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September 17, 2021

**Joint Statement by Mr. Pösö, Mr. O'Brolchain, Ms. Cunningham, and Mrs. Allika on  
Eleventh Periodic Monitoring Report on the Status of Management Implementation  
Plans in Response to Board-Endorsed IEO Recommendations  
(Preliminary)  
Executive Board Meeting  
September 22, 2021**

We thank the Office of Internal Audit for the comprehensive and informative Eleventh Periodic Monitoring Report (PMR). Effectively following up on the IEO recommendations supports the IMF's external evaluation and helps the Board with its governance and oversight responsibilities. **We support the proposed decision and offer the following comments and suggestions on the report.**

On progress:

**We welcome the substantial progress made on implementing management actions, even with the many challenges imposed by the pandemic.** We positively note that the pace of implementation of IEO recommendations observed in the Eleventh PMR has picked up considerably, with the 29 actions closed, compared to about 15 implemented actions per year previously. We welcome the news that strong progress has been made, especially on the recent IEO evaluations on IMF Advice on Unconventional Monetary Policies and IMF Financial Surveillance.

**At the same time, there are still 35 open actions in this PMR with 16 overdue more than one year and 8 actions to be reformulated.** We note that over half of these overdue actions are from the 2016 IEO Report entitled Behind the Scenes with Data at the IMF.

We take note that due to a reprioritization of activities in response to the COVID-19 pandemic, the initial six-month objective to reformulate actions in categories 2 and 3 to make them SMART is now postponed till the end of this year and that this process is expected to take place in the last quarter of 2021.

On the impact of slippages:

**We appreciate that Staff have provided a chapter on the impact of slippages in the implementation of open management actions**, as requested by many Directors during the Board's discussion on the Tenth PMR. This provides a helpful initial assessment of these impacts.

We welcome Staff's plan to present a proposal for a fully-fledged framework for measuring the impact of slippages to Management and the Evaluation Committee of the Board before the end of this fiscal year. We concur with Staff's view that it is important to design processes that will better define "impact" ex-ante, to add value to the assessment of subsequent slippages in implementation actions. It is also essential to analyze the multiple actions that are proposed in response to a single recommendation in respect of their collective effectiveness, rather than individually.

A fully-fledged impact assessment can provide the Board with a more nuanced understanding of slippage impacts. For example, delays of some recommended actions that are more closely related to core operations, or are more complex than others, could have a larger impact on outcomes than other recommendations. We look forward to engaging with Staff further as they develop their approach to assessing these impacts *but would appreciate Staff's comments on the main elements of the envisaged fully-fledged impact assessment.*

On specific open actions

**We welcome progress being made on the recommendations from the 2018 IEO Report on the IMF and Fragile States.** In particular, we look forward to Staff's presentation of a full strategy on the Fund's engagement with FCS later this year, and to learning more about the effectiveness of HR strategies being implemented for FCS teams.

We share the IEO's concerns about the cumulative effects of long-standing open actions and **reiterate that a high country-team turnover and inadequate handover procedures could be an obstacle** to establish an in-depth understanding of country circumstances and develop trusted relationships.

**We also share the IEO's disappointment with the delay in the completion of the inventory of financial skills and the workforce analysis** coming from the financial surveillance evaluation, particularly in the context of proposals to expand the IMF's financial expertise.

**For the 2016 IEO report on Data, nine actions remain overdue.** While we recognize the complexity of many of the data-related actions, and the cascading effect of delays in some prerequisite actions, notably the CSR – it is now 5 years since these recommendations were made. We note that Staff now see several items as substantially complete, and we look forward to the results for these actions.

Overall, we appreciate Staff's strong efforts in reducing the backlog of open actions and for the detailed reporting for this follow-up process and look forward to the completion of the remaining recommendations.