



IMF POLICY PAPER

IMF BOARD ENDORSES IMPLEMENTATION PLAN IN RESPONSE TO INSTITUTIONAL SAFEGUARDS REVIEW

December 2022

IMF staff regularly produces papers proposing new IMF policies, exploring options for reform, or reviewing existing IMF policies and operations. The following documents have been released and are included in this package:

- A **Press Release** summarizing the views of the Executive Board as expressed during its December 16, 2022 consideration of the staff report.
- The **Staff Report**, prepared by IMF staff and completed on November 30, 2022 for the Executive Board's consideration on December 16, 2022.

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International Monetary Fund
Washington, D.C.



Press Release – IMF Board Endorses Implementation Plan in Response to Institutional Safeguards Review

FOR IMMEDIATE RELEASE

Washington, DC – December 16, 2022: The Executive Board of the International Monetary Fund today endorsed an Implementation Plan to further strengthen the institution’s framework of institutional governance and analytical integrity. The Implementation Plan responds to the Institutional Safeguards Review, which the Executive Board completed on June 30, 2022.¹ The Review found that the Fund’s safeguards mechanisms are generally robust, and identified several areas in which the data and analytical integrity frameworks could be further bolstered, and the smooth and effective functioning of the Fund’s system for internal disputes could be strengthened.² The Board and Management committed to developing an action plan to guide implementation of the Review’s recommendations by the end of 2022. The plan discussed at the Board today reflects consultations with, and contributions from a wide range of stakeholders, including IMF staff, and reflects a consensus-based approach by the Board Steering Group and Management.

The Implementation Plan sets out a comprehensive package of policy and process reforms that seek to better support Fund staff in their work and to modernize our working environment so that the Fund can serve its member countries even better. These measures are anchored on four focal areas: Data and Analytical Integrity, Leadership, Building Trust and Increasing Transparency in the Dispute Resolution and Integrity framework, and Strengthening the Dispute Resolution System and its processes. The plan entails actions by the Board, Management and staff, and outlines timelines, responsibilities, the required resourcing, as well as how outcomes will be monitored with the overarching aim of maintaining the highest standards of institutional governance and operating culture of the Fund.

In a statement, IMF Managing Director Kristalina Georgieva remarked: “We strongly welcome the Board’s endorsement of the clear and detailed roadmap to implement the recommendations from the review of our institutional safeguards. We have already made good progress on the priority items identified at the June 2022 Board meeting, and will continue to enhance our work environment, support our staff in providing high quality analysis and advice, and strengthen our ability to serve our member countries.”

¹ See the [Review of Institutional Safeguards \(June 30, 2022\)](#).

² See the [Statement by the IMF Executive Board and Management on the Institutional Safeguards Review \(June 30, 2022\)](#).



November 30, 2022

IMPLEMENTATION PLAN IN RESPONSE TO IMF EXECUTIVE BOARD AND MANAGEMENT ENDORSED RECOMMENDATIONS OF THE 2022 INSTITUTIONAL SAFEGUARDS REVIEW

EXECUTIVE SUMMARY

Ensuring the highest standards of institutional governance and data and analytical integrity is paramount to the International Monetary Fund's (IMF) ability to deliver on its mandate. In concluding its review of the matters raised in the investigation of the 2018 World Bank's Doing Business report in October 2021, the Executive Board noted that it had "confidence in the impartiality and analytical excellence of IMF staff and in the IMF's robust and effective channels for complaint, dissent, and accountability". The Board also noted that it would consider "possible additional steps to ensure the strength of institutional safeguards" in these areas. Accordingly, it launched a comprehensive review of the IMF's Institutional Safeguards in collaboration with Fund Management and two staff working groups. In addition, an external independent panel of experts was appointed to assess the Fund's internal dispute resolution system (DRS).

The Institutional Safeguards Review was completed and discussed by the Executive Board on June 30, 2022. It showed that the Fund generally has robust mechanisms in place to ensure a high standard of institutional governance and analytical integrity. It also demonstrated that the Fund has in place a dispute resolution system "comparable to the practices and procedures in other benchmarked international organizations" and provides "multiple formal and informal mechanisms" for employees to express their workplace concerns. At the same time, the Review found that there are areas where the data and analytical integrity frameworks could be further bolstered and in which the smooth and effective functioning of the Fund's system for internal disputes could be strengthened.

The Board and Management identified several key areas where work could commence swiftly and committed to develop an Implementation Plan (IP) of comprehensive measures that would represent significant institutional change. The IP in this paper sets out timelines, responsibilities, and required staff and gross budget resources, as well as how outcomes will be monitored. It provides an

explanation where recommendations may not be feasible or practical. This plan reflects input from all stakeholders and reflects a consensus approach by the Board Steering Group (SG) and Management.

In devising the IP, stakeholders—the Board SG, Management and Staff—have developed actions that form a comprehensive mutually reinforcing package of measures that can be grouped under key themes:

- **Data and Analytical Integrity**—clarifying staff’s engagement with Offices of Executive Directors (OED); the role of Management in the clearance of staff papers; ensuring evenhanded coverage of emerging areas in surveillance; and transparency and documentation of the internal review process.
- **Leadership: Tone from the Top**—Reviewing the ethical framework applicable to the Board and Management and introducing ethics training for all Board members and their staff; ensuring greater transparency into the work of the Ethics Committee; publication of Financial Disclosures of Management; access of OED employees to the Informal services of the DRS; clarifying the role of Management in Internal Audit work plans; and the role of Board and Management in supporting a positive change in organizational culture.
- **Building Trust and Increasing Transparency of the DRS and Ethics and Integrity Offices**— this includes policy initiatives addressing retaliation; the development of a Whistleblower Policy; increasing accessibility to the DRS, and transparency and access to information. It also sets out workstreams to determine how to reduce litigiousness and formality of the Grievance Committee process; provide legal assistance to staff; streamline the administrative review process; and explore granting contractual employees access to the DRS.
- **Strengthening the DRS and Processes**—Addressing delays and inefficiencies in the DRS; reviewing the autonomy, resourcing, and staffing of DRS offices and identifying measures to incentivize and prioritize the time required by those who participate in the Grievance Committee system (i.e. peer reviewers, witnesses and others) in order to process disputes more efficiently.

These measures reflect the strong shared commitment of the Board and Management to a durable change in the institution and the highest standards of institutional governance. A large majority of recommendations from the Review are supported. The Board, Management, and staff have made considerable progress on the series of near-term actions set out in the June 30, 2022 Joint Statement. The IP envisages further substantial progress in CY2023. For those recommendations that require further consultation, work streams are established to determine the path forward against defined timelines.

Overall implementation will be subject to strong follow-up and validation by the Office of Internal Audit (OIA). The Board and Management also recognize that realizing change is a long-term agenda and that some actions will take longer than others and will require ongoing work and monitoring including via regular staff engagement surveys.

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Prepared by a Task Force Led by David Marston, receiving substantive inputs from Gina Paone, Martin Endicott, Michael Roetting, Petra de Bruxelles, Costa Karvelas, Ahmed Reid, (all HRD), Brian Patterson, Melissa Thomas (all LEG), Axel Schimmelpfennig, Miriam Van Dyck (all COM), Fabian Bornhorst (SPR), Nancy Onyango, Packiaraj Murugan (all OIA), Brenda Boultonwood (ORM), Ceda Ogada, Patrick Cirillo (all SEC), Celia Goldman (ATB), Ursula Wellen (ETO), Elliot Shaller (GRC), John Barkat, Thea Kassas, Mohammed Abu-Nier (all MDT), Sabina Blaskovic, Katherine Kyriakopoulos (all OII), Thomas Zgambo (OMB). The Task Force also received inputs from SAC representatives. The report was prepared under the guidance of the Board Steering Group led by Ms. Riach (OEDUK) and Management. The work of the Task Force was supervised by Ms. Pazarbasioglu, Purfield, and Weeks-Brown and received advice from an Advisory Committee comprised of the Directors of AFR, COM, EUR, HRD, LEG, OBP, SEC, and SPR as well as SAC representatives.

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Glossary

APR	Annual Performance Review
CAM	Committee on Administrative Matters
COE	Categories of Employment
DMD	Deputy Managing Director
DRS	Dispute Resolution System
DWR	Document Workflow Review
EAC	External Audit Committee
EQA	External Quality Assessments
ERM	Enterprise Risk Management
ETO	Ethics Office
FDP	Financial Disclosure Program
GRC	Grievance Committee
HRBPs	HR Business Partner
IDW	Integrated Digital Workplace
IEO	Independent Evaluation Office
IFIS	International Financial Institutions
IMFAT	IMF Administrative Tribunal
IP	Implementation Plan
ISG	Information Security Group
LOT	Lapse-of-Time
MD	Managing Director
MDT	Mediator
OED	Office of Executive Director
OIA	Office of Internal Audit
OII	Office of Internal Investigation
OMB	Ombudsperson
ORM	Office of Risk Management
PMRs	Periodic Monitoring Reports
PRW	Peers for a Respectful Workplace Program
SAC	Staff Association Committee
SBM	Senior Budget Manager
SG	Board Steering Group
SHRPs	Strategic HR Partner
SLC	Staff Legal Counsel
WGs	Staff Working Groups
WGDAI	Working Group on Data and Analysis Integrity

INTRODUCTION

1. Ensuring the highest standards of institutional governance and data and analytical integrity is paramount to the International Monetary Fund’s (IMF) ability to deliver its mandate. Following its review of the matters raised in the investigation of the 2018 World Bank’s Doing Business report in October 2021, the Executive Board launched a comprehensive review of the IMF’s institutional safeguards with the aim of ensuring that the Fund’s systems reflected a robust governance structure which meets the highest standards. Reflecting shared responsibilities of key stakeholders in the process, the Institutional Safeguards Review (the Review) was carried out in an integrated manner, with the Board establishing a Steering Group of Executive Directors leading the assessment in collaboration with Fund Management and two Staff Working Groups (WGs), which were comprised of staff from all levels. An external, independent panel of high-level experts, led by former Deutsche Bundesbank President Jens Weidmann, assessed a critical mechanism to promote and protect staff voice—the Fund’s internal dispute resolution system (DRS).

2. The Review, endorsed by the Executive Board and Management,¹ found that the Fund generally has robust mechanisms in place to ensure a high standard of institutional governance and analytical integrity, along with well-developed mechanisms to help IMF members prepare robust data. It also found that the Fund has in place a DRS “comparable to the practices and procedures in other benchmarked international organizations” and provides “multiple formal and informal mechanisms” for employees to express their workplace concerns.

3. The two workstreams which fed into the Review made a range of recommendations to strengthen the Fund’s data and analytical integrity frameworks, and improve and enhance trust in the DRS. In its joint-response, the Executive Board and Management identified several actions to implement in the near-term.² It also committed to undertake further work to carefully consider all the reports’ recommendations, determine how best to implement a comprehensive set of measures and policy changes that would constitute significant institutional and cultural change, and from this develop an Implementation Plan (IP) by end-CY2022, all in close consultation with staff. Management appointed a Task Force to lead these efforts.³ The Task Force worked in close collaboration with the Board Steering Group (SG) and Management, receiving advice on strategic aspects from an Advisory Committee.⁴

4. This paper sets out the IP to address the recommendations of the Review. The IP is holistic, providing an overview of the progress made on the Near-Term Actions endorsed for implementation by Executive Board and Management as well as actions to respond to the remaining recommendations of the Review. The IP sets out the measures and policy changes, timelines,

¹ See June 30, 2022, IMF [PR22/238](#) Institutional Review and Joint Board-Management Statement.

² See IMF [PR22/238](#).

³ The Task Force received substantive inputs into their work from experts from COM, HRD, LEG, SPR, the DRS Ethics and Integrity Offices as well as SAC representatives.

⁴ Comprised the Directors of AFR, COM, EUR, HRD, LEG, OBP, SEC and SPR, as well as SAC representatives.

responsibilities, and required staff and gross budget resources, as well as how outcomes will be monitored, assessed, and reviewed. It provides an explanation for those instances where recommendations are not feasible or practical. Reflecting the integrated process described above, this IP prepared by the Task Force reflects input from all stakeholders and reflects a consensus approach agreed on by the SG and Management.

FRAMEWORK FOR THE IMPLEMENTATION PLAN

5. The Review examined the Fund’s framework and practices to ensure the highest standards of safeguards around data and analytical integrity; and the availability and effectiveness of channels for staff to voice concern. Specifically:

- The Review focused on the Fund’s framework and practices to ensure data and analytical integrity. It examined the procedures for finalizing staff analysis (including internal clearance points and Board engagement)—as well as the availability and effectiveness of channels for staff to voice concerns, identifying opportunities where these robust procedures and processes could be further clarified and strengthened. The Review considered the Fund’s work environment and culture, its ability to foster dialogue and a robust exchange of views internally and with country authorities, and mechanisms to raise and resolve differences.
- The second element of the Review focused on opportunities to strengthen the Fund’s DRS, as a critical channel for staff to voice their concerns. The Review’s recommended actions to enhance trust in the DRS include initiatives to address concerns regarding fear of retaliation, timeliness, transparency, and access.
- More broadly, the Review found credible and accountable efforts are needed to ensure that an appropriate and visible tone is set from the top on issues of governance and staff voice, and to foster greater dialogue and enhance the Fund’s organizational culture.

6. The IP reflects the strong commitment of the Executive Board and Management to a durable change in the culture of the institution to ensure the highest standards of institutional governance and data and analytical integrity at the Fund. The goal of the IP is to foster a culture where discourse and dissent are recognized as critical to the Fund’s ability to continue to deliver at the highest standards on its mandate, in the context of a healthy workplace where staff trust the mechanisms in place to raise concerns. The implementation of actions, measures and policy changes under the IP underpin and support this culture change.

7. In devising the IP, the stakeholders in the integrated process developed actions to respond to the Review’s recommendations. The actions form a comprehensive mutually reinforcing package grouped under the key themes of:

- (i) Data and Analytical Integrity
- (ii) Leadership: Tone from the Top
- (iii) Building Trust and Increasing Transparency in the DRS and Ethics and Integrity Offices

(iv) Strengthening the DRS and Related Processes

8. These four organizing themes guide implementation through clear deliverables and workstreams that upgrade and modernize the Fund’s internal safeguards. The organizing themes provide a framework to group actions which are complementary and reinforcing, and to allow for an overall view on actions taken to achieve similar objectives including how much can be achieved within existing resources, and where further resources are needed.

9. Substantial progress has been made on the near-term items, and the IP has comprehensive, broad-ranging actions to address remaining recommendations in CY2023 and CY2024. The Board, Management, and staff have made considerable progress on the series of near-term actions set out in the Joint Statement (June 30, 2022). Following an extensive process involving consultation with relevant stakeholders including the Staff Association Committee on these items, work is either completed or in progress (see Annex 1: Recommendations DAI1-4; EP1-3; EP 8(iii), (iv), (vi) and (ix); EP9A; and EP14).⁵ Notwithstanding this progress and the fact that the IP envisages substantial progress in CY2023, the Board and Management also recognize that realizing change is a long-term agenda: some actions will take longer than others. Sustaining and monitoring progress will require ongoing commitment, including senior levels.

10. Reflecting the comprehensive nature of IP, a large majority of the Review’s recommendations are supported. There are, however, some recommendations for which there is insufficient support, and others for which further consultation is required to determine whether and how to support. The IP therefore categorizes each of the recommendations as follows:

- **Support—to be implemented:** Refers to those recommendations which are supported and for which an IP has been developed. Implementation can largely proceed within the existing resources. In cases where implementation will need additional gross resources, these will be reviewed in the context of the forthcoming budgetary cycle, critically through re-prioritization of existing work programs.
- **Support—with modification:** Refers to those recommendations for which there is support for the intention underlying the recommendation, but the resolution suggested by the Review is not accepted as presented. An alternative is proposed in the spirit of the recommendation.
- **Requires further consultations:** Refers to those recommendations for which there is broad in-principle support, but where discussion is ongoing to arrive at a consensus on the appropriate steps for implementation; or where there is not yet consensus as to whether to support. More

⁵ For the purposes of this report, recommendations arising from the Staff Working Group on Data and Analysis Integrity are referred to as “DAI” and the corresponding number of the recommendation as it appears at page 7 of the Staff Working Group’s report. Recommendations arising from the External Panel of Expert’s Review of the Dispute Resolution System are referred to as “EP” and the corresponding number of the recommendation as set forth in Section VI of the Expert Panels’ report.

time is needed for further consultations, and the matrix sets forth a process to take this forward in a time-bound manner.

- **Do not take forward:** Refers to those recommendations which will not be implemented, either because the Review's recommendations do not fit very well with the IMF's operations, or because it is considered that the existing framework adequately addresses the intention behind these recommendations.

11. For those actions in the IP to address recommendations that require further consultation, work streams are to be established to determine the path forward. Each workstream will be led by a senior staff member, under the coordination of a project manager, with a view to proposing a way forward to Management, and where relevant, the Executive Board, for decision, against defined timelines. The workstreams, composition and timelines are set out in the Workstreams Matrix (Table 1) below.

12. Overall implementation will be subject to follow-up and validation by the Office of Internal Audit (OIA). This approach is consistent with the process already followed for Board-endorsed IEO recommendations through OIA's Periodic Monitoring Reports (PMRs). The impact of the IP's actions to strengthen Institutional Safeguards and foster a more open culture of discourse and debate will be monitored through regular staff engagement surveys.

RECOMMENDATIONS AND IMPLEMENTATION PLAN

13. All the recommendations of the Review including those near-term action items identified in the Joint Statement, are considered in the IP. Annex 1 sets out a matrix of actions to be taken to respond to each recommendation arising from the Review that is supported, together with timelines for implementation and the stakeholders responsible for taking this forward.⁶ What follows is a description of how the IP will respond to the thematic areas described above.

A. Data and Analytical Integrity⁷

While recognizing the strong frameworks and processes in place to protect the integrity of data and analysis, the Working Group on Data and Analysis Integrity identified areas where improvement can enhance the integrity of staff's analysis. Work is substantially advanced, including through the development of guidance notes to staff, and the development of principles for evenhanded coverage of emerging areas.

⁶ Where recommendations are not supported, an explanation is supplied. Where further consultations are required, the matrix explains where there is a divergence of views and details a process and timeline to continue such consultations.

⁷ The recommendations were to: (1a) clarify the terms of engagement of OEDs in staff's conduct of analysis and (1b) strengthen mechanisms for staff to raise concerns; (2) clarify the role of management in the internal clearance process; (3) ensure evenhanded coverage of emerging areas; and (4a) improve the transparency and documentation of the internal review process and (4b) assess how the review process has adapted to the IDW process.

14. Strong frameworks and processes are already in place to support the integrity of data and analysis at the Fund, but further strengthening can help safeguard staff analysis from undue pressure. The processes and practices supporting staff’s analysis are governed by frameworks and policies that have evolved over time and are periodically reviewed. Their application is carefully examined in the interdepartmental review process. The Working Group on Data and Analysis Integrity (WGDAI) report found that while the process for engagement with Management and Offices of Executive Directors (OEDs) both broadly work well, it can at times be subject to undue pressure.

15. Initiatives to share best practice and clarify staff’s engagement with OEDs are underway. A continuous and robust dialogue between staff, Management, member countries’ authorities and OEDs is critical for staff to arrive at well-informed, expert, and independent views. Executive Directors are officials of the Fund, and they have a fiduciary duty to act in the interest of the Fund. Subject to this duty, and while not legally required, they also regularly act as representatives of the countries that elect them, and as such may advocate for their views. While the dialogue between staff and OEDs works well, additional measures to support the balance between effective engagement and the independence of staff analysis, could further strengthen analytical integrity. Sharing best practices and clarifying the terms of engagement would be beneficial for all sides. These clarifications, paired with measures to strengthen staff’s voice in instances where staff feels that analytical integrity may have come under undue pressure, will help prevent problems from arising and will reinforce the independence of staff analysis. A note is being drafted operationalizing shared principles for OEDs and detailing staff guidance on this matter. The principles follow from the Fund’s legal framework and longstanding good practices for OED engagement with staff. This work will articulate a clear definition of “undue influence”. Once finalized, the note will take the form of guidance from Management to staff and principles for engagement for OEDs. As part of this recommendation, mechanisms are also being explored for staff to address or resolve instances of undue influence when they do occur. A range of options is under consideration, in consultation with the offices of the DRS and SG (see para. 24), with emphasis on prevention and early resolution.

16. Work is also advanced to clarify the role of Management in the clearance of staff papers. Management’s role requires taking decisions on the basis of staff analysis and advice. Management has the prerogative to provide guidance to staff and to exercise judgement on strategic issues within the framework of the Articles of Agreement and Board-approved policies. While the processes for staff’s engagement with Management are well established and work well, codifying and documenting best practices and enhancing transparency around Management decisions can strengthen analytical integrity. To this end, guidance to staff is being drafted specifying, among other things, requirements for memoranda to Management to ensure Management has full information to adjudicate on any issues that were not resolved during the interdepartmental review process, and that best practices for follow-up discussions with relevant parties are adhered to. Ensuring a clear internal communication and documentation of Management decisions is also important.

17. Work to help ensure evenhanded coverage of emerging areas in surveillance is underway. With new areas gaining importance in the Fund’s work, an evenhanded coverage based on objective and clearly communicated criteria will further help protect staff’s analysis from perceived undue pressure. Practical guidance for staff on the evenhanded coverage of emerging topics in surveillance are being prepared, guided by the Fund’s evenhandedness framework and Board-approved strategies on climate and gender, among others. The Board will also be briefed.

18. The transparency and documentation of the internal review process are being strengthened. While the internal review system functions well and, its strong emphasis on providing and retaining written records, was found to be unique among International Financial Institutions. However, its transparency and documentation can still be improved. To this end, and building on existing good practices, guidance to staff is being prepared requiring all authoring departments to provide reviewing departments and Management with an account of how main comments were addressed in the review process. The guidance will also seek to expand the scope of documents using the eReview system until its Integrated Digital Workplace (IDW) successor is rolled out. As envisaged by the WGDAI, following the implementation of IDW, an assessment will take place on how the internal review process has adapted to the new platform.

19. In sum, work is well underway to implement the main recommendations of the WGDAI, with most actions expected to be implemented by CY2023 Q1/Q2 (see Matrix). Management and the Executive Board will undertake communication events with staff to support their implementation. Adherence to staff guidance and the principles for Executive Directors will be critical for the success of these measures—implementation will be monitored including through the established mechanisms for internal guidance, primarily the internal review process.

B. Leadership: Tone from the Top

The relevant Board Committees and Management are seeking to address the recommendations by strengthening the ethical framework applicable to the Board and Management, supporting greater transparency thereof, and to further enhance the dispute resolution mechanisms for OED employees. These actions demonstrate the Board and Management’s commitment—as the most senior leaders of the Fund—to upholding the highest standards of ethical conduct and transparency and strengthen accountability mechanisms.

20. The Board Ethics Committee has prepared proposals to respond to the items pertaining to the ethical framework applicable to the Board and Management. The Executive Board has agreed to conduct a full review of the Code of Conduct for Members of the Executive Board and the ethical framework applicable to the Managing Director.⁸ The review will be conducted in the first half of CY2023, with proposed changes presented to the Executive Board for approval later that year. The review will take into account the ethical frameworks applicable in comparable organizations and examine the mechanisms for compliance and accountability that support the

⁸ *Review of the Managing Director and Executive Board Ethical Frameworks and Summary Disclosure of Ethics Committee Activities (EBAP/22/81),*

Executive Board Code Conduct and the ethical framework applicable to the Managing Director. As called for by the Ethics Committee, Board members and all OED employees will also undertake annual ethics training. This along with the Code of Conduct Review, will help to ensure progress on the Expert Panel's recommendations to change the organizational culture, demonstrating the commitment of the institution's leadership to hold itself to high standards.

21. The Executive Board has taken concrete steps to enable greater transparency over the ethical framework applicable to the Board. The Board has agreed to share with staff summary statements on the Ethics Committee's activities at the end of each two-year term. The first such statement was published for all staff on November 8, 2022.⁹

22. With respect to the recommendation to change the composition of the Ethics Committee to provide for a majority of members from outside the Executive Board, the Ethics Committee does not recommend taking this forward. The Ethics Committee considered a detailed benchmarking study of eight comparator organizations which found that in seven of the comparators the Board Ethics Committee did not include external members. Moreover, the Ethics Committee noted the potential practical constraints in the event an external member had to be called to participate in deliberations in time sensitive and highly confidential matters.

23. Management supports the publication of summaries of their financial interests as part of the Financial Disclosure Program (FDP). Management has agreed on a framework to apply to DMDs, by which summaries of their disclosures would be published at the end of the next annual financial disclosure process in the latter half of 2023, and annually thereafter. Management's views on the framework for the DMDs would be conveyed to the Ethics Committee once it is in place so it can adopt an appropriate similar framework for the MD. Such disclosures send an important signal of the integrity with which the MD and DMDs conduct their duties.

24. The Board Committee on Administrative Matters (CAM) is to operationalize policy changes to grant OED employees access to the informal services of the Dispute Resolution System, specifically the Mediator and the Ombudsperson. Staff will submit proposals to the CAM at the start of CY2023, with a view to completion of this action by Q2 2023. Once experience has been gained from granting OED personnel access to the informal dispute resolution system, consideration will be given to the broader issue of access to the formal dispute resolution system.

25. Management approval of Internal Audit work plans is the practice in International Financial Institutions (IFIs). Rather than discontinuing this practice it would be beneficial to introduce an additional step whereby the External Audit Committee (EAC) would approve OIA's Program of Work. In the event Management suggests any modifications to OIA's proposed Program of Work, the OIA Director will communicate to the EAC those suggested modifications along with the proposed disposition of those requests. In the rare event of a divergence of views, management would have the opportunity to present their views directly to the EAC to see if an agreement can be

⁹ *End-of-Term Disclosure to Staff—Activities of the Ethics Committee to the IMF Executive Board During its Term: November 1, 2020 to October 31, 2022* accessible [here](#).

reached. If there continues to be disagreement, the Director OIA shall make an appropriate judgment, and shall document the reasons therefore. Such a change would further strengthen the checks and balances from a governance perspective. This change to the responsibilities of the EAC would require an amendment to the OIA and EAC Charters.

26. More generally, the Board and Management are committed to regular engagement on issues to support the cultural change that this process sets out to achieve. Management and the Board strongly agree that bullying and harassment will not be tolerated. A regular process of engagement between the DRS, Management, and the Board will be implemented, by which: (i) at least once a year a joint meeting will be held between Management and the DRS and Ethics and Integrity Offices to discuss their respective annual reports; (ii) there will be an annual session to brief the Board, with Management and relevant DRS and Ethics and Integrity Heads on activities; and (iii) there will be informal engagements with the Board (e.g., a retreat or luncheon) designed to foster exchange of information and increased awareness of DRS activities. Moreover, strong communications by the Board and Management around the IP will support initiatives to raise awareness of the DRS and the protections available to those who use the DRS. Staff must be kept informed of the implementation of the IP. To this end, a number of communications products and events are planned in the coming months (see Annex)

C. Building Trust in and Increasing Transparency in the DRS, Ethics, and Integrity Offices

More needs to be done to foster staff trust in the DRS and the Ethics and Integrity Offices, and to reassure users of such offices that they are protected against adverse action. Policy proposals have been developed to strengthen protections against retaliation. A key factor to building staff's trust in the system, is to increase transparency as to how cases are processed, their outcomes, and access to practical information about how to use the system.

Policy Changes

27. Proactive use of interim protective measures for complainants or witnesses of alleged retaliation, including for use in cases of alleged undue influence, will help protect users of the DRS and Ethics and Integrity Offices against adverse action for using the system. These policy enhancements are being implemented and will be included in the next update to the Staff Handbook. These expanded protections will be actively communicated to staff as part of a comprehensive communications plan and also as a matter of routine practice to those who utilize the DRS and Ethics and Integrity services.

28. A standalone Whistleblower Policy will be developed, which will confirm that staff who raise ethical issues and concerns are protected from adverse action. While these protections are included in the Fund's current rules and procedures, including the Retaliation Policy and the Integrity Hotline, consolidating them in a standalone Whistleblower Policy, will provide greater clarity and transparency on these protections. A Task Team of ETO, HRD, LEG, OII and SAC

will draft the policy for Management decision by end-CY2023. This team will also assess the implications of extending the time limit for access to the special Independent Review procedure for claims of retaliation (from six months to three years) given the implications for the Grievance Committee and DRS channels.

29. The recommendation to shift the burden of proof to the alleged wrongdoer in cases of alleged retaliation will not be taken forward because it is not practiced elsewhere and more generally is not consistent with due process. This conclusion was reached by benchmarking against other comparable institutions and assessing the current process in place at the IMF for establishing individual accountability. This notwithstanding, the Staff Handbook is being revised to clarify that, in cases in which an Independent Review finds that there was a retaliatory action, there is always consideration of whether the evidence supports the initiation of a misconduct investigation to establish possible individual misconduct. Failures to appropriately document the reasons for adverse actions would also be referred in all cases for inclusion in individual performance reviews.

30. Rules will be adopted to establish a protocol for consideration of recommendations or orders for reinstatement by the Grievance Committee or Administrative Tribunal. In the event the dispute resolution process concludes that a staff member was wrongfully terminated, consideration will be given to whether the staff member can be reinstated into a comparable position. A Task Team, comprising HRD, LEG and SAC, will propose for Management's decision, a new Staff Handbook rule setting out a formal decision-making protocol for consideration of reinstatement in such cases.

Enhancing the Accessibility of the DRS

31. Actions will be implemented to make the dispute resolution process more accessible to staff who seek to present a claim. To make it easier to prepare a request for administrative review, HRD is introducing in Q1 CY2023 a standardized online Administrative Review Intake Form (including a section asking the employee to describe the desired action) as well as an Exit Questionnaire. Both will aid case tracking, including for follow-up, and will provide an opportunity for early resolution in cases where the desired action noted by the staff member is easily implementable.

32. Actions will be developed to improve the Grievance Committee process, with the aim of reducing litigiousness and formality. In the 40 years since its establishment, the Grievance Committee process has become more adversarial, legalistic and time-consuming. While sharing this view, a key stakeholder, SAC, does not support the recommendation to change the Grievance Committee into a peer review system and has called for a reformed policy for the discovery of documentary evidence. As such, views diverge widely on how to improve the Grievance Committee process. In light of this a Task Team, composed of the Grievance Committee Chair, and representatives of HRD, LEG and SAC, will review the practice of comparator organizations with a view to determining whether to recommend any changes to the design of the system. The Task Team will also develop proposals to reduce formality and litigiousness and to re-focus the Grievance Committee on its essential fact-finding purpose. The time taken for recommendations to be issued

in Grievance Committee cases in part reflects difficulties in scheduling hearings related to lack of availability of panel members, witnesses, and legal representatives. The Task Team will develop proposals to incentivize and prioritize the time required for peer reviewers, witnesses or others required to process disputes more efficiently through the Grievance Committee process. The team will submit proposals to Management by end-2023.¹⁰

33. Notwithstanding broad support in principle for providing appropriate legal assistance to staff at the Fund’s expense, a variety of issues will need to be considered in operationalizing the proposal. The Task Team described in para. 32 will also develop a proposal to address the intended nature and scope of the Staff Legal Counsel (SLC’s) functions and the terms and conditions of the SLC’s appointment, ensuring appropriate incentives for prudent use and costs. This issue will be informed by work to improve the Grievance Committee processes. It is proposed that such proposal should be completed by Q4 CY2023 for Management decision, and the related resource implications would be assessed as part of the regular budget process for FY25. Thereafter, the recommendation to develop a Tool-Kit for Self-Represented employees could be taken forward and prepared by the SLC, as a useful resource for staff.

34. Efforts will be made to streamline the administrative review process. There is support for the recommendation that the first step of Administrative Review process for benefits disputes (i.e., review by the Division Chief of HRD Total Rewards) remain mandatory. As well, the recommendation that the first step of Administrative Review should be optional in other cases will be considered. The recommendation for enforced and shorter timelines for administrative review cases will require additional resourcing. A Task Team comprising HRD, LEG, and SAC will prepare a proposal on these matters for Management decision by Q3-4 CY2024.

35. Contractual employees already have access to final and binding arbitration, and access to the informal DRS mechanisms, including recourse to the Ombudsperson and the Mediator. However, the question of access to formal DRS mechanisms by contractual employees raises difficult issues, given the fact that they fall under a different legal regime than staff. Given these distinctions, at the time the IMF Administrative Tribunal (IMFAT) was established, the Board accepted that disputes with contractual employees could be resolved more simply and expeditiously by providing for resolution of their claims through a review procedure followed, if requested, by final and binding arbitration. Accordingly, an arbitration process has been available to contractual employees since 1993, which was amended to allow for the application of the same procedural safeguards that are afforded to staff under the grievance process. A Task Team of HRD, LEG and SAC, including the

¹⁰ The IMF Administrative Tribunal has also taken steps to expedite its consideration of cases. Such steps include holding more frequent judicial sessions, including making use of the opportunity to meet via electronic means, as now provided for by Statute, Article XI (amended 2020). In addition, the Tribunal has adopted the practice of taking decisions on discovery requests (that is, requests for production of documents) at an earlier stage following the filing of the Fund’s Answer in a case. This practice allows, in the event that document production is ordered, that the applicant may respond in his or her Reply to the newly disclosed documents, obviating the need for additional pleadings later in the process.

Ombudsperson, will develop proposals for any amendments to the dispute resolution procedures applicable to contractual employees by Q4 CY2024.

Improving Transparency and Access to Information

36. Staff trust in the DRS and Ethics and Integrity Offices hinges on increased transparency and timely information available about the work and outcomes of the system.

Delays in issuing certain annual reports are being remediated. The Grievance Committee, having published its annual report for 2020 and 2021, will complete the publication of redacted copies of its recommendations (since 2018) to its intranet site by end-CY2022. The Grievance Committee Annual Report for 2022 will be published in CY2023. HRD is publishing at end-CY2022, its Annual Report on Administrative Reviews for 2019, 2020, and 2021. The 2022 Annual Report on Administrative Reviews will be published in CY2023 and annually thereafter.¹¹

37. To ensure employees using the DRS have timely information on the status of their case and queries, as an immediate action, all offices and bodies are providing regular status and progress updates. DRS Offices will ensure it is clear that employees using the DRS may also request an update on case progress at any time (generally by email). A real-time case tracking platform would be of value to employees using the DRS. A Task Team comprising the DRS Offices, LEG, HRD, and ITD will research available solutions and their coverage and prepare a proposal for Management decision. The proposal and costing are to be developed for input to the FY25 capital budget.

38. Awareness-raising activities will be initiated to strengthen knowledge about the protections available to those who use the DRS. HRD has added standard information about protections under the Retaliation Policy in findings to staff using the Administrative Review process. In addition, OII will augment its Annual Reports to provide summaries of cases they have addressed, as well as their outcomes, including corrective measures taken in cases of retaliation, balanced to ensure the appropriate levels of confidentiality.

D. Strengthening the Dispute Resolution System and Ethics and Integrity Offices

The Expert Panel's recommendations noted that the timeliness of DRS and Ethics and Integrity processes are essential to foster staff trust and confidence in the system and to ensure effective protection of staff voice. The implementation plan seeks to address delays and inefficiencies in the DRS by ensuring clearance of existing backlogs and reviewing appropriate resources and staffing, to incentivize staff participation, and promote confidence in timely resolution of workplace issues.

¹¹ Since 2018, all DRS information has been made available on one intranet webpage (the DRS home page: <https://drs>).

Oversight and Accountability

39. The recommendation to revise the DRS employment framework approved in 2021 is supported with a modification. The modification reflects the need for the DRS, Ethics and Integrity offices to conform with the Fund’s Categories of Employment (COE), which for all Departments and Offices in the Fund includes a mix of appointment types (staff, contractual, and vendor services), as well as the requirement to have competitive selection processes for all staff appointments. For these reasons, the incorporated recommendation to allow current employees “to elect conversion” is not supported.

40. The process of developing workforce plans for employees of the DRS offices in line with the COE will continue. Recognizing that the thrust of the Panel’s recommendation is to speed implementation of the employment framework approved in 2021 (that requires an appointment mix standard across the Fund), HRD will work with the DRS offices to formalize their workforce plans, which will form the basis for budget discussions within the next six months for implementation beginning in FY24. This process builds on the five structural staff positions and an overall 30 percent increase in DRS resourcing allocated to the offices in the FY23 budget process. The Heads of the DRS Ethics and Integrity Offices have noted their disappointment with the approach and budgetary constraints and express concern about the impact on morale in their offices.

41. The use of fixed-term staff appointments for four DRS Office Head positions (ETO, MDT, OII, OMB) would require an amendment to the 2014 Categories of Employment Board Paper (EBAP/14/89). The amendment would have to provide a category of term appointments specific to the DRS Offices with appropriate measures to protect the independence of the offices (e.g., no prospect of nomination for an open-ended staff position). A Task Team comprising HRD, LEG and SAC (in consultation with the DRS) will prepare a draft Board paper that could establish a new category of staff appointment for these four Office Head positions, and a fully costed proposal, for Management and Board decision in Q3 CY2023.

42. Actions have been developed to support greater autonomy of relevant offices. A revised Staff Handbook rule and revised TOR for the OII will remove the need for OII investigations to be authorized by the Responsible Officials (the Managing Director or the Director, HRD). This is consistent with the approach taken in other comparable organizations. While OII is not resourced to conduct preliminary inquiries and investigations into every report of misconduct received, it is appropriate to centralize the entry point of any misconduct allegation. OII will serve as a focal point to re-route for appropriate action. OII will continue to report to Management regarding matters that, in its judgment, merit such communication in order to address operational or other risks, actual or perceived conflicts of interest, or to recommend interim measures or protective measures.

43. HRD will undertake work to determine the appropriate structure of teams that handle employee relations. Within HRD, these teams include the HRD Total Rewards Division (who undertake the first stage of Administrative Review in benefits cases), HRD Employment Practices, and Strategic HR Partner (SHRPs) who work directly with Departments and Staff. HRD will prepare a proposal for Management decision by Q3 CY2023 on possible changes to the staffing structure for

discussion as part of HRD’s budget proposal for FY25. This will include standardized benchmarking of the structure of employee relations unit/teams in other public and private sector organizations. This will form the basis for proposals on appropriate structure, staffing and responsibilities to ensure that work on early informal dispute resolution, and timely formal Administrative Reviews, is adequately staffed by suitably qualified and experienced personnel.

WORK STREAMS TO RESOLVE OUTSTANDING ISSUES

44. The IP envisages workstreams for ongoing consultations to reach consensus or to better define the modalities and content of responses to certain recommendations (Table 1).

Given staff constraints—with the same group of staff from LEG and HRD working on many of the recommendations—it has been critically necessary to prioritize the workstreams. The prioritization was based on considerations of impact and importance for staff/institution, cost effectiveness, ease of implementation, and appropriate sequencing given interdependencies. The outputs of these workstreams are complex and time sensitive and have significant potential budget and resource impacts. For each workstream, Management will appoint a senior lead, and a project manager to coordinate the work streams, with a view to tabling proposals for implementation to Management, and where relevant the Executive Board, against defined timelines.

RESOURCE IMPLICATIONS

45. Resourcing of IP-related actions will be incorporated into the annual budget process.

Initial work has been resourced either by absorption in existing departmental envelopes by re-prioritization or through temporary working budget adjustments under regular budget procedures. The budget implications of IP related proposals will be incorporated in the context of the FY24 and future budget cycles (consistent with the sequenced timeline for follow-up), recognizing that they will need to be accommodated within the overall envelope approved by the Board through reprioritization. Such reprioritization will have implications on the timeline and deliverables of existing projects and work programs of affected Departments. Trade-offs will need to be discussed with Management in the context of Accountability Framework discussions and the Board’s discussions of its Work Program. The main areas with recurring resource implications, for which additional resources may be required, include: (a) changes in the scale and mix of personnel within DRS offices and HRD’s administrative review and employee relations function; (b) proposals for legal representation for staff; (c) targeted culture change efforts and their phasing; (d) implementation of a real-time case tracker (with related tools also potentially affecting capital spending).

ENSURING ACCOUNTABILITY AND DURABLE CULTURE CHANGE

46. A rigorous and evidence-based validation process is envisaged to support the execution of the IP. While Departmental assignments arising from the IP will be reflected in respective accountability frameworks and the budget process, there will also be an independent follow-up and validation by the Office of Internal Audit (OIA).¹² An interim implementation update by staff to the Board is planned for end-CY2023. An OIA progress report, planned for issuance in the first half of CY2024, will independently validate the extent to which specific actions have been fully completed and will also report on the workstreams and actions that are in-train, so that any implementation concerns can be flagged for course correction. Following the interim staff update and the first OIA progress report, subsequent implementation updates could be consolidated under OIA's annual progress reports. This approach would be consistent with the process already followed for reporting on the implementation progress of Board-endorsed IEO recommendations through OIA's Periodic Monitoring Reports (PMRs). Collectively, as an institution, a variety of means (OIA audits, staff engagement surveys, pulse surveys) will be leveraged over time to assess the extent to which fully completed actions are contributing to positive improvements in the operation of the DRS and enhancements to the organizational culture.

47. A deliberate approach to underpin a change in culture, where discourse is valued in the context of a healthy workplace where staff trust the mechanisms in place to raise concerns, is underway. The comprehensive set of actions under the IP aims to underpin culture change through policy, process and accountability changes. This is being accompanied by initiatives to raise awareness of the ways in which the Ethics and Integrity Offices, and the Retaliation Policy, protect employees who use the DRS, and is being supplemented by strong communications by the Board and Management on these issues to set the appropriate tone at the top to support change. COM is undertaking a variety of outreach events to support Management, Board, and DRS engagement with staff (see Annex 1). COM is also enhancing information and communication available on the intranet about DRS services. The Diversity and Inclusion Office (DIO) is also leveraging on-going programs and engagements to foster lasting culture change. This includes interactions with Departments' staff groups on diversity and inclusion, where the DIO has supported these groups in developing departmental action plans that include concrete steps to foster greater inclusion, debate and stronger workplace behaviors in-line with the IMF's Core Values at the departmental and staff levels. To support the objectives of the Review to foster greater dialogue and debate and collaborative dispute resolution, the DIO will also undertake a stock-take of programs already in place around the Fund's organizational culture including managerial competencies to

¹² This approach would be consistent with the process already followed for reporting on the implementation progress of Board-endorsed IEO recommendations through OIA's Periodic Monitoring Reports (PMRs). This would also be in line with what was envisaged by the External Panel in terms of requiring OIA to prepare an annual report on the progress in implementing the proposed actions

identify how they can be strengthened.¹³ As part of this effort, it will undertake staff-level focus groups into the underlying reasons for lack of trust and fear of retaliation. This will allow the DIO team to develop a targeted proposal on how best to strengthen on-going programs in support of organizational cultural change by Q4 CY2023.

48. As noted above, staff surveys will be used to monitor how the initiatives in the IP are working on the ground to bolster safeguards around the integrity of staffs' analysis and promote trust in the DRS. In this regard, the upcoming Staff Engagement Survey (SES) process will see the IMF undertake the first comprehensive staff survey since 2017, and following the Covid-19 pandemic. It will set a benchmark of staff sentiment on the issues around staff voice and trust raised in the Institutional Safeguards Review. This survey will be followed by annual pulse surveys in subsequent years to provide regular staff feedback on how sentiment on these issues is evolving in light of the actions taken under the IP.

¹³ This includes issuing APR guidance to Managers in April 2023, to ensure staff who make significant contributions to DRS processes (e.g., service as a Grievance Committee member, Independent Witness Program member, or Peer for a Respectful Workplace) have this recognized in their Annual Performance Review (APR) assessments.

Table 1. Workstreams Matrix			
Tasks	Recommendation number	Stakeholders	Timeframe for proposal to be formulated for decision
Board Ethics Committee–Review of the Board Code of Conduct	EP1, 5	Ethics Committee	Q2-3 2023
Task team on culture change to identify targeted adjustments to existing programs and outreach to support objectives of the Review	EP6, 8(viii), 30	HRD, COM	Q4 2023
Task Team to develop proposals to improve the Grievance Committee process, (include exploring SAC proposals on discovery), and to provide Staff Legal Counsel	EP17, 35, 39	Grievance Committee Chair, HRD, LEG and SAC	Q4 2023
HRD proposal to restructure HRD Employment Practices and handling of employee relations matters	EP32	HRD	Q4 2023
Task Team to develop a Whistleblower Policy; propose amendments to procedures for misconduct investigations (including extending period of access to independent review); consider new Staff Handbook rule setting out a decision-making protocol for consideration of reinstatement in cases involving the end of employment.	EP 8 vii, EP36, EP37, EP41	ETO, HRD, LEG, OII and SAC	Q3-4 2023
Task Team to consider employment framework for DRS Offices Heads	EP 11	HRD, LEG and SAC (in consultation with DRS Offices)	Q3 2023 (for office Heads)
Task Team to explore IT options for Real-Time Case Tracker	EP10(C), EP 10(D)	DRS, HRD, LEG, ITD	Q3 2024
Task Team to consider reforms to Administrative Review process (e.g., deadlines and streamlining procedure)	EP36, EP37	HRD, LEG, SAC	Q3-Q4 2024
Task Team to consider dispute resolution procedures for contractual employees	EP42	LEG, HRD, SAC, OMB	Q4 2024

Annex I. Matrix of Recommendation and Implementation Plan

Ref	Recommendation	Proposed Disposition	Rationale and Status	Timeline	Resources	Responsible for Next Steps
DAI 1	<p>Clarify the terms of engagement of OED with staff in staff's conduct of analysis</p> <p>(a) Engage with the Board to clarify and formalize the terms of engagement with staff</p> <p>(b) Explore effective mechanisms to raise concerns by staff about undue influence</p>	Support	<p>In the Joint Statement this recommendation was endorsed.</p> <p>(a) Implementation in form of a note that draws on longstanding good practices for OEDs' engagement with staff in the conduct of analysis. The note will be shared with the Board (for OED) and issued by Management (as guidance to staff).</p> <p>(b) A note will also present a range of options for staff to raise concerns of potential undue pressure. Options build on existing mechanisms and would allow for complaints to be raised at an early stage for early intervention and prevention, while also strengthening mechanisms to address undue pressure under the ethics framework.</p>	CY2023 Q1/Q2	Accommodate within existing work programs	SPR, LEG, and SEC, in close consultation with and with input from Board SG
DAI 2	Clarify the role of management in the clearance of staff papers and positions	Support	<p>In the Joint Statement this recommendation was endorsed.</p> <p>Implementation as Management guidelines to staff. A draft is being prepared for review by departments, to be issued to staff after finalization.</p>	CY2023 Q1	Accommodate within existing work programs	SPR, LEG, and OMD advisors
DAI 3	Complete ongoing work to help ensure evenhanded coverage of emerging areas in surveillance	Support	In the Joint Statement this recommendation was endorsed.	CY2023 Q1	Accommodate within existing work programs	SPR

			Implementation as Management guidelines to staff. These guidelines are guided by the Fund's evenhandedness framework and Board-approved strategies on climate and gender, among others. A draft is being prepared for review by departments, to be issued to staff after finalization.			
DAI 4	(a) Further strengthen the transparency and documentation of the internal review process, and (b) assess how it has adapted to the Integrated Digital Workplace (IDW).	Support	In the Joint Statement this recommendation was endorsed. (a) Implementation as Management guidelines to staff. A draft is being prepared for review by departments, to be issued to staff after finalization.	(a) CY2023 Q1 (b) will commence after the IDW rollout.	Accommodate within existing work programs	SPR, OIA
EP1	Standards, procedures, and rules that apply to the Managing Director and the Executive Directors should be higher than those set for staff.	Support	The Joint statement agreed to review the ethical frameworks applicable to the Board and management, and to propose changes as needed. The Board agreed to a full review of the Board Code of Conduct. and the ethical framework applicable to the Managing Director. The review to be conducted by the Ethics Committee (See, EBAP/22/81).	CY23 Q2/3	Accommodate within existing work programs	Ethics Committee, with input from the Legal Department and Ethics Advisor
EP2	The Managing Director and the Deputy Managing Directors should publish the type of financial assets they hold yearly, as per the practice at the ECB or the European Commission.	Support	The Joint statement agreed to a review of existing frameworks to enable the publication of summary statements of financial assets and interests of the MD and DMDs, in line with best practices in other international financial institutions, in time for the next annual disclosure program. Staff have benchmarked the practice of other international and regional organizations which publish financial disclosure statements of their	CY23 – Q1/2, for necessary decisions to be approved in time for the next annual disclosure program in Q2/3.	Accommodate within existing work programs	Ethics Office in consultation with OMD, Board Ethics Committee and LEG

			<p>senior officials and have prepared a proposal to Management. Management has agreed on a framework to apply to DMDs, by which summaries of their disclosures would be published at the end of the next annual financial disclosure process in the latter half of 2023, and annual thereafter.</p> <p>Management's views on the framework would be conveyed to the Ethics Committee once it is in place so it can agree a similar framework for the MD.</p>			
EP3	The personnel of OED should be granted access to all parts of the Dispute Resolution System (DRS) System, including the informal mechanisms.					
	(A) OED Access to Informal DRS	Support	<p>The Joint statement agreed to take steps to expand access of OED employees to the informal dispute resolution mechanisms.</p> <p>Staff are preparing a proposal to be considered by the Board. The key elements of the proposal entail (i) all OED personnel being granted access to the Ombudsperson (OMB) and Mediator (MDT); (ii) OMB and MDT granted direct access to EDs for this purpose, and to share information that would be relevant to matters being considered. Reporting modalities will be discussed. Committee on Administrative Matters (CAM) to consider the proposal in CY2023 Q1, with a target completion date of April 2023.</p>	CY23 Q2	Net budget to be determined	CAM, LEG, and SEC, in consultation with OMB and MDT

	(B) OED Access to Formal DRS	Requires further consultation	<p>The Review's recommendation also extends to consideration of granting OED personnel access to the formal dispute resolution mechanisms which, in the context of staff, refers to the administrative review processes, the Grievance Committee, and the Administrative Tribunal. Currently OED personnel have access to the Administrative Tribunal in certain respects – Advisors and Assistants have standing to challenge any adverse employment action; and all other OED personnel have access to challenge decisions taken under the Fund benefits plans to which they are subscribed (e.g. MBP, SRP). The Board Ethics Committee is the primary forum for OED personnel to raise concerns relating to their workplace conditions, such as harassment and discrimination.</p> <p>Granting access of OED personnel to the formal DRS would require a fundamental review of the governance of the OEDs, and the impact of member and constituency arrangements on certain personnel decisions therein. It would also require consideration of amendments to the channels of review, to appropriately reflect the decision-making authority of such employment decisions.</p> <p>CAM to consider the broader issue of access to formal dispute resolution system at a later time based on the experiences gained from</p>	Revisit Issue end-CY2024	Net budget to be determined	CAM with support from LEG and SEC
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			granting OED personnel access to the informal dispute resolution offices.			
EP4	The Board should underscore the independence of the Ethics Committee by changing its composition to include majority of individuals who are not members of the Executive Board, but who have a high standing in ethics matters and are familiar with the Fund's work, for example, former Governors of the Fund.	Insufficient Support	The Ethics Committee has reviewed a detailed benchmarking study prepared by staff that compares the rules and practices of eight comparator organizations, seven of which were also considered by the panel. In seven of the comparators, the Board Ethics committee (or its equivalent) is composed solely of members of the board of directors, as in the Fund. No organization has a hybrid composition with ethics committee members that are board directors as well as people serving in their individual capacity. The ECB, to which the panel refers, is the only organization that has an ethics committee that consists entirely of individuals of high repute from member states that serve in their private capacity. It is noted that the ECB is the central bank for the 19 European Union countries that use the Euro. As such, while the ECB is an intergovernmental organization in set up, its membership and mandate are arguably more limited, and its functioning is more akin to that of national central banks. The ethics committees of all other organizations reviewed consist of board directors and are consistent with the Ethics Committee arrangements at the Fund. Moreover, the Ethics Committee noted the practical constraints on calling upon an external Ethics Committee member to participate in deliberations in often time sensitive and highly	n/a	n/a	n/a

			confidential matters. The Ethics Committee recommends that the Board should decline to implement this recommendation.			
EP5	In cases involving the conduct of the Managing Director, or in other cases in which a potential conflict of interest may arise, the Secretariat of the Ethics Committee should be an external lawyer, rather than staff of the Fund.	Requires further consultation	The Board Code of Conduct provides that the General Counsel, or if absent his/her representative, shall be the permanent secretary of the Ethics Committee. The Ethics Committee also has an external “ethics consulting firm” on retainer who can be called upon in cases involving investigations to provide services under the direction of the Ethics Committee. There is no rule that provides for the replacement of the permanent secretary in cases involving the conduct of the Managing Director or situations where a possible conflict of interest may arise. The IMF General Counsel supports the Ethics Committee with both legal advice and secretariat services. As the legal adviser to multiple parties and organs of the Fund (the Board of Governors, the Executive Board, member countries, management, and other departments), the General Counsel needs to be—and has long been understood as being—independent, consistent, and objective in navigating the different views that may exist across the Fund’s stakeholders and providing the same impartial legal advice to all. Reflecting this role, the General Counsel is also different from other staff as it has long been recognized that the General Counsel may issue legal opinions on his/her own authority and may provide opinions directly to the	CY 2023 Q2/3	Net budget to be determined	Ethics Committee

			<p>Executive Board without seeking clearance from the Managing Director. (See, discussion of role of legal counsel in the context of EBM/51/669). Moreover, a preliminary review of the practice of eight comparator organizations (seven of which were also considered by the Review's expert panel) suggests that the recommendation of the panel for the replacement of the Secretariat by an external body is not included in the rules of any of the benchmarked organizations. Despite these considerations and considering that the Board has endorsed a full review of the Board Code of Conduct under the leadership of the Ethics Committee and targeted to be completed in 2023Q2/3, it is proposed that this question be further considered in that context and informed by the results of that broader review.</p>			
EP6	<p>The Managing Director and the Board should lead culture change efforts across the Fund with strong, visible, messaging backed by action, and should make the inculcation of a culture of dialogue and integrity a strategic priority.</p>	Support	<p>Management and the Board to champion and support the measures aimed at strengthening protections against bullying, harassment, and retaliation. This recommendation underpins the success of EP Rec. No 27(30).</p> <p>Key deliverables where Management and Board to engage include:</p> <ul style="list-style-type: none"> i) Townhall on IP (including covering guidance notes for Staff and OED), January 2023. ii) Update to staff from Management following annual consultation 	From CY22 Q4 onwards	Accommodate within existing work programs	COM in collaboration with HRD and, DRS

			arrangement between the DRS offices with Management and the Board (EP Rec. 14)				
EP7	Unethical conduct should be penalized consistently, and the sanctions imposed for such conduct should be communicated to staff (for instance through regular anonymized reporting on cases of unethical conduct and the consequences for the wrongdoer.)	Support	<p>Consistency in sanctioning misconduct is an integral aspect of fairness, due process, and trust in the organization’s handling of workplace conduct issues (as penalties are one of the strongest indicators of “tone from the top”).</p> <p>HRD and LEG, as Management’s advisors in the review of disciplinary cases and determination as to sanctions to be imposed, regularly liaise to ensure that penalties imposed on B-level staff, A-level staff and contractual employees are consistent. They will continue to do so.</p> <p>With respect to the communication aspect, OII will augment its 2021 Annual Report (released by end-CY22) to provide more substantive summaries of cases the Office has addressed, as well as their outcomes, balanced to ensure the appropriate levels of confidentiality regarding personnel matters.</p>	On-going	Accommodate within existing work program	Office of Internal Investigation (OII)	
EP8	Retaliation: To further address the persistent reluctance of employees to use the DRS, the Fund should take measures to strengthen its anti-retaliation policy and practice, including the following:						
	i	The rules on retaliation should be amended to require the alleged wrongdoer to bear the burden of explaining that their action did not have a retaliatory motive, in accordance with the	Insufficient support	The Fund’s Retaliation Policy establishes an Independent Review (IR) process which holds the organization to a high standard of proof in the determination of whether or not retaliation occurred (OII considers whether there is “clear and convincing evidence that	n/a	n/a	n/a

	<p>practice in other international organizations and International Financial Institutions (IFI).</p>		<p>the same adverse action would have been taken, for separate and legitimate reasons, even in the absence of the complainant’s protected activity. If there is no clear and convincing evidence to support such a finding, OII will conclude that retaliation has occurred.”). This approach strengthens the protection of employees, essentially by giving them the benefit when there is any doubt about the reason for an adverse action.</p> <p>As a result of this high and protective standard of proof, an IR may sometimes find that retaliation occurred given the lack of “clear and convincing evidence” that it did not, even where there is insufficient positive evidence of retaliation to establish misconduct by any individual.</p> <p>When an IR concludes that a retaliatory action has been taken against a staff member, two steps should follow: 1) the action should be corrected and redressed; and 2) individual accountability – i.e., on the part of the institutional agent(s) who played a part in taking that action – should be assessed.</p> <p>The recommendation to shift the burden of proof to the subject of the retaliation allegation to disprove retaliatory action is not appropriate for assessing individual accountability through the misconduct process. This is because it would require employees to establish their “innocence”</p>			
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			<p>failing which they are presumed to be “guilty.” This would be contrary to internationally established principles and jurisprudence that confers presumption of innocence onto individuals suspected of misconduct.</p> <p>Based on benchmarking against other comparable institutions and assessing the current process in place at IMF for establishing individual accountability, it is deemed that <u>no change to the burden of proof</u> borne by the alleged wrongdoer is appropriate for IMF’s process.</p>			
ii	Where the Independent Review process concludes that retaliation has occurred, the fact that an employee’s actions were determined to be retaliatory should be considered in their performance evaluations, with appropriate consequences attached.	Support	<p>An IMF employee’s failure to abide by, and uphold, the provisions of the Retaliation Policy is addressed and considered as a performance management issue. If the misconduct process that follows the IR finds that there was individual responsibility on the part of IMF staff to the degree that it represents misconduct, appropriate sanctions will be considered and imposed, in line with established processes for addressing misconduct.</p> <p>It is possible that an Independent Review (IR) may find that a lack of clear and convincing evidence that an action is not retaliation because an individual employee failed to appropriately document that decision or otherwise did not meet the obligations conferred by the Retaliation Policy or other standards of conduct but acted in good faith,</p>	On-going	Accommodate d under existing work program	OII in consultation with HRD and Management

			<p>made an error, or engaged in other conduct that is not appropriately designated as misconduct. A failure of this nature (i.e., a performance issue, rather than an act of misconduct) could be referred to in performance evaluations.</p> <p>The decision as to whether such a failure is shared with departmental management for inclusion in the performance review process is made by the Responsible Official considering the OII investigation report (i.e., the Director, HRD for A-level staff; the MD or her delegate for B-level staff).</p> <p>Accordingly, in cases where the IR has found institutional responsibility, but the misconduct process does not find individual culpability on the part of staff members, the performance on the part of those staff with respect to their handling of the adverse action that was deemed retaliatory may still be subject to review and may reasonably be critiqued by their managers as part of their performance review.</p>			
iii	The Fund’s rules should be amended to require an investigation for individual responsibility in all cases in which Independent Review concludes that retaliation has occurred.	Support with modification	Continue current practice of assessing, on a case-by-case basis and under the existing provisions of Staff Handbook GAO 11, Chapter 11.02 and Sections 4.1 and 4.4 of the Retaliation Policy, individual misconduct by Fund staff and whether retaliation claims brought forward by complainants represent matters warranting full investigation.	CY23 Q1-2	Accommodate under existing work program	OII, in consultation with HRD, LEG, ETO and DRS.

				Add a provision to Section 4.4 of the Retaliation Policy requiring that, when the OII Independent Review determines that retaliation has occurred, OII's report to management (B-level) or the Director, HRD (A-level) recommending corrective measures will also advise as to whether OII will request authorization to conduct an investigation into individual misconduct, per the provisions of GAO 11, Chapter 11.02, Section 4.3.			
iv	Proactive efforts should be invested in communicating this important policy and its operation to all stakeholders in the Fund's DRS.	Support	<p>Revisions to the Retaliation Policy are being prepared to provide for advice and early informal resolution for those who fear retaliation (per External Panel's recommendation for increased reliance on informal resolution). These including adding provisions to make it clear that:</p> <ul style="list-style-type: none"> a. Supervisors may seek confidential guidance and advice from OII. b. Employees can utilize the informal Dispute Resolution channels (Ombuds, Mediation) to attempt to resolve the issue and can consult with HSD's Counselling Unit as needed. Attempts at early dispute resolution will not preclude the complainant from filing a formal complaint with OII and a rule would be drafted to address the extension of relevant timelines. 	CY23 Q1-2	Net budget impact to be determined if training and outreach initiatives are envisioned	OII, in consultation with HRD, LEG, ETO and DRS.	

			<p>Fund-wide communications are being implemented to raise awareness of (i) the mechanisms available for staff to raise concerns, including around issues of undue influence; and (ii) the existing measures for protection from retaliation where these mechanisms are pursued. Two “flagship” events are:</p> <p>(i) An awareness-raising event to share information with all staff on the various DRS offices, the Ethics Office, and OII, and mechanisms available to them, including to protect against retaliation (December 2022); and</p> <p>(ii) A formal townhall with heads of the DRS, Ethics Office, and OII, as well as with SAC, which will provide an opportunity to present and discuss with staff the actions/reforms that will be undertaken in response this Review (January 2023).</p> <p>Over FY23-FY24 a number of communication products include an updated DRS website, informal listening sessions with groups of staff, digital signage, special #StayConnected videos, and an intranet article and infographic explaining the roles of and differences among DRS offices.</p>	December 2022; January 2023	Accommodate under existing work program	COM, in collaboration with DRS offices and HRD
			In addition to the measures recommended, Management agrees to develop a standalone Whistleblower Policy, which confirms that	CY23 Q4	Accommodate under existing work program	ETO, HRD, LEG, OII and SAC

				<p>employees who raise concerns of ethical concerns are protected from adverse action. While these protections are embedded in the Fund’s rules, including the Retaliation Policy and the Integrity Hotline policy, consolidating these in a standalone Whistleblower Policy will serve as an important signal from Management to staff about the protections available. The Staff Association Committee supports this approach, and has put forward a draft proposal. A Task Team, comprised of ETO HRD, LEG, OII and SAC will prepare a draft policy for management’s consideration, and will consider any necessary amendments to the Retaliation Policy to avoid duplication.</p>			
	v	<p>Training should be offered to staff and employees about their rights and the available measures of protection from retaliation. All supervisors should be better trained on how to avoid behaviors that could amount to retaliation.</p>	Support	<p>The Joint statement agreed to revise the Retaliation Policy to include affirmative supervisory responsibility to report misconduct or retaliation concerns of which they become aware.</p> <p>a. In all cases where supervisors or managers receive a report of misconduct and/or concerns about retaliation (excluding those for which they are a subject), they must seek to address it promptly by reporting it to OII or seeking guidance and advice from ETO and DRS offices. In cases where the supervisor or manager themselves are implicated, they are required to advise their immediate supervisors of such reports (who would then be required to report the matter to OII or seek guidance).</p>	CY23 Q1/2	Accommodate under existing work program	OII, in consultation with HRD, LEG, ETO and DRS.

				b. Adjustments to management training programs will be assessed under the cultural change workstream (EP Rec No. 30)			
vi	The Fund should proactively determine whether interim protective measures are needed for the complainant or witnesses and, with the consent of the potential/alleged victim, to recommend the urgent implementation of such measures to Management/HRD, without requiring the alleged victim to request such measures.	Support	The Joint statement agreed to revisions to the current Retaliation Policy to create a positive obligation on the Internal Investigator to consider the implementation of interim measures in all cases involving allegations of retaliation and to formally document their conclusion (2023Q1-2). These include provisions to: <ul style="list-style-type: none"> a. Expressly state that remote work, temporary reassignment, transfer, or change in duties will be considered for the complainant or the alleged retaliator. b. Make clear that, in making this determination, the interests of, and the impact on, the complainant, the alleged retaliator, and the business needs of the Fund should be considered. 	CY23 Q1/2	Accommodate under existing work program	OII, in consultation with HRD, LEG, ETO and other DRS offices	
vii	The Fund should extend the period for access to Independent Review with special protective standard of proof for retaliation claims to 3 years from the alleged retaliatory act to align it with comparators in other international organizations and to create a more realistic timeframe.	Requires further consultation	The Retaliation Policy requires that requests for an IR of an adverse action be made within 6 months of its occurrence. Allegations of retaliation that fall outside of that time limit are subject to the standard misconduct investigation process. An employee may also allege retaliation in any related review, grievance or arbitration process. Allegations of misconduct, including harassment, discrimination, and abuse of authority, are not	CY23 Q2 Q3	Accommodate under existing work program Transitional resources for consultations and redrafting applicable policies.	OII in consultation with HRD, SAC, LEG	

				<p>subject to any statute of limitation and may be reported at any time.</p> <p>The Review considered that the IMF statute of limitations for IR is shorter than that applied by other comparable institutions. While the recommendation is viewed favorably, it requires additional discussion to consider how best to restructure the process to accommodate a longer statute period, address related and ancillary provisions and consider implications for the Grievance process and other DRS channels.</p>			
viii	The Fund should closely monitor, evaluate, and measure the efforts and effectiveness of measures adopted to support a no-retaliation and “speak up” culture by doing more frequent surveys run entirely by external and independent providers to determine the effectiveness of these initiatives.	Support	<p>We support this recommendation with the following steps/actions:</p> <ul style="list-style-type: none"> • Staff Engagement Survey (SES) to include questions on trust, speak-up culture, and retaliation and to set a baseline (CY22 Q4, CY23 Q1). • Follow-up pulse surveys to the SES to measure progress on these issues in following 2 years. 	CY22 Q4- CY23 Q1	Accommodate within existing work program	HRD	
ix	Because retaliation can also arise from undue influence or political pressure to change recommendations or reports, safeguards and mechanisms should be developed and strengthened for dealing with allegations of undue influence or political pressure in the DRS	Support	<p>The joint statement agreed to broaden the terms of reference of both the Ombudsperson and Mediator to include dealing with allegations of undue influence by Management or the Board on Staff, at least until other mechanisms are in place.</p> <p>Proposals to amend the Terms of Reference of the Ombudsperson and Mediator prepared by</p>	CY22 Q4	Accommodate under existing work program	LEG and HRD in consultation with OMB and MDT.	

		<p>mechanisms. This could for example include for a start, broadening the terms of reference of both the Ombudsperson and Mediator to include dealing with such matters informally before a formal mechanism is established. In such cases, interim protections from retaliation should be considered and recommended. The Ethics Advisor and Ombudsperson should consider convening roundtable discussions Fund-wide to develop shared norms around the issue of data analysis and integrity, a speak-up culture on these issues, and to develop a more specific policy for resolving these concerns for those, hopefully few cases, when informal mechanisms prove insufficient.</p>		<p>staff make explicit the authority to consider allegations of undue influence. Amendments are intended to support the communications campaign, so staff are aware of resources available. In the context of work under DAI Recommendation No. 1 above, this will be considered by the Board in the context of the menu of options for complaints mechanisms.</p>			
EP9	(A) Information regarding the outcomes of cases considered by the Board Ethics Committee should be made available to staff through the publication of annual or other periodic reports, which should be	Support	The Board has agreed to published high-level information about the number and nature of matters considered by the Ethics Committee and the general disposition of these cases every two years, at the end of each Committee's term. (See EBAP/22/81).	First report issued CY22 Q4	Accommodate under existing work program	Ethics Committee	

	easily accessible on the Fund's Intranet site.					
			The Ethics Committee approved training on the Board Code of Conduct to for all new OED employees, including EDs, as part of the onboarding of new OED officials/employees at the beginning of each Board term and on an annual basis even for already serving EDs and OED employees. This is a separate initiative of the Ethics Committee. First overview of the Code was provided during an onboarding training in November 2022, and a more detailed annual training planned for CY23 Q1.	First onboarding training conducted in November 2022; and annual training planned for CY23 Q1	Accommodate under existing work program	Ethics Committee
	(B) The Fund should promptly resume the publication of such information regarding the Administrative Review process and the Grievance Committee, which have not been published for the past few years. The Ethics Advisor should be able to consider complaints of excessively redacted reports and make changes as s/he determines meets ethical principles.	Support	On May 6, 2021, the Grievance Committee released its Annual Report for 2020 and 2021 via a Fundall and posting on the Dispute Resolution System (https://drs) and the Grievance Committee intranet sites. The Grievance Committee is also working to complete the publication of redacted copies of its recommendations (dating back to 2018) on its intranet site by end CY22. The Grievance Committee is not aware of past complaints about excessively redacted recommendations and is prepared to consider concerns if they are raised. The Grievance Committee Annual Report for 2022 will be published in 2023. HRD will publish its Annual Report on Administrative Reviews for 2019, 2020, and 2021 on (https://drs) at end-2022. The 2022 Annual Report on Administrative Reviews will be published in 2023.	CY22 Q4 – CY23 Q4	Accommodate under existing work program	Grievance Committee

EP10	The Expert Panel's Recommendation 10 comprises four distinct recommendations which are considered in turn.					
	(A) All DRS information should be available on one intranet webpage, with links to each individual DRS office, process, etc.	Support	All DRS information has been available since 2018 on one intranet webpage: https://drs . The page includes links to each office and process, introductory information on the DRS processes, an introductory video, FAQs, and links to recent updates and events.	Completed	Accommodate under existing work program	COM, HRD
	(B) The Fund should create a Tool-Kit for Self-Represented employees on the DRS webpage which sets out all aspects of the role of each DRS office, including applicable timelines (both as stated in the rules as well as in practice), percentage distribution of outcomes in each DRS office/process for the past 2 years, and detailed guidance to prepare staff for each step of the formal dispute resolution process. The Fund should adopt the best practice of the UN in this regard and see the sample of their tool kit for self-represented staff.	Support	The recommendation will be implemented after the implementation of Recommendation 35 (engagement of Staff Legal Counsel to advise and represent staff on employment staff, due CY23 Q2). The Staff Legal Counsel engaged will develop guidance materials to assist staff, as part of their Terms of Reference.	CY24 Q2/3	Net cost to be determined	HRD, LEG and SAC
	(C) Each relevant office or process (including Administrative Review, OII, Grievance Committee, and the Administrative Tribunal) should post a real-time case "tracker" on a secure intranet page which allows the staff members concerned to log in,	Support	As an immediate solution to ensure that staff using DRS have timely information on the status of their enquiries and cases, DRS offices are implementing steps to make clear to clients that they may regularly request updates on case progress by email to a designated contact (as many clients already do). A workstream, led by ITD, comprising the	CY24 Q3	Yes. Net cost to be determined as part of workstream on case tracker. Costs includes transitional	ITD in consultation with DRS, HRD, and LEG

	monitor the progress and to view the status update of their case.		Dispute Resolution System, LEG, and HRD, will evaluate, the scope and cost of IT options, and prepare a proposal for management consideration ahead of FY25 Capital budget discussions.		staff resources to develop proposal and potential recurring IT costs.	
	(D) An intranet page for the DRS should also show the nature of individual complaints filed by staff over the past two to five years, the actual timeline required for the disposition of the matter or inquiry, whether the allegation was substantiated in whole or part, the recommended consequence or decision when the allegation or concern was substantiated, and the action or decision taken with a reasoned explanation for why the recommendation was not followed if the Managing Director chooses not to follow the recommendation made by the relevant office. This data already exists and was reviewed by the Panel. Sharing it will improve transparency, trust and accountability.	Support	This recommendation is subject to further exploration dependent on implementation of EP Rec. 10(c) above. Information on the nature of cases and their outcomes is already made available on the intranet sites for the Office of the Mediator, OII, Administrative Review, the Grievance Committee, and the Administrative Tribunal (also via the DRS Home Page). An efficient approach to such a page could be for it to draw upon the non-confidential information contained in the real time case-tracker. Implementation of this recommendation will be contingent on and follow implementation of the case-tracker.	CY25	Net cost to be determined (see EP Rec. 10C)	LEG, in consultation with DRS, HRD, and COM
EP11	To enhance their independence and ability to perform their functions effectively, the Fund should implement the changes made to the DRS employment framework in early 2021 to allow DRS leaders and	Support with modification	This recommendation to implement the DRS employment framework approved in 2021 is supported with a correction and modification. The correction reflects that the 2021 amendment to the DRS employment	CY23 Q2 onwards	Net costs for employees of offices to be determined based on workforce	HRD, LEG and SAC, in consultation with DRS offices

	<p>employees to elect to be converted to staff positions with full benefits for the remainder of their terms of employment.</p>		<p>framework did not provide for the immediate reclassification of all contractual employee position into staff positions, nor did it provide for employees in such positions to be converted to staff. The modification reflects that, while management continues to support implementation of the DRS employment framework, the DRS offices will need to conform with the Fund's Categories of Employment (COE), which includes a mix of appointment types (staff, contractual, and vendor services) as is applied Fund-wide, to be assessed following a workforce planning exercise, as well as the requirement to have competitive selection processes for all staff appointments. For these reasons, the recommendation to allow current employment "to elect conversion" is not supported.</p> <p>The process of developing workforce plans for employees of the DRS offices is in line with the COE. Five structural staff positions have already been allocated to the offices in the FY23 budget process as part of a 30 percent increase in their budgets. Recognizing that the thrust of the Panel's recommendation is to speed implementation of the employment framework approved in 2021 (that requires a staffing mix standard across the Fund), HRD will work with the DRS offices to formalize DRS workforce plans, which will form the basis</p>		<p>planning, supported by HRD and discussed in the context of the regular budget process.</p>	
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			<p>for budget discussions within six months for implementation beginning in FY24.</p> <p>For the head of office positions, the use of fixed-term staff appointments for four DRS Office Head positions (ETO, MDT, OII, OMB) would require an amendment to the 2014 Categories of Employment Board Paper (EBAP/14/89), making provision for a category of term appointments specific to the DRS Offices with appropriate measures to protect the independence of the offices (e.g., no prospect of nomination for an open-ended staff position). A Task Team comprising HRD, LEG and SAC will prepare for 2023 Q3 a draft Board paper that could establish a new category of staff appointment for these positions. It is anticipated that this will affect four Office Head positions. The Task Team will prepare a fully costed proposal for Management and Board decision (approximately \$110,000 per position).</p>	CY23 Q3	Net cost for Heads of offices to be determined as part of workstream on Employment Framework.	
EP12	OII should not require authorization from Management or HRD before investigating cases. Create Terms of Reference for OII.	Support	This change will be reflected in the next update to the Staff Handbook (CY23 Q1/2) and incorporated into OII's terms of reference. OII will continue to report to Management regarding matters that, in its judgment, merit such communication in order to address operational or other risks, actual or perceived conflicts of interest, or to recommend interim measures or protective measures.	CY23 Q1/2	Accommodate under existing work program	OII

EP13	Investigations of allegations of misconduct should be centralized and conducted by OII only-not by the Departments within the Fund.	Support	It is appropriate to centralize the entry point of any allegation and allow OII as a focal point to re-route for appropriate action. This adjustment to the current practice will also align with OII's administration of the Integrity Hotline, which is founded on the principle that allegations are routed through OII, and with the requirement on supervisors and staff to report alleged misconduct of which they become aware.	CY23 Q1/2	Net Cost (if any) to be determined.	OII, in consultation with HRD and LEG
EP14	The Heads of the DRS and related offices should have the opportunity to report to the Board on their activities at least once a year, as part of the Board's "general control over staffing matters" under Article XII(4)(a) of the Fund's Articles of Agreement. They should also have the opportunity to meet with the MD as much as needed to discuss pertinent issues, cases as well as systemic issues, in line with the practice in other organizations. These meetings with the MD should not be delegated to the Deputy Managing Directors.	Support	Action includes: (i) a joint meeting at least once a year between Management and the relevant DRS and Ethics and Integrity Offices to discuss their respective annual reports; (ii) an annual session for DRS and Ethics and Integrity Heads to brief the Board on efforts and activities; and (iii) other informal engagements (e.g. retreat or luncheon) with the Board.	CY23 Q1/2	Accommodate within existing work program	ETO with DRS stakeholders

EP15	(A) OIA should be independent. The requirement to have its workplan approved by management should be abolished.	Support with modification	<p>In most International Financial Institutions (IFIs), Management approves the Internal Audit work plan. And in most IFIs, the Audit Committee also approves the Internal Audit work plan in parallel to approval by management.</p> <p>At the Fund, the External Audit Committee (EAC) reviews OIA’s Program of Work but does not approve it. Rather than discontinuing the practice of Management approving the OIA Work Program, it would be beneficial to introduce an additional step whereby the EAC would approve OIA’s Program of Work. In the event Management suggests any modifications to OIA’s proposed Program of Work, the OIA Director will communicate to the EAC those suggested modifications requested by Management along with the proposed disposition of those requests – this would further strengthen the checks and balances from a governance perspective. In the event of divergence of views, which is expected to be quite rare, Management would have the opportunity to present their views to the EAC to see if an agreement can be reached. If there continues to be disagreement, the Director of OIA shall make an appropriate judgment, and shall document the reasons there for. This change, if acceptable to the External Audit Committee, would require an amendment to the OIA and EAC Charters. The implications of any further</p>	CY23 Q1/2	Accommodate within existing work program	OIA
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			measures to strengthen OIA's independence would need to be carefully examined, notably in view of OIA's unique and internal advisory role, which has high value in the Fund's institutional framework.			
	(B) The Fund should establish an "internal" Audit Committee of the Executive Board so that OIA can report directly to them, in line with the practice of Internal Audit Offices in other IFIs.	Insufficient support	It is proposed that no action be taken on this recommendation within the context of the Institutional Safeguards Review. The recommendation to establish an Internal Audit Committee of the Board such that OIA can report directly to such an Audit Committee will not make the function more independent and would in fact be counter-productive and diminish OIA's impact and value-add. This is because Internal Audit functions, by definition, are "internal" to the organization and are therefore meant to be a mechanism that is available for Management (and other stakeholders such as the Board) to provide independent and objective assurance on achievement of control objectives. The Executive Board is vested with powers to exercise executive functions, by which it is responsible for conducting the business of the Fund by taking policy and operational decisions that affect the financial position of the Fund and establishing a Board Audit Committee would assign a supervisory role to what is an executive function. This may raise conflict of interest concerns, as the Board would in practice be auditing its own work. As originally adopted, By-Law section 20	n/a	n/a	n/a

			<p>provided for the Executive Board to “have an audit of the accounts of the Fund”. In order to establish the independence of this audit from the Executive Board, the Board of Governors amended By-Law 20 in 1947 to provide for the establishment of an External Audit Committee, selected by the Managing Director and appointed by the Executive Board. The external audit allowed members to have a candid assessment, by competent and independent experts, of the Fund’s financial integrity and, in that respect, of how the Executive Board discharged its functions. Furthermore, Internal Audit functions in all the comparator IFIs do not report directly to the Audit Committee – they report to Management administratively and have a functional reporting relationship with the Audit Committees of the Board, just as OIA has a functional reporting relationship with the External Audit Committee (EAC) and reports administratively to Management. OIA’s prior External Quality Assessments (EQAs) which are conducted in accordance with the International Auditing Standards have also confirmed that OIA’s functional and administrative reporting relationships support organizational independence and objectivity and that there is an appropriate and high level of interaction between OIA and the External Audit Committee.</p>		
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EP16	(A) The Fund should strengthen the implementation of the “3 Lines” Model by addressing the shortcomings described in the OIA Audit Report of the Fund’s Enterprise Risk Management (ERM) Framework published in 2021. In particular, the Fund should strengthen ORM’s challenge function as the second line of defense, both in the core and administrative areas of the Fund.	Support	ORM has developed a comprehensive action plan to respond to the 2021 OIA Audit of the Fund’s ERM Framework; OIA will validate the implementation of these actions per the committed target dates and will independently report on the status to the External Audit Committee and the Board. It is anticipated that the Fund’s Executive Board will approve the ERM Policy in December 2022. In this proposed ERM Policy, the Second Line, defined as the Office of Risk Management, will provide oversight of enterprise risks, independent of the First Line, across the Fund’s core, functional, and support activities in a manner that addresses the OIA ERM Audit (April 2021) and that is consistent with approaches at other International Financial Institutions.	CY24 Q1/2	Accommodate within existing work program	ORM
	The Fund should evaluate how to solve OIA’s capacity constraints	Support	OIA has already secured an increase in its structural budget envelope for FY23. Accordingly, there is no specific additional action required to respond to this recommendation and the annual budget cycle and accountability framework discussions should suffice to evaluate OIA’s adequacy of resources on an ongoing basis. The OIA Director can also flag issues relating to the adequacy of OIA’s resources to the External Audit Committee, if needed.	On-going.	Accommodate within existing work program	OIA.
	The Fund should better monitor the implementation of OIA’s and Independent Evaluation Office’s (IEO) recommendations	Support	Various actions have been initiated to strengthen monitoring and expedite remediation. Specifically: (i) efforts are underway to better link reporting of	Strengthening linkage of risk mitigation actions to	Accommodate within existing work program	OIA for monitoring and reporting; and relevant

			<p>implementation status of OIA and IEO recommendations to Departmental Accountability Framework discussions; (ii) OIA has initiated a triage exercise to reassess the severity and enterprise risk profile of open audit issues – the initiative which has been endorsed by the FRC and the External Audit Committee (EAC), should provide useful insights in how mitigation actions can be prioritized at the institutional level, particularly keeping in mind staff workload. (iii) OIA will also publish a dashboard of open and overdue actions to provide greater visibility of these items to Department Heads, FRC, External Audit Committee, and the Board; (iv) Office of Risk Management (ORM) is also working on a more structured framework for tracking and reporting of issue and action management.</p> <p>The implementation status of IEO recommendations is routinely validated and reported on by OIA's through its Periodic Monitoring Reports (PMRs) – the twelfth PMR is scheduled to be discussed by the Board in November 2022.</p>	<p>Departmental Accountability Frameworks – CY23 Q2</p> <p>Completion of OIA Triage Exercise – CY23 Q1</p> <p>Publication of OIA Dashboard – CY23 Q1</p> <p>Ongoing (through Annual PMRs)</p>		Departments for actions
EP17	(A) The Fund should incentivize or prioritize the time required for peer reviewers, witnesses, or others required to process disputes more efficiently through the DRS processes at the Fund (including OII, Grievance Committee, Administrative Tribunal).	Support	The Administrative Tribunal and OII do not attribute delays in their processes to the availability of witnesses or others required to process disputes. However, the Grievance Committee process is sometimes significantly delayed due to difficulties in scheduling hearings related to lack of availability of panel members, witnesses, and legal representatives.	CY23 Q4	Accommodate within existing work program	Grievance Committee Chair, LEG, HRD, and SAC

			<p>A Workstream comprising the Grievance Committee Chair, LEG, HRD and SAC, will develop proposals to strengthen the Grievance Committee process, with a view to making it less formal and more efficient (see EP39). The workstream would consider, amongst other things, proposals to incentivize and prioritize time required for peer reviewers, witnesses and others to process disputes more efficiently through the Grievance Committee. Proposals for consideration would include:</p> <ul style="list-style-type: none"> • service will be formally included in the work program of Grievance Committee members); • Grievance Committee members will be permitted a certain number of designated business days to support this work; • remote hearings may be used if necessary; and if necessary to avoid undue delay, the Grievance Committee could be empowered to fix mandatory hearing dates (similar to a national court) at which the parties’ and their legal representatives are required to attend absent exceptional circumstances. • whether rules should be introduced enabling the parties to opt for adjudication by the Grievance Chair sitting alone. • whether there is merit in scheduling hearings during agreed session 			
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			<p>"windows" with notice to Grievance Committee members and legal representatives well in advance. Such windows would be scheduled outside of traditionally busy periods during the Fund's year (e.g. the Annual and Spring Meetings).</p> <ul style="list-style-type: none"> whether to propose a Staff Rule and/or a provision to the Code of Conduct for Staff requiring former staff members to give witness evidence at hearings, in cases where the Grievance Committee finds that this is necessary. <p>The workstream will also consider proposing changes to the way in which the time taken for Grievance Committee proceedings is recorded so records accurately reflect the time taken during the discovery phase or postponement of hearings.</p>			
	(B)The Fund should retain oral hearings at the Grievance Committee or future Peer Review process to ensure fairness and transparency for employees.	Support	No proposal is being considered which would eliminate oral hearings.	n/a	n/a	n/a
EP18	When weighing confidentiality versus transparency on matters of misconduct, err on the side of transparency for substantiated allegations. There should be significant, visible penalties for substantiated wrongdoing, especially	Support with modification	Recommended actions include imposing appropriate and consistent sanctions for substantiated misconduct and the question of transparency in communicating investigative issues and their outcomes are to be addressed also in EP Rec. No. 7. The creation of a peer review panel poses logistical, operational,		Accommodate within existing work program	OII

	for retaliation, harassment, and discrimination which represent important norm violations. Minor penalties such as a letter of reprimand undermine trust by affirming the belief that there is a culture of impunity at the Fund. A peer review panel should recommend consequences for substantiated allegations and draft a response to explain any decisions which run contrary to the recommendations of the peer review panel. The peer review panel should take no longer than 15 days from OII's finding of a substantiated allegation.		privacy, and administrative challenges, resulting in consensus not to implement this element of the recommendation.			
EP19	(A) There should be visible, strategic and frequent communication of the Managing Director's stance against retaliation, and visible action should be taken when an allegation of retaliation is substantiated.	Support	In cases of retaliation, the anonymized reporting can include general information that corrective measures were taken by the Fund following a finding of retaliation by OII.	CY23 Q4	Accommodate within existing work program	OMD, in consultation with COM, OII, and HRD
	(B) Quiet changes and support for the DRS will not build support as effectively as visible, transparent, decisive action taken against those who have acted improperly	Support	This proposal will be covered via EP Rec. No. 7 (for instance through regular anonymized reporting in cases of unethical conduct and consequences for the wrongdoer).	CY22 Q4 onward	Accommodate within existing work program	OII, HRD, LEG
EP20	With the help of the Office of Innovation and Change, the Ethics Office and the Ombudsperson, the Managing Director should host roundtable discussions designed to generate buy-in and build shared	Support with modification	Tone from the top is crucial here. The Managing Director and Deputy Managing Directors will signal their strong support for culture change using various channels throughout the year, including in messages to staff, at townhalls and in meetings with staff.	n/a	n/a	n/a

	expectations about how common workplace challenges, such as issues of data analysis and integrity, bullying or retaliation, will be managed. The information gathered through this process should inform the adoption of new policies as needed.					
EP21	The Fund's mission and work will occasionally give rise to concerns about the impact of political pressure on data integrity and analysis. To increase trust in the Fund, both internally from staff and externally from the public, it is critical that the Executive Board support efforts to create greater internal consensus and more detailed policies that are used to resolve these concerns when they arise. This report recommends that the Ethics Officer and Ombudsperson engage in roundtable dialogues on these matters. Executive Board members should be active participants in these conversations, then support the resulting policies and norms. Doing so will increase the perception that the Executive Board and staff at all levels are able to constructively work together as a team and reduce potential perceptions of unproductive divisions between staff and Fund leaders.	Support	The Steering Group and the Board are engaged in work to clarify the terms of engagement between staff and the Board, in order to share the best practice and protect against undue influence (or perceptions thereof) due in CY 23Q1/2 (See DAI Rec. No. 1). Moreover, the comprehensive review of the Board Code of Conduct being conducted CY23 Q1/2 is another opportunity for the Board to cement shared understandings of the roles and responsibilities of Executive Directors (see EP Rec. No. 1).	CY23 Q1/2	Yes, transitional support to review of Code of Conduct	Board

EP22	Hold an internal Executive Board meeting, using external facilitators or the Fund's Ombudsperson or Mediator, to discuss ways in which the Executive Board can visibly and verbally support efforts to increase transparency in matters related to ethics matters at the Executive Board and MD levels. Reach shared understandings of the ways in which the Executive Board will work to improve the Fund's culture. The Executive Board's organizational culture, commitment to accountability and transparency will go a long way to demonstrating a commitment to the highest standard, which is necessary to build trust with staff and stakeholders while protecting the Fund's image.	Support	The proposal to establish a regular process of engagement between the DRS Heads, Management and the Board, will be an appropriate forum for the Board to consider these matters (see EP Rec. No. 14). Moreover, the initiative to share greater information about the work of the Ethics Committee will serve the purpose of increasing transparency (See EP Rec. No. 9).	CY23	Accommodate within existing work program	Board
EP23	Hold each other accountable to the highest ethical standards, including the expectation that all employees will be treated respectfully and professionally. While formal power over other Executive Board members may be limited, the Executive Board has deep reserves of informal influence which it can harness to hold each other accountable.	Support	The comprehensive review of the Board Code of Conduct in CY23 Q2/3 is an opportunity for the Board to make progress on this recommendation (See EP Rec. No. 1.)	CY23 Q1/2 for Code of Conduct Review	Accommodate within existing work program	Board
EP24	Complainants should not be required to be re-assigned or to take a different position if they do not desire	Support with modification.	Where misconduct is found, disciplinary action is taken against the subject of the investigation – not the complainant. In this	CY23 Q2/Q3	Accommodate within existing work program	OII, in consultation

<p>that action. Instead, if allegations of harassment, retaliation, discrimination, or other bad behaviors are substantiated, the alleged perpetrator, rather than the complainant, should bear the weight of any inconvenience or negative career impacts. Individuals who have treated others inappropriately should not be promoted without taking steps (such as ongoing monitoring and skills coaching) to ensure the negative behavior is not repeated.</p>		<p>sense, the Fund is acting in line with the recommended action.</p> <p>With respect to issues impacting potential victims or complainants in cases where investigation is pending, interim protective measures are being implemented and policy for retaliation process strengthened (see EP Rec. No. 8 vi.) A new whistleblower policy, referred to above (see EP 8(iv)), will also serve to codify the protections for whistleblowers, including that they should not be required to be reassigned.</p>			<p>with HRD, LEG, SAC</p>
<p>Employees at any level who use and prevail in the DRS process (e.g., Peer Review, Administrative Tribunal, etc.) should receive support from HRD to ensure their careers are not negatively impacted by their use of the DRS. Periodic (e.g. every 3 years), and transparently published review should be undertaken to assess the extent to which HRD and LEG are protecting and supporting employees who use and prevail through the DRS.</p>	<p>Support</p>	<p>Existing policy provides protection. All employees who use the DRS are protected by the IMF's Retaliation Policy whether or not they prevail in their claim. Any employee who believes that a career decision has been influenced by their use of the DRS may engage DRS services (including reporting this to OII for inquiry and/or investigation) and if retaliation is established, remedial action will be taken. The Fund's response to the recommendation on communication of this policy and on culture change will raise awareness of the ways in which the Retaliation Policy protects employees who use the DRS.</p> <p>In addition, to ensure employees are aware of the informal and formal DRS services available to support them should they have concerns, HRD is adding standard information about</p>	<p>On-going</p>	<p>Accommodate within existing work program</p>	

			protections under the Retaliation Policy to communications about the Administrative Review process. Staff who have used the DRS can bring concerns to the DRS and/or HRD should they experience career issues. This is a practical alternative to tracking individual career developments of personnel who have used the DRS over extended periods where such developments can be influenced by multiple factors.			
EP25	Staff who work as peer reviewers, serve as witnesses, or otherwise assist the work of the DRS offices should receive positive acknowledgement in their performance reviews for their contributions.	Support	At present, staff who make significant contributions to DRS processes (e.g., service as a Grievance Committee member, Independent Witness Program member, or Peer for a Respectful Workplace) generally record this in their Annual Performance Review (APR) forms. HRD will review APR briefing notes and annual guidance materials for the 2023 APR cycle to ensure that staff are aware that they should record such contributions in their APR form and will encourage managers to seek input from the Grievance Committee Chair, to explicitly comment on such institutional contributions, and ensure that they are considered in the assessment of performance.	CY 2023 Q2	Accommodate within existing work program	HRD
EP26	The Fund should reduce litigiousness by creating accountability measures for HRD and LEG and managers for use in performance reviews and promotion decisions. Missed timelines should be reflected on individual performance reviews of the responsible parties.	Support	When individual staff members do not meet deadlines for work deliverables, and when this reflects individual performance deficiencies (rather than, e.g., resource constraints outside of the individual's responsibility, or unanticipated challenges such as exceptionally high workload or sick leave), this is reflected in performance reviews. Performance reviews are	On-going	Accommodate within existing work program	HRD, LEG

			in turn taken into account in promotion decisions.			
EP27	Supervisors should engage in collaborative problem-solving and dialogue on difficult issues such as data analysis and integrity with your team. Conflict comes from unmet/unclear expectations. Supervisors should discuss difficult topics on an ongoing basis with the goal of building shared expectations to avoid and manage conflicts productively. Facilitation can be requested from the Ombudsperson or Mediator as desired as well as skill-building from Office of Innovation and Change and HRD.	Support	We support this recommendation by leveraging Departmental initiatives/consultations that are being implemented in response to the 2021 D&I Survey (e.g. facilitated discussions) to encourage managers to develop behaviors in line with the IMF's competency framework and Core Values. Cultural work stream in EP Rec. No. 30 to undertake stock take of program to determine how to strengthen support to supervisors.	Ongoing	Accommodate within existing work programs.	All departments
EP28	Employees should not wait to be rescued from above. They should initiate or request collaborative conversations around organizational culture in your team. When problems and disagreements inevitably arise, employees should sit down with teammate(s) and supervisor(s) as appropriate to brainstorm solutions together. Employees should collaboratively discuss and reach consensus on the shared values which will guide their team's work and interpersonal relationships together, and revisit these values when	Support	We support this recommendation by leveraging Departmental initiatives/actions that are being implemented in response to the 2021 D&I Survey (e.g., focus groups, feedback sessions, facilitated discussions) to encourage managers and staff to develop behaviors and competencies in line with the IMF competency framework and Core Values. Cultural workstream under EP Rec. No. 30 to undertake stock take of program to determine how to strengthen support to staff.	Ongoing	Accommodate within existing work programs.	All Departments to work with staff and representative staff groups such as the Diversity Reference Groups and Peers for a Respectful Workplace

	problems arise to jointly decide how to operationalize them day-to-day.					
EP29	Employees should ask for help and be willing to help and should be bold in asking for help from HRD, the Mediator, and the Ombudsperson. If these efforts fail, employees should be willing to give the DRS a try rather than allow problems to go unresolved. Employees should volunteer to participate in the DRS by serving as an Ethics Ambassador, Peer for a Respectful Workplace and other functions.	Support	We support this recommendation with an “If you see something, say something” multi-media campaign (in collaboration with COM, DRS Offices) and other communication deliverables under EP Rec. No. 6.	CY23 Q2 through CY25 Q4	Accommodate within existing work program	HRD in collaboration with COM and DRS Offices
EP30	The Fund should launch a Fund-wide Culture Change Program that aims to establish an organizational culture of dialogue and integrity, whilst breaking the silo structure at the Fund and promoting a true “speak up” culture, as well as a DRS system that supports fairness and fosters staff voice and participation creating a better and more productive work environment. This could include the listening sessions and unit-based efforts to reach shared expectations.	Requires further consultation	<p>A holistic change program encompasses the design and implementation of measures set out in the IP, and related communication and outreach deliverables to establish a culture of open dialogue and debate around these issues (Ep Rec. No. 6).</p> <p>A cultural change workstream will undertake an inventory of past and ongoing initiatives and resources in the area of management and behavior change. In addition, this team, with the targeted support from a consultant will conduct focus groups and interviews to define the Fund’s current culture, its drivers, including the root causes of lack of trust and fear of retaliation, and to align on a concrete shared articulation of future state culture. The team will then identify behavior changes needed to</p>	CY23 Q4	Net cost to be determined in the budgetary process.	HRD

			<p>move from the current to the future state culture. This analysis will be conducted from CY22 Q4 to CY23 Q4.</p> <p>On the basis of this analysis, the workstream will develop a proposal to modify and strengthen existing programs to better support a cultural shift, and any resource implications should be assessed in time for the regular budget process ahead of FY25.</p>			
EP31	<p>As part of its Culture Change Program, the Fund should establish an Ethics Ambassadors Program. A point of contact in each department should promote ethics as well as the core values and answer questions/concerns about ethics. This can be the same person as the Peer for a Respectful Workplace or a different individual, as desired. The Ethics Ambassadors will champion a true “speak up” culture across the Fund and can assist in raising awareness of ethics in their departments. The Ethics Office should provide training and support to the Ethics Ambassadors. Please see the Institute of Business Ethics website (www.ibe.org.uk) for further guidance on how to establish the Ethics Ambassadors Program.</p>	Support with modification	<p>The existing Peers for a Respectful Workplace (PRW) Program encompasses ethics. Every year, the Mediation office organizes mandatory training programs for PRWs that cover communication skills, conflict resolution, and information on IMF DRS system. The trainings also incorporate the “Ethical Workplace” module delivered by the Ethics Advisor, covering Ethics Office services, IMF core values, Standards of staff conduct, IMF Policies on Respectful Behaviors and positive workplace. The Ethics Advisor will work on further strengthening this training to prepare PRWs to effectively raise Ethics awareness and empower them to raise systemic ethics-specific concerns in their department with the Ethics Advisor.</p>		Accommodate within existing work program	Mediator

EP32	The Fund should create an Employee Relations Unit within the HR Department, separate from the team that currently deals with requests for Administrative Review, to enhance adherence to timelines and early dispute resolution. Several international organizations have adopted this approach.	Requires further consultation	<p>Management supports further discussion of the structure of the teams that handle employee relations matters in HRD, including HRD's Total Rewards Division (involved in the first phase of Administrative Review) and HRD Employment Practices. HRD will prepare a proposal for management decision on changes to the staffing structure, also taking account of the related work on Recommendations 36 and 37. This proposal will be assessed as part of the FY25 budget process.</p> <p>The analysis will include standardized benchmarking of similar teams in other public and private sector organizations This will form the basis for proposals on appropriate staffing and individual work programs (including reassignment of responsibilities) to ensure that work on early informal dispute resolution, and on Administrative Reviews, is adequately staffed by suitably qualified and experienced personnel. The proposal will also consider the use of flexible staffing modalities (e.g., the use of a roster of legally qualified consultants) to allow for the temporary expansion of resources at times of unusually high workload.</p>	CY23 Q4	Net cost to be determined	HRD
EP33	The Fund should require that parties to a dispute first participate in problem-solving conversations facilitated by an Employee Relations Specialist with the parties and/or with	Insufficient support	"Requiring" parties to participate in Mediation or Ombudsperson interventions runs contrary to the hallmarks of voluntariness and self-determination that underpin informal processes such as these. While we do not	n/a	n/a	n/a

	the Mediator or the Ombudsperson and the parties to the dispute, subject to the views of the mediator regarding the suitability of the case for mediation.		support any required meetings or conversations with the offices identified, we nevertheless support encouraging increased usage of the Ombudsperson and Mediator in the first instance and early in the dispute process, especially in performance management through awareness events.			
EP34	The Fund should provide a transparent learning process regarding the Administrative Tribunal (AT) cases. When HRD/LEG defend the Fund all the way to the AT and lose, they should draft a memo to the Management and the Ethics Committee of the Board outlining what they learned for future cases. More generally, a regular yearly discussion at the Executive Board about all the cases should be scheduled.	Support	LEG's existing practice is to send a memorandum to management reporting on all Administrative Tribunal decisions, including their implications and root causes. Going forward, LEG will include a specific Lessons Learned section in this memorandum. The annual management statement, in the context of the DRS report and engagement with the Board, will also reflect on lessons learned.	On-going	Accommodate within existing work program	LEG
EP35	The Fund should engage lawyers whose role is to advise and represent staff on all their employment-related matters before the DRS and establish an office within the Fund for this purpose.	Requires further consultation	There is broad support in principle for providing legal assistance to staff at Fund expense. A variety of issues must be considered in order to develop a full proposal for the establishment of a Staff Legal Counsel (SLC) at the Fund, particularly with respect to (i) the intended nature and scope of the SLC's functions; and (ii) the terms and conditions of the SLC's appointment. A review of comparator institutions (i.e. the UN, EBRD and WBG) reveals that there are several different models for such staff legal assistance, which	CY23 Q4	Net cost to be determined	Grievance Committee Chair, HRD, LEG SAC

			merit detailed consideration. A Task Team, comprised of the Grievance Committee Chair, HRD, LEG and SAC will prepare a proposal for management’s consideration. Such a proposal should be considered in parallel with recommendations to improve the Grievance Committee (EP17 and 39) and should be completed by Q4 CY 2023. Any resource implications should be assessed in time for the regular budget process ahead of FY 2025.			
EP36	The first step of the Administrative Review process should be mandatory for benefits disputes, but optional for all other types of Administrative Review matters.	Requires further consultation	<p>Management supports the recommendation that the first step of Administrative Review process for benefits disputes (i.e., review by the Division Chief of HRD Total Rewards, which can subsequently be appealed to the Director, HRD) remain mandatory. This ensures that a large number of cases are resolved at the lowest level possible.</p> <p>The recommendation that the first step of Administrative Review should be optional in other cases will be further considered in connection with EP. Rec No. 32 and 37. Experience indicates that the review of matters related to the Annual Performance Review process can be addressed efficiently when review requests are made to Department Heads. This is because staff member’s Department Heads are often familiar with the tasks referred to in the performance review and can readily gather relevant evidence on performance from departmental staff, including opportunities to clarify performance</p>	CY24 Q3/4	Net cost to be determined	HRD, in consultation with LEG and SAC

			assessments and resolve misunderstandings or ensure that a performance appraisal reflects a balanced assessment of work during the performance year. A Task Team, comprising HRD, LEG and SAC, will prepare a proposal for management approval by Q3/4 2024 whereby it is anticipated that the first step of Administrative Review will be optional for all matters other than those involving performance appraisal.			
EP37	Short, enforced timelines (for example, 20 days for performance review disputes) should be put in place for administrative review cases, as well as preliminary assessments and substantive investigations, with consequences to the Fund or its officials for missed timelines. The Grievance Committee and the Administrative Tribunal should consider and heavily weigh the impact of missed timelines by the Fund when making awards.	Requires further consultation	<p>Management supports preparation of a proposal in response to this recommendation by the Task Team, comprising HRD, LEG, OII and SAC, that will also prepare a proposal in response to Recommendation 32. The proposal will incorporate benchmarking against other organizations to complement the Review's more general observations in this regard, and to ensure that the importance of prompt resolution of disputes is balanced against possible unintended consequences of short timelines (e.g., the possible incentive to deny claims following superficial review which would increase the need for significantly more complex, labor intensive, and time-consuming proceedings before the Grievance Committee or Arbitrator).</p> <p>HRD currently invests significant efforts in the informal resolution of disputes, when justified by the evidence gathered during the Administrative Review process. Resolution efforts (e.g., discussions with the requesting</p>	CY24 Q3/4	Net cost to be determined	HRD, in consultation with LEG and SAC

			<p>employee regarding possible informal resolve disputes; settlement negotiations) have historically been recorded as an aspect of the Administrative Review process, even though they are based on review work that is complete or largely complete. From 2023 onwards, HRD's records will separately record the time taken on the review process and the time taken on resolution initiatives to ensure a more accurate depiction of the actual time taken on the review process.</p> <p>The Task Team will also consider new rules related to consequences for missed timelines (e.g., a rule that reasonable legal fees will be reimbursed by the Fund if a timeline has been missed, even when the grievant does not ultimately prevail in their case).</p>			
EP38	<p>HR, the DRS and related offices must be adequately staffed to enable the offices to meet these timelines and/or internal resources redirected. In the Panel's view, the process of allocating resources to HR and the DRS would benefit from a thorough, objective, and transparent evaluation of resources needed to ensure that they can meet timelines and procedural requirements.</p>	Support	<p>As with all Fund departments, a robust process for organizational and workforce planning integrated into the budget process is critical. Under the current structure, the DRS offices receive informal support from HRD on workforce planning and representation in budget formulation. They receive formal support from OBP for the administration of their budgets.</p> <p>In FY23, an initial review of DRS staff supported a 30 percent increase in the DRS Offices' resourcing, including provision of 5 staff positions.</p>	CY23 Q2	Net cost of staffing to be determined	OBP, HRD in consultation with DRS offices

			<p>Beginning with the FY24 cycle, the DRS Offices will work with HRD to formalize workforce plans that will form the basis for budget discussions within six months for implementation beginning in FY24.</p> <p>HRD's Administrative Review functions, which also form part of the Dispute Resolution System, will continue to follow the IMF's annual budgeting process. As part this process, the administrative review and informal resolution case load and timelines will be considered as part of the resourcing assessment.</p>			
EP39	<p>The Fund should re-brand and re-cast the current Grievance Committee into a peer review mechanism designed to be faster, including placing greater emphasis on equity, and being a less judicialized process, along the lines of the peer-review processes employed in other benchmarked organizations. This will reduce the length of time taken before a recommendation reaches Management for a decision.</p>	<p>Requires further consultation</p>	<p>The Grievance Committee is a hybrid system, which includes elements of both arbitration and a peer-review process. The Grievance Committee has benefited from the professionalism of its various (external) chairs over the years, who have been experienced employment arbitrators. As a result, the Committee has been able to undertake thorough fact-finding and legal analysis, producing high quality reports for management's consideration. At the same time, the Grievance Committee process has become more legalistic and litigious, as well as time-consuming. This evolution is not unique to the Fund, as other international organizations with similar experiences have reached the conclusion that their internal justice systems had become too slow, inefficient, and ineffective and required</p>	CY23 Q4	<p>Net cost (if any) to be determined</p>	<p>Grievance Committee Chair, HRD, LEG and SAC</p>

			<p>significant reform, examples of which may be instructive for the Fund.</p> <p>The SAC has indicated that they do not support the recommendation to change the Grievance Committee into a peer review system. While noting such concerns, it would be prudent to ensure that the Fund’s system reflects best practice. A Task Team, composed of the Grievance Committee Chair, and representatives of HRD, LEG and SAC will review the practice of comparator organizations with a view to determining whether to recommend any changes to the design of the system.</p> <p>The Task Team will also develop proposals for possible changes to the Grievance Committee procedures to reduce formality and litigiousness to re-focus the grievance process on its essential fact-finding purpose.</p> <p>The Staff Association believes that this could be achieved through enhanced discovery, for which it has prepared a draft policy for discussion. The Staff Association believes that a more efficient dispute resolution process, as called by the Review, needs to rely on full transparency on the part of the institution, including through a policy that grants full access to documents requested by an Applicant/Grievant through the discovery process within 30 days of requesting those</p>			
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			documents. In the SAC's view, such a policy would greatly facilitate and expedite the dispute resolution system. However the joint Board/Management statement called for less formal and more efficient dispute resolution processes. The Review's finding that the Grievance Committee's "unusually elaborate process of discovery, which is rare in international organizations" is a factor contributing to the "unduly lengthy" proceedings at the Fund. As such, views diverge widely on how to improve the Grievance Committee process, and will thus require extensive consultation with a number of stakeholders as well as further benchmarking. The Task Team will prepare proposals in conjunction with proposals for the Staff Legal Advisor (EP35) and to incentivize and prioritize time required for peer reviewers, witnesses and others to process disputes more efficiently through the Grievance Committee (EP17) by Q4 CY2023.			
EP40	Format for Submission: Create a form for filing requests for administrative review and include a section asking specifically for a description of the measures the complainant would like HR to take. This could create yet another opportunity for dialogue between the staff member and Management to address the matter through informal resolution, where possible. This would also help to	Support	Information on the remedy sought and date of the request has historically been included in the majority of requests for Administrative Review. To make it easier to indicate willingness to participate in mediation or other resolution initiatives; to prepare a request for review; and to automate certain reporting tasks, HRD has commenced work on a standardized online Administrative Review Intake Form (including a section specifically asking the requesting employee to describe	CY23 Q1	Accommodate within existing work program	HRD

	memorialize the date of the complaint.		the desired action) as well as an Exit Questionnaire. This is to be implemented in 2023 Q1 and will additionally automate some aspects of maintaining case tracking data.			
EP41	The Fund should devote greater efforts to offer a comparable position within the organization to an employee whose employment was wrongfully terminated.	Support	A Task Team, comprising HRD, LEG, and SAC, will prepare a proposal for management approval. The Task Team will consider a new Staff Handbook rule setting out a formal decision-making protocol for consideration of reinstatement in cases involving the end of employment (including formally documented consideration of equity to the former employee).	CY23 Q4	Accommodate within existing work program.	HRD
EP42	All employees of the Fund (including contractual employees) should enjoy the same access to all the DRS and related offices, including the Grievance Committee and the Administrative Tribunal.	Requires further consultation	<p>Contractual employees already have access to the informal DRS mechanisms, including recourse to the Ombuds and the Mediator. However, the question of access to formal DRS mechanisms by contractual employees raises difficult issues, given the fact that they fall under a different legal regime than staff.</p> <p>Given these distinctions, at the time the IMF Administrative Tribunal (IMFAT) was established, the Board accepted that disputes with contractual employees could be resolved more simply and expeditiously by providing for resolution of their claims through final and binding arbitration. Accordingly, an arbitration process has been available to contractual employees under an established procedure since 1993, which was amended to allow for the application of the same</p>	CY24 Q4	Net cost to be determined	LEG, HRD, SAC. OMB

			<p>procedural safeguards that are afforded to staff under the grievance process.</p> <p>It is proposed that a WG, led by a senior staff member designated by management, composed of representatives from HRD, LEG and SAC, including the Ombudsperson, would develop proposals for any amendments to the dispute resolution procedures applicable to contractual employees.</p>			
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