

BUFF/11/69

May 20, 2011

**The Acting Chair's Summing Up
2010 Diversity Annual Report
Executive Board Meeting 11/46
May 11, 2011**

Executive Directors welcomed the opportunity to discuss the Diversity Annual Report formally. They recognized the value of diversity in improving institutional quality and performance, and welcomed the important progress made in recent years in this area. In particular, building on the diversity infrastructure put in place over the past few years, the share of staff from underrepresented regions has increased modestly and that of female staff has increased further in 2010, and several new initiatives have been launched to support sustained progress in coming years. While commending these favorable developments, Directors highlighted the important challenges that still lie ahead in order to achieve staff diversity that adequately reflects the Fund's membership. Recognizing that management is responsible for the organization and appointment of Fund staff, Directors took the opportunity to provide management with broad guidance for this purpose, while supporting the Report's recommendations. They encouraged management and staff to step up the momentum and press ahead vigorously in implementing the diversity agenda. Many Directors emphasized that enhancing diversity needs to be complemented by broader efforts to address issues relating to institutional culture and values.

Directors welcomed the further increase in the share of staff from developing and Transition Countries among professional staff to near 45 percent. They noted, however, that the shares of nationals from the four underrepresented regions (Africa, East Asia, the Middle East, and Transition Countries) remain low, including at the senior level. They supported the recently adopted policy measures and called for stronger efforts to raise the share of nationals from these regions, especially for the Middle East region whose share declined over the past decade. A few Directors suggested creating a diversity working group to help identify practical steps in this area, and some other Directors noted the need for forward-looking benchmarks and for considering staff diversity within regions, taking into account factors other than members' quotas in the Fund. A few Directors noted that the short validity of visas for certain nationalities creates practical difficulties for affected staff, which could have adverse consequences for diversity.

Directors considered the value of greater diversity of experience and expertise among staff in fostering an effective workforce, noting also the conclusions of the IEO Evaluation of IMF Performance in the Run-Up to the Financial and Economic Crisis. They recommended taking into account educational, professional, linguistic, and other dimensions of diversity in recruitment and career development. Many Directors stressed the particular importance of recruiting staff from diverse academic institutions to help foster a culture conducive to

critical thinking and creativity. Many emphasized the potential for strategic use of mid-career appointments to help catalyze institutional cultural change.

Directors commended the achievement of the 20-percent benchmark for the representation of women among senior staff but noted that the Fund lags behind most comparator international institutions in this regard. They saw the need to further improve gender diversity in core functions, such as senior and economist positions. In this regard, they encouraged the ongoing initiative to reset the benchmark for women among senior staff at an appropriately ambitious level and pointed to the need for supportive working conditions.

Directors supported the Report's additional recommendations for further action. They stressed that sustained rapid progress toward the Fund's diversity goals requires continuing strong leadership from management and close monitoring and accountability for results of managers at all levels. They called for a special effort to promote diversity among senior personnel managers. They welcomed the diversity strategy's emphasis on training and educating staff at all levels about the business case for diversity, and adapting personnel management practices to align with the Fund's diversity objectives. To develop a strong pipeline of staff from diverse backgrounds, Directors noted the importance of providing the necessary training, mentoring, and fair share of high-visibility assignments to such staff. They welcomed the growing scope for institution-wide talent reviews that will help "level the playing field" and thereby support the success of competitive candidates from underrepresented groups in promotion and succession management decisions. Directors supported the increased focus of external recruitment efforts on identifying candidates with the necessary top qualifications from underrepresented regions. They also encouraged the ongoing work on dual/original nationality to derive a full picture of diversity at the Fund. Finally, Directors supported the full implementation of the new Diversity Scorecard as key to measuring progress toward appropriately set objectives and enhancing accountability among managers, and noted the importance of periodic reviews of progress.