Ms. Riach and Mr. Pösö highlighted, the recent D&I survey shows many worrisome signs which need to be addressed.

To conclude, we support the report and Action Plan and emphasize the importance of looking beyond narrowly-defined targets and to be realistic. As many low-hanging fruits to achieve the D&I targets seem to have been already picked, more attention should be given to culture, merit, careful communication, and staff morale.

Ms. Lim:

We support the important work by staff to continually advise diversity, equality, openness, and inclusiveness at the workplace. We positively note the Fund's improvements in diversity and inclusion in recent years.

However, progress remains uneven, and we welcome the additional measures, including holding managers accountable for D&I outcomes and a two-year roadmap to address ongoing difficulties. We applaud the report's efforts to look at D&I outcomes from a pipeline approach, looking at recruitment, promotions, and separations individually. Outcomes are important, especially progress towards the FY2025 goals. They are not everything. Here, we agree with Mr. Palotai that a D&I strategy must not be perceived as a box-ticking exercise against prespecified targets. It is more important to look at the processes driving the outcomes and examine if there are underlying biases that are causing these results. This way we can better identify approaches to address the problem more fundamentally. In our gray statement, we provided some suggestions on how staff could monitor this pipeline in a more detailed manner.

We echo Mr. Andrianarivelo, Mr. BinZarah, Mr. Mohieldin, Mr. Mozhin, Mr. El Qorchi, Mr. Zhang in a call for the Fund to build a robust and detailed integrated framework to enable more granular and evidence-based analysis. It was also emphasized that diversity and inclusion go beyond gender and geography. Here, staff's educational background and skill sets are equally critical. The Fund's expanded role in new areas represent a unique opportunity to improve the overall diversity of its employment mix. And we urge management and staff to proactively check out the proper pipeline safeguards during this three-year phased budget augmentation to fully leverage this opportunity.

Further, like many other Directors, we welcome initiatives to promote D&I more broadly across various dimensions beyond gender and region to also include race and disability.

Finally, in our gray statement, we raised two points about the report's noticing that should be addressed before its publication and welcome staff's comment. Relatedly, we thank staff for the breakdown of the gender composition for the various roles of the Board and Executive Director Offices. We agree more can and should be done to advance the gender balance of the Office of Executive Directors and call on the membership to step up efforts to this end.

Ms. Shortino:

I will try to keep my remarks short because a lot of others have already made the same points, but this is a very central agenda to the Fund's work, and I am very glad to see it being prioritized. And like Ms. Riach, I would note that the broader scope of the report was helpful in pulling in accountability and inclusion and other aspects of it.

First, I just want to reiterate the support for the work overall in the report, but in particular I just wanted to point out that we really liked the inclusion of disability. As the report highlights, the Fund is falling far behind peer institutions on accessibility, and less than one third of staff felt the Fund takes appropriate actions to address and meet the needs of staff with disabilities or disabled dependents. I just want to first flag that it might be helpful to accelerate the review of policies and practices to support those with disabilities and fully integrate accessibility into the pillars of the diversity and inclusion agenda.

Second, we remain a little bit concerned that the architecture behind the broader agenda is still a little bit fragmented, so we have got an inclusion and diversity council, departmental action plans, employee resource groups, staff clubs, other initiatives. All of these things are good things, but it would just be helpful to understand how they all tie together. Is there some effort to make departmental action plans consistent or build off one another? For example, how does the recently hired senior race expert and racial equity and justice advisory group fit into all of this? In future reports, I think it could be helpful to understand the overall architecture, how it is working together, and perhaps examine whether there are some improvements that need to be made on that front.

Third, we really welcome introduction of the new diversity and inclusion survey. I thought the findings were very helpful and shed light on some issues that the Fund is facing. It is too bad that the timing of this survey was such that it could not be integrated into this report, but we do look forward to hearing what the departmental action plans are and also would stress that the survey should be conducted at regular intervals and have remedial actions associated regularly.

Fourth, we would note that there are many important components of the Fund's agenda, the sponsorship program, for example, staff working groups that depend upon the leadership and participation of the work groups they are trying to serve. I would just suggest being conscious of that because we are kind of overburdening those groups, and it should not just be left to the people who are being served by them to also lead them. So as these groups are formed, they should have a broad range of participation.

I would also support the call for Mr. Fanizza and Ms. Riach to lead by example on the Board Working Group around gender diversity. It would be very welcome if that Board Working Group could be restarted.

Then lastly, just a quick note, I completely understand the frustration about the visa issues. We have been working with the HRD, with the state department, with our counterparts, and other multilateral institutions to do our best to improve the process. It is not an easy one. But in the meantime, I think what can be done is applying early for visas and working closely with HRD around the paperwork that is required. We will continue to advocate on behalf of this institution with our counterparts in the U.S. government as well.

Ms. Quaglierini:

We issued a gray statement and I will raise a few comments today. We strongly support the diversity and inclusion agenda. Its effective implementation will enhance the Fund's execution and decision-making process. An inclusive culture would allow the Fund to attract better solidarity to staff with great benefits to the institution. We reiterate the suggestion to pursue higher educational diversity, taking advantage of the virtual outreach in the answer and after this year the sponsorship program to financial mentorship.

As the Managing Director and other Directors noted today, we applaud the presence of three women at the top of the organization. It is inspirational and will enhance leadership within the Fund. We echo other Directors in

inviting staff and management to monitor the difficulties reported by staff in ensuring family life abroad, including for staff from the LGBTQ+ community, as highlighted by Mr. Dresse in his gray statement. We encourage management to take steps to overcome those difficulties and am pleased to hear the remarks also made today.

Some results of the diversity and inclusion survey is concerning, indicating dissatisfaction with the work environment. We encourage staff and management to divert efforts to create an environment of mutual respect and acknowledgment of everyone's identity. We strongly appreciate management's zero tolerance for harassment to discrimination and bullying. As Ms. Shortino and Ms. Rao in their gray statement, we share the need for civic climate of trust and intolerance and welcome this attention towards people with disabilities at the Fund. Including diversity in the environment would be more receptive of new insights and perspectives contributing to improved analysis and policymaking that are highly needed at the time of lingering economic challenges like the current one.

Mr. Trabinski:

The comprehensive diversity and inclusion report and Chair's initial remarks show the good progress of the Fund under this management made in getting closer to the 2025 benchmark. We specifically welcome the progress made in addressing gender-balance issues during the pandemic but note that the overall picture remains mixed with considerable work laying ahead. Let me make just three points on the under-represented regions today.

First, we acknowledge the serious challenges in recruiting women who accounted for only 37 percent of the external hires in fiscal year 2021. We want to particularly emphasize the importance of attracting women from under-represented regions in the economist stream. In this context, we encourage HRD to continue to increase the share of women economists and promote geographic diversity. Looking forward, setting up cooperation and internship programs with leading universities and research institutions in the under-represented regions could be an option to address these challenges. In this context, we encourage HRD to work closely with the Board. We are ready to provide hiring missions with information about the leading institutions in our constituency countries.

Second, like Mr. Dresse and Mr. Voinea in their gray statement, we welcome staff's efforts to distinguish countries that are not in the URR category but face similar challenges in recruitment and promotions as

under-represented regions. The initial findings showing under-representation of women are telling. Nevertheless, given the heterogeneity of this grouping, we are of the view that it would make sense to keep the taxonomy of distribution of employees in mind with the Fund's research paper such as the World Economic Outlook (WEO). Here, we specifically reiterate our call from earlier briefings to treat South Asian countries as URR. Since staff promised to investigate this issue during our last discussion, we would appreciate any further information in this regard.

Third, we emphasize the importance of improving the share of URR nationals in managerial roles, which is only 17.6 percent, 10 percent below the benchmark. We are also interested to hear why ratings of staff's performance have been lost during the pandemic and when we will come back to normalcy in this regard.

Mr. Saraiva:

Let me commend management for spearheading this important process. This is an agenda that has our full-hearted support. We issued a comprehensive gray statement. I will make just the following comments for emphasis.

I will start by underscoring that greater managerial accountability in achieving diversity and inclusion is highly instrumental. In this respect, I would like to support Ms. Riach's call about it, including on the need to enhance diversity at the Board. We welcome the progress made, but more needs to be done to achieve greater diversity and inclusion amid the 2025 benchmarks.

We regret the continued lack of progress in meeting the benchmark for staff from the Middle East and North Africa and the poor numbers of promotions to the level of staff from Sub-Saharan Africa and other Western Hemisphere. I am glad to hear what Ms. de Bruxelles said at the beginning of the meeting and would like also to support Mr. Tanaka's proposal. As Mr. Trabinski and others highlighted, it is important to look beyond URR. The hiring space projected for the next couple of years, especially due to people retiring and approved augmentation offers a unique opportunity to change the diversity profile of the Fund, including at the managerial level. That said, we should avoid boosting diversity mostly in the emerging areas while making low progress on advancing diversity in the traditional core activities. It is important to avoid at the end of the day to have silos of diversity within the Fund. It should be across the board.

We commend inclusion of race for the first time in the take-up analysis, and even though the study was not conclusive about unjustified difference in pay based on race, the perception of staff to the culture, it must be addressed on its own merit. This is a big problem that deserves attention from the Fund.

Additionally, the legal mandate inclusion of staff with disability is an urgent priority. Keeping recruitment outreach as broad as warranted using the virtual instrument even after the Fund moves away from mainly remote work will continue to be instrumental to enhance diversity.

We acknowledge the contribution of contractual employees to diversity efforts as they constitute a useful pipeline from which under-represented groups can be recruited, but it goes to the idea of having them accounted for diversity benchmarks.

Finally, we support the expansion of the special appointment program and others, but we do not support the suggestion to modify its key objective of strengthening capacity, especially of low-income countries (LICs) and FCS. The current program allows the Fund to focus on countries and not necessarily regions, enhance the potential to cater better to the needs of FCS and small-developing states and low-income countries.

Mr. Huh:

We have issued a joint gray statement with Mr. O’Brolchain, let me briefly highlight three points for emphasis mainly from other Directors’ gray statements.

First, we see the budget augmentation as an excellent opportunity to step up efforts for the Fund’s D&I benchmark with additional hiring. We also see the pandemic provides a way to segment from the best practices on inclusive and flexible workplace. We encourage staff to press upon the workout of practical and useful guidance for managers.

Second, like Mr. Palotai and Ms. Shortino, we strongly welcome staff’s efforts to broaden the recruitment efforts beyond the traditional U.S. and U.K. universities. The virtual recruitment efforts during the pandemic have led the Fund to different universities, which will help to drive recruitment from diverse backgrounds. Like Ms. Lim, we support the Fund delving deeper to ensure that we not only seek out diverse educational

backgrounds but also diversity assets, such as hands-on policy experience from ministries or central banks.

Finally, like Ms. Lim, Ms. Shortino, Mr. Tanaka, and others, we reiterate our disappointment for the lack of URR nationals in managerial roles, especially those from East Asia. The Fund will need to step up efforts and consider a broad range of measures to overcome cultural barriers. Special attention also should be paid to low promotional rate of East Asia nationals. In addition, as both grouping of the URR tend to mask under-representation at a granular level, we continue to press staff to look at the representation of small and fragile states at the Fund.

Mr. BinZarah:

Indeed, D&I is an important topic for us, as it is for the Fund. On that front, I am extremely proud that half of our office are female. While we welcome the progress made towards achieving the 2025 benchmarks, we note that the MENA+ region continues to be one of the under-represented regions. I look forward to more progress from staff toward improving the MENA+ region representation at the Fund.

We have issued a comprehensive gray statement along with six other offices in which we have provided our comments on this important issue. Therefore, I would limit my remarks on the following few points on substance.

As the report rightly mentions, more effort is needed to increase the share of MENA+ representation, more specifically on the following fronts. On the diversity front, efforts should focus on the diversity benchmarks where shares have declined, especially for women at the individual contributor level and URR nationals at the B4-B5 level.

On the recruitment front, the recruitment outcome for MENA+ nationals and women continue to fall short of targets and requires greater efforts to achieve the relevant targets.

On the promotion front, I would like to emphasize that, unfortunately, for URRs, promotion rates are low and continue to fall short of the targets. While on a positive note, we welcome the progress made in promoting economists from MENA+ from A15 to B1 and the higher share of women promotions into managerial roles and welcome that racial equity has gained

priority in the Fund's D&I agenda. I strongly support management's zero tolerance of discrimination, bullying, and harassment.

Finally, we continue to encourage staff to increase the MENA+ region representation at the Fund through talent acquisition, retention, and promotion.

Mr. Romero:

We recognize the advances of the Fund to achieve the 2025 benchmarks. We broadly support the decision to continue working on these objectives and defining the set of actions proposed in the two-year roadmap, which includes important challenges on this matter. We issued a comprehensive gray statement, and we will make the following comments for emphasis.

On gender, we highly welcome the efforts made and presented in the report. The emphasis must be made to possible changes in order to ensure the long-term overall objective of 50 percent women in managerial roles and also on the economist career stream. As other Directors, we recognize that the Board of Directors must enhance further its gender diversity and lead by example. Looking at the numbers, 86 percent of the Executive Directors and Alternate Executive Directors and 66 percent of the Advisors are men.

Second, the benchmarks on recruitment targets are a tool for accountability, and its evaluation must be dynamic. As such, it is very important to be open to modify some or include new ones in the time. Some ideas and opportunities, we agree with others that the approved hiring or augmentation made by the end of the last year is a good opportunity for the improvement of some of these indicators.

We propose a more proactive internal strategy to identify talent with possible candidates already working at the Fund together with a counseling program to improve and develop required skills to achieve benchmarks and recruitment targets. We also think that new topics in the agenda, such as climate change and digitalization, shall be seen as an opportunity for inclusion and diversity.

Third, on regional diversity, we ask staff to assess and address the underlying causes of the low rate of promotion within the countries in Western Hemisphere. We will be looking forward to the outcome of the

further analysis of the staff and their compromise to work with departments to ascertain and address the underlying causes.

Fourth and finally, on education concentration, we commend the Human Resources Department to actively identify eligible and high-quality universities in the regions that are different than the U.S., U.K. and Europe, including Latin American countries, and advance in the agreements with such universities to recruit the best talent from under-represented regions.

Mr. Zhang:

We welcome the progress made so far regarding staff's diversity and appreciate HRD and management for their dedicated efforts for this purpose. We issued a joint gray with many other Directors and will limit myself to the following points for emphasis.

First, we are disappointed that the average promotion rates for URR are well below the Fund's average. The promotion ratio in URR is also uneven and managerial under-representation for some specific countries like China has been further underestimated. We deeply regret that the ratio of managers to staff is only 1 in 22 for East Asia and even worse for China compared with the ratio in other regions, such as 1 in 5 in Asia, excluding East Asia, and 1 in 8 in North American countries. Furthermore, promotions for URR women still lag the Fund's average.

We encourage staff to redouble their efforts to address the promotion barriers for URR regions, especially East Asia. To address the managerial shortages of URR countries, we call and urge effective efforts in both internal promotion and external recruitment.

On internal promotion, managers must be held accountable for contributing to the diversity and inclusion objectives. We welcome the 2-year roadmap to introduce diversity objectives into manager's Annual Performance Reviews (APRs) and the publication of Fund-wide and departmental promotion results. To ensure transparency, the Fund should require managers to disclose information of all the applicants for promotion from A14 to A15 and from A15 to B1 before and after the decision-making to minimize discrimination and promotion barriers. The Board should also ask the Independent Evaluation Office (IEO) to review this issue.

On external recruitment, multi-pronged external recruitment barriers should be taken to address the under-representation of the URRs for

managerial positions. In this regard, we encourage staff to renew the B-level secondment program that has been suspended since 2015. Could staff provide more information on why this program has been suspended and the prospect to restart this program?

The next several years provides a valuable opportunity to make significant progress towards achieving the diversity benchmarks, especially the managerial benchmarks that have been considerably lagging. The Fund should set a good example for these member countries by ensuring multilateralism and transparency in its own resource management, including human resource management.

Mr. Buissé:

Diversity and inclusion are really at the core of what we are as an institution. While concrete and important progress has been made over the past two years, the report makes it clear they remain uneven. Of course, results take time in this area. This is why I believe it is essential to continue to consolidate and accelerate these efforts. And I heard a lot of consensus among my colleagues today.

I would just like to emphasize five issues. First, and as Managing Director said it, the massive hiring campaign that will take place over the next few years with a budget increase is a historic opportunity to make a concrete and decisive jump towards our D&I goals. It is a unique opportunity. We should not miss it, especially, of course, as was said by many colleagues, in favor of women in under-represented regions, as well I would add educational diversity, while, of course, we should ensure effective and positive inclusion for all new arrivals.

Second, on disabilities, I am concerned about the Fund's lag in the inclusion and even recruitment of people with disabilities. The part of the report on this came as a surprise to me. While the subject is now taken into account and actions are undertaken, it is really essential to have a clearer vision of the needs and respond to them. I am thinking, for example, the accessibility of our facilities, appropriate software or IT solutions or simply to have a one contact person that staff with disability can contact to be reoriented.

Third, I would like to thank staff for including educational diversity in the access of action and progress because it is a very significant aspect.

Outreach actions in non-U.S. or U.K. universities are to be pursued and reinforced if you want to achieve real diversity.

Fourth, I heard, and many colleagues already raised it, but I want to associate myself with the question raised about the issuance of work permits to spouses and to LGBTQ+ staff in terms of difficulties with visas. I very much appreciate Ms. Shortino's answer, and I am sure that our office is fully involved. But here, for people who stay in the U.S. for decades, I mean, a couple of months is not so much of an issue if one has to wait, but especially for people in our offices where people may stay three or four years, if one waits for six months for a permit, it makes a huge difference to have a real life in D.C.

Finally, on data, I would like to hear more on ways to improve our knowledge on the composition and needs in our staff. The availability of detailed data seems central to effective action and yet it is a sensitive issue, of course, when you discuss on race, ethnicities, disabilities, LGBTQ+ staff. Of course, it is a sensitive matter to collect the data, but I do think it is absolutely needed, so I would be interested in hearing Ms. de Bruxelles on this.

Mr. Mohieldin:

We issued a gray with colleagues representing six chairs, and I will be very brief. As mentioned, I would like to emphasize as well including other very important comments that are worthy of emphasis, including this issue of disability that was mentioned by Ms. Shortino and other colleagues.

I will focus on the case of the MENA region staff, since it seems from the survey that the morale is very low. There is a kind of great resignation of a particular type at earlier, premature, stages because of dissatisfaction and issues of promotion are not up to expectations compared to other regions. The slight improvement that would be there in the recruitment outcomes have been compromised by the career development.

If I am taking it from the political stance and perception, as put by Mr. Gandhi's test on our ability to reach unity in diversity as a test of our civilization, I do not think we pass with high marks there. If we are taking it from the decision of not just out of fairness or to be politically correct or to improve the perception of our institution, which is important, but I will take it for the old argument that it is still valid for gender inclusion that proved not to be just a fair decision but an efficient and smart decision as well. I think we

are missing a lot by not being adequately inclusive and not being adequately in support for promotion of staff.

Perhaps the emphasis here should be on the strengthening of the accountability for management at all levels and tied to tangible circumstances. I encourage that survey because I know some decisions have been made, some more frequent surveys and perhaps more focused analysis of what is really happening to retain the talents and encourage others to join them will be very much important at this stage to avoid the unnecessary bottlenecks as well what is being seen at the A14-A15 that is disproportionately affecting MENA nationals along with the other under-represented regions.

The Chair:

I accept the criticism that comes from MENA+ that we have not yet done quite enough. I want to stress that it is something everybody now at the senior level is quite mindful. Especially given that it would be the MENA region to host our next Annual Meetings outside of Washington, we sure do not want to go there without having our head up.

Mr. Mozhin:

We have issued a joint statement together with five other chairs. I would not want to add anything at all to this statement simply because I would want to speak about something else.

I am very much concerned, to put it mildly, about the very challenging circumstances facing the Russian nationals among the Fund staff. It has been a long practice that the Russian nationals have only been issued one-year G4 visas, unlike other nationals of other countries, who have been receiving five-year, four-year, three-year G4 visas. By the way, I do not understand why there is such a big differentiation in treatment by different country nationals, but more lately, the Russian nationals applying for the G4 visa, for the extension or resumption of the G4 visa, practically all of them have been sent to the so-called administrative review.

This administrative review could take very long. There have been cases of six and even seven months. On an average, this is more like three months. The consequences of this are very dire. There have been cases where Russian staff members were unable to see their dying parents for the last time. I had such a case in my own office. The Russian nationals are forced to drive

their cars illegally because the validity of their driver's license is linked to their possession of G4 visa status.

There have been cases when Russian nationals were unable to receive expatriate benefits, like education benefits from the Fund because these benefits are also linked to their G4 visa status. And then, of course, they had to pay significant amounts for education of their kids out of their own pocket.

So these are the kind of more like personal consequences for the personal life of the Russian nationals, but there are consequences of their personal life. We are living in a special type of circumstances with the pandemic. There have not been many missions, not that much travel, but there has been some. Of course, the Russian nationals are forced to miss missions, miss travel because they do not have the G4 visa. This has a direct consequence with their professional progression, of course.

I was told that the lag, and HRD brought this issue to the attention of the U.S. Executive Director Office and apparently the Executive Director. The U.S. Executive Director Office promised to look into this matter and see how they can be helpful and, of course, this is very much appreciated, but the current circumstances are becoming simply unbearable.

Of course, I am aware about the geopolitical developments, but I do not understand why these developments should have an impact on the IMF staff members.

On another topic, I am representing not only Russia but also Syria, so I am very attentive to the circumstances of representation of nationals of the MENA+ region, so I immediately join other Board members representing the MENA+ countries and would want to see more progress in increasing the numbers of staff members coming from these countries. By the way, recently, my World Bank counterpart, who is Kuwaiti, told me that there is not a single staff member from Kuwait in the IMF, unlike, of course, in the World Bank. Not a single Kuwaiti is represented among the Fund staff. I wonder why. Is it because Kuwaiti is so rich that the Fund salaries are simply not attractive for Kuwaiti citizens? Or are there other reasons? But Kuwait is a rich country, and people in Kuwait are highly educated and talented. I would ask to confirm or deny the fact that not a Kuwaiti national works in the Fund.

The Chair:

We will issue, in collaboration with the Executive Director Office, any possible step we can take to help resolve not just for Russian nationals but for everybody who is faced with difficulties in obtaining visas, how we can cope with this problem, how we can resolve it.

On the issue of Kuwaitis, in the latest round of accountability framework discussions I have had with departments who report to me, it became very clear that we do have a competitiveness issue that we need to address. There have been cases when diverse candidates, especially MENA+ candidates, declined our offer for reasons of being sought and recruited in better conditions elsewhere.

We are reflecting on this and how we approach recruitments for highly qualified, diverse candidates is something that we need to take into account, including experience in other organizations, and best practices elsewhere, so we can have an incentive system that allows us to bridge this gap. Not surprisingly, in some of the areas of professional expertise where demand is high and demand is even higher for the diversified candidates, we need to tune our recruitment tools to be effective, to be competitive.

The Diversity & Inclusion Advisor (Ms. de Bruxelles):

Let me try to group together some of the themes. On the benchmarks, I just want to confirm that the targets that we set are floors. Of course, just because we achieve one of them does not mean that we will not continue to make progress. We recognize that the budget augmentation is indeed an opportunity for us to increase diversity, particularly around gender, regional, but also the educational diversity of our staff.

Now, several Directors mentioned sort of the definition of the regions. We can try to look into that. Thank you for the suggestion to use the REO as an alternative. I am not sure how quickly we will be able to do that, but we will be happy to look at it and see whether we redefine the regions as they stand at the moment, particularly where there are pockets of groups of countries perhaps where under-representation persists.

On the question of Kuwait, I am afraid I do not have the answer. I just asked a colleague whether they can find that for me very quickly.

Now, on the B-level program to address lack of diversity at the URRs, now, this was a program that we tried. There were some unanticipated, I would not say problems, but limitations of the program. We would need to really investigate those prior to launching another version of that. Clearly, one of the things that we would need to make sure if we were to launch it a second time would be that there is a clear ownership and sponsorship from departments for this type of program. I hear Directors calls for us to revise that and to do that quickly in light of the impending augmentation. We will have to see whether we get buy-in on that to do so.

There were questions on how to improve outreach and more generally reaching out to more universities. As we mentioned, we have increased outreach threefold in the last two years. We aim to continue to do that, but we are also looking at other opportunities that we could leverage. There was mention of the Annual Meetings in Marrakech. We would certainly welcome working with Executive Director offices from the MENA region to see whether there is anything that we can do on the sidelines of those meetings to raise awareness of the Fund but also to enhance recruitment. I think that is an ideal opportunity that we need to take as well.

Now, there were also a lot of comments around promotions, et cetera. Now, on the question of recruitment and diverse panels, et cetera, as I mentioned in the opening remarks, we have diverse panels, and we also have requirements for diverse candidate lists for panels. We can, however, improve in some of the areas. The economist program, for example, the committee that oversees that perhaps could be more diverse. We are going to be looking into that because if as candidates one does not see members of the panel who represent them, it is hard to think of working in an organization. We will have a look at this in different panels, and we will be seeing how we can diversify them.

Then on the interviewer training, the training covers effective ways to minimize bias. In fact, it is a one-day program. That is precisely the focus of that training. As we mentioned, we require each managerial interview panel to have a diverse member on that panel. We will be making sure that this continues and that those who are sitting on panels receive the training.

Turning to promotions, we fully take on board all the comments regarding the URR, and we will be monitoring that. As I mentioned, I hope to come back during the update with further analysis on that.

Talking about the organizational culture, we fully take on board the comments. Indeed, we will be looking at that. In fact, there is a group of offices, not just the D&I office but also the organizational effectiveness division within HR, the OIC, who are currently looking at how we can pool our resources and efforts to effect cultural change because this is definitely going to be a high priority going forward in response to the D&I survey but also to the racial equity, discussions that we have been having over the last couple of years.

Now, to address the question of the architecture, there was a specific question on the senior race expert. That colleague is within the D&I office so is part of the team which I lead, and anything that we do on racial equity will be integrated into the broader D&I program and strategy as well as broader HR strategy because diversity and inclusion is an integral part of everything we do in human resources.

On the ratings and the reason for suspending them, just to confirm, ratings will be back this year. We suspended FY2020 and 2021 for several reasons. One was to allow staff to focus on the needs of the pandemic. As we all know, they were very urgent and time-consuming needs. In FY2021, the demand on staff in terms of work remained very high. So, the decision was taken to suspend them for a second year to allow staff time to address the needs of the membership. Like I said, ratings will be back this year, so we will look forward to a full APR exercise this year.

On the sponsorship program, the suggestion to run that or expand that prior to the two years, we are considering a beta pilot given the demand that we had for the initial round. However, we wanted to have one year under our belt so that we can evaluate after a year and make sure to course correct if there is anything that needs to be done, so there is a possibility of a beta pilot there.

On the D&I survey, we fully acknowledge that we need to provide an update to the Board, and we will be doing that in the context of the update at the end of the calendar year.

On the question of dual citizenship, I want to quickly address that. Our intention with using the dual citizenship is not at all to make achieving the benchmarks easier. This is a request that has come from staff, from the URR regions who have a different passport, for example, a U.S. one, which they are using for administrative purposes. And we have had many requests from staff to say, given that they were brought up in their URR country, could we not

consider that which is, in terms of the system, a secondary nationality, but they feel as if they come from the region, and they would prefer if we would use that for diversity purposes.

In collecting data, particularly on race and disability, it is a very sensitive topic. However, we are finalizing testing on a self-identification survey, which will be launched in the new IHR system, in the Workday system. We hope to launch that around February-March time frame, if testing goes well in the coming weeks. This will be purely voluntary, but it will hopefully be a way of us getting more reliable data so we can start doing more in-depth analysis on different diversity dimensions.

Mr. Mohieldin:

We keep a list of the nationals from my constituency. I have the honor of representing Kuwait. We do not have a member of staff from Kuwait. We have a Kuwaiti national who has dual citizenship, and she is working for the Strategy, Policy, and Review Department (SPR), but she prefers to have the other nationality attached to her.

We have two countries not represented if I am not counting colleagues in our office, Oman, Maldives, Qatar, the United Arab Emirates as well is not represented, and Bahrain. So, Kuwait is not alone. They have a good company of countries from the region and from the Maldives as well.

The Chair:

It is true that we have 190 members, and the Fund is not as large as many other international organizations, but we do have a duty to search for diversity and find the best qualified candidates that can add to the capacity of the Fund to serve the membership. So clearly something we are, as I said, very aware of and very much focused on MENA+, the one area where we are falling visibly short.

The Director of the Human Resources Department (Ms. Purfield):

I would like to make a brief comment on the request for more frequent surveys around the follow-up to the D&I survey. We are planning one in the New Year. Also, we will have for the first time in five years, as it was delayed by the pandemic, a staff engagement survey in the Fall. As part of the strategy to develop that, we are looking to develop a more agile survey engagement strategy that could rely on more pulse surveys and frequencies in between as

well. That will be a part of the strategy. We intend to continue to get more continuous feedback on that.

The Chair adjourned the discussion.

ANNEX

- Gray Statements
- Staff Responses to Executive Director's Technical Questions
- Constituency Codes

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GRAY/22/205

January 19, 2022

**Statement by Mr. Tanaka, Ms. Kashima, Mr. Naka, and Ms. Kikuchi on FY2020-FY2021
Diversity and Inclusion Report
(Preliminary)
Executive Board Meeting 22/7
January 24, 2022**

We thank staff for the informative and comprehensive report.

We appreciate management and the HRD team for their continued efforts in enhancing Diversity and Inclusion (D&I), which is essential for the Fund to serve its membership with more effective support and to further raise motivation of staff. In particular, **we would like to reiterate the importance of regional and geographical diversity under the current global crisis to provide appropriate analysis and policy advice with deep understanding of each region and country.**

FY2025 Diversity Benchmarks

We welcome the ongoing progress on individual contributor grades (A9-A14/A15) for both gender and diversity benchmarks. At the same time, we are concerned that the managerial benchmarks for all three Under Represented Regions (URRs) are well below the targets. More ambitious and innovative actions are needed to increase managerial-level staff from URRs. In this context, we are of the view that reintroducing the B-level Diversity Program, which was proposed in the informal meeting in July 2020, will be helpful to increase B-level staff positions from URRs. We encourage staff to speed up their consideration on this front.

Recruitment

Recruitment is the most important component to increase diversity of staff, and D&I should be further enhanced in the next several years by fully leveraging higher recruitments under the planned budget augmentation. We welcome the expansion of engagement with universities in URRs by the best use of virtual recruitment activities under the pandemic, and encourage staff to keep virtual recruitment activities even after the resumption of physical recruit missions to further broaden the recruitment base. At the same

time, despite these efforts, we note the staff's assessment that the progress on educational diversity has been limited so far. While we understand that the results of outreach and sourcing activities can take several years to bear fruit, *could staff share their views on what actions are needed to further promote educational diversification?*

We welcome that the mid-career program has been focusing more on sourcing candidates from URRs and thus has contributed to increase recruitment from URRs.

As mid-career staff provide significant added value for the Fund's operation based on their sophisticated expertise and their various experience, we encourage all departments to continue effort to increase hiring mid-career staff from a diversified pool including URRs with necessary support of HRD.

Promotion

We should accelerate the promotion from A14 to A15 and A15 to B1 for staff from URRs, particularly from East Asia. We emphasize that departmental accountability is key for its achievement like other issues of diversity, and expect that departmental D&I action plans launched in November 2020 will effectively contribute to the increase of promotion of URR staff. Given the limited number of managerial positions, it is also important to enhance appropriate turnover particularly in B-level.

We see merit in focusing more on internal promotion considering the unique expertise of the Fund. We welcome the launch of the pilot Sponsorship Program for staff from URRs as one of the measures to develop and promote internal human resources. We encourage management and staff to evaluate the pilot program in a timely manner to make a future formal program more effective to increase URR staff. *Can staff provide preliminary feedback regarding the Sponsorship Program?*

Other Initiatives

We welcome the Fund's efforts on broader D&I issues such as racial equity and disabilities beyond the numerical diversity targets. We underscore the importance of deepening understanding of staff about the Fund's initiatives on this front through trainings and the Intranet. More broadly, *given the difficulties in networking and communication among staff due to prolonged remote working, we are of the view that HRD should play a central role to facilitate networking among staff. Staff comments are welcome.*

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GRAY/22/211

January 19, 2022

**Joint Statement by Mr. Huh, Mr. O'Brolchain, Ms. Johnson, Mr. Yoo, and Mr. Mooney
on FY2020-FY2021 Diversity and Inclusion Report
(Preliminary)
Executive Board Meeting 22/7
January 24, 2022**

We thank staff for this rich report that outlines ongoing progress toward achieving diversity and inclusion in recruiting and promoting IMF staff, and holding managers accountable in this regard. We remain supportive of the ambition of the Fund to become a more diverse, equal, open, and inclusive workplace. We positively note the progress made against some of the relevant benchmarks, while remaining cognizant of the large amount of work that remains to be completed.

In terms of gender diversity, we welcome the continued positive progress towards the gender targets in managerial roles, which largely hinges on internal career progression, while noting that the numbers remain below the benchmarks. We are concerned that the share of women, particularly in the Economist stream, is currently not sufficient to ensure a strong pipeline of candidates to maintain the long-term objective of 50 percent women in managerial roles. Furthermore, although the actual number of women has increased since end of FY 2020, the share has decreased slightly. In terms of recruitment, we support refocusing efforts to recruit more women from Under-Represented Regions (URR), particularly MENA+. We note staff's encouragement for the Board to lead by example in this regard, which has been assisted by the previous efforts of the Working Group on Gender Diversity. The Board can, and should, do better.

On regional diversity, we are deeply concerned regarding the under-representation of URR nationals in managerial roles. They make up only 17.6 percent, remaining far behind the FY 2025 benchmark of 28 percent. Given that few managers are hired externally, special attention and effort should be given to the internal promotion of URR nationals to fill the gap by FY 2025. In this regard, we welcome the intended focus on increasing the number of Management Development Center sessions and monitoring the diversity in the Leadership Development Programs. However, we are concerned that promotion rates for URR nationals, except for the promotion to B1 Economist for MENA+, are generally lower than the Fund average. We call on

staff to create an institutional and cultural environment that can facilitate their fair and just promotion.

We welcome the Fund's pivot to virtual events to encourage diverse new hires and contribute to achieving the 2025 targets. The amendments made to the mid-career process have seen a welcome increase in the share of MENA+ nationals in external recruitments, and we encourage staff to utilize the learnings from this process in the recruitment strategy more broadly.

While welcoming HRD's efforts in undertaking the 2021 Diversity and Inclusion survey, we are hugely disappointed to hear reports of staff "not feeling valued or respected due to their identity; experiencing and witnessing unconscious bias, discrimination, and harassment; reluctance to report for fear of retaliation, or a lack of trust in the Fund's safeguarding mechanisms." The culture of the Fund should be inclusive of different religions and cultures, generational differences, disability/different abilities and staff identifying as LGBTQ+, as we know the benefits that broad diversity and inclusion can bring to decision making, policy discussions, and can also lead to overall better outcomes. *Can staff provide an update on progress to date in ensuring that these concerns will be addressed?* We welcome coverage of the varied initiatives undertaken by different departments to deepen inclusivity (Annex IV) and support the expansion of e-learning to cover micro-behaviors, racial equity and mental health. The current hybrid work environment provides an opportunity to develop, refine, and cement inclusive management best practices for the organization, but the survey results suggest that more needs to be done to embed cultural change in the organization.

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GRAY/22/225

January 20, 2022

**Statement by Mr. Fanizza, Mr. Massourakis, Ms. Quaglierini, Ms. Mastrapasqua, and
Ms. Mateus on FY2020-FY2021 Diversity and Inclusion Report
(Preliminary)
Executive Board Meeting 22/7
January 24, 2022**

We thank staff for the comprehensive report, that provides an informative overview on the status of Diversity and Inclusion (D&I) in the Fund for FY 2020-FY 2021. We fully support the aim of the Fund to guarantee more equitable opportunities in terms of recruitment and promotion and become a more diverse and inclusive workplace. We welcome the progress made thus far, yet we note that overall improvement is uneven, and ambitious targets will continue to warrant more concrete actions in order to implement the D&I strategy by 2025.

- **We welcome the Fund’s strategy and agenda on D&I, and we are encouraged by the progress made towards the 2025 benchmarks though the overall performance is mixed.** We particularly appreciate staff’s efforts to bring about cultural change to make the Fund a more diverse work environment, while still ensuring non-discrimination against groups already over-represented. We also concur with staff that inclusion, together with gender and geographical diversity, are key drivers towards a more dynamic and more productive workplace. We strongly welcome the **framework to make managers accountable on the D&I agenda goals.**

- We appreciate the **steady gains towards gender equality in managerial roles and expect further progress in attracting women economists,** in particular from Under-

Represented Regions (URR). We note the increase in representation from URR once self-declared second nationality is shown, which allows to provide a more realistic picture of diversity at the Fund. We also appreciate the **gender balance in the specialized career stream**. We invite staff to rely on the analysis of these data, together with the detailed data on Recruitment and Retention to shed light on the underlying reasons behind trends, so as to better calibrate HR policies both in terms of recruitment and promotions.

- **We see merit in increasing the level of utilization of the virtual format for recruitment, which has given good results during the COVID pandemic.** We take positive note of the Fund's efforts to attract people with diverse educational backgrounds, focusing on universities located in countries other than the US and the UK. We reiterate our view that a wide coverage of educational backgrounds contributes to richer technical discussion and more robust analyses and policy-making decisions. We also invite staff to monitor the diversity of participants in the Fund's leadership development programs.
- **We are concerned about the preliminary results of the D&I survey of March 2021 and we strongly support the initiatives against unconscious biases, discrimination, bullying, and harassment.** We call on staff to keep the Board informed on the completion of the analysis and on the possible way forward, including recommendations and remedial actions. Regarding the data collection initiative, while supportive, we reiterate that staff's data provision should remain voluntary, given the sensitivity of personal information involved.
- We encourage staff to take advantage of the **budget increase** for FY23-25 and the associated **additional hiring space** related to the Fund's business priorities to step up its diversity and inclusion objectives, even in terms of specializations and technical skills.

- In terms of diversity, **we firmly believe that the Offices of Executive Directors need to set an example by increasing gender balance at the Board** and remain committed to this goal in our constituency.

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GRAY/22/226

January 20, 2022

**Statement by Ms. Lim, Mr. Ong, and Mr. Hteik on FY2020-FY2021 Diversity and
Inclusion Report
(Preliminary)
Executive Board Meeting 22/7
January 24, 2022**

We thank staff for the comprehensive report that examines progress at the Fund vis-à-vis the FY2025 Diversity & Inclusion (D&I) Benchmarks, and sets out further efforts to foster inclusion, hold managers accountable for D&I outcomes, as well as a 2-year roadmap to address continuing challenges. It is critical for the Fund to continue to make progress towards greater diversity, equality, openness and inclusiveness to become more representative of, and thereby more effectively serve, our broader constituents.

We positively note progress that has been made, including steady progress in raising the share of East Asian individual contributors and senior officers over the years, as well as an increase in the share of women in managerial roles (A14/15-B5), with an even stronger performance at the most senior levels (B4 and B5). However, the path to progress remains uneven. For instance, we noted a sharp fall in the East Asian share of managerial roles from 6.8% in FY2020 to 6.1% in FY2021 following a steady improvement path in recent years. *Could staff elaborate more on the drivers behind this steep and sudden fall?* More broadly, we implore staff and management to continue to address continuing impediments.

We welcome the report's efforts to examine D&I outcomes through a "pipeline" perspective, examining recruitment, promotions and separations separately. While outcomes, including progress towards the FY2025 targets, are important, they are not everything. It is more critical to examine the processes, and uncover inherent biases, if any, that are leading to these outcomes. This way, we could better identify ways to more fundamentally address the issue if necessary. In this regard, we suggest that staff could monitor this "pipeline" in a more granular fashion.

- On recruitment, beyond tracking aggregate headline figures such as the number of recruitment missions, staff could track more detailed metrics such as the numbers of

applications received from each mission, and the subsequent applicants that progressed through stages of the selection process, offers made and correspondingly accepted.

- On the observation that supply of female economists have for many years represented around a third of economist graduates, staff could examine if the proportion of applications submitted by women to the Fund is significantly different from this level. If the share of female applications to the Fund is much higher than 35%, perhaps recruitment outreach is not the biggest issue on the table, and more focus could be devoted to the later stages of the recruitment process. If the share of female applications is much lower than 35%, the Fund may find ways to more proactively reach out to prospective female economist candidates.
- On promotions, specifically internal promotions, it is also worthwhile tracking the share of women, or various URRs, in the pool of candidates eligible for promotion and, reasons hiring managers put forth (both performance metrics and qualitative evaluations) for bypassing these candidates. If these are mostly due to performance metrics, remediation actions need to be on an even earlier stage – on how the Fund develops our more junior staff and ensure that they can perform well in their present roles. If these are based on qualitative factors such as a lack of relevant experience, more thought could be put into how staff of underrepresented groups could be given greater exposure through the early parts of their careers. In this regard, we especially welcome the pilot Sponsorship Program for URRs that goes some way to mitigate the potential bias that stems from existing mentorship arrangements and benefit a wider pool of staff.

Diversity and inclusion go beyond gender and region and includes areas such as Fund staff’s educational background and skillsets which are equally critical to guard against institutional groupthink. We agree with staff that the Fund’s expanded role in areas such as climate change, digital money, macro-financial surveillance, FCS and inclusive growth and gender, will require more resources, and a more diverse experience and skillsets for its staff, and therefore, represent a unique opportunity to improve the overall diversity of its employment mix. *What is staff’ assessment of whether the upcoming budget augmentation (for the Fund to expand resources in new business priorities such as climate change, which are in some ways, different from the traditional macroeconomic focus) will help address, or further exacerbate, the issue of overrepresentation by certain educational institutions? Do staff envisage these institutions to be also where the bulk of expertise in these new business priorities reside?* If so, the Fund might need to take a more proactive approach in working with other educational institutions to plug the gap, such as offering more internship positions for students from institutions that do not have as strong a framework for these new areas.

Finally, we would like to raise two points regarding the report’s nuancing that should be addressed ahead of the report’s publication.

- First, while it is important to track progress against the FY2025 outcomes, excessive focus on mechanically tracking of individual specific metrics could paint an overly negative picture of the Fund's progress towards diversity goals. Good progress has definitely been made over recent years, and we should find ways to demonstrate, in a more high-level way, that the Fund on aggregate has definitely become a more diverse place in recent years.
- Second, the report implored the Executive Board to lead by example, referencing the low share of female EDs and Alternate EDs. We call for a more nuanced representation of the situation. ED nominations are done by capitals, and not within the remit of either the Executive Board or individual EDs. Furthermore, we would be remiss not to acknowledge efforts to enhance gender representation at OEDs, taking into account the overall staffing mix. *Could staff provide the breakdown of gender composition if taking into account advisors, senior advisors and office assistants?*

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GRAY/22/234

January 20, 2022

**Statement by Mr. Bevilaqua, Mr. Saraiva, and Ms. Florestal on FY2020-FY2021
Diversity and Inclusion Report
(Preliminary)
Executive Board Meeting 22/7
January 24, 2022**

We thank staff for the comprehensive report, outreach to our office and for the substantial effort to cover issues critical to the Fund's quest to achieve greater diversity and inclusion. We particularly welcome the inclusion of race in the pay gap analysis and the attention given to professional background, in addition to education. Moreover, we commend the Diversity and Inclusion Office for their diligent work, which is already starting to produce much welcome, albeit still incipient results. We firmly believe that Fund's staff must not only broadly represent its membership but also have the appropriate expertise to deliver on its mandate. Ensuring greater managerial accountability in achieving the 2025 benchmarks is a critical step forward.

The composition of the Fund employees by gender, career stream, region, and education has not significantly changed since the 2019 Report. Despite commendable progress, efforts are not yet yielding sufficient results to help reach the 2025 benchmarks and targets on several dimensions. On the gender dimension, a sufficient pipeline to maintain the 50 percent objective of women in managerial positions has not been achieved yet, but we are encouraged by staff's assessment that there is still time to meet 2025 benchmarks for both URRs and women. The lack of consistent progress in meeting the benchmark for staff from the Middle East and North Africa (MENA) continues to be a concern. Nonetheless, we take positive note of the increase in the share of nationals from the MENA+ region in recruitment. This step forward, however, has been offset by the greater rate of voluntary resignations from that region. Increasing the share of women and MENA+ nationals should indeed be given priority in the coming years. *Staff's comments on potential reasons why women are more represented amongst URR nationals than in Other Regions would be welcome.*

While we recognize that the mix of skills needed to deliver on macro-critical questions associated to emerging issues may require that recruitment deviates temporarily from the standard profiles, caution is warranted to avoid tilting the balance away from the institutions' traditional core mandate. The Fund is indeed expected to play a greater role

in climate change, digital money, macro-financial surveillance, FCSs, and inclusive growth and gender as underscored in the staff report. A very clear distinction, however, must be made between short-term and longer-term needs. Additionally, fields in which the Fund will leverage on other MDBs for most of the expertise and the limited number of indispensable skillsets that must be held in-house have to be clearly identified. That said, we consider the skillset required for FCS as similar to that of a fungible economist with the added capability and interest to work in difficult environments.

The hiring space projected for the next couple of years due to retirement and the approved expansion offers a unique opportunity to change the diversity profile of the Fund including at the managerial level. However, extreme caution is warranted to avoid backward movements in D&I targets and goals. Managerial accountability throughout the Fund is essential to ensure that internal recruitments and promotions are in line with D&I objectives. In this regard, the review of eligibility requirements for higher function roles will be instrumental and the monitoring of their application fundamental. We also support staff's recommendation to improve diversity in talent pools and ensure that staff from under-represented groups are ready to take on more senior roles by more equitably distributing career enabling assignments. *Nonetheless, we wonder if staff has an explanation as to why there have been no promotions of staff from Sub-Saharan Africa from A to B level since 2015 and why are staff from "Other Western Hem" lagging in promotions?*

Management and staff must be commended for addressing more forcefully the issue of inclusion across its numerous dimensions including race and disability. We urge the Fund to multiply its efforts to meet minimum standards of accessibility. Accommodating and hiring people with disabilities may require strong management leadership and a cultural change. It is important to note that the perceptions of some staff that there is a large pay gap based on race is an issue that needs to be addressed even if they do not align with the estimates produced by the analysis and if other factors, such as career progression, may be contributing to these perceptions. Relatedly the pilot sponsorship program seems to have the potential to bring auspicious results in promoting inclusion and advancement of staff from URRs or those who feel they are unfairly treated at the Fund. The prohibition of pairing sponsors and staff participants with a direct line of reporting is reassuring.

Finally, we support expanding the Special Appointee, Externally Financed Appointee, Research Assistant and Fund Internship programs but reiterate the objective of strengthening capacity of LICs, SDS and FCS. In our view, in the specific case of the Special Appointee Program (SAP), additional spots above the current ten could target candidates outside the public sector (e.g., in industry and academia) and have a selection process not based on nominations with a view of helping achieve diversity goals. However, the current SAP allows the Fund to focus on countries (and not necessarily regions) and should cater to FCS and Small Developing States to maximize its impact.

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GRAY/22/240

January 20, 2022

**Statement by Mr. Palotai and Mr. Zaborovskiy on FY2020-FY2021 Diversity and
Inclusion Report
(Preliminary)
Executive Board Meeting 22/7
January 24, 2022**

We thank the Diversity Advisor and staff across the Fund who contributed to the insightful Diversity and Inclusion (D&I) Report. We welcome the comprehensive measures deployed under the leadership of the Managing Director to further advance D&I at the Fund, including the ambitious D&I statement and medium-term benchmarks as well as the specific action plan and D&I Champion's activities. The announced changes in the Fund's management team will lead to a historic milestone for the IMF: 3 out of the 5 most senior managerial positions at the Fund, including the Managing Director and First Deputy Managing Director, will be held by women. Like in other areas of corporate governance, where institutional culture plays a major role, setting the right tone at the top is a critical factor for success. **Meritocratic values are deeply embedded in the Fund's culture and must never be compromised. Though the D&I strategy takes time to deliver on its purpose and it is still too early to assess the impact of the actions undertaken since end-FY2019, we positively note the progress achieved so far and broadly support the thrust of staff's appraisal as well as the two-year roadmap outlined in the report.**

The notable progress across many D&I dimensions is commendable. We welcome that the Fund has exceeded the benchmarks for nationals from East Asia and Sub-Saharan Africa, and hiring trends show an improvement in the recruitment of MENA+ nationals, particularly in FY 2021. We particularly appreciate that the trend of women being promoted at higher rates continues. We positively note that the pay gap analysis, that became a regular exercise at the Fund, shows relatively small differences in pay across gender and race. Overall, the D&I results achieved so far against the quite ambitious benchmarks during the ongoing global pandemic are impressive, though in some important D&I areas progress remains uneven.

The persisting challenges in achieving some D&I aspirations and benchmarks may signal constraining factors beyond the Fund's control. We welcome the candor of the report in the areas where progress has been mixed, including the benchmark for the MENA+ region and insufficient recruitment of women to maintain a robust pipeline for future

managerial roles. We note the significant strides made to improve the situation, including the increasing number of recruitment missions and targeted HR efforts at many levels of the organization. In this regard, better understanding the structural constraining factors and addressing them would help shape the D&I strategy. The Fund competes for high-caliber talents with other IFIs and best private sector enterprises, which aim at achieving quite similar D&I goals. Also, significant delays in processing work authorizations for G-4 visa dependents in the US, the deteriorating compensation and benefits package at the Fund, as well as the challenges of relocating and living in the Washington DC area, to name just a few factors, may significantly constrain the Fund's ability to attract and retain talents in line with its D&I benchmarks.

As the Fund moves towards increasing field presence, local employees' data should complement the Fund's D&I profile. The envisaged hiring of local economists and deployment of resident representatives in Fragile and Conflict-Affected States should be used as an important avenue to achieve the Fund's D&I aspirations. The OIA's recent audit of the Fund's overseas presence concluded that establishing a local employment framework is a high-impact rated issue that should be urgently implemented, including robust frameworks governing local economists. We encourage the Diversity Advisor to integrate the D&I considerations into the ongoing work in response to the OIA recommendation. *Staff's comments are welcome.*

D&I potential of internal promotions, career management and retention should be fully unlocked. As an example, in Annex II staff indicate that the comprehensive policy recommendation "to sponsor existing staff for further studies, including PhD programs, to strategically close skill gaps while enhancing diversity" is not being pursued. *We wonder why this recommendation is not being implemented, and, more broadly, would like staff to elaborate more on the envisaged Fund-wide talent inventory and workforce planning exercises in the context of the D&I strategy implementation.*

As many low-hanging fruits to achieve the D&I targets seem to have already been picked, more attention should be given to institutional culture, careful communications, and implications to staff's morale. It is critically important to avoid the D&I strategy to be perceived as a box-ticking exercise against the pre-specified targets. Recruitment and promotion should always be merit based and D&I should not come at the cost of professional excellence, a value the Fund is built upon. This calls for balancing the D&I ambitions against the implementation timeline to ensure that changes in staff's D&I profile are consistent with the availability of talents of the highest caliber.

As with some other domains of institutional culture, framing the D&I discussion in terms of directed (top-down) planning, i.e. "targets / action plans / reporting and accountability mechanisms", may negatively affect the Fund's culture and staff's morale, if handled poorly. The results of the D&I Survey, which highlight that staff lack trust in the Fund's safeguarding mechanisms, do not feel valued or respected, experience and witness unconscious bias, discrimination, harassment, and a reluctance to report for fear of retaliation are rather shocking. We encourage the senior management to better understand the drivers of such results and address them as a matter of high priority and urgency.

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GRAY/22/251

January 20, 2022

**Statement by Mr. Dresse, Mr. Voinea, and Mr. Cools on FY2020-FY2021 Diversity and
Inclusion Report
(Preliminary)
Executive Board Meeting 22/7
January 24, 2022**

We thank the D&I Advisor and her staff for the insightful Report. We strongly support the work of the D&I Advisor. Her work has managed to place diversity and inclusion efforts at the heart of the Fund's operations. The Report makes clear where additional work is needed to reach the FY 2025 Benchmark and identifies actions to achieve them. We support the thrust of the Report and would like to offer the following points for emphasis:

- **Managerial Responsibility.** We very much support the focus on managerial responsibility to reach diversity targets.
- **Unconscious bias and Organizational Culture.** We are concerned about the preliminary results of the D&I survey of March 2021. We strongly support the initiatives against unconscious biases, discrimination, bullying, and harassment. We consider the related trainings to be very useful. We call on staff to keep the Board informed on the completion of the analysis and on the possible way forward. This way forward should include remedial actions to improve the organizational culture where needed. We invite staff to include a discussion to that effect in the next iteration of the D&I Report, or earlier.
- **Geographical Representation.** We recognize there is still a lot of work to be done to improve geographical representation, including for women from URR countries in managerial positions. We welcome the inclusion of data on secondary nationality, which can enrich our view of representation and under-representation.
- **Transition Countries.** As our Constituency comprises 10 members considered in this category, we welcome the increased attention paid to these Transition Countries as a separate group, and the findings regarding the higher share of women from these countries, as well as the need for increased representation of the region in higher positions. Nevertheless, this group appears to be highly heterogenous, and this classification appears significantly different from the taxonomy used by Fund's research reports, such as the Regional Economic Outlook. Therefore, we would

suggest using the latter to better distinguish between countries at very different development stages. Moreover, it is unclear from the Report whether this region is underrepresented; if this is the case, then it should be formally added to the other URRs. *Staff's views are welcomed*

- **Educational outreach.** We commend staff for their efforts to diversify university outreach efforts for recruitment and welcome continuing these efforts when pandemic restrictions abate.
- **Disabilities and Race.** We thank the D&I Advisor and her office for the preparation of an action plan to enhance diversity and inclusion beyond gender and geography. This includes disabilities, where the Fund is behind the curve. We also warmly welcome the D&I's visibility on issues of racial equity.
- **Work Permits.** We invite staff to monitor and track delays in the adjudication of employment authorization cards for spouses of Fund employees. A recent SAC survey indicates that protracted uncertainty about spouse employment negatively affects the appetite to work for the Fund, and hence geographical diversity. *Staff's comments are welcome*
- **LGBTQI staff.** We invite staff to report to the Board on difficulties faced by LGBTQI staff and their spouses (or spousal equivalents) on obtaining visa and work permits when applying for non-DC based resident staff positions, as well as on ways to assist staff when facing these difficulties. *Staff's comments are welcome.*
- Prior to 2018, same-sex spouses of Fund employees were exempted from the marriage requirement to be eligible for a G4 dependent visa, provided that proof could be delivered of durable cohabitation prior to applying. This was critical for prospective LGBTQI Fund staff from countries where same-sex marriage is illegal, or where same sex relations are criminalized. We urge staff to advocate a return to the pre-2018 regime in their outreach to the US authorities. *Staff's comments are welcome.*
- **Gender Diversity at the Board.** We welcome the call to the Executive Board to lead by example. Our own Constituency is currently gender unbalanced. While gender diversity might be somewhat harder to achieve in a multi-country Constituency, we consistently draw the attention of our IMF Governors to the need for greater gender balance when discussing OED appointments. We hope this will result in greater gender balance in the years to come.

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GRAY/22/253

January 20, 2022

**Statement by Ms. Shortino and Ms. Rao on FY2020-FY2021 Diversity and Inclusion
Report
(Preliminary)
Executive Board Meeting 22/7
January 24, 2022**

We thank staff for this comprehensive report on diversity and inclusion efforts at the Fund. We view diversity and inclusion as central to the effectiveness and sustainability of the Fund's work and mission. Diverse staff—of different genders, geographies, races, abilities, sexualities, educational backgrounds, and other dimensions—beget a range of perspectives and opinions and lead to more balanced, thoughtful, and robust policy and programmatic decisions. To fully reap the benefits of a diverse staff, the workplace must also be inclusive: staff must feel comfortable bringing their authentic selves to the Fund, at ease expressing their sincere perspectives, and confident that managers and peers will hear these views. An inclusive culture is also integral to the Fund's efforts to attract and retain diverse talent. **We recognize that implementing a comprehensive diversity and inclusion agenda can be challenging. We welcome the progress that the Fund has made in some areas, and call upon the Fund to redouble its efforts on those aspects of recruitment, promotions, career management, and inclusion where it continues to lag.**

Broadening recruitment efforts is essential to bring more diverse staff to the Fund, and we support the Fund's priorities to enhance its recruitment of women into contributor and managerial roles, and URR staff into managerial roles. We continue to be disappointed by the gender imbalance in new recruits, which narrows rather than expands the pipeline of female candidates that will be available for more senior roles. *Recognizing that women are underrepresented in the economics field writ large, could staff comment on whether there is scope to expand internship and other early career opportunities at the Fund to enhance the experience and qualifications of women interested in seeking employment at the Fund and other similar international institutions?*

We welcome the report's focus on promotions and career management to help all groups maximize their career potential at the Fund. We strongly support the pilot

Sponsorship program to address the low representation of URRs among managerial roles. *Since EDGE had recommended that a Sponsorship program target women and women are also not well-represented among managerial roles, could staff elaborate on their decision to focus the pilot program on URRs and the potential to target women in subsequent cohorts?* We look forward to more in-depth discussion of the challenges and lessons from the Sponsorship Program pilot in future Board updates and the launch of a fully-fledged program able to support a larger number of staff. We also strongly support the progress to define career enabling assignments and monitor their distribution to help ensure that all groups have equal opportunities to advance within the Fund. We would welcome further information on access to career enabling assignments and impacts on promotions as these assessments get further underway.

The Fund's focus on inclusion is equally important and interrelated with its efforts to achieve a diverse workplace. Recognizing the role that unconscious bias can play, the Fund should continue to strengthen its inclusion agenda and promote a more positive work environment that fosters a climate of trust and tolerance. We strongly support the broadening of the scope of the Fund's diversity and inclusion activities to include disability, as the Fund falls far behind its peer institutions in accessibility. For this reason, we encourage staff to accelerate its review of the Fund's policies and practices to support people with disabilities, and we would request a more fulsome update on the Fund's approach at the next Board discussion.

The newly launched diversity and inclusion survey is an important assessment and accountability tool and can help monitor any changes in the work environment moving forward. We were concerned by some of the results of the 2021 survey, particularly the pronounced share of respondents of black or African descent who did not feel valued or respected due to their identity, and reported experiencing or witnessing unconscious bias, discrimination, and harassment. We appreciate that there will be a more in-depth analysis of the results to help identify concrete next steps that can be endorsed by Management and implemented at the Department level. The review and recommendation on the Fund's Dispute Resolution System will also be important to strengthening the Fund's internal processes and helping ensure they are utilized. We would strongly recommend holding the diversity and inclusion survey at regular intervals in the future to assess progress on key indicators.

Lastly, the myriad programs, initiatives, employee groups, and councils focused on diversity and inclusion evidence the importance and enthusiasm Fund management and staff attach to this agenda. We welcome the strengthening of managerial accountability to achieve diversity and inclusion results, including through the implementation of departmental action plans, and encourage continued progress in this area. We view as appropriate the balance of top-down and bottom-up initiatives to help ensure that the diversity and inclusion agenda is well-attuned to the needs and experiences of staff, as well as continues to benefit

from their creative ideas. However, we question if the overall diversity and inclusion “ecosystem” could be better rationalized and coordinated to make it easier for staff to navigate the resources available and to ensure accountability for progress. *Could staff provide guidance or a schematic overview of the roles and responsibilities of the various diversity and inclusion resources, groups, and programs available to employees?*

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GRAY/22/255

January 20, 2022

**Joint Statement by Mr. Andrianarivelo, Mr. Binzarah, Ms. Mannathoko, Mr. Mohieldin,
Mr. Mozhin, Mr. El Qorchi, and Mr. Zhang on FY2020-FY2021 Diversity and Inclusion
Report
(Preliminary)
Executive Board Meeting 22/7
January 24, 2022**

We thank the Diversity Advisor and the team for their efforts to improve the Fund’s diversity and inclusion profile. Although mandated by its Articles of Agreement, the Fund’s current diversity and inclusion outcomes are not equally and geographically representative of the rich diversity of its membership. Correcting the legacy of under representation of women and certain regions across the Fund’s career streams is long overdue, and in today’s world, increasingly important to raise the Fund’s effectiveness while also mitigating reputational risk around race and bias perceptions. To this end, ensuring a fair, equitable, and supportive environment for all Fund staff to achieve their aspirations through hard work and dedication is a moral, social, and economic imperative. Sustained efforts to improve diversity outcomes and meet targets will go a long way in rebuilding credibility in Management’s efforts to promote diversity and inclusion within the Fund and help mitigate the human capital risk to the institution. In this regard, we expect to see greater progress toward diversity and inclusion at the time of the next Board meeting. The proposed roadmap is welcome, but *we would appreciate staff elaboration on the decision not to pursue the two actions on PhD requirements recommended by the 2025 Diversity Benchmarks Working Group.*

Diversity

Whilst we acknowledge the progress achieved to advance the Fund’s diversity and inclusion (D&I) indicators for FY2021, more efforts and a sustained commitment are needed to meet the 2025 Benchmarks, which we understand to constitute a floor in representation. Half of the diversity indicators remain below 80 percent of their respective targets. In particular, efforts should focus on the diversity benchmarks where shares have declined, especially for women in the individual contributor level, the ASEAN+ region, and URR nationals at the B4/B5 level. We agree that further progress would require acting on all of the three factors (recruitment, promotions, and separations) contributing to the diverse makeup of Fund staff. While including secondary nationalities may help provide more granular information about some staff, we question the purpose it serves other than to aesthetically improve the outcomes towards the 2025 Benchmarks, instead of working harder to achieve them.

Recruitment

Recruitment is an important element of enhancing diversity at the Fund. We commend staff for making efficient use of the current virtual environment and the subsequent increase in recruitment missions. We are pleased to see some progress towards recruitment targets, unfortunately, recruitment outcomes for MENA+ nationals and women still fall short of targets and require greater effort to achieve the relevant targets. In this regard, we concur with staff that priority should be given to increasing the share of women and MENA+ nationals into the individual contributor category. In addition, redoubling efforts to hire women from URRs for managerial positions is needed. The centralization of recruitment processes has proven effective in delivering better diversity results and we encourage staff to sustain their recruitment efforts through centralized recruitment programs, including the Economist Program and mid-career program, to achieve the recruitment targets.

In the Board discussions on the 2025 URR benchmarks, some chairs sought improvements in the methodology used to determine quantitative benchmarks, in order to remove perceptions of opaqueness or subjectivity. A fair and simple approach that includes core representational factors such as population size is important. From a statistical standpoint, the relative populations of the three URRs will also determine the likelihood of meeting recruitment targets. *On this basis, staff should explore the scope to add about 5 percentage points more to the 30 percent URR allocation and distributing it between URR benchmarks, so they better reflect population sizes.*

We welcome the section in the report that highlights areas of focus required to overcome the recruitment challenges. In this regard, with the Fund set to prioritize work in areas such as climate change, digital money, macro-financial surveillance, FCSs, and inclusive growth and gender, we see an opportunity to boost its recruitment efforts and improve diversity outcomes by taking full advantage of the international mix of skills and specializations in these areas. Meanwhile, we encourage the Fund to consider multi-pronged external recruitment measures to address the under-representativeness of URRs for managerial positions. In this regard, we see merit in restoring the B-level secondment program.

Promotions

External recruitment, whilst a necessary activity to enhance diversity at the Fund, will not alone be sufficient to achieve diversity targets, especially at the managerial level if URR nationals and women do not benefit from equitable career progression/promotion opportunities. We are of the view that external recruitment efforts to enhance diversity should not replace the necessary expansion of internal mobility, including addressing bottlenecks, namely grades and promotions to managerial positions amongst URR nationals and women. Preparing staff adequately for managerial positions allows the Fund to develop its existing talent and help staff achieve their aspirations through career development. Unfortunately for URRs, URR women, and nationals from Other Western Hemisphere, promotion rates are low and continue to fall short of the targets. In this regard, greater departmental accountability should be strengthened and sanctioned.

Economist Career Stream:

Though the A14-A15 bottleneck is a challenge facing all Fund staff, it disproportionately affects URR nationals (specifically staff from ASEAN+ and MENA+), URR women, and staff from Other Western Hemisphere from making it into the pipeline of managerial positions. Although the average rate of promotion for URR women from A14-A15 has risen, it still remains well below the promotion rates for women from other regions. The average rate of promotion from A14-A15 for economists from the MENA+ region is the second lowest compared to the Fund average (slide 20 and Figure 14.1 in the report); *yet, on slide 24, when discussing the areas of focus, staff only mention SSA and East Asia as the two regions to focus on for increasing the rate of promotion and omit MENA+. That same omission is also reflected in the report (paragraph 47). Staff comments are welcome.* The A14 bulge/bottleneck and time-in-grade indicators need a more granular and dedicated analysis. This is crucial to enable the equitable promotions of URR staff to the A15 level, in preparation for a managerial career path.

Promotion into managerial positions: We welcome the progress made in promoting economists from MENA+ from A15 to B1 and the higher share of women promotions into managerial roles, including the most senior levels. However, we are disappointed that the average promotion rates for ASEAN+, Other Western Hemisphere, Transition Countries, and SSA are well below the Fund's average. We deeply regret that the ratio of managers to staff is only 1 in 22 for East Asia, and 1 in 15 for Sub-Saharan Africa, far below the ratio in other regions. Furthermore, promotions for URR women still lag behind the Fund's average. We encourage staff to redouble their efforts to enhance and sustain the achieved progress.

Specialized Career Stream (SCS):

Whilst we welcome the increased average rate of promotions from A14 & A15 to B1 for the MENA+, ASEAN+, and Asia regions, we are greatly disappointed by the shortfall, from the target, for Other Western Hemisphere, Transition Countries, U.S. & Canada and SSA. *We would appreciate staff's clarification on why promotions of SCS staff from the above-mentioned regions, across these grades, is well below the Fund's average. Of particular concern is that promotions of SSA staff are virtually nonexistent (Figure 16.1).* We look forward to staff's continued reporting on promotions across all grades for SCS.

Building a fair, structured, and transparent pathway for all staff to realize their aspirations through career progression should be at the core of the Fund's moral obligation to its hard working and dedicated staff. To that end, clearly defining career-enabling assignments for managerial positions and for grade-to-grade promotions, making these prerequisites well known to all staff concerned, and establishing robust quantitative requirements and criteria for promotion positions will be crucial. This is preferable to relying on imprecise qualitative criteria that may be ambiguously understood and communicated when considering applicants for a position. It is imperative to re-establish credibility in the Fund's promotion processes amongst URR staff and other under-represented groups and restore trust in Management's willingness to create an environment for staff that closely reflects the geographical, cultural, and gender diversity of its membership. *Ratings of staff's performance have been paused for the past 2 years due to COVID, yet promotions are ongoing. Can staff clarify, in the absence of this quantitative rating system, what criteria has been used to justify promotion of some staff over others and how managers ensure fairness and objectivity in their selection? We*

would also appreciate an update on measures being taken to reduce conscious and unconscious bias in career-enabling and promotion decisions. In earlier discussions we indicated outside (HBR) analysis on the shortcomings in the type of training approach used by the Fund, and we would appreciate if and how such analysis has been integrated by HRD and the diversity working group.

Separations

Separation is another channel influencing diversity. By virtue of its share in the population, the highest number of separations occur at the A9-A15 grades for all staff. Nonetheless, men from URRs and women from other regions resign at slightly higher rates than the average, and amongst URRs, MENA+ nationals resign at higher than the average rates. We see merit in paying more attention to this area. Conducting more detailed exit interviews as well as breaking down voluntary resignations by gender, race/region, grade, and time-in-grade would help shed light on reasons behind voluntary resignations and may help the Fund retain its talented and skilled staff.

Equity and Inclusion

By virtue of the Fund's diverse membership, its work environment should be one that fosters and nurtures greater inclusion. As staff aptly state, all employees should feel respected, with their opinions valued, and operate in a safe environment. We welcome the fact that racial equity has gained priority in the Fund's D&I agenda and strongly support Management's zero tolerance of discrimination, bullying, and harassment.

Correcting shortcomings in the Fund's diversity and inclusion profile:

It will be crucial to ***build a robust and detailed data infrastructure*** to enable a more granular and evidence-based analysis of the challenges for a prescriptive set of recommendations. The outcome of the D&I survey should be the basis for assessing the institution's current performance and the foundation for reform, as it provides a qualitative corroboration to the equity challenges facing some Fund staff on a day-to-day basis. *Considering the results of the survey, could staff elaborate on planned approaches to address the current shortcomings and fundamentally drive a more inclusive culture?*

Enhance efforts to achieve the agreed upon diversity targets and avoid aiming for lower targets. We do not support staff's suggestion to "look for synergies and the possibility of grouping together recruitments for specialized economists and specialized career stream positions". If recruitment/promotion targets for URR nationals are still lagging, then the solution would be to work harder to meet them rather than aim for lower or easier targets. Along the same vein, the same argument follows for promoting women from URRs to meet the URR and the gender promotion targets in one action. *We impress upon staff to ensure that all groups are treated equally and fairly.*

Invest in well designed, transparent programs that proactively address ways to achieve the Fund's D&I targets. The recently introduced Sponsorship Program (SP) aims to correct the low representation of URRs in key pipelines for managerial roles. Although its objective is well-intentioned, we have concerns about its design, transparency, its effectiveness in achieving the necessary outcomes, and its monitoring and evaluation. Through our outreach

to some of the participating staff, the main feedback they had was centered around the lack of structure of the program. A few also mentioned that in their interactions with their sponsors and staff, the program fell short of making commitments towards their career development. To date, the SP remains largely unknown amongst Fund staff and some of the current nominees are reluctant to share their experience with other non-nominated URR colleagues for fear of sensitivities. The lack of transparency around the program and its eligibility requirements, its lack of structure and unannounced milestones may undermine confidence in its stated goals. *Why has the program not been announced to all staff? Other issues of concern include, but are not limited to, (i) reasons why time-in-grade has not been included as one of the eligibility requirements; and (ii) the fact that, in the absence of ratings, which have been paused over the past 2 years due to COVID, nominations may seem subjective. On the program's monitoring and evaluation, what milestones are built into the program and how often will they be reassessed for effectiveness? Do the Fund's HR staff have the necessary skillset and training to monitor and evaluate the SP? Staff comments are welcome.*

Finally, strengthening accountability for management at all levels and tying it to consequences would further reinforce the underlying accountability framework.

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GRAY/22/256

January 20, 2022

**Statement by Mr. Moreno, Mr. Guerra, Mr. Romero Tarazona, and Ms. Lankester
Campos on FY2020-FY2021 Diversity and Inclusion Report
(Preliminary)
Executive Board Meeting 22/7
January 24, 2022**

We thank staff for the FY2020-FY2021 Diversity and Inclusion Report. This constituency believes that working in a greater diversity, equality and inclusion within the Fund is core to the Fund's work and mission, and it is the most effective way to send a coherent message to the countries, the world and to all individuals working at the Fund today. **We recognize the advances of the Fund to achieve the 2025 benchmarks, and we broadly support the decision to continue working on this objective to define the set of actions proposed for a two-year roadmap, which includes important challenges on this matter.**

We believe that the 2025 benchmarks framework and recruitment targets have proven to be useful and are pointing in the right direction. They are a tool for accountability as they reflect the Fund's permanently evolving culture toward a truly inclusive and diverse one, as it is the case of its membership. The evaluation of such benchmarks must be dynamic, since at some point it might be necessary to raise some or include new ones. Also, in order to better understand the results of the benchmarks, an analysis on the causes must be considered and permanently reinforced into the system.

Gender balance has improved, but more needs to be done, especially in the case of women accessing managerial roles. We highly welcome the efforts made on the share of women at higher grades, even when it may be uneven across regions. Emphasis must be made to possible changes in order to ensure the long-term overall objective of 50 percent women in managerial roles and also on the economist career stream. Women accounted for only 37 percent of external hires in 2021, lower than in 2020, and the gap between the share of recruitment of men and women in the economist stream is maintained, which calls our attention. We invite HRD to continue working to increase the number of women as economists and new hires. For the latter, given the approved hiring augmentation made by the end of last year, we believe it is a good opportunity for the improvement of some of these

indicators. An internal strategy to proactively identify talent within the possible candidates already working at the Fund, together with a counseling program to improve and develop required skills, shall be considered within the actions of the plan.

On regional diversity, we are concerned by the rates below average of promotion of the “other Western Hemisphere.” We urge staff to assess and address the underlying causes of this trend. *Staff’s comments are welcome.* One of the causes of this concentration may be related to the hiring of professionals with educational background in US, UK and European Universities. We commend the efforts of HRD to identify eligible and high-quality Universities in other regions, and to look for agreements with such Universities to recruit the best talent possible; the IMF’s regional hubs shall be instrumental to this purpose. Even though the Fund is naturally looking for economists, in new times, professional diversity and specialization should also be seen as an opportunity for inclusion. The emergence of macro critical cross-cutting themes such as distributional impact, climate change and environmental issues, new technologies, digitalization, global taxation or political concerns, call for a more discipline-diverse staff to be able to fulfill the Fund’s mandate effectively. We attach value to recruiting staff with diverse educational backgrounds, professional experience, and linguistic skills, in every recruitment process, particularly in mid-career.

We support the objective of inclusion of people with disabilities. We support the mandatory training courses and agree that the principal focus of the D&I policy should remain on gender and regional diversity; but inclusion must be considered along these areas. Along with the stated targets, the Fund must evaluate its infrastructure’s conditions in order to provide the needed technologies and facilities for people with disabilities.

Overall, the Fund has made significant progress but still has to foster diversity, equality, openness and inclusiveness within its culture. Now a days, the country members have a clear compromise on this field, and it must be reflected in the Fund. Furthermore, we concur that the Board of Directors must enhance further its gender diversity as leading by example is the best way to achieve transformational results.

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GRAY/22/263

January 21, 2022

**Statement by Mr. Hendrick and Ms. Bustillo on FY2020-FY2021 Diversity and Inclusion
Report
(Preliminary)
Executive Board Meeting 22/7
January 24, 2022**

We thank staff for the comprehensive FY 2020-FY2021 Diversity and Inclusion (D&I) report and for the useful presentation that provides an update on the status of D&I at the Fund.

We recognize the progress made in the last two fiscal years and we encourage staff in their efforts towards a more inclusive and diverse workplace. We also want to take this opportunity to welcome Catriona Purfield to her first presentation on D&I as head of the Human Resources Department (HRD).

We welcome the improvement in gender balance but emphasize the need for more progress, particularly in reaching gender targets in managerial roles. We note the challenges in recruiting women, which in 2021 accounted for only 37 percent of external hires, lower than in 2020. In particular, we are concerned by the challenges of attracting women in the Economist stream from under-represented regions (URR). We encourage HRD to continue with their efforts to increase the share of women economists.

On geographical diversity, we emphasize the importance of improving the under-representation of URR nationals in managerial roles, which as staff notes, make up for only 17.6 percent, and remain well below the FY benchmark of 28 percent. We note with concern that the rates of promotion have been uneven across regional groups and that nationals from the “Other Western Hemisphere” have been promoted at half the Fund average. We call on staff to address any impediments to more even rates of promotion.

We welcome the Fund’s pivot to virtual events, which has proven to yield good results. The recruitment of people from universities outside the U.S. and the UK can provide different perspectives to policy discussions and enrich the understanding of regional and country specificities. We encourage staff to continue with these efforts even after the resumption of physical recruit missions. However, we note staff’s assessment that despite these efforts, progress on education diversity has so far been limited. We invite staff to identify ways to improve the coverage of educational outcomes, including monitoring the diversity in the Fund’s leadership development programs.

The Fund's efforts on broader diversity, equality and inclusion, including racial equity and people with disabilities, are welcomed. We highlight the importance of fostering a culture of inclusion and welcome the mandatory training courses. We support the points raised by Mr. Dresse, Mr. Voinea, and Mr. Cool on the issues of work permits for spouses and LGBTQI staff and look forward to staff's comments.

Finally, the FY23-25 budget increase is a good opportunity to make progress in D&I objectives. We encourage staff to ensure that recruitment practices are committed to this purpose. D&I is a business priority for our institution. In this vein, we would like to reiterate our satisfaction with the approval of the inclusion of an expanded non-discrimination clause in the high-level principles that govern the IMF employment policies in the Staff Handbook. The latter is a clear internal and external message on the direction of the Fund and its seriousness to reach the D&I goals. Focusing now on the internal message, we are of the view that reinforcing departmental accountability would increase ownership to reach the D&I 2025 benchmarks. As we see it, if the right incentives are set on department heads, to align their goals swiftly and successfully with HRD principles, the implementation of D&I goals seems within reach. The ultimate objective is for staff to be assured that managers are striking a fair balance between hiring and promoting women and candidates from URR, and meritocracy. Ownership needs to go along with departments assuming a 'cost' for not making efforts towards achieving the D&I goals. Otherwise, a successful HRD first-screening process might not be reflected in a successful hiring/promotion outcome at the end of the day.

FY2020-FY2021 Diversity & Inclusion Report

Responses to Technical Questions Posed by Executive Directors in Advance of
EBM/22/7—January 24, 2022

Staff's responses to technical questions are below. Questions on the topic of promotions will be addressed in staff's intervention at the Board meeting.

Diversity

1. **We noted a sharp fall in the East Asian share of managerial roles from 6.8% in FY2020 to 6.1% in FY2021 following a steady improvement path in recent years. Could staff elaborate more on the drivers behind this steep and sudden fall?**

Staff would like to emphasize that this drop in the share of East Asian nationals is partly due to small numbers. In this case, the net drop of 4 staff accounts for the perceived “steep” drop in the share. In addition to a slightly higher retirement rate of B level staff and fewer managerial external hires in the last couple of years (1 B-level in CY2020 and CY2021; and 0 in CY2019). Though not reflected in the data covered by the report, the recent appointment of the Chief Information Officer – an East Asian national, will be included in future Benchmark updates. The promotion of East Asian staff was also below the Fund-wide average for 2017-2021, contributing to the drop in the share.

2. **On regional diversity, we are concerned by the rates below average of promotion of the “other Western Hemisphere.” We urge staff to assess and address the underlying causes of this trend. Staff’s comments are welcome.**

Staff acknowledge that this deserves further analysis and will be working with departments to ascertain and address the underlying causes.

3. **In the Board discussions on the 2025 URR benchmarks, some chairs sought improvements in the methodology used to determine quantitative benchmarks, in order to remove perceptions of opaqueness or subjectivity. A fair and simple approach that includes core representational factors such as population size is important. From a statistical standpoint, the relative populations of the three URRs will also determine the likelihood of meeting recruitment targets. On this basis, staff should explore the scope to add about 5 percentage points more to the 30 percent URR allocation and distributing it between URR benchmarks, so they better reflect population sizes.**

The 2025 Benchmarks Working Group evaluated a number of different methodologies to set the benchmarks, including population size, but ascertained that using different inputs would not result in a significantly different outcome than the methodology which has been in place since the implementation of benchmarks. As such, the Working Group decided to recommend maintaining the existing methodology, which was approved by Management. The benchmarks framework is updated every 5 years following an in-depth analysis by an inter-departmental working group. The methodology will be reviewed during the next update, starting in FY 2025 for implementation in FY 2026.

4. **Staff’s comments on potential reasons why women are more represented amongst URR nationals than in Other Regions would be welcome.**

Staff would need to conduct further analysis to be able to proffer likely reasons for the stock differential of women between URR and non-URRs. Subject to resource

availability and conflicting priorities, staff will endeavor to undertake such analysis in time for the D&I update to the Board (informal to brief) in the course of FY2023.

5. **Furthermore, we would be remiss not to acknowledge efforts to enhance gender representation at OEDs, taking into account the overall staffing mix. Could staff provide the breakdown of gender composition if taking into account advisors, senior advisors, and office assistants?**

Please see below a table with the breakdown of the gender composition for the various roles in the Board and ED Offices as of December 31, 2021:

Board and ED Offices Gender Composition (December 31, 2021)					
Role	Women		Men		Total
	#	%	#	%	
Executive Director	4	17.4	19	82.6	23
Alternate Executive Director	3	10.7	25	89.3	28
Senior Advisor	14	28.6	35	71.4	49
Advisor	37	35.9	66	64.1	103
Research Officer	2	100.0	0	0	2
Assistant	47	92.2	4	7.8	51

6. **As our Constituency comprises 10 members considered in this category, we welcome the increased attention paid to these Transition Countries as a separate group, and the findings regarding the higher share of women from these countries, as well as the need for increased representation of the region in higher positions. Nevertheless, this group appears to be highly heterogenous, and this classification appears significantly different from the taxonomy used by Fund's research reports, such as the Regional Economic Outlook. Therefore, we would suggest using the latter to better distinguish between countries at very different development stages. Moreover, it is unclear from the Report whether this region is underrepresented; if this is the case, then it should be formally added to the other URRs. Staff's views are welcomed.**

Using the current list of Transition Countries, the group is not under-represented. As with other regional groups, however, there are individual countries within the group for which representation is below the quota share – one of the indicators, along with intensity of the Fund's business used in the methodology to ascertain representation.

7. **A recent SAC survey indicates that protracted uncertainty about spouse employment negatively affects the appetite to work for the Fund, and hence geographical diversity. Staff's comments are welcome.**

Staff are aware of the challenges around spouse employment authorizations, which has also been raised in the Recruitment and Retention board paper and are in dialogue with US authorities on this matter.

8. **We invite staff to report to the Board on difficulties faced by LGBTQI staff and their spouses (or spousal equivalents) on obtaining visa and work permits when applying for non-DC based resident staff positions, as well as on ways to assist staff when facing these difficulties. Staff's comments are welcome.**

HRD successfully worked with the relevant ED Office to resolve the only such situation that arose last year. Staff facing similar difficulties should bring their concerns to the attention of their head of department or another trusted colleague such as the SHRP, HRBP, HROps, the D&I Office, or the dedicated network, IMFGLOBE. HRD will work with the department, LEG, management, and the relevant ED office to assist staff.

9. **Prior to 2018, same-sex spouses of Fund employees were exempted from the marriage requirement to be eligible for a G4 dependent visa, provided that proof could be delivered of durable cohabitation prior to applying. This was critical for prospective LGBTQI Fund staff from countries where same-sex marriage is illegal, or where same sex relations are criminalized. We urge staff to advocate a return to the pre-2018 regime in their outreach to the US authorities. Staff's comments are welcome.**

HRD appreciates the difficulties presented by the new G4 visa program marriage requirements for some same-sex partners. We will explore with other IFIs effective ways to advocate for a return to the pre-2018 regime in their outreach to the US authorities.

Recruitment

10. **While we understand that the results of outreach and sourcing activities can take several years to bear fruit, could staff share their views on what actions are needed to further promote educational diversification?**

The Fund continues to enhance its sourcing for URR nationals who tend to bring the most varied educational diversity. Previous data has also shown that URR candidates with graduate degrees tend to complete these degrees in universities in Europe and North America. Outreach to an increased number of universities in URRs has been considerably expanded through virtual missions during the COVID pandemic. Further information will be provided in the upcoming Recruitment and Retention board paper.

11. **What is staff' assessment of whether the upcoming budget augmentation (for the Fund to expand resources in new business priorities such as climate change, which are in some ways, different from the traditional macroeconomic focus) will help address, or further exacerbate, the issue of overrepresentation by certain educational institutions? Do staff envisage these institutions to be also where the bulk of expertise in these new business priorities reside?**

The augmentation provides a unique opportunity to make progress on Diversity as we expect an increase in staff of about 6 percent over the next 3 years. There is no presumption that hiring will be concentrated in specific or even traditional universities. In fact, the goal will remain to increase the representation of URR nationals based on our D&I benchmarks. In addition, the sourcing strategy is already relying on new technologies to further our outreach to less traditional universities and employers, including institutions located in URR regions. In some cases, there is significant talent in URR regions (e.g., Digital Money in Africa) and we hope that this is an opportunity to increase educational diversity as we increase the geographical diversity of staff. Staff will also explore using talent seekers in regions to further expand the sourcing efforts. This approach has already been used by some departments (OIA, ITD) with varying results, but every avenue must be explored to increase the chances of attracting the best candidates.

12. **The OIA's recent audit of the Fund's overseas presence concluded that establishing a local employment framework is a high-impact rated issue that should be urgently implemented, including robust frameworks governing local economists. We**

encourage the Diversity Advisor to integrate the D&I considerations into the ongoing work in response to the OIA recommendation. Staff's comments are welcome.

The current review of local employee practices has a specific scope that focuses mainly on enhancing the compensation (including the salary scales), insurance, and leave policies for local employees, as required under the Comprehensive Compensation and Benefits Review. This particular review doesn't address the employment framework and alignment with the HQ staffing model, but staff acknowledge these are important issues to address once this initial review is completed.

In relation to the current review but as a separate initiative, the FCS working group is currently performing an assessment to develop strategies for Regional Technical Assistance, Resident Representative, and Training offices-based staff, with potential implications to the Fund's broader employment framework for these offices, including the possibility of differentiated benefits and other career incentives. It appears to make more sense that D&I considerations are integrated into the FCS strategy as this is more comprehensive in nature.

Currently local staff are not counted in the D&I benchmarks or recruitment targets due to the differentiated employment conditions.

13. **Recognizing that women are underrepresented in the economics field writ large, could staff comment on whether there is scope to expand internship and other early career opportunities at the Fund to enhance the experience and qualifications of women interested in seeking employment at the Fund and other similar international institutions?**

The Fund Internship Program (FIP) was expanded significantly over the last 2-3 years to increase the hiring of diverse candidates into the program – women and URR nationals. The internship experience provides a very strong opportunity for joining the Economist Program (EP). Close to half of all EPs hired are former interns.

In addition, a review of the Special Appointee Program (SAP), the Research Assistant Program (RAP), and the Fund Internship Program (FIP) are planned as part of the 2-Year Framework proposed in the Report.

14. **If recruitment/promotion targets for URR nationals are still lagging, then the solution would be to work harder to meet them rather than aim for lower or easier targets. Along the same vein, the same argument follows for promoting women from URRs to meet the URR and the gender promotion targets in one action. We impress upon staff to ensure that all groups are treated equally and fairly.**

Staff confirm that there is no plan to lower or make targets easier to achieve. Considerable efforts have been and will continue to be made to further progress in reaching the benchmarks by end FY2025. Data shows that women are under-represented, as are nationals from East Asia, MENA+, and Sub-Saharan Africa, so addressing these two issues will remain the main priority going forward both in terms of external recruitment and promotions.

Promotions

15. **Nonetheless, we wonder if staff has an explanation as to why there have been no promotions of staff from Sub-Saharan Africa from A to B level since 2015 and why are staff from "Other Western Hem" lagging in promotions?**

16. **The average rate of promotion from A14-A15 for economists from the MENA+ region is the second lowest compared to the Fund average (slide 20 and Figure 14.1 in the report); yet, on slide 24, when discussing the areas of focus, staff only mention SSA and East Asia as the two regions to focus on for increasing the rate of promotion and omit MENA+. That same omission is also reflected in the report (paragraph 47). Staff comments are welcome.**
17. **Whilst we welcome the increased average rate of promotions from A14 & A15 to B1 for the MENA+, ASEAN+, and Asia regions, we are greatly disappointed by the shortfall, from the target, for Other Western Hemisphere, Transition Countries, U.S. & Canada and SSA. We would appreciate staff's clarification on why promotions of SCS staff from the above-mentioned regions, across these grades, is well below the Fund's average. Of particular concern is that promotions of SSA staff are virtually nonexistent (Figure 16.1).**
18. **Ratings of staff's performance have been paused for the past 2 years due to COVID, yet promotions are ongoing. Can staff clarify, in the absence of this quantitative rating system, what criteria has been used to justify promotion of some staff over others and how managers ensure fairness and objectivity in their selection? We would also appreciate an update on measures being taken to reduce conscious and unconscious bias in career-enabling and promotion decisions. In earlier discussions we indicated outside (HBR) analysis on the shortcomings in the type of training approach used by the Fund, and we would appreciate if and how such analysis has been integrated by HRD and the diversity working group.**

Staff will respond to questions on promotions during the Board Meeting.

19. **Since EDGE had recommended that a Sponsorship program target women and women are also not well-represented among managerial roles, could staff elaborate on their decision to focus the pilot program on URRs and the potential to target women in subsequent cohorts?**

At the time of the recommendation EDGE (Economic Dividends for Gender Equality) focused solely on gender matters, while the scope of the Fund's diversity efforts is much broader. The pilot program's objective is to address one of the most urgent needs - the low representation of URRs in key pipelines for managerial roles and in managerial roles, themselves. The overall goal was to include the best possible URR candidates in the pilot and during the selection process we considered a balanced regional representation amongst URRs and the need for more women leaders in the future. As a result, there are slightly more women than men in the current cohort of participants. Upon evaluation of the pilot, HRD intends to roll out the program more formally and include other groups in the Fund

20. **Why has the program not been announced to all staff? Other issues of concern include, but are not limited to, (i) reasons why time-in-grade has not been included as one of the eligibility requirements; and (ii) the fact that, in the absence of ratings, which have been paused over the past 2 years due to COVID, nominations may seem subjective. On the program's monitoring and evaluation, what milestones are built into the program and how often will they be reassessed for effectiveness? Do the Fund's HR staff have the necessary skillset and training to monitor and evaluate the SP? Staff comments are welcome.**

The Sponsorship Program is currently in a pilot phase. Generally, pilot programs are not announced to all staff as their scope is limited and participants are selected based on

nominations from departments. Time in grade is not seen as a good indicator of sustained good performance over a period of years, which was one of the selection criteria for the program. On the monitoring and evaluation, we are conducting regular check-ins with sponsors and participants, individually, as separate groups, and as a whole. In a recent meeting, Participants expressed a high level of satisfaction with the program to date, though some did express that they did not feel their relationship with their Sponsor was currently where it should be. We are working with both parties to address these challenges. We are also conducting pulse surveys. We will conduct a mid-program review after 12 months and a full review after the 2-year pilot ends. Fund staff do have the necessary skillset and training to monitor the program, we are also consulting with an external partner to ensure that we also benefit from independent external experience, advice, and input.

21. Can staff provide preliminary feedback regarding the Sponsorship Program?

The Sponsor/Participant relationships started in September 2021, so we are still in the very early months of the pilot program. In a recent meeting, the following words were used by Participants when asked how they felt about the program so far: “a good start, amazing, inspiring, progressing, encouraging, insightful, helpful, useful, impactful”. We are encouraged by this feedback but are also aware that the relationships between Sponsors and Participants are still at different stages for each pairing. We will have a meeting with all Sponsors to gather their feedback in early February. In our regular check-ins with Participants, we are providing guidance on topics such as building a power base, executive presence and other leadership competencies and skills. We have also provided both Sponsors and Participants with tailored playbooks which provide detailed guidance on building and maintaining the Sponsor/Participant relationship, identifying a clear career path, how to initiate goal setting and identify milestones, and creating a network of supporters and champions.

22. D&I potential of internal promotions, career management and retention should be fully unlocked. As an example, in Annex II staff indicate that the comprehensive policy recommendation “to sponsor existing staff for further studies, including PhD programs, to strategically close skill gaps while enhancing diversity” is not being pursued. We wonder why this recommendation is not being implemented, and, more broadly, would like staff to elaborate more on the envisaged Fund-wide talent inventory and workforce planning exercises in the context of the D&I strategy implementation.

Annex II provides an overview of all the actions recommended in the 2019 D&I Report and the 2025 Benchmarks Working Group paper, the implementation of which was foreseen over a 1-to-5-year period. It is not possible to implement all recommended initiatives in the short-term, so some need to be looked at on a longer-term horizon. Given the high workload in HRD and across the Fund, where departments have to work in partnership with HRD and the D&I Office, the resources needed, and capacity to deliver on some of the recommendations, a decision was taken to defer the analysis into the feasibility of some of the proposals to a longer-term horizon.

A workforce planning and talent inventory framework is currently under development and will be further elaborated in FY2023. In the meantime, an ongoing Talent Review and Leadership Development Center continues to be conducted for B3 staff, as a pipeline for B4/B5 levels. Additionally, staff have the possibility to enter their skills, competencies, and important assignments/projects into the new Workday system, which will help build

the talent inventory, however, uptake is currently low and HRD is considering a communications campaign to encourage staff to complete their online profiles.

Holding Managers Accountable

23. Could staff provide guidance or a schematic overview of the roles and responsibilities of the various diversity and inclusion resources, groups, and programs available to employees?

Diversity & Inclusion at the Fund is under the responsibility of DMD Sayeh, who is also the Chair of the Inclusion & Diversity Council. The Council members are primarily the Heads of Departments or their designated Deputy, and also includes representatives from the smaller Offices reporting directly to OMD and the Staff Association Committed.

Diversity Reference Groups (DRGs) are embedded in each department and are made up of volunteers who are eager to advance the department's initiatives to foster a more inclusive work environment. DRGs work with the departments' senior management and HR teams to effect change. To recognize their contributions, DRG members are encouraged to include their diversity and inclusion activities in their Annual Performance Review objectives.

Staff Clubs, also known as Employee Resource Groups (ERGs), Affinity Groups, or Networks, are communities of staff who share a common interest and are informal networks organized and run by staff members. Diversity-related ERGs include, amongst others IMFGLOBE, Women in IT, various regional groups, the Network of Black Staff, and the IMF Young Professionals (IMFYP)

24. While welcoming HRD's efforts in undertaking the 2021 Diversity and Inclusion survey, we are hugely disappointed to hear reports of staff "not feeling valued or respected due to their identity; experiencing and witnessing unconscious bias, discrimination, and harassment; reluctance to report for fear of retaliation, or a lack of trust in the Fund's safeguarding mechanisms." The culture of the Fund should be inclusive of different religions and cultures, generational differences, disability/different abilities and staff identifying as LGBTQ+, as we know the benefits that broad diversity and inclusion can bring to decision making, policy discussions, and can also lead to overall better outcomes. Can staff provide an update on progress to date in ensuring that these concerns will be addressed?

Staff in the D&I Office are currently engaging with departmental management, HR, and Diversity Resource teams to discuss their individual results. Management has requested that Departments develop action plans to address the particular challenges raised in their survey results. These will be aggregated, and the D&I Office will present a full report with recommendations for institution-wide actions to be undertaken. As we anticipate some overlap with the recommendations from the Racial Equity Advisory Group, staff intends to provide Management with a combined set of recommendations in the first quarter of FY2023. We will provide an update to the Board during the scheduled informal session towards the end of CY2023.

25. Considering the results of the survey, could staff elaborate on planned approaches to address the current shortcomings and fundamentally drive a more inclusive culture?

The Diversity & Inclusion Office is working closely with the Office for Innovation and Change, the Staff Association Committee, and the Organizational Effectiveness division

CONSTITUENCY CODES

OEDAE

Angola, Botswana, Burundi, Eritrea, Eswatini, Ethiopia, The Gambia, Kenya, Lesotho, Liberia, Malawi, Mozambique, Namibia, Nigeria, Sierra Leone, Somalia, South Africa, South Sudan, Sudan, Tanzania, Uganda, Zambia, and Zimbabwe

OEDAF

Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Comoros, Democratic Republic of Congo, Republic of Congo, Côte d'Ivoire, Djibouti, Equatorial Guinea, Gabon, Guinea, Guinea Bissau, Madagascar, Mali, Mauritania, Mauritius, Niger, Rwanda, São Tomé & Príncipe, Senegal, Togo

OEDAG

Argentina, Bolivia, Chile, Paraguay, Peru, and Uruguay

OEDAP

Australia, Kiribati, Korea, Marshall Islands, Federated States of Micronesia, Mongolia, Nauru, New Zealand, Palau, Papua New Guinea, Samoa, Seychelles, Solomon Islands, Tuvalu, and Vanuatu

OEDBR

Brazil, Cabo Verde, Dominican Republic, Ecuador, Guyana, Haiti, Nicaragua, Panama, Suriname, Timor-Leste, and Trinidad and Tobago

OEDCC

China

OEDCE

Colombia, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, and Spain

OEDCO

Antigua and Barbuda, The Bahamas, Barbados, Belize, Canada, Dominica, Grenada, Ireland, Jamaica, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines

OEDEC

Austria, Belarus, Czech Republic, Hungary, Kosovo, Slovak Republic, Slovenia, and Turkey

OEDFF

France

OEDGR

Germany

OEDIN

Bangladesh, Bhutan, India, and Sri Lanka

OEDIT

Albania, Greece, Italy, Malta, Portugal, and San Marino

OEDJA

Japan

OEDMD

Afghanistan, Algeria, Ghana, Islamic Republic of Iran, Libya, Morocco, Pakistan, and Tunisia

OEDMI

Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Maldives, Oman, Qatar, United Arab Emirates, and Yemen

OEDNE

Andorra, Armenia, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Georgia, Israel, Luxembourg, Moldova, Montenegro, Netherlands, Republic of North Macedonia, Romania, and Ukraine

OEDNO

Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway, and Sweden

OEDRU

Russian Federation and Syrian Arab Republic

OEDSA

Saudi Arabia

OEDST

Brunei Darussalam, Cambodia, Fiji, Indonesia, Lao People's Democratic Republic, Malaysia, Myanmar, Nepal, Philippines, Singapore, Thailand, Tonga, and Vietnam

OEDSZ

Azerbaijan, Kazakhstan, Kyrgyz Republic, Poland, Serbia, Switzerland, Tajikistan, Turkmenistan, and Uzbekistan

OEDUK

United Kingdom

OEDUS

United States