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**Statement by Mr. Bevilaqua, Mr. Velloso, and Ms. Florestal on Eleventh Periodic Monitoring Report on the Status of Management Implementation Plans in Response to Board-Endorsed IEO Recommendations  
(Preliminary)  
Executive Board Meeting  
September 22, 2021**

We thank the IEO and staff of the Office of Internal Audit, SPR, and other Fund Departments who contributed to the preparation of the Eleventh Periodic Monitoring Report on the Status of Implementation of Management Implementation Plans (MIPs) in Response to Board-Endorsed IEO Recommendations.

**We commend management and staff for the progress made over the past eighteen months in implementing the remaining MIP actions and applaud the increased pace of implementation during the review period.** The classification and triage framework adopted recently remains instrumental in assessing progress and reprioritizing actions to achieve efficiency gains. Relatedly, we concur with staff that multiple actions proposed in response to a single IEO recommendation must be analyzed with respect to their collective effectiveness rather than individually.

**This Report offers helpful inputs for the discussions on the GPA and several other items in the Board’s work program as implementation actions are intimately linked to several workstreams.** We underscore the work of the IMF on countries in fragile situations, social protection issues, data provision, and enhancing the talent inventory of financial sector experts. We look forward to staff’s proposals for measuring the impact of slippages, including by designing processes that better define “impact” ex-ante as part of the MIP process. Realistic assumptions regarding requisite time and prior work to achieve certain MIP actions are also critical.

**The constraints due to the pandemic and those inherent to the flat budget have contributed to delays in the completion of several overdue actions but other factors must be at play.** We note, for example, that the original target dates of most overdue actions

precede the COVID-19 pandemic. Stronger emphasis on management's commitment may be required to accelerate progress in the implementation of overdue actions. In this regard, we underscore those actions related to Financial Surveillance and the IMF work on countries in fragile situations. Linking the application to certain senior positions to the candidates' completion of their talent profiles could yield positive but limited results. *We wonder why a link could not be established to the APR process. Staff comments are welcome.* We remain concerned about the potential weakening of the measure requiring prior work experience on fragile and conflict countries for promotion to A15 given that staff can satisfy this requirement by equivalent experience on LICs that are not necessarily in fragile and conflict situations.

**Reliable, comprehensive, and timely data are indispensable for the IMF to carry out its surveillance mandate.** We understand that the delivery of many actions inscribed in the MIPs depend on the completion of several initiatives and projects that were delayed but urge that all efforts are made to respect the new completion dates. We underscore the importance of capacity development (CD) activities and note that for building statistical capacity in member countries the IMF is mainly relying on trust funds. *Could staff elaborate on current resource gap and on contingency plans in case these trust funds are not sufficient or available in a timely fashion?*

**Commendable progress has recently been made on actions related financial surveillance and IMF advice on capital flows.** We are satisfied that MCM seems to be better staffed and that most actions will be delivered in CY 2021. At the same time, we believe that additional and better trained staff are needed to properly fulfill the Fund's core mandate in the monetary and financial areas, particularly in support to surveillance. Unconventional monetary policy remains a leading topic of interest for the membership, and the Fund needs to be at the forefront of financial spillover analysis and advice on dealing with capital flows. Also, the increased reliance on digital and financial technologies will require the IMF to keep abreast of their implications for financial surveillance and spillovers.

**Finally, we look forward to the upcoming IMF budget discussions on the proposed structural increase and delivery on several workstreams as well as inevitable tradeoffs.** We underscore the importance of ensuring sufficient funds for CD support to countries in fragile and conflict situations, including from the Fund's own budget.