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**Statement by Ms. Mannathoko, Mr. Nakunyada, Mr. Garang, Mr. Jappah, and Mr. Abdullahi 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 (OIA) for the comprehensive report on IMF department performance against agreed targets in management implementation plans (MIPs). Out of the 72 outstanding actions from the 10th Periodic Monitoring Report (PMR), 40 percent have been completed during the 11th PMR (Figure 2 pie chart), which is a major improvement over the previous PMRs. This, however, reflects progress in a limited number of departments that have made tangible progress in implementing MIP actions despite the challenges brought by COVID. We commend the significant progress over the past year, on actions stemming from the evaluations of IMF Advice on Unconventional Monetary Policies (2019) and IMF Financial Surveillance (2019). We encourage the relevant departments to sustain this implementation rate. That said, the number of outstanding and overdue actions from other departments that are critical to the Fund's mandate remain a concern. Of the 35 actions still outstanding (excluding the 8 to be reformulated) 16 actions (46 percent) are a year or more overdue. The responsible departments may need a systematic process for delivering on MIPs, where individual staff deliverables in a given year adequately reflect commitments made in MIPs. There is need to strengthen performance management skills and ensure timely delivery of agreed action items. This is important as new evaluations are currently underway and will generate new MIPs and actions, generating more pressure including on Fund resources. *Staff views are welcome.*

SMART Actions

Actions presented in MIPs should be SMART (specific, measurable, attainable, relevant and timebound). In the summing up from the Board meeting on Categorization of Open Actions in Management Implementation Plans in February last year, Directors stressed that the reformulation of eight long-standing actions should tackle the root causes of the implementation challenges, while being SMART and meeting the thrust of the underlying

IEO recommendations. We would like to highlight this again ahead of the planned reformulation, noting that the 10th PMR indicated that the reformulation would now take place in the last quarter of 2021. *We therefore look forward to reviewing the eight reformulated actions by year end. In this regard, could staff update us on progress in the reformulation of these actions?*

We note the various reasons given for delays, but observe that if actions are SMART, they should be attainable within the specified timeframe (timebound). The explanation that some tasks were contingent upon completion of other delayed workstreams (including the Comprehensive Surveillance Review, and the Review of the Financial Stability Assessment Program) suggests more planning may have been required when targets for these actions were presented in the 10th PMR. While we note that implementation of some actions was constrained by re-prioritization and resource re-allocation in the wake of the pandemic, nevertheless, the low implementation rate for MIP actions (with 46 percent of open actions overdue and an additional 8 actions awaiting reformulation), may suggest a need to review the planning, sequencing, and prioritization process around MIP actions in relevant departments, alongside the need for a cultural shift, going forward. We are particularly concerned at the significant work that remains outstanding from the MIP on *Behind the Scenes with Data at the IMF (2016)* where only 28 percent of agreed actions have been implemented in 5 years. This delay is reflected in things like late Reviews of Data Provision to the Fund for Surveillance Purposes, some of which have been shifted further to 2022. *Could staff elaborate on what the constraints to delivery are in cases where substantial work remains outstanding.*

We are supportive of inter-departmental collaboration; however, we note that some actions involving multiple departments face continued delays. Against this background, we stress the need for closer attention to when and how actions will be implemented across departments, and for better role clarity across departments, with alignment of priorities particularly for complex assignments in which delivery by one department is intricately bound to delivery by another. Relatedly, paragraph 10 states that “in practice, the value placed by different departments on these actions sometime varies”, meaning that departments tend to place different value on each task. We believe this can be overcome with careful attention to planning for implementation of actions, when the actions are formulated. As noted, before, when actions and associated delivery dates are crafted, ensuring they are SMART means giving due attention to the realism required to deliver the actions and meet targets.

Overdue Actions and Impact of Slippages in Implementation

We welcome Table 1 of the report, which summarizes the status of overdue actions, and new target dates. Looking at the table, we are concerned that pertinent issues germane to low-income countries (LICs) remain outstanding including work on Fragile and Conflict Affected States (FCS), Social Protection, and the IMF as a Trusted Advisor. Some accompanying insight on the impact of slippages would be of value. During the 10th PMR discussion, Directors sought an assessment in subsequent PMRs of the impact of slippages in the implementation of open actions. We, therefore, hope to see a clear analysis of the impact of delayed MIP actions on the Fund’s work and service delivery in the next PMR, and welcome the OIA’s plan to engage concerned departments for the assessment of the impact of slippages in the implementation of MIP actions.

- **The IMF and Fragile States (2018)**

We welcome progress on the IMF’s work in FCS, including the initial proposals presented by staff in July 2021, and look forward to formal presentation of the FCS Strategy to the Board by end 2021. For key actions that remain open, and we urge staff to craft a credible implementation plan and roadmap in the strategy. Considering the relevance of CD in FCS, we also urge completion of the framework for CD financing and note that it should be flexible enough to accommodate emerging demands from LICs/FCS. We are pleased to note staff’s expectation that the share of CD delivery to FCS will increase. Furthermore, we take positive note of MCM’s work on building capacity on monetary and financial policies in FCS, but we are concerned that completion of subsequent work by STA in a companion paper is conditioned on “availability of resources and priorities...”. The FCS workstream ranks high on our countries’ priority list, and we urge staff to advance this work given its increased relevance in the post-COVID-19 era. *Staff comments are welcome.*

- **The IMF and Social Protection (2017)**

We recognize the Fund’s support to member countries in the containment, stabilization, and recovery phases of the COVID-19 pandemic, in the form of emergency financing, how-to-notes, and other technical papers. Nevertheless, we note that the guidance note to support the overarching framework for engagement on social protection is yet to be completed. Since the pandemic has reversed hard won gains on poverty alleviation in many of our countries, and the current trend of social unrest witnessed across the globe has amplified social and political risks in some cases, we wish to highlight the urgency of this work. Timely delivery on the three outstanding IEO recommendations covered in the two remaining actions will be important. We stress the urgent need for the Fund to strengthen its engagement strategy to be able to adequately guide support for large and severely impacted informal sectors that provide livelihoods to large populations, and to help countries better cushion impacts on vulnerable households, in the wake of the pandemic.

- **The Role of the IMF as Trusted Advisor (2013)**

The role of the Fund as a trusted advisor has become increasingly pertinent with the increased engagement of countries in Fund programs and rising demand for policy guidance on emerging issues such as digitalization and climate change. At the same time, traction remains intricately bound to perceptions about the quality of advice and sound relations with the authorities. In this regard, progress on the outstanding deliverable on staff diversity is important. As noted in the November 2020 diversity report, there is increasing evidence that a diverse and inclusive workplace helps create more innovative, vibrant and successful ideas, strategies and products. Improving staff diversity and inclusion is essential for the Fund to better serve its membership as a trusted advisor, and so remains a top priority for Chairs of underrepresented regions (URRs). The Fund should continue to strive for a professional staff complement that better reflects its membership. For example, SSA member states comprise 28 percent of the total Fund membership, but only 8% of Fund professional staff. A more diverse professional staff will allow the institution to draw on different perspectives, insights and experiences, enhancing the quality and evenhandedness of decision making. Measures to support the MIP action

should seek to remove the glass ceiling for SSA nationals, address missed SSA hiring targets and reverse the decline in net inflows of SSA staff cited in the November 2020 report.