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GRAY/22/3207

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December 14, 2022

**Statement by Mr. Bevilaqua, Mr. Saraiva, and Ms. Florestal on Implementation Plan in Response to IMF Executive Board and Management Endorsed Recommendations of the 2022 Institutional Safeguards Review (Preliminary) Executive Board Meeting December 16, 2022**

Ensuring highest standards in institutional governance and data and analytical integrity is paramount to the IMF's ability to deliver on its mandate in an effective, evenhanded, and impartial manner. We therefore commend all parties (the Board Steering Group, staff working groups, the External Panel of Experts, IMF management, SAC) for their contribution to the delivery of the detailed implementation plan (IP) by the end-2022 deadline.

**We take positive note of the projected end-CY2023 deadline for the implementation of most of the recommendations that were endorsed and call for their diligent and timely achievement.** We also take note of staff's judgment that they can be implemented with existing resources and the assurance that resourcing of IP-related actions will be incorporated in the annual budget process. We welcome the use of best practices among other international organizations. We expect all remaining recommendations and defined actions to be addressed by the CY2024 target. We generally agree with the thrust of the analysis and the line of reasoning behind the recommendations that were judged to require further consideration or were rejected. Nonetheless, we wish to make a few remarks.

**Analytical integrity requires staff's effective independence in analysis and safeguard from undue influence from all sources including the Board.** We look forward to the elaboration of the principles guiding the terms of OED engagement in staff's conduct of analytical work, which should be done by the Steering Group in close consultation with all Board members and management. We agree that protecting staff's analytical independence from undue influence is critical. That said, country authorities must be reassured that the principle of "no surprises" would be always respected. The candor of staff's analysis should be grounded on open and candid dialogue with country authorities and OED, making sure

that all points are clearly spelled out before their “crystallization” in staff reports. Relatedly, we think the current effort offers a good opportunity to revisit the framework to deal with complaints about lack of evenhandedness in surveillance and program work. Also, we would like to reiterate the importance of strengthening the framework to mitigate the risk of leaks of confidential documents and information as this is key for the role of the Fund as a trusted advisor. Serious leak episodes should be addressed timely and forcefully to set a high standard and disincentivize risky, negligent, or intentional behavior.

**We also renew our call to an early and effective review of the Transparency Policy (TP) which we consider overdue.** As Ms. Riach and Mr. Chrimes in their Gray, we believe the review of the TP is an integral part of the overall framework of ensuring analytical integrity and a candid and constructive relationship among staff, OED, and country authorities. While the TP is key to insulate staff from undue influence, its application has been a source of mostly preventable attrition with country authorities and OED. Again, analytical integrity calls for open engagement with the authorities based on candid policy dialogue, in which divergences are clearly spelled out. Given that the last TP review took place almost ten years ago, we look forward for the review to begin early next year.

**The Fund’s DRS, Ethics and Integrity Offices remain critical channels for staff to voice their concerns and enhancing trust in the framework for internal dispute resolution is fundamental.** Staff’s concerns must be addressed in a timely, transparent, and evenhanded manner without fear of retaliation. We support the strengthening of the independence of the DRS offices by providing a specific category of term appointments. We look forward to the development of the standalone Whistle Blower Policy as well as the Task Team’s proposals to reduce formality and litigiousness of the Grievance Committee process and its proposals to address the intended nature and scope of the Staff Legal Counsel’s (SLC’s) functions and terms and conditions of appointment. Nonetheless we would have expected the integration of SLC’s costs before the FY25 budget process. *Staff’s comments would be welcome.*

**Strong management leadership and relentless commitment of the Executive Board is required to ensure that an appropriate and visible tone is set on issues of governance and staff voice.** A cultural change will indeed be necessary to break the “silo culture” and promote a true “speak up culture”. While acknowledging that cultural changes take time, we urge all relevant stakeholders to start taking the steps in that direction soon. Training at all levels (supervisors and staff alike) will be instrumental. It is our view that the Offices of the Executive Directors at the Board must lead by example. Hence, we would support that OED personnel have access to formal DRS with due attention paid to the peculiar characteristics of OED offices. We look forward to CAM’s deliberations and recommendations on this delicate topic.

Finally, we would like to thank Ms. Riach and the Board Steering Group members for their invaluable contribution to this critical process.