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December 14, 2022

**Statement by Mr. Hilbers, Mr. Tsur, and Ms. Volociuc 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 thank staff and the Board Steering Group (SG) for their comprehensive work and support the proposed Implementation Plan. The plan is an important milestone in the joint effort by the SG, Management, and staff to promote comprehensive measures that represent significant institutional change. We appreciate the intensive discussions held by the stockholders, and welcome the consensus reflected in the Implementation Plan. We also welcome the implementation schedule and the established work streams to determine the path forward on recommendations that require further consultation. We encourage the SG, Management, and staff to progress accordingly while allowing the Board to monitor the process as normally done under the Management Implementation Plans as the result of IEO reports.

An important element in monitoring the Implementation Plan is to assess how specific actions are defined into a wide-ranging cultural change in the organization. We therefore highly support the intention to subject the implementation to an evaluation by the OIA. Staff engagement surveys and pulse surveys are key to evaluating the intended cultural change. In this regard, we welcome the launching of the Fund-wide Staff Engagement Survey.

We thank staff for including information on resource implications of the Implementation Plan. We are encouraged that the Implementation Plan will be accommodated within the existing budget envelope through reprioritization. *Could staff elaborate on the envisaged budget for the implementation in FY24 and upcoming fiscal years, and how this will impact the work programs of the affected departments?*

Comments on specific recommendations

Both formal and informal exchanges between OEDs and staff benefit the decision-making process of the IMF. These exchanges should not be discouraged by over-formalization. While we

welcome a note with shared principles on staff's engagement with OEDs, it should focus on increasing accountability and clarification of such interactions, rather than a strict formalization. We reiterate that all Board members should have a chance to discuss these shared principles before they are finalized.

We support the work on clarifying the role of Management in the clearance of staff papers through an internal memo. All Management decisions regarding the clearance of papers should be transparent and well-documented, particularly if it concerns a non-clearance decision, to ensure analytical integrity and sufficient independence of staff. In this regard, further information on who will write and approve this memo is required, as this may impact how guidance is perceived. *Staff's comments are welcome.*

We highlight that retaliation does not only occur through negative repercussions since managers can also exercise pressure on staff through positive incentives such as promotions. We support the proposed measures to address the fear of retaliation. At the same time, we encourage further attention for enhanced transparency in promotion decisions.

We are still concerned by staff's reluctance to use the Dispute Resolution System (DRS) and by the lengthy process of the DRS. While many of the related recommendations have been supported, we note that some of them require further consultations. This comprises some of the key recommendations, including establishing an office within the Fund to represent staff in all their employment-related matters. Furthermore, the implementation of some of the agreed recommendations might be delicate and challenging. We, therefore, stress the importance of regular monitoring of the progress through annual reports of the OIA, and an annual repetition of external staff surveys.

Further expanding access to the DRS will be key. While the Implementation Plan envisages steps to expand access of OED to the informal DRS in the first half of 2023, we note that access to the formal DRS will be revisited only in two-year time as it requires further consultation. *Can staff elaborate on the constraints to grant access to the formal DRS and the expected role of the CAM in achieving the overall target?*