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

We appreciate the significant efforts from the staff Task Force and from staff across a broad range of departments to develop this implementation plan responding to the Review of Institutional Safeguards. In particular, we are grateful for staff's engagement with the Board Steering Group, management and the Staff Association. In June, the Board and management publicly committed to developing an action plan which would "carefully consider all of the reports' recommendations" by the end of the calendar year. Distilling the full set of recommendations into a clear, comprehensive and actionable set of proposals has been a sizeable task. The matrix in Annex I does a good job of setting out a clear way forward on each item, and the report sets out a helpful overview and rationale for the proposed approach.

Within the 65 recommendations and sub-recommendations split out under Annex I, 44 are supported, and a further seven are supported with some modifications. There has already been significant progress across a range of areas, but we also stress that some items – particularly those aiming at long-run, durable cultural change – will take time and continued effort, including from the top of the institution. Four items are judged to have insufficient support to take forward: while we understand the intentions behind the original proposals, we agree that the specific changes suggested by the External Panel of Experts do not work for the Fund, and we therefore support the decision – which follows consultations with a range of stakeholders, including the Board Steering Group – not to take these forward.

The implementation plan is an important milestone in the Fund's ongoing efforts to ensure the highest standards of data and analytical integrity and to improve the transparency and functioning of the Dispute Resolution Systems, and we look forward to significant progress against the implementation plan in 2023. Nevertheless it does not mark the end of the road, for three reasons:

- First, because even under supported recommendations, implementation will take time to embed in some cases;
- Second, because for ten items in Annex I, more time and/or further consultation is required to determine the right way forward. We welcome the future workstreams set out in Table 1, which will help agree a way forward on these outstanding items, with clear timeframes for reaching decision points. We urge staff and management to involve the Board in any decisions which might require significant new resources or would delay existing Board-endorsed priorities;
- Third, because the real marker of progress here is the confidence that staff have in the Fund's systems and processes. That can only be assessed over time.

Effective communication and monitoring of implementation progress and its impact over time will be important. We therefore welcome the plans for an interim implementation update to the Board by the end of 2023; we expect that this will be accompanied by communications with staff too. We also welcome the intention for an OIA progress report in the first half of 2024, and the intention for subsequent implementation updates to be covered in OIA's annual progress reports, consistent with the Periodic Monitoring Report process. We also believe that monitoring staff perception is crucial, and we therefore encourage more regular staff engagement surveys and lighter-touch pulse surveys as a tool for monitoring and follow-up.

Management, Board members and their offices all have an important part to play in this agenda. Every one of us has a responsibility to model – and to visibly champion – appropriate values and behaviors, setting a tone consistent with a modern and inclusive workplace. Structured communications as well as less formal opportunities should be leveraged to demonstrate both management and Executive Directors' commitment to these principles. We hope that a strong collective endorsement of the implementation plan will be one small contributor here.

As work on the implementation plan progresses, there will also be roles for Board committees on specific issues. The Ethics Committee has already discussed recommendations relating to its functions, and will oversee a review of the Board Code of Conduct next year. Meanwhile the Committee on Administrative Matters will consider a proposal on OED access to informal dispute resolution mechanisms early in 2023. The Steering Group will convene to discuss a draft note clarifying the relationship between OEDs and staff, before this is shared with the Board and staff. Staff are also developing a note presenting a range of options by which staff can raise concerns of any potential or perceived undue pressure. We note that pressure can be felt by all sides, and that early and informal discussion involving line managers is usually a sensible first step.

We reiterate that we also see the Review of the Transparency Policy as an important linked priority. It is difficult to separate discussions about analytical integrity and the relationship between management, staff, Board members and country authorities from a policy which the staff guidance note explicitly states deals with the effectiveness, quality, legitimacy and accountability of IMF analysis. The Transparency Policy was last reviewed in

2013, and engagement modalities have evolved significantly since then. In line with strong views repeated by a wide range of Directors in the recent Work Program discussion, we therefore hope work on the Review of the Transparency Policy will begin in FY 2023.

It has been a unique honor to lead the Board Steering Group on Institutional Safeguards. We are particularly grateful to all Steering Group members and to staff from the Task Force for the open and collaborative approach which they have brought to the work. **We look forward to working with the whole Board to further support implementation of the recommendations.**