



Executive Board Minutes 22/69-2

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IMF Strategy Toward Mainstreaming Gender

Documents: SM/22/155; SM/22/156 and Sup. 1

Staff: Sahay, DMD; Fabrizio, SPR; Kolovich, SPR

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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 IMF Strategy Toward Mainstreaming Gender. They noted that the strategy is particularly timely given the current economic uncertainties and recent shocks, which are exacerbating pre-existing gender gaps.

Directors recognized that reducing gender inequality can increase economic growth, reduce inequality, and foster economic and financial resilience. Well-designed macroeconomic and financial policies can support efficient and inclusive outcomes and equitably benefit women, girls, and the society in general. In this light, Directors broadly supported the strategy, with most concurring that narrowing macrocritical gender gaps falls squarely within the IMF's mandate. They noted that the Fund has an important role to play in mainstreaming gender in its core activities when it is deemed macrocritical. A number of Directors considered that, given its mandate and core competencies, the role of the IMF in tackling gender disparities is relatively limited. A few other Directors saw merit in defining SMART goals and objectives in the operationalization of the strategy.

Directors concurred with the strategy's focus on four pillars: (i) empowering country teams to provide tailored and granular policy advice to countries by developing and deepening tools for modeling and data analysis and creating a centralized data hub offering comparable, cross-country gender-related indicators; (ii) establishing a robust governance framework and a supportive internal organizational structure to promote wider buy-in from staff and ownership from country authorities and key stakeholders, and ensure that macrocritical aspects of gender are integrated in country work in an evenhanded manner by relying on a combination of a top-down and a bottom-up approach; (iii) deepening collaboration with other international partners, such as the World Bank Group and UN Women, to benefit from knowledge sharing and peer learning, leverage complementarities, and maximize the impact on the ground; and (iv) efficiently utilizing resources allocated to gender by realizing economies of scale and avoiding duplication of effort. On data, Directors highlighted the importance of supporting members with data capacity constraints, with some cautioning against placing additional resource pressures for data collection on member countries and the Fund. On collaboration, a few Directors expressed reservations regarding the involvement of CSOs and NGOs as external funding partners.

Directors broadly agreed on the importance of integrating gender in the IMF's core functions—surveillance, lending, and capacity development (CD). They noted that member countries may have different challenges and characteristics that are at the core of gender gaps, and that country circumstances require a tailored and granular approach by Fund staff that avoids overly standardized recommendations. Staff will need to engage closely with country authorities on these issues in both surveillance and program contexts while also being mindful of cultural and other sensitivities. A few Directors emphasized that Fund engagement should remain targeted to macroeconomic objectives.

Directors agreed that where gender gaps are judged to significantly influence present or prospective balance of payment needs and domestic stability, staff should include gender in Article IV Consultations. They noted further that this assessment will need to be made on a case-by-case basis, and the coverage in surveillance will be limited to areas in which the IMF has expertise, focusing on key macroeconomic and financial policies. The timing and sequencing of gender-related policy advice need to be carefully considered vis-à-vis country authorities' implementation capacity and policy priorities.

Directors broadly supported introducing gender in IMF program conditionality but stressed that gender-related structural benchmarks should be included only if they are critically important to achieving program goals, and that the measures are within the country authorities' control. Parsimony and prioritization will be important. A few Directors cautioned against including gender-related conditionality at this early stage of implementing the strategy and given the current difficult conjuncture.

Directors noted that CD can be particularly impactful to assist countries in implementing their gender policy objectives. Member countries can benefit from CD that is provided in coordination with other IFIs, development partners, and IMF Regional Technical Assistance Centers and Regional Training Centers.

Directors broadly welcomed the strategy's ambitious vision coupled with its gradual, measured implementation timeline. They noted that a phased approach is in line with resource availability and accounts for the need to develop an adequate knowledge base and expertise among staff to engage meaningfully with members. Directors urged staff to work expeditiously in articulating clear criteria for assessing the macrocriticality of gender issues and operationalizing this assessment. Most Directors suggested advancing the timeline for the Staff Guidance Note. Directors broadly supported exploring synergies with other Fund workstreams such as climate, digitalization, and fragile and conflict-affected states, with a few Directors stressing the importance of clearly establishing the relevance and connection to these workstreams.

Directors also supported the strategy's call for enhanced internal and external communications to set expectations, build support and ownership, and foster peer learning, and welcomed the plans to conduct a periodic stocktaking and Board engagement on the implementation of the strategy.

EXECUTIVE BOARD ATTENDANCE²

K. Georgieva, Chair

Executive Directors

I. Mannathoko (AE)

Z. Zhang (CC)

P. Moreno (CE)

P. Jennings (CO)

D. Palotai (EC)

A. Buisse (FF)

J. Stephan (GR)

S. Bhalla (IN)

J. Mizuguchi (JA)

H. Hosseini (MD)

A. Mozhin (RU)

R. Lim (ST)

P. Trabinski (SZ)

S. Riach (UK)

E. Shortino (US)

Alternate Executive Directors

R. Bah (AF), Temporary

O. Hendrick (AG), Temporary

A. Grant (AP)

B. Saraiva (BR)

C. Quaglierini (IT), Temporary

A. Alhosani (MI)

L. Dresse (NE)

A. Marcussen (NO)

M. Alrashed (SA)

E. Tsounta, Acting Secretary

J. Morco, Summing Up Officer

E. Mannefred / M. Guerra Bradford, Board Operations Officers

L. Nagy-Baker, Verbatim Reporting Officer

Also Present

African Department: M. Newiak, R. Ouedraogo, C. Pattillo. Asia and Pacific Department: A. Banerji. Communications Department: W. Amr, A. Kumar, C. Pagan Serrano, I. Yackovlev Perez-Vilches. Office of the Managing Director: R. Sahay. European

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

Department: F. Gracia Ipina. Fiscal Affairs Department: K. Baer, B. Evans, C. Negus, C. Renteria Rodriguez, V. Tang. Finance Department: Z. Murgasova. Human Resources Department: P. de Bruxelles. Institute for Capacity Development: A. Berg, M. Erbenova, M. Garcia Escribano M., R. Nord, N. Spatafora. Independent Evaluation Office: A. Abrams. Legal Department: K. Christopherson Puh, F. Fernando, J. Johnson, K. Vasquez Suarez, R. Weeks-Brown, A. Yiadom. Middle East and Central Asia Department: R. Bi, S. Sakha. Monetary and Capital Markets Department: Z. Barrail, U. Das, N. Griffin, B. Huang, H. Sheldon, K. Takei. Research Department: M. Comunale, J. Raskauskas. Secretary's Department: E. Anderson, E. Michaels. Strategy, Policy, and Review Department: A. Badel, S. Fabrizio, V. Flamini, D. Gomes, L. Kolovich, J. Mondragon Minero, C. Pazarbasioglu Dutz, S. Priano. Statistics Department: L. Allain, C. Batog, E. Chhabra, X. Hu, L. Kejji, A. Kejriwal, J. McHugh, D. Ostojic, A. Richter, K. Shirono, M. Zhu. World Bank Group: H. Brixl. Western Hemisphere Department: P. Alonso-Gamo, R. Goyal, N. Laframboise, Q. Liu. Executive Director: A. Andrianarivelo (AF), A. BinZarah (SA), S. Chodos (AG), C. Huh (AP), M. Mohieldin (MI). Alternate Executive Director: C. Amarasekara (IN), H. Azal (EC), M. El Qorchi (MD), A. Guerra (CE), C. Just (EC), F. Mochtar (ST), W. Nakunyada (AE), R. N'Sonde (AF), F. O'Brolchain (CO), O. Parkyn (AP), M. Peter (SZ), S. Potapov (RU), C. Roman (FF), J. Romero (CE), F. Sylla (AF), V. Vumendlini (AE). Senior Advisors to Executive Directors: A. Abdullahi (AE), S. Ahmed (MD), X. Bai (CC), E. Cartagena (CE), M. Choueiri (MI), R. Cunningham (CO), T. Doss (AP), Patterson C. Ekeocha (AE), B. Lischinsky (AG), R. Mahabir (BR), M. Maida (AE), S. Naka (JA), S. Nghiem (ST), D. Ong (ST), J. Rojas (CE), H. Saeed (SA), C. Sassanpour (MD), M. Scholer (NE), L. Smith (CO), N. Thiruvankadam (IN), M. Trott (UK), M. Zhunusbekova (SZ). Advisors to Executive Directors: N. Abu Bakar (ST), F. Al-Kohlany (MI), I. Allika (NO), G. Basutli (AE), E. Boukpepsi (AF), I. Bustillo (AG), T. Cham (AE), C. Eijking (NE), R. Fayez (MI), K. Florestal (BR), D. Hamzah (MI), W. Hteik (ST), R. Karl (AP), P. Khademi (GR), Y. Kikucji (JA), V. Lankester Campos (CE), C. Mastrapasqua (IT), M. Merhi (MI), P. Mooney (CO), R. Moral Betere (CE), A. Nainda (AE), L. Nankunda (AF), K. Nelson (UK), A. Rao (US), Y. Yang (CC), O. Zubareva (RU), , F. Lopez (CE).

DISCUSSION RECORD³

The Chair:

Today, we will discuss how the work on gender we have been doing over the last few decades can be further structurally organized and put forward in a way that is most beneficial to the membership in full respect of the mandate of the Fund. I am extremely pleased that this is exactly what we have been doing over the last years. The core contribution the Fund has been making is on gender budgeting. We have engaged in more than 120 countries on a bread-and-butter issue where the Fund unquestionably has the strongest expertise. And as we now aim to recover from the COVID shock, from the shock that we are now experiencing as a result of Russia's war in Ukraine, and as we are going to experience more pressure because of tightening of financial conditions, having the contribution of all men and women to the economy is absolutely paramount.

We are bringing the issue of gender equality because it is good economics. We are bringing in the spirit of Womenomics that former Prime Minister Abe has championed in Japan. We have to look at the gap we can fill within our macroeconomic and financial mandate. Other organizations have sectoral focus. Ours is the macro policy, and I want to recognize Directors noting this complementarity point of how we work with other organizations, what we do and what we do not do because others are best suited to do it. I am confident we will come up with a strong strategy. We will start implementing it immediately, but the implementation would be measured and gradual, and I want to stress this point so we have realistic expectations for what we would do.

We did not do it on purpose, but we are so perfectly aligned on topic today, and I am going to recognize Ms. Antoinette Sayeh who has overseen this work and led it but especially Ms. Ratna Sahay and her team for an amazing work they have done.

The staff representative from the Office of the Managing Director (Ms. Sahay):

My team and I are very grateful for the insightful comments and helpful suggestions from Executive Directors and their staff at various stages of developing the strategy. We heard Board members clearly in their call to ensure that our strategy focuses on the macrocritical aspects of gender and

³ Edited for clarity.

strengthening collaboration with external partners, which are key pillars of our strategy. We are heartened to report that our international and regional partners have welcomed our engagement with them. I would briefly like to update the Board on a few developments since we sent the paper to the Board.

First, we are planning several outreach events. We are starting with an event at the Center for Global Development in late August. And as the Managing Director mentioned, Ms. Hana Brix, the World Bank Global Director on Gender, who is here today has kindly offered to organize a joint session of our team with their 300 HQ and local gender specialists. Starting in the fall, we will also be reaching out to other external partners, bilateral donors, academics, think tanks, and CSOs.

Second, I am pleased to announce that the Statistics Department will launch the Gender Data Hub soon, and ICD will be offering a training on gender starting in the fall.

Third, in collaboration with the Interdepartmental Gender Working Group we have begun the process of developing the criteria, the macrocritical criteria, of country selection for gender coverage. I would like to orally respond to one question which had many aspects.

I am just going to focus my response—we have already sent the written responses—on one topic, and that is macrocriticality. Directors' questions can be broadly grouped into three categories. The first is the definition of macrocriticality itself, which goes beyond gender, and we have responded to that part of the question in writing. The second is how will we operationalize and apply macrocriticality to gender. And the third is whether we should focus our intellectual firepower on core macro issues and not divert resources to gender. Let me take each of these two questions in turn.

On operationalizing the strategy, we have begun working on country selection with relevant departments through their representatives on the gender working group. First, the Inclusion and Gender Unit together with the Gender Working Group will prepare a list of countries where gender gaps are the largest. This list will include country candidates for the next three years. Drawing from existing cross-country studies, many produced by Fund staff, we have identified areas that are macrocritical for growth and financial stability. These include financial inclusion, female labor force participation, education, health, legal rights. These indicators serve as the initial point for identifying the absolute and relative size of gender gaps, which will guide country selection.

Second, area departments will decide which countries to cover and when based on an assessment of macrocriticality, data availability, and immediate competing priorities.

Third, based on feedback from area departments, we will determine Fund-wide which countries to cover in each of the three years. The three-year structure offers country teams both sufficient flexibility to engage early with the authorities and time to plan their work around competing priorities. We fully acknowledge that engaging the authorities early in the process is essential to have an impact on the ground.

Fourth, the Inclusion and Gender Unit will then provide technical and policy support to country teams through brainstorming, analytical tools, and focused review.

Finally, the Inclusion and Gender Unit will reach out to our established network of internal partners to connect our teams with their areas which are of common interest to leverage our respective expertise. That said, the selection process, we are the first to acknowledge, is not going to be trivial. As many Directors have noted, gender inequality has many facets and is very country specific. Our sense at this stage is macrocriticality will need to be determined on a case-by-case basis.

Turning now to whether we should focus our attention at this time on gender or other more urgent core issues that are the bread and butter of the Fund, we fully agree that at this critical juncture the Fund must focus on supporting members to regain macroeconomic and financial stability and foster high economic growth. It is precisely for this reason that women's economic empowerment gains macroeconomic relevance. As most Directors have noted, and cross-country evidence shows, reducing gender gaps has a significant positive impact on growth, employment, and productivity. In fact, for us macroeconomists, this is really a win-win. Not only do women benefit from economic growth, but less effort will be needed on the part of the fiscal authorities to reduce deficits and set in motion positive debt dynamics. Monetary authorities will also face less of a dilemma in tightening monetary policy in the face of rising or high inflation if the risk of recession is lower. In other words, reducing gender gaps is very tightly linked with the Fund's core mandate to promote growth and stability.

Finally, I just want to mention that I am really reminded of 1999 after the Asian Financial Crisis when Financial Sector Assessment Programs

(FSAPs) were first introduced. It took a long time to integrate the financial sector in our country surveillance work. It was not viewed as core work then, but much progress was made after the Fund introduced its first Board paper on financial surveillance strategy in 2012, which I also had the privilege to lead. I am hopeful that with this strategy we will also make steady progress even if it is measured and gradual.

Mr. Hosseini:

We also benefited from the discussion we had earlier with the staff team in a smaller group. We have issued a joint gray statement with Mr. BinZarah, Mr. Zhang and Mr. Alhosani, and we broadly support the strategy, but we believe there is still room to make it more comprehensive and pragmatic. Here, I would like to make a few comments.

Gender disparities clearly have macrocritical dimensions affecting growth and financial stability. Gender disparities also cut across country income groups. However, the main drivers and the channels of influence, as well as their relative macroeconomic impact, could vary in strength across countries and could depend on initial conditions and a host of external factors. Some links are stronger; some are more direct, and some are of more immediate concern than others. As important as the issue is, in our opinion not every aspect of the IMF's workstream can be or even should be viewed through the gender lens. The lens could be opaque at times. Therefore, we are pleased with the report's confirmation that the Fund will focus on integrating gender in its activities where macrocritical and in accordance with its mandate. To provide evidence-based policy advice, it will be crucial to ensure that the Fund's engagement is guided by clearly defined and measurable concept of macrocriticality. As Mr. Palotai has noted in his gray statement, while the strategy paper makes reference to macrocriticality at several places, there is little substance on how macrocriticality will be determined. Therefore, like Mr. Bhalla, Mr. Mozhin, and several other EDs, we stress the need for a clear definition of macrocriticality and urge staff to articulate clear criteria to assess whether a gender issue is macrocritical and establish how the Fund will operationalize this assessment.

On the issue of priorities, clearly addressing the gender issue is critical, but we have to be careful not to digress too much from our core mandate and not to lose sight of other priority issues, such as fragile and conflict-affected states (FCS) and poverty alleviation, which also have a strong gender bias. We caution staff against overloading the authorities with policy advice regarding gender inequality in instances where they are already

struggling to implement priority macrocritical recommendations. Timing and sequencing have to be carefully designed for successful delivery on these important thoughts.

Regarding program conditionality on gender, we believe that program countries are typically under tremendous pressure and face multiple challenges. We caution against including gender-based conditionality in Fund programs at the earliest stage of this strategy, especially during these uncertain and difficult times when membership is consumed with rising inflation, food and energy insecurity concerns, and rising risk of debt distress.

Ms. Bah:

We issued a gray statement with 14 other Directors to support the thrust of staff proposal. I will focus my intervention on a few points for emphasis.

First, we welcome the timely strategy and background papers, especially in this currently juncture of exacerbated preexisting gaps due to protracted adversities throughout the globe. We are pleased that gender balance is improving in teams and leadership roles at the IMF and concur that IMF should set a good example to the membership.

Second, we appreciate the proposed four pillars that support the strategy and particularly emphasize the criticality of the first pillar in upscaling expertise that would enable staff to provide relevant and effective advice to the membership. Importantly, we emphasize the seminars and other training programs offered to staff should not be limited to tools. Due to strikingly different socioeconomic, cultural, and gender realities and possibly contrasting views as to what gender mainstreaming is or should be in the course of the membership, teams should be offered tailored training contents, including soft skills. Furthermore, collaboration with external partners who have a comparative advantage in dealing with gender issues is paramount to benefit from knowledge sharing.

Third, like many Directors, we agree that the gradual timeline and sequencing of the implementation of this ambitious strategy is appropriate given the constraints in resources and expertise. We take note that assessment of macrocriticality of gender issues is in good progress, as well as assessment of gender gaps. We look forward to future updates on progress made on these issues and caution staff to be mindful that having access to gender desegregated quantitative data and indicators may be insufficient to allow full

comprehension of gender issues since some concerns are difficult to reduce to numbers. Quantitative scores, if not adequately supplemented by qualitative assessments, might leave us with tremendous gaps in understanding and addressing gender inequality.

Finally, as much as we appreciate this strategy, we must concur with Mr. Hosseini, Mr. Bevilaqua, Mr. Trabinski, and other Directors that we should remain watchful about parsimony on program conditionality on gender and avoid overburdening the authorities during these dire times.

The Chair:

Yes, and I completely agree with that. We want to promote gender equality, not to create burdensome processes for our members. And what Ms. Bah said about qualitative and quantitative foundation of analysis, of course, is correct. I want to assure the Board that we do not intend to bite more than we can chew and that we are mindful that our focus has to be on the urgency of recovery, and what we contribute from this side has to be justified because of the significance it would have for that purpose.

Mr. Jennings:

We were struck by the estimate of the World Economic Forum, that the current policies, that it will now take more than 130 years to close the gender gaps worldwide. This is an erosion from an estimate of about 100 years prior to the pandemic. Clearly, current policies are not enough. We strongly support the Fund adopting a gender strategy and stepping up to do its part to address this important global priority. Staff have produced a very detailed and thoughtful vision on how to mainstream gender into the Fund's core activities. We have signed on to a gray statement with 14 other Directors, so I will highlight a few points.

First, not only is advancing gender equality the right thing to do intrinsically for women and girls, but gender gaps are highly relevant for countries' macroeconomic outcomes. Addressing these gaps and advancing gender equality in the economy more generally is macrocritical and clearly falls within the Fund's mandate. The Fund is well positioned to leverage its work in Article IVs and programs to bring awareness to the issue and in particular to quantify and assess the unrealized economic potential due to the existing and persistence of gender gaps. Illustrating the cost of the gaps and providing advice on how to close them is essential as a foundation to prompt action and ongoing progress.

Second, what matters most is seeing an acceleration in closing the gender gaps in the Fund's member countries and helping to secure sustained, inclusive, and resilient economic growth. We support all efforts by growth via the elements of the strategy to prioritize actions and allocate resources in a way that best supports such an acceleration.

Third, the demonstration of the existence and scope of the gaps and the illustration of their costs require a robust data approach with up-to-date comprehensive and comparable data on gender. We consider the Gender Data Hub as a critical tool to make macro-relevant data easily accessible, ensuring that consistent data is used by different IMF country teams, therefore ensuring evenhandedness in surveillance. For smaller, less-developed countries, capacity constraints can limit the availability of current harmonized data on gender equality indicators to inform necessary reforms. It will be essential for the data approach to be complemented by capacity development and technical assistance to support members with data capacity constraints.

Fourth, the Fund's staff need to be ambitious and cast the net wide with external partners to fully benefit from collaboration and leverage each other's value added without creating duplication. The benefits of this collaboration are already bearing fruit, and at this point the staff's experience is one of partners welcoming collaboration with the Fund. Where appropriate, it would be important to systemize this collaboration. We welcome that the strategy entails engaging with experts in gender macroeconomics, which would strengthen the Fund's analysis.

Lastly, we note that staff will not be taking an intersectoral approach to the gender strategy at the time. We emphasize the importance of eventually looking through an intersectoral lens as gender inequalities impact women of color, disabled women, those in low-income groups, or members of two SLLGBTQS populations very differently. We look forward to supporting the implementation of the strategy.

The Chair:

Mr. Jennings and his constituency have been very strong supporters of gender equality for all the right reasons. Of course, it is morally right, but it is also good economics, and that is our job to reinforce.

Mr. Stephan:

We have issued a joint gray statement with 14 other chairs, so I would like to focus on some additional points today.

First, to repeat we fully support staff's workstream on mainstreaming gender, and we fully support the aim to help countries unlock the economic potential of truly equal opportunities. Just imagine the vast amount of human capital that can be used if legal and factual barriers to women's participation in the labor market were removed. In that sense, considering gender aspect is likely to be macrocritical in most countries. Against this backdrop, we appreciate staff's baseline scenario not only focusing on deep dives initially. The Chair mentioned: do not eat more than you can chew. I think that is very important. Some countries may be more open to discussing the gender aspect in their Article IVs if the topic was introduced gradually with the aim to evaluating progress regularly over years. I think light touches increase awareness in more countries and can therefore start the process, and then you can improve.

Moreover, where gender gaps are very large, authorities might be less open to change. Presumably gender gaps are large for a reason, so therefore it is not a given that staff advice has a bigger effect, the bigger the gender gap. As advice in general, country authorities need to be willing and able to implement it for it to make a difference, so we welcome the roadmap as laid out in the paragraphs 67 to 74. It seems to be quite ambitious. However, we would call for some flexibility regarding the length of each phase also with a view to acknowledge successes and failures.

A crucial primary step is to specify how to measure gender gaps and assess macrocriticality. This needs to be done carefully to produce convincing outcomes on the basis of sound policy recommendations. We would welcome regular briefings of the Board on the implementation status and related matters also beyond the assessment at the end of all three stages. In the main paper, explanations with respect to lending are limited. We recognize that it might take some time to develop standard specifications. However, we would be interested to learn about staff's preliminary thoughts on possible conditionality like structural benchmarks, performance criteria, indicative targets and so on. There should be clear guidelines on when gender gaps are macrocritical and when they are closing is crucial for program success in individual country cases. In this regard, we would welcome an initial indication on how it could be determined when gender disparities are great enough to make adequate reforms part of program conditionality.

Finally, we note that some colleagues in their gray statements caution against overloading the authorities with policy advice regarding gender inequality in instances where they are already struggling to implement priority macrocritical recommendations. We also share the view that core IMF surveillance topics deserve the required attention, but we should not forget we are talking about half of the population, and they often do not have equal access to job markets or even basic education.

Ms. Lim:

We would like to underscore our strong support for the proposed strategy to help reduce gender disparities, and we would like to commend staff for their hard work on this front. Bridging gender gaps for more sustainable and inclusive growth has been a longstanding global issue, and the structure that the strategy is putting in place is timely, not least given the ongoing impact of the ongoing health crisis, war, and pressures of the global conjuncture has had. We broadly agree with the four pillars as envisaged in the strategy, and I will offer only three comments.

First, effective implementation of the strategy is crucial. To this end, clearly articulating criteria by which to assess when a gender issue is macrocritical in a clear and coherent way is critical to guide the country teams on when and how to engage with the authorities in their bilateral surveillance, CD, and lending programs. We welcome this morning's update by Ms. Sahay, including the iterative process incorporating feedback from area departments and engaging authorities early in the process. We also encourage staff to carefully assess and analyze effectiveness of work done in the first phases to operationalize the staff guidance note in Phase 3 in a pragmatic matter.

Second, we are pleased to learn that the Fund's external collaboration with international and regional partners, including the World Bank Group and UN Women, will be strengthened, as it is key to utilize partners' expertise and resources to avoid duplication in work and to note that a series of outreach and events are being planned. Apart from external cooperation, we also see merit in enhancing synergies with other internal workstreams at the Fund, including climate change, digital money, and fintech, to explore the Fund's full potential in delivering on its mandates.

Finally, we agree with staff that more thorough analytical work will require effort, consideration, time, and acceptance of both achievements and mistakes. Staff will require time to experiment with and improve models and tools after they have been built, and this will be a gradual and continual

process. We also see merit in integrating gender into capacity development in line with the Fund's mandate, including in data collection efforts, as Mr. Jennings mentioned, while mainstreaming gender work at the Fund.

Ms. Shortino:

The strategy has clearly come a long way since we first discussed it a year ago. I appreciate there has been so much of the Board input incorporated into the strategy. I am going to be very brief if I can. We generally support the new strategy. I think it is really important that the Fund will have a more coherent approach to addressing gender issues. I would like to make three points.

First, I am very glad that the document is so clear that the Fund will engage when gender is macrocritical, but I think as we have discussed already, and several have mentioned, what we are missing is that systematic approach for how staff will assess whether there is macrocriticality. I think we were a little disappointed the strategy did not tackle this right off the bat, but I do recognize we have to walk before we run. There are data gaps. There is lack of established benchmarks, so it is going to take some time to have a robust approach. In the meantime, until the work is done, I think it will be very good that the gender team work closely with mission teams to help make that case on a case-by-case basis.

Second, it will be important for the Fund to collaborate with other institutions on policy advice. Many of the policy prescriptions, as I think you well recognize, are outside of the lane of the Fund's expertise. I think there has been some really good progress. I am glad to hear from Ms. Sahay that there is going to be even more progress, but I do think that there is going to need to be a step further beyond collaboration and moving more towards frameworks and established processes to leverage the work of other institutions in providing this policy advice.

Third, definitely, we can support the pragmatic approach on the initial country coverage. The one thing I would say is that staff teams have a lot on their plate with regards to emerging issues, climate, digitalization, and then, of course, the core macro. I do think there are synergies amongst them, but we need to be cognizant of that fact and not overload the teams and work amongst those different issues.

I will just conclude by saying that we look forward to having regular opportunities to update on this strategy as it evolves and look forward to having the Board be kept informed on all of these matters.

Mr. Dresse:

We issued a gray statement with 14 other chairs, and I will make a few points for emphasis today.

We are supportive of the gender workstream and welcome the new strategy, which makes a clear case that gender is relevant for the Fund but also that the Fund is relevant for gender agenda. Gender is relevant for the Fund because gender gaps have a tangible impact on economic financial development. It is simply not possible for an economy to have a sustainable success if it does not deploy the potential of all the citizens. The Fund is relevant for gender because there are clearly gaps in the international architecture from the macroeconomic impact of gender where the Fund can create a real value added within its mandate. We are thus convinced that it is important to adapt a gender lens to the Fund's activities.

In general, we agree that coverage should focus on those instances where gender disparities influence balance of payments and domestic stability in line with the Fund's mandate. Prioritization among countries should be done as a function of the severity of gender gap but also how it fits in the authorities' agenda. To ensure evenhandedness, it is important that we establish clear criteria for coverage of macrocritical gender gaps, as this will not only increase buy-in from countries' authorities but also prevent interdepartmental disagreements. We also call on management to involve the Board closely in developing this criterion.

We very much welcome that staff has established collaboration with partners as a key pillar of the strategy. We agree that there is a gap in the international system that can and should be filled by the IMF, that good collaboration, especially with the World Bank and UN Women, can increase our effectiveness while maximizing the bang for the buck. Could staff explain how they intend to leverage collaboration opportunities when developing an analytical and governance framework?

Finally, the paper rightly notes the critical importance of ensuring gender diversity in decision making roles, which is particularly lacking in economics and financial area in both the private and public sector. Membership, and, yes, this Board as well, is a reflection of that. I encourage

both the Working Group on Gender Diversity to continue their effort to this end, and we also welcome management's efforts to ensure gender diversity across the Fund.

The Chair:

I did the count of women and men in engaged in this Board discussion. We have a record one-third women who sit around the table from the Board. When we throw in the management and staff—and it is seven of us, all women—we come just about at parity, just about, so may we dream for a day when we will be as representative as the population of this planet always.

Ms. Al-Riffai:

We very much welcome this timely discussion given the importance and relevance of this topic to the global recovery, particularly in the aftermath of the pandemic, which has had a severe negative impact on women. We issued a joint statement with Mr. BinZarah, Mr. Hosseini, and Mr. Zhang where we broadly support the strategic direction of the Fund's engagement on gender and underscore the role of the Fund in addressing gender inequities through a macroeconomic perspective. We welcome the strategy's pillars and would just like to stress four points.

First, we must establish that any gender strategy should not be a one-size-fits-all, and to provide meaningful recommendation and advice, policies should neither be standardized nor based upon external political motivations or rhetoric. Policies would be tailored around domestic policies, cultural norms, and religious laws, and they must complement the countries' national strategies. Many countries of our constituency have established a mechanism or gender-specific institutions, like Gender Balance Council in the UAE, Supreme Council for Women in Bahrain, and amongst others, and those promote women empowerment with a vision for equitable partnership.

Second, incorporating gender into the Fund mandate must be appropriately timed and demand driven. Including gender-based conditionality in Fund programs at this stage might prove to be challenging for authorities to implement given the current heightened global macroeconomic challenges and their already strained capacity to achieve primary Fund program targets. Realistic timing and sequencing are essential to successfully deliver these goals; and, again, we would like to reiterate that the Fund's work on gender is a partnership with the authorities, as their buy-in is very important.

Third, we would like to underpin the importance of collaboration with other IFIs, including the World Bank. Successful external collaboration will allow the Fund to access an expanded data, leverage other IFIs' expertise on macro and sectoral work, and prevent duplication of work.

Finally, and this ties into what we discussed earlier this morning during the personnel announcement, we would like to stress the importance of a detailed communication strategy to share within and outside the Fund to manage expectations around the Fund's gender engagement.

With these comments, we look forward to a successful and timely integration of this important aspect and issue into the Fund's work.

The Chair:

I recognize all the points Ms. Al-Riffai made, as well as the country-specific actions that have been taken in your constituency, actually quite successfully over the last years.

Ms. Mannathoko:

Given the current global context, our sense is that really tapping into the diverse underutilized human capital that is there to help create new and lasting solutions for the global economy is critical at this juncture, especially as risks in the global economy continue to build. We issued a supportive statement with 14 colleagues, all the female chairs, and other like-minded chairs, and so I would like to just raise a few points.

First, just to reiterate the importance of even within our current policy frameworks, ensuring that Fund policy advice and conditionality really do no harm to girls and the female labor force. This is especially coming up in the context of the current economic difficulties. Policy advice and tools need to avoid unintended harmful impacts.

Second, like other chairs, we do see merit in establishing a robust governance framework and guidance note. We noted the intention to start with a list of countries where gender gaps are known to be largest. This does make sense. At the same time, however, like Mr. Stephan, given the extent of underutilized human capital in most countries, we too would expect it to be macrocritical in most countries; it would be good if the Guidance Note maybe was able to facilitate mission teams' ability to articulate human capital underutilization and things like lost growth opportunities, even if the country

is not considered a priority country. In many countries, the material impact of gender inequality on growth, on macroeconomic performance, on social welfare that is needed for stability, all this is often not clearly articulated, so maybe just even articulating it in Article IVs would also help raise awareness and attention.

Third, the Fund should optimize and apply insights from its engagement with pertinent organizations, so we are happy in this regard. We welcome the emphasis on consistency in the design of Bank-Fund collaboration and other collaborations on gender. Like the MD noted, we have a macro role, which is complemented by the micro role in other institutions. The Management Implementation Plan (MIP) to strengthen collaboration is also, we welcome the discussion of that.

Finally, I am out of time, but we still see the need to really enhance female workforce support to allow women to continue working to increase during crisis periods like we are seeing now. Women continue to carry the burden of unpaid care responsibilities. A UN report this year just showed that women did almost 30 percent more childcare per week than their male counterparts in 2020, and gender-responsive policies are still important. We feel now is the time to mainstream gender.

Ms. Riach:

I think, as Ms. Shortino said, we really appreciate the fact that this very much takes on board input from previous discussions with the Board. As the Managing Director said in her introductory remarks, this work is more important now than ever, and we see this carefully thought-out strategy as an important step to mainstreaming gender into the Fund's core activities. To my mind, Ms. Sahay's analogy with the development of the Fund's work on financial stability is a good one, and we believe that this strategy does have the potential to have a positive impact on the future shape, direction, and impact of the Fund's work. Through its global messaging, research, and country-level work on women's economic empowerment, the Fund has the potential to be very impactful. We welcome that the strategy is grounded on strong collaboration with others, and I welcome Ms. Sahay's comments this morning on the importance of that collaboration. I echo Ms. Lim and Ms. Shortino on the importance of articulating clear criteria to assess whether a gender issue is macrocritical as quickly as possible.

In addition to the macrocriticality test based on how gender gaps affect macroeconomic outcomes, like Ms. Mannathoko, we also emphasize the

importance of ensuring that sufficient attention is given on how IMF advice and conditionality affect gender outcomes. The background paper helpfully includes a narrative on gender-responsive policies that can support efforts to reduce gender gaps, but there is also a need to be mindful of how policies that are not specifically identified as gender responsive from the outset can affect gender outcomes. This will require considering the distributional consequences of policy reforms.

In this regard, we note that the CSOs are pushing for the Fund to adhere to the principle of do no harm. This is an important objective, but realistically it might be a difficult bar to reach, and we wonder if better framing might be to recognize that almost all economic policy choices have gender impacts. Where possible, like Mr. BinZarah and his colleagues in their gray, we would encourage ex-ante gender impact assessments on policies to discuss with authorities, which can also inform mitigation approaches.

Finally, I want to join Ms. Bah in reiterating the importance of well-targeted and parsimonious conditionality in particular in these dire times. This is an essential overarching principle.

Mr. Buisse:

As expressed in our joint gray statement, we are very supportive of the strategy, the four pillars, as well as the proposed timeline. We fully support the assessment of gender issues being macrocritical for many economies and believe that the IMF has a role to play in helping every individual to participate in economic growth and reap its benefits. I cannot help but underline that gender has multifaceted economic angles; and, the analysis should be country-specific, but when we are talking about 50 percent of the population, it strikes me as obvious that we are discussing a first order issue for every country, so I fully support that the point that Ms. Riach just made on gender impact. Most policies will have a gender impact.

I want to make four quick points, on data, incentives, partnerships, and monitoring. First, as mentioned in our gray statement, we strongly support that producing, collecting, and analyzing data will be at the core of the strategy. No policy can be developed without a precise assessment of the situation, as well as elements of comparability. We encourage the Fund to share the content of the data hub externally once it is sufficiently developed, as partner organizations can surely benefit from it. I was happy to learn that it will be soon. I hope even sooner than soon.

Second, one of the main challenges going forward will be to incentivize staff and member countries to fully implement the gender strategy when they face many competing priorities, and colleagues very rightly underlined that problem. It will be paramount to build its legitimacy over time and to create appetite to address gender issues. We believe staff should also collect examples of best practices, as presented in the background document, to showcase countries that have risen to the challenges and inspire others to do so. We also encourage staff to continue the analytical work so as to underline the extent of gender inequality, macrocriticality, and to counter claims that would undermine this critical issue. Integrating gender in other thematic issues, such as climate, fragile and conflict-affected states (FCS), or digital will also be key.

Third, we welcome that the strategy explicitly mentioned collaborations with partner organization, such as, of course, the World Bank and the UN. It gives way to an efficient division of labor, which will be necessary given the Fund's narrow mandate compared to the depth of gender issues. We would appreciate more details on what is being considered for collaboration at the local level, as well as beyond the international organization.

Fourth, we thank staff for adding some indicators and benchmarks to the strategy, notably for capacity development, reflecting our previous discussion at the Board. Going forward, I would appreciate if we can also track what is happening on research, surveillance, and lending to ensure that the Board and staff can have a meaningful and informed conversation on the progress achieved and where there is room for improvement.

To conclude, I really want to congratulate staff. This strategy will be a useful first step to mainstream gender in the IMF work. I wish it will be implemented in full and that we will be able to take stock of the progress in a few years from now and increase the ambition.

Mr. Alrashed:

Let me start with an Arabic literature that says men and women are like a bird's wings, society can only be elevated by an effective participation. We have issued a joint gray statement, and I will limit my remarks to the following.

First, we support gender equity given its socioeconomic importance. Nevertheless, as mentioned in the earlier remarks, the Fund engagement on

gender should remain in line with the mandate and leveraging comparative strength of other institutions that are relatively more established in this area.

Second, as pointed by many other Directors, the draft strategy lacks a clarity definition of what constitutes macrocriticality and how to measure it fairly and constructively across the diverse membership. It also misses a clear guidance on what would be the gender strategy scope and as it gets integrated in the Fund's core work. As highlighted also by Ms. Al-Riffai, we caution against overlooking culture and religious context around gender issues. Here, country teams should seek tailored policy advice on gender based on clear understanding of the local culture and background and national strategies.

Fourth, we are disappointed by the lack of clarity, defined objectives, and goals and the strategy. These basic components are critical for performance assessment and management going forward. Also, we encourage staff to assess and map out the success factors, including barriers and enablers for efficient and effective implementation. Staff comments are welcome.

Finally, the Fund should not overwhelm the authorities with demands on implementing gender-related reforms in capacity constraint context where the authorities need to prioritize basic and more critical economic reforms. Similarly, the Fund resources allocated to the work on gender should remain in line with the Board-approved budget augmentation, while taking into consideration other Work Program priorities.

Mr. Palotai:

We fully support the notion that a country's economic potential can only be tapped if women are participating in a large-scale labor force and economic activity, and we are encouraged that many countries are making substantial progress in implementing policies to reduce gender gaps. We also note that the Fund has rightly already been paying attention to critical issues related to gender gaps in many aspects of its existing toolkit, in surveillance, and in engagement with the authorities. This also raises the question, which are the areas where we still have to make meaningful changes to the way we operate. We have issued a gray statement where we mentioned our concerns about the necessity and usefulness of such a fully-fledged strategy, as we do see a risk to core activities of the Fund in case of a full implementation of the strategy. Going too far beyond the Fund's mandate in certain areas also risks support for this strategy by the membership. Here, I would just mention gender and FSAP and already heavy and technical exercise or linking gender and monetary policy.

Let me raise two concrete questions on which staff's views would be appreciated. On macrocriticality, I appreciate the clarification in the introductory remarks on the creation of the lists of countries to be covered. Here, I would stress the importance of involving the Board beyond the area departments and, more importantly, that country authorities expressed their consent with being covered.

On the inclusion focus, we would advocate for an even broader approach to inclusion and quality of economic opportunities, one that should also be extended to minorities, displaced persons, or refugees, or other vulnerable groups, regardless of gender. We are wondering if these aspects of social dimensions were considered beyond the gender question? What it all comes down to for us is to make the best use of the Fund's resources for areas within the mandate of the Fund where we can have the highest impact of the Fund's member states and without duplicating our partner institutions' efforts. We need to deliver on high expectations on truly macrocritical policy advice and on our role in the global financial safety net.

Ms. Grant:

We signed a joint gray statement with 14 other chairs setting out our support for the strategy. Let me thank Ms. Mannathoko and Ms. Marcussen for their leadership on the joint gray and reflect on a few points for emphasis.

The first is to highlight that a focus on impactful and realistic first steps to build momentum will be critical. This includes smart surveillance choices where gender disparities macrocritical, where countries are looking for Fund support to address gender inequalities, and where specific policy recommendations can be made. Mr. Stephan made some good comments in this regard.

It would also be necessary to ensure that policy advice best tackles near-term policy challenges in ways that are consistent with medium-term policy goals. For example, the paper states that if monetary policy interventions disproportionately affect women, gender-responsive financial sector policies might need to be considered. This is a near-term policy prescription. The medium-term aim is to not need such policies because women have equal access. Any near-term policy prescriptions will have to be designed alongside medium-term goals, and we will have to ensure that there are no unintended consequences.

Relatedly, it will be necessary to ensure that policy advice takes a view of the whole and not just the separate parts. For example, assessing whether one tax measure disproportionately affects women without taking into account the whole tax and transfer systems would likely lead to suboptimal policy advice, and I agree with Ms. Riach's comments that most policies have a gender impact.

This will be important when considering the deepening of the Fund's analytical tools, which should be guided by the principles of macrocriticality, promoting growth and evenhandedness, and exploring synergies with other Fund workstreams, such as digitalization, and fragile and conflict-affected states. Underpinning all of this, it will be necessary to consider the interlinkages on medium-term issues when designing the gender data hub. For example, while data on sexual and reproductive health, particularly family planning, is often placed in a health category, it is fundamental to achieving the desired outcome of economic opportunity and equality. Early access to family planning services, combined with addressing deeply ingrained social norms, reduces poverty, strengthens productivity and participation, and improves economic outcomes. Data selection will also need to be closely coordinated with prioritization of gender policies in bilateral surveillance, and I agree with Mr. Jennings and Ms. Lim's comments on CD and Ms. Bah's good point on qualitative analysis.

A deepening of external collaboration will also be critical, as will be the need to monitor and evaluate progress with clear milestones and adjustments as needed. As Ms. Shortino said, it will be critical to keep the Board informed of progress. We look forward to future Board meetings on this important strategy.

Mr. Alhosani:

We welcome the launch of a new IMF strategy to mainstream gender. We strongly expect that the strategy will strengthen the Fund's ability to help member countries address macrocritical gender disparities within its mandate and expertise. Today, I will limit my comments to the following three points for emphasis.

First, we would like to reiterate that the Fund should continue to focus on the macrocritical aspects of gender issues. We echo the points made by Mr. Bevilaqua and Mr. Trabinski in their gray statement that gender equity is not a goal in itself for the Fund but only one channel among others to offer macroeconomic and financial outcomes. In this context, I think setting clear

criteria on the macrocriticality should be an urgent issue of Fund priority. We encourage staff to accelerate their work on this front. It is also important to develop a staff Guidance Note at the early stage to operationalize the strategy.

Second, we emphasize the importance of further deepening collaboration with other partners. We welcome that the collaboration with the World Bank on gender will be designed consistent with Management Implementation Plan to strengthen the collaboration on macro structural issues, and efforts would be made to strengthen collaboration with the UN Women. We expect that the more concrete collaboration plans will be developed to fully leverage the expertise of these institutions and to further enhance synergies.

Third, it is important to track progress of the strategy and adjust it if needed. In this sense, we encourage staff to set a clear milestone with expected timelines to ensure the steadfast implementation of the strategy. It is also important to update the Board on the progress in timely manner. Furthermore, we reiterate the importance of efficient use of existing and newly allocated resources from the budget augmentation by improving synergies with the Fund's existing other emerging workstreams.

With these remarks, we appreciate again management and staff for the very hard work on developing strategy and looking forward to its operationalization.

Mr. Bhalla:

The detailed report on IMF strategy towards mainstreaming gender is timely and of interest to various development agencies around the world. We are also appreciative of the outreach and discussions with the staff. We have issued a gray statement and just want to highlight a few points for emphasis. There are some conclusions of the report with which we agree. We agree that gender disparities are important, and their resolution is an important hurdle for sustainable development, higher growth, and greater equity and greater economic and social stability. Also, the report's recommendation that the IMF should collaborate with the World Bank and other development agencies is very welcome. We also have a few differences with some of the interpretations or conclusions of the report.

First, what the IMF has to do is to identify its relative expertise on gender, relative especially compared to the outstanding work being performed by two international organizations, ILO and the World Bank.

Second, the Fund has to define macrocriticality in a somewhat more explicit fashion. Several Directors have highlighted the fact that the importance of macrocriticality can be helped by an appropriate and explicit definition. In her opening remarks, Ms. Ratna Sahay also emphasized the importance of accounting for macrocriticality. An explicit definition will help inform all of us whether macrocriticality is a necessary condition for including gender in surveillance, a sufficient condition, or neither. Since balance of payments considerations are a critical component of macrocriticality, it would be more than helpful if the link between gender and balance of payments is defined and made explicit. One of the defined chosen links of gender with macrocriticality is the part of female labor force participation rates. The FLFPR is about 50 points lower than men in South Asia and about 35 points lower in the rest of the developing world. In advanced economies, the gap in labor force participation rates is about 20 to 25 percentage points lower for women than men. One model is to assume that the two participation rates are made equal, and, hence, extra output is obtained. This is broadly the method and conclusion of the much-cited World Economic Forum study, but this is not consistent with historical evidence. None of the World Bank defined regions show any decline in the gender labor force participation gaps despite significant advances in per capita growth over the last 50 years.

We should recognize that there are certain problems that are solved by time, i.e., development alone. Look at the male-female wage gap, a much-cited example of how wage equality can increase productivity and growth and, hence, proof of macrocriticality. A closer look at the data for India reported data for the last three years 2017-2020, yields the following results. For ages 15 to 34, women and men obtain the same real wages in India, within 5 to 10 percent, i.e., no gender wage gap. For ages 35 to 64, there is a gender wage gap of about 20 to 25 percentage points; but this gap is almost entirely explained by the fact that average educational attainment for women 35 to 64 is about 2 1/2 years lower than the educational attainment of men. The obvious conclusion is that education helps productivity and growth and wages, not that gender is macrocritical. The reason I have cited this data is because of our shared belief in evidence-based policy.

The Chair:

I must admit I am a bit lost because it sounds to me that sound policy to make sure that girls and boys have equal access to education all the way up to university, college education, is kind of macrocritical. Anyway, I am not going to get into the debate today. On Mr. Bhalla's main point, that development, good development, leads to good outcomes, including in that regard, of inclusion of women, with this point I agree. Us continuing to support sound macroeconomic policies is, indeed, the right way for the institution to go.

Mr. Moreno:

We have issued a gray statement with 15 other chairs, and I would like to thank Ms. Mannathoko and Ms. Marcussen for their leadership on this gray statement. Like Mr. Stephan, I think the gender is macrocritical, if only because 50 percent of the population, or more than 50 percent of the population, is in it. Like Ms. Riach, I think it affects horizontally all our policies. We have the example of gender budgeting. Ms. Grant also talked about financial policies, so we are really convinced that this is an area that the Fund has to get involved in. Let me just focus on three issues.

First, on the issue of evenhandedness, I think Ms. Sahay puts a good example with the FSAP. We really need to be proactive, advocate, have visibility, raise awareness. If we need to go at different steps, we should go at different steps and lead by example in those countries that maybe have more data. I do not think evenhandedness should constrain us in advancing the gender policy in the IMF. It will take time until we standardize it, but we need to keep on increasing the pressure, as we did with the FSAP on different countries. I think country-tailored advice here is very important, and I would like to echo Ms. Bah. I think it is very important the statistics hub on gender data, but as Ms. Bah was pointing out, there might be need for qualitative analysis if there is not enough data, depending on what country.

Second issue is on coverage, and I would like to echo Ms. Lim. I think capacity development is important, and there might be margin for some synergies with capacity development in other areas like climate change or financial policies, which can be very related to gender; there is a scope for seeking for synergies in capacity development and to include gender in it.

Finally, on communication, maybe a different point of Ms. Al-Riffai. We need to find not only external communication of our own gender policy,

but in each different country we need to find positive examples. I think not just signaling the gaps, which is important, but also in terms of communication. In order to promote this kind of a strategy, communication within each country is important, and we need to find positive examples to try to promote it; and this is probably an area where we can have thematic meetings and lessons learned from other countries and experiences that could push this agenda forward.

Ms. Marcussen:

We issued a gray statement with 14 colleagues supporting the strategy, and I will not repeat all the points we made there today.

I would just like to start by saying that from our perspective today, it is not about celebrating the Fund commencing engagement in a new or emerging topic. It is more about celebrating that we now have the basis for not overlooking an issue which firmly belongs on our macroeconomic radar. A few grays have questioned the need for a strategy on gender equality. We are well beyond that now, but in principle, they are right; and I find that helping countries realize the macroeconomic benefits of integrating 50 percent or more of the working-age female population into the labor force should not really require a strategy. But the strategy does give us a strong foundation to ensure that the Fund, while conducting its bread-and-butter core activities, does not miss the economic opportunities presented by appropriately addressing gender gaps.

As we hear the statistics themselves where they are available, do speak strongly, and they are often quite powerful for leading policy action. We really appreciate the background paper, which clearly and soberly makes the economic case for addressing gender gaps. We find that more work is needed to prioritize and develop the policies which can be implemented, and, again, we welcome the review and the background paper on this. Just two points on implementation of the strategy going forward. First, on momentum and second, on coverage.

On momentum, the strategy has been underway for quite some time, and it is clear that we are still at the beginning, not the end of our efforts, to integrate gender inequality into the Fund's policy framework. While we support a realistically phased approach, also recognizing that this should be implemented within the allocated resources, we do feel the need to make haste, and I share Mr. Buisse's impatience in some respects and welcome

comments from staff to move forward on clarification of macrocriticality issues and other things we have been waiting for.

We would also like to stress that an important prerequisite for its success will also be the buy-in from across departments and country teams, and we really hope the governance framework will contribute to this. As others, we stress the importance of monitoring the implementation of the strategy. We look forward to also a bit more information on which elements of the strategy will be assessed at the Board briefing at the end of Phase 1.

The second and final point relates to coverage. We fully agree with others who have made the point to avoid a box-ticking exercise and that gender equality issues should not become an add-on in country reports and we should avoid pitfalls such as overly standardized recommendations. This is not a theoretical exercise and should not result in window dressing in any way.

I would also like to comment briefly on a few colleagues' comments on the cultural sensitivities, which we understand and are relevant more broadly when the Fund is discussing policy choices and design with the authorities. Things that work on paper and in principle may not work in practice. We have somewhat less understanding if the cultural sensitivities are getting in the way of addressing gender equality issues at all. Luckily for us, and maybe unfortunately so, there seems to be quite a large cross section between countries which do have significant macro-relevant gender gaps and the countries which are highly interested in engaging with the Fund on policies to address these gaps.

Just to make a final point on coverage, we support the proposal to combine both deep dive and light touches, opting initially for greater coverage in countries where gaps are higher and just over time increasing the coverage. We would caution a bit against the concept of light touches, as these can entail in-depth analyses and policy recommendations on specific areas or sectors and might risk underselling the level of engagement and potential impacts.

In conclusion, very much looking forward to the operationalization of the strategy, and as Board members, we are also very much looking forward to contributing to its ambitious and effective implementation.

Mr. Mozhin:

We have issued our written statement, so I will try to be brief. Let me immediately indicate that I fully share the objectives of this strategy. There is nothing uglier than gender inequality, than discrimination against women; so as I say, I fully share the objectives, but the issue of how the Fund can contribute is another matter. Let me also indicate that cultural diversity, the diversity in value systems, should be fully respected. When I look around this table, I can easily see how diverse the Fund's membership is, how diverse the world is, and this certainly needs to be fully taken into account. There should be no room for what is called cultural imperialism in an institution like the IMF.

Let me also mention that there is also a great diversity in the systems of family assistance between the membership. For example, in Russia the duration of maternity leave is 18 months, fully paid. It can be extended to three years with a significant reduction in payment, but with full job protection. Now, how the assessment of this family support system and its macrocriticality will be made, the longer the maternity leave, the worse because from the macro point of view, the longer the maternity leave is, the worse for growth and employment. By the way, I wonder if anybody can remind me what is the duration of maternity leave in the IMF?

Having said all that, I really heard what Managing Director and what Ms. Sahay said, and I agree that the approach should be very careful, step-by-step, case-by-case, with full engagement of the authorities. The approach should be cooperative, about assisting the national authorities to develop their national plans to address gender inequality.

The staff representative from the Office of the Managing Director (Ms. Sahay):

I understand it has increased.

The Chair:

It is parental leave, and it has increased.

Mr. Saraiva:

Even with some nuances, I think there is significant consensus within the Board about the importance of gender equality to unlock growth potential and enhance macroeconomic resilience. I guess nobody denies the importance

of gender equality in itself and of the gender dimension in key economic issues and policies. The issue here is how to clearly define the Fund's role within its mandate and establish a sensible strategic approach that proceeds gradually without stretching too thin IMF and country resources that are already overburdened. We must ensure that implementation is in line with the core mandate of the Fund and that it effectively supports country authorities. We must accept that progress may be gradual, as well as uneven, at the country level. In addition, mainstreaming gender will require not only resolve but also tools and analytical approaches that are not readily available, and, hence, ambition should not come at the expense of realism and measurement. We cosigned a gray statement with Mr. Trabinski and Ms. Zhunusbekova broadly supporting the mainstreaming strategy but raising a note of caution. Four points briefly.

First, the Guidance Note will be key in ensuring that macrocriticality is established based on transparent criteria accounting for country specificities. Here we caution against translating gender gaps directly into macrocriticality. Moreover, the authorities must retain ownership of the policy's content, timing, and sequencing once macrocriticality is clearly established. The Fund must be pragmatic, compelling, and evidence-based, incentivizing and working with the authorities, and avoiding making gender a point of attrition in the engagement with members.

Second, the Fund must strengthen collaboration with the other organizations with clear expertise and comparative advantage. Fund's work not only has to stay within its mandate but must also bring added value. In addition to the collaboration with the World Bank, UN Women, ILO, and other bilateral and multilateral institutions, we encourage the IMF to work with domestic institutions as well. That said, we caution against partnering with CSOs to get financing support. This could compromise the independence, which is critical for the role of the Fund as trusted advisor.

Third, we caution against overburdening authorities with new data requests, particularly in capacity restrained settings. The Fund must offer, as requested by the authorities, adequate technical support to produce the needed data if not yet available in other platforms or not produced by other multilateral development banks (MDBs) or gender-specialized institutions, and any use of third-party indicators should be soundly grounded in our existing policy.

Fourth and finally, we support the creation of a small, centralized unit within SPR and welcome the efforts to keep expenditures for the gender

workstream within the current constraints; but we want to underscore the importance of relying more on country teams to tailor advice to specific country circumstances.

Mr. Zhang:

We broadly support the strategic direction of the Fund's engagement on gender and would like to emphasize four points.

First, the Fund's engagement on gender issues should be in line with its core mandate and comparative advantage and remain evenhanded and targeted to macroeconomic objectives without inserting itself into political disputes.

Second, we support the Fund engagement with a focus on the macrocritical facts of gender-related issues, and we look forward to the comprehensive criteria to assess macrocriticality of gender in specific indicators and the thresholds.

Third, country authorities may have different priorities on their policy agendas. Therefore, to maximize policy traction with the authorities on gender-related issues, the Fund gender work should be demand driven, and policy advice should be tailored to country circumstances, including cultural and social norms.

Fourth, we welcome the proposal to establish a data hub to close the analytical framework gap. Given the capacity constraints that many members confront, gender-related data may not be readily available. We caution that additional data requirements may overburden authorities, and we stress that adequate technical assistance (TA) resources should be made available to the membership to address data gaps at the request of the authorities.

Mr. Hendrick:

We also signed a gray statement with other 14 chairs. Of course, we fully support the initiative. I guess I want to first remind all of us that this is a work in progress and that it has many years already ongoing in the Fund. As clearly explained in the background paper, since 2015 there was already a Gender Advisory Group that was created and integrated by staff from FAD, HRD, and SPR to work on these matters. In fact, almost 30 country pilots were undertaken in those years—two of those countries were in our constituency—on gender issues. This is to say that the fact that we have

already been working for almost eight years on the gender issue is a sign that it is not an easy issue to tackle. Everybody has already explained this. In fact, in 2018, we the Board, already received a paper prepared by the staff on how to operationalize gender issues in country work; so, in principle we, the Board, has already been briefed clearly by the staff in all the work that has been already done in the previous three, four years. This is just a reminder to all of us about the work already done and the importance that this keeps going.

We fully associate with the remarks just made by Mr. Saraiva. Many of the points we wanted to make he already made, I just want also to add that as Ms. Sahay mentioned in her clear and very passionate explanation of what is going to be done next, indeed, what is needed now we believe is a clear consensus of what is macrocritical, how can we really implement it, how to operationalize it, and how can the teams do it in a fashion that is perceived as evenhanded by all membership.

To be honest, there will be many challenges. For instance, we have to be respectful of cultural views, as everybody already agreed; but then based on that respect, if criteria for gender issues is not applied to one country but is applied to other countries, that has less cultural restriction, then we may face an evenhandedness issue by design. Still, I do not know how this potential program will be tackled in the future; but this will need to be carefully done, and I am reassured by the Chair, by Ms. Sahay's explanation, that it is going to be taken gradually, step by step with full interaction with country authorities and full ownership of authorities about the macrocritical issue for the respective country. I insist the problem will be how to do this in a fair and evenhanded way given the diversity of our membership.

Finally, I will also try to remember as an example in a microcosmos, we here in the IMF are also tackling the issue of gender equality for staff for promotions for underrepresented countries; we have already been many years in this process, and we are not yet there, so at the level of the IMF, with all the resources inside the building for trying to tackle the gender issue in the IMF, would be far more challenging in trying to do this at the membership level, the country level. Again, all of this is not to discourage, but we fully support within this very difficult work it is worth trying.

Ms. Quagliolini:

Our chair co-signed a statement with other 14 Directors strongly supporting the proposed strategy, so I will focus my remarks on just four points today.

First, on the implementation, we know that it is very gradual. While we fully understand the need to reflect the limited additional resources assigned to gender within the difficult budget decisions that have been made to address new and competing priorities, we hope that staff's work on gender can pick up speed as experience accumulates, and therefore we join the calls by other Directors to accelerate as much as possible this work.

Second, given that the pandemic has worsened gender gaps in many countries, making the gender strategy even more urgent, also considering potential exacerbating factors like climate change and food insecurity, we would encourage staff to provide policy advice to the membership with the aim of reversing the deterioration due to COVID, drawing lessons from best practices. It would be useful that the successful examples in reducing gender gaps are systematically collected, classified, in homogenous categories, and made available to the Board, and we see the work in the background paper on these and the interesting UN Women COVID-19 Global Gender Response Tracker, and we would encourage further work in that area.

Third, as other Directors noted, to improve traction, we appreciate the envisaged modular approach of the strategy, the flexibility offered by the mix of deep dives and light touches. We believe that this can help tailor the policy advice also to the country authorities' needs.

Finally, although this may be more time-consuming, we consider very promising the work amid exploring connections and synergies with other priorities, namely, climate change, digital finance and fragile states

Mr. Trabinski:

I listened carefully to my colleagues. Let me close by adding four points. One of a general nature, more fundamental, and three are quick operational issues.

First, we thank staff for the report, and we agree that gender inequality is a macrocritical issue. Having said that, we are of the view that this fact by itself does not give the Fund the mandate to recommend to its members to

reduce or eliminate gender inequalities. At this moment, such recommendations from the Fund should be driven by member requests. Here, macrocriticality is a necessary but not sufficient condition. Do not get me wrong; we share the view that gender gaps have a significant impact on macroeconomic aggregates and Section 3A rightly nicely documents this fact. However, the 2012 Integrated Surveillance Decision cannot, in our view, be used to extend the Fund's mandate to a fundamentally new purpose like the reduction of gender disparities. Here, I do not agree with Mr. Buisse's comment who said Fund should work towards creating legitimacy of this work overtime. In my view, this is actually opposite of what we as a Fund should be doing. If we want to extend the Fund's mandate to gender, then we should go the proper path, at least amend the 2012 ISD or, ideally, the Fund's Articles of Agreement because only once this is done, will the Fund have sufficient legitimacy to unilaterally recommend policies or establish conditionalities to reduce gender gaps.

Before ending on this point, let me say for the sake of completeness, we are open to discuss the amendment of the Integrated Surveillance Decision (ISD) in the direction I just said; but I think time is of the essence right now, and we have three macrocritical issues on our hands, namely inflation, debt, and balance of payments needs, and we should be very careful in strategizing what we are doing.

On the operational issues, just very quick points. First, like others, we urge staff to articulate clear criteria to assess when gender issues are macrocritical and establish how the Fund will operationalize this assessment. We can also associate ourselves with the view that focusing on macroeconomic and financial policies should merit staff attention.

Second, we support further development of policy priorities in close collaboration between country teams and functional departments; and, finally, as suggested by some of my colleagues, we should be mindful of cultural issues.

The staff representative from the Office of the Managing Director (Ms. Sahay):

There were not too many questions. There were, I would say, five. Two of them that relate to how are we going to assess when gender becomes program critical and the second one on the details on collaboration. These are both work in progress, so we will report to the Board later on. It has been extremely useful to get input for our implementation phase.

On the third question, very valid points made by Ms. Riach and Ms. Grant that all policies have impact, gender-differentiated impact, and that there should be no unintended consequences. We should try to do that. I just want to set the expectations at the Board and outside that what this requires is a very intense gender-impact assessment. We are not going to be able to do this, we cannot do this for all our policies because we do not have the resources. I just want to say that at the outset.

On the question that Mr. Trabinski raised about ISD, this will take a long time. We will come back to him bilaterally.

The last question is really an issue raised by Mr. Bhalla when he said, and with which I completely agree, that education raises productivity, but I want to take the example of a country that he and I belong to, which is India, where labor force participation is the lowest, one of the lowest in the world. It is 22 percent female labor force participation, and men are at 80 percent. My question is: of what use are all these educated women if they are sitting at home? There are estimates that show that India's GDP can increase by 35 percent if we close the female labor force participation, and I am sure Mr. Bhalla will not disagree with me on that.

Mr. Bhalla:

I disagree with Ms. Sahay. The labor force participation rate is a lot of definitional issue, and if we take the definition of labor force participation rate as in Bangladesh and other neighboring countries, then the labor force participation rate of women in India is close to 36 percent, about the same as it was 20, 30 years ago. So there has been no decline. It is not very low, and it is a matter of choice of women and of definitions.

Ms. Mannathoko:

I was not going to say anything, but after listening to my colleagues, Mr. Bhalla and Mr. Trabinski, we discussed Tanzania last week, and Tanzania was one of the test cases where the benefits are substantial from bringing women into the labor, into the thing, and it has been much more stable than many of the other countries in my constituency without being on a program.

The Chair:

The World Bank actually asked this question: How much does it cost the world to have gender inequality? The answer was staggering, over \$170 trillion. I am not sure we have to change the Articles of Agreement to recognize that even a fraction of this would make a difference in macroeconomic performance, but I am open to any suggestions that come for this Board.

The Chair adjourned the discussion.

ANNEX

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

Joint Statement by Mr. Andrianarivelo, Mr. Buissé, Mr. Chodos, Mr. Fanizza, Mr. Hilbers, Mr. Jennings, Ms. Lim, Ms. Mannathoko, Mr. Moreno, Ms. Riach, Ms. Shortino, Mr. Stephan, Ms. Grant, Ms. Kashima, and Ms. Marcussen on IMF Strategy Toward Mainstreaming Gender Executive Board Meeting July 22, 2022

This inaugural IMF strategy on gender has our strong support. We expect the strategy to strengthen the Fund’s ability to support the membership in narrowing macro-critical gender gaps, enhancing macroeconomic resilience, and in line with the Articles of Agreement, promoting inclusive and sustainable economic growth. It should help member countries make full use of their populations’ productive capacity, leading to better outcomes for economic growth and social stability.

The staff papers make a compelling economic case for gender equity and gender mainstreaming. At this juncture, when the global economy faces growing stresses, effective pooling and deployment of human resources is needed. This requires tapping into available diverse, underutilized, and marginalized human capital in the Fund’s member countries, to help create new and lasting solutions to current economic challenges.

Addressing gender disparities will help to build a wealthier, more resilient world. Increasing fragility and unprecedented shocks ranging from the pandemic to climate have worsened pre-existing gender disparities around the world. However, there is clear evidence that addressing these disparities with appropriate policies can have significant positive impacts for countries’ macroeconomic and financial performance. To this end, we believe that by mainstreaming gender in its work, the Fund will be better placed to support countries to address gender disparities, both through its own effort and by raising the profile of macro-critical gender issues at the country level and on the global stage. Absent such engagement, gender gaps could continue to hold back growth and development – not only for women and their children, but for economies as a whole.

This strategy sends a strong signal that the IMF is serious about integrating gender-related issues into its core activities in a systematic and consistent manner. Given that macro-criticality will be a core guiding principle, we urge staff to work expeditiously to articulate clear criteria to assess whether a gender issue is macro-critical and establish how the Fund will operationalize this assessment. It will also be important to focus on key macroeconomic and financial policies that reduce gender gaps, such as gender budgeting, labor market participation and financial inclusion. Policy priorities will need to be further developed with close collaboration between country teams and functional departments, as the strategy is implemented.

We support deepening the Fund's analytical tools to enhance its capacity and knowledge base so as to enable-the Fund to deliver on this strategy. We encourage staff to develop tools to assess the macroeconomic consequences of gender gaps and to provide granular and

tailored policy advice and CD support to members. As part of this work, we also urge staff to identify the key analytic and research questions relevant to the Fund's role to help expand our collective understanding of the implications of gender disparities for macroeconomic growth and stability and potential policy remedies. This work should be guided by principles of macrocriticality, promoting inclusive growth and evenhandedness. We also strongly support the ambition to explore synergies with other Fund workstreams such as climate, digitalization and fragile and conflict-affected states.

We underline the importance of up-to-date and comparable data on gender. We see merit in the proposed centralized datahub as a one-stop-shop bringing together in-house data sources as well as gender-related data shared by our external partners. It will be essential to identify and address data availability issues and to support members with data capacity constraints, including with assistance from IMF CD. Going forward, data selection should be closely coordinated with the prioritization of gender policies in bilateral surveillance.

A strong governance framework will be key to ensure wider buy-in from staff and ownership from country authorities and key stakeholders. We support the establishment of the central unit to facilitate knowledge sharing, realize economies of scale and avoid duplication of efforts. At the same time, the approach will need to be both top-down and bottom-up to gain momentum for successful implementation of the strategy. We stress the need for clearly defined responsibilities to avoid overlapping roles and unnecessary burdens on limited staff resources.

We strongly encourage further deepening of the Fund's external collaboration in gender work with relevant international and regional partners, including the World Bank Group and UN Women. This is essential to take advantage of synergies and exchange lessons learned from partners while avoiding duplication. To this end, we appreciate the emphasis on consistency in the design of the Bank-Fund collaboration on gender, and the Management Implementation Plan to strengthen collaboration on macro-structural issues.

Successful implementation of the long-term vision requires a comprehensive and well-thought-out plan with clear milestones for the next two to three years, to be able to track progress and adjust actions along the way. We support a phased implementation approach to the coverage of gender issues in bilateral surveillance, CD and lending, building analytical firepower and experience over time. We need to focus on impactful and realistic first steps to build momentum which will be critical for the future decisions to bolster the strategy. In this regard, we encourage staff to advance their timeline to finalize the Staff Guidance Note, including the assessment of macro-criticality. We look forward to the Board's further engagement on the implementation of the strategy.

We are grateful to the staff for their dedicated work preparing this strategy and to Management for their leadership in regaining momentum on gender work at the Fund.

**Joint Statement by Mr. Binzarah, Mr. Hosseini, Mr. Zhang, Mr. Alhosani, Mr. Ahmed,
Mr. Saeed, Ms. Al-Riffai, and Ms. Yang on IMF Strategy Toward Mainstreaming
Gender
Executive Board Meeting
July 22, 2022**

We thank staff for an informative strategy paper on how to mainstream gender in Fund activities. We also thank them for the opportunity to engage with the team in smaller group settings. The strategy reflects consultations held with the Board, and inputs from staff and external stakeholders. We broadly support the strategic direction of the Fund's engagement on gender and the joint gray signed by Mr. Andrianarivelo, Mr. Buissé, Mr. Chodos, Mr. Fanizza, Mr. Hilbers, Mr. Jennings, Ms. Lim, Ms. Mannathoko, Mr. Moreno, Ms. Riach, Ms. Shortino, Mr. Stephan, Ms. Grant, Ms. Kashima, and Ms. Marcussen. That said, we believe there is still room to make the strategy more comprehensive and pragmatic. We offer the following comments on some of the elements of the proposed strategy.

On the Strategy's Vision

We are pleased with the report's confirmation that, the Fund will focus on integrating gender in its activities where macrocritical, and in accordance with its mandate, with a view of informing and supporting the membership in addressing the adverse macroeconomic and financial impacts that gender gaps have on growth and development. To ensure an effective and successful mainstreaming of gender issues into the Fund's core activities - surveillance, lending, and CD activities – it will be crucial to ensure that the Fund's engagement is guided by; a) clearly defined and measurable concept of macro criticality, b) the different stylized country characteristics and specificities that are at the core of gender gaps, c) the need to balance ambition with available resources and the Fund's expertise, and d) the successful collaboration with development partners who have the established skillset to carryout informed/expert analysis and advise the membership at the micro level. Furthermore, though synergies between gender and other emerging issues must be explored, at this nascent stage of the Fund's engagement, it will be important to clearly establish relevance and connection to other IMF work streams and avoid overextending the gender focus. We caution staff against overloading the authorities with policy advice regarding gender inequality in instances where they are already struggling to implement priority macrocritical recommendations. Timing and sequencing have to be carefully designed for successful delivery on these important goals. Therefore, we see merit in developing clearly defined objectives, SMART goals, and criteria outlining what is in and out of the scope of the gender strategy, which will allow efficient and effective stress testing and performance management. We also look forward to clear and explicit directions in the staff's guidance note.

The Fund is uniquely placed to help fill gaps in addressing the macroeconomic aspects of gender inequality by providing a robust assessment of the macroeconomic impacts of gender gaps and engaging collaboratively with the authorities. However, to provide evidence-based policy advice, it will be crucial to define what macro criticality is and include in the toolkit a set of indicators to measure it. Distinguishing between direct and indirect impacts of a country's policy reforms on gender outcomes will help further clarify the Fund's scope and role. Working in close

collaboration with the authorities who must lead the process will ensure that the Fund's gender work becomes demand-driven and supportive of the authorities' efforts.

We support the strategy's four key pillars to ensure the successful mainstreaming of the Fund's treatment of gender issues and would like to offer the following specific comments:

On Data and Analytics

We welcome establishing a centralized data hub on gender which aims to deepen the analytical and policy tools needed to incorporate gender issues in the Fund core activities but worry about the increased demand for data it would exert on some members. Here we see an opportunity to utilize synergies with other IFIs and external partners to compile the gender relevant data needed to build the toolkits used for gender analysis. *Could staff please elaborate on gender data gaps; technical challenges; and how the quality of the existing data sources would be assessed?* We caution that additional data requirements may overburden authorities, particularly in FCS settings due to significant capacity constraints. We welcome staff's reassurance that the Fund will utilize and build upon existing analytical tools and leverage work already undertaken by other institutions. We also request that adequate TA resources be made available to the membership to address data gaps at the request of authorities.

To provide meaningful policy recommendations, we would caution against overly standardizing gender related policy recommendations. Here, the role of country teams becomes invaluable in determining when, and how, to include gender aspects in policy advice. We would encourage ex-ante gender impact assessments to discuss with the authorities. The Fund's engagement on gender issues must remain targeted to macroeconomic objectives and avoid inserting itself in political disputes. Furthermore, we underscore the need to carefully navigate cultural and social sensitivities as well as country specific legal, and capacity considerations. At this nascent stage of the Fund's engagement on gender, and amidst the current heightened global macroeconomic challenges, we caution against including gender-based conditionality in Fund programs—This is important to avoid overwhelming authorities and potentially diverting critical resources away from achieving primary Fund program goals, particularly in capacity constrained contexts.

On Governance

We fully support that the Fund's strategic approach to gender equality would be governed by strictly adhering to the IMF's mandate, clearly established macro-criticality, evenhandedness, as well as buy-in from country authorities. We support the establishment of a centralized gender and inclusion unit at SPR. Having a robust governance framework would provide the necessary oversight to ensure that gender issues are treated in line with the Fund's mandate and ensure accountability and the evenhanded treatment across countries. We would however, caution against a top-down approach and stress the importance of ensuring that the Fund's gender work is also informed by the relevant country teams. Furthermore, we underscore the importance of crafting a coherent communication strategy to manage expectations with respect to the Fund's Gender Strategy targeting Fund staff, the membership, other development partners and the larger public.

On External Collaboration

The success of the Fund’s gender strategy will hinge upon strengthening collaboration with a wide range of external partners who have the necessary expertise to help ensure that Fund policy advice is comprehensive and relevant. This collaboration would help guarantee that there is neither a duplication of work nor missed opportunities of analysis. Hence, we welcome staff’s close collaboration with the World Bank and UN Women and other institutions that have a comparative advantage on gender issues. We also encourage collaboration with other international or national institutions including research organizations and academia where relevant.

On Resources

We welcome the effort to balance ambition with binding resource constraints ensuring that the implementation of the proposed strategy is within the budget approved for gender by the Board. We would caution against stretching the resource envelope too thin, and against diverting resources away from core Fund priorities, especially during these uncertain and difficult times when the membership is consumed with rising inflation, food and energy insecurity concerns, and rising risks of debt distress. To that end, we support the proposed timelines and the sequenced implementation of the strategy and its associated deliverables.

**Statement by Mr. Bhalla and Mr. Natarajan on IMF Strategy Toward Mainstreaming
Gender
Executive Board Meeting
July 22, 2022**

We thank the staff for the detailed report on IMF Strategy Toward Mainstreaming Gender. It is timely and of interest to various development agencies around the world. For the IMF, the Report's major recommendation is that, because of macro-criticality, gender issues (like climate before) should be mainstreamed in IMF activities.

There are some conclusions of the Report with which we agree. We agree that gender disparities are important and their resolution is an important hurdle for sustainable development, higher growth, greater equity, and greater economic and social stability. Also, the Report's recommendation that the IMF should collaborate with World Bank and other development agencies is welcome.

We would like to raise three questions for discussion.

First, **what constitutes macro-criticality?** The Board and our authorities will benefit from an operationally precise definition of the concept. For instance, technology, land, labor, and capital are important factors of production and key for growth. Is land also macro-critical, and if yes how do we evaluate prioritizing land issues vs. gender issues when deciding what to mainstream? Of course, as evidenced by recent Article IV discussions of a handful of countries, there could even be overlapping instances where there still exist barriers to land holding rights of women, when the issue of prioritization does not arise. However, from a broader perspective, more evidence may be needed on whether, for instance, land issues or gender issues impose the greater hindrance for high and equitable growth in various countries.

Second, efforts to broaden the analytical focus of surveillance activities may risk diverting resources and attention from the core bread-and-butter IMF macro issues, particularly at a time when the global economy is on the brink of a deep recession with high inflation. **Does the Staff share this assessment? If so, what is the proposed strategy to ensure the focus remains on the core macro issues? Given the rising global vulnerabilities and macro uncertainties, wouldn't it be more advisable to focus the intellectual firepower of the Fund staff on the core macro issues—and as needed, additionally study non-core issues on a case-**

by-case basis? It should also not be forgotten that many unique historical and cultural aspects could be involved in gender-related analysis, on which the Fund does not have sufficient expertise to advise country authorities who will intrinsically be familiar with such non-economic aspects and sensitivities.

Third, it is likely that the relative importance of issues such as gender, land, climate, etc. will vary from country to country, over time, and structure and stage of development. The Articles of Agreement guiding the surveillance activities have thus far been broadly interpreted as focusing on macro/growth/inflation/financial/BOP issues. **Shouldn't the authorities have more of a say in guiding the focus of each Article IV cycle when it comes to the non-traditional non-core Fund issues?**

**Joint Statement by Mr. Bevilaqua, Mr. Trabinski, Ms. Zhunusbekova, and Ms. Florestal
on IMF Strategy Toward Mainstreaming Gender
Executive Board Meeting
July 22, 2022**

We broadly support the proposed strategy but encourage more realistic aspirations. We thank staff for the proposal, which reflects important aspects of the guidance that the Board provided previously, including in the context of the discussions on the budget augmentation framework. Gender disparities are numerous and large, and we agree that tackling them and creating equal opportunities and rights is imperative. At the same time, and as staff state in the report, the Fund is not an institution with a dedicated focus on gender. For the IMF, gender equity is not a goal in itself but only one impact channel among others to affect macroeconomic and financial outcomes. Given its mandate and core competencies, the role of the IMF in tackling gender disparities is relatively limited. Hence, while we support applying a “gender lens” to some aspects of the IMF’s work, we would not go as far as labelling it a “shift in the mindset on how to conduct IMF core activities.”

Aside from these general points, we highlight the following.

We support the four pillars of the proposed strategy. Specifically:

- **We support work to deepen analytical and policy tools drawing on existing data sources and surveys.** Readily accessible data is essential for work on such tools. Establishing a central data hub that collects data from existing sources is therefore sensible. We call for exploiting synergies, especially with the World Bank’s Gender Data Portal. More generally, we highlight the importance of avoiding exerting pressure on resource requirements for data collection both at the Fund itself and at country level. In line with this, we appreciate the small cost envisaged for developing the Gender Data Hub. Regarding a possible data dashboard, we remain to be convinced about the value added of such an initiative.
- **We see merit in establishing a robust governance framework and guidance note for country teams, including systematic and quantitative prioritization criteria, to guide engagement with members on gender.** Such guidance is important to ensure evenhandedness and consistency. It also helps to make sure that resources are deployed where gender gaps have the largest macro-critical relevance—which can, but need not necessarily, be where gender gaps are largest. Figure 5 provides sound overall guidance on engagement with members.
- **We welcome the emphasis in the proposed strategy on strong collaboration with other institutions.** The World Bank is obviously the Fund’s “main and natural”

partner. We welcome that groundwork on plans for collaboration between the two institutions has already been conducted. We also see merit in consulting and collaborating with other organization and partners, including UN Women. At the same time, we continue to have reservations about CSOs and NGOs, such as the Gates Foundation, becoming external funding partners of the IMF. Avoiding undue interference and influence as well as preserving the independence of staff and the reputation of the IMF as an impartial trusted advisor is paramount. *Could staff elaborate on the risks associated with external funding partners?*

- **We support the creation of a small, centralized gender and inclusion unit**, to exploit synergies and economies of scale and thus to maximize impact. Such a centralized unit will also have an important role in coordinating gender activities and avoid duplication of efforts across departments. That said, we underscore the importance of relying more extensively on country teams to properly tailor the specific approach to country circumstances.

Regarding program conditionality on gender, we emphasize the importance of parsimony and prioritization to avoid overburdening programs and distracting authorities from other macro-critical issues, particularly in capacity-constrained settings. Program countries are typically under considerable pressure and face multiple challenges. Hence, focusing on the most macro-critical issues will be particularly important here.

We support integrating gender into capacity development in accordance with the IMF's mandate. To ensure this accordance with the mandate, the IMF should focus on gender gaps that are within its areas of expertise, as set out in the three main principles on page 12 of the staff report. In light of this, we were surprised to read that staff intend to go “from trainings and workshops with a fiscal focus toward training [...] on the macroeconomics of gender gaps” in IMF capacity development. In our view, such a move would be inconsistent with a focus on the IMF's mandate and expertise. *Could staff elaborate on this?*

We consider the overall resource envelope for IMF gender work, including the planned increase under the agreed budget augmentation framework, to be appropriate. The Fund has strengthened its engagement on gender-related issues in recent years. The planned budget augmentation, which will result in a further 20-percent-increase in FTEs working on gender, seems appropriate. In this context, we reiterate that the agreement on the budget augmentation framework was reached as a carefully calibrated compromise, following extensive discussions. Also, agreement was reached recently, and implementation of the budget augmentation has only just begun.

On the allocation of resources for gender work across countries and activities, we are of the view that the baseline scenario that combines a few “deep dives” with a number of

“light touches” strikes a reasonable balance. Apart from that, we consider the scope for covering gender in multilateral surveillance and in overarching “country matters meetings” to be smaller than in bilateral country work. As gender issues typically display a high degree of regional and country specificity and idiosyncrasy, the insights from global analyses should not be directly translated into recommendations at the bilateral level. *Could staff comment?*

**Statement by Mr. Palotai, Mr. Just, and Mr. Samuda on IMF Strategy Toward
Mainstreaming Gender
Executive Board Meeting
July 22, 2022**

We would like to thank staff for the informative document and background paper as well as for the opportunity to engage in the smaller Q&A sessions, which were very helpful. **We are encouraged to learn that many countries are already making substantial progress in implementing policies to reduce gender gaps.**

We fully support the notion that a country's economic potential can only be tapped if women are participating in large scale in the labor force and economic activity. We appreciate the various channels described in the paper that show that gender gaps may impact macroeconomic and financial outcomes. Awareness of this topic is welcome and necessary, whether a strategy is warranted is however, less clear as the big macro question should already be on staff's radar screen and the areas where staff usefully can contribute are rather limited while we see a clear risk that core activities of the Fund could be at risk with a fully-fledged implementation of the strategy. We also note that the paper oscillates between gender, and gender and inclusion and stress that if the scope is also inclusion focusing only on gender would be too limited, but that equality of economic opportunities should be afforded to minorities, displaced persons or refugees, regardless of gender.

We emphasize that we have to be pragmatic about the many root causes of gender gaps or low female participation in the work force and also need to pay attention to the cultural and logical limits of the Fund's impact, resources and mandate. Some areas addressed in the strategy paper, are – or at least should be – already an integral part of our policy discussions with the authorities. That includes women's labor force participation as well as access to healthcare, finance, technology, infrastructure and other public services like education. In this area we fully support efforts by staff to collect the necessary data so that the cost to any given economy from excluding women from the formal labor force can be calculated or that domestic revenue mobilization efforts won't deliver if women are excluded from the formal sector.

We are concerned that in some thematic areas the paper goes clearly beyond what is called for and which could coincidentally undermine support for this workstream by the membership. In this context we only would like to mention gender and FSAPs, where gender issues could overburden an already complex and technical exercise. Equally, staff needs to be extremely careful on linking gender and monetary policy.

Staff were tasked with developing a strategy to incorporate gender in the Fund's policy advice when such issues are macro-critical. We agree with the strategy proposal that the **implementation needs to be balanced with available resources and expertise.** In this vein, we support the goals of pillar 1 to get access to relevant data, training, and modeling tools to conduct relevant analyses on macro-critical issues. While the paper makes often reference to macro-criticality, there is little substance on how macro-criticality will be determined. We propose that the Board will be involved in determining macro-criticality.

In doing so, we need to ensure that the Fund's limited resources are not overstretched and will focus on meaningful areas, where we can have the highest impact. We understand that the phased approach, the shared FTE staff positions and the case-by-case approach will aim to do exactly that. We should avoid creating extra administrative burden to the authorities or Fund staff and should avoid at all costs that this becomes a box ticking exercise. We appreciate the approach to develop easy-to-apply templates, additional model-based tools, and macro-relevant databases in support of area department teams. We remain to be convinced that deep dives are the best way forward, given scarce resources and also our skepticism that from deep dives meaningful analytical and methodological tools can be developed that will be able to account for often deep rooted cultural and social norms and that can be used across countries. Deep dives also risk that the Fund is branching out into areas that are **far beyond the Fund's mandate**. Deep dives should by no means crowd out Fund core activities and also deep dives need to ultimately be in line with the top-down macro-nature of the Fund.

With regards to **lending operations and conditionalities**, the strategy proposes to use them to narrow or close gender gaps where it is critical for achieving the objectives of the Fund-supported program. While we admire the vision, **we call for realistic expectations about what conditionality in the relatively short-term Fund programs can actually achieve on such a long-term structural issue like the gender gap.** In particular, in a program context it is critical that authorities are fully on board with gender conditionality as forcing it upon them is bound to undermine support for and success of a program. *We have reservations about the planned coverage of gender-related issues incorporated in the scenarios in Chapter 6, and would welcome staff's comments on the criteria and underlying information for the presented scenarios. We equally would like to understand why staff focuses on prospective balance of payments problems and would object to using this concept for standard programs.*

Against this background, we welcome in principle pillars 3 and 4, the close cooperation with partner institutions, realizing economies of scale and building on work and research available. A lot of resources have been designated at gender mainstreaming in various institutions and we do not need to re-invent the wheel entirely but rather apply best practice where it is meaningful.

We lacked a discussion how it will be ensured that the Fund is not captured by others. We continue to have significant concerns about the involvement of the Gates Foundation. While we appreciate more transparency on how this grant financing will be used, we question whether the usage is in line with the intended purpose and in accordance with our framework on philanthropic investment. Such grant financing should not finance upstream analytical work that influences Fund policies but should be used to finance the dissemination of independently formulated Fund policies via CD. In this context we would appreciate clarification whether in accordance with the respective policy ICD is in charge of administering and disbursing these resources?

To conclude, while we fully recognize the importance of the topic, we call for pragmatism in our engagement with authorities, a focused and economically efficient use of our resources and staff and a strong collaboration with experienced partner institutions.

**Statement by Mr. Mozhin, Mr. Potapov, and Ms. Zubareva on IMF Strategy Toward
Mainstreaming Gender
Executive Board Meeting
July 22, 2022**

1. We thank staff for the comprehensive report on the IMF Strategy Toward Mainstreaming Gender and for the helpful Q&A sessions. We broadly support the proposed strategy, although important issues remain to be elaborated in the guidance note. We share many points expressed in the joint grays and hope that the new strategy will help staff to strengthen the Fund's policy advice on gender issues and systematically assess the macroeconomic consequences of gender gaps where they are macrocritical. We would like to offer the following comments for emphasis.

2. **Gender disparities can significantly influence countries' macroeconomic performance.** Addressing gender gaps is critical, given their potential negative impact on growth, employment, and labor productivity. Eradication of the barriers for women to participate in economic activities and elimination of any form of discrimination will promote inclusive and sustainable growth in the Fund's members. In this regard, the assessment of macroeconomic consequences of gender disparities is important for the Fund's policy advice to the membership.

3. **When implementing the strategy, it is essential to ensure its consistency and alignment with the IMF's mandate and avoid work duplication.** We support further collaboration and knowledge-sharing with other multilateral institutions on gender issues. However, it is essential to determine the IMF's scope of work and develop in-house expertise. The Fund should be cautious in relying on external data and sources of information. Close coordination with the authorities will be paramount to support implementation of the strategy. We highlight the need for a clear definition and criteria of the "macrocriticality", while addressing gender issues. *Staff's comments are welcome.*

4. **Technical aspects of the gender integration into the IMF's core activities need further elaboration, especially in the case of the Fund's lending activities.** We welcome the proposal to establish a robust governance framework to ensure an evenhanded and transparent approach across members. *Could staff elaborate on how gender aspects will be integrated into conditionality under the Fund's programs?*

5. **Gender issues can be very sensitive because of cultural and religious differences among the Fund's members.** It is essential for the Fund to respect cultural diversity of its members as well as the diversity in the systems of values while implementing the strategy.

We believe that the Fund's work on gender issues should take into account cultural, religious, and traditional aspects of gender issues in its member countries. *Staff's comments are welcome.*

6. We look forward to the guidance note that should further elaborate on the key issues of the strategy.

IMF Strategy Toward Mainstreaming Gender

Responses to Technical Questions Posed by Executive Directors in Advance of
EBM/22/69—July 22, 2022

Staff's responses to technical questions are below. Broader policy questions in the area of macrocriticality will be addressed in staff's intervention at the Board meeting.¹

Outlook/Risks

1. ***What constitutes macro-criticality? We highlight the need for a clear definition and criteria of the "macrocriticality", while addressing gender issues. Staff's comments are welcome. Could staff elaborate on how gender aspects will be integrated into conditionality under the Fund's programs? We ... would like to understand why staff focuses on prospective balance of payments problems and would object to using this concept for standard programs. Wouldn't it be more advisable to focus the intellectual firepower of Fund staff on the core macro issues—and as needed, additionally study non-core issues on a case-by-case basis? Shouldn't the authorities have more of a say in guiding the focus of each Article IV cycle when it comes to the non-traditional non-core Fund issues?***
 - The Integrated Surveillance Decision (ISD) establishes that Article IV consultations should always cover exchange rate policies, as well as monetary, fiscal, and financial sector policies—both their macroeconomic aspects and macroeconomically-relevant structural aspects. Other policies, such as policies on gender, should be examined only to the extent that they significantly affect present or prospective balance of payments (BOP) or domestic stability, which constitutes the "macrocriticality" criterion for surveillance purposes. The coverage of these other policies in surveillance will thus depend on their macrocriticality as defined above. Also, in accordance with the ISD, in cases where certain policies (e.g., gender policies) are not considered macro-critical and are not to be covered in Article IV consultations, those policies can still be discussed in Article IV consultations at the request of the country authorities.
 - It is difficult to define a universally quantifiable criteria to assess macrocriticality, but staff relies on empirical criteria or benchmarks in determining macrocriticality including whether an issue affects GDP or employment, growth or volatility, external and fiscal sustainability, or financial stability. While an assessment may be clear in many cases, at times macrocriticality may need to be determined on a case-by-case basis, reflecting country circumstances such as the member's income level, structural characteristics, data availability, and institutional capacity.
 - Once staff identifies an issue as macrocritical, the ISD requires it to be discussed in Article IV consultations. The coverage of gender in surveillance will thus depend on macrocriticality and the growing expertise that the Fund is building under the gender strategy. The authorities' views on coverage should be reported, as needed. Depth of coverage will depend on factors such as relevance, severity, and urgency relative to other issues.

- Under the Fund's legal framework, the relevant standard for macro-critical coverage differs across the three core functions of the Fund (i.e., surveillance, UFR, and CD). In the UFR context, while IMF staff routinely discuss with member authorities' issues that are considered to be macro-critical, the establishment of program conditionality is subject to specific standards.
- While in the exercise of its bilateral surveillance powers, the Fund focuses on those policies of members that can significantly influence present or prospective BOP and domestic stability [Integrated Surveillance Decision (ISD), ¶6, Decision No. 15203-(12/72), July 18, 2012], under the Guidelines on Conditionality, gender-related conditionality may be included in Fund-supported programs where those measures are considered of critical importance for achieving the goals of the member's program or for monitoring implementation of the program (Guidelines on Conditionality, ¶ 6–8 and 11(d)(ii), IMF Decision No. 12864–(02/102), September 25, 2002, as amended). This means that even in cases where gender-related measures or policies are not macro-critical under the standard set forth for Surveillance as described above, they can still be included as program conditionality if the measure/policy meets the standard for program conditionality as described above

Data, Tools, and Analysis

2. ***Could staff please elaborate on gender data gaps; technical challenges; and how the quality of the existing data sources would be assessed? We welcome establishing a centralized data hub on gender which aims to deepen the analytical and policy tools needed to incorporate gender issues in the Fund core activities but worry about the increased demand for data it would exert on some members. We also request that adequate TA resources be made available to the membership to address data gaps at the request of authorities.***
- With regard to the Gender Data Hub, there is no additional reporting requirement on IMF members since it draws from existing data sources and surveys from other international organizations, such as the ILO, World Bank, and OECD. Machine-to-machine data transmission via application programming interfaces (APIs) helps reduce costs and ensures automatic updating of data series, including transmitting IMF data to these organizations such as gender-disaggregated data from the Fund's Financial Access Survey (FAS). As is routine in Fund surveillance, staff could encourage authorities to collect data that are macro-relevant or share gender-disaggregated data if they already exist. There is indeed a technical challenge to provide sound and granular policy advice where preliminary or anecdotal evidence shows that gender may be macro-critical but systematic data are missing to conduct rigorous analysis.
 - As for the quality of data sources, we rely on other international organizations for quality assurance given that the Fund is not a primary data collector. However, in selecting data series for the Hub, STA expertise is being leveraged to identify consistent and cross-country

comparable data sources, including taking account factors such as country and time coverage, frequency, sources, and accessibility of methodology documents and metadata. The Third-Party Indicators (TPI) Framework will apply to some indicators. The use of TPIs in Fund documents should be in line with the Guidance Note for the Use of Third-Party Indicators in Fund Reports. Some of the TPIs in the Gender Data Hub are already included in the Updated Third-Party Indicators Digest, which summarizes key information that staff should consider when using and presenting the corresponding indicator.

- With regard to TA, the Fund stands ready to support countries seeking to enhance their capacity to develop macro-critical gender-related statistics. Here, it will be important to focus on macroeconomic and financial statistics. Gender data gaps in other areas (e.g., labor, education, and health) are best addressed by other international institutions.

Collaboration with External Partners

3. Could staff elaborate on the risks associated with external funding partners? In this context we would appreciate clarification whether in accordance with the respective policy ICD is in charge of administering and disbursing these resources?

- On the question of which department will be in charge of administering and disbursing the donor resources, the administration and oversight of these resources are treated the same as all other donor-funded projects. The contribution agreement (Letter of Understanding) is prepared by ICD, in consultation with the Legal and Finance departments, and is specifically governed by the Terms and Conditions of the Subaccount for the Administration of Selected Smaller-Scale Capacity Building Activities, established in 2010. Once disbursed by the donor, the financial resources are held by the IMF's Finance Department, and then program expenses are charged against these resources.
- On the question of risks associated with external funding partners, robust policies and procedures are in place to ensure the independence of the IMF's capacity development work, irrespective of the funding partners. The use of any donor support under the Gender Strategy is fully in line with these policies and procedures. Namely, the prioritization process for the Fund's CD work is anchored by the priorities established by the Board and articulated in the Medium-Term Workplan elaborated by departments and based on firm demand from member countries.
- On funding, the legal scope for working with donors, including private sector entities such as foundations, was approved by the Board in 2009 with the establishment of the New Framework Administered Account for Selected Fund Activities (EBS/09/27). Specifically on private sector entities, this was supplemented by guidelines circulated to the Board in 2018 setting out a framework for taking contributions from these entities to guard against conflicts of interest, reputational risks, and other potential risks (FO/DIS/18/43). In particular, the framework requires that any potential support from a private sector entity be accompanied by a rigorous vetting and

due diligence process, which needs to demonstrate that the contribution: (i) provides a clear benefit to the Fund's delivery of CD and aligns with the Fund's CD priorities; and (ii) does not present any conflict of interest or reputational risks. The purpose of donor funding is to construct the building blocks of gender-disaggregated models and tools, which support CD and will be available to country authorities for their analysis of gender.

Country Selection and Specificity

4. We have reservations about the planned coverage of gender-related issues incorporated in the scenarios in Chapter 6, and would welcome staff's comments on the criteria and underlying information for the presented scenarios. As gender issues typically display a high degree of regional and country specificity and idiosyncrasy, the insights from global analyses should not be directly translated into recommendations at the bilateral level. Could staff comment?

- With regard to the scenarios, as described in Section VI, page 42 of the Background Paper, they are based on the following set of assumptions and information:
 - i. Total number of full-time equivalents (FTEs) dedicated to country work in Area Departments is 2 FTEs in FY23-25 (as indicated in Table 1 of the Background Paper), based on the latest submissions by Area Departments. This number with decimal places is 2.473. This is the case for all 3 scenarios.
 - ii. The FTEs necessary to conduct each country analysis is assumed to decrease over time during FY23-25, as staff allocated to gender in SPR's central unit and other Functional Departments develop tools and models that make country analysis less time consuming. Hence, our assumption for FTE intensity for *light touch* countries decreases from 0.2 FTEs in FY23 to 0.15 FTEs in FY24 to 0.1 FTEs in FY25. Similarly, for *deep dive* countries our assumption of FTE intensity per country decreases from 0.4 FTEs in FY23 to 0.35 FTEs in FY24 to 0.3 FTEs in FY25.
 - iii. The share of total Area Department resources devoted to *deep dive* countries in the baseline scenario increases from 25 percent in FY23 to 33 percent in FY24 to 40 percent in FY25. This reflects the spirit of mainstreaming to conduct deeper studies and provide granular and country-specific advice. The corresponding shares for *light touch* countries decrease from 75 percent in FY23 to 67 percent in FY24 to 60 percent in FY25, as indicated in Table 1.
 - iv. For illustration purposes, we will focus on the baseline scenario, as the other two scenarios can be calculated in a similar manner. For ease of understanding, we are explaining the calculations for year FY25—the steady state. The steady state FTE intensity per country is equal to 0.1 FTEs for *light touches* and 0.3 FTEs for *deep dives*, as a standard provided by OBP.
 - v. In year FY25, the estimated proportion of resources for *light touch* countries is 60 percent for Area Departments, which is 1.4838 FTEs. This means that 15 *light touch* countries can

be covered. The remaining 0.9892 FTES will allow the coverage of 3 *deep dive* countries, which brings us to the total of 18 countries for FY25, as indicated in Table 1.

- With regard to the comment that insights from global analyses should not be directly translated into recommendations at the bilateral level, we fully agree. That is, cross-country analyses can only point to the indicators that show which ones are potentially macro-critical. The final judgment will be with Area Departments, which will be taking into account regional and country specific circumstances.

Training

5. ... [S]taff intend to go “from trainings and workshops with a fiscal focus toward training [...] on the macroeconomics of gender gaps” in IMF capacity development. In our view, such a move would be inconsistent with a focus on the IMF’s mandate and expertise. ***Could staff elaborate on this?***

- Training on the macroeconomics of gender gaps lies well within the IMF’s mandate. This training will focus on identifying and assessing gender gaps based on indicators that the existing literature, including studies by the Fund, show are macro-critical. The course will also provide participants with an overview of the range of fiscal and non-fiscal measures that could help tackle these gaps. Specifically, the training will discuss trends over time and across countries in gender inequality, including the impact of the COVID-19 pandemic; analyze the macroeconomic implications of gender inequality; and examine policies and reform options in the fiscal, financial, and legal areas to help address gender gaps. All these areas are relevant for macroeconomic and macro-financial performance and are areas where the IMF has made, and continues to make, substantial contributions. The training will focus on building knowledge across our member countries in an important area of relevance to the IMF.

Cultural and Social Norms

6. ***To provide meaningful policy recommendations ... we underscore the need to carefully navigate cultural and social sensitivities as well as country specific legal, and capacity considerations. It should also not be forgotten that many unique historical and cultural aspects could be involved in gender-related analysis, on which the Fund does not have sufficient expertise to advise country authorities who will intrinsically be familiar with such non-economic aspects and sensitivities. We emphasize that we have to be pragmatic about the many root causes of gender gaps or low female participation in the work force and also need to pay attention to the cultural and logical limits of the Fund’s impact, resources and mandate. We believe that the Fund’s work on gender issues should take into account cultural, religious, and traditional aspects of gender issues in its member countries. Staff’s comments are welcome.***

- We agree that Fund staff should take country-specific circumstances, including cultural, religious, and traditional norms, into account when analyzing gender issues and providing policy advice. The 2018 How-to Note on Operationalizing Gender Issues in Country Work provides staff with early guidance on this, noting that while all policy recommendations should be considered against the backdrop of countries' cultural and religious norms, staff reports should present the facts and show the impact of proposed policies. The How-to Note also highlights good practices learned from the initial pilot phase on gender, including how dialogue with concerned ministries and external experts before, during, and after Article IV missions can help staff explore cultural sensitivities to better tailor policy advice. The strategy paper states that when IMF staff engage with authorities, teams will need to keep in mind cultural and societal norms, recognizing that change takes time.
- While staff should be mindful of cultural norms and country-specific circumstances, there is still room for policy to have an impact, based on staff's rigorous analyses. For example, a 2016 IMF study on the drivers of female labor force participation in Europe points to demographics and women's self-reported attitudes towards the desirability of formal labor force participation as key predictors of women's decision to join the labor force. However, policies matter as well, and tax distortions, childcare provisioning, and parental leave are additional factors that can have a positive impact on female labor force participation. Paragraph 70 of the background paper also underscores that while cultural norms are often longstanding and complex, numerous studies find that economic processes shape and in turn affect cultural norms regarding female employment.

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